Economic and social causes for a late development: a comparison between India and Ethiopia

Azzurra Rinaldi¹ Unitelma Sapienza University of Rome Azzurra.rinaldi@unitelma.it

Fabiana Sciarelli² Unitelma Sapienza University of Rome Fabiana.sciarelli@unitelma.it

Presented at the: SIBR-RDINRRU 2015 (Osaka) Conference on Interdisciplinary Business and Economics Research, 2nd-3rd July 2015, Osaka, Japan.

ABSTRACT

Awareness on the characteristics of a country is often a preliminary requirement for the full understanding of the feasible solutions to its lack of development. The aim of this paper is to study, to analyze and to identify the multiple reasons for a lack of development in two very different areas of the world: Tamil Nadu, in India and Ethiopia, in Africa. Most of the literature shows that the causes of underdevelopment in developing countries may be related to many different issues: a lack of technology, social and cultural issues, environment, the availability of natural resources, among the others (Chabbot and Ramirez, 2000; De la Croix and Doepke, 2000; Luckham, 2005; Zhang and Zhang, 2005). Examining all aspects of the issue, this is the reason why different solutions should be provided.

Both Tamil Nadu and Ethiopia are growing economies where there are huge differentials in economic development and growth within the country. Moreover, both countries could be growing more and faster than what they are actually doing. One of the major issues affecting the growth of both countries is related to the lack of a spread social and cultural development. In such an environment, where also

¹ Azzurra Rinaldi wrote the following paragraphs: Introduction; 1. Tools for the analysis of development: HDI and MPI; 1.1 Human Development Index (HDI); 1.2. Multidimensional Poverty Index (MPI); 2. Development of India (Tamil Nadu) and Ethiopia; 2.1 HDI India – Ethiopia; 2.2 MPI India – Ethiopia.

² Fabiana Sciarelli wrote the following paragraphs: 3. Development projects of India-Ethiopia; 3.1 Economic development; 3.2 Health; 3.3 Education; 4. Sustainable Development State; 5. Conclusions

government policies seem not to perfectly work, two NGOs are acting very effectively: Terre des Hommes CORE Trust (an indian-based NGO) and Centro Aiuti per l'Ethiopia (an italian NGO which operates in Ethiopia) support the professional growth of children in the perspective of benefitting the whole area in terms of social and economic growth.

Training activities are not only intended to fulfill children's basic needs, but also to improve their well-being; this approach is crucial to trigger a virtuous cycle aimed to promote the economic growth of the whole area.

The research studies the model of Terre des Hommes Core and Centro Aiuti per l'Ethiopia as a systems of endogenous and implosive development of a weak area.

The study analyzes the existing model and identifies what is specific to these project as well as their backgrounds and future development in order to see if and how they can be used in other countries.

The research also tries to imagine the best ways to start a development process by the transferral of funds and skills to deprived areas, with the crucial aim to provide policy indications to those countries that want to undertake the same process.

Defining a model of integrated and sustainable development for disadvantaged areas could allow the entire population to experiment better conditions from a social, cultural and economic point of view.

Keywords: development, growth, policies.

Summary: Introduction; 1. Tools for the analysis of development: HDI and MPI, 1.1 Human Development Index (HDI), 1.2. Multidimensional Poverty Index (MPI); 2. Development of India (Tamil Nadu) and Ethiopia, 2.1 HDI India – Ethiopia, 2.2 MPI India – Ethiopia; 3. Development projects of India-Ethiopia, 3.1 Economic development, 3.2 Health, 3.3 Education; 4. Sustainable Development State; 5. Conclusions; References.

Introduction

What does a country need for its own development? Which elements are absolutely unavoidable to allow a country's balanced and sustainable development?

With this paper, we want to prove that a good strategy for a country's development should add to the three dimensions of the poverty eradication strategy (health, education and living standard) also quality and persistence, and that this strategy can be achieved through the knowledge about how and when solving the health, education and living standard issues of the country. Whatever could be the development program of a country, it should not exclude any of these five factors, if we embrace a sustainable and steady development perspective.

As most of the literature shows, social and economic factors are the main reasons of development (or lack of development) of a country: the scarcity of education, the absence of basic health standards, a low income population are the reasons of a vicious cycle of poverty that can be stopped by facing the poverty dimensions in a long term perspective.

The desire of filling the gap with the advanced countries makes the less developed countries rush in a development path that is often hasty and not really linked to the specific potentialities of the country in the long term.

Economic and social development, that is the basis of a sustainable development, must be founded on the culture of a country, its traditions, its religion, using these characteristics in order to find a very peculiar development path (and should just the emulation of the development path that has been followed by the advanced countries).

1. TOOLS FOR THE ANALYSIS OF DEVELOPMENT: HDI AND MPI

1.1 Human Development Index (HDI)³

Development of a country has been measured for a long time only by GDP and GDP growth. Nevertheless, in many cases, GDP growth has not resulted in socioeconomic development. This is why, in the last decades, more emphasis has been laid on a wider approach to development that also includes some basic social development factors.

The Human Development Index is the expression of a new vision on social and economic development that is based on the actual growth of wellness of a population, rather than on the GDP growth alone. To assess the development of a country, the HDI uses three dimensions of human development: health, education, economic development, that are measured by life expectancy rate at birth, a basic literacy among the population (mean of years of schooling for adults aged 25 years and expected years of schooling for children of school entering age) and GDP per capita PPP. Even if HDI is a very useful tool in order to understand the development path of a country as a whole, it still doesn't give information on some important issues such as inequalities, poverty or empowerment, even if a deep understanding of a country's development would require it.

1.2 Multidimensional Poverty Index (MPI)⁴

Literature shows that poverty and inequalities tend to increase in the first stages of a country's economic development (Anand and Kanbur, 1993; Kuznets, 1955; Persson and Tabellini, 1994) and we also know that population not only suffers from absolute poverty, but also suffers from relative poverty.⁵

MPI measures both incidence of deprivation and its intensity. Incidence is the percentage of people who are disadvantaged, while intensity is the average share of dimensions in which disadvantaged people are deprived.

