Draft for discussions

SOCIAL SECURITY IN SOUTH ASIA: ISSUES AND PERSPECTIVES

Naila Kabeer, Alakh N. Sharma and C. Upendranadh

I. DEVELOPMENT AND DEPRIVATION IN SOUTH ASIA

South Asia has experienced rapid economic and social development in the last two decades. In fact, it has been one of the fastest growing regions in the world with per capita GDP growth accelerating in 1990s for almost all South Asian countries as compared to earlier decades. The average growth rate during the 1990s was about 5.9 percent annually and 4.2 percent in 2002. The region underwent extensive liberalisation in trade, which has been one of the important components of structural reform efforts among the South Asian countries since the mid-1980s, with Sri Lanka leading the way. Merchandise trade as a share of GDP has nearly doubled in some countries in the last decade. Trade liberalisation played a positive role in supporting GDP growth rates of 5 percent and above. Service and non-agricultural sector have been growing tremendously and been the key driving force for this economic growth. However, South Asia still attracts the lowest rate of foreign direct investment in the world at just 0.5 percent of GDP.

The indicators of social development also show improving health and education of its people and falling poverty rates. Indicators for reproductive and child health have also shown improvement with maternal mortality declining from 87 to 73 per 1000 live births. Mortality rates for children under 5 years have declined from 129 to 99 per 1000.

While the region is often referred as emerging from the shadows of low economic growth and competing with East Asia and China, this growth is hailed as being largely lopsided. The development has been very uneven between various groups of people—the fruits of growth have been largely, cornered by a small section of the skilled and other upper strata of the population. In fact, it is feared that a vast section of the population at the lower end has been further marginalized in this process of rapid growth. In fact, South Asia represents one of the most vulnerable regions in terms of human development and gender disparity. It fares poorly in several human development indicators and faces enormous challenges to improve the quality of life for all its 1.4 billion citizens, almost one-fourth of the world population. The quality of growth and poverty is being undermined by rising inequality and insecurity in many Asian countries. South Asian countries (Bangladesh, India, Pakistan, and to a lesser degree Sri Lanka) have large proportions of the rural population living in poverty with high levels of illiteracy. The region remains one of the most disadvantaged in the world: more than 40 percent of its 1.4 billion people live on less than one dollar a day, making South Asia home to nearly half of the world's poor.

Poverty is an enduring infliction in most of the countries of this region. Bangladesh, India, Nepal and Pakistan are the worse affected with close to 80 per cent of the population being below the poverty line (See Table 1). One of consequence and in most cases causes of this is poor health. The infant mortality in these four countries ranges 60-70 for every thousand, which is almost ten times that seen in developed countries. Also, low literacy levels and lack of skilled training prevent access to more productive employment opportunities by the poor. Despite the provision of public health and education facilities, their reach and efficacy leaves much to be desired and calls for considerable expansion and strengthening. While primary school enrolment and adult literacy rates have increased, South Asian illiteracy rates, at 45 percent, are still the highest in the world. The low status afforded to women and denial of equal access by women to education and employment is another critical factor, which is driving this vicious cycle of poverty. 56 percent of women in South Asia are illiterate. South Asia also accounts for one third of the world's maternal deaths. Child malnutrition, however, despite some decline, continues to remain among the highest in the world with almost 50 per cent of children are below the standards for weight by age. Environmental degradation, inadequate infrastructure, and social exclusion are among other numerous obstacles to growth and poverty reduction.

Table 1: Chosen Indicators for South Asian Countries

Countries	% People Below Poverty Line *	Adult Literacy Rate, 2004	Infant Mortality (2004)	HDI (2003)	HDI Ranking 2003	%of Dependent Population ,2003
Nepal	80.9 (1995-96)	48(2003/04)	61(2005)	0.526	136	42.8
Pakistan	73.6 (2001)	53	76(2003)	0.527	135	42.5
Sri Lanka	41.6 (2002)	92.5(2003/04)	11(2003)	0.751	93	30.6
Bangladesh	82.8 (**200**)	49.2	65	0.52	139	39.1
Bhutan	-	54	61(2000)	0.536	134	43.1
India	**80.6(1999-00**)	61(2003)	63	0.602	127	47
Maldives	2.9 (1998)	98.9	15	0.745	96	44.7

Note * Proportion of Population below PPP $2 as a day poverty line**.**
Source: SAARC, 2006.

Another important concern in the region is the sharp growth of the informal (unorganised) sectors in all the countries of this region vis-à-vis the formal sector. Most of the jobs are being created only in the informal sector with formal sector being a small share. The formal sector in South Asia is very small. Hence, a large percentage of the working population is employed in the low productive informal sector in which conditions of work are very poor. While in the case of Bangladesh and Pakistan, growth rates in employment in informal sector have increased from 1995-6 to 2000, in India it has fallen. This large pool of informal workers remains out of the standard social security schemes, both public and private.

State-funded social protection schemes exist only nominally and are supplemented by some limited programmes operated by NGOs. By one estimate (ILO, 2001), only 10 per cent of the population in the whole of South Asia has been covered by some social security. The region thus needs substantial investments in social protection and human development targeted at children, the informal sector and vulnerable groups.

Thus, the score card of South Asia vis-à-vis human development depicts a scenario of whole which is more than sum of its parts and it necessitates a closer scrutiny especially when the performance of the region in basic indicators such as education, health, water and sanitation impinge on the global development goals like the Millenium Development Goals (MDGs) Further, growing income disparities, concentration of economic and political power with the elite, crisis in governance and civil strife appear to be hallmarks of the region, which needs urgent measures to address growing discontent and despair of millions of the poor. Measures towards social protection and social security of all assume importance in this context. Addressing issues of social security for women become essential as their involvement in the market economy as full-time or part-time workers in the informal sector is on the increase while their gender roles in reproduction and care economy remains the same.
This paper is an attempt to bring together issues of social security in the context of rising global concerns about the unimpressive human development in the region. One of the main concerns of this paper is to recognise islands of excellence in guaranteeing social security to the most vulnerable across different countries in the region. It also aims to garner insights

from these experiences as well as lessons one can pull together from each of these experiences. While chronicling some of the successful experiences, it also attempts to bring out a set of recommendations to facilitate a framework that would enable the governments to take a proactive role in protecting and securing vulnerable populations of the countries.

The paper is divided into four sections. Following this introduction, an exposition on the social security is provided in Section II mainly drawing from the literature pertaining to the South Asian region. Section III gives an account of the main social security arrangements in the region and Section IV provides some select successful experiences across the region. Drawing from the above two sections, Section V identifies emerging issues and concerns pertaining to social security in the South Asia region.

2. CONCEPTUALISING SOCIAL SECURITY IN SOUTH ASIA

The concept of social security originated from the notions of welfare state and has connotations of arranging for contingencies for populations in the event of their inability to work or being subjected to sudden dispossession of productive capacities. It is to be noted that until the 1980s International Labour Organisation's (ILO's) understanding of social security formed the dominant discourse, referring mainly to specific public programmes involving social assistance and social insurance largely provided by the state. Such an approach presupposes certain level of living of population and the main aim of social security is to protect members from a fall in their living standard (Dev et al, 2000). An implicit assumption in this is that the core of income and welfare is assured through regular participation in work and production leaving only specific contingencies to be taken care public policy (Ibid). Thus, until about early 1990s, social security has reference to the workplace and work status of the individual and arranging for contingency measures is seen as the responsibility of the employer or the state.

Such a narrow understanding however has been expanded, conforming with the broader understanding of notions of poverty, vulnerability and human development. There emerged two polarised perspectives on social security viz., social risk management and human well being and security (Dev et al, 2000). Several scholars have identified the scope for expanding the hitherto narrow understanding of social security to cover protective as well as promotional measures that addresses vulnerabilities of populations (Ahmed et al., 1990) have articulated thus, "…social security is viewed neither exclusively in terms of means nor exclusively in terms of objectives. Broadly speaking our concern is with the direct role that public action can play in reducing human deprivation and eliminating vulnerability in developing country. The focus is on the use of a class of means (broadly, public action) to pursue a category of objectives (broadly reduction of deprivation and vulnerability), the appropriateness of incorporating deprivation and vulnerability is justified by the fact that many of the developing countries have large shares of employment in unorganised/ informal sectors. And the workers in the informal sector do not have access to the benefits of traditional social security".

This broader understanding of social security emanated from the awareness that mere extension of formal sector social security measures like social insurance would not suffice for the poor in the informal sector; the need for targeted social assistance like the public distribution system as well as social insurance schemes for the unorganised sector had to be specially designed to meet the needs of the unorganised sector (Guhan, 1993). For example, with an estimated 375 million labour force in the 1990s in India, only about 10 per cent had social security cover by some or other scheme in the organised sector.

Thus the current thinking on social security within the context of poverty and development in developing countries reflects the growing understanding and acceptance of social security as a non-negotiable responsibility of the state. (Guhan, 1994) asserts that social security in poor countries will have to be viewed as part of and fully integrated with antipoverty policies such as employment guarantee and food security. Similarly Getubig (1992) defines social security for developing countries as ' any kind of collective measures or activities designed to ensure that members of society meet their basic needs (such as adequate nutrition, shelter, health care and clean water supply) as well as being protected from contingencies (such as illness, disability, death, unemployment and old age) to enable them to maintain a standard of living consistent with social norms (Ginneken, 1998).

Recognising the need for expansion of scope of social security after a review, ILO in its *World Labour Review of 2000*, has defined social security "as the protection which society provides for its members through a series of public measures:

- To offset the absence or substantial reduction of income from work resulting from various contingencies (notably sickness, maternity, employment injury, unemployment, invalidity, old age and death of the breadwinner)
- To provide people with health care; and
- To provide benefits for families with children."

Defining Components of Social Security

An exhaustive exposition on the latest formulation of the concept of social security is available in a recent paper by Kannan (2005). Expanding the above, a distinction has been made between Basic Social Security (BSS) and Contingent Social Security (CSS), referring to promotional as well as protection measures, which will respectively take care of deficiency and adversity (ibid).

Further elaborating on this, Kannan (2005) points out that 'BSS is directly linked to the problem of deficiency of those who are not in a position to access minimum of resources to meet their economic and social requirements for a dignified life in a society. The notion of CSS refers to social arrangements to take care of adversity i.e., contingencies of wide ranging nature. These could be hazardous situations arising out of human life and work, such as ill-health, injuries and accidents, unemployment, maternity, old age, death of an earning member and so on.'

In this context, it would be important to understand what constitutes basic social security. Core constituents of BSS can be identified in the realms of security related to food, health, housing and education (Kannan, 2005). While the above four would refer to instrumentalities of human development, increasing recognition of the role of financial security for individuals and families needs to be appreciated in the context of need for income and economic security, mediated through financial systems (and markets). The poor are dependent on financial services of various kinds and the vicious cycle of poverty and vulnerability can be broken through financial intermediation. Inclusion of poor into financial markets/system thus becomes imperative to secure not only their participation but also vulnerability. Thus we propose the addition of financial security to the four basic constituents enunciated above. In sum, we identify *five* constituents of basic social security.

Administering basic social security measures would necessarily encompass *all populations* and would be intertwined with the poverty reduction as well as development strategies of the countries. This would mean an obligatory and universal provision of BSS for all population. Similarly, the World Bank's social risk management framework also flows from the same perspective that countries need to adopt mechanisms, which would enable broader social security for all. Some of the strategic positions of the World Bank, though subject to contest, reflect the understanding from the perspective of universality of social security to cover all populations (World Bank, 2002).

For South Asia, the World Bank articulates its priority as establishing "social risk management as an important element of poverty reduction" and focussing on microfinance, micro-insurance, and pension reform in terms of operations'. This is reflected in its portfolio of poverty reduction measures from 2000 onwards, focusing on community mobilisation and community based Microfinance in countries like India, Pakistan and Sri Lanka (Ibid).

Another related dimension is that the organising principles of poor and the marginalised in South Asian countries are quite specific to their culture and context. This needs to be recognised, as several research studies point out the need to accommodate homogeneity as well as differentiation among the poor while targeting of social security benefits in order to enhance efficiency. For example, women self-help groups in several countries have been formed through principles of organising all poor. However the efficacy of such institutions critically depended on the homogeneity and the poor have always faced discrimination and inequity in the event of heterogeneity in the groups. Thus, creating conditions for basic social security would involve recognising such sensitivities.

