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A framework for a long-term evaluation of Pantawid Pamilyang Pilipino Program

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Abstract

This paper builds on existing models of program evaluation to develop a framework to evaluate Pantawid Pamilyang Pilipino Program, the Philippine government's Conditional Cash Transfer program, whose goal is to reduce inter-generational poverty by improving the human capital of low-income households. The paper uses the Randomized Control Tests (RCT) framework to develop a methodology to evaluate the program's long-term effectiveness by comparing three relevant household groups over several years: the program's graduates, current participants, and eligible non-participants. This paper doesn't make any conclusions about the program's long-term success to solidify human capital investment, but in the context of the evaluation framework of this paper it considers policy options to improve the program's goals. This paper sets up the methodology for evaluating the program that will answer this question: Are households who participate in Pantawid Pamilya more likely to continue to invest in maternal and child healthcare and education over the long-term than a household who did not participate in the program?

INTRODUCTION

The Philippines is being touted as the next potential breakout nation. In the last few years, its sovereign credit ratings have improved the country's external financial position and increased capital inflows. Domestic liquidity is pushing the equities market to its highest levels while bond yields have started to decrease. The economy has been growing at a steady rate of over 5% per year in the last several years. Financial regulatory frameworks are increasing stability and market confidence while private sector development has added jobs to the economy. The Philippine picture today is one of bright optimism.

But spend a few hours in Metro Manila and the news bytes don't seem to apply. Poverty is rampant; shanty towns share the same neighborhood as large homes and office buildings. The homeless and poor are commonplace on every street and store. The overall economy may paint a picture of optimism, but the reality is millions of households struggle to survive. The same can be said of any developing economy; people get left behind when the economy starts to take off because the economy disproportionately favors the skilled, the educated, and the healthy.

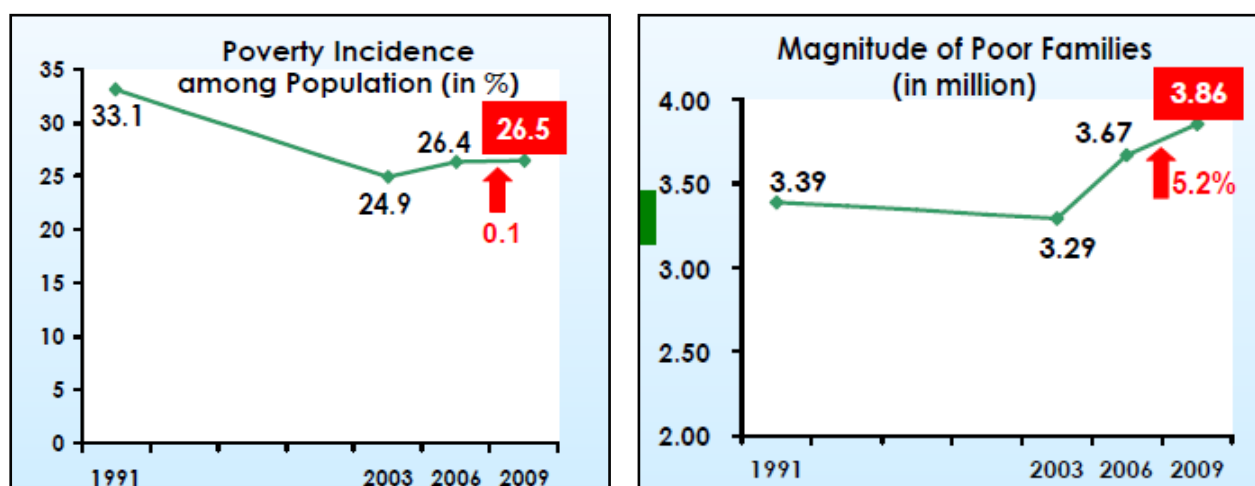
To fully address growing inequality and reduce poverty, the Philippine government in partnership with the World Bank and Asian Development Bank has invested a substantial amount of money for its flagship anti-poverty program: Pantawid Pamilyang Pilipino Program (Pantawid Pamilya), the country's first conditional cash transfer program. Government social welfare programs in the Philippines are very important because of the magnitude of poverty and the significant proportion of the population that could fall into poverty in the event of an income shock.

This paper provides an analytical description of a methodology to evaluate the effectiveness of Pantawid Pamilya in reducing long-term poverty through behavioral modification. This paper is motivated by this question: do households continue to invest in positive human capital-building activities even after they stop receiving the cash subsidies? The methodology presented in this paper best provides that answer, though the evaluation itself would take several years to complete. However, it is appropriate for the government and funding agencies to evaluate the program in this manner because the government funders must be sure that their large investment is really building human capacity and ending poverty throughout the country.

INCIDENCES AND EFFECTS OF POVERTY AND INEQUALITY

Between 1991 and 2003, the Philippines saw instances of poverty drop from 33.1% to 24.9% of the population. However, since 2003 there has been an increase of instances of poverty, rising to about 26.5% with an estimated 3.86 million poor families in 2009.

Figure 1: Instances of Poverty in the Philippines



Source: Philippine National Statistical Coordination Bureau (2009)¹

The most vulnerable to the effects of poverty are children. The table below summarizes the incidences of poverty by age group in the Philippines and shows that poverty is highest for children aged 6 to 11 years old.

Table 1: Incidences of Poverty by Age Group

Age Group	Headcount Ratio	Population Share	Percent Contribution to Total Poverty
Less than 5 years	45.4	13.8	17.8
6–11 years	46.9	15.1	20.2
12–15 years	41.6	9.8	11.6
16–24 years	29.6	16.2	13.7
25–59 years	29.4	38.3	32.1
More than 60 years	23.6	6.9	4.6
Total	35.1	100.0	100.0

Source: Son and Florentino 2008

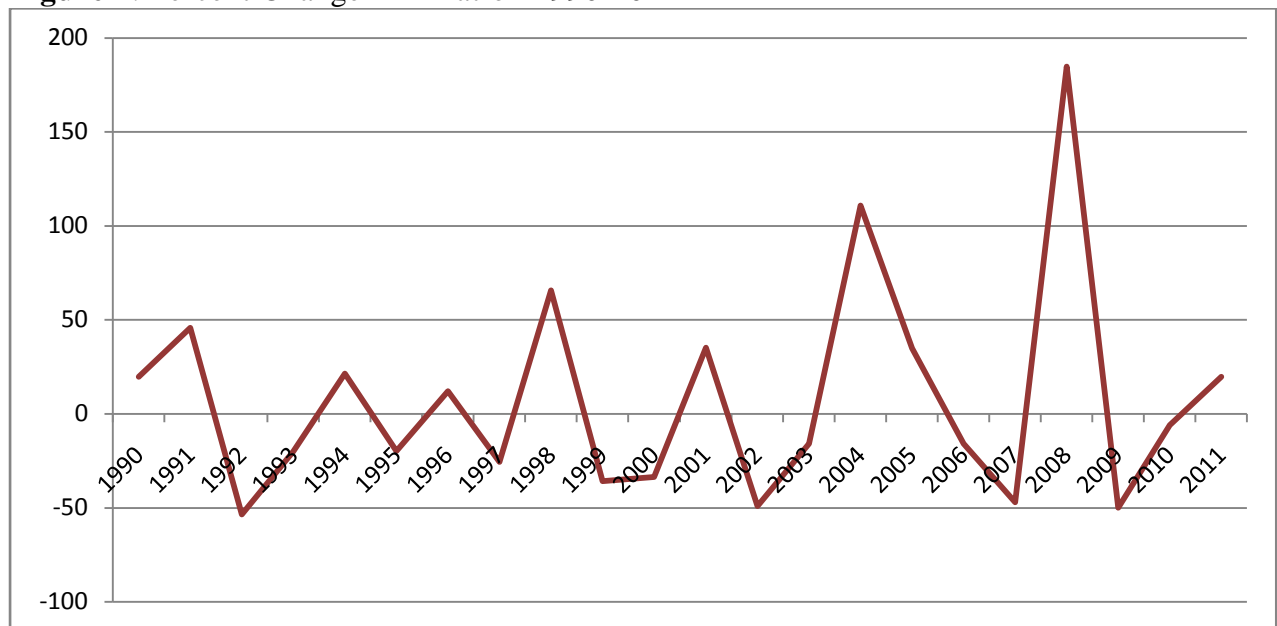
When faced with economic hardships without the assurance of government social safety nets, households respond by increasing the number of hours on money-generating activities and decreasing household expenditures. For example, income shocks usually results in an increase in the number of hours worked while reducing expenditures on education, healthcare, and nutrition. A recent study estimates that about 45% of households in the Philippines are vulnerable to falling into poverty if faced with economic hardships in the form of disease or death, natural disasters, and fuel and food price increases (ADB Project Administration Manual 2010).

For example, inflation volatility since 1990 caused greater swings in the food consumer price index in recent years. Volatility and escalating food prices reduced the standard of living by 9.45% and increased the severity of poverty by more than 50%. The steep rise in rice prices starting mid 2007 far exceeded the growth of nonfarm minimum wages

¹ As of January 2013, poverty statistics on the NSCB website still reflects the 2009 dataset.

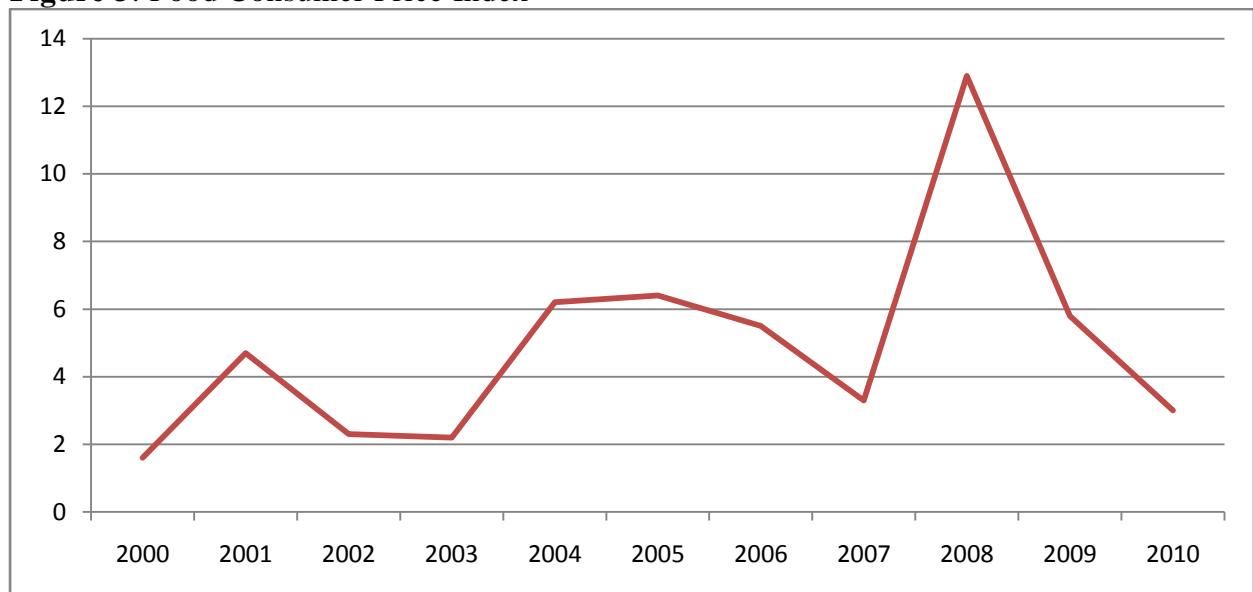
and inflation, as shown in Figures 2 and 3 below (ADB Project Administration Manual 2010).

Figure 2: Percent Change in Inflation 1990-2011



Source: World Bank Indicators: Inflation, consumer prices (annual %)

Figure 3: Food Consumer Price Index



Source: Asian Development Bank: Key Indicators for Asia and the Pacific

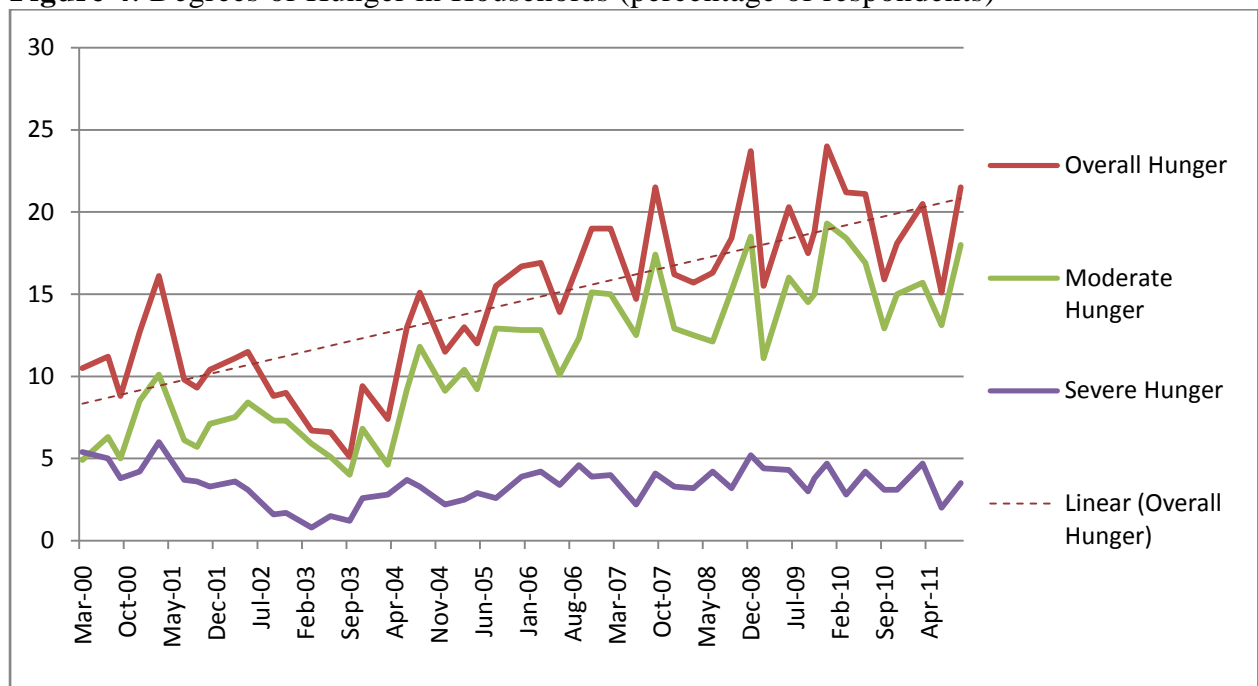
For education indicators, elementary school enrolment dropped from 99.1% in 1990 to 83.2% in 2007. The retention rate between 1st grade and 6th was 70%. One in five children between the ages of 6-11 are not in school and the number of 13-16 year olds not enrolled in school was estimated at 20% in 2007 (ADB: Project Administration Manual).

Out of an estimated 20 million children aged 6 – 15 years old in the Philippines, 2 million fail to attend school. While school attendance is greatest between the ages of 8

to 11, enrollment decreases between 12 to 15, suggesting that “the opportunity costs of sending children to school are higher at the secondary at the secondary than the elementary age” (Son and Florentino 2008). While about 94% of all elementary-aged children attended school in 2004, only about 84% of high-school aged children attended school, attributed to “lack of personal interest (43%), affordability (27%), and employment (9%) (Son and Florentino 2008).

For health indicators, 36% of children do not meet normal weight-to-age standards. The mortality rate in 2006 was estimated at 162 deaths per 100,000 live births (ADB: Project Administration Manual). In the most recent hunger survey fielded between December 8 and 11, 2012, the Social Weather Stations found that an estimated 3.3 million families experienced involuntary hunger at least once in the previous three months (Social Weather Stations).

Figure 4: Degrees of Hunger in Households (percentage of respondents)



Source: Social Weather Stations 2013.

The trend is clear; overall hunger in the Philippines has been increasing since the turn of the century. Severe hunger averaged 3.42% of responding households in this time period, moderate hunger averaged 11.21%, while overall hunger averaged 14.64%, increasing from 10.5% to 21.5% in this time period.