One of the major benefits of MPI is that it can be disaggregated by ethnicity and other population groups, as well as on a territorial basis. The MPI is based on three dimensions: education, health and living standards. Education is measured by two

⁵ Ibidem.

³ http://hdr.undp.org/en/content/human-development-index-hdi

⁴ Multidimensional Poverty Index 2013, Sabina Alkire, José Manuel Roche and Suman Seth, March 2013; University of Oxford, Ophi, www.ophi.org.uk

indicators: years of schooling and school attendance. From the years of schooling point of view, a family is deprived when none of the household members has completed five years of schooling. School attendance measures the number of school-aged children not attending school in years 1 to 8.

Health is measured by two indicators: child mortality and nutrition. A family is deprived if any child has died and if any of the family members is malnourished.

Finally, living standards are measured by six indicators: electricity, drinking water, sanitation, flooring, cooking fuel and assets. An household is then deprived if:

- it has no electricity;
- it has no access to clean drinking water (or if clean water is more than a 30-minute walk from home)
- it has not an adequate sanitation (or if the toilet is shared)
- it has a dirt, sand or dung floor
- it cooks with wood, charcoal or dung
- it owns no more than one of the following assets: radio, TV, telephone, bike, motorbike, or refrigerator and does not own a car or tractor.

2. DEVELOPMENT OF INDIA (TAMIL NADU) AND ETHIOPIA

Then, Who is poor?

We can define as multidimensionally poor a person, if he or she is deprived in one third or more of weighted indicators. In this paper, we want to compare India and Ethiopia. We choose these countries on the basis of their profound economic and social differences. Indeed, they belong to two different continents, Asia and Africa, whose economy, history and culture diverge: India is defined as a developing country (from a "pure" growth point of view, it is a developed country, since it ranks 10th in the World Bank 2013 GDP ranking), while Ethiopia is still undergoing an early development process (it ranks 84th); India (particularly Tamil Nadu, which is the cradle of Hinduism) is considered as an Hinduism country, while Ethiopia mainly is a Christian country; India is the second most populous country in the world⁶, with more than 1.2 billion inhabitants (Tamil Nadu is populated by 72 millions inhabitants), while Ethiopia is populated by 92 millions inhabitants (and ranks 13th on a global basis).

These differences should lead to a specific development strategy for each country and also to distinctive ways to fight poverty. In contrast, we shall see that, in different times, they are acting similarly.

In order to analyze these countries in detail and with the aim of comparing them, we used HDI and MPI.

2.1 HDI India - Ethiopia

United Nations Human Development Report 2014 shows that India is a medium

⁶ World Bank data.

human development country, since it ranks 135th, while Ethiopia still is a low human development country and ranks 173rd.

India's HDI value in 2013 is 0.586 (slightly growing on the previous year), life expectancy is 66.4 and GDP per capita PPP is five times more than Ethiopia.

Ethiopia's HDI value is 0.435 (even in this case, showing a scarce growth on 2012) and life expectancy is 63.6.

Furthermore, even if mean years of schooling in India are very low (4.4), in Ethiopia they are even lower (2.4).

HDI rank	Country	Development	Life expectancy at birth (years), 2013	of schooling (years),	Expected years of schooling (years), 2012	Gross national income (GNI) per capita (2011 PPP \$), 2013	Development Index (HDI)	rank, 2012-	Level of Human Development
135	India	0.586	66.4	4.4	11.7	5,15	0.583	0	medium h.d.
173	Ethiopia	0.435	63.6	2.4	8.5	1,303	0.429	0	low h. d.

Tab 1	- HDI	in India	and I	Ethiopia
140.1	IIDI .	III IIIaiu	und 1	Duniopia

Source: UNPN Data

Looking at the last decades, we may see that India started to grow during the 1980s and that its growth has been stable and continuos, except for a slowdown from 2011 to 2013. Even Ethiopia has steadily grown on an average rate of 3.35%. From 2000 to 2013 Ethiopia shows an higher growth with respect to India and from 2008 to 2013 it gained two positions in the HDI global ranking.



Fig. 1- HDI in India and Ethiopia, 1980-2013

Source: UNPN Data

Tab.2 - HDI growth in India and Ethiopia, 1980-2013

HDI rank 2013	Country	HDI rank, 2012	HDI rank change, 2008-2013	Average annual HDI growth (%), 1980-1990	Average annual HDI growth (%), 1990-2000	Average annual HDI growth (%), 2000-2013
135	India	135	1	1.58	1.15	1.49
173	Ethiopia	173	2			3.35

Source: UNPN Data

Average values show a slow yet steady growth, giving the impression that the policies adopted by governments have been effective in achieving sustainable development. Despite that, as we shall see later on, data on rural and urban areas are quite contradictory.

The UNDP 2011 Inequality-adjusted Human Development Index shows that HDI value is quite homogeneous among Indian states. The maximum gap is between Kerala with 0.625 and Orissa with 0.442.

Fig. 2 - HDI and IHDI across Indian states⁷



Notes: Vertical bars (orange color for states and red for India) indicate the HDI; dark black circles (inside the bars) indicate the education dimension index; cross within white squares, the income dimension index; and dark black diamonds (outside the bars), the health dimension index; and the states are arranged in ascending order of their HDIs.

We similarly compared HDI values among the Ethiopian regions. In Ethiopia HDI values are generally lower, with the exception of the Addis Ababa area⁸. Medium HDI values in India are then balanced between higher values in the urban areas and lower values in the rural areas. Low HDI value in Ethiopia is spread among almost all the regions, that show similar values, while there are very few areas where this value is

⁷ Ibidem.

⁸ National Human Development Report 2014 Ethiopia, (2015), UNDP, Ethiopia.

medium. Anyway, HDI values for both countries are lower than the global average. While data in the Human Development Report 2014 are referred to 2013, MPI uses 2011 data for Ethiopia and 2005/6 data for India, which are the latest available data.



