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CENTER FOR RESEARCH ON ECONOMIC DEVELOPMENT
The University of Michigan
Ann Arbor, Michigan 48109

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**A Review of
Colloquium Summary
"The Changing Nature of Third World Poverty"**

**Sponsored by
Michigan State University**

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Colloquium Summary

The Changing Nature of Third World Poverty

Sponsored by
Michigan State University

Report by
Bill Derman

OVERVIEW

The colloquium discussed the nature of poverty in both relative and absolute terms. Three general issues were addressed: 1) understanding poverty and the ways in which it is likely to change; 2) the movements and organizations of the poor to escape poverty; and 3) policy implications for cooperative efforts to address poverty. It was felt that poverty was not due to issues such as global food insufficiency, but rather that poverty produces such problems as hunger, lack of heating, health and education.

SUMMARY

Topic #1: What are the issues which are causing the nature of poverty to change?

1. Urbanization.
2. Environmental degradation.
3. The association of larger families with the poorest sectors of the population.
4. Today's programs are not always directed to the "ultra-poor" or assetless.
5. New communication technologies.
6. The increased global interdependence.
7. The sheer quantity of programs to help the poor.
8. Organizational responses by the poor.
9. Governmental responses to the poor.

Topic #2: Given the above changes, what conclusions can be drawn regarding the poor?

1. There are not enough resources to be transferred from rich to poor countries.
2. There is a linkage between ecological deterioration and poverty that is often transnational.
3. Women tend to dispose of and control household economic resources in ways which more directly help relieve poverty.

Topic #3: Given the above problems, what conclusions can be drawn regarding aid programs to the poor?

1. The pendulum has swung too far in focusing upon the rural poor (see discussion on p. 12).
2. The trends of aid donors have not followed demographics (i.e. donors have not given increasingly to urban areas).

Recommendation: Careful studies of the counter-consequences of projects should be done in order to prevent these negative social consequences.

Topic #4: What pressures can be used upon industrialized countries to support programs which alleviate poverty?

1. "...it is not solely from benevolence that the poor can expect assistance from those more fortunate. Rather it will be the economic, social and political self-interest of the wealthier or from the pressures of the poor."
2. "Perceived moral injustice does play a greater role in history than is often assumed."
3. "What is different about the twentieth century is the responsibility felt by an international community toward the poor outside of one's own nation."

Topic #5: What are appropriate strategies for addressing poverty?

1. Policies should start with people rather than the physical problems of the environment or concerns of the rich.
2. Non-governmental organizations and churches are very effective in dealing with the poorest.
3. Smaller-scale organizations will have advantages in terms of reaching the poor.
4. Study what has and has not worked in the past including different levels and units of analysis.
5. Partnership arrangements will be of increasing importance in the 1990's.
6. Small grants, multi-year program grants, the giving of foreign exchange, not just local, and flexible procedures for financial reporting are all steps in helping the poor.
7. The poor must be taught to help themselves.
8. Greater resources and legitimation to study poverty are necessary (see the discussion on p. 23).

Report on:

"The Changing Nature of Third World Poverty in the 1990s:

A Policy Focus"

A Colloquium held at Michigan State University, March 13-15, 1988

as part of the Project

"Cooperation for International Development: U.S. Policies and
Programs

for the 1990s"

by Bill Derman
Professor of Anthropology
Michigan State University
May 1988

First Draft. Please do not quote without permission.
Comments are welcomed

The conference organizing committee consisted of Professors James Bingen, Michael Bratton, Ann Ferguson, Rita Gallin, Cathy Rakowski with the assistance of the CASID office, Dr. Tom Carroll Director. George Axinn participated in the initial phases prior to his departure to India. Bill Derman served as chair. In particular we wish to thank Janet Bielstein and Doris Scarlett for their consistent and helpful administrative efforts. The Project Cooperation in International Development organizers, Dean Ralph Smuckler, Professor David Gordon, Robert Berg and Professor Tom Carroll were particularly supportive. In particular we would like to thank Bob Berg for his continuous efforts to try to make us policy relevant.