When it comes to CSS, as most of the literature related to workplace security measures indicate, they constitute provisioning for several contingencies that arise to the individual in relation to the inability to engage productively and earn a living. While historically 'contingencies' are often identified in relation to formal sector workers, increasing recognition of growing number of informal sector and un-organised sector workers has expanded the scope of CSS as well, especially in relation to developing countries. It is to be underscored that in the context of the working population, social security measures have also been understood or analysed as 'social protection' measures, signifying the need for protecting for contingencies. Thus social protection and social security can be used interchangeably.

Social Security and Gender

Among the varying analytical constructs, gender has been dominating the social security discourse since the 1980s. In comparison to the global discourse, however, South Asia has had a sporadic association with it, besides the arguments of affordability to take up all encompassing security issues under state welfarism, lack of an analytical framework, inclusive of characteristics of labour market and labour force, has hampered meaningful culmination of policies and programmes, which is especially evident in the framework that is in vogue for planning social security programs for women. Concerted efforts during the 1990s in the region have resulted in considering women as a distinct category due to the reasons that are associated with their gender roles. However, the perspective that many policies benignly or visibly perpetuate the prevailing gender ideologies still holds true as the inter relationship between state-care economy and the market economy are yet to be deciphered to gauge the intertwining nature of women's insecurities vis-à-vis employment and income.

The differential positioning of women in relation to state, family and markets, form the core of and irrespective of the classification employed, it can be said that dominance of either the markets or the state over the family determines the nature of a social security system.

The altruistic nature of family is dissected by sharper feminist analysis that brings out various dimensions of security issues for women both in the economic and social domain and such analysis-driven policies are yet to find place in the social security framework in the region. Predominant emphasis on maternity benefits masks the need for over arching social security programmes especially when viewing women as both a worker in the care economy as well as market economy. Organization building for institutional support, gender-friendly work atmosphere and care policies assume importance in this context.

Thus, in this paper, we take a position that the concept of social security necessarily has to accommodate all population with measures that are appropriate and specific to their needs and contexts. Cultural dimensions of social security need to be considered, as among several cultures social security contexts would vary and organisation principles and processes would depend on such cultural specificities. For example, use of traditional modes of organising may be beneficial in certain contexts and with certain segments of population especially in areas dominated by indigenous population and religious minorities. Organisation of poor and informal sector on the lines of self- help groups is one such example. Similarly the use of traditional forms of community led social security measures which were abundant in the past in South Asia need a re-generation.

We also would extend the constituents of basic social security from the four identified elements related to food, health, housing and education and advocate for income security through access to and participation in financial markets. This would mean enhancing financial access in the form of protection to savings, providing for small collateral free loans for consumption as well as for enhancing production. Without such measures the poor cannot gain from the growing income and economic opportunities. This would also address to a greater extent economic shocks that the poor often face.

A logical extension here would be to create community-based systems of financial intermediation as well as creating safety nets like community based micro insurance etc. It would essentially mean enhancing or reforming public policies and actions that would create conditions for inclusive financial sector development in all South Asian countries. This extended formulation of social security is in tune with the understanding of and evidences on the role of Microfinance in addressing income and economic security, which has essentially been mediated through women in the South Asia region. The externalities associated with such an approach, in terms of empowerment of women and impact on gender relations has to be acknowledged in this context. As we shall see in the later sections, experiences of all the countries in Microfinance for the poor and the poorest testify this position.

III. AN OVERVIEW OF THE MAIN SOCIAL SECURITY ARRANGEMENTS IN SOUTH ASIA

We begin the discussion on social security with an overview of measures taken up in different countries for the poor in general and informal workers in particular. Following this, a synthesis based on individual country experiences is presented as identifying effective interventions. It is to be noted that literature on social security, has been varying in terms of depth and breadth across the countries of the region. This limitation is manifested in the way each country's experiences are mapped in the paper. However, an attempt has been made to capture the essence of major social security and poverty reduction measures that have been in practice in these countries.

Bangladesh

Notable results are seen in Bangladesh during the past decade in the areas of poverty reduction and human development. However with about 36 per cent of the people living below one dollar as per 2000 estimates (http://www.gvu.unu.edu) and almost half the population living below the national poverty line the population is highly vulnerable to natural disasters, ill health and lack of education, for all children. A high incidence of child labour is prevalent in the country.

In terms of legal and legislative aspects, the Constitution of Bangladesh recognises the need for provisioning of basic social security measures from public funding. This is also being complimented by private initiatives. Overall public spending has increased for social sectors that account for large segments of basic social security for all population. Presence of large NGOs, particularly agencies like Grameen Bank which work with poor, destitute and orphans through Microfinance and other initiatives have managed to reach the poor. The country has pioneered in micro credit and it is estimated that it covers over 10 per cent of the poor in the country. Thus, sustainable financial intermediation by poor people, especially by women, has been achieved in Bangladesh, which has several social externalities.

Promotional / Basic Social Security Measures

We elaborate on select promotional social security measures (BSS) in the country, namely in the realms of food security, health and education. Progress in microfinance is also captured from the social security perspective owing to the overwhelming performance by the initiatives in this sector.

Food Security

Bangladesh has a long tradition of safety nets funded by external food aid. The three biggest programmes are Food for Work, which provides wheat in exchange for work in rural infrastructure projects; Food for Education, which provides wheat and rice to poor children in return for regular primary school attendance; and Vulnerable Group Development, which provides food-grain and training to disadvantaged women.

The Food for Work programme provides wages in kind (usually wheat) to rural labourers for working in labour-intensive public works, for example, water, roads, forestry fishery, during the dry season. Studies to evaluate the programme show that there has been large increase in food consumption and calorie intake at the household level, and improvements in nutrition of the population in the areas covered by the programme.

The Food for Education programme (Cash for Education since 2002), provides cash transfers to households with children in poor areas on the condition that children are enrolled at school and have a minimum attendance level. The main welfare outcomes show a 9-17 percentage point rise in school enrolment rate (from a base of 55 per cent), and nearly full attendance among beneficiaries, with improvement in long-term opportunities from children.

The Vulnerable Group Development (VGD) programme provides in-kind wheat transfer to enable destitute rural women to improve their economic and social condition. A complementary package of development services was introduced in 1988, including health and nutrition education, literacy training, savings, and support in launching income-earning activities. Evaluations show that in-kind transfers of wheat increased wheat consumption dramatically – by 70 per cent for VGD households compared to 13.9 per cent for its cash-based equivalent transfers. This high wheat consumption stems from heavy transaction costs faced by female-headed households in accessing local markets to sell their grain.

Another programme, Challenging the Frontiers of Poverty Reduction/Targeting the Ultra Poor (CFPR/TUP), extends the 'laddered strategic linkage' approach of VGD to the very poorest. It builds up the asset base of the poorest, beginning with transfer of income generating assets, health and education support, training, social development and later integrating with micro-credit programmes. The main objective of the programme is to reduce poverty among the poorest and support income generating activities. The programme has been funded by Bangladesh Rural Advancement Committee (BRAC), which is a Donor Consortium. In a 2004 mid-term assessment study on the 2002 entrants and a comparison group, it was found that the programme participants fared significantly better in nutrients and in overall calorie intake, with a calorie gap from RDA(Recommended Dietary Allowance) at 8 percentage points lower for participants; 97 per cent of participants reported to be in 'food deficit' at the baseline, but this was reduced to only 27 per cent two years later; severe malnourishment among children under five years was reduced by 27 percentage points for participants but only 3 percentage points for the comparison group.

Health

Public expenditure on health in Bangladesh remains at a dismal 1.2 per cent of the GDP (UNFPA, State of World Population 2003) (http://www.gvu.unu.edu/). With 30.2 per cent of the population undernourished, under five female mortality rate being 90 (deaths per 1000 live births) and the maternal mortality ratio of 600 (per 100000 live births), Bangladesh has not been able to adequately cater to the health needs of its growing population, especially in the rural areas which faces critical health problems. Though recent developments of the infant mortality rate (IMR) declining from 87 per 1,000 live births in 1989 to 56 per 1,000 live births in 2001 and the under-five mortality rate (U5MR) also dropping from 133 to 82 per 1,000 live births over the same period (www.unicef.org), much remains to be done in the public and private healthcare systems, more so in the former. At the same time, there are some success stories of which two successful interventions are documented in the Section IV of the paper.

Education

With 58.4 per cent of the adult population illiterate, and expenditure on education being 2.2 per cent of its GDP, Bangladesh does not fare positively on the education front. Though primary school education is free, atleast one-third of the children are not enrolled in school.

The Female Secondary School Stipend Programme, the first nationwide programme launched in 1994, undertaken by the Ministry of Education, NORAD, ADB, WB, and DFID aimed at increasing girl's enrolment and retention in secondary school, to assist them in passing secondary schools examination, and to delay girls' marriage. The programme pays the school and an examination fees and stipend to all girls in the secondary schools.

Although it is not possible to isolate the effect of the stipend from all other education related programmes, there has been a strong increase in enrolments at secondary schools particularly of female students that doubled between 1990 and 1997. Only two thirds of all girls enrolled at primary school however transferred to secondary school. This has traditionally been a factor of low incomes, lack of schools, and concerns with vulnerability and security of adolescent girls.

Another programme is the Primary Education Stipend Project (PESP), which is a central government scheme that provides conditional cash transfer to families to keep children in primary education. Families receive the benefits as long as the child attends 85 per cent of school days, and obtains at least 40 per cent marks in the annual examinations. The main aim of the programme is to keep 40 percent children enrolled in primary schools from poor families throughout rural Bangladesh. Evaluations of the scheme have shown that there is a problem with corruption in the management and administration of the programme, whereby “cuts” are taken.

Microfinance as a Social Security in Bangladesh

Bangladesh, a pioneer in the field of microfinance, has the most robust and vibrant microfinance sector in South Asia. With the success of the ‘Grameen Experiment’ in 1976, and the subsequent formation of the Grameen Bank in 1984, Bangladesh has witnessed a tremendous growth of microfinance initiatives. Today, the Grameen Bank has an expanse of 2,226 branches in 71,371 villages of Bangladesh. The total number of borrowers is roughly 18 million, with Grameen Bank leading the way with 6 million, and BRAC and ASA each having 5 million borrowers (http://www.bangladeshgateway.org).

The micro-finance interventions of NGOs in Bangladesh reflect sustainable and innovative social security mechanisms put in place by the private sector. The cultural factors come into play, especially through joint liability system and group based lending mechanism that has been put in place. Proactive donor support is an important factor for rapid growth.

Another significant player in the microfinance sector in Bangladesh has been the Palli Karma Sahayak Foundation (PKSF). Since its inception in May 1990, PKSF has been working as an apex microcredit funding and capacity building organisation for eradicating poverty by providing microcredit to the poor through its Partner Organisations (POs). It has disbursed 2347.49 million dollars in loans to 5198359 borrowers, as of September 2004. PKSF reaches its target groups – the landless and the assetless people – through its POs, and it provides greater thrust to institutional development to both PKSF and its Pos (http://www.pksf-bd.org).

In Bangladesh, Microcredit has been used as an effective tool for poverty alleviation. About 48 per cent of the poorest households with access to microcredit loans rose above the poverty line (World Bank, 2005), and 5 per cent of the Grameen Bank’s clients graduated out of poverty each year by participating in micro-finance programmes, and were able to sustain these gains overtime (Khandekar,1998). Several promotional social security measures available in Bangladesh the country aim at all the poor and address basic entitlements like education, nutrition and health. Given the historical presence of NGOs, the country demonstrates several innovations in the area of creating basic social security provisions. Microfinance is one of the primary tool to address the income and economic security of families and it has been proved in Bangladesh that substantial impact on poverty reduction is possible through sustainable Microfinance. Innovations practised by NGOs like Grameen and BRAC in microfinance to reach to poorest of the poor, destitute and other most vulnerable groups reflect the utility microfinance in creating social security for working population. However, there are no overarching social security and employment measures available for the informal sector workers of the country.