Fig. 3 - Headcount Ratios of MPI Poor, Destitute and \$1.25/Poor⁹

2.2 MPI India - Ethiopia¹⁰

MPI in India is quite low, according to the 2005/2006 data. Poor population is over 50%, 28.6% of population is in severe poverty conditions and 28.5% is destitute. Destitute people are poor people who are also deprived in at least one-third of the indicators of MPI. This conceptual category is very useful in defining a situation in which poorness is combined with the lack of some basic services and issues, like water, basic health services, very basic assets used for everyday life.

Tab.3 - MPI in India and Ethiopia

Country	MPI: Year/Survey e	MPI: Revised specifications Index Value	MPI: Revised specifications Headcount, %	MPI: Specifications 2010, Index Value	MPI: Specifications 2010 Headcount, %	Population in multidimensional poverty Headcount, '000	Population in multidimensional poverty Intensity of deprivation	Population near multidimensional poverty %	Population in severe poverty %
India	2005/2006	0.282	55.3	0.283	53.7	631999	51.1	18.2	27.8
Ethiopia	2011 D	0.537	88.2	0.564	87.3	78887	60.9	6.7	67.0

Source: UNPN Data

Tab.4 - MPI in India

⁹ OPHI Country Briefing January 2015: India

¹⁰ Unfortunately the MPI for India is based on the year 2005/2006 and for Ethiopia to 2011. We decided to consider these data because they are, however, able to give us some interesting insights.

Region	MPI (H x A)	H (Incidence)	A (Intensity)	Vulnerable to Poverty k = 20%- 33.3%	In Severe	Destitute Poverty	Inequality Among the MPI Poor	Population Share
India	0,283	53.7%	52.7%	16.4%	28.6%	28.5%	0,234	100%
Urban	0,116	24.6%	47.2%	16.5%	9.6%	-	-	30.6%
Rural	0,367	66.6%	53.6%	16.4%	36.9%	-	-	69.4%
Tamil Nadu	0,130	30.5%	42.7%	20.2%	8.7%	-	0.091	05.05

Source: UNPN Data

One of the main issues with MPI, as far as with HDI, is related to the use of average, since, as we said before, the literature on development shows that, particularly during the first stages of the development of a country, inequality tends to grow, as it happens, for example, between rural and urban areas (Fig.4 and 5).

T 1	_				T .1.*	
Tab.	5	-	MPI	ın	Ethio	pia

Region	MPI (H x A)	H (Incidence)	A (Intensity)	Vulnerable to Poverty k = 20%- 33.3%	In Severe	Destitute Poverty	Inequality Among the MPI Poor	Population Share
Ethiopia	0,564	87.3%	64.6%	6.8%	71.1%	58.1%	0,290	100%
Urban	0,23	46.4%	49.5%	23.5%	21.0%	-	-	17.9%
Rural	0,637	96.3%	66.2%	3.2%	82.1%	-	-	82.1%
Addis Ababa	0,085	20.0%	42.4%	28.7%	4.8%	-	0.081	3.8%
Afar	0,663	90.9%	72.9%	4.2%	79.7%	-	0,332	0.9%

Source: UNPN Data

But MPI national value can also be disaggregated by sub-national regions to understand the disparities in poverty among the areas of the country. If we look both at the Indian data and at the Ethiopian data, MPI in rural areas is predictably lower than MPI in urban areas. MPI dimensions in Indian urban and rural areas are closer than in Ethiopia.

Poverty and deprivation in urban areas in Ethiopia is much worse in any of the dimensions that are analyzed with MPI: in years of schooling, nutrition, sanitation, assets.

Fig.4 - MPI Poor and Deprived Population in Urban and Rural Areas - Ethiopia



Source: OPHI Data



Fig.5 - MPI Poor and Deprived Population in Urban and Rural Areas - India

Source: OPHI Data

3. DEVELOPMENT PROJECTS IN INDIA AND ETHIOPIA

Data on MPI and HDI highlight the need for both India and Ethiopia to increase their human development on each of the three following dimensions: income, education and health and to try and reduce the gap between urban and rural areas, especially in Ethiopia.

Tab.6 - HDI dimensions in India and Ethiopia, 2013

HDI rank	Country	Human Development Index (HDI) Value, 2013	Life expectancy at birth (years), 2013	Mean years of schooling (years), 2012	Expected years of schooling (years), 2012	Gross national income (GNI) per capita (2011 PPP \$), 2013
135	India	0.586	66.4	4.4	11.7	5,15
173	Ethiopia	0.435	63.6	2.4	8.5	1,303

Source: UNPN Data

Tab.7 - MPI dimensions in India and Ethiopia

Country	Vear/Survey overall poverty		Contribution of Health to overall poverty	Contribution of Living Standards to overall poverty	
India	2005/2006	22.7	32.5	44.8	
Ethiopia	2011 D	27.4	25.2	47.4	

Source: UNPN Data

Many projects have been undertaken by UN, World Bank, as well as NGOs, in order to help rural areas developing. Indeed, national governments often act with the main objective of economic growth, particularly focusing on business, industry, employment rather than allowing a commensurate social, human and sustainable development, even if most of the literature shows that economic development is not sustainable in the log term if it is not supported by a general development strategy (Ahluwalia, 1976; Barrett et al., 2005; Castelló-Climent and Domenéch, 2008).

Indeed, economic growth is stronger and steadier when it is correlated with a good approach to other dimensions as health and education.

3.1 Economic development

In emerging countries like India, there often are two faces of economic development: industrial and technological growth in the urban areas and mere surviving in the rural areas. A more comprehensive approach to development in the long term should be based on an homogeneous growth and the diffusion of the same capabilities to the entire population and this aim can be achieved by allowing a medium class to grow.

MPI can surely be a good index for measuring the living standards of a country, while checking the development of the country as a whole. As we know, MPI refers to six dimensions: cooking fuel, sanitation, water, electricity, floor, assets.