The speakers at the conference were:

Sheldon Annis, Overseas Development Council

Asoka Bandarage, Simmons College

Michael Bratton, Michigan State University

Michael Cernea, Senior Sociologist, World Bank

Donald Crone, Michigan State University

Atul Kohli, Princeton University

Michael Lipton, International Food Policy Research Institute

Atherton Martin, Development GAP

Molly Pollak, PREALC, Santiago

Martha Starr, Boston University

Judith Tandler, MIT

Norman Uphoff, Cornell University

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I. INTRODUCTION¹

The poor and poverty in developing nations are of growing importance. The importance of the poor can be viewed from political, economic and moral perspectives, or a combination of them. This importance stems from the loss of human potential, the waste of lives, the disruption of political and economic regimes, and the unjustness of denying basic human necessities to fellow human beings. Poverty has been measured in absolute terms - measures derived from some necessary minimum to sustain human life and its reproduction - or in relative terms - measures derived from the difference between groups of people from living standards within their society or nation. Both measures are significant but for different reasons. Absolute poverty can be low with relative poverty high therefore indicating a high potential for political unrest, or absolute poverty can be high with relative poverty low indicating societies at risk from malnutrition and starvation. In our view, it remains important to consider poverty from both vantage points.

Poverty has been a central concern of governments and religions for centuries. In her history of The Idea of Poverty Gertrude Himmelfarb observes that efforts to ameliorate poverty:

¹. There are many issues which are directly and indirectly related to poverty covered in other parts of the project: environment, population, urbanization, gender, food and hunger, delivery systems for assistance, and health. While reference is made to some interconnections it was not possible to incorporate the results from the other colloquia. This will be the enormous task of the Project organizers.

So far from falling into a linear pattern, an ineluctable line of development culminating in the welfare state (or beyond that in a socialist state, as some would have it), this history more often resembles a pendulum oscillating between extremes of progression, punitive, repressive policies and generous, melioratory ones. Even this image distorts the reality, for it assume that policies can be clearly identified as regressive or progressive, negative or positive. In fact, most policies, if they were not ambivalent in intention, were ambiguous in their effects."(1983: 6)

We have found that the time-frame for examining poverty trends is too short. It is extraordinarily difficult to provide adequate longer-term time frames for degrees of physical want. However, because of the importance of poverty, it is central to development cooperation to undertake this task.

Policy questions surrounding poverty issues require discussion of what has and hasn't worked in the past twenty-five years, what are the complex relationships between growth and inequality while adding environmental concerns into the mix, national strategies toward the poor, the degree to which they are folded into development strategies or separate (for example, as in India), and what is the demand for poverty concerns and programs, among the poor, and among donor and host nations. What has emerged are the differences between regions, nations and continents in both the nature of, and strategies for dealing with poverty. Equally clear, is that the central issues of development, environmental sustainability, and democracy cannot be addressed in the absence of the poor.

II. PURPOSES OF THE COLLOQUIUM

The purposes of the colloquium were to (1) increase our

understanding of poverty and to recognize in what ways it is, and is likely to change; (2) analyze movements and organizations of the poor to escape from poverty and (3) examine policy implications that the changing nature of poverty and organizations of the poor has for cooperative efforts to address poverty issues.² Like the nineteenth century, the twentieth century has had its optimists and pessimists. On the one hand are those who believe that poverty can be eliminated or greatly reduced, and on the other, those who view poverty as part of the human condition which cannot be changed. There are those who believe poverty is increasing, and those who see it diminishing. Given the enormity of the issues, the colloquium did not take positions or adopt statements as a group as to what the United States should and should not be doing toward the poor in the 1990s. Rather, I have tried to briefly set out the terrain upon which policy options could most fruitfully be based upon the papers. One shared assumption was that neither sustainable development nor the elimination of poverty can be accomplished without the involvement and participation of the poor. How the poor are engaged is a matter for a range of important policy decisions. In the absence of policy decisions which meet their concerns, they will increasingly act on their own to achieve their objectives.