Drivers of Inequality

Uneven economic growth is the key factor for increased inequality. This growth is uneven at three levels: first, at the subnational level (between provinces, regions, or states); second, between rural and urban areas; and third, between households with the incomes at the top increasing at a much faster pace than the middle and bottom. What policies influence these patterns? First, as an economy develops and aggregate output shifts from agriculture to industry, the agricultural sector is often left behind as human, financial, and technological capital flow away to industrial sectors.

Second, as governments liberalize their economies to become more market-oriented, the inflow of technology and goods promote a private sector whose income increases at a much faster pace compared to domestic firms and state-owned enterprises, leading to greater wage inequality.

Finally, the inflow of these new technologies biases the skilled and educated. This demand for skilled and educated workers places upward pressure on incomes for these individuals while incomes for low-skilled individuals stagnate and often decline. The result is an economy that may be growing, but also confronting greater income inequality among its citizens. Therefore, it is appropriate for the government to step in to protect the vulnerable, to provide for the basic needs of the poor, and to promote personal development to reduce and end long-term poverty (Ali 2007).

WELFARE SYSTEMS FOR SOCIAL PROTECTION

As of 2009, there were an estimated 60 social protection programs in the Philippines housed in 20 different departments, resulting overlapping implementation, duplicate beneficiaries, and mistaken household inclusion. However, the Philippines Department of Social Welfare and Development is primary department the creation and implementation of services to protect society's poor and end poverty. They divide their programs into 4 categories: center-based services, community-based services, residential care services, and social welfare and development. Programs aimed at supporting poor families include the *rice subsidy program*, run by The Philippines' National Food Authority which subsidizes rice imports to reduce price volatility the *food-for-school program*, which provides food subsidies for children who enroll and attend school between grades 1 to 6, *tulong para sa kuryente* (help for electricity), and *tulong para kay Lolo at Lola* (help for grandparents), and *Pantawid Pamilya*, the conditional cash transfer program studied in this paper (Ravanera and Emata 2012).

INTRODUCTION TO PANTAWID PAMILYA

In 2007, the Philippine government implemented Pantawid Pamilyang Pilipino Program (Pantawid Pamilya) through the Department of Social and Welfare Development (DSWD) and in partnership with the World Bank, the Asian Development Bank. It was the government's flagship program to boost human capital for long-term poverty reduction, accomplished through required participation in education and healthcare. The program provides a quarterly income subsidy to low-income households to do with as they please, but on the condition that they participate in education and healthcare programs, especially for mothers and for children. The goal is to encourage households to be more active in their decisions to invest in human capital-generating activities to lift themselves out of poverty. The government is also using Pantawid Pamilya as a tool to achieve other specific United Nations' Millennium Development Goals, specifically achieving universal primary education and child and maternal healthcare, and promoting gender equality and women empowerment (DSWD 4Ps).

The program consists of two parts. The Social Assistance portion of the program provides immediate short-term financial relief for households below the poverty line to boost their purchasing power. The Social Development portion seeks to end inter-generational poverty by requiring households to participate in human capital-building

programs such as education and healthcare, making them more ready and more attractive to the formal economy.

Eligibility and Program Conditions

Eligible households chosen to participate in the 5-year program must adhere to specific conditions to remain in the program. The program’s eligibility, cash transfer amount, and conditions are summarized in the table below.

Table 1: Transfer Amounts and Conditionalities of Pantawid Pamilya

	Health Grants	Educational Grants
<i>Eligibility</i>	Poor households with children 0–14 years old and/or pregnant women	Poor households with children 3–14 years old
<i>Amount</i>	P500 per household per month (12 months per year)	P300 per child per month (10 months per year, up to maximum 3 children)
<i>Payment</i>	Quarterly Recipients’ accounts in the Land Bank of the Philippines (LBP)	
<i>Duration</i>	Up to 5 years	
<i>Conditions</i>	<ul style="list-style-type: none"> (1) All children 0–5 years old attend health centers to obtain services including immunizations (2) Pregnant women attend health centers according to Department of Health (DOH) protocol (3) All school-aged children (6–14 years old) comply with deworming protocol at schools (4) For households with children 0–14 years old, mother and/or spouse will attend family development sessions at least once a month 	<ul style="list-style-type: none"> (1) Each child attends at least 85% of care/preschool (3–5 years old) and school (6–14 years old) days every month

Source: Usui 2011.

To remain in the program and receiving the quarterly payments, households must comply with the conditions listed above. Failing to comply with any of the conditions results in a temporary suspension of receiving funds until the condition has been fulfilled, while continued failure results in termination from the program (DSWD 4Ps). Households remain in the program for up to 5 years. Once they graduate, the hope is that their participation in Pantawid Pamilya is enough to continue personal investment in education and healthcare for improved human capital.

Household Selection

The Philippine Government developed the National Household Targeting System for Poverty Reduction (NHTS-PR) to be used and implemented by all departments to identify the poorest and most vulnerable households in communities throughout the country. It is comprised of three factors: geographical targeting, household assessment, and validating identified households done through a series of interviews. Annex 1 details the NHTS-PR.

Pantawid Pamilya was the first program to use the new NHTS-PR. In line with the NHTS-PR it sought out program beneficiaries in these 2 steps. Step 1 involves the selection of the poorest provinces based on the National Statistics Office’s Family

Income and Expenditure Survey and data from the National Anti-Poverty Commission. Step 2 identifies the poorest municipalities and neighborhoods using data from National Statistical and Coordination Board and City Office Planning Data. Finally, Step 3 identifies the lowest-income households using the Proxy Means Test (PMT).

The PMT is the questionnaire administered to assess the overall wellbeing of a household, including “household consumption, education of household members, occupation, housing conditions, access to basic services, ownership of assets, tenure status of housing, and regional dummy variable.” The PMT generates a proxy income for the household and then classified as either eligible or non-eligible based on proxy score. The households are validated by the NHTS-PR and submitted to the DSWD for inclusion (Usui 2011).

The Pilot program implemented in June 2007 began with 6,000 household recipients. The program was later scaled up to just over 1 million households by the end of 2009. By July of 2011, a total of 2,212,055 households were registered beneficiaries of the program in over 1,017 cities in 79 different provinces in all 17 regions of the country (DSWD Program Implementation Status Report Second Quarter of 2011).

Program Costs

Part of this paper’s rationale for the continued long-term of Pantawid Pamilya is the high cost of funding and maintaining the program. The total cost to run the program between 2009 to 2014 is estimated at USD \$1.29 billion to be financed by the World Bank, the Asian Development Bank, and the Philippine Government (ADB: Project Administration Manual 2010). Table 1 and 2 below show that an estimated USD \$884 million is needed for the project² to be divided between the ADB (45.2%) and the Government (54.8%). Annex 2 provides more details of the program’s costs.

Table 1: Financing Plan

(\$ million)		
Source	Total	%
Asian Development Bank – Project Loan (OCR)	400.0	45.2
Government of the Philippines	484.2	54.8
Total	884.2	100.0

OCR = ordinary capital resources.

Source: Asian Development Bank estimates.

² The USD \$1.29 billion includes financing charges, while the USD \$884 million are defined as “recurrent costs financed under the loan for operating expenses” (ADB: Project Administration Manual 2010).

Table 2: Program Investment Plan

(\$ million)

Item	Amount
A. Base Cost^{a,b}	
1. Efficient implementation of a national targeting system to select poor households	13.7
2. Health and education cash grants provided to poor households	798.5
3. Strengthened capacity for CCT program operations	38.3
4. Improved systems for monitoring and evaluation of social protection programs	5.2
Subtotal (A)	855.7
B. Contingencies^c	7.7
C. Financing Charges During Implementation	20.8
Total (A+B+C)	884.2

^a In mid-2009 prices

^b Includes taxes and duties of \$1.84 million financed from government resources.

^c Price contingencies calculated at 4.6% on local currency costs

Source: ADB 2010: Project Administration Manual

Ongoing evaluation and constant program monitoring is essential because of the high investment into the program from these various stakeholders and financiers. It is especially important for other governments seeking to implement CCT programs and the high cost required to run a conditional cash transfer program to reduce poverty.

JUSTIFYING CONDITIONALITY

The appeal of conditional cash transfer programs is because it reconciles social safety nets – the provision of basic human needs such as food, clothing, and shelter – with investments aimed at long-term human capital development – the provision of healthcare and education. It addresses all three inclusive growth pillars either in the short-term or long-term. First, economic output increases through increased employment and more productive employment. Second, increasing an individual's capabilities, either through education or health, can increase access to such economic activities. And finally, social safety nets, whether they come with conditions or are unconditional, are important to protect society's more vulnerable and constitute the core of inclusive growth (Son July 2008).

Is conditionality necessary?

There is general consensus that unconditional cash transfers do not promote the kind of behavioral modification desired to mitigate long-term poverty. The main argument against handouts is that it reduces an individual's incentive to acquire the education and skills training to improve one's human capacity necessary to escape poverty conditions. As such, welfare programs while necessary to support the poor's basic needs, must either be unattractive enough to encourage an individual's propensity to improve one's socio-economic status himself or attach requirements to the program to require that commitment to improvement (Besley and Coate 1992).

One school of thought argues that conditions are necessary when the program's goals are to raise the participation of poor households in education and healthcare services and is justified when the gains of such participation outweighs the administrative costs of monitoring the program. Conditionality also helps to achieve socially optimal levels of investment in education and healthcare services when poor households would otherwise underutilize such services. For example, returns to education only accrue over

several years, and because many households cannot wait or do not see these benefits, they tend to forgo the activity. Conditionality helps rectify that underinvestment (Son July 2008).

Conditional cash transfers empower households to commit to long-term personal human capital investment that will hopefully lift themselves and their children out of poverty. Conditionality requires households to participate in education and health services to benefit from the long-term benefits that accrue from more education and preventative healthcare. Girls, especially, who are more likely to be passed over for educational participation and other human capital development activities benefit greatly from conditional cash transfer programs (Son July 2008).

On the other hand, others oppose conditionality because of the high costs of administering, monitoring, and ensuring compliance with the program's conditions. Conditionality cannot work without the appropriate supply-side program complementaries, namely, schools and hospitals or healthcare facilities. This is true in rural areas where the lack of schools and clinics make it difficult for households to fulfill the required utilization of each, and even requires additional spending on transportation costs. Finally, conditionality can be seen as demeaning because participating households much perform the imposed conditions, no matter the preferences (Son 2008).

Current CCT Programs

Several CCT programs have been implemented in emerging economies and serve as both models for implementation in other communities and case studies of what works and what doesn't. These include Oportunidades (or Progresa) in Mexico, Bolsa Escola and Bolsa Familia in Brazil, Red de Proteccion Social in Nicaragua, Program Keluarga Harapan in Indonesia, and Programa de Asistencia Familiar in Honduras to name a few. The experience of these programs must be carefully evaluated and monitored to assess the feasibility of a CCT program in another community (Son July 2008).

Bolsa Familia for example, currently the world's largest CCT program with over 14 million recipient households with two simultaneous goals: to address immediate hunger and poverty and end inter-generational poverty through an educated and healthy youth. Studies of Bolsa Familia's effectiveness have been mostly inconclusive. For example, a study showed that the informal economy actually grew in size in a concurrent time period as the CCT, which could mean that the program was not developing the capabilities of individuals to enter the labor force of the formal economy (Hall 2008). While family members could be getting better educated and healthier, these are no guarantee of a greater or more productive participation in the formal economy.

Its educational program, Bolsa Escola, also received mix results from an evaluation that concluded that while school enrollment and retention rates increased dramatically, it only decreased the incidence of poverty by an estimated one percentage point and decreased the Gini coefficient by half a point (Bourguignon, Ferreira and Leite 2002).

A study by the International Food and Policy Research Institute on Mexico's Progresa finds that the program successfully increased the enrollment of boys and girls in secondary school by 6 and 9 percent, respectively, while the retention rate for girls between junior high school and high school rose by 15 percent. On healthcare

indicators, children participating in the Progresa saw 12 percent lower incidences of illness and adults reported a 19 percent decrease in sick days (Son 2008). However, no long-term evaluation has yet been completed as to the whether these improvements in healthcare and educational enrollment led to poverty reduction among households.

These snapshot evaluations fail to capture the true intent of such programs; whether households continue to invest long-term in human capital development even after they have graduation from the program so as to end inter-generational poverty. The evidence may show increased educational enrollment and improved healthcare and nutrition, but there are too many unseen variables to determine whether the CCT is responsible for ending poverty.

THE NEED FOR LONG-TERM EVALUATION

Two questions motivate this paper: 1) what happens to the expenditure habits of households if they do not complete the program and drop out; 2) what happens to the long-term expenditure habits of households who have completed the 5-year program? This paper does not answer these questions, but rather, describes the analytical framework for evaluating the program in the short-to-long term by tracking the investment habits of households throughout the course of the program, and in the months and years following the completion – either by dropping out or by graduation – of the program.

The reason why this short-to-long term evaluation should be important is the amount of money required to maintain the program. If the evaluation shows that in the long-term, the program really doesn't solidify the desired behavioral changes and expenditure habits, the Philippine government and its funding partners should implement reforms and changes to the program to increase the chances it promoting the desired behavioral changes. This paper continues with the theoretical underpinnings of a conditional cash transfer program and an analytical description of randomized control trials to evaluate the program.

Figure 5: Effect of CCT on Indifference Curve

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CCTs are grounded in basic indifference curves and utility maximization theory. Basic indifference curves and utility maximization theory states that the consumption of an individual or household is constrained by income, and therefore must choose between certain goods or services at certain quantities that give them the highest utility. The graph below summarizes this basic theory.

Consider a household with a fixed income. Its budget constraint line is signified by the solid lower line; it marks all the consumption trade-offs between, for example, education and

Source: Usui 2011

other goods and services. Point A refers to the household's optimal trade-off between education and other goods given its budget constraint.

For a household below the poverty line, the budget is very constraining, and many forgo consumption on consuming the goods whose rewards or benefits accrue over a long period of time, such as education and healthcare, while opting to purchase goods and services with immediate payoffs, such as food and shelter.

Conditional cash transfers step in and provide households with additional income, contingent on the participation in regular healthcare and education programs. This cash transfer shifts up the household's budget constraint threshold. In the graph, it's signified by the half solid, half dotted line. The increase in disposable income will not only raise the required expenditures on healthcare and education-related costs, but on other goods and services. Point B marks the increase in education spending as well as spending on other goods and services.

The shift in consumption towards education and healthcare is exactly what a conditional cash transfer program hopes to solidify. In the case of Pantawid Pamilya, the hope is that graduated households permanently prefer to consume more education and healthcare, even without the transfer subsidy.

The obvious follow up questions are these: does Pantawid Pamilya solidify sustained long-term consumption preferences towards education and healthcare? Are households able to make the necessary sacrifices of immediate payoffs for long-term rewards? Or do households just revert back to their consumption habits before they joined the program?

If the data shows that more often than not, families are reverting to old habits, then the program must be changed or eliminated altogether. If problems within the program are left unchecked, inter-generational poverty will not be reduced, financial leakages will waste millions of dollars, government-public relations will sour, and the Philippines will fall behind on its MDG targets. All the program would have done was to provide a 5-year temporary income boost with no real long-term poverty reduction among low-income households.

PROGRAM EVALUATION: RANDOMIZED CONTROL TRIALS

The disadvantage of simple before-and-after evaluations of CCTs is that observing and quantifying the effects of the program on households doesn't take into account the plethora of other factors that could be influencing the success or failure of desired behavioral changes. It is unable to link cause and effect and even if the program improves education or healthcare participating, this evaluation cannot attribute the improvement to the program.

“At most, what we can say is ‘our project might contribute, might be partially...might be.’ Much worse, at the stage when the project is already completed, we have no way of knowing the real impact of the project, we need to extract the contribution that can be distinctly attributable to the project (Usui 2011).