As for the sub-index on the income dimension, as many as 10 out of the 19 major states perform as good as or better than the nation as a whole, that is 0.465.

The average loss due to inequality in income is highest for Maharashtra (19%) and Tamil Nadu (17%), while it is the lowest for Bihar and Assam (9%).¹¹



Fig. 6 - Trends in Income Inequality (Gini Coefficient) in Urban and Rural areas - Ethiopia

Source: MoFED, 2013b.

Ethiopia is one of the poorest country in the world: according to the last Human Development Report, it ranks 173rd on 187 countries. Lack of an adequate nutrition affects most of population, that lives with about 1 \$ a day. Furthermore, the country suffers from famine and drought, both factors that determine an high mortality rate, as well as internal migrations.

	2004/05	2010/11	2011/12	2012/13
Per capita income (US\$)	171	387	510	550
Poverty Headcount %	38,7	29,6	27,8	26
Food Poverty %	38	33,6	32,7	31,8

Tab.8 - Poverty Trends in Ethiopia

Source: MoFED data

Despite that, between 2004/05 and 2010/11, income inequality measured by the Gini Coefficient slightly declined from 0.3 in 2004/05 to 0.298 in 2010/11 (MoFED, 2013b). In the same period, inequality in urban areas declined from 0.44 to 0.37, while rural inequality remained stable, at about 0.26. Yet, poverty severity has increased in recent years (MoFED, 2013b), indicating the worsening of inequality among the poor.

Even if, during the last years, inequalities between rural and urban areas of Ethiopia have decreased, inequality is still higher in urban areas than in rural areas. While in 2010/11 the headcount poverty rate fell in rural areas from 39.3% in 2004/05 to 30.4%, in urban areas it decreased from 35.1% to 25.7%.

India and Ethiopia really do need a drive to development and both governments are committed to the growth of their countries. Indian government has set up many programs aimed to support the industrial and business development of the country, while Ethiopian government invested 142 billion in the last 16 years for the construction of the roads, for creating new employment opportunities, but also for the agricultural development of the country, while even supporting the economic growth. As it often happens during the first stages of development of countries, the focus is on economic growth rather than on social and human development, since it is widely believed that economic growth will automatically lead to better living conditions for the whole population.

Undoubtedly, industrial growth means higher employment rates and higher living standards. Despite that, even if in the last 12 years in Tamil Nadu GPD grew by 106%, many rural areas still do not have electricity, water or sanitation, except for some urban areas like Chennai or Coimbatore.

Our research aimed to understand how two NGOs like THD and CAE are intervening in those areas that traditionally are less involved in the general development of the countries.

CAE helps rising living standards in Ethiopia through a project called "Water for life". In Ethiopia, half of population has the access to drinking water (with one of the highest rates all over Africa). In many rural areas, 46% of the health diseases of population are due to the the use of dirty drinking water. Moreover, water is not easily

accessible and its procurement is commended to women and little girls, who are then forced not to attend the school.

So to provide easy and free access to water, CAE constructs new wells and reactivates the old ones and also gives population power generators, pumps, pipes, water tanks and fountains.

Living standards of the population then rise by using external capitals, external knowledge and national manpower.

3.2 Health

Health is a fundamental issue for the development of a country.

With 17% of the world's population, India accounts for 20% of the diseases on a global basis, for 20% of maternal mortality and for 25% of child mortality under 5 years. Among equally developed countries in the same area, health indicators in India are much worse and even higher inequalities may be seen within the country.

Mortality rate under 5 among children whose mothers are uneducated is twice the rate of mortality among children whose mothers had a basic education.

In India there also are deep geographic inequalities among states: in Kerala life expectation is 74 years, in Madhya Pradesh it is 58 years; vaccination rate is higher in urban areas (58%) than in rural areas (39%); only 39.7% of women delivers in an hospital; only 10% of population has an health insurance and health services are commonly paid *out-of-pocket*¹².

World Health Organization set the medical standards that require 25.4 health workers each 10.000 inhabitants; in India there are 11,9 health workers each 10.000 inhabitants and there are huge differences among states (Chandigarh: 23,2; Meghalaya: 2,5) and between urban and rural areas.

Indian government tried to intervene, especially in the rural areas, by training women from 25 to 45 who received at last 8 years of education. Each of them serves as community health worker by providing basic health services to about 1.000 people.

Also water remains one of the major issues for developing countries: lack of hygiene standards and drinkable water made Tamil Nadu's HDI decrease, as it is shown in the last Institute of Applied Manpower Research Report. Health index in Tamil Nadu only rose by 15% in the last 12 years even due to the lack of clean water.

Yearly health expenses per person in Ethiopia amounts to 5.6 \$, that is 1/6 of the minimum health expense recommended by the World Health Organization for the developing countries.

Health indicators in Ethiopia are among the worst in Africa (newborn mortality rate is 6.8% and mortality rate for children under 5 is 10.6%). Only 17% of women delivers in an hospital (African percentage is 46%)¹³. Ethiopian Demographic and Health Survey (Edhs) highlights that very few women are assisted during delivery by health professional. Customer satisfaction rate for health services is the lowest in the world

¹² Balli M., Pellegrino E., India. Le diseguaglianze nella salute e nell'assistenza sanitaria, 7 luglio 2011, www.saluteinternazionale.info.

¹³ United Nations. The Millennium Development Goals Report 2011. New York: United Nations, 2011.

(19%)¹⁴, even if the diffusion of health services generally improved thanks to the Health Sector Development Program started in 1998. Since then, there have been many improvements (for example, vaccination rate increased); nevertheless, health system as a whole is still very weak.

The conditions of the health system both in India and in Ethiopia make the role of individuals and associations fundamental, particularly for the most deprived people like women and children.

Terre des Hommes CORE Trust and Centro Aiuti per l'Etiopia have many projects that help supporting the governmental health system.