Bangladesh has managed to reach out to a significant population of otherwise disadvantaged people. In the context of failure in public policy mechanisms, like rural credit towards poverty alleviation, micro-finance has been a policy success, a ‘basket case; country, since similar success is not visible beyond the country. The presence of visionary leadership and effective donor support has also greatly facilitated the spread of micro-finance initiatives in the country (Hulme and Moore, 2005).

The recently passed Micro-finance Regulatory Act 2006 is expected to streamline reporting requirements and performance assessment procedures, besides providing a central database for micro-credit clients. The provision of pertinent policy guidelines is a stepping stone for socio-economic development in the realm of micro-finance activities for Bangladesh in particular, and other South Asian countries in general to take in the cue. Another development is the changes in gender relations and norms that the Bangladeshi society has undergone, by way of embedding of microfinance activities in the domain of economic and social processes. One the one hand, undoubtedly, there has been an enhancement of women's agency (Nathan et al, 2003) through their participation in economic activity as income earners and asset builders, yet, on the other hand, the patriarchal social structure remains overarching; 94 per cent of men upheld the idea that only male siblings should inherit the father's property (UNFPA, 2003). Increase in social violence against women also reflects the resistance to changing economic and gender relations which have been brought about by microfinance. Opposition by religious groups, and resistance by some sections of the society are bottlenecks which will impinge the potential of the microfinance sector in Bangladesh in the coming years.

Given the success story of Bangladesh in microfinance, some challenges remain. These include enhancing capacity building and performance standards of microfinance institutions, credit access to small and marginal farmers in rural areas, incorporating components of disaster management in the design of the microfinance programmes.

India

Social security programmes in India consist of two autonomous parts: i) protective social security measures such as medical care and benefits related to sickness, maternity, old age meant largely for the workers (organised and very few in unorganised sector and ii) promotional security for the unorganised sector in terms of self-employment, wage employment and provision of basic needs (food, health and education).

Promotional / Basic Social Security Measures

It is to be underscored that traditionally India has several measures of basic social security through budgetary provisioning for education, health, water, and sanitation and housing. Targeted poverty reduction programmes, public distribution system, welfare schemes, employment generation programmes and other programs for various vulnerable sections of the population have been part of the central and state government's budgetary provisions.

Such direct interventions include elements for poverty alleviation and improving social security. Some of the programmes which have been implemented for many years include land reforms, wage employment programmes, self-employment programmes like the Integrated Rural Development Programme (IRDP), provision of basic needs to the poor on subsidised basis like free education, primary health services, family planning etc, public distribution system and nutrition programmes like Integrated Child Development Services (ICDS). It can be emphasised here that finances for many such long-term interventions primarily emanate from government budgets though there are several special projects and programmes funded by external agencies or are devised to address the needs of vulnerable groups (Dev et al., 2000).

Several modifications and revisions for promotional schemes over the years reflect the efforts of governments to tackle issues of targeting equity and growth concerns and enhancing efficiency. Amalgamation of schemes and devising umbrella programmes, new and innovative programmes in response to growing concerns of liberalisation and privatisation remained as hallmarks of social security since the 1990s. Midday meal programme for children studying in primary schools, supplementary nutrition programme for children are some of the recent additions to the promotional social security measures, being implemented across the country on a large scale. Similarly formulation of National Rural Employment Guarantee Programme (NREGP) is another response to the growing concerns of rural distress in many parts of the country. With official poverty levels hovering around 30 per cent and income disparities widening constantly, India recognizes the need to address the social security of millions of the population. This is especially so with the current political dispensation, which has promised the best for the “common man”. It is estimated that any comprehensive social security measure in India needs to cover at least over 350 million working population.

The following gives a glimpse into certain basic social security programmes in India.

Employment and Poverty Alleviation Schemes:

India has been implementing a number of rural self-employment and wage employment programmes of the Central and State Governments such as Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP) 1980-89; Rural Landless Employment Guarantee Programme (RLEGP) 1983-89; Jawahar Rozgar Yojana (JRY) 1989-99; Employment Assurance Scheme (EAS) 1993-99; Jawahar Gram Samridhi Yojana (JGSY) 1999-2002; Sampoorna Grameen Rozgar Yojana (SGRY) since September 2001; National Food for Work Programme (NFFWP) since November 14, 2004. SGRY and NFFWP have now merged with NREGS 2005. These programmes were supported by the Central Government and State Governments shared part of the burden. Maharashtra Employment Guarantee Scheme (MEGS), which commenced in 1965, continued to be an important state-level wage-employment programme. Most of these schemes were formulated and implemented by the executive agency of the government.

Varying degrees of success and failures have been attributed to these programmes. Limitations include little involvement of local community in selection and implementation, centralized character, absence of social monitoring, pilferage of resources, leakages and corruption, supply-driven wage-employment schemes, inadequate employment generation because of limited outreach of the programme, inability to provide minimum livelihood security, cheating and delay in wage payment, lack of amenities for workers, low participation of women and employment opportunities inflexible to workers’ demand. Notwithstanding these limitations, these programmes have their own contributions in alleviating poverty as well as tightening of the rural labour markets. The existence of a largescale programme in India considerably helped in mitigating to some extent the adverse impacts of liberalisation in the early years (Sharma, 2004).

Drawing from the previous experiences and learnings, the enactment of National Rural Employment Guarantee Act (NREGA) that have become operational since February 2006 addresses employment security in a comprehensive way. It is a milestone towards ensuring livelihood security by providing a minimum of 100 days of ensured employment to every household initially in selected 200 districts, to be extended to all the districts of the rural areas within five years of its legislation. NREGA is also an attempt towards partial fulfilment of a constitutional obligation under Article 41 of the Indian Constitution that provides a non-justiciable ‘Right to Work’ to the citizens of the country.

Food and Nutrition Security

Public Distribution System (PDS): PDS is the most important intervention by the Government of India (GOI) towards food security. The objectives of the PDS are: a) maintaining price stability, b) raising the welfare of the poor, c) averting food security situations of scarcity, and d) keeping a check on the private trade (GOI, 2002). Of all the objectives, the first two are of overarching importance. The FCI (Food Corporation of India) buys food grains from the farmers at an administered price (Minimum Support Price) and then arranges to sell the foodgrains to consumers at a subsidised price, through allocating these to different states who in turn run their respective PDS. In the beginning the coverage of PDS was universal with no discrimination between poor and non-poor.

Over the years the policy related to PDS has been revised to make it more efficient and targeted. In 1992 Revamped Public Distribution System (RPDS) was introduced in 1700 blocks. The target was to reach the benefit of PDS to remote and backward areas. From June 1997, in a renewed attempt at better targeting of the poor in all regions, Targeted Public Distribution System (TPDS) was introduced to adopt the principle of targeting the 'poor in all areas'. It is for the first time that a differential price policy was adopted for poor and non-poor. Further in 2000 two special schemes were launched that is, the Antyodaya Anna Yojana (AAY) and the Annapurna Scheme (APS) with special target groups of 'poorest of the poor' and 'indigent senior citizens' respectively. The functioning of these two schemes was linked with the already existing network of the PDS.

The PDS as a whole has succeeded in preventing large scale food shortages during periods of natural disasters. However, the system has certain limitations. Owing to increasing Minimum Support Prices (MSP) and a more targeted approach to reach the poor, the food subsidy of the government has increased leaps and bound over the years. The food subsidy bill, which was Rs. 2,450 crore in 1990-91, increased to Rs.30,000 crores by 2003-2004.

A major concern however, has been of marked leakages in the channel of subsidy reaching to the target group. Dreze (2004) notes that in 1999-2000, the average Indian citizen received a subsidy of about Rs. 2 per month from the PDS. This suggests that the real subsidy reaching to the household for one year may be in the range of 2,500 crore to 3,000 crore. Even some of the best estimates show that only 20 per cent of total food subsidy reaches to household level (Dev et al., 2004). These estimates succinctly exhibit the poor effectiveness of the PDS in targeting the poor.

One of the basic social security measures that has inter generational effect relates to nutritional security. With over 40 per cent of children below 5 years, malnourished India stands at the threshold of malnutrition. Except for the state of Tamil Nadu and likes of Kerala, there has been no concerted effort to accomplish nutrition security among children in any other state. The following two schemes which are discussed are the crux of nutritional security for children and women.

Integrated Child Development Scheme (ICDS)

The ICDS is an ambitious scheme aimed at delivering a package of services that cater to the comprehensive development of children below the age of six years. It seeks to integrate efforts at improving child health and nutrition, non-formal education, as well as maternal health and nutrition into a single service delivery window. At present the scheme reaches out to 4.8 million expectant and nursing mothers and 22.9 million children under six years of age, through a network of 4200 projects, covering nearly 75 per cent of the development blocks and 273 urban slum pockets in the country. The ICDS is a centrally sponsored scheme implemented through State Governments.

All the ICDS services are provided through an Anganwadi (childcare centre) where the beneficiaries including infants, mothers and pre-schoolers gather on a daily basis to receive the services provided to them. These include nutrition supplements, health and nutrition education to mothers, pre-primary teaching for the 3-6 years age group and immunisation services for all. Under the Supplementary Nutrition component, food supplements are provided to the daily diet of the beneficiaries and are meant for consumption at the Anganwadi centre itself. Severely malnourished children are given double the daily supplement provided to the other children. In addition to calories and proteins, specific micro-nutrients are also provided in accordance with the requirements of various age groups.

As regards the actual performance of the scheme, it is generally observed that the programme has not been doing well mainly due to administrative shortcomings.
A concurrent evaluation of the ICDS reveals that about 67 per cent of the centres across the country report irregular supply of food. The worst affected are the central and nort eastern states where more than 75 per cent of the centres report irregularity in supplies. Himachal Pradesh, Maharashtra, Tamil Nadu and Goa are comparatively better-off in this respect. A large portion of the food supplement often does not reach the intended beneficiaries. It terms of beneficiaries satisfaction, more than 80 per cent of the surveyed households were satisfied with the functioning of the nutrition component. However, State-wise variations do exist ranging from about 90 per cent households in some states to only 30 per cent of the households in others.

The Eleventh Five Year Plan envisages the strengthening of the nutrition component of the ICDS with a focus on both micro and macro-nutrient under-nutrition. This will be achieved through strengthening the nutrition and health education component to ensure appropriate inter-familial distribution of food, targeting of children in the 6-36 months age group and pregnant and lactating women, ensuring universal screening of all children, at least quarterly, to identify faltering growth, focusing on training and supervision of ICDS personnel to improve the quality of services provided, shifting the focus to take-home food supplements as against feeding at Anganwadis and emphasising inter-sectoral linkages, especially between the Health and ICDS programmes.

Education

After 5 decades of independence, more than half of India's population remains illiterate. Given this dismal backdrop, it is encouraging to note that significant progress has been in schemes helping all children upto 14 years. However, the goal of universalisation of education still remains unattained. Gender and social gaps in enrolment, retention and learning at the primary stage, inadequate teacher education and low teacher pupil ratio are disturbing issues that need to be addressed.

The Sarva Shiksha Abhiyan (SSA) and the Midday Meal Scheme (MDM) form the crux of public primary education interventions. The SSA is an elementary education scheme of satisfactory quality with emphasis on education for life. Some significant interventions under this scheme include renewal of curriculum, recruitment of approximately 600, 000 additional teachers, free distribution of textbooks to 5.34 crore children, regular learners' evaluation and school monitoring etc. Emerging issues which need to be addressed in the implementation of SSA include redesigning of teacher training needs and their regular performance appraisal, reexamining financial norms for enhancing the programme and quality component, and operationalisation of independent pupil assessment systems in each state.

The National Programme of Nutritional Support to Primary Education (NPNSPE), popularly known as Midday Meal Scheme, introduced in August 1995, has the following objectives: (a) the educational objective of universalisation of primary education with the specific goals of increasing enrolment in primary schools and encouraging regular attendance and retention, and (b) and of improving the nutritional status of children in the primary school age group. An evaluation of the programme in ten States, conducted by Operations Research Group (ORG) indicates an average coverage across the country of 59 per cent of eligible students. Thus in terms of outreach to the target group, the programme appears to have been successful, as it is very largely self-targeting. Restricting the programme to Government and Government aided schools ensures that it reaches only children from poor families, as the more affluent send their children to private schools. Caste-wise, the programme reveals a higher coverage of Scheduled Castes and Scheduled Tribes to the extent of 71 per cent of the beneficiaries being from these categories. Also, 94 percent of the ST and 88 per cent of the SC children belonged to BPL families with a monthly income of below Rs. 2000.