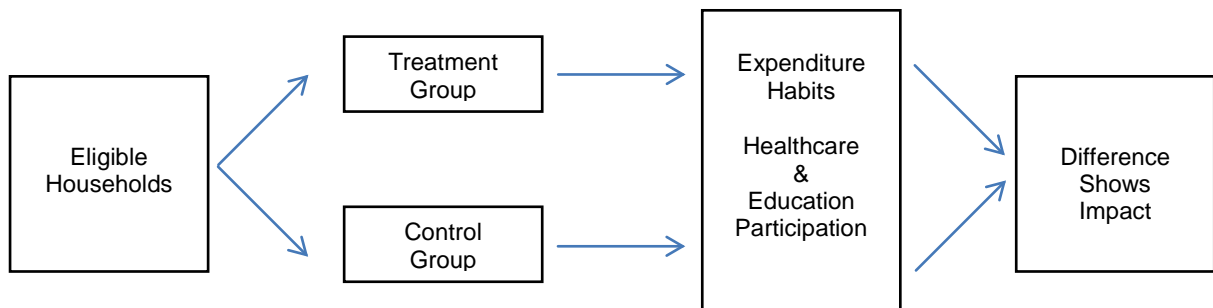
To drill past these unobservable factors that could be influencing success or failure to extract the contribution that can be distinctly attributable to the project, the evaluation must be framed to find the “counterfactual”; to compare the actual observed indicator (say, enrollment in school by beneficiary households) against a hypothetical value that would have prevailed outside the program over a period of time (Usui 2011).

Pantawid Pamilya and other CCT programs are designed in such a way that they have a “built-in” evaluation method to identify the counterfactual: randomized control trials (RCT). A randomized control trial is a type of impact evaluation that compares two “statistically equivalent” groups to determine if participation in a program by one group results in the desired outcomes. The design of Pantawid Pamilya naturally allows for an RCT to determine whether the program’s conditional cash transfers promote the desired long-term behavioral changes that hopefully will end inter-generational poverty and lift families out of poverty. The methodology to evaluate Pantawid Pamilya is outlined in the following section.

Simultaneous Observation

Simultaneous observation tracks the expenditure habits of a random sampling of households: a sample of eligible participating households and a sample of eligible non-participating households.³ Both groups will be observed simultaneously over a certain period of time, with data collection on expenditure habits, participation habits, and education and healthcare improvements collected regularly and compared to determine the counterfactuals. The figure below illustrates simultaneous observation.

Figure 6: Group distribution for simultaneous observation



Source: Author

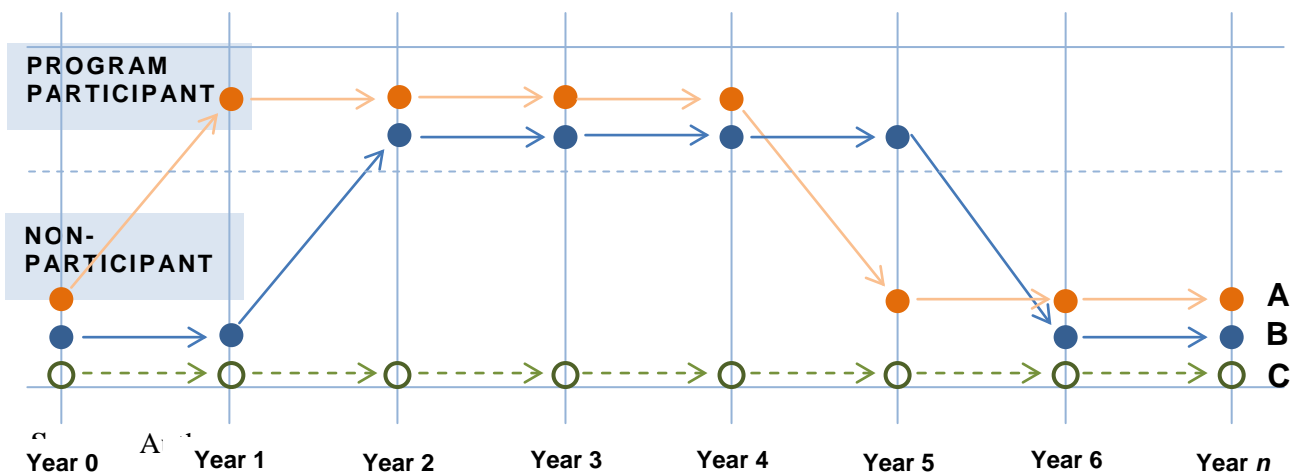
Simultaneous observation evaluation can either be done in a short period of time (1 year) or over a longer period of time. However, within 1 to 2 years, most eligible non-participating households will enter the program and cannot have continued bearing on such an evaluation. This evaluation can be modified to become a longer-term lagged observation evaluation in which the behavior of a sample of eligible participating and non-participating (and even non – eligible households of the same statistical equivalency) are tracked and compared over the entirety of the program and for several years after.

³ Eligible non-participating households usually include households chosen to participate in the program, but don’t start the program until the next cycle.

Lagged Observation:

This method observes eligible, participating households, but in different cohorts. A design could be set up to compare samples from 2 cohorts, but in which one starts 1 year earlier (or more) than the other. In the same way one compares two eligible households, as was the case of simultaneous observation, in this scenario, we compare two samples that will participate, but will begin and end the program at different times. Take households A, B, and C below. Assume they are statistically equivalent; that is, similar socio-economic positions, with households A and B eligible to participate in the program, but starting in different cohorts.

Figure 7: Lagged Observation of Participating and Non-Participating Households



The two time periods in which we are concerned with are; first, the time period in which one group is participating and one is still waiting to jump into the program (between Year 1 and Year 2); and second, when one has graduated and when the other is still participating (between Year 4 and Year 5). Comparing the differences between the two time periods should give an accurate impact assessment of the program on the behavior of the households, while a continued long-term observation of both groups will determine the extent to which the program solidifies the desired positive behavior.

At Year 0, expenditures and behaviors across households should be similar as they come from the same pool of eligible households to participate in the program. This sets the baseline comparison for changes in behavior of expenditure habits. Households in Group A begin the program in Year 1 while households in Group B wait until year 2.

How do expenditure habits change between Year 1 and 2 for Groups A and B? By Year 2, households in Group A would have been in the program for a year. One would expect their expenditure habits to have increased with the cash transfer, especially on education and healthcare-related spending. But it is also interesting to study their expenditure patterns on other goods: food, clothing, shelter, and luxury goods to name a few. Households in Group B, on the other hand, would have just begun the program in Year 2 with behavior on expenditures expected to remain at the levels of Year 0 and 1.

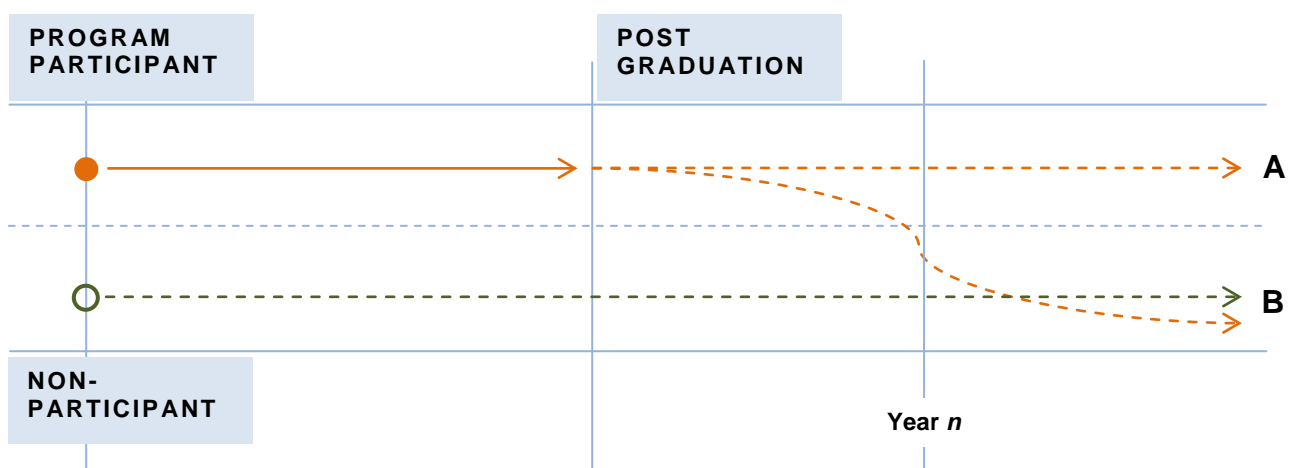
When Group B enters the program in Year 2, we should see a drastic change in their spending habits compared to the baseline that they and Group A created. With the additional income per month, one would expect an increase in spending on education

and healthcare-related expenditures. One would expect to see their expenditure behavior converge with that of Group A's in their first year.

Fast forward to Year 5; this is when Group A graduates from the program and no longer receives the supplemental income while Group B households have one year left in the program. At this point, evaluators can compare the expenditure patterns of Group A before entering the program and in the period after graduating from the program as well as several years into the future. This will provide strong evidence to see if participation in the conditional cash transfer program solidified more positive, principled spending habits, or if spending habits slowly converge with pre-program patterns. One can also compare the spending habits of Group A to Group B between Year 1 and Year 5 when Group A started the program while Group B was still waiting and when Group A had finished and Group B was still participating. Does spending habits of Group B in Year 1 mirror the spending habits of Group A in Year 5?

Finally, in Year 6 when Group B graduates from the program, one can compare their expenditure habits upon graduation and over the next several years with pre-program spending habits and in the same way as Group A to see if their spending habits before entering the program and upon graduation converge. These several comparisons over several years will provide strong evidence as to whether the program is effective to promote principled spending on human development and capital formation, or if the program is simply a 5-year cash supplement that households take advantage of before going back to old habits. Figure 8 below describes the two post-graduation evaluation observations one expects to see with any CCT program; has the household that participated in the program more likely to continue investing in education and healthcare without the cash subsidies (point A), or will its expenditure habits converge to its pre-program levels (point B)?

Figure 8: Post-Graduation Expenditure Behavior



Source: Author

If evaluations find that the latter is the cause, at what year n after graduation is this convergence most likely to happen, and what are the causes of the converge? While this paper does not answer those questions, they are important to think about in any long-term poverty reduction program such as a CCT program. The hope is that participant

households who graduate from the program continue to maintain higher levels of investments in education and healthcare than those that didn't participate.

CONCLUSION

This methodology lays out a long-term evaluation of Pantawid Pamilya that seeks to identify the counterfactuals to the success or failure of the program. By using randomized control trials, researchers, program evaluators, government officials, funders, and all other stakeholders can get a more complete picture of the effectiveness of a CCT to reduce inter-generational poverty through behavior modification through cash incentives. Albeit the long-term frame in which to evaluate, this methodology builds a more complete picture of CCT programs and implications for similar poverty reduction programs.

Very little research has tracked the long-term effectiveness of CCT programs in achieving the desired behavioral changes. But because of its "natural" built-in RCT grouping components, there is no reason why long-term evaluation using RCT should be included in the development and implementation of the program. The Pantawid Pamilya program is one many programs already targeted for such evaluation, with results that will greatly influence future CCT program implementations and poverty reduction programs.

Because Pantawid Pamilya is relatively new, the immediate development of long-term survey and data collection methods is necessary so that in several years within the context of this evaluation framework so the question posed motivates this paper can be answered: does Pantawid Pamilya, or any CCT program that encourages behavioral modification, solidify long-term investment in human capital-building activities so much so that it ends inter-generational poverty and lifts households out of poverty? This framework will help answer that question.

However, cash subsidies for a more educated and healthier poor demographic alone cannot mitigate and end poverty. The government must take active and concrete measures to strengthen the overall macroeconomy, paying close attention to promote inclusive growth that will enable poor households to participate in the formal economy, and mitigating the drivers of inequality that disproportionately affect certain demographics. Pantawid Pamilya must be implemented in step with the implementation of policies promoting a healthier economy because only then will it have a greater chance of accomplishing its desired goals.

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ANNEX

Annex 1: National Household Targeting System for Poverty Reduction (NHTS-PR)

Step 1 *Geographical targeting*

- (1) Selection of 20 poorest provinces (Family Income and Expenditure Survey: FIES 2006)
- (2) Selection of poorest municipalities (Small Area Estimates: SAEs 2003)
- (3) Selections of barangays
 - * If poverty incidence (PI) of a municipality > 50%, all barangays in the municipality are targeted.
 - ** If PI of a municipality < 50%, target barangays in the municipality are selected based on municipal socioeconomic profile.

Step 2 *Household assessment*

- (1) Collection of household level information through the Household Assessment Form (HAF), a 2-page questionnaire with 34 variables
- (2) Proxy Means Test (PMT): estimation of household income or expenditure through socioeconomic variables collected in HAF
- (3) Classification of households into poor and nonpoor based on their scores in the PMT

Step 3 *Validation of identified households*

- (1) Validation in community assemblies
- (2) Spot check
- (3) Cross-checking with FIES 2006 data

Source: Usui 2011

Annex 2: Detailed Cost Estimates by Expenditure Category and Output

Item	Total Cost ^a	Output 1		Output 2		Output 3		Output 4	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A. Investment Costs^b									
Targeted Cash Assistance ^c									
Cash Grants (Set 1)	101,906	0	0%	101,906	100%	0	0%	0	0%
Cash Grants (Set 2)	388,133	0	0%	388,133	100%	0	0%	0	0%
Cash Grants (Set 3)	308,472	0	0%	308,472	100%	0	0%	0	0%
Advocacy and IEC Materials	3,584	0	0%	0	0%	3,584	100%	0	0%
Training, Workshops and Meetings	19,857	2,255	11%	0	0%	17,486	88%	116	1%
Consultants	2,290	0	0%	0	0%	1,575	69%	715	31%
Research and Studies	966	0	0%	0	0%	0	0%	966	100%
Project Administration, Monitoring and Management	13,561	10,476	77%	0	0%	3,085	23%	0	0%
Sub-Total (A)	838,769	12,731		798,511		25,730		1,797	
B. Recurrent Costs									
Salaries	11,144	0	0%	0	0%	11,144	100%	0	0%
Travel Expenses	4,560	931	20%	0	0%	180	4%	3,449	76%
Operation and Maintenance	1,284	0	0%	0	0%	1,284	100%	0	0%
B. Recurrent Costs	16,988	931	5%	0	0%	12,608	74%	3,449	20%
Total Base Cost	855,757	13,662		798,511		38,338		5,246	
C. Contingencies^d	7,701	0	0%	0	0%	6,774	88%	927	12%
D. Financing Charges During Project Implementation	20,755	331		19,367		930		127	
Total Project Cost (A+B+C+D)^e	884,213	13,993		817,878		46,042		6,300	

^a Includes taxes and duties of \$1.84 million financed from government resources.

^b For the project administration, monitoring, and management including bank charges to LandBank for cash grant transfer.

^c Cash grants (set 1 beneficiaries) are financed by World Bank (75%) and GOP (25%); cash grants (set 2) by ADB (25%) and GOP(75%); and cash grants (set 3) by ADB (95%) and GOP(5%). ADB only finances education grants for October 2009 - January 2011 until the CVS is fully operationalized, resulting in lower overall % of ADB financing for cash grants. The financing percentage under disbursement will be 25% for Set 2 grants, and 95% for Set 3 grants.

^d Price contingencies calculated at 4.6% on local currency costs.

^e Total project costs includes ADB financing and full Government financing for the overall Government program.

Source: ADB: Project Administration Manual 2010

ABOUT THE AUTHOR

Amos Garcia is currently a Master in Public Policy Candidate at the National University of Singapore's Lee Kuan Yew School of Public Policy, specializing in Economic Policy and Analysis and focusing much of his academic work on the macroeconomic tools and policies to reduce poverty in Southeast Asia and ensure more stable economic environments in which businesses operate. He was born in Manila, but lived all his life outside the Philippines in Indonesia, Malaysia, Singapore, and the United States.

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A New Paradigm and Leadership for Transnational Strategies to Overcome Human

Trafficking and Prostitution: Purposeful Partnerships from Asia.

Tyler Gifford, Kenneth Galea'i

Brigham Young University- Hawaii

Introduction:

Aloha, my name is Tyler Gifford, I am a Social Work major graduating in April. As an intern I have been placed at Made in Hope, an agency attempting to reverse one of the fastest growing criminal activities in the world, human trafficking and prostitution, one group, one home one victim at a time. As a major portion for this deadly international problem is the trafficker abuse of power over his or her vulnerable victim. It has been said that such a large portion of all human trafficking victims are women and children that there is a feminization of poverty, as well as the widespread occurrence of human rights violations of women in the Asia Pacific.