Terre des Hommes CORE Trust launched in 1994 the South Special Medical Programme which is focused on children who suffer from chronicle and congenital diseases. Since then, 350 children have benefitted under this program by receiving life saving medical and/or surgical treatment. In addition, 400 children have been rehabilitated with orthopedic corrective surgeries. Tamil Nadu's Government is also taking steps: it launched the Government Insurance Scheme, that is a special program aimed to support surgical expenses up to a certain limit. One of the peculiarities of this TDH CORE Core program, as well as many initiatives and the mission itself of this NGO, it that it is not intended to substitute government, but rather it aims to strengthen its initiatives, by extending support to children who require major treatment or intervening in those cases where the treatment is not covered by the Government Insurance Scheme.

The mission of THD CORE is saving children. This is why it supports pregnant women since the very first months of pregnancy and, after delivery, it hosts undesired children, as well as HIV positive orphan children and pure orphan children and it has also implemented many projects to help disabled children, as we shall see later on in this paper.

Centro Aiuti per l'Etiopia's approach is very similar, supporting government in many social dimensions. CAE has many health projects, like the Delivering in an Hospital Project, the Hope Trips Projects, the Gimbi Goiter Surgery Project, the Medical Care Projects, the Women Support Project and the Soddo Hospital Project.

Some of these projects are particularly aimed to reduce the maternal mortality rate and the newborn mortality rate, as well as the neonatal health complications. The Delivering in an Hospital Project is based on financial help to the public hospital in Gimbi so that deprived pregnant women can deliver their babies in an hospital. The Soddo Hospital Project a new building has been constructed where pregnant women and newborn babies can receive adequate health care.

The remaining projects are focused on enhancing the chances for the poorest population to access to health services. Finally, the Hope Trips Project intends to bring both adults and children outside the country to receive health care in the Italian hospitals.

¹⁴ Central Statistic Authority. Ethiopia Demographic and Health Survey 2011. Calverton: ORC Macro, 2011.

3.3 Education

Development differentials arise from many different dimensions that are not only economic dimensions. Education of human resources and their management is a fundamental tool of development. Data show that both India and Ethiopia lack a wide education strategy and that territorial inequalities in education are still evident between rural and urban areas and between male and female.

In India, the Ministry of Human Resource Development and its Department of School Education and Literacy is starting to improve education in rural areas, by building new schools and paying adequate salaries to the teachers¹⁵, but corruption affecting the country makes these initiatives often worthless, since teachers don't go to the forest schools and children cannot undergo an adequate education process.

Indeed, education index in Tamil Nadu grew by 44% during the last 12 years, but it s average value is still 4.79 years. Even though Indian government is committed in improving the education system, its strategy is not perfectly working and this makes individuals and associations essential for implementing education programs. Education for disabled children is also a big issue: public schools are very crowded and disabled children cannot receive a proper education. Furthermore, religious and cultural beliefs make disabled children's access to education even more difficult.

TDH CORE programs are focused on education in rural areas and education for disabled children. These programs cover a range of activities: among the others, training for the teachers, the creation of special schools for disabled children, training activities for the mothers of the disabled children, transportation for children to the special TDH schools and back to their homes.

All the children that are hosted in the 27 TDH CORE homes are provided with a school transportation program. In tribal areas, TDH CORE is starting an education program for teachers that will support government teachers and that will substitute them when they will not go to school, in order to allow children to be educated. Like the community health workers in Ethiopia, these community education workers would be the key figures for education in the tribal villages around Thiruvannamalai.

In Ethiopia, encouraging progress in educational attainment has been made and the expansion of education in the last 10 years has been impressive and it has taken place at all levels. Government started trying to improve the quality of education through the School Improvement Program launched under the General Education Quality Improvement Program (GEQUIP). This program intends to improve students' performance by creating a conducive school environment, improving the school facilities, using tutorial classes and so on.

Furthermore, Ethiopian government's particular efforts have been towards universal primary education and net enrollments in primary school have almost tripled since 1994. Nowadays, gross enrollment rates in primary school are very high: 98.2% for boys and 92.4% for girls. Secondary school enrollment has risen too, but it is still lower, especially in rural areas and among the poorest groups: secondary schools enrollment rates are 40% for boys and 37% for girls (MoE, 2013). The decrease of the

¹⁵ Annual Report, Department of School Education and Literacy, Department of Higher Education, Ministry of Human Resource Development, Government of India, http://mhrd.gov.in/ documents_reports

gender gap only started in the last five years.

The rapid expansion in the access to education is a necessary but not a sufficient condition to ensure that population may have the knowledge and the skills that will enable them to follow a longer and more productive development path. Many factors come into play in this: quality of education, employment opportunities, and the environment where productive development may be created and expanded.

Literacy rate in Ethiopia is better than the average of african countries, but it still remains at a very low level. Even though the government's education strategy set the objective of spreading an universal primary education in the country before 2015, the target is still very far. Primary school is free, but it is not compulsory, so the decisions about children's education is completely left to the families, that often prefer children to come and help in their working activities. In case of baby girls, they are often forced to get married even if they are very young.

So, even if Ethiopian government seems to be aware of the importance of education in the development process of the country, times for implementing its programs (also due to the bureaucracy) are often too slow and this requires some kind of support.

CAE promotes education and professional training by providing scholarships for brilliant but needy students, financial support to 8 schools that are attended by around 5,000 children in Meki (Oromia) and by constructing a new early childhood and primary school for about 800 children in Adama.

Both TDH CORE and CAE created some professional training centers, like the Paul Institute in Thiruvannamalai (where TDH CORE provides training for becoming teachers, electricians and plumbers), as well as the Mugi Professional School, managed by CAE, that basically is a carpenters and blacksmiths training center.

4. SUSTAINABLE DEVELOPMENT STATE

Although the term "Developmental State" has been used to refer to state-led economic planning as experienced in some of the countries of East Asia and elsewhere since the 1970s, serious attempts at conceptualizing it are said to have begun with the work of Chalmers Johnson in the 1980s. The Developmental State model is defined as an ideological orientation that promotes the ideal agenda of developmentalism and its institutional arrangements in the formulation and implementation of policies and programmes.