Other Promotional Measures

While special projects and externally funded programmes do reflect the attempts of government to address poverty, vulnerability and social security, the disparity in allocations social sector indicators reflect a situation of despair. The situation has accentuated during the past one decade, during the period the country has embarked on series of fiscal and financial reforms where in public investments have been moved away from social sectors (Dev et al, 2000). Sarva Siksha Abhiyan (SSA) for universal education, national rural health mission for health are some of the important national programmes which have been supported by international donors and the World Bank apart from committed government funds.

Though the expenditure set aside for social security measures is important, it does not reflect an enhanced well-being and social security as efficiency and effectiveness of such expenditures become critical in measuring the impact. In a democratic country like India, this assumes importance as the potential beneficiaries of such basic social security measures often belong to less articulate and less powerful social and economic groups (Dev et al, 2000). For example, a number of government institutes offer housing finance, including financial institutions such as banks, financial institutions and insurance companies. However, only a few cater to the needs of the poor and the underprivileged. The State Housing Board and the State Slum Development Boards provide funding and other support facilities for new housing as well as for renovating old housing for the poor (Schenk, 2001). Several NGOs are also actively involved in catering to the housing needs of the poor. One successful programme is the Slum Networking Project undertaken in many cities in India funded by the World Bank.

While the Central and State governments are major players for addressing the basic social security of millions of poor, there are several NGOs and donor funded projects available in India that addresses basic social security. Though the coverage has been uneven in terms of geography and population, they do represent substantial presence in addressing basic social security. Presence of NGOs in social security and social protection assumes importance as they are able to demonstrate some of the innovative and sustainable models that have potential for replication on scale.

Protective/Contingency Social Security (CSS) Measures

Given that 90 per cent of the workforce is in the unorganised sector, universal coverage of CSS measures are being increasingly advocated as important. This is being recognized and NCEUS (National Commission on Enterprises in the Unorganised Sector) has been set up by GoI to address this. This measure is unique for the entire South Asia region, as the informal sector covers over 90 per cent of the working age population and there has been no attempt to address their needs in a comprehensive way in any country.

When it comes to Central Government sponsored social security measures, the following categories can be highlighted (NCEUS, 2006):

(i) National social assistance programmes which include, national old age pension scheme, national family benefit scheme, national maternity benefit scheme;
(ii) Social security through Central welfare funds, which include welfare measures to workers belonging to mining, *beedi* and other sectors;
(iii) *Varishta Pension Beema* for unorganised workers aged 55 and above,
(iv) Social insurance Scheme – *Janashree Beema Yojana* for persons in the age group of 18-60 years and living below or marginally above the poverty line,
(v) Scheme for handloom weavers and artisans – thrift fund schemes, new insurance schemes, group insurance scheme, workshed-housing, health package and insurance, pension plan, insurance for powerloom weavers,
(vi) *Krishi Samajik Suraksha Yojana* for all agricultural workers within the age group of 18-50 years, and
(vii) Welfare legislation for building and other construction workers.

Apart from the above, there are several state governments, measures of social security for different segment of workers in the unorganised sector. Over 60 schemes for unorganised sector have been implemented by various state governments of which over 25 are being implemented in the state of Kerala alone. This reflects the fact that the state has had a evolved social security system for a long time, whereby workers belonging to various occupations and trades are provided with social security measures which include pension, insurance. (NCEUS, 2006).

The presence of NGOs in social security in India is worth mentioning. Over 55 schemes ranging from micro credit, micro insurance schemes to food for work and employment generation are administered at the local level through community participation by the NGOs (ibid).

In India, especially in the southern states, large-scale mobilization of women through micro-finance has seen substantial social as well as economic externalities. Mobilization and organization of women into self help groups under BCC is creating opportunities of self-employment and generating income and economic security. While the coverage of such approach is uneven, it is growing into a major social protection strategy. Currently over a million self-help groups representing over 150 million poor women reflect the massive mobilization of the poor anywhere in the world. Further innovations in terms of micro insurance, community-based health insurance, community funds for other social interventions like education and health are being practised by NGOs (Kabeer, 2002). Replicability of such models needs to be addressed in a comprehensive way and the need for public policy on designing such schemes need to be explored.

Taking inputs from diverse models of social security available in India from governments and NGOs, the NCEUS has recently (2006), submitted to the government a comprehensive approach and programme of social security for the unorganised workers, the National Social Security Scheme. The major recommendations of the Commission among others, is a bill that relates to unorganised workers which provides legislative backup to a minimum national social security. The bill has been visualised as all encompassing addressing universality and equity of social security measures. They take into account the heterogeneity of the unorganised sector and makes provisions for both protective as well as promotional aspects of social security. The bill on social security is designed to provide the following benefits to all workers in the unorganised sector:

- old age pension to all workers above the age of 60 years;
- health insurance for self, spouse and children below age of 18 years;
- maternity benefits for women workers or spouses of men workers; and
- insurance to cover death and disability arising out of accidents.

Micro-finance

In recent years, the Indian micro-finance sector has undergone dynamic growth. Two predominant models of micro-finance delivery in India are the MFI Model, and the SHG-Bank Linkage model. The total loan outstanding for the former is approximately Rs. 1600 crores, and the total loan disbursed under latter in 2006 is Rs 4499 crores (Ghate 2006). The SHG Model is an indigenous 'home bred' model, which is promoted by NABARD, the national apex agricultural bank of the country. The fact that 400 women join the SHG movement every hour is an indicator of the phenomenal success of the programme (http://www.nabard.org). In this model, it is believed; issues of participation and empowerment are addressed better in comparison to the MFI model.

The Indian experience of microfinance vis-à-vis poverty alleviation has been diverse. In a study done by CGAP, it was found that half of SHARE's clients were able to lift themselves out of poverty (www.cgap.org). There is literature that confirms that the economic status of microfinance clients gets enhanced by participating in microcredit programmes (Todd, 2001; Dash and Kabeer, 2004). However, a major contention against microcredit is its inability to reach the poorest of the poor. With the influx of commercial banks in the microfinance sector in a major way, the focus is on increased outreach and financial sustainability. In this context, micro-finance programmes by design might exclude the poorest of the poor, and this remains a concern.

Another concern in India has been the uneven geographical spread of the micro-finance movement that remains to be addressed. The southern and eastern states of the country account for 95 per cent membership in the MFI model and the share of the four southern states in cumulative SHG loans in 2005 stood at an overwhelming 58 per cent (Ghate, 2006).

In summary, India presents a case in point to attempt an over arching social security regime for all informal workers. There are several basic social security measures through investments in health, education, nutrition, housing etc and through targeted poverty reduction programmes and schemes. However, efficacy of service delivery mechanism needs to be enhanced in order to make a dent in the poverty and vulnerability of millions of poor. Microfinance is emerging as an important tool for poverty reduction and income security in India, especially focusing on women. However, its coverage is very low and uneven across the country. With regard to contingency social security, there are no country wide programs or policies except for several welfare funds created for informal workers of different fields. The un-evenness of implementation of social security measures in different states also reflects the need for comprehensive social security legislation, which has been formulated by the NCEUS. Similarly, NREGS is another milestone in India's commitment towards poverty reduction and social security. However the initial teething problems of such a massive effort covering over 90 per cent of population need to be attended to.

Nepal

Nepal is one of the poorest countries in the world and the poorest in the South Asia region. It has a high incidence of poverty, illiteracy and deprivation. Out of a population of 23 million, almost 40 per cent of the people live below the one dollar a day poverty line.

It is ironic that the poorest country in the region has the least social security provisions. Only the miniscule percentage of population in the formal sector can avail of benefits, which include sick leave, maternity leave of 45 days, workmen's compensation, provident fund and gratuity as old age benefits, and some OSH provisions as per the Labour Act of 1992. Most of the poor people live in rural areas and have little opportunity. Its poverty reduction rate is low. The main reasons for this low poverty reduction rate are: (i) low per capital income; (ii) concentrated urban growth, and (iii) high population growth rate. Poverty has become a common phenomenon in Nepal and requires great state intervention. State protection of workers both in formal and informal sectors through labour law, strict enforcement and other socio economic measures are inevitable in Nepal. The government is working on social security and poverty reduction in Nepal but the scenario is still gloomy. Nepal has a weekly wage structure and the earning initiatives are very narrow and limited. Fringe benefits like residence facility or allowance, Medicare, educational facilities for the children, transportation, ration, child care centres, entertainment, life insurance and credit facilities are limited to a few establishments and are far from the access of the workers of most of the industries and services. A combination of social welfare and social security covering the whole working population can combat the problems created by acute poverty in Nepal.

Budgetary provisions for education, health, housing, water supply sanitation and poverty alleviation programs are one of the major measures of social security in the country. Over the years the country has been experiencing insurgency of the left wing extremists, who have joined in the political mainstream during the past few months, as the monarchy paved way for a civilian government that enjoyed overwhelming popular support. Efforts towards national reconciliation provide scope for peace, stability and progress.

Several NGOs and international donors work in the country provisioning support to address issues of poverty and vulnerability. Most of such investments go in for meeting the basic social security of the people who are poor and vulnerable. Microfinance, organisation and strengthening of women for empowerment, addressing issues of child labour and children's education, health are some of the areas that are taken on by NGOs.

Most protective measures take the form of cooperatives system schemes and institutional initiatives schemes for the protection of informal workers. The cooperative system scheme includes: i) Transport Workers Welfare Fund in case of accident, invalidity disability and death (*Yatayat Majdoor Bhalai Kosh*); (ii) Custody Allowance Independent Transport Workers Association of Nepal (in case of road accidents); (iii) Court Case Expenditure Coverage Independent Transport Workers Association of Nepal (in case of road accidents); (iv) Emergency Fund Scheme (in case of strike, lockouts and job loss); and (v) Contributory Health Cooperative Network.

Social institution promotional schemes include schemes of Janakalyan Sanstha; Marwari Sewa Samiti; Gurungs, Magars, Tamangs, Sherpas, Tharus, Thakalis, and Newars. These institutions work nationwide and create welfare fund for the upliftment of the society and poor.

Microfinance

Although many programmes have been implemented for poverty alleviation in Nepal, only micro-finance programs are seen as a poor targeted one and rural based. It is to be noted that Microfinance is still a fledgling sector in Nepal and currently it covers only over 700,000 poor clients (as of 2003). Approximately 17.6 million people lack access to financial services. Development of microfinance sector marked by the indigenous cooperative movement, directed credit programs of the government, private initiatives led by non-governmental organizations (NGOs), and autonomous microfinance banks. Grameen Bank methodology is the most popular delivery method and self-help groups, cooperatives and individual lending is mainly used in hilly and remote areas. (Asia Resource Centre for Microfinance (ARCM)).

While agriculture development programs through co-operatives existed since 1950s, it was during 1990s that the country has identified the potential of Microfinance as a poverty reduction strategy. Microfinance has been recognized as a particularly effective development intervention for the basic reasons that the services provided can be targeted specifically at poorest of the poor and that these services can make a significant contribution to the socio-economic status of the targeted community

Thought it has been primarily spearheaded by the private sector, in 1992, government set-up two Grameen Bikash Banks as a replication of the Bangladesh Grameen model of micro-finance delivery. The government also created a situation to encourage participation in Microfinance by the private sector. Subsequently Nirdhan, Chhimek and other organisations came into being. An apex institution has also been established to support micro-finance institutions by giving wholesale credit, initiating training and other necessary support to the Microfinance institutions (MFIs). Some Government directed programmes have also been set up. It is to be noted that most such Microfinance operations are well regulated in the country by appropriate legal cover.

There are however, several challenges that the country's Microfinance sector faced. They can be summarised as follows:

(i) formulating a micro-credit delivery mechanism that is better suited to the people in hills and mountains and successfully extending its outreach.
(ii) Redesigning existing programmes of the formal MFIs to improve its accessibility the poorest.
(iii) Creating sub stainable delivery mechanisms of government initiated MFIs and programmes.