We now have international laws established to battle this product of poverty human trafficking. The United Nations has documented international efforts to collaborate through legislative means, to increase the number of arrests, to change the process of charging the female prostitutes and letting the johns and other abusers go free. Policies have been but in place as a result of the United Nations efforts to raise awareness and coordination among law enforcement and civil society. Training manuals have been created and disseminated internationally for judges, law enforcement, education and health professionals and programs to increase awareness and to appreciate the root causes for human trafficking is domestic abuse and poverty.

Need

I am interested in the study of Domestic Violence and Abuse and how I can train people effectively in the future to overcome this problem. So much emphasis has been on legal enforcement that the victims have been neglected. The Advisory Council of Jurists (ACJ) of the Asia Pacific Forum of National Human rights Institutions found in the annual Trafficking Report that there is a need for multilateral and bilateral cooperation to fight against trafficking, beginning at the core. ACJ called

for education to play a crucial role in enduring the effectiveness of measures taken to combat trafficking. Community education about the causes and consequences of trafficking and potential victims and vulnerable groups could be effective tools in combating trafficking. One of the newest and best practices for countering human trafficking abuses is to train at the most basic level for people in the villages and in their homes to recognize the power they have to reverse these abuses. The training devised for this program by 'Made in Hope' will address the Phenomenon of the "Bystander Effect." This effect's theory is that the more people there are witnessing a situation the less people there are likely to offer support or intervene in that situation. The purpose of the training is to make people realize that if they do see some type of intimate partner violence there are ways that they can intervene on a level that they will be comfortable with.

I believe that my life work is to be in the service of my fellow men, especially those that are in dire need of support. One population that is in need today is the Filipino- American communities as well as the Native Hawaiian communities in Oahu. These populations are at risk or experiencing Intimate Partner Violence. Many times Domestic Violence is caused by stressors within the family; poverty, lack of food, lack of formal education, etc. All of those can create an atmosphere where domestic violence or abuse can become easily justifiable. Intimate Partner Violence is also often passed on from generation to generation as families socialize their young men into becoming aggressive toward women. Pornography also plays a predominate role in this socialization process.

Research Question:

What are the transnational organizational models now in place that are effectively addressing Human Trafficking by focusing on the nuclear family as the lynch point for collaborative service and individual action?

How effective are trainings and interventions for domestic violence within the Filipino- American Communities at the core of nuclear family adjustments and individual action for transnational change?

How will I answer this question?

We will describe the current multi-tier organizational model combining Filipino, and US Hawaii nongovernment agencies, international communities and local community based training to reverse human trafficking at the macro economic, mezzo social and micro family levels for change. Using a non-experimental research design we will administer a test of the attitudes and knowledge of the participants of the training toward domestic violence and 'bystander theory'. We will pretest each of the participants before their training. After the training is completed we will conduct a posttest to measure the difference in the scores and calculate the statistical significance by comparing the means group scores. The statistical significance of a T-test for dependent means will determine that a P value score ($P < .05$), that the probability is less than 5 % on any one test of the null hypothesis that the average of posttest scores is greater than the average of pretest scores due to chance alone.

I want to measure the change in perception about Intimate Partner Violence after a training session about the topic within a Group setting. This will allow us to better formulate future trainings that will be more effective at raising awareness and creating a knowledge base for prevention within communities for the future.

The training will address the Phenomenon of the “Bystander Effect.” This effect’s theory is that the more people there are witnessing a situation the less people there are that are likely to offer support or intervene in that situation. The purpose of the training is to make people realize that if they do see some type of intimate partner violence there are ways that they can intervene on a level that they will be comfortable with.

Plan to share results:

I will be using this data to improve my internship agencies (Made in Hope) effectiveness in training on domestic violence with Filipino and Native Hawaiian males. I plan on sharing the findings at the PSPC 6th Annual Conference in Bangkok Thailand using statistical tables, graphic data charts and brief analysis of the compiled information for the study. This will be a starter for me and for my future research on Domestic Abuse and Violence for the future. My goal is to eventually publish the data that I have collected after multiple rounds of this research. Ultimately I would like to make a difference in at least one person’s life so that they may raise their kids in an atmosphere without domestic violence.

Sample questions for the test

Pre-Posttest:

Age Ethnicity Zip Code
Years of education Religion
Family Size Previous Domestic Violence History

Questions:

- 1) The training was worth my time participating. True or False
- 2) I understand my role as a follower of Christ on how to react when encountering a violent situation. True or False
- 3) The information presented was important for me to know. True or False
- 4) I can define the term gender based violence. Yes or No? If yes, in what way?
- 5) Bystander effect is when people are violent towards their neighbor, true or false?
- 5) I know one valuable skill that can help me become a better Christian in regards to helping others in need. Yes or No, If yes, name this skill?
- 6) I have a sense of being a Pilipino-American in regards to the long Pilipino history of resistance. Yes or No?
- 7) I would recommend this training to others. Yes or No?
- 8) What changes would you recommend?
- 9) Personal Comments: please give us your thoughts on the value of the training for you and your peers.

All of these questions excluding the opinion questions will be on a nominal scale categorically scored for analysis and comparison.

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Against the Grain: A Bourdieuan Ethnography of a Development
Non-Profit

Cristina Bain
University of Wisconsin

Perusing the NY Times website during a lecture, I first learned about the organization after skimming a small article that showed up in the "most frequently emailed" sidebar. Bookmark. The organization had started in Ecuador, supplying poor families with a set of 10 chicken hatchlings, two of which were guaranteed to be roosters. That evening I opened a third tab in my web browser, momentarily leaving my Facebook page and the G-Chat conversation with Susan on the other side of town to look through more high-res photos of knobby-kneed baby goats held by small children. With a modern and professional website full of baby-animal photographs, the non-profit that gives breeding animals to poor families had spread to Nicaragua, Peru, and then exploded into other regions after the 26 year old founder spent 3 minutes on The Daily Show with Jon Stewart. I momentarily consider purchasing a plush stuffed animal. They have all of the breeds available for donation, and with the purchase comes a \$5 donation to their general fund. Now they're working in Kenya, Cambodia, and Bangladesh, employing the same model with local breeds. For \$25 US some woman and her children would have regular income through the sale of eggs and progeny of the original flock. I laugh, amazed at the difference a relatively small amount of money can make, mentally acknowledging the \$63 bar receipt from last night crumpled in my coat pocket. The Facebook tab blinks. I wonder who "liked" the photo I posted earlier, and click on it. Then Mad Men was back on, and my computer is ignored for a few minutes. Commercial break: back to the cute animal photos. Another of these 3-minute commercial breaks is spent surfing around the organization's website before I click the "Donate Now!" button. Hmm. Choose an animal: baby goat, chickens, or pig? Goat! Choose a region: Southeast Asia, South Asia, Central America, or Africa? Africa! Credit card information. Agree to terms and conditions. Back to Facebook.

* * *

And so we change the world; ordinary individuals using their economic capital to affect small changes with big impacts. Right? We have more knowledge and more opportunity to "get involved" in this era, but somehow manage to do so while remaining at a distance. I (as the donor above) experience no particular hardship, some family in Africa receives a goat, and I can go back to what I was doing. Maybe this is necessary to a degree – large numbers of donors are needed to accomplish the work these organizations do – work that reduces poverty, improves health, and changes lives. This does, however, feed into and reinforce the sound-byte based tendencies of contemporary Western society, and doesn't address the factors that produce the poverty, hunger, and health crises in the first place.

Man-made problems in the world are on the rise. Poverty and the myriad specific problems encompassed within – access to food and clean water, healthcare, credit, education – are only the beginning. As global citizens we worry about natural resource depletion, about human rights, overpopulation, and the fact that global warming and melting ice caps are going to exponentially increase the impact of these issues. Add to that an ever-growing culture of communication and connectedness, and the result is an era where – more than ever before – average people are aware of current events and issues in communities on the other side of the world, if superficially. More than just possessing that knowledge, regular people now have the capacity to participate in solutions via a profusion of creative means. Way beyond simply donating money to an organization, I can give a month of labor in exchange for room/board on an organic farm or volunteer weekend hours to help construct inner city vegetable gardens. I can buy a goat for a family in Kenya,¹ directly fund a small-business loan for a

¹Heifer International.

Peruvian woman,² or give shoes to Cambodian children; I can do all of this with simple consumption and spending decisions.³ These (and many more examples I've left out) are all available because of the flurry of development the non-profit world has recently undergone; development which has created a plethora of ways that we can participate in small solutions to the problems of today.

With these changes come new ideas about what makes a “good” organization. As one would expect, these ideas also change over time. The field sees innovation, and that innovation impacts the preferences of the entire field. Grameen spearheaded the microfinance trend, giving small loans to groups of poor Bangladeshi women who were mutually invested in each other's success and creating networks of support with incredibly low-interest loans. “Helping people help themselves” became the big thing, Grameen⁴ became the model, and Mohammad Yunus the guru on poverty alleviation. Every pull-yourself-up-by-your-bootstraps capitalist culture could vocally advocate financial support for people in poor countries who wanted to start a business. Much like fair trade label, appealing to so many consumers “in its implicit promise to address injustice through the workings of the market” it offers a ray of hope in an era of what George Soros terms “market fundamentalism” in *The Crisis of Global Capitalism*. We weren't giving handouts, we were supporting entrepreneurs! It was, for a while, lauded as *the* solution to poverty. It wasn't until more than a decade later that criticisms of this model⁵ became an audible part of the discourse, and by that time the next major trend - the one we're arguably exiting right now - had begun.

Maybe it was inevitable. “Entrepreneurship” became a common major, non-profit management a career path; both of these appeared as new and popular specializations in MBA programs around the world. The loan policies employed by microfinance institutions began to change⁶ and rates began to increase,⁷ following sound business practices taught at Harvard Business School and the University of Chicago's Booth School of Business. MBAs with these foci became the way to make money while maintaining a conscience, and a new generation of non-profit leadership with a financial and business savvy unlike those before it took the lead.⁸ The objective economic-model-derived business decisions may make great businesses, but they often seem to be missing some ineffable quality. Where previously people created an organization to address a problem to which they had some personal

²Keva.

³Toms.

⁴ A Bangladeshi organization giving small loans to groups of women who would normally have no access to the formal banking sector, and which made microfinance a household name. Mohammad Yunus won the Nobel Peace Prize in

⁵The most obvious being that few communities can support as many small businesses as would be necessary to substantially diminish the number of people below the poverty line.

⁶Whereas the original Grameen model allowed loans for medical and weather emergencies, newer loan models excluded these, emphasizing “productive” loans only (those where a business is started and capital is generated). Additionally, the “target population” changed as loans shifted from small groups of women to individuals, necessitating the requirement of collateral since the built-in social pressure of group-lending was gone. Typically, the members of society in developing countries who possess any sort of collateral (property, livestock, jewelry) are those directly on or above the poverty line, not those below it. If you live in Bangladesh and own a shack, a cow or small herd of goats, you're already better off than many.

⁷If local loan sharks are asking 50-100% interest, MFIs could, they reasoned, ask 20-40% and still be “doing good”, despite this being 20-30% higher than the original models.

⁸The “triple bottom line” and “social entrepreneurship” became the terms thrown about; any organization that could do good while making money must be better than one breaking even. Non-profit management seminars preached “sustainable business practices”: making enough profit to keep going without repeated inputs of more capital must be better than those continuously reliant on donations.

attachment, a generation of social entrepreneurs with newly printed degrees headed out looking for a problem to be solved in one location, with success marketed and replicated elsewhere.⁹ The result is a non-profit field that seriously disenfranchises and devalues organizations that can't, or won't, participate in this trend.

This isn't to say, however, that there aren't hundreds or thousands of small organizations out there doing just that. Almost as if in response to critiques commonly levied on these trendsetters, a new generation, or a subgroup of non-profits is attempting to set some rules of its own. Usually operating on a smaller scale, these non-profits have organizational structure and set of operational practices that are often more egalitarian than the field-leaders. Grounded methods, longer-term projects, and community partnerships are all common rejections of the business culture currently valued by the trendsetters.

In the following pages I will describe one of these organizations - Madison Quakers, Inc. (MQI), employing a theoretical framework by Emirbayer and Johnson (2010) that has shed new light on the way that organizations interact. I hope that it can be part of a larger discussion of non-conformers in the development field, and that it will highlight the importance of the work that they're doing. MQI is an organization born out of a personal connection to a place and a desire to help. Because neither of the men in charge have any background or training in non-profit management, this organization has been built through trial and error, responding closely to the needs of the specific community in which they work. Following the reasoning that people within the community – Quang Ngai Province in central Vietnam — have a better understanding of their own needs than any external organization could, MQI operates in a manner that generally follows the rules of grounded methods and community-based development projects. This is done by integrating regular and open communication with three main groups: administrators of the various projects in process, Women's Union officials with whom they have longstanding relationships, and village leaders who bring new ideas and project proposals to the table. All of this is only possible because MQI has invested 17 years of work in this one province, deepening their partnership instead of expanding into other regions, countries, and continents. The personal connection to Quang Ngai also explains why MQI continues this work even as provincial officials develop new forms of bureaucratic red tape.¹⁰ That the organization rejects - sometimes intentionally and sometimes unintentionally - certain standard industry practices in favor of a self-determined and therefore mistake-riddled path is precisely why it should be supported instead of marginalized. We need to facilitate (fund) work that thinks outside of the box, goes against the grain, and challenges a few of our assumptions of what a successful organization is, what it looks like; how its members look and act.

Literature Review

In his landmark piece on taste and class analysis, Distinction, Pierre Bourdieu employs a set of connected concepts - field, *habitus*, and capital - to explain the manner in which classes interact with each other, and the distinguishing and relative characteristics of each. Bourdieu suggests that capital ultimately takes different forms, three of which are particularly

⁹These organizations very often begin by focusing on a global issue in one location. Shoes, glasses, solar ovens, etc. The purpose is to create a business plan and organization model that can be generalized to other communities, cultures, and continents.

¹⁰Recently, the government branch in charge of NFPs -the Department of Foreign Affairs (DOFA)- has made this an even more tenuous and circuitous process. National level Communist Party government officials attempt to balance an interest in economic liberalization with the desire to retain control over local political developments and potential external influences. DOFA's treatment of foreign-based organizations (especially American ones) is one of mistrust.

important for this discussion. *Economic capital* is the most common and direct form of capital, it will figure in this discussion primarily as something into which other forms of capital can be converted, since the utility of money in the functioning of an organization is clear and not as relative a value. *Cultural capital* has two components (embodied and objectified). Objectified cultural capital takes the form of articles like books, instruments, paintings, machines, etc.; objects the possession of which represents economic capital (in that they have a direct market value and are purchase-able) and embodied cultural capital (in that the appreciation and use of the object determines the ability to consume it).¹¹ Embodied cultural capital is thus very much connected to *habitus*; a level of cultivation or culture which can't be acquired immediately but which must be built over time. Lastly, *social capital* is the mass of invisible social ties, connections, and obligations that can be drawn upon and sometimes converted into economic capital.¹² The conversion of social or cultural capital into economic capital depends on the circumstances, the participants in the exchange, and the relative value assigned to the forms of capital present. The quantity of social capital possessed by a given individual thus depends on the size of the network of connections he or she can effectively mobilize and on the volume of the capital (economic, cultural or symbolic) possessed by each of those individuals to whom he or she is connected.

The value of these forms of capital and the exchange rate into economic capital is dependent on the field in which they are situated. Bourdieu conceptualizes the field as “structured spaces of positions whose properties depend on their position within these spaces and which can be analyzed independently of the characteristics of their occupants (which are partly determined by them)”¹³ Any field is thus a configuration of relationships or a network bound together by a temporary state of power relations and an ongoing struggle for domination over the field. The field is “a terrain of contestation between occupants of positions differentially endowed with the resources necessary for gaining and safeguarding an ascendant position within that terrain.”¹⁴ Each field has distinct value assigned to the various forms of capital, values determined by the dominant members of that field. Some of this capital (the social kind) is embodied by the players as *habitus*.