A Developmental State is one with sufficient organization and power to achieve its developmental goals, the ability to provide consistent economic guidance and rational and efficient organization and the power to back up its long- range economic policies. In this sense, it can even be viewed as a model of development that nonetheless differs from a minimalist state or other species of interventionist state such as the regulatory state and the welfare state. In the literature, it is also contrasted with weak states (that bow to the pressure mounted on them by the business or political elite) or predatory states (that tends to be extractive and exploitative of public resources for private purposes).¹⁶ This requires the state to have the capacity to control domestic in sighting and build consensus among the populace on the national developmental

¹⁶ Source: UNDP Ethiopia, 2012.

agenda by drawing attention to the long-term benefits to all.

Nowadays, the achievement of economic development alone is no longer sufficient. As we mentioned in the previous paragraphs, to follow a sustainable and balanced development path, it is necessary that all virtuous circle factors - Living Standards, Health, Education, Quality and Persistence - coexist in the development strategy.

The lack of just one of these factors, as shown by history, causes the circle to become vicious, ignoring the problems more than solving them.

The development model to which a state must necessarily aim is, therefore, a complex, complete, balanced and sustainable development model.

A Sustainable Developmental State, in simple terms, must be a state that tends to be a strong player in the three dimensions of economy, health and education of a nation, trying to put together economic, social and human development.

Policy measures and the institutional framework have been among the main reasons for the achievement of economic growth and the rapid expansion of basic infrastructure and human services that occurred in Ethiopia in the past decade and in India in the past twenty years. Both governments, indeed, have given high priority to achieving specific goals that directly promote human development and inclusive growth; they also enhanced primary health and education access and services, gender equality, job creation and provision of basic economic and social infrastructure, such as electricity, roads, telecommunications and potable water. Furthermore, governments have been investing in economic and social infrastructure, streamlining the public service, revamping the tax collection system, and supporting small and medium enterprises.

All of these policy and institutional frameworks determined very small gains in HDI rank: Ethiopia gained 1 position and India gained 2 positions. Surely, both countries need more time. Development policies require long time perspectives and the growth of both countries definitely is an encouraging factor. It is also a matter of priorities: economic growth must be accompanied by a wider development strategy based on education, health and capabilities growth. In order to support governments in this development strategy, civil society can play a fundamental role, as we saw in both countries we analyzed.

Under this point of view, Indian case is very symbolic. Tamil Nadu's GDP grew by 106% in the last 12 years. Yet, there still are many cases of female infanticide, marriage between adult men and little girls, and children (mostly girls) sexually abused.

Even though the Declaration of the Children's Rights was signed in 1998, in India TDH CORE still has to launch sensitization campaigns to raise the awareness of the population about sexual abuses on children. One of the main activities of this NGO is taking care of the mothers during pregnancy to convince them not to kill their newborn in case she is a girl. These data point out that India's human development is affected not only by economic factors, but even (in some cases, mostly) by social and cultural factors.

Ethiopia's case is very different. Here there is a lack of economic growth (in 2013, the country ranked 173 over 187 countries for GDP) and therefore many issues related to the survival of the population.

In both countries, right to health the right to education (that are among the fundamental and inalienable rights of the person enshrined in the Universal Declaration of Human Rights of the ONU) are not guaranteed both for children and for adults.

All this shows, therefore, that the 'Development State', as Johnson intended as a state of economic development, not only exists in theory, but that it also is the main expression of developing countries' governments, while the 'Sustainable Development State', that is a Human Development state, still needs to be theoretically defined and has to find an adequate application in the poorest countries.

5. CONCLUSIONS

As most of the literature, we are also convinced that economic and social growth must be founded on the culture of a country, its traditions, its religion, yet never forgetting to link these characteristics of the country to the perspectives of internationally globalized markets.

Strategy of growth should be the key element of the development process of the country.

Each development path should be based on an adequate definition of the general and the specific objectives of the process, on the required skills and knowledge, on the key figures that should be involved. Definition of priorities in the development process should also not be affected by some politic issues related to the need of each party to show their results in a forcedly short time.

With this paper we surely don't want to suggest a new development strategy to national governments, but we intend to single out some key factors that could support the development strategy that could combine politic needs with population needs. A sustainable development model whose effects could also be seen in the short run needs to be based on the involvement of civil society - local community, associations, foundations, national and international NGOs - who are already working in the country.

Social, human and economic growth may arise from the involvement of civil society, particularly in the most marginalized areas of the country, since one of the main issues in the analyzed countries is related to the lack of professionals. It is our belief that if local communities could work jointly with international professionals, development process strategy could definitely be more complete.

Civil society (and this is also what happens with TDH CORE and CAE) should not take the place of governments, but it should support governments so that national policies may also reach the most far areas, by combining a traditional top down approach to development to a new one bottom up. Civil society could also be asked by the government to train its employees. NGOs, foundations and associations may also bring international capitals within the country to solve some social problems. Foreign professionals, supported by foreign capitals, could also be useful in developing training programs in many essential services (community health workers, community education worker, community worker architecture, community planning worker, etc). This way, local manpower, that represents the link to the country's tradition and peculiarities, could be trained to manage international tools for development and countries could surely benefit from a local workforce with local capabilities and the knowledge on international tools.

As many studies on the development of deprived areas highlight¹⁷, lack of development should be explained and faced by linking structural causes to temporary causes. Territorial inequalities are determined by resources, human factors, beliefs, religion and these are the issues that many governments may find harder to be managed, since they arise from local culture and traditions, while it might be easier to manage economic variables. If the planning of a development process governments were able to include individuals from civil society, represented in different ways, and foreign capital and innovative knowledge to the start-up phase, would be able to achieve at the same time results in the short term without losing sight of the cultural and social elements necessary for the creation of the Sustainable Development State.