III. POVERTY

The conceptualization of poverty has clear policy implications. A

². This preliminary colloquium report summarizes the issues raised but to large measure reflects my interpretations and cannot be said to be the consensus of the colloquium. Our colloquium lacked historians of poverty who could have linked current debates with past ones. This would help us in our effort to disentangle what is new about poverty in the eighties and nineties, and what is common to the processes of industrialization and urbanization.

basic starting point is to examine the differences between the definitions of poverty experts and the understanding of the poor as to why they are poor. It is not necessarily that either side is always correct but rather, as Chambers argues, that strategies must include both the capacities of the poor and those who work with them. This means an extension of the more formal economic and socioeconomic indicators of poverty to include the capacities of those actors. The poor are not just economically deprived, but are participants in a wider society which ought not be ignored.

The reasons for poverty vary greatly and therefore strategies for pursuing antipoverty programs will also be quite different. Most nations in Asia and Latin America have seen the growth of real domestic product from 1960 to 1980. Similarly food production has outpaced population growth in much of the world with the exception of sub-Saharan Africa. The evidence has accumulated that it is not global food insufficiency (although there are many who predict this eventuality unless current rates of population growth diminish) but poverty that produces hunger and malnutrition. There are many other dimensions of poverty beside hunger and malnutrition which indicate some degree of physical want. These include housing, fuel/heat, water, health, education, knowledge and employment. In situations with high relative poverty, physical want may be replaced by political activity to address issues of empowerment. We are in accord with the Brandt commission that foresaw the dangers of mass hunger, economic disaster, environmental catastrophes, and terrorism unless poverty remains high on both national and international agendas. Economic affairs in the South remain of central importance to the North.

This has been increasingly apparent in the 1980s with the growing and serious macroeconomic difficulties in many poorer nations. Whereas the 1970s had been a decade of relatively rapid growth, fueled by high world prices for primary commodities, elevated aid flows and easy access to international borrowing, the late 70s and 1980s have seen external conditions deteriorate. Consequently many socioeconomic indicators point to an unravelling in the 1980s of the previous decade's modest progress in improving living standards.³

In focusing solely upon the macroeconomic and current economic constraints it is possible to lose sight of a high level of agreement among developmentalists. One perspective on how to rethink approaches to development and poverty has been eloquently argued by Robert Chambers. In brief, Chambers argues for a new professionalism that reverses some past paradigms and builds on recent experience. Chambers presents four levels: the normative, the conceptual, the empirical and the practical. The normative level places people-centered development as first; poorer people come before the less poor; the less powerful before the more powerful. At the conceptual level development is not progress in a simple direction but a process of "continuous adaptation, problem-solving and opportunity - exploiting under pressure".(20) At the empirical level Chambers presents what many already believe, that the conditions of the

3. There is now a growing literature assessing the consequences of macroadjustment policies for the poor. Cornia, Jolly and Stewart 1987 have argued that the poor have been particularly vulnerable to serious deteriorations in living standards and declines in social services. Others have taken a less dreary perspective pointing to ambiguities in the evidence. Martha Starr assesses the issues in "Adjustment and Poverty: A Critical Review" in her paper to the Colloquium "The Changing Nature of Third World Poverty in the 1990s."

poor are diverse and complex, that the rates of change are accelerating, that poor people know a lot, and that they can form self-reliant organizations. The practical thrust becomes to form a counter to current strategy; to emphasize decentralization and empowerment.

"Decentralization and empowerment enable local people to exploit the diverse complexities of their own conditions, and to adapt to rapid change."(21-22). Chambers (among many others) provides a clear challenge to reorder developmental paradigms and to place greater priority upon the poor, poverty, and the environment.