This reflects the need for expanding such operations as important social security mechanisms and also developing adequate financial infrastructure to enhance financial inclusion of the poor. At the same time it is to be noted that, Microfinance is more than the provision of credit. It involves the provision of other financial services (usually savings and insurance) and recognizing that even the poor have a variety of needs, not just credit. Also, securing sustainable access to micro-finances for low-income communities involves building (or reforming) micro-finance institutions- not just the delivery of time-bound Microfinance programmes (such as offering short-term revolving funds).

Some Traditional Mechanisms

In addition to such measures, an important social security mechanism in Nepal has been the strong presence of traditional community-based security mechanisms in Nepal which include *Guthis***,** a kind of family held or community held welfare trust basically associated with religious institutions/ temples, *Dhikur* or *Dhikutis***,** a collection of mutually agreed amount in a group and provision of credit turn by turn through lottery working automatically as a rotational financing system, *Dharam Bhakari***,** a grain bank of villagers in local level, where villagers of the small locality deposit for future use of the village households, *Paincho*, loans in kind not in cash for a short duration, which are common in all Nepali households in every community and caste/ethnicity, *Parma*, i.e., exchange of labour in village among households and families during peak farming season which ensures labour supply without any payment and *Saghau*, which refers to help in kind and labour to each other in the *Magar* community (http://www.labournepal.org)

In summary Nepal, which has a very low social and economic development in the region, reflects the need for comprehensive social security framework to enhance employment income security. The basic social security measures, mostly covered through budgetary allocations are further supported by NGOs and other international donors. The country has also embarked on expansion of microfinance as a social security measure, specifically targeting women. For workers in the informal sector, several cooperative based systems are available; however their coverage is quite limited. The country also has numerous traditional community based mechanisms that promote social security. There is a need to study them and learn lessons from such traditional practices for further promotion and strengthening.

Sri Lanka

With over a quarter of people below poverty line, the decline in poverty is slow with increase in income inequality, especially in rural areas. However, Sri Lanka's poverty rates are lower when compared to other South Asian countries. One of the areas of concern for the country is vulnerability to income shocks, which emanate from various quarters: be it individual or the community.

On the social indicators Sri Lanka has made substantial achievements in education; the country has achieved universal primary enrolment and completion, and has attained gender equity at the primary level. Child and infant mortality rates are unusually low relative to other developing countries of the region and also compare favourably with some middle income countries. Sri Lanka has been able to demonstrate evolved social security measures to cover majority of populations, though constrained by civil strife in north and eastern parts of the country.

The gains through poverty reduction have been modest and the increasing inequality in incomes is also evident during the recent years. However basic social security measures have been historically strong in the country for many years. Such a background enables us to contextualize current issues. Vulnerability to disasters is one of the pressing social security needs of the country, to be met through international support. Sri Lanka has three pronged social security measures when it comes to the working population viz., employment protection and promotion; social security/insurance, and safety nets.

Measures related to employment protection and promotion, social security/insurance are often viewed as very exhaustive and may lead to distortions in the labour market. However, Measures related to social safety net for addressing chronic poverty and vulnerability are viewed positively by many. Cash transfer programmes (called *Samurdhi*) for addressing various contingencies and natural calamities, disability and other forms of vulnerabilities have extensive coverage in terms of meeting the needs of the poor. However a recent study points out the need to expand such measures to have universal coverage as well as to evolve better targeting mechanisms, with a specific focus on growth and equity objectives.

Promotional Schemes

Public Health System

The Public Health System with its central administration at the Ministry of Health, Nutrition and Uva Wellassa Development, covers the entire population of Sri Lanka. At present the island spends on average around 3.7 percent of its GDP on health.

Free Education

The free education system, like the system of health care, is available to the entire population of Sri Lanka (with emphasis on the school-going age population). This system covers primary, secondary, tertiary education, with nutrition support as well as assistance with school uniforms and books. For higher education, there is support with hostel facilities and scholarship.

Other promotional schemes include, Approved Private Provident Funds and Agrahara Medical Insurance Scheme

Protective Measures

Old Age Benefit, Disability and Survivor Benefits:

Sri Lanka has the most extensive social security coverage in south Asia. The provision of social security is largely tied to participation in the formal sector, although since the 1990s, a new public sponsored scheme has been reaching out to a significant number of farmers and fishermen, despite its voluntary nature. Together, these programmes cover a third of the population, much more than any other South Asian country. Aside from pensions (for both formal and informal sector workers), these workers are offered disability and survivor insurance as part of their benefit package. Sri Lanka has many programmes providing income support for old age for informal and formal sector workers. The most widespread scheme among the workers of the informal sector is a social assistance programme—Samurdhi financed through deductions from the income transfer at source and is not a conventional social insurance program Apart from this, members of the pension scheme for informal sector—farmers, fishermen, and self-employed— are also covered by partial or total disablement insurance and life insurance.

Other Social Security Schemes for Vulnerable Groups

The 2003 mapping of informal sector social security schemes by the Institute for Participatory Interaction in Development notes four such initiatives: the Yasiru micro-insurance scheme, the micro insurance facility of the Women's Development Foundation, Hambantota, Sanasa's All Lanka Mutual Assurance Organization (ALMAO) and the *Diriya Matha Rakshana* (Courageous Mothers' Insurance) of the National Forum of People's

Organization. Yasiru was originally based on the funeral society concept and in fact came into existence when the civil disturbances in southern Sri Lanka in 1989 placed existing funeral assistance to societies under tremendous pressure. It began initially with a re-insurance facility from the State Insurance Corporation and is currently re-insured with Interpolis of the Netherlands. It has established partnerships with other networks of NGOs and CBOs including the Small Fishermen's Federation. Membership of the scheme stood at 7000 in March 2003, a phenomenal increase from 2500 in December 2002. Well-represented in the Southern, Uva and Western Provinces, the organization has recently begun work in the Northern and Eastern Provinces. ALMAO is established as an incorporated company with legal status. Its capital is contributed by the parent organization, Sanasa and funeral assistance organizations in addition to shares worth Rs. 100 each bought by members. In addition to death and disability coverage it also has a savings and credit insurance component. The *Diriya Matha Rakshana* is an innovative social protection scheme, which provides services to female street vendors in the suburban city of Moratuwa. The scheme is based on a reinsurance program arranged with the Insurance Corporation (Institute for Participatory Interaction in Development, 2003).

In a recent report (World Bank, 2006), the following social security framework has been recommended in order to enhance effectiveness of current social security mechanisms in the country. Enhancing opportunity by creating a more equitable and efficient employment protection programme by reducing excessive *job* protection (reducing termination benefits and discretionary powers for layoffs, avoiding excessive interference in wage setting mechanisms, phasing out ad hoc civil service recruitment practices) and strengthening protection of basic rights and social protection of workers are some such measures.

Microfinance

As described in the case of other South Asian countries, in Sri Lanka too, Microfinance or provision of financial services to the poor and the poorest has been traditionally identified as a major strategy to address vulnerability, especially among women. In terms of coverage Sri Lanka boasts about 8 per cent of population with Microfinance services, which is significantly higher compared to other countries like India or Nepal. This figure is somewhat in league with other major players like Bangladesh in the sub-continent.

Gant et al (2002) found adequate coverage throughout the country except in the North and East. There are high levels of savings mobilization, even among the poorest. Most providers offer a mix of consumption and small micro enterprise loans, within a graduated system of loans. The providers often involve savings groups and societies and use revolving fund 'seed' funding. Credit-plus services include non-financial inputs such as business development services, management training, financial and accounting training, and access to information, markets, product design and packaging (Ibid).

Microfinance services to the poorest in the northern and eastern regions of Sri Lanka have been provided by international agencies and organizations such as CARE and FORUT, along with national organizations such as the Cooperatives, Sarvodaya, Sewalanka and other NGOs. Demand for credit has been high and credit operations of organized savings and credit groups have been oversubscribed.

The survey of the microfinance sector in the North and East identified two groups of extremely vulnerable poor in the region who needed consumption, distress and livelihood loans (typically of up to Rs. 7500). One was the extremely vulnerable individuals, consisting of IDPs in welfare centers, and individuals belonging to short-term resettled and relocated communities. The other group were those belonging to the medium-term resettled and relocated communities. Other than for the IDPs in welfare centers, access to consumption and distress loans for the extremely vulnerable was found to be fairly easy, interest rates were subsidized, procedures were simple, and transaction costs low (because of high social collateral). For the medium-term resettled and relocated, too, access to microfinance for social protection was found to be easy, with a mix of below market and market related interest rates, simple procedures and interest payments on savings.

Among the countries of the region, Sri Lanka presents a case of substantial social security investments and policy thrust. The country which has enjoyed high levels of human development, has institutionalised several social security measures for informal workers and has made investments for basic social security measures like education, health, nutrition. However civil strife and susceptibility to natural disasters are some of the areas that need effective measures. Historically Sri Lanka had presence of several NGOs and philanthropic efforts which have made substantial contribution to ensure social security through welfare programs and Microfinance.

Pakistan

With one third of the population below poverty, social security in Pakistan is characterized by government support to anti-poverty programmes and also private interventions in terms of projects supported by NGOs and international donors. Pakistan's anti-poverty programmes received a boost during the past five years with more pro-active governance, though the situation in the country is characterized with civil strife and sectarian violence. Government's targeted interventions to address poverty include income generation, employment creation through public works, drought and emergency relief and assistance and micro credit provisioning. This targeted growth focused poverty reduction strategy has been embarked upon in the country since the year 2002.

Government ensures that the benefit of reform reaches the poor through reduction of poverty and creation of increased employment opportunities, improvement in both access to quality social services and enhance a budgetary allocation. Pro-poor growth with focus on agriculture, education, health, water supply and sanitation, rural development have been encouraged through budgetary allocation of programmes. Other programmes to help poor like *Zakat*, Pakistan Poverty Alleviation Fund, social security institution, workers welfare fund, old age Benefit Scheme, Public Work programme, food support programme, private sector pension reforms and other saving and credit schemes were initiated. The mechanism of cash transfers is aimed to be strengthened by the government through these social security measures.

Formal sector social security plans in the country cover employees of firms with 10 or more workers. Family and self-employed labour is excluded, and there are separate systems for the armed forces, police, and other public sector employees. Social security coverage includes old age, disability, and survivor benefits, as well as sickness and maternity payments, workers' compensation, and unemployment benefits. This programme is funded by 5 per cent contribution from employers and necessary subsidies from the government.

However, government-funded social protection in the informal sector is largely in the form of social assistance. By social assistance, we mean programmes that transfer money or goods to individuals that are not linked to contributions. They are usually, but not always, targeted at the poorest and means tested. The main organisations providing social assistance are *Zakat* and *Bait-ul-Mal*. These organisations provide a wide range of programs. Not all would be classified as social assistance but, for the sake of convenience, we describe all the functions related to social protection performed by these agencies.

Poverty Alleviation and Employment Generation

Pakistan Poverty Alleviation Fund (PPAF) represents an innovative model of public-private partnership sponsored by the World Bank that undertakes several concurrent development interventions through micro credit, and institutional capacity development among poor and support for enhancing physical infrastructure through community partnerships. It is expected to support over 3 million poor households in 87 districts of the country. It has three windows through which financial assistance is provided (i) line of credit for expansion of poverty targeted micro credit programmes through Credit and Enterprise Development (CED) unit (ii) grants and loans for community physical infrastructure on cost sharing basis, mostly for providing clean drinking water and helping irrigation that are community identified, locally managed and local run through Community and Physical Infrastructure (CPI) unit, and (iii) grants to strengthen and build the institutional capacity of partner organizations and communities through Human and Institutional Development (HID) unit. The geographical outreach has expanded to 87 districts with total 3.299 million beneficiaries and 3000 CPI completed schemes. PPAF also providing non-financial services facilitating POs with longer-term strategic planning and assisting them in developing and setting up IT systems. This will enable communities to develop direct links with the corporate sector that would lead them in developing marketing linkages for which a separate Marketing Unit is being established.