The *habitus* is the “embodied class (including biological properties that are socially shaped, such as sex or age) and...is distinguished (in its effects) from class as objectified at a given moment.”¹ Bourdieu labels taste a product of social positioning, using the French bourgeoisie, petit-bourgeoisie, and proletariat to demonstrate his argument in Distinction. Each class embodies particular beliefs about taste, accumulated through a lifetime of exposure to a particular value system. While there is an element of temporality (the *habitus* of an individual can change over time if the field in which one is operating changes), for most the *habitus* remains the same. *Habitus* is therefore the connection between personal experiences and macro-level processes, the connection between biography and history, individual and society.¹⁵

¹¹ With the example of a musical instrument or a book of poetry, embodied cultural capital is the background training required to play the instrument, or to understand the poetry.

¹² Each of these forms of capital can be institutionalized. Property rights are an example of institutionalized economic capital, title of nobility is institutionalized social capital, educational qualifications are institutionalized cultural capital.

¹³ Bourdieu, 1993 : 72.

¹⁴ Emirbayer & Johnson, 6.

¹⁵ This is another reason that *habitus* is such an underrated concept in sociology, it is the connection alluded to by Mills in Sociological Imagination, the thing that defines our understanding of the social world and the way that individuals play into it.

Mustafa Emirbayer and Victoria Johnson (2008) apply this analytical framework to the study of organizations with the intention of bringing conceptual clarity to our understanding of inter-organizational *and* intra-organization relations. They claim that while “field” and even “capital” are regularly employed in organizational analysis, the almost complete lack of *habitus* leaves gaps in our understanding of organizations, their internal structure, and the way that they interact with other organizations, states, and players in their field. Additionally, they suggest that all too often organizational analysis underplays the importance of the political and historical context in which the field is embedded, resulting in an analysis that lacks much of the explanatory power that his theoretical framework *could* bring to understanding organizational interactions. Emirbayer and Johnson thus set out an agenda for a more complete Bourdieuan organizational analysis. Emirbayer and Johnson also find inadequate the manner in which organizational theorists utilize Bourdieu’s “capital” concept.¹⁶ The very value of economic or social capital is constituted by its past and present uses, by the structure of the field(s) in which it is deployed, and by its specific differences vis-à-vis other types of capital. Despite the relativity of its value, the economic development field (like much of the rest of the world) is increasingly structured and formalized, leaving less and less room for that relativity. That an organization might value lived-experience over professionalism becomes almost irrational, and the assigned values of capital by those in power in the field are cemented.

MQI

Madison Quakers, Inc. is a not-for-profit (NFP) organization that has been doing economic and community development work in Quang Ngai Province, Vietnam, for 17 years. Beginning in the village of My Lai and expanding outwards into a number of other areas in the province, MQI provides the funding for these projects, all of which are administered through the local branches of the Women’s Union. It funds communities most in need, based on directives of the provincial and local Women’s Union, a branch of the Vietnamese Communist Party in charge of all NFPs. With its legislative structure more restrictive than supportive of international organizations, especially small ones, Vietnam is not an easy place to do this work. Perhaps because of its unique relationship with regional officials, MQI has overcome these barriers to fund and organize several types of projects.

The Research

The research for this paper took place in Madison, Wisconsin, from September 2010 to September 2011, with the exception of two weeks in the field with the MQI team in Quang Ngai province in March 2011. In line with the tenets and inductive nature of grounded theory (GT), I approached MQI with a lot of background knowledge about Vietnam but very little about how this organization (or non-profits in general) functioned.¹⁷ This fit well with GT, which pushes researchers to start with a case instead of a theory, remain in constant dialogue with their data, compare and analyze as they go, and narrow in on the processes at work. Theory comes after case selection, abstract conceptual categories modeled after real ones.¹⁸ My background knowledge of the social, political and historical context of Vietnam serves to counter a criticism of GT popularly attributed to Michael Burawoy; that GT misses or

¹⁶ Typically today “capital” connotes money or financial resources, and more recently human and social capital have begun to garner attention. Few of these uses, however, acknowledge capital for what it is; as Marx says “capital is not a thing, it is a social relation.” Emirbayer and Johnson note forms less included in organizational analysis; social, financial, legal, technical, political, economic, human, cultural, symbolic. These categories of capital are possessed and valued to very different degrees in each field.

¹⁷ See Glaser and Strauss (1967)

¹⁸ Charmaz, Kathy. Constructing Grounded Theory: A Practical Guide Through Qualitative Analysis. Sage Press (Los Angeles: 2010) Pg. 3.

understates the macro-level and structural analysis.¹⁹ GT research may be susceptible to this, but it is not inherent.

With this case study I intend to limn the consequences of (1) subjectivity on a organization, (2) of the resulting organization in its field, and (3) of field rules and norms enacted on non-conforming organizations. Thus my data is primarily ethnographic, collected from an immersion into the organization itself.²⁰ I observed team members as they went about the business of the organization; both in the U.S. as they engaged in fundraising and education, and also in Vietnam, where they interacted with their “target populations” in Quang Ngai province. Through intense participation and immersion, the fieldworker could “grasp the symbolic nexus between thought and action in a particular social milieu,”²¹ not just there in a physical sense, but experiencing their set of meanings, feeling subject to their code of moral regulation.²² These observations—across boundaries of race, class, age and gender— helped me to understand how the life experiences of MQI members are central to their knowledge of, perception of, and interaction with Vietnam today; defining their subjectivity.

Socio-Economic History

Since the end of the Viet Nam War in 1975, Viet Nam has undergone massive economic and political changes, moving from a newly independent nation with the infrastructure of a colony to a quickly modernizing one with high GDP growth rates, new trade markets and two regionally influential cities.²³ Since the defeat of the U.S.-funded regime in South Viet Nam, the Communist Party of Viet Nam (CPV) has embarked on the path to creating a socialist nation. From 1975 to the mid 1980s the national economy stagnated and Viet Nam existed in relative economic isolation, in a large part due to the U.S. embargo, though the late 1970s were peppered with small regional wars/skirmishes that increased Vietnamese dependence on the Soviet Union. A GDP per capita of about \$130 per year made it one of the five poorest countries in the world.²⁴ The post-war collectivization of farms/land brought about economic collapse and triple-digit inflation. With only the most basic infrastructure, a war ravaged countryside in poor condition for agriculture and few trading partners, Viet Nam began its time as a united, independent country with an economy unable to support the new nation.

After 11 years of economic stagnation under fairly strict socialist policies and relative international isolation, the Communist Party announced “Doi Moi”, a policy of economic liberalization. With this came the normalization of trade relations²⁵ between Vietnam and the

¹⁹ Burawoy “The Extended Case Method” in Ethnography Unbound University of California Press (Los Angeles: 1991) Pg. 272.

²⁰ For a discussion and analysis of the importance of ethnography in the study of globalization, including the expansion of national-level analysis to the global system, see Burawoy (2000). The importance of ethnography for addressing interdisciplinary movements, trends and themes, not just the traditional ethnographic study of people and place, see “Sticking with Ethnography through Thick and Thin” in Marcus (1998).

²¹ Schwartz and Merten. “Participant Observation and the Discovery of Meaning” in Philosophy of Social Sciences. (1971) Pg. 81.

²² Emerson, Robert M. Contemporary Field Research: Perspectives and Formulations. Second Edition. Waveland Press, Inc. (Chicago, IL: 2001) Pg. 18.

²³ Hanoi in the north and Ho Chi Minh City (formerly Saigon) in the south each sit on a major river delta and have over 9 and 12 million people respectively; major regional nodes.

²⁴ Glewwe, Paul. “An Overview of Economic Growth and Household Welfare in Viet Nam in the 1990s” in ed.s Glewwe, Paul, Nisha Agrawal and David Dollar. Economic Growth, Poverty, and Household Welfare in Viet Nam. World Bank, Regional and Sectoral Studies, Washington D.C. 2004.

²⁵ After the North Vietnam victory in April 1975, the United States ended virtually all bilateral economic interchange, including a halt to bilateral humanitarian aid, opposition to financial aid from international financial institutions (such as the World Bank), a ban on U.S. travel to Vietnam, and an embargo on bilateral

United States and the following restoration of aid to Vietnam. Since Doi Moi, Viet Nam has continued shifting towards market dominance. As this has occurred, the Vietnamese administration has had to deal with the problems that, as a seeming rule of economic development, come with such a shift – namely, reduced social protections from market volatility and the reduced social cohesion and increased inequality that come with it. Individual examples of economic policy shifts between 1986 and today demonstrate the constantly renegotiated relationship between state and economy, with direct implications for the stability of Vietnamese citizens and environment. There is increased inequalities along rural/urban divides, increased gender and income inequalities, and increased costs of health care and education, to name but a few difficulties.

Quang Ngai province in central Viet Nam is one of the poorest in the country, and is still dealing with the legacy of the American war. In The Military Half: An Account of destruction of Quang Ngai and Quang Tin (1998), Jonathan Schell documents the destruction of seventy percent of all villages in Quang Ngai through artillery strikes, air strikes and naval bombardment. Unexploded ordnance still kill Vietnamese inhabitants today, many of them children. Three generations are now affected by Agent Orange.²⁶ Economically, the region still experiences relative economic stagnation, with poorer soil than the river deltas in the north and south, fewer stocks of fish off their coasts, and mountains that make serious industrial development a transportation challenge.

Trends in Microfinance and Development Non-Profits; the Corporate Model

In discussing international economic development as a field, the “dominant” position is held by large development organizations and agencies with enough clout to set the rules of economic development on a global level. Development banks, granting agencies, intergovernmental organizations; these goliaths set by example the values of the field. The increasing number of non-profits has meant an increase in competition for funding sources, and an opening up of the non-profit world the financial sector. The dramatic proliferation of non-profits in the 1980s “also produced a flurry of experts to advise the creation and management of non-profits and the relationship of public agencies to non-profits, further professionalizing the sector.”²⁷ The 1990s and early 2000s saw an increase in the variety of non-profits, but also a decline in traditional sources of revenue. Public programs were privatized, and organizations of all varieties adopted an increasingly market-based approach to their funding issues. This is where organizations like Grameen found their niche in history; market-based solutions to social problems required less capital input *and* supported the new emphasis on entrepreneurship.

When Grameen began, it went against traditional banking principles. Loans in incredibly small amounts (often small enough to not be worth the transaction costs for a traditional bank) were given to poor women who had no training, education, or collateral. Because of the loan size, any profit from interest collected was generally negligible, but this was irrelevant because the majority of non-profits involved in microfinance and other development projects

trade. The embargo didn't lift until 1991, when the administration of George H. W. Bush announced plans to send \$1.3 million to fit disabled Vietnamese with prosthetic limbs.

²⁶An herbicide and defoliant used during the Vietnam War by the U.S. military between 1961 and 1971 in Operation Ranch Hand, it contains particularly toxic dioxins. It both killed people exposed directly and has resulted in hundreds of thousands of severe birth defects, continuing to be a problem today.

²⁷ Gilmore, Ruth Wilson. “In the Shadow of the State” in The Revolution Will Not Be Funded: Beyond the Non-Profit Industrial Complex. South End Press (Cambridge, MA: 2007), pg. 46.

were either charitable or sponsored.²⁸ The model received attention when it became evident that group lending – “loans extended to a group of borrowers who are jointly liable for each of the loans extended to members of the group”²⁹ – had surprisingly high repayment rates, hovering around 98%.³⁰ Matching the social nature of the organization’s founding principles,³¹ Grameen built a safety net for health crises, educational expenses, and other unexpected emergencies.³² Microfinance was lauded (for a period) as the solution to poverty.³³ Beyond that, it was a market-based solution that, while requiring a change in some banking assumptions, did not call into question the underlying capitalist/free market system.

This initial global boom of microcredit, in which microfinance institutions (MFIs) gained legitimacy in the eyes of traditional banks and the broader financial industry, and demonstrated their potential to NGOs and NFPs. This was followed by a shift that has fundamentally changed the way micro-lending works and, potentially, the effect it has on poverty and gender inequality; two of the social issues to which it was the most closely linked. Looking at microfinance as a subcategory of the NGO/NFP world, the notable financialization and corporatization is by no means limited to MFIs. NGOs and NFPs are doing the same thing, all of them experiencing, to varying degree, the value shift occurring in the field as a whole. There are five connected ways in which the microfinance industry in particular is reducing the level of focus on and commitment to poverty alleviation – shifting away from the extremely poor as a target group. While MFIs are still providing access to financial services within the formal economy to new populations, it has become a veritable industry, NFP in name only. Furthermore, financial analysts and market-investment researchers predict that the financialization of microfinance will continue, so it is a valid expectation that the causes for concern voiced here will only intensify with time.

1. Group-lending to individual borrowers

The group-loan model popularized by Grameen, though incredibly effective because participants were jointly liable, requires a level of time and personnel investment that traditional banks and financial institutions are less willing and less able to give than their non-profit counterparts. As the popularity of microfinance has grown and the financial industry at large has recognized these loans as sound assets, the influx of these institutions has precipitated decreases in the percentage of micro-loans made to groups³⁴ versus those

²⁸Swanson, Brad, “The role of international capital markets in microfinance” in Sudaesan, Suresh (ed.) Microfinance: Emerging Trends and Challenges, Edward Elgar Publishing, Inc. (Cheltenham, UK: 2008) pg 26.

²⁹This is also undoubtedly due to the self-policing element of group member selection. The presence of joint liability implies that higher-risk borrowers would not be accepted into the group, because they present a risk not just to the lending institution but to their fellow group members. Sudaesan, Suresh, pp 3.

³⁰Yunus, Muhammad. Banker to the Poor: Micro-Lending and the Battle Against World Poverty. Public Affairs; Perseus Books Group (New York: 2003) pg 58.

³¹Yunus intended to “create a banking system based on mutual trust, accountability, participation and creativity. Grameen Bank provides credit to the poorest of the poor in rural Bangladesh, without any collateral. At GB, credit is a cost effective weapon to fight poverty and it serves as a catalyst in the over all development of socio-economic conditions of the poor.” www.grameen-info.org Accessed: August 1st, 2012.

³²Grameen required that all borrowers deposit 5% of each loan into a group fund. Any borrower could take an interest-free loan (say, if her roof needed to be mended after the monsoon season) “provided that all other members of the group approve the amount and its usage and that the loan does not exceed half of the fund’s total....As of 1998, the total amount in all the group funds exceeded \$100 million.” Yunus, pg 65.

³³In the intervening years, microfinance has been taken off its pedestal by almost everyone, acknowledging that while “the provision of low-cost access to financial services is an important ingredient in alleviating poverty” it is no panacea. A number of other basic services; primary education, healthcare, relatively primitive household technologies, need to be tackled in parallel. Sudaesan, Suresh, pg 2.

³⁴Group lending is arguably the original lending style in microfinance, with small loans made to a group of interested borrowers on the condition that they are effectively responsible for each other. This cosigning clause

made to individuals. As is shown in *Table 1.1*³⁵ (below), holding steady the type of institution³⁶ providing the loan, the cost of credit through group-lending plans (solidarity loans) is higher than for those who apply for individual loans. Solidarity loans are more typically made to members of the community who are extremely poor, who are determined to be “high risk” because they lack even the most basic level of collateral. The fact that solidarity loans promise a joint liability does not provide enough security to lending institutions to outweigh the perceived risk inherent in this population, and so interest rates remain higher for group-borrowers.

*Table 4.1 Costs of obtaining financial services (%)*³⁷

Contract Type	2003	2004
Individual	30.1	30.7
Solidarity	35.3	40.4

Grameen, probably the most famous MFI for group lending, holds its interest rates for groups at 20 percent, well below the industry average for group *and* individual borrowers. Despite woman-to-woman support still being a large part of the organization’s structure, it is not impervious to this “individualizing” trend. As it has expanded and professionalized it has also trended towards an individual-focused system. The collective fund, providing a no-interest safety net and group support, has been replaced by individual savings accounts under Grameen II,³⁸ and while the new system includes more flexible financial services (variable loan terms, repayment schedules, and deposit services) it leaves behind what Yunus referred to as “the powerful incentive for borrowers to help each other solve problems.”³⁹

2. Non-profits to traditional banks

Recent years have also seen an increase of traditional financial institutions in the microfinance field, bringing with them a great deal of new money. Using securitization techniques, these new players in the field create debt and equity financing options for a field previously funded primarily by donations and grants. Analysts expect that as the “high risk” status assigned to all but a select few MFIs is lowered, the liquidity available will increase even further. Access to this money will require organizations to subscribe to the values of these massive financial institutions: data reporting, external review, and specific structural requirements that serve as markers of legitimacy to these institutions. “A migration has also

is meant to cover the increased risk in loaning to a population of people without collateral (savings, property, livestock, or jewelry that guarantees the loan) and create an informal support system for the new borrower.