IV. WHAT IS CHANGING

There is a growing and widespread consensus that the nature of poverty is changing. Some changes are due to (1) increased rates of urbanization and therefore differences in the spatial location of the poor; (2) the degradation of many environments leading to increasingly difficult to maintain agricultural productivity levels, clean water and clean air; (3) the association of larger families with the poorest sectors of the population; (4) the growing recognition that many programs developed for the poor may not assist the poorest or assetless (whom Michael Lipton has termed the "ultra-poor"); (5) the development of new communication technologies. This enables the poor to have access to more information and new opportunities for education; (6) the increased interdependence of the world often produces dramatic shifts in productive processes which alter nations' or regions' economic position over which they have little or no control leading to new pockets of poverty. The copperbelt in Zambia is one such example; (7) the vast number of programs that have been designed to alleviate poverty. This

has changed the responses and attitudes of the poor toward both their own governments and outside organizations. The organizational environment in which poverty programs take shape is now vastly different than in earlier periods; (8) the different organizational responses by the poor to their poverty and the claims that they make both upon their own governments and donor organizations; and (9) different governmental responses to their own poor. This list is meant to be suggestive not exhaustive. It has not for example, included many technological changes from which the poor cannot benefit because of lack of resources and education, or the fundamental issues surrounding employment.

In our estimation both the nature of poverty has changed as have the organizations of the poor. The implications of these changes have yet to be systematically incorporated into the thinking of those concerned with the enablement, or in Norman Uphoff's term, capacitation of the poor. Far more is known about poverty, but its patterns and consequences are still inadequately understood in many parts of the developing world. We observed that past foci on social welfare as perhaps best represented by direct food aid has not worked to alter structural poverty. Michael Lipton has presented a convincing argument that even those programs that have indeed assisted the poor to escape from the poverty trap, have often missed the ultra-poor. Neither national governments, donor organizations nor the poor and their organizations, are interested in perspectives or programs based upon helping the helpless. There are not enough resources available to be transferred from rich to poor countries (although more certainly can be done), or to be mobilized by those nations' governments through taxes (although tax structures need to be

changed) to pay for an overarching development strategy. Uphoff concludes from this line of argument that "Even if such a strategy could be financed, it would represent the antithesis of development by perpetuating relationships and attitudes of dependence."⁴ We agree that central to dealing with poverty has to be building their productive capacities which includes economic, educational, political and infrastructural components.

While we agreed that ending poverty remains a central goal there are no easy answers or slogans to address the relatively complex and highly varied causes of poverty. For example, in many nations of sub-Saharan Africa a new cause of poverty has been the loss of access to natural resources through a combination of population increase, concentration of land, drought, degradation of the environment, and often times war. War and military conflicts create poverty in multiple ways. The vast refugee problems in sub-Saharan Africa often dwarf development efforts. Poor nations which receive large number of refugees are placed in very difficult positions. In Latin America, the new poor are located in urban areas, assetless, and unable to return to rural areas.

Increasingly there is a linkage between ecological deterioration and poverty. Often the links are not national but transnational.

Exploitation of rainforest timber may be increased to meet foreign markets at the expense of longer-term ecologically sustainable programs, or the timber may be sold to service debts. In either event, rapid logging of rainforests can cause silting of reservoirs, soil degradation,

⁴. in "Organization Capabilities of the Poor in Asia". Draft paper for Colloquium The Changing Nature of Poverty in the Third World in the Nineties: A Policy Focus" p. 3.

destruction of indigenous ways of life. They may represent cases of short-term cost-benefit calculi while hiding the longer term hidden costs to be born primarily by the powerless.

There has been another significant and disturbing finding concerning the disposition and control of household economic resources by men and women. While the empirical evidence remains thin (due to not taking gender as a significant variable within the household) women tend to use their increased income more for the feeding of their family and their children's well being than do men.⁵ The corollary finding is that men use their incomes for other purposes providing less direct contributions to their families and children. While Blumberg emphasizes the applications of these findings to sub-Saharan Africa there are enough Asian cases to suggest that they can apply there as well. Blumberg's own research in Guatemala found that where women lost direct benefits they previously had in a cooperative their relative household influence and status suffered a rapid decline. The examination of separate income flows, obligations and spending patterns of households are essential to disaggregate the consequences of development for household members. The earlier view of using the household alone masks other processes such as maternal-infant health, children's nutrition, women's well-being and fertility control.