As regards to employment generation, the government of Pakistan is aiming at promoting self employment among the unemployed. Promotion of self-employment and income-generating activities is mainly promoted through micro-finance provided by Rural Support Organizations and other NGOs, by *Zakat* (through its Rehabilitation Scheme), and Provincial Welfare Departments.

Food Security

In Pakistan the food security programme was assigned in the form of the Food Support Programme, which is designed to mitigate the impact of increase in wheat prices. Initially, the coverage of the programme was extended to 1.2 million poorest households with monthly income upto Rs 2,000. A cash support of Rs 2.5 billion has been allocated for disbursement on biannual basis. However, with the recent increase in support price for wheat from Rs 300 to Rs 350 per 40 kg, the Government has increased this amount to Rs 3.5 billion to offset the impact of likely increase in the price of flour.

Protective Measures

Girls Education

The government is promoting education by providing stipends to the poor students. The scheme has been implemented in some districts by making small cash payments as a way of encouraging girls to stay in school. Girl students, for example, in 15 of Punjab's poorest provinces get Rs 200 per month, subject to good attendance, if they stay at school beyond primary level. There is growing interest in this and it is almost an article of faith that these schemes are a good idea. However, although increasing access to education is vital, it is not clear that extending cash benefits is the best way to achieve this.

Other Social Safety Nets

The other social safety net currently available for the vulnerable in Pakistan include Workers Welfare Fund (WWF), Food Support Programmes, Social Security, Employees Old Age Benefit (EOBI), Pakistan *Bait-ul-Mal* (PBM) and *Zakat* Fund. The Poverty Reduction Strategy aims to strengthen the existing mechanism of cash transfers through *Zakat,* and the social protection system of EOBI and health care through Employees Social Security Institutions (ESSI). The safety net programmes noted below use different sources of financing, different levels of benefits, methods of targeting, and programmes administration. The Government intends to carry out a comprehensive review of the safety nets that will provide (i) profile of poor and vulnerable; (ii) give detailed information regarding their objectives, target groups, and financing; (iii) evaluate programmes and their linkage to the poor, using household or administrative data; (iv) assess the eligibility, coverage, targeting efficiency and adequacy of programme benefits; (v) evaluate administration of programmes: staffing, outreach, information provision, claim procedures/forms, verification of applicants, and monitoring of clients, management information systems; (vi) conduct beneficiary assessment of target groups to evaluate service delivery; and (vii) recommend measures to improve effectiveness of the programmes.

Relief and Rehabilitation Measures

The Government is implementing Drought Emergency Relief Assistance (DERA) with the assistance of donors to mitigate the effects of the drought and assess requirements and needs of the regions to avert large-scale human sufferings to provide systematic thrust to rehabilitate drought stricken areas through short, medium and long term schemes. So far Rs 4.6 billion has been released to the affected districts.

Guzara Allowances

A key instrument for social rehabilitation and reducing vulnerability to exogenous shocks is the revamped system of *Zakat* for providing financial assistance (Guzara Allowance), educational stipends, healthcare, social welfare, and marriage assistance. The rate of Guzara allowance has been raised from Rs 300 to Rs 500 per month per *mustahiq.* About 2 million beneficiaries receive *Zakat* and an additional 1.5 million beneficiaries will be added. *Zakat* Disbursement Procedures have been revised to make them simple, transparent and better targeted. Monitoring and control methods have been further strengthened and an independent measurement of *Zakat's* impact being made. The revitalized *Zakat* System provides funds to the beneficiaries not only to fulfill basic needs but also to rehabilitate permanently.

Regional Disparities

In Pakistan, there is a growing recognition that the people in the tribal areas live in dehumanizing poverty, an obsolete administrative system and highly stratified social and economic structures. There is an increasing realization that Federally Administered Tribal Areas (FATAs) need to be integrated into the broader national stream and benefit from the economic growth and improved services the Government is bringing about with the successful reform programme launched nearly three and half years ago. A four-pronged strategy has been devised to translate the objective of FATA into reality: (a) empowerment of people through the process of devolution as soon as the conditions are conducive; (b) reinvigorating public institutions that are cost effective, efficient and responsive to the people through restructuring of government departments and law enforcement agencies; (c) judicial reforms by revamping the judicial system; and (d) economic development through special development package to improve socio-economic indicators and to reduce poverty. The

Government has also increased regular Public Sector Development Programme (PSDP) allocation for FATA and is implementing special development packages.

Microfinance as Social Security in Pakistan

Microfinance is another area in which Pakistan has witnessed tremendous growth and which acts as a social security mechanism for millions of poor men and women. Several national and international NGOs and donors are supporting mechanisms for provision of financial services in rural areas. The Pakistan Government's active support is one of the special features in this sector. Currently over 700,000 households are members of Microfinance programmes in the country.

Microfinance is fast emerging as a viable tool to address the question of poverty reduction as it enables the poor to (i) gradually build their assets (ii) develop their microenterprises (iii) enhance their income earning capacity (iv) smoothen consumption (v) manage risks better (vi) empower poor, especially women (vii) enhance economic growth and (vii) contribute to integration of financial markets.

The government is keen to promote microfinance activities in the country on a fast track basis. In line with Public Sector Reform Programme (PRSP) objectives, the Microfinance Sector Development Programme (MSDP) has been launched, with the assistance of Asian Development Bank, to broaden and deepen the micro-finance market in order to reduce poverty. It represents a major initiative to create a pro-poor financial architecture in the country and the programmes objective is to provide a stable sectoral environment for the promotion of MF institutions and creating institutional capacity to retail financial and social intermediation services to the poor, especially to women. The Government has initiated a number of policy actions for the development of the MF sector. These include (i) developing an enabling policy framework conducive to MF growth; (ii) establishment of *Khushali* Bank (KB); (iii) development of a legislative and regulatory framework to encourage establishment of licensed private sector MF Institutions; (iv) developing long-term mechanisms for social capital build-up of poor households; and (v) restructuring micro-finance institutions (Government of Pakistan 2003).

Pakistan presents a case of need for comprehensive social security for the poor and informal sector. There are several poverty reduction programs and social security schemes that cover the poor; however their coverage is quite limited.

IV. IDENTIFYING EFFECTIVE INTERVENTIONS

In this section, we provide examples of effective social security measures practised in the countries of the region. The purpose is to illustrate the working of such measures and identify the scope for replication and expansion across the countries.

Historically countries of the region have attempted to address basic social security through various targeted interventions as well as budgetary provisioning for social sectors. Basic social security has been seen as a *sine qua non* for a democratic governance of many of the countries of the region, though some of them had spells of dictatorship. Even under such dispensations, social security and poverty reduction measures remained high on the agenda. Several social assistance measures taken up by the countries of South Asia reflect the commitment of the governments to make provisions for basic needs. However the targets set and goals achieved reflect absence of 'walk the talk'. Principles of universality and equity in social security are increasingly being compromised in the context of globalisation and privatisation in almost all the countries. The need to turn the tide becomes imperative especially in the context of growing inequality and vulnerability in all the countries of the region.

Budgetary support for basic entitlements like education, health, housing and food security assumes importance and they need sustained mechanism to reach to the needy and targeted. In most countries infrastructure for enhancing the outreach of social sector interventions need to be enhanced, which becomes imperative to achieve global development goals like MDGs. This requires political commitment and also reflection of such commitment in allocations of budget and human resources. For example, in India right to education for all children still remains an unfulfilled promise even after the enactment of constitutional amendment for free and compulsory education. A practical and workable programme to translate the constitutionally guaranteed right is yet to be formulated. Thus education for over 100 million children of the country still remains a distant dream. Same is the case with basic health, water supply, sanitation, housing and other basic services for sustenance.

Given the intrinsic link between social security and poverty reduction, promotional measures to address poverty reduction assumes importance in all the countries. Creation of productive employment and livelihoods, cash transfers through food subsidies (public distribution system), social assistance programmes, child nutrition schemes, girl's education, women's development programmes need a re-look since coverage of such measures is quite inadequate in most of the South Asian countries. The benefits of such promotional social assistance schemes are however not being overlooked but are increasingly been recognised. Some of the successful programmes have a replicability potential, as is the case with India's National Employment Guarantee Scheme and Nutrition Programme and Bangladesh's Grameen Bank led microfinance initiatives.

With over 46 per cent of children below five years being underweight (moderate and severe), child malnutrition is one of the chronic human development issues in the South Asia region. Contrasting this with the poverty situation of the region indicates the need for addressing malnutrition as most urgent, as it will have inter-generational effect.

Nutrition programmes implemented in several countries suffer from low coverage, insufficient funds, lack of focus on many other non-food related needs like safe water, sanitation, hygiene, political commitment, and community buy-in (UNDP, 2006).

A case in exception is that of the Tamil Nadu Nutrition Improvement Programme, which demonstrates a case of political commitment from the state. The state of Tamil Nadu in the southern part of India has the distinction of addressing child malnutrition in a concerted effort for many decades. It has a long history of implementing various types of multinational programmes for children under different schemes. Such schemes under Tamil Nadu Nutrition Programme provides for daily noon meal to pre-school and school children and supplementary feeding for children below 24 months. Certain category of adults like pregnant and nursing mothers, destitute and old have also been included in the target population. Expanded in scale since 1980s, the programme has been continuously implemented in the state with funding from the state budget, central funds as well as the support from the World Bank. The program has metamorphed over the years through various nomenclatures, like noon meal program, and Tamil Nadu Integrated Nutrition Program as part of ICDS. Studies reveal significant enhancement of nutritional status of children of the state as well as educational attainment in terms of higher enrolment, retention and completion of primary grades (UNDP case studies).

Another dimension of basic social security is education. While the governments' are making efforts to universalize primary schooling, education of girls at the middle and secondary level has been proved to have immense intergenerational benefits. This would also address gender disparity in education. Bangladesh's experience in girls' education is illustrative here to help adapt and replicate such programmes targeting girls.

Female Secondary School Assistance Project (FSSAP) has been one of the largest subsidy based project in Bangladesh since mid 1990s, covering over 1.5 million school girls enabling them to attend the secondary grade education in both public and private schools across the country. The objectives include, ensuring completion of secondary education (grades VI-X) by girls, vocational skills for girls and also enhanced community participation in education. The project envisaged comprehensive incentive structure at the individual, family and community levels so that the agenda of girl's education is taken forward. One important and critical element in the project is Female Secondary Stipend Program (FSSP), which ensures cash transfers so that educational expenditures (tuition fee, books, uniform and transportation) are met ensuring continuation of girls in schools. Achievements of the project at the national level include high female literacy, reduced gender gap at secondary level, increase in age at marriage. The field level studies while recording impressive gains identify shortcomings in terms of high administrative costs, poor targeting and corruption. (Source: UNDP Case Studies)

Similarly, innovative experiences of provisioning of micro health insurance and old age assistance for destitute women in Bangladesh, demonstrate the need for addressing specific sectors and target groups with appropriate and relevant social security measures (See Boxes 1 and 2).

Innovative Examples from Bangladesh

Box 1: An Innovative Micro-health Programme; Bangladesh

The Gonoshasthaya Kendra (GK) microhealth insurance is a scheme that is partly self-financed that reaches out to sections excluded by formal public and private schemes. It provides preventive and promotional care including immunization, family planning, mother and childcare, free of charge to 100 per cent of the population in its catchment area. It provides the cost of curative care at a sliding scale with non-insured families being charged a higher cost. The scheme is financed by members' contributions, voluntary contribution by non-members, state contribution and non-state subsidies from development agencies and donors.

Box 2: Old Age Security and Assistance for Destitute Women; Bangladesh

Old Age Allowance Scheme (OAAS) and Assistance Programme for Widowed and Destitute Women (APWDW) provides a cash transfer to the elderly population and to destitute widows for reducing extreme poverty and destitution among than Analysis of household data from the *Bangladesh Demographic and Health Survey* (2000) indicates that the percentages of beneficiary households in quintiles of wealth index are (from the poorest to the richest) 6.4; 6.0; 2.5; 0.8; 0.2 respectively. There is a concentration of beneficiary households in the lowest wealth index quintiles.