Because of this dual purpose, these are sometimes referred to as solidarity loans.

³⁵ This and all other data provided by Sunderesan’s chapter draw from Adrian Gonzalez’s (2007) paper “Resilience of Microfinance Institutions to National Macroeconomic Events: An Econometric Analysis of MFI Asset Quality”. She uses the Microfinance Information Exchange (MIX) dataset, which includes (among many other things) country and organization specific information. MIX collects and validates financial, operational, product, client, and social performance data from MFIs in all regions of the developing world, standardizing the data for comparability.

³⁶ A variety of institutions, from non-profit organizations to formal banks, are involved in micro-lending.

³⁷ Sunderesan, 18.

³⁸ Because ‘Classic’ Grameen methods grew slowly, and met with challenges (inflexible loan repayment schedules being one of them), lessons were learned and “new ideas emerged...in 2000 work began on the design of Grameen II. It consolidates many of the lessons from experience, but goes beyond that by making some fundamental changes. The main changes are to the range of *products*. The environment in which the products are offered – the village-level meetings ‘centre’ attended by all members of the 5-person ‘groups’ that compose it, and served by a visiting fieldworker – is unchanged.” From: http://www.microsave.org/briefing_notes/grameen-ii-1-what-is-grameen-ii-is-it-up-and-running-in-the-field-yet

Accessed August 15th, 2012.

³⁹Yunus, 66.

started to occur, whereby NGOs are starting to shed their “not-for-profit” status and become regulated providers of financial services. [There is a] growth of deposit-taking services and increased commercialization”⁴⁰ Private sector investors seeking full market returns drive open the microfinance market, and over time the field becomes increasingly dominated by financial institutions. The seemingly endless capital available through the financial markets is only just beginning to realize the potential of MFIs, and as that happens NFPs will occupy an increasingly small segment of the lender pool, unable to compete.

Additionally, with the shift away from NFP-run microcredit program to more traditional financial institutions, there has been an increase in collateral requirements and interest rates, two MFI loan characteristics that helped make these financial services available to the very poor. While these rates remain below the level of village moneylenders who often asked 50-100% interest, compounded daily,⁴¹ the purpose appears to shift away from acute poverty alleviation to providing the poor with access to the banking sector. Collateral requirements, more necessary for individual loans that don’t incorporate the principle of joint liability, are changing the “target” population from those below the international poverty line to those directly above it. The former often have no collateral to speak of (livestock, property, savings), whereas the latter often do. While this new population is, by almost any standard, still considered poor, microloans are increasingly unavailable to those with the direst need.

3. Market segmentation: reduction in non-productive loans

Most early MFIs, like Grameen, made loans to households suffering from food shortages and those that had health or household emergencies. As the popularity of microfinance grew (2005 was declared the “Year of Microfinance”),⁴² there has been a reduction in “non-productive” loans. This is likely due to several factors. First, there is increasing involvement in micro-lending by for-profit financial institutions, none of which have the previously established capacity to handle group loans or the precedent of emergency loans to this high-risk, extremely low income population. Second, as organizations like Grameen grew in size, they assumed (probably due to the realities of scaling up) some of the practices of actual banks. This process of market segmentation meant that women who might have received a low-interest microcredit loan to pay a hospital bill or rebuild a house after a flood needed to return to the informal market for financial services.⁴³ This higher-interest option is effectively a “lender of last resort to liquidity-constrained households.”⁴⁴

4. Financialization so far, and predictions for the future

Worldwide, a rhetoric praising market solutions to social problems continues. Like any other “business activity”, microfinance is not immune to the excess that has caused problems for other industries. Rapid growth leads to speculation and crashes, as has been seen in financial markets time and again. Junk bonds, high-tech, sub-prime, these are all instances of overheating and out-of-control growth. “And certainly some [MFIs] will expand too quickly and lose control of their costs and their loan books, or push their clients into over-

⁴⁰Sundaresan, 10.

⁴¹Conversation with Phan Van Do, specific to moneylenders in Quang Ngai Province, Vietnam. March 2011.

⁴²Sundaresan, 5.

⁴³These informal credit markets operate outside the perimeter of the government or other regulators, and might include the following groups: family members, friends, trade credit from local shops, professional moneylenders, and pawnbrokers. Without detracting from the utility that these options provide to poor households, the interest rates are noticeably higher than any in the microfinance sector. Anecdotal evidence suggests moneylenders often expect a daily return, and the informal market as a whole can have an effective annualized interest rate running well into the three digits.

⁴⁴Sundaresan, 4.

indebtedness.”⁴⁵ Essentially we should expect them to act like banks, to take risks like the rest of the financial sector. While this brings an unmatched amount of capital into the MFI field, it also exposes an already *incredibly* vulnerable population to the fluctuations and risks of the market. This, in combination with the other changes discussed above, necessitates an evaluation of whether MFIs are still agents of social change, or something more akin to a progressive banking sector.

With this influx of investments and business interests in the microfinance field came the culture, or *habitus*, of those businesses. While microfinance is only one component of the international development field, the increasing corporatization of MFIs is an exemplar of the shift in the international economic development field as a whole.

5. Reduced focus on the poor, and on women

With all of these changes has come shifts in rhetoric and application, away from a focus on women and the very poor as the main recipients of microfinance. *Table 4.2* shows a recent breakdown by target group⁴⁶ of the percent-interest that each pays for a micro-credit loan. While there has been a slight reduction over the 2-year period depicted, “low end” borrowers, representing the very poor have a significantly higher interest rate than each other group, despite being the population for which microcredit was initially intended.

*Table 4.2 Costs of obtaining financial services (%)*⁴⁷

Target Population	2003	2005
Low end	37.8	35.4
Broad	34.5	31.1
High end	24.1	22.7
Small business	24.8	22.6

Table 1.3 (below) shows that NFPs are serving the highest percentage of female-borrowers, with traditional banks and non-bank financial institutions addressing the financial needs of women at a significantly lower rate. The changing characteristics of the microfinance field described previously mean that the institutional type that is the most likely to serve poor women (NGOs and NFPs) will likely occupy an increasingly small margin of that field.

*Table 4.3 Percentage of women borrowers across different institutions*⁴⁸

Year	Banks	Credit Unions	NBFI	NGO
2003	52.8	73	53.8	79

⁴⁵Swanson, 44.

⁴⁶ The common breakdown of borrower types who qualify for micro-loans are “low end”, “broad” “high end” and “small business.” When microfinance first gained international attention, it was because loaning organizations (which were not formal banks) were giving credit to the very poor, people who previously had no access to loans beyond family and neighborhood loan sharks. These individuals have little to no collateral, live in dire poverty, and are now represented by this “low end” borrower type. “Broad” borrowers are those hovering near the poverty line, but who usually have a small amount of income, someplace to live, and quite possible a small amount of livestock. Their living situation is less dire, but they are also less “risky” for lenders because they have something to lose. “High end” borrowers are generally considered to be lower-middle class members of society with some other source of income, but who are accessing the micro-credit sector because the interests rates are low and thus more desirable than other options. Certain organizations (often traditional banks interested in micro-lending because of its recent popularity) make loans to “high end” borrowers and small businesses. In these cases the only remnant of the original microfinance ethos is fair lending rates, as these loans rarely directly affect poverty.

⁴⁷ Sundaesan, 18.

⁴⁸ Sundaesan, 19.

2004	50	56.6	60.8	82.1
2005	52.5	60	56.1	79.7

“Solidarity loans” and village banks/credit unions have the highest percentage of female borrowers, but as is discussed above, the loan contract arrangements most readily available to women are being phased out as major financial institutions move into dominant positions in the field. Table 4.4 shows the percentages of female borrowers by contract type.

Table 4.4 Percentage of women borrowers by contract type⁴⁹

Year	Individual	Combined	Solidarity	Village Bank
2003	47.9	67.9	82	90.3
2004	53.9	66.2	92	94.5
2005	51.8	62	100	90.2

Yunus acknowledged in *Banker to the Poor* that hunger and poverty are “women’s issues”, because they usually have less control over family finances and are responsible for the health and well-being of their children, whom they put before themselves. “In Bangladesh...if one of the family members has to starve, it is an unwritten law that it will be the mother. Poor women in Bangladesh have the most insecure social standing”⁵⁰ Because it is culturally frowned upon to lend directly to women, it took many years of work to bring Grameen’s borrower statistics up to the current rate (94% women),⁵¹ reflecting its goal to use these microloans as an agent of social change.

While this is happening, a related trend is taking place in the countries where these capital investments originate (Western Europe, the United States).⁵² The increasing prevalence of undergraduate and master’s degrees in “Non-Profit Management” and “Entrepreneurship”, both housed almost exclusively in the business schools, has responded to and exacerbated the corporatization, commercialization, and professionalization of the NFP field, even submerging it within the corporate world. There is a widespread trend in which there is an increasing emphasis on very specific formal professional training in a skill-set that was once acquired through years of in-the-field experience. Furthermore, that these programs are invariably located in business schools across the nation is no accident; corporate and market ideology are a core component of their curricula. Non-Profit Management and Entrepreneurial Studies are two programs within business schools that didn’t exist as codified majors before 2001, though both exist now and have seen significant growth since then.

Training in these fields isn’t solely technical. UW-Madison, like other universities codifying a particular set of skills and training into an “Entrepreneurship” program, is combining skills that were previously gained through a mixture of class, life and professional experiences, and prioritizing those that come from formal education. These skills:

“underlie the ability to foster and lead new ventures, including knowledge of organizational forms, financial evaluation, legal and structural options for creating organizations, market and need evaluation, the ability to work with founding teams and strategies for organizational growth.”⁵³

⁴⁹ Sundaesan, 20.

⁵⁰ Yunus, 72.

⁵¹ Yunus, 78.

⁵² Sundaesan, 25.

⁵³ <http://bus.wisc.edu/mba/academics/certificate-programs/entrepreneurship> (Accessed: August 16th, 2012)

It is participating in the reification of these *particular* skills as the necessary ones, of an MBA as a necessary piece of paper, of the business-school ethos as *the* value system.

If the requirement for a non-profit leader to attain field legitimacy is formal training and education through the business school environment, there will likely be little discussion of potential disadvantages to the professionalization and corporatization of the NFP field discussed above. This in a field that is ostensibly *not* about profit, but a loftier goal. These days, a growing number of social entrepreneurs are building for-profit business models, bypassing government association and the confining structure of the nonprofit classification. With this widespread entrance (by a group already involved to a degree) into the development field comes enthusiasm and good ideas, but also a shift in priorities. In a number of states, including California and New York, entrepreneurs can now form so-called B Corporations, which allow company directors to weigh social missions over financial returns.⁵⁴ While this might superficially appear to be broadening the field of development work and allowing more flexibility in organizational structure, the shift represents quite a blatant re-orientation in a “market solutions” direction. The belief that any organization – whether it is a university, a middle school, a hospital, or a development organization – will be more successful if run with business principles necessitates an acceptance of the value structure of the business world and of free-market logic.

Despite the fact that the motivations and actions of most corporations are at odds with the concept of social justice, there is widespread acceptance of economic logic as the most efficient and effective organizational ethos. The dogma of market supremacy returned hand-in-hand with economic globalization.⁵⁵ Locating knowledge and legitimacy for the non-profit and development org world in business schools is neither accidental nor for practical purposes alone – it creates a generation of experts who believe that market solutions are the only legitimate and viable solutions. These solutions are intended to be applied to individual problems without serious attention to the systemic factors that *create* the need for development non-profits. They don’t, and won’t, acknowledge the market structure itself as inherently flawed, and these problems and inequalities as necessities of it.

The “Non-Profit Industrial Complex”⁵⁶ as a concept attempts to encapsulate this set of relationships, power, and the knowledge and value systems cultivated specifically to maintain the current economic and political structure. Examining the concept in a global case study demonstrates an equal, if not increased, utility. The absorption of capitalist and business principles into the non-profit sector, as well as the wide-scale and intricate connection between the non-profit world and the multilateral institutions pushing a political and economic agenda, determine the course of economic development and political decision-making for the periphery. Those questioning the use of market mechanisms to solve social and economic problems, many of which are a direct result of liberalization policies, are marginalized or ignored. The value of a business degree in the non-profit world is all but assumed. This trend, insofar as it represents the popular discourse of the development non-profit field, is normalized to the detriment of alternative paths, alternative solutions.

⁵⁴“Five Tools for Social Entrepreneurs.” *Entrepreneur Magazine* <http://www.entrepreneur.com/article/222617> (Accessed: August 16th, 2012)

⁵⁵ *Ibid*, 20.

⁵⁶ *The Revolution Will Not Be Funded: Beyond the Non-Profit Industrial Complex*. South End Press (Cambridge, MA: 2007).

Organizations like MQI operate in one or two countries, employing methods focused on community building and relationships, yet they must negotiate the rules set by these large organizations, international institutions and development banks to qualify – to funders and in popular opinion – as legitimate. The *habitus* of trendsetter organizations is enforced in ways that are both de jure and de facto. More regulation (whether from funding agencies or governmental bodies) forces organizations to structure themselves in a way that is compliant with these rules. A Board of Directors. Requisite tax forms. Financial and business jargon. There is also, however, a fairly rigid set of principles and practices that define a “good” organization, one that is capable of success and deserving of funding, and this de facto enforcement is just as powerful.

An example of the outcome of these trends is the requirement by most granting agencies that non-profits and NGOs submit quantitative measures of success, and the prioritization of large N projects over those working long-term in specific communities.⁵⁷ Quantitative measures of success are sometimes quite difficult to demonstrate with community development programs in their infancy, reflecting a measurement style much more fitting for dominant organizations with statisticians on staff than it does to small “mom & pop” organizations. “Large N” projects reaching many people are also given priority, following the rationale that it’s ideal to help the largest number of people possible with a given grant, even if the “help” is relatively less transformative for each individual. There are many NFP projects (whether for shoes, glasses, clean water, or education materials) that work on a relatively simple issue with global implications. This work is crucial, providing needed goods or services that impact many people. MQI operates in a different manner, valuing relationships and solutions that are deeper but take years to build. Large organizations, with their higher stores of capital (economic, political, social), set the rules of this field, and organizations like MQI struggle to create their own space on the periphery.

These players (who dominate the international development field) place high value on advanced degrees, a global-professional workforce with international experience (as opposed to locally-based knowledge), institutionalized and formalized practices, and externally-checked, quantitative results-based measures of success. Practically speaking, many of these are out of the reach of small organizations doing development work around the world, and yet their ability to do their work is dependent on navigating these requirements – doing what they can and working around what is impossible for them. MQI, despite 17 years of expanding work in an incredibly poor location and ringing endorsements from the women they serve, would be considered a “high risk” investment. They are unlikely to qualify for serious grant funding (which provides increased stability from year-to-year for long-term projects) because their “Management and General Expenses (M&G) costs is above 15%, the informally decided upon ceiling for overhead as a percentage of the fundraising total.⁵⁸ Despite the fact

⁵⁷The term “large N” typically refers to a high number of observations, high enough to use in an empirical study in which the researchers’ goal is to make some inference about the population from the results of those sampled. With an increasing reliance on measurable success in non-profits, the ability to conduct a quantitative analysis of the results of a particular project is crucial.

⁵⁸In fact, the median for M&G expenses in the “human services” category of non-profits is 13.2%, according to a study performed by the Center for Nonprofits and Philanthropy at Indiana University, using data from the IRS Form 990. Labeling something as M&G, or “overhead”, means that it goes into the ratio described above. A significant number (12-20% depending on the non-profit type) reported personnel under the “programming expenses” category, which then reduces their overhead reported to granting institutions. Vague rules and guidelines for this categorization combine with a established convention on the overhead:income ratio. This encourages organizations to spread M&G expenses into other categories, to avoid hitting that ceiling. This only

that Mike makes less than \$18,000 a year, and has devoted all of his time to MQI work, the organization's ratio of M&G to total income⁵⁹ is too high. While the risk of bloated personnel and organizational expenses absorbing money intended for the social issue at hand is certainly a salient one, this metric is overly simple and doesn't necessarily filter out what it intends to. Moreover, the use of this ratio as a metric for determining whether or not an organization is "fundable" is determined only by convention, with a number of researchers in the non-profit world pointing out these potential flaws. MQI fundraising is limited to individual donors by this granting convention, labeled as unsuccessful and prevented from moving beyond those individual donors because of a weak interpretation of their current numbers.