V. URBAN POVERTY

The nineties will see a new concern with urban poverty. In

⁵. See the excellent paper by Rae Lesser Blumberg "Income under Female vs. Male Control: Differential Spending Patterns and the Consequences when Women Lose Control of Returns to Labor". Draft 1987. To be published by the World Bank Population and Human Resources Series 1988.

attempting to respond to "the urban bias", the pendulum has perhaps swung too far in terms of focus upon the rural poor. This shift will occur because the world's population has and will become proportionately more urban, and increasing numbers (it is unclear what will happen to percentages) will be urban poor. Janice Perlman has observed that as fast as cities are growing, low-income neighborhoods, shanty towns and squatter settlements are increasing twice as fast within cities. Latin America will shortly become as urbanized as Europe, the Soviet Union and East Asia. The world's two largest urban metropolises will be Mexico City (26 million projected for the year 2000) and Sao Paulo (24 million). Sheldon Annis has observed that "despite the accelerated growth of Third World cities - and the poverty that grows with them - the trends of aid donors have not followed the demographics".⁶ Annis provides several reasons for this relative neglect the most important of which is that there are no clear answers as to what donors should be doing.⁷

VI. POVERTY PRODUCTION BY DEVELOPMENT PROJECTS AND PROGRAMS

While it is true that there are many positive results of past poverty efforts, there has been a growing and widespread recognition that many development programs (for example, irrigation, dams, transport,

6. "What is not the same about the Urban Poor: The Case of Mexico City" presented at the colloquium The Changing Nature of Poverty in the Third World: A Policy Focus. Michigan State University, March 1988.

7. The other four reasons include: (1) though an increasing of the proportion of the poor may be urban, the poorest remain rural; (2) even if donors are rural biased national governments are urban biased; (3) urban poverty alleviation exacerbates the problem of attracting migrants to opportunity. Therefore it's better to make life better for the rural poor which will impact both the countryside and the city; and (4) the policy prescriptions of 1970s are viewed as problems in their own right because they tend to be subsidies - food, fuel, housing, education and transportation.

opening of new lands, transmigration, et al.) have a series of negative benefits (for example, forced resettlement, loss of lands). These negatives had not, in many cases, been addressed in project design, implementation, monitoring and evaluation. Thus development projects and activities which are of benefit to some, may impoverish others. This dual aspect of development activities has always been the case. The issue is whose responsibility is it and who funds the activities to see that the means to deal with its impoverishing consequences.

The relationship between development and poverty remains a point of contention. How important poverty alleviation is in development strategies and the assessment of development success similarly remains contentious. Development can only be understood as a multifaceted process with economic, social and political dimensions. It is not a simple linear growth process. Almost invariably associated with development is counter-development, the significant counter-consequences produced by development activities. Michael Cernea from the World Bank took water resource development to demonstrate his view that an essential development activity having positive growth impacts can induce assetlessness, displacement, and impoverishment. He argued for careful studies of the counter-consequences of projects in order to prevent these negative social consequences. It has become apparent that preventing the impoverishment of the environment needs to be added to unintended negative consequences of development activities.

VI. IN WHOSE INTEREST ARE ANTI-POVERTY PROGRAMS?

As Adam Smith wrote "It is not from the benevolence of the butcher,

the brewer, or the baker, that we expect our dinner, but from their regard to their own interest." In the same fashion, it is not solely from benevolence that the poor can expect assistance from those more fortunate. Rather it will be the economic, social and political self-interest of the wealthier or from the pressures of the poor. Poverty remains a salient and enduring political and moral issue. Despite numerous studies and efforts at poverty alleviation, it is an issue that will not go away and will always present economic, social, political and moral challenges.⁸ It is an issue that faces both developed and developing nations but in different ways. The depth and extent of poverty in many developing nations means that a significant percentage of their populations cannot realize their potentials. What produces and causes poverty, and therefore what do about poverty remains as controversial today as it did during Thomas Malthus' time and the adoption of the Poor Laws in England.