¹⁷ Brons J., Dietz T., Niehof A., Witsenburg K., Dimensions of vulnerability of livelihoods in less-favoured areas: interplay between the individual and the collective, Response (WUR/IFPRI) Conference, 2005.

REFERENCES

Ahluwalia, M.S. (1976). Income Distribution and Development: Some Stylized Facts, in Ahuvia A. (2002). Individualism/Collectivism and Cultures of Happiness: A Theoretical Conjecture on the Relationship Between Consumption, Culture and Subjective Wellbeing at the National Level . *Journal of Happiness Studies*, 3.

Aghion, P., Bolton, P. (1997). A trickle-down theory of growth and development. *Review of Economic Studies*, 64.

Alesina, A., Cozzi, G., Mantovan, N. (2012). The evolution of ideology, fairness and redistribution. *The Economic Journal*, 122 (565).

Alesina, A., Rodrick, D. (1994). Distributive politics and economic growth. *Quarterly Journal of Economics*, 109 (2).

Alkire S., and Foster J., (2010), *Designing the Inequality-Adjusted Human Development Index* (HDI), OPHI Working Paper No 37, Oxford Poverty & Human Development Initiative, Oxford.

Anand, S., Kanbur, S. M. N. (1993). The Kuznets process and the inequalitydevelopment relationship. *Journal of Development Economics*, 40.

Balarajan Y., Selvaraj S., Subramanian S. V., (2011), *Health care and equity in India*, The Lancet 2011, 377(9765)

Balli M., Pellegrino E., (2011), *India. Le diseguaglianze nella salute e nell'assistenza sanitaria,* 7 luglio 2011, www.saluteinternazionale.info.

Barrett, C.B., Lee, D.R. and McPeak, J.G. (2005), *Institutional arrangements for rural poverty reduction and resource conservation*. World Development, 33.

Boccella N., Tozzo O. (2005), *Le organizzazioni non governative: risorse e modelli di organizzazione*, Led Edizioni, Milano.

Bovasso J. (1976), Standard Safety: A Play in One Act, Samuel French Inc, New York.

Boyle, S. (2002), *Reaching the poor – the costs of sending children to primary school* (www. dfid.gov.uk/Documents/publications/ reachingthepoor-edpaper47.pdf).

Bratton M., van de Walle N. (1997), *Democratic Experiments in Africa, Regime Transitions in Comparative Perspective*, Cambridge University, press.

Brons J., Dietz T., Niehof A., Witsenburg K. (2005), *Dimensions of vulnerability of livelihoods in less-favoured areas: interplay between the individual and the collecive*, Proceeding Conference of less favoured areas, https://openaccess.leidenuniv.nl/ bitstream/handle/1887/15390/ASC-075287668-2518-01.pdf?sequence=2

Brown M. B.(1997), *Africa's Choices, After Thirty years of the World Bank*, Westview Press.

Caillods & Hallak, J., (2004), *Education and PRSPs – a review of experiences*. International Institute for Educational Planning, Paris (www.unesco.org/iiep/PDF/ pubs/PRSP.pdf).

Campbell, B.M., Jeffrey, S., Kozanayi, W., Luckert, M., Mutamba, M. and Zindi, C. (2002), *Household livelihoods in semi-arid regions. Options and constraints*, Center for International Policy Research, Jakarta.

Central Statistic Authority, (2011), *Ethiopia Demographic and Health Survey 2011*, Calverton: ORC Macro.

Castelló-Climent, A., Domenéch, R. (2008). Human capital inequality, life expectancy and economic growth. *The Economic Journal*, 118.

Chabal P., Daloz JP. (1999), *Africa Works, Discorder as Political Instruments*, Indiana University Press.

Chabbott, C., Ramirez, F. (2000), *Development and education*. In M. Hallinan (ed.) DFID (2001), *Sustainable livelihoods guidance sheets*, Department for International Development, http://www.livelihoods.org. Handbook of the sociology of education. Kluwer Academic Publishing, New York.

Champernowne, D.G. (1974). A comparison of measures of inequality of income distribution. *The Economic Journal*, 84 (336).

Coleman J., Court D. (1993), *University development in the third world*, Pergamon Press, Oxford.

Davico L. (2007), Sviluppo sostenibile, Carrocci ed, Roma .

De Gregorio, J., Lee, J. W. (1999). Education and Income Distribution: New Evidence from Cross-Country Data, Centro De Economia Aplicada, Universidad de Chile, Serie Economia No.55.

De la Croix, D., Doepke, M. (2003). Inequality and growth: why differential fertility matters. *American Economic Review*, 93 (4).

Deininger, K., Squire, L. (1996). A New Data Set Measuring Income Inequality. *The World Bank Economic Review*, 10 (3).

Department of School Education and Literacy, Department of Higher Education, Ministry of Human Resource Development, Government of India (2000-2013), *Annual Report*, (http://mhrd.gov.in/documents_reports).

Ellis, F. (2000), *Rural livelihoods and diversity in developing countries*, Oxford University Press, Oxford and New York.

Foster M., Fozzard A., Naschold F. and Conway T. (2002), *How, When and Why Does Poverty Get Budget Priority? Poverty Reduction Strategy and Public Expenditure Reform in Five African Countries*, ODI, London.

Federal Ministry of Health. HSDP IV, (2011), *Annual Performance Report*. EFY 2003 (2010/11). Addis Ababa: Federal Ministry of Health.

Galor, O., Zeira, J. (1993). Income distribution and macroeconomics. *Review of Economic Studies*, 60 (202).

Government of India, (2006a), *Level and Pattern of Consumer Expenditure*, 2004-05, NSS 61st Round (July 2004 - June 2005), Report No. 508(61/1.0/1), National Sample Survey Organization, Ministry of Statistics and Programme Implementation, New Delhi.