Going Against the Grain: A Case Study in Forging a Different Path

The unstructured nature allows MQI to interact with Quang Ngai in an informal manner; a crucial way in which MQI goes against the grain, since it allows for a unique organization-recipient relationship and necessitates the development of genuine person-to-person relationships. Serious time is invested in this relationship-building in the Quang Ngai community, because the founding members of MQI see the shared history, friendships and partnerships to be a main part of their mission. While bringing tangible improvements to the lives of the poor and disenfranchised in Quang Ngai, much of the importance that Mike, Joe, Do, and other leaders of the organization see in their work is intangible. This is not a case of a development organization bussing in for a ribbon-cutting ceremony, depositing an oversized check in the hands of some local official they've never met, and leaving shortly thereafter; not even returning to check on the success of its projects.⁶⁰ MQI has developed close ties to the community in large part because of its informal nature. Phan Van Do lives in Quang Ngai, and when the American contingent goes to Quang Ngai to set up new projects and check in on recently established ones, the trip lasts for several weeks. Each village project is visited, and much of the time is spent over informal meals and beers, conversing with village leaders, Women's Union members, and provincial bureaucrats. In a country where the importance of networking, connections, image-building, and image-management can't be over-emphasized, these unplanned run-ins at neighborhood restaurants, glasses of beer and the requisite toasts around a sidewalk table, and pot-luck dinners at Do's house have created an unusual relationship. With over 17 years of work invested in the Quang Ngai community, MQI is allowed to establish projects where few other foreign organizations are, like in the exceedingly poor ethnic minority villages in the mountains of the province. My field notes from one such evening in March, 2011:

Ms. Chi, to my right, in her early 40's, makes a joke in Vietnamese and everyone who understands it laughs. *I'm stuffed but unable to refuse the food being pushed on me by the people at my table.* Ms. Chi shows me a photograph stuck in a notebook she's brought with her. It shows her and Mike, both more than a decade younger, arms intertwined, drinking a beer over a very similar meal. Later she shows him the photo, and teasing him about the weight he's gained since it was taken, they repeat the shot, laughing.

perpetuates the convention. From Pollak, Thomas and Patrick Rooney, "Management and General Expenses; The Other Half of Overhead." The Non-Profit Quarterly, Spring 2003 (pg 30).

⁵⁹ All of this income is a result of Mike's personal fundraising efforts, and comes from individual donors.

⁶⁰ An Australian organization that dug wells in a set of mountainous villages is a good example of this. The wells were hand-dug and went down to bedrock, providing a number of families with access to clean water that they hadn't had before. Within 5 years, however, these same wells were useless during the hot seasons, drying up almost immediately. The plan didn't address the seasonal variation in groundwater, meaning that many of those families have to use traditional methods – hiking into the mountains for access to stream water. MQI is currently funding the drilling of a test well and water storage tanks on communal land, so the whole village can have access to clean water for drinking and home use during the hot months.

This established relationship with the Women's Union in Quang Ngai is a big part of MQI's success in the region, but it is the informality that makes it a contestation of the developmental non-profit status quo, at least in Viet Nam. In a culture of formality, procedure, and ceremony, the oversized check (a visible gesture) is a crucial component of the action it symbolizes. While policy decisions are often made over beer and food at a local restaurant, the inclusion of a foreign NFP into those informal settings is unique to MQI, and is due to the many years that the organization has been returning to Quang Ngai.⁶¹ The Viet Nam Women's Union has branch representatives in every commune in the country, affording it incredible local knowledge of community need, and the national office in Hanoi is in charge of placing foreign NFPs and NGOs doing development work in rural Viet Nam. MQI projects arguably use that knowledge more directly than many other organizations. The majority of development non-profits and NGOs based in the core,⁶² and development organizations, especially those pushing market-based solutions to social problems, generally subscribe to a particular set of values. The development and subsequent globalization project employed an internationally organized strategy to pursue a very specific type of economic growth,⁶³ and included direct pressure on periphery nations to conform. One example (of many) is the loan criteria/requirements of periphery nations that make acceptance conditional on outside (read: core/Western) positive evaluation of the government's implementation of particular economic policies.⁶⁴ For this and other reasons, it is a common criticism of international development and globalization projects that expertise and knowledge are also based in the core and in its way of doing things; a mentality which reifies a relationship of inequality that has existed for centuries. Critics of development projects make the argument (among others) that knowledge and expertise are produced in the core and practiced on the periphery⁶⁵ - on places like Viet Nam - and are imposed with political/economic power reminiscent of colonial times. This isn't limited to national economic policy; it permeates core-periphery relationships down even to independent projects by NGOs/NFPs.

Because funding comes from these "developed" countries, they reinforce the value of core-based knowledge and expertise over that of the rest of the world. The ones with the money set the policy, something that is as true - if not more so - in the global marketplace as it is within the development field. Guatemala, Tanzania and Laos stand very little chance of exerting serious influence in any global economic organization, and in order to participate in the global economy, must follow the rules determined by the core. Colonial relationships are thus recreated many years after independence has been won through the maintenance of expertise as a Western possession, the source of knowledge as well as of funding. The development project is not about local capacity building or any sort of equality so much as it is about

⁶¹ Interview, Mrs. Nga, provincial Women's Union leader.

⁶² Immanuel Wallerstein's World Systems Theory stresses the "world system" as the unit of analysis above a state-based model, and uses the international division of labor to divide the world up into the core, the periphery, and the semi-periphery. Core countries focus on higher skill, capital-intensive production, and the rest of the world focuses on low-skill, labor-intensive production and extraction of raw materials, reinforcing the economic and political dominance of core countries.

⁶³ The Bretton Woods System (1944) is a classic example of this.

⁶⁴ McMichael, Philip. "The Development Project: International Relations" in Development and Social Change: A Global Perspective, (4th edition) Pine Forge Press (Los Angeles: 2008)

⁶⁵ A moment should be taken to discuss the nomenclature being used here to describe the division of the nations of the world. Sauvy's 1952 division into First, Second, and Third world reflects the Soviet era, in which countries were divided by (generalizing here) economic systems. The next set (developed, developing, underdeveloped) follow modernization theory, and imply a development continuum. Some researchers focusing on the unequal relationship between some places (third world, developing world, etc) and others (first world, developed nations) use the terms "core" and "periphery", and while these are not without their own issues, do explicitly emphasize the inequality of the relationship.

implementing a development solution based quite regularly in Western ideology, with little space for alternative, local paths.

Organizations like MQI stand in contrast to this by utilizing a grounded methodology in its field work in Quang Ngai; contesting the norm through action. “Grounded methods” for my purposes here means that MQI members go out into the field, rural Quang Ngai communities in this case, and inquire about the challenges, shortages, and problems that *that particular* community is facing. They then take locally created proposals for solutions, and work with *community* members on funding and implementation. This fosters a higher level of local involvement in the determination of which projects are undertaken, bringing agency to an often unheard population. It also allows community involvement in the project, replacing the standard one-way donor→recipient relationship with a collective community-based response to a locally determined problem.

In the international development field, the dominant are massive not-for-profit and for-profit organizations, along with bilateral and multilateral intergovernmental institutions. They have almost entirely unquestioned legitimacy from other players of the field, and enough power to determine the “rules” of the field. The World Bank, World Trade Organization, International Monetary Fund, Ford Foundation, and UNICEF are all examples, though there are many more. They don’t all do exactly the same thing, but they’re big enough to set trends through the valuing of a particular style of operating. Their dominance can be briefly characterized by: full subscription to a capitalist rhetoric caged in a discourse of organizational “sustainability”;⁶⁶ the presence of an international, professional staff; and a substantial reach—preferably working on multiple continents with a variety of project types, which don’t necessarily have to have any connection to each other. These organizations are field trendsetters, with a serious role in determining the trajectory of the field through symbolic authority over the values to which all players, dominant or not, generally subscribe.

The truly dominated members of this field are organizations like MQI, almost always small-scale, defying or contesting in a serious way one or more of the basic premises of the field, despite having very little clout with which to impose that different viewpoint. Size and the relatively massive stores of economic capital that come with size, professionalism, business sustainability plans, and a program reflecting trends in academic research all contribute to legitimacy of international development organizations. These lowest level organizations are often lacking in several or all of these categories. Operating on a smaller scale, employing “grassroots” organizing and grounded methods, long-term community development and relationship-building, and a single-location focus are common characteristics of these organizations, which ultimately serve to reject the business-culture currently valued by the dominant players.

Reasons Why: Identity, Habitus, and Meaning-Making of Involvement

What is it that makes organizations in this final group go against the grain? Are there benefits that an organization might derive from this “dominated” position? How are decisions made and operationalized? With small, informally run organizations like MQI, rhetoric and action both point to a particular set of values as the answer. Where do these come from?

⁶⁶Organizational or business sustainability refers to a set of matrices by which the health of an organization or business is measured. Rules of thumb (don’t spend more than 25% of your budget on administrative and overhead costs) determine which are bound for success.

Although MQI has a Board of Directors that formally authorizes any substantial decision regarding the functioning of the organization, Mike Boehm and Pham Van Do are the individuals determining MQI's direction, in part because Mike and Do are the organization's only paid staff. With one in the United States and one in Viet Nam, they conduct all of the day-to-day work and handle the vast majority of the planning. Each Board of Directors meeting involves a short summary of the organization's financial situation by the house accountant, and then Mike brings any proposals or decisions to the group for discussion. Field notes and transcripts from a Board meeting show Mike coming for formal approval, not necessarily direction.

Mike clears his throat. "I have news from Do about the compassion houses. The cost of materials and construction is going up. Growing inflation. We need to increase the amount of money allocated to the construction of each house, what we have now isn't enough." Joe asks how much more is necessary, and Mike suggests raising the amount allocated from \$1,200 to \$1,500 or \$1,600. Someone asks if the local government is still contributing. Mike affirms. Less than three minutes after the conversation began, the board votes yes to the increase.

Every board member interviewed describe Mike and Do as "the heart of MQI". Their entire professional and most (if not all) of their personal lives are constructed around their duties to the organization. Each left his previous profession as part-time work on MQI projects in Viet Nam became full-time work. Theirs are lives of sacrifice to the cause, believing that the projects are important enough to take a bare minimum salary, more important even than benefits or leisure time. Their focus is on post-war emotional and physical healing of the individual and community, and the rhetoric used by each is one of emotional, physical, and spiritual healing possible only after economic relief and only through interpersonal connections. A defining characteristic of the *habitus* these men share is the centrality that the American-Vietnamese war – and war/violence in general – has had on their lives. The explanatory power of the *habitus* on the form and function of a small organization is not limited to MQI, but rather to organizations flexible or informal enough to allow structure to be determined in part by the personal histories, experiences and beliefs of its central figures.

Working in a poor and incredibly remote area under a challenging NGO/NFP policy regime requires a personal investment in Viet Nam, or even more specifically in Quang Ngai. As an outside observer, the dogged commitment to this particular place is a result of his unique history. Without it, any other location would hold much comparative allure to a small organization trying to make their dollars do as much good as possible. Certain components of Mike's *habitus* (that he's a veteran, that he grew up during and was involved in the Viet Nam War) are the reason that he has continued the uphill battle of doing international economic development work in such a difficult locale. His painful personal history provides a tie to the specific local community in which these projects are undertaken. The negative consequence of this meaning making of his involvement is that members of MQI, *especially* those who served in Viet Nam during the war, seem only able to view contemporary Viet Nam through their experiences and histories of the country. Every *habitus* has this effect, constricting how the world is viewed by the person who possesses it, while also often providing the impetus for that individuals participation. While in many ways Quang Ngai is still healing, in others it has already moved on, and this disjuncture may affect the future of MQI as provincial leaders are increasingly too young to remember the war era.

Whether he is correctly reading the emotional state of MQI recipients, or whether this is a case of Mike mapping his own need for emotional healing onto the people to which he is dedicating his life, is unclear. Regardless, the meaning Mike and other members of the organization derive from their participation is a result of the *habitus* each possesses. Mike's

life outside MQI has been self-taught; he didn't attend college and the various trades in which he has worked involved skill-sets that he learned through experience. The organizational structure of MQI, with an emphasis on trial-and-error, learning through trying, and the subsequent devaluation of formal education in economic development and non-profit management is a function of Mike, of Mike's way of life.

On the other side of the world, Phan Van Do grew up in a small farming village in Quang Ngai Province with a life even more violent and tumultuous than Mike's. Working first as an English teacher and translator and then exclusively with MQI, Do's life has become one with a focus on rebuilding and peace. He is aware firsthand of the damage done to families in the province. While Mike's adulthood was framed by the American War and the emotional aftermath he experienced, Do's entire life has been framed by war. Access to education and a job was impeded by his family history; he spent a number of years blacklisted by local official before finally acquiring the teaching position that eventually led him to meeting Mike. Aware more than anyone in MQI of what these projects mean to the people of Quang Ngai, Do is tasked with the logistics of projects. Navigating the bureaucracy and red tape became a full-time position. Recently, the government branch in charge of NFPs – the Department of Foreign Affairs (DOFA) – has made this an even more tenuous and circuitous process. Do works diplomatically on two fronts, maintaining pressure on DOFA, following the ever-changing protocol, and politicking⁶⁷ in Quang Ngai while urging MQI members in the U.S. and the organization's donors to be patient with the system, and not to give up on the region in frustration.

The dedication of these two men is full-time because their own identities are entangled in the work that they're doing; a *habitus* formed through a lifetime of hard work, making-do and learning as they go. Mike is seeking redemption for his (and America's) participation in the war, saving or healing himself through helping others. Do, after a childhood and young adulthood entirely defined by the war going on in his country and even his village, is changing the focus of his life to peace; from one surrounded by destruction to one focused on construction.

Negatives as Positives: Reframing the discussion

The maintenance of a field-specific status quo is only possible through the acceptance and reification of the rules and values by the dominated members of that field. It is only through the acceptance by smaller level organizations of the capital and *habitus* values of the dominant level organizations that those continue to hold their power. Held against these as a metric, MQI fares poorly; a small organization with an informal structure, no professional training, grounded methods, a personal interest in one locale, and almost none in building a generalizable model. Negative descriptions like, “unprofessional”, “informal”, “too personal”, “un-sustainable” – these negative characteristics are simply an internalization of the value-system of the corporate model itself. Decisions are made according to the situation and according to the common sense of it's leadership, something that usually aligns quite closely (though not perfectly) with grounded methods. Criticisms of large development

⁶⁷During the March 2011 trip to Quang Ngai, which was the first trip where MQI faced serious obstacles from the Department of Foreign Affairs and security forces in Quang Ngai, Do scheduled meetings with various local leaders with the purpose, mostly, of an unspoken acknowledgment of their sway in the province. Vietnam in general, but rural Vietnam more than elsewhere, places great value on shaking the right hands and showing deference to the right individuals. With paperwork properly filed but still held up (without explanation) by DOFA, a deferential meeting and presentations with their director might help grease the wheels. Several MQI members made presentations about the projects in which they were involved, and each made sure to compliment the work of this organization that was essentially obstructing MQI's project applications. Everyone smiled, walked through the formalities, and pretended to be grateful for his thoughts and attention.

NGOs are similarly common-sense derived: how could an organization who spends no time in Quang Ngai know what is best for it? Why would leadership – if they’re of quality - spend money on anything extraneous or not directly necessary for the project at hand? Who should decide what women in this province need? Peripheral awareness of what other organizations with similar projects are doing, but this includes little (if any) detail of their organizational structure or much detail about their methods beyond what is covered in the popular press. And yet it is an implicit challenge to the dominant style. The determination of what makes an organization a good one, “viable”, “sustainable”, etc., is no more than an indication of acceptance of and belief in the rules of the field, and in the right of those in positions of power to determine those rules. There are several of these values that MQI openly rejects – some intentionally and some not – and “dominated” status at the margins of the international development field is ascribed upon them. A discussion of these characteristics and their potentially positive implications will hopefully emphasize the normative nature of the field characteristics held up as an objective or ideal standard for development organizations. “Dominated” status in the field is a negotiation, simultaneously a challenge of the rules, norms and values they cannot and do not want to abide by, as well as an acceptance of rules that allow them to continue operating in the field. MQI does not reject *all* field rules, just a strategic (and sometimes accidental) rejection of the particularly difficult or undesirable.