Much academic and governmental ink has gone to understand when and how poverty ignites social unrest. Part of the answer lies in the sentiments about what is moral and immoral. Perceived moral injustice does play a greater role in history than is often assumed.⁹ It is our

³. Two divergent perspectives emerge from Adam Smith and Thomas Malthus. Malthus argued that the lower classes would never attain the betterment of their condition that Adam Smith expected. Malthus used his well known discussion of the relationship between food and poverty to envision that the largest part of the human race were doomed to misery (not enough food) and to vice. The naturalness or inherentness of poverty in society remains as live an issue today as then.

⁹. Gertrude Himmelfarb concludes her work with the observation that what gave the question of poverty its urgency was the "profound sense of moral and social disarray. However poverty was viewed - as an inexorable fact of physical and human nature, as an unfortunate by-product of a particular law or institution, or as the fatal flaw of the entire system

view that moral issues should not be underestimated. Poverty is a moral problem for the poor as for the rich and for society as a legitimate moral order. It has become a fundamental proposition in the twentieth century that children should not be denied opportunity because of who their parents are. The world's major religions all have means and mechanisms to cope and alleviate poverty. All governments claim the same even if their performance doesn't necessarily fit with their statements. It is far more difficult than one thinks to dismiss the moral case for assisting one's neighbor in need. Reciprocity, sharing and help are just as much a part of the human condition as are accumulation, avarice and selfishness. However, reciprocity, sharing and help are also not inimical to self-interest. What is different about the twentieth century is the responsibility felt by an international community toward the poor outside of one's own nation.

VII. POVERTY STRATEGIES

Poverty issues are complex and require diverse strategies finely adapted to different sociocultural, economic and natural environments. The complexity of poverty issues and what often appears to be the intractableness of diminishing high levels of poverty require both better analysis and better targeted inputs to generate mechanisms for the poor to escape from the poverty trap. What is required is less a new approach to poverty, but rather understanding past anti-poverty work, what has been effective, what has not been, and link these efforts to issues of environment, health, education, employment, small-scale

- it was seen as primarily, fundamentally, a moral problem."(1985: 526)

industrialization, rural development, and increased attention to the urban sector. Donald Crone in his paper provided ways of understanding why different Asian governments have responded to their poor and developed programs aimed at poverty alleviation.

The critical issues facing the earth - population, resources, environment and development - can only be resolved by regarding the poor as both a necessary and essential part of any programs and policies. Robert Chambers has paraphrased the biblical injunction "putting the last first" to emphasize that policies should start with people, particularly the poor, rather than the physical problems of the environment, or the concerns and values of the rich. As Chambers writes "Normal professional thinking does not start with people or categories of people like these e.g. pastoralists, female-headed households, the landless, marginal and small farmers... , least of all with the poor. People come later, if at all, often as residuals and problems after technical solutions have been sought and found to physical problems.¹⁰ Chambers presents the alternative of enabling poor people "...to overcome conditions which force them to take the short view and live 'from hand to mouth', or 'from day to day'. It seeks to enable them to get above, not a poverty line defined in terms of consumption, but a sustainable livelihood line which includes the ability to save and accumulate, to adapt to changes to meet contingencies, and to enhance long-term productivity."¹¹ Translating

10. 1987: 7 "Sustainable Livelihoods, Environment and Development: putting poor rural people first" Institute of Development Studies Discussion Paper #240. Sussex, England

11. p. 15. "Sustainable Livelihoods, Environment and Development: putting poor rural people first".

Chambers emphasis upon the poor to international, national or regional policy poses many difficulties. His approach remains as a consistent challenge to those engaged in development work.

Studies of the poor are arguably best done in India. In any event our statistical base is best there. According to Michael Lipton the percentages of the poor and ultra poor have remained the same,¹² but their spatial locations now are different. The percentage of the poor have been reduced in the Green Revolution areas. The location of poverty in Latin America has shifted more to the cities. In sub-Saharan Africa, the poor are increasing both in cities and in rural areas, but the statistical base for such statements is thin with some marked exceptions.

