Mainstreaming social dimensions in economic development framework:

Lessons from Nature of Economic Growth, and whether synergies with Human Capital Formation & Poverty Reduction

Prof Santosh Mehrotra
Prof. of Economics, University of Bath, Centre for Development Studies, sm610@bath.ac.uk
## Synergy 1: Feedback loops between Soc Service inputs & HD outputs

<table>
<thead>
<tr>
<th>Social services inputs/Processes</th>
<th>Human development outcomes/outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Knowledge</td>
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<tr>
<td>Education</td>
<td></td>
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<tr>
<td>Family Planning</td>
<td></td>
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<tr>
<td>Health</td>
<td></td>
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<tr>
<td>Nutrition</td>
<td></td>
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<tr>
<td>Water and sanitation</td>
<td></td>
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</tbody>
</table>

1. Direct effects - BLACK cells
2. Indirect effects - GREY cells
3. Feedback loop (from outcome to Input) - HOOK

*Source*: Mehrotra and Delamonica (2007)
Synergy 2: Feedback Loops: Growth, Poverty and Capability - the Modalities

1. Government spending: education and healthcare
   1. Enhances HC inherent in LF - labour productivity
   2. Innovative capacity of economy & adaption of new technology

2. Social assistance & social Ins

1. Jobs Quant & Quality
   1. Demand for new consumer goods, durable & non-durable goods
   2. Housing demand for construction materials; manfrs & tradable services
   3. Households savings

2. Spending Public & Prv

1. Household spending:
   Share of spending on higher education; on TVET; Health

<table>
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<tr>
<th>HUMAN CAPABILITIES (Outcome Syn 1)</th>
</tr>
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<tbody>
<tr>
<td>1. Households get better jobs (due to improved skill levels) &amp; earnings</td>
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<tr>
<td>2. Health status improves Work participation &amp; earnings</td>
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<tr>
<td>3. Reduced diseases reduces households healthcare exp</td>
</tr>
</tbody>
</table>

Source: Authors’ as in theoretical argument of Mehrotra and Delamonica (2007)
9 Policies within 3 Strategic Goals of SDGs (inclusive growth; human capital formation; social protection)

1. Increase focus on agriculture to adapt to climate change
2. GDP growth less imp than non-agricultural job growth
3. Universal public health, not private health services
4. Correcting the neglect of nutrition in health policy
5. Ending open defaecetion to improve nutrition & health
6. Vocational education and training for youthful labour force
7. Social insurance to protect elderly, widows, working poor
8. Switch to cash transfers to provide basic income floor to all
9. Increase tax revenues in developing world to ensure 3-8