Social security and informal sector

If we scan the literature on social security measures across the countries for the workers and work age populations, universalisation has still remained an unfulfilled dream. With over 90 per cent of the workforce in the unorganised sector in all the countries of the region, addressing social security for *all* (and workers) remains and should become an urgent agenda. All the countries of the region have various schemes run by the government and employers of the formal sector workers who constitute not more than 10 per cent of the workforce. Here too, the equity and growth oriented models of social security are needed in place of those which distort the labour markets. The need for social security in formal sector assumes importance in the context of globalisation as well.

Universalisation thus forms a priority in the region as far as social security of informal workers is concerned. Sri Lankan experience of the three pronged social security measures when it comes to workers (working) populations namely, employment protection and promotion; social security/insurance, and safety nets would be an illustrative approach for countries to follow.

Employment Security and Promotion

Poverty reduction and employment strategies and their coverage appear to be limited in many countries, although they cover large numbers of the poor. Growth and equity oriented poverty reduction strategies, though enunciated by all countries, operationalising of such strategies still need to be prodded. There are evidences of improved targeting and coverage as seen in Sri Lanka and Pakistan, however the globalisation processes that all the countries of the region are under going questions the basic tenets of welfare mechanisms social security provisioning. It needs political will for countries to mediate growth oriented social security measures.

Towards a Comprehensive Social Security – Case of India

There are two important milestones in India towards a comprehensive social security system for the poor. First is the implementation of the NREGS in the 200 poor districts of India from February 2006.

India's recently introduced National Rural Employment Guarantee Scheme (NREGS) provides an excellent 'rights based' framework for social security. The salient features revolve around recognition of right to work and dignity to work. Entitlement approach enhances the accountability of the state. While it is currently being implemented in about 200 districts of the country, the initial assessment is a guarded optimism as several field level inadequacies have been identified (IHD 2006).

Nevertheless, specific features of NREGS in India are worth emulating in the rest of the South Asia region. NREGS has been envisaged from the perspective of 'right to employment' and guaranteeing 100 days employment for poor at a minimum fixed rate. The act has also identified roles and responsibilities for the central and state government, district & block administration and the panchayats. The onus of guaranteeing 100 days of employment rests with the government and the applicant can demand unemployment allowance in case he/she does not get work. Apart from creation of work opportunities, the Act also provides basic facilities at the worksite namely viz. crèche, safe drinking water, medical aid. The scheme not only focuses on providing employment but also on building village assets through the employment. These assets would further help in development of the village.

Various concurrent evaluations carried out so far show the varying levels of implementation and success of the scheme. Though the level of success is not uniform across the states and districts, yet most of the states and districts have started in right earnest. The reason for the success of the NREGA is the inbuilt mechanism.

But the reasons for the varying performance of the states and districts are generally specific to the state or district. A few may be illustrated here. Firstly, the state of Jharkhand faced problem in implementation because of the non-constitution of Panchayat Raj Institutions (PRIs) in the state. Bihar has problem related to shortage of staff, poor infrastructure, low administrative capacity of the state, etc. Again the success stories too have specific reason. For example, Dungarpur district in Rajasthan, made it more successful because of the presence of effective grassroots NGOs and their ability to mobilize the poor. Andhra Pradesh has equally done well and has successfully used computerization and e-governance mechanism. For, example, the fund in the state is being transferred electronically; every jobs seeker has got a bank account and wages are paid through bank account; the whole process from job application to registration is computerized.

Even in Bihar, despite low level of administrative capacity, there was high level of social awareness; benefits reached mostly to the target groups; the process was found non-discriminatory (IHD, 2006). The nature of the Act and its provisions if properly implemented, have the potentiality to make it a very successful programme of social security. Moreover, the response of the society has been very encouraging. Members of Parliament, political parties, intelligentsia, NGOs are actively involved in planning and implementation of the scheme. All these are expected to make it a successful social security programme.

As discussed, the implementation level issues emerging from field studies reflect concerns about setting up of facilities, identification of jobs suitable for the poor, lack of monitoring systems and inability of the local level officials to appreciate provisions of the scheme etc. (IHD, 2006).

Notwithstanding the initial set backs, the scope for introducing such a comprehensive employment generation programme in other countries needs to be explored.

The other important step is towards formulating comprehensive social security legislation for low income workers in the informal sector. The National Commission on Enterprises in the Unorganised Sector (NCEUS), has prepared a Report and Draft Bill for ensuring protective social security for all means-tested workers according to which all workers below a ceiling level of income, whether wage or self-employed, will be eligible for the social security package upon payment of a small premium by themselves or (if they are poor) by the government. The objective is to institute, with legislative backing, a national minimum social security that will act as a floor level to the estimated 300 million unorganised workers with independent earnings. The minimum social security include: health insurance for the worker and family and maternity benefit for the worker /spouse; life insurance for the worker; and old age security for the worker after reaching the age of 60, in the form of Provident Fund, or pension (for below poverty line workers). Except the old-age security, all the other social security benefits are based on the insurance nodal. It will be the responsibility of the national board as well as state boards to ensure the best possible deal by selecting the appropriate service provider. Registration of workers will be encouraged and facilitated through 'facilitation centres'. The registration and ID cards issued to the workers will be 'portable' and it will be possible to change addresses upon request. The scheme could be co-financed by employers (where they are identifiable) or through specific taxes or cesses. The total cost of the exchequer of financing this social security package, when all informal sector workers are covered, is estimated at Rs. 254000 millions of which around three-fourth contribution would be by the Central government and the rest by the state governments. As a percentage of GDP this works to be 0.5. However, the whole scheme is envisaged to be implemented within a period of five years covering one-fifth of the eligible informal workers every year (NCEUS, 2005).

Both the NREGS and the proposed draft bill for a minimum comprehensive social security for unorganised sector workers are fundamentally different from the earlier schemes. They are rights-based in the form of legally enforceable entitlements unlike the very many schemes floated by the central and state governments at different points of time. Secondly, they are universal in nature—all workers in the rural areas in the NREGS and all unorganised earning workers in the proposed NCEUS are eligible. Further, while the former guarantees a minimum income to the rural workers, the latter proposes to provide a national floor level social security to all the informal workers throughout the country to which state governments may add on their contributions or additional benefits, if they so choose.

Scope of designing similar schemes with universal applicability needs to be explored in case of other countries of South Asia. The proposed bill may be taken as model bill for other countries to adapt to their conditions.

Financial access/security and reducing vulnerability

Microfinance in the region is emerging as a major social and economic security. Evidences point that in countries where formal financial infrastructure exists, a robust downscaling of the formal sector to reach out to meet the needs of the poor would be a compelling strategy in the context of globalisation to meet the needs of growing number of poor. Financial inclusion and universal obligations to create financial access need to be an important strategy. The idea of 'self help groups' as a means to reach to the very poor and socially excluded is an important innovation in the Indian context (Kabeer 2002). Such an approach need to be expanded both in terms of depth as well as breadth so as to reach the extreme poor. In fact experiences demonstrate the need for innovation in reaching the extreme poor and group collateral approach may not be best suited for such circumstances. Experience of BRAC in this respect is worth noting.

Besides credit, Microfinance includes the provision of the services of savings, pension, insurance and money transfers. From this perspective, contextualizing Microfinance in the realm of social security becomes crucial to reach to the poor, and for policy implications. Grameen Bank II experience in this regard comes as one of the best practices with potential replicability for the entire region.

Adaptation of Grameen Bank to the changing rural realities and social security needs of the borrowers (women) need to be appreciated as a model for replication as well as expanding out reach. During the past few years, the challenges that the Bank and its clients addressed were from many quarters including floods and natural disasters, resistance from male members of families and that of rules and regulations laid down by themselves for managing micro credit activities. Thus Grameen Bank in its programme, being implemented since 2002, has made several changes in terms of eligibility criteria, products and services as well as rules and regulations. It can be seen that in the current Grameen programme, instead of single product like 'credit' the member have been provided with several choices to meet the financial needs, which are primarily focused to address social security of the household. Changes in institutional arrangements have also been affected in order to meet the needs of the clients.

Grameen has developed diverse products, which meets all the needs of the poor, destitute and people and families of unorganised sector. The products include, basic loans, flexible loan, special loans for education, housing and health, loans for destitute, various savings schemes, loan and life insurance, Grameen pension scheme, shares and scholarships. Coupled with these, measures like Grameen Telephony and use of mobile phones and technology enables the members to benefit from communication opportunities.

It is to be noted that loan schemes like loans for destitute are meant to service the most vulnerable groups like beggars and those who are not members of the Grameen groups. Similarly some of the savings products like fixed deposits attract general public who would like to save money with Grameen bank. Scholarships for needy children are also one special feature especially to encourage education among the girls and boys of Grameen members. (UNDP Case Studies; 2005)

Similar is the effort of Safe Save to work with extreme poor. Safe Save, a financial service provider in the city of Dhaka, Bangladesh has attracted attention of many for its innovative products and services to address the needs of extreme poor. Financial services for the poor people are viewed by SafeSave as a matter of helping the poor to turn their capacity to save into usefully large sums. It provides individual banking service to the poor at their doorstep. Without resorting to group based collaterals, SafeSave addresses financial needs and ensures low operational costs by having collectors from among the slum dwellers and measures like computerisation of services (Cited at Kabeer (2002)). Innovations in promotion of various community and microfinance led social security measures from the region are worth recording here, as they demonstrate the potential for replicability across the region (See Boxes 3,4 and 5).

Box 3: Women's Development Federation, Hambantota

The Women's Development Federation (WDF) of Hambantota, or the Janashakti Banku Sangam, began in the late 1980s and currently has over 33,000 members in five divisions in Hambantota District. It is owned and managed solely by females and its modus operandi is founded on social mobilization efforts and participation of women in social and economic activities. Its community driven activities benefit a large number of women-headed households and their micro businesses. Examples of such community improvement activities are harvesting rainwater for cultivation and consumption, and enabling access to safe water from both micro and minor irrigation system.

Box 4: A Savings and Credit Scheme for Rural Women in Pakistan

The Marvi Welfare Association in the village of Arab Solangi is the first all-female community-based organization (CBO) in the district of Khairpur, Sindh Province, Pakistan. Created in 1993 by a few young women, with the support of the Aga Khan Foundation, its membership has grown to 128. The CBO adopted the savings and credit strategy for employment creation, introduced in 1994 by the ILO/Japan Intercountry Project on Strategic Approaches toward Employment Promotion (ILO/PEP). This has resulted in savings of over US$1,550, qualifying the CBO for matching funds of US$4,150 from the project. After receiving training in savings and credit management, and skills development support, elected CBO officials maintain accounts and administer loans. So far they have given out 86 loans totalling US$12,835. A survey of the first borrowers shows that after just one year the total household income had risen by more than 41 per cent. Dirt lanes between mud houses have been drained and paved, a sports ground created and a girls' school opened.

Box 5: Integrating Safety Net with Micro-Finance-Case of BRAC IGVGD

The Income Generation for Vulnerable Groups Development (IGVGD) programme (IGVGD) is targeted towards destitute rural Bangladeshi women who have little or no income earning opportunities, the IGVGD program has provided food grain assistance and savings and credit services to nearly a million participants over a ten-year period. Two-thirds of these women have "graduated" from absolute poverty to becoming micro-finance clients, and have not slipped back into poverty, requiring governmental handouts.

The IGVGD program is built on a government safety-net program that provides free food-grain for an 18-month period to destitute, female-headed households that are at the highest risk of hunger. In the IGVGD programme, BRAC uses food grain relief assistance to attract the extreme poor and cater to their immediate consumption needs, but then adds skills training and savings and credit services to build their development capacity. Hence, when the cycle of free food grain ends, participants are able to engage in income-generating activities and become clients of regular micro-finance programs, earning at least the same money equivalent of the wheat they received by way of their newly acquired skills. The IGVGD programme started as a pilot activity in 1985 but since then has become a national programme covering close to a million women.

Source: Linking Microfinance and safety net programmes to include the poorest; The Case of IGVGD in Bangladesh Focus Note 21

Microfinance in the Region - Challenges

Efforts towards restructuring rural banking sector and cooperatives become imperative to ensure access to financial services and *inter alia* income security of substantial numbers of poor in the South Asian region. While current Microfinance (MF) growth in the region is somewhat modest, it is expected that leveraging resources from the formal sector would be one of the paths of growth for MF. Also, government's efforts to create a conducive policy environment for Microfinance institutions (MFIs) and the creation of apex-level funds are some initiatives that enable MFIs to expand their outreach rapidly.