The poor do not necessarily remain passive to their condition. Even when they appear to be passive there are many mechanisms which they use to satisfy minimal daily caloric and other requirements. Such relatively passive opposition to poverty has eloquently been portrayed in James Scott's recent work Weapons of the Weak. The poor respond in a range of ways to their situation. If for example, poverty is actually or thought to be restricted to certain social groups, then possibilities for mobilization will be very different than in those nations where poverty is more evenly dispersed and not linked to particular groups. In

12. The distinction between poor and ultra-poor has some affinity to the nineteenth century distinction between the laboring poor (or the poor) and the paupers or indigents in England. The distinction while not consistently adhered to nonetheless makes the distinction between those who work (labor) and make-do albeit in poverty until they cannot work when they become paupers or indigents. On the other hand, paupers could be in that condition due to illness, handicaps, or unwillingness to work. The critical distinction resides in those who are unable to labor and those who can. In Lipton's terminology, he distinguishes as well between those unable to labor and the ultra-poor who despite laboring are at the margins of subsistence.

nations where a group is vastly over-represented among the poor, efforts to alleviate poverty take on greater political significance.

VIII. VOICES FOR THE POOR

Who represents the poor of Africa, Asia and Latin America in the United States political process? Assuming that the poor are viewed as critical to the development process and special efforts should be made to assist them in realizing their potentials, how can we articulate their views in the U.S. political process? How can we alter perspectives on the poor to focus on enabling them to deal with their poverty rather viewing the world's poor as simply seeking welfare? A major part of the answer resides in the non-governmental organizations and the churches that work with the citizens of developing nations. Another part of the answer resides in those willing to understand and articulate the poor's own priorities. How the poor themselves view deprivation, as accurately and compassionately as possible, would seem essential in the design of future programs. This is not to say that the poor are necessarily right, but to insist that unless we accurately translate the concepts and categories of the poor, the variations among them, then we will misuse resources aimed at them. Smaller-scale organizations will have advantages in terms of accomplishing this but they will not be sufficient in all instances. In cases where the size and scale of assistance may be beyond those of NGO's whose strength resides in smaller organizations. For example, the scale of development assistance that will be required in Haiti when a more favorable political climate emerges will be beyond the capacity of individual NGO's and one would need to look carefully at the organizational requirements of coordinating NGO efforts.

The point of this exercise is to demonstrate why the world's poor should remain high on the foreign policy agenda of the United States. We are concerned that both the depth of the problem, and the extent to which we can make a difference has been given inadequate attention in the past decade. As Judith Tandler emphasized, ideas are very powerful. The fact that today the influence of the neo-classical economic paradigm is so strong is indicative. The lack of prestige for the study of poverty can be altered. The importance of the poor does not change, what changes is how they are viewed. This partly reflects conflicts over paradigms, and shifts in them. In the 1970's there were more studies focused upon the poor. It appears that the pendulum is swinging albeit if the alleviation of poverty is now conceptualized differently.

One of the few things that everyone can easily agree upon is to study what has and what has not worked including different levels and units of analysis. What kinds of states have engaged in successful or unsuccessful poverty alleviation policies? What kinds of governmental organizations and non-governmental organizations have been more or less successful? What donor organizations have been successful and in what kinds of activities? What are the major reasons of failure? These are only some of the more general questions. It must be stressed that we already know a lot. However troubling issues and relationships cannot be easily put into a cookbook fashion. For example, decentralization, grassroots organizations, participatory development, are important but they may be quite limited in instances where larger scale structural changes are required. Indeed, as the debates surrounding different types of structural adjustment programs go on, there has been increased

attention paid not only to the negative dimensions of government interference in the marketplace but also to their positive interventions in protecting health, education, agricultural extension, and other social services. Many of the gains made in the sixties and seventies are now undermined by the macroeconomic crisis according to Cornia, Jolly and Stewart.¹³

Some scholars and practitioners have emphasized the depth of rural poverty. Others have focused upon the unparalleled pace of urbanization, the lack of employment creation, and the lack of adequate health and other social services in urban areas. This is not and either/or proposition. It is indicative of the range of considerations in poverty work, policy flexibility, and the degree to which poverty programs from one nation to another, and from one region to another, will be different.