Government of India, (2006b), *Status of Education and Vocational Training in India* 2004-05, Report No. 517 (61/10/3), National Sample Survey Organization, Ministry of Statistics and Programme Implementation, New Delhi.

Government of India, (2008), *SRS Based Abridged Life Tables 2002-2006*, Office of the Registrar General, Ministry of Home Affairs, Government of India: New Delhi.

Government of India, (2010), *Education in India: 2007-08 Participation and Expenditure*, Report No. 532 (64/25.2/1), National Sample Survey Organization, Ministry of Statistics and Programme Implementation, New Delhi.

Green, M. and Hulme, D. (2005), *From correlates and characteristics to causes: Thinking about poverty from a chronic poverty perspective,* World Development, 33.

Hall, A. & Midgley, J. (2004), Social policy for development, SAGE, London.

Ishikawa S. (2007), Comparison of African and East Asian Development Models, published in Proceedings of the Japan Academy, Vol.62, No.1 Fasid.

Hodgson, G. M. (2001). The Growth of Complexity and the Knowledge Economy, in

Horton R, (2011), *Das. Indian health: the path from crisis to progress*, Lancet 2011; 377.

Janardhan Rao, N.(ed.) Knowledge Based Economy - Concepts and Cases, ICFAI University Press.

Jones, P. (1988), International policies for third world education, literacy and development, Routledge, London.

Knight, J. B., Sabot, R. H. (1983). Educational Expansion and the Kuznets Effect. *The American Economic Review*, 73 (5).

Kovacevic, Milorad, (2010), *Measurement of Inequality in Human Development* – A Review, Human Development Research Paper 2010/35, UNDP, New York.

Krishna, A. (2004), *Escaping poverty and becoming poor: Who gains, who loses, and why?*, World Development, 32.

Krueger, D., Perri, F. (2006). Does income inequality lead to consumption inequality? Evidence and theory. *Review of Economic Studies*, 73 (1).

Kuznets, S. (1955). Economic Growth and Income Inequality. *The American Economic Review*, 45 (1).

LeVine, R. A. (2001), Improve the women: Mass schooling, female literacy and worldwide social change, Harvard Education Review 71 (1).

Lorentzen, P., McMillan, J., Wacziarg, R. (2008). Death and development. *Journal of Economic Growth*, 13 (2).

Luckham R. (2005), *The Middle Classes and their Role in National Development*, CDD/ODI Policy Brief No.3 November.

Medard J.F., (1982), *The Underdeveloped State in Tropical Africa: Political Clientelism or Neo-Patrimonialism?*, in Christopher Clapham ed., *Private Patronage and Public Power*, Frances Pinter, London.

Mahan Rao, Krishna D Rao, A K Shiva Kumar, Mirai Charrerjee, Thiagarajan Sundararaman (2011), *Human resources for health in India*, The Lancet 2011, 377 (9765).

Narayan, D., Chambers, R., Sha, M.K. and Petesch, P. (2000), *Crying out for change*. *Voice of the poor. Oxford University Press*, Washingthon D.C.

National Human Development Report 2014 Ethiopia, (2015), UNDP, Ethiopia.

Negash, A. and Niehof, A. (2004), *The significance of Enset culture and biodiversity for rural household food and livelihood security in Southwestern Ethiopia*, Agriculture and Human Values, 21.

Nussbaum, M. C. (2000). *Women and Human Development: The Capabilities Approach*, Cambridge: Cambridge University Press.

Overseas Development Institute (2002), *Report on Progress and Preliminary Findings* (*PRSP Institutionalization Study. Scoping Phase*)', London, November.

Padaki V. (2007), *The human organisation: challenges in NGOs and development programmes*, Development in Practice, Vol.17, Routledge Pubblishing, Oxfam. Persson, T., Tabellini, G. (1994). Is inequality harmful for growth?. *American Economic Review*, 84 (3).

Rostow W.W.(1959), *The Stages of Economic Growth*, Econ History Review. Sarin, M. with Singh, N.M., Sundar, N., and Bhogal, R.K. (2003), *Devolution as a threat to democratic decision-making in forestry? Findings from three states in India*, Working Paper 197. Overseas Development Institute, London. Sen, A. K. (1999). *Development as Freedom*, New York: Knopf.

Sen, A. K., Nussbaum, M. (1993). The Quality of Life. Oxford: Clarendon Press.

Stewart, F. (1996). Globalisation and Education. *International Journal of Educational Development*, 16 (4).

Suryanarayana M.H., Ankush Agrawal, Seeta Prabhu K., (2011), *Inequality- adjusted Human Development Index for India's States*, UNDP, India.

Tiezzi E., Marchettini N. (1999), *Che cos'è lo sviluppo sostenibile?*, Donzelli Editore, Roma.

Tiffen, M. and Mortimore, M. (1994), *Malthus controverted: The role of capital and technology in growth and environment recovery in Kenya*. World Development, 22.

Van de Walle N., (2001), African Economies and the Politics of Permanent Crises, 1979-1999, Cambridge University Press.

Williamson, J. D. (1985). *Did british capitalism breed inequality?* Boston, MA: Allen & Unwin.

Witsenburg K. and Adano, W.R. (2003), *Ethnic violence, water scarcity and the governance of resources*, A case study from Northern Kenya. In: Faces of Poverty. Capabilities, mobilization and institutional transformation. Proceedings of the International CERES summerschool 2003.

Worldbank (2002), *Globalization, growth, and poverty. Building an inclusive world economy*, Oxford University Press, New York.

Worldbank (2004), *World Development Report 2005: A Better Investment Climate for Everyone,* World Development Report. World Bank, Washingthon, D.C.

UNDP, (2010), *Human Development Report 2010*, The Real Wealth of Nations: Pathways to Human Development, New York.

United Nations (2011), *The Millennium Development Goals Report 2011*, New York: United Nations.

Zhang, J., Zhang, J. (2005). The effect of life expectancy on fertility, saving, schooling and economic growth: theory and evidence. *Scandinavian Journal of Economics*, 107 (1).