In all the countries of South Asia, the presence of the public sector - formal banking structures - provides an opportunity for the integration of MF to scale up. At the same time, it is a challenge as most of the public sector needs a revitalising and refocusing on the sustainable Microfinance as a portfolio for poverty reduction. Nancy Barry, president of Women's World Banking, identified in 2004, the challenges as, extending the outreach to millions of people by increasing MFI capacity, involving mainstream banks and mobilising the domestic capital market, building assets on the borrowers' part and building a culture among MFIs, bankers, policy makers and funders on MF based on trust transparency, shared standard, generosity and mutual accountability for results (Microcredit Summit, 2004).

Reaching to the extremely poor through financial services is a challenge for all the countries of the region. While innovations in this aspect have come to stay and are ever expanding, the need to view such an inclusion from sectoral perspective is needed in order to sustain innovations. In India, models like 'banking correspondence' for expanding the outreach of services is one such example. Similarly as discussed above, experiences of NGOs from Bangladesh like Grameen II and BRAC to reach to the extreme poor requires replication and adaptation in many other countries.

In most countries, NGO-MFIs, MFIs and other institutional forms are primary suppliers, albeit with formal financial institutions providing promotional support, and in some cases creating apex level wholesale funds. In none of the countries, with the exception of Pakistan comprehensive MF sector development policy is available. However, promotion of MF banks, licensing of NGO-MFIs, developing rating and prudential norms, developing appropriate supervisory mechanisms, etc. are some important elements of currently available sectoral policies in the region with varying degrees of sophistication. Such measures would ensure financial security to millions of poor who are part of Microfinance schemes and programmes. Flow of private commercial capital, venture capital, foreign capital and access to various forms of financial instruments for NGO-MFIs and MFIs is the need of the hour for enhancing the outreach. National governments need to undertake steps in this direction through financial sector reforms. Similarly, franchising of successful models (and MFIs) in other countries may also be permitted for rapid outreach, as is the case of Grameen Bank and CASHPOR in several other countries of the region.

Social security and Women

With over 96 percent in the unorganised sector, women face gender based segregation of work and are concentrated in the lower end of the spectrum with low paying and insecure jobs. While Microfinance enables financial security for women, there are issues of employment and income security that needs to be viewed through a gender perspective. Women in the region have been seen in production and reproduction roles. Absence of comprehensive social security covering healthcare and other social deficiencies – moving beyond maternity benefits during childcare like early childhood care and support to families etc would lead not only to higher productivity but also income security. Social security measures for women workers may include Child care needs in the form of institutional delivery, maternity benefits, crèche, universalisation of child development schemes and promotion of community based approaches for child care. A flexible, autonomous childcare fund could be also created. This fund can be drawn to provide childcare facilities to all women regardless of income, number of children or other consideration. The fund would be at the state/national level, for administrative convenience, and could have multiple sources of funding.

Similarly several countries have maternity benefits for general population, but support to women (mothers) during the early years of their child is missing, which in fact creates a barrier for them to enter / re-enter into the labour market. This is more pronounced in the urban informal sector where the traditional support mechanisms of extended family are often missed.

Apart from the above, a statutory scheme that provides financial support for childbirth and childcare and breastfeeding in the first few months of the child's life would be beneficial for women in the unorganised sector. It could also be linked with the maternal and child health provisions of the public health system. Similarly, health insurance is a major need for women workers. It is found that health expenses are the largest major source of debt. At present, women workers, especially in the unorganised sector have no access to any form of health insurance, except those promoted by NGOs and other community based organizations. Same is the case with other countries as well. It is necessary to promote forms of insurance for these workers. There are a number of successful micro-insurance schemes which could be upscaled across all countries of the region.

It is to be noted at this juncture that India's newly enacted NREGS envisages setting up of childcare centres at the work place. Similarly, the proposed NCEUS comprehensive social security scheme for informal workers, again from India, also envisages addressing the gender concerns related to women workers.

Another important dimension of social security relates to institution building of informal and unorganised workers. Experiences across the countries on women's institution building reveal the strength of women's collectives to address issues of empowerment, financial autonomy as well as gender relations. Poverty reduction strategies of all the countries of the region identify women as primary agents for institution building. Experiences of both government sponsored women's development programmes as well as that of NGOs reflect the need for institutions as precursor empowerment. India's experience of organizing women workers of informal sector provide lessons for other countries as well

India's Self employed women's association (SEWA) and Working Women's Forum (India) (WWF(I)) demonstrate the benefits of organizing workers of unorganised sector, especially women. These two organizations have demonstrated the efficacy of implementing various social security measures for women workers of informal sector. Interventions like life insurance, reproductive health and child care, unionization, ensuring minimum wages and work place safety and security, informal banking, micro loans and savings, micro health insurance, micro enterprise promotion etc have created substantial impact on women workers in terms of income security and empowerment. These organizations have been able to create a social platform for women and ensured social security through mobilization and organization. Similar mobilization of informal sector workers is the need of the hour and the role of non government organizations, which have enjoyed substantial autonomy and space in many countries of the region in this regard is worth recognizing.

V. CONCLUSION AND EMERGING CONCERNS

Notion of social security emanates from welfare state philosophy and envisages protective as well as promotional aspects of human development. Such measures are aimed at attaining certain basic levels of living and also accommodate for contingency situations for individuals while at work and outside the work environment.

While the debates on this subject has evolved over the years the current consensus and understanding brings us to appreciate social security for *all* population as an important departure from earlier narrow understanding of social security meant only for workers. This is particularly so in developing countries, as over ninety per cent of population remain in informal sector and seeking employment and social protection for them and their families would necessarily mean universalisation of social security measures. Also entitlements like food, shelter, education, health constitute basic social security along with access/participation in financial sector as the poor are increasingly recognized for their ability to participate and benefit from financial services. This broader understanding of social security compels us to identify current practices and scope the experiences which have potential replicability across the region.

Viewed from the above vantage, a broad review of social security measures in South Asian countries reveal that the coverage has been extremely low and confines to the formal sector employment when it comes to work place and worker related social security. Unorganised sector constitutes substantial majority of the working population (and poor) and measures to protect them have been at best modest with very low coverage and impact across all the countries of the region.

This would mean social security for this group of population that is, unorganised workers, has to be necessarily linked to poverty reduction strategies and goals. Such a formulation brings us to identify creation of livelihoods, employment, and targeted cash transfers through PDS, welfare schemes, pension and other benefits as major social security measures.

While there are several schemes that provide social security in many countries. Issues of universal coverage, targeting, efficiency and impact invite attention and situation on these fronts is not satisfactory in many countries. Fiscal constraints have also played a major role in rolling back or withholding universal coverage of some of the social security measures. Macro economic policies and their consequences determine the trajectory of social security measures in countries of the region. Evidences point out that economic restructuring has led to growing inequity and increase in informal workers in the region, who need social protection.

There are a few recent developments in countries like India and Bangladesh which have demonstrated the efficacy of targeted schemes and innovated upon the existing modes of delivery. The case of Microfinance delivery for the extremely poor population in Bangladesh and The National Rural Employment Guarantee Scheme in India are worth mentioning at this juncture. Expanding coverage of such schemes becomes important.

Community led initiatives in the form of micro insurance, savings and credit programmes, Microfinance programmes provide scope for expanding social security for the poor in a sustainable way. The need to develop institutional mechanisms that are inclusive becomes imperative apart from legal cover for several informal operations under the Microfinance schemes and programs. Sectoral approach to Microfinance is to be promoted in the region.

In sum, social security measures in the South Asia region need to encompass basic social security for millions of poor. It would also mean creating policy environment that provides comprehensive social security for those working in the unorganised sector as it constitutes a vast majority of the poor. It is imperative for the governments to take proactive measures as the perils of globalization are all too visible to ignore for political expediencies.

There are few areas that need attention in order to promote holistic social security measures in the region. Given the increasing integration of the local economies with the global economy migration becomes an important dimension related to work and social security. Despite the large share of migrant workers in most sectors and industries, and among the poor and the most vulnerable sections of workers in South Asia, there is insufficient focus on migrant workers and their problems. They are highly vulnerable to various kinds of risks. These include risks due to seasonal loss of livelihoods and employment (leading to food insecurity), “shocks” due to considerable expenditures at home (mainly due to illness and expenditure on social ceremonies and due to serious chronic illness caused by occupational health hazards, accidents and untimely death. Aged workers in migration-endemic areas face a high degree of insecurity not only due to loss of earnings, but also due to the absence of breadwinners in the family. There are long periods when they have to fend for themselves by scrounging for a living in various ways. Further, the poor migrant workers, particularly seasonal migrants, have weaker social networks and fewer internal resources to fall back upon. This compels them to draw upon the resources of contractors and other middlemen, thereby reinforcing their adverse labour market participation. Thus, for migrants, the basic issue is one of establishing citizenship claims, and claims on public resources, on par with other workers. This has to done in the context of mobility from location to location and greater fluidity in economic vocations. It is noteworthy that most public claims are based on the notion of a fixed location, or at the most, of a *transfer of locations, but not on the fluidity of locations.* The outcome of all these factors is that development strategies and programmes *usually* bypass migrant workers and their families, reducing them to the most vulnerable segment among the deprived. The net result is that development goals become harder to reach, but one of the core issues, that of reaching out to a poor mobile workforce and the families of workers with basic social security and arranging for contingencies remains unaddressed.

It is, therefore, increasingly important to address the issue of labour mobility and its ramifications at the outset, when policies and legislations are being formulated, than leaving them to be addressed as side issues at the implementation stage only. A multi-pronged approach is needed to reduce these vulnerabilities including the proper functioning of the schemes like National Rural Employment Guarantee Act (NREGA) and an efficient food security system. Promotional security initiatives also need to be introduced for tackling these vulnerabilities. The public health system needs to be strengthened in a way that it can provide succour to a mobile working population. The education system has to find ways to wean the children of migrant workers as well as migrant child workers away from work and to educate them in their home areas or their destination areas. However, a protective security system, which covers major health shocks, death, and old age pension, would still be a big step forward and could ameliorate the major vulnerabilities of migrant workers quite significantly.

An important neglected dimension of social security in South Asia has been provision of housing to the poor. The access to housing is not only important for improved health and nutrition, but also for dignity of the poor. A large percentage of the poor in the region lack this basic necessity of life. In this, the scheme of Indira Awas Yojana (Housing Scheme) has been in great demand in India but the number of houses and its quality are very poor. The access to housing needs to be recoginsed as important element in social security policy.

Another dimension of social security for informal workers relates to labour standards and wages. The deplorable and inhuman conditions of work most of the informal sector workers are well known but no efforts have been made in any of the countries of the region to address them. There is need to formulate basic minimum labour standards comprising the number of hours of work, payment of minimum wages, and non-employment of bonded and child labour. The workers should have a minimum entitlement of right to organize; there should be non-discriminations in the payment of wages and conditions of work, and safety at the work place and the absence of sexual harassment.

Right to information and transparency in systems becomes a necessary condition in this regard. Similarly decentralised governance, affirmative action for women and under privileged groups would also ensure effective implementation of basic social security measures. Good ggovernance, transparency and accountability assume importance in respect of social security of millions of poor and unorganised. Ensuring effective functioning and delivery of basic services and social security measures by systems of governance becomes paramount and role of civil society agencies to effect transparency and accountability of the system needs to be recognized. While in India Right to Information (RTI) has been a parliament enactment that ensures transparency of government functioning, similar measures are required in other countries in order to ensure effective and qualitative basic service delivery by state apparatus. Measures like cash transfers, welfare funds, and employment generation schemes will become effective and reach the needy only if there are transparent and accountable procedures that are free from political patronage, corruption and misuse. Community led vigilance groups, social auditing, decentralized decision making are some of the measures that enhances transparency at the local level. Ultimately it is the delivery of services at the field level that matters to assess whether the poor are protected from vulnerabilities.

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