Whatever the range of issues for which answers need to be found, we now have increasing knowledge of what does and does not work. But we also have insufficient knowledge about who the poor are, what are their historically and culturally specific aspirations, and how one can use their capabilities to assist them in this process. It is not the case that any foreign assistance, or any activity labelled development alleviates poverty.

VIII. Some Policy Parameters for Addressing Poverty in the Nineties

(1) It is not possible for global resource mobilization to deal with all poverty. Selectivity and priorities need to be advanced to make the

¹³. Their arguments and data are presented in Adjustment with a Human Face: Protecting the Vulnerable and Promoting Growth. Oxford University Press, Oxford. 1987.

assistance and cooperation available in the nineties more effective. Such priorities can be partly based, as they are now, between emergency short-term relief (for famines, refugees, et al.) and longer-term development cooperation. The latter has been the emphasis here. Greater emphasis needs to be placed upon the learner-based experience of literally thousands of smaller-scale projects and activities which have sought to engage the poor in actions to alter their condition of poverty. While there are increasing numbers of assessments of World Bank, USAID, and other donor activities, we lack the corresponding attention to other organizational efforts and what we can learn from them.

(2) Money is not the only constraint nor are projects the most appropriate mode. "More often programs fail for lack of good ideas, motivating idealism, and high-calibre (not necessarily high-cost) personnel. The notion of learning based development can be undermined by big budgets as can inducing participation through subsidies rather than self-help and self-reliance." (Uphoff 1988)

(3) In the 1990s partnership arrangements will be of increasing importance. Whether these will be with national governments or NGO's will vary greatly. When they are through NGO's large donors and small NGO's have unbridgeable differences of scale, ethos and capacity. When bilateral and multilateral donors enter into the local voluntary sector they do so indirectly through third party intermediaries. "The official donors would do well to learn from the experience of private foundations and church-based philanthropies who have ,learnt through doing' how to

provide resources in appropriate forms. Some such modalities are: small grants rather than large loans; multi-year program grants rather than short-term grants; foreign exchange as well as local currencies; coverage of recurrent as well as capital budgets; and flexible procedures for financial reporting." (Bratton 1988)

(4) Increasingly in Latin America, Asia, and Africa, the poor will be negotiating on their own behalf. Those interested in poverty issues will need to deal through intermediaries or directly with such organizations to facilitate the attainment of organizational objectives. This requires a shift in focus from dealing with the poor as victims to relating them as active and equal "partners". The location of the poor, the kinds of organizations, and therefore what is best, will best be done by long-term, consistent consultations with them specific to the circumstances. As much can be learned from the poor as can be provided to them.

(5) Two considerations assessing capacity to utilize resources are (a) priority given by national governments to addressing poverty concerns and (b) ability of poor to promote and sustain organizations to address their own development. Organizational capacity by both national governments and their populations vary greatly. Where the poor are doing something for themselves, there is a much greater likelihood of effective cooperation. Where governments are using their own resources, and have given priority to alleviating poverty, there is greater likelihood of successful outside assistance.

(6) The degree to which area specific projects will be of as great importance in the future as now is problematical. Given these policy recommendations, we would like to see a diminishment in projects for a range of reasons not the least of which has been the rise of non-governmental organizations. These organizations, both small and large-scale, will increasingly be involved in deciding how resources might be best used.

(7) Much work needs to be done to shift the perception that either the poor are passive victims who will not survive without our help, or else highly threatening to the security of the United States (or other governments) when they form organizations to seek ways out of their poverty.

(8) The study of poverty requires both greater resources and legitimation. Institutes of poverty studies based in Asia, Africa and Latin America with collaborative researchers based in the United States would be ideal. The highest priority would be the establishment of such centers in sub-Saharan Africa where there are very few African researchers focusing upon the causes and amelioration of poverty.

In sum, the U.S. role in development cooperation in the nineties to be effective will require a refocusing upon poverty issues. To do so requires a long-term effort continuing new directions including supporting non-governmental organizations, more flexible programming, and insisting upon greater governmental responsibility toward the poor by our cooperation partners. While a strong moral case can be made for such an emphasis, it will also be in the longer term political, economic, and

environmental interest of the United States to respond to potential sources of instability in the nineties.