Mistakes – Learning as they go

MQI did not begin with a business plan, nor did it begin with a market research study or with any formal training in non-profit management. More than 18 years later its operating style reflects this beginning. Mike and Joe – and then later Mike and Do – learned of a problem, talked to people in their extended networks who knew something about the topic, and worked out a plan for a solution. An example of this from my March 2011 field notes:

We headed up to an ethnic minority village in the mountains of the province to visit recipients of a recently begun micro-loan fund. After two hours in the van and the orientation meeting with village leaders, we stopped to speak with several loan recipients in their homes to see how things were going. In the backyard of one woman, we stood around next to a few cows in a fenced-in area made of bamboo. We listened to a description of how she’d learned techniques of animal husbandry to keep her breeding cow happy and healthy, while Do walked around the property and fed the cow some grass. In the van afterwards he mentioned noticing an old hand-dug well with ferns growing out of it which had very clearly dried up. Conversations later that day with village leaders brought up the fact that mountainous villages like this one only had well-water during part of the year because shallow wells dug down only to the bedrock are useless in the dry season. Poor women spend much of their time during that season hiking up into the mountains to carry water home from whatever running streams they can find, using up hours of every day to acquire a basic necessity.

From this conversation (and many others researching and organizing a solution) came one of the newest projects: the drilling – through bedrock – to access water available year round in an underground reservoir. This project grew out of a proposed solution to a locally-determined need, starting MQI down a project path that they hadn’t traveled before. The test well, however, was thousands of dollars above budget because the bedrock was significantly thicker than expected. Problems with contractors to build the holding tanks held up production, and after the well’s completion the water extraction rate was a fraction of what groundwater experts had said it would be. Ultimately it looks like the wells will move forward, though at a higher cost than initially expected. The first is always the most difficult, and as suppliers and contractors work with MQI regularly things will smooth out.

In contrast, their micro-loan funds have been successful and have grown in number. Dependent on people more than natural resources of the region; the MQI entourage returns to

Quang Ngai nearly every year to set up at least one new revolving loan fund.⁶⁸ There are now over 17 of them set up around the province. Although microfinance is an established field today, trial-and-error defined the beginning of this project as well. Having heard anecdotally about micro-loans, Mike and Do wanted to attempt a similar project in Quang Ngai. Do suggested rural farmers as potential recipients, to be recruited through local branches of the farmers' union. Mike's counter-suggestion was poor women, a group ultimately chosen not because anyone at MQI had read that micro-loan repayment rates are higher⁶⁹ and more of money is spent on household expenditures⁷⁰ when the borrower is a female head of household (which is well acknowledged in relevant academic fields), but because the common impression of Vietnamese women is that they work tirelessly, carrying most of the weight, doing most of the work. In his descriptions of these women and this decision of his, a rhetoric of female empowerment, emancipation, and agency is invoked, though he uses none of those words. The social change embodied by a more evenly distributed economic power within the family unit is not always expressed in Mike's presentations about MQI work, but it is certainly discussed in the planning and implementation phases, albeit again without using any of this academic jargon. Decisions are made based on the collective knowledge of the people and the place, and on a certain amount of gut instinct. This has, unsurprisingly, resulted in both success and failure, but because these are all experiences *specific* to Quang Ngai, failed projects and ideas join the accumulated knowledge of a place, what works and what doesn't; a lesson for the organization in the future.

The value placed on experience over formal training almost requires that Mike and Do learn by making mistakes which, of course, happens. Branching out into unknown territory by funding new types of project proposals is risky, but it is how MQI has operated since its creation. Innovation in any field doesn't happen if people don't try new things, take risks, leave the beaten path. Entire industries – the fair trade movement, for example – came from this rejection of a particular rule of the field towards an ideal that others doubted or rejected initially. With the fair-trade movement, it was the free-market assumptions of comparative advantage and neoliberal economic policy suggesting that you wouldn't be able to convince consumers to pay dollars more per lb (of coffee, for example) to ensure the producers got a living wage. The establishment and success of that standard directly violated these expectations. It is an interesting beast, however, because “fair trade is an alternative to the unequal economic relations that abound in conventional trade, yet it must use many of the structures of that market in order to function.”⁷¹ It challenges some assumed rules of the field, but doesn't appear to be inciting widespread upheaval of it. With fair trade, the field adjusted its understanding of what consumers will pay for and the ethics some people integrate into their consumption. This parallels, in interesting ways, the work that grassroots

⁶⁸Many micro-loan programs give loans in a particular community for a determined period of time, and then once that money is repaid, invest it in a new loan cycle in another community. MQI's revolving loan funds are called this because there is an initial input for the principle, and when the loan term is up, a new round of loans is made to a new group of women in the same community. The small amount of interest covers any loss (MQI repayment hovers at around 97%) and administration costs.

⁶⁹In a paper using a global data set of 350 microfinance institutions (MFIs) in 70 countries, D'Espallier et al confirm that a higher percentage of female clients in MFIs is associated with lower portfolio risk, fewer write-offs, and fewer provisions, all else being equal. D'Espallier, Bert, Isabelle Guérin and Mersland, Roy. Women and Repayment in Microfinance. Working Paper, March 2009

⁷⁰In one of the most influential empirical studies on microfinance and gender, Pitt and Khandker show using Bangladesh as a case study, that “when a loan of 100 taka was extended to men it translated into 11 taka going into household expenditures (for food/nutrition/working tools) while the same amount lent to women household heads led to 18 taka being spend on those same household expenditures. Journal of Political Economy. (1998).

⁷¹Jaffee, Daniel. Brewing Justice. University of California Press (Berkeley, 2007) Pp. XIV.

NGOs and NFPs do in countries all over the world. Microfinance works within the market system, but acknowledges that the unequal access to credit is the result of historical events and processes. By offering women small loans (whether for emergency health, education, or small business development) it allows them to participate in the market on fairer terms. Will it topple a capitalist global economic system that requires the continual recreation of inequality to survive? Probably not, just like the fair-trade movement is also not likely to fix the field entirely. Jaffee actually ends his preface with exactly this question:

“Whether fair trade has the potential to do just that – redistribute wealth on a global scale – depends on the vision and ambitions of the fair-trade movement. Should fair trade remain strictly a set of concrete marketing arrangements for a limited number of tropical commodities, or should it become an essential and inseparable component of the movement for global economic justice?”

He wrote this book, and asked this question, at a point where the movement was attempting to address precisely this “identity crisis”. To what extent is the movement a radical departure from the regular market system? To what extent do they *want* to be? These questions, while specific to fair-trade, are not altogether unlike those posed in the economic development field. In leaving the mainstream, organizations or movements need to be allowed *space* to determine which field rules to challenge and which to accept. The increasingly rigid structure required of non-profits doing community development work is restricting this to a detrimental degree. Jaffee is arguing for a system that acknowledges complexity. It’s isn’t “market or no market”, but a continuum of “market-ness” and varying degrees of embeddedness within that. He urges, aptly, that “we create spaces within the market where things are done differently.”⁷²

Though MQI isn’t always consciously aware of it, they *are* attempting projects that require doing things differently. On the 2011 trip, in plastic chairs around a table at an outdoor café, conversation drifted to new project ideas for the future. Do described initial conversations he’d had with women in a coastal town in Quang Ngai about a worker-owned factory. Southern Viet Nam is renowned in the region for a specific type of fish sauce (*nuoc mam*). This group of women want to build an all-women, worker-owned fish sauce factory on the coast, pointing out the increasingly large market for specialty food products at the national and regional level. Do conveyed his enthusiasm for the idea and told the woman that MQI would need a formal proposal before they could approve and fund the project. The purchase of property, the creation of a Vietnamese corporation, the development a business model; these all make this potential venture a risky and complicated one. Mike, Do, and the Board were excited about the possibility, and from Do’s description of what would need to happen to make such a project possible, it was clear he’d been doing background research on the various hurdles it presented. The proposal is still in its development stages and may never make it to a Board vote, but their enthusiasm for uncharted territory (risks included) was unabashed.

Informality of Structure and Operation

Detailed and established rules of operation are a common expectation of development organizations, especially international ones and MFIs. This practice of increasingly exhaustive policies and procedures, set out in bylaws and written in formal legal language, is encouraged by governments and granting agencies alike. The former does so through tax and structural requirements for organizational status (501(c)(3) status requires naming a Board of Directors and writing Articles of Incorporation, for instance), while the latter does so through

⁷²Jaffee, 262.

the requirements they ask of applicants and through their eventual selection of recipients. As was discussed in the “trends in microfinance” section, the increasing involvement by private and commercial investors has normalized, in this field, the use of financial and investment jargon as proxies for organizational stability and legitimacy. Those that don’t comply, that eschew the complicated technical language for simplicity and clarity, are deemed “high risk” investments and are avoided. Even organizations *not* looking for commercial investors are, these days, at least partially held to this rubric that has become so common. MQI has complied with these trends where required and avoided when possible, meaning they are significantly less structured in all of their practices than other development organizations, especially those with international projects.

MQI began as a project of the Quaker meeting in Madison, and only filed for 501(c)(3) (charitable organization, tax-exempt) status when it became apparent that handling the accounting for these Viet Nam projects was becoming a significant burden on the Quaker meeting treasurer. Even after this, their spending and record-keeping continued to be incredibly informal and tracked at only the most basic level. For a long time Mike wasn’t even paid regularly. During the era when he lived outside Madison in a shack with no electricity he would irregularly leave a voicemail for Joe Elder (who was handling MQI finances at the time) and Joe would give him some money for necessary expenses. They have since added more structure to their finances (if still less than many other organizations), but with Mike and Do doing almost all of the various types of work, there is relatively little questioning of their financial decisions.

The criticisms that could be levied against this are probably clear. Informality leaves space for the misuse of funds, for confusion and dropped balls and gray areas. Many organizations avoid this by implementing Roberts Rules; detailed procedures that formalize correspondence and decision-making. MQI Board of Directors meetings are in Joe Elder’s living room over sodas and cookies, with all Board members leaving their shoes on the mat by the door. This lack of an institutionalized structure and explicit rules and practices, however, is what allows MQI to try new projects, to respond to events immediately and without the typical bureaucratic hold-ups and new information on the ground. The board meeting schedule is determined by need, sometimes meeting monthly but sometimes skipping a month – or two – when there’s a lull in Board-relevant activity. It allows them to be flexible in response to the community they serve, responding to local need with minimal holdup; to have a conversation with a group of women in a small village and say, “yeah, I think we can do something about that, send us a written proposal for what you think this project would look like and cost,” and get down to business as soon as possible. When a revolving loan fund for a small village goes awry or half of its women lose their homes in a monsoon, they can respond with, “yeah, we can do something here, let’s rebuild those houses,” or, “wow all your cows died from hoof-mouth disease? Let’s restart this loan cycle and bring in an agriculture specialist from Quang Ngai city to address livestock health concerns.” Making humane decisions instead of fiscally-determined ones is a direct result of their flexible structure and a Board membership that supports this, even when it means the organization takes a loss.

Audience – finite and personal

Within MQI, individual members utilize the forms of capital at their disposal to forward the goals of the organization. It is evident that among the members levels and forms of social and cultural capital vary quite significantly, and it is only with the combination of types (of individuals and capital) that the organization is able to function successfully. Members are often recruited specifically for some form of cultural capital that they possess, much as Rick

was brought in for his ESL training. Involvement by non-core active members of MQI is thus dependent on having a needed skill-set or form of cultural capital, and the acceptance by that member of the value system in place for the forms of capital being exercised.

The social capital exercised by members is qualitatively different depending on the history and personality (*habitus*) of the individual. Joe is a professor in several departments of the University of Wisconsin-Madison and an active member of the Quaker community in Madison and at the national level. As a long-time resident of Madison, he has seen his children through the school system and has gotten involved in a variety of community projects. Mike is an unmarried man with a personal life distant from his extended family and a professional career entirely wrapped up in the work of MQI. He doesn't have many additional networks – work, friends and family, or otherwise – from which to pull for fundraising; owing in large part to a number of years spent in self-imposed exile from most social interactions. With a near-poverty salary and no benefits, he lives alone in Madison corresponding with potential donors; writing the newsletter; and planning and organizing speaking tours, the next trip to Viet Nam and other future actions. He drives the yearly speaking tour on his own in his 17-year old Oldsmobile, giving his talk about relationship-building and healing to both packed houses and semi-empty rooms. Sometimes he comes away with barely more than he spent, and other times he collects enough to cover a whole project. Nonetheless, different amounts of social, economic, and cultural capital are exercised; sometimes with restraint and at other times without; all according to the situation and to the member's position in their own individual networks. All of this capital is necessary, but the different forms have different functions, all of which then collectively contribute to the workings of the organization.

Through the selective deployment of the different forms of capital that its members possess, MQI successfully continues to operate. Since the organization is small and participation is almost always voluntary, several things are true: despite its success, it is not a particularly wide net of connections that is called on, and so the successful implementation of these networks is vulnerable to small changes in Board membership and participation. Additionally, these social connections are really the only way that much of this work *could* get done, given their limited budget, and so success is entirely dependent on a few key members of the organization continuing to do what they do. This, in turn, raises two issues which could be considered critiques. First, utilizing almost entirely personal connections (instead of the wider net cast by typical fundraising specialists) has a ceiling – it has relatively limited fundraising potential. Second, fundraising potential, as is true for all locality – or event-specific causes, only becomes more limited as time progresses and fewer people remember the Viet Nam War, unless the organization learns to diversify and disassociate itself (to a degree) from that one event or place.⁷³

This criticism, that MQI has a donor pool reliant on personal connections that is small and growing ever smaller, presumes that the goal of the organization is to grow indefinitely, finding new issues around which to rally and recruiting new leadership as necessary. It is “playing” in a large field and at a serious disadvantage, and so members use what they have at their disposal – a store of numerous forms of individually accumulated capital. Moreover,

⁷³A war, I should emphasize, that has been replaced with a number of other wars with which the American public is unhappy. With a largely pacifist donor pool, composed largely of Quakers and veterans, time only adds more events for this group to be angry about and to which donation money is diverted. Keeping Vietnam topical and relevant to donors in an era focusing on Iraq, Afghanistan, Pakistan, and the Arab spring is particularly challenging.

the fundraising strategy and donor pool match its rhetoric. MQI identifies as an organization about connection-building between communities, about lending a helping hand, about healing; it is all about personal connections and relationship-building. To be sure, corporate donors and grant agencies provide a steadier financial base, but maybe some element of the ideals they espouse is unachievable with that route. More would get done, but the community-to-community component of their work would be lost. Staying small allows even the fundraising to be in line with the organization's ideals. The potential discussion of how MQI will grow and adapt to the changing population and collective memory in Quang Ngai might be a moot point, as several current members of MQI have acknowledged an awareness that the organization will likely come to an end when Mike retires. In this way, the organization is even more fully a compilation or product of their *habiti*, coming to a natural end when the people who define its form and function are no longer involved.

An organization-recipient relationship dependent on individual relationships is one that is potentially stronger but also more temporary. If DOFA (the Vietnamese Department of Foreign Affairs) has a high leadership turnover rate, as it has of late, then the red tape of Vietnamese bureaucracy triples with inexperience, and the trust built on years of work is replaced with hesitancy in granting permission for a foreign organization doing any sort of work with "sensitive" populations. The inability to overcome these difficulties is compounded by MQI's small size. Large organizations with millions of dollars of development money in projects around a province hold a serious bargaining chip that even the new leaders, educated in Hanoi in development and the Party ideology, have to acknowledge.⁷⁴ A small organization based on relationships and constructed under the old guard of Quang Ngai leadership has very little of that bargaining power. A Bourdieuan "capital"-based analysis would suggest that MQI is dealing with a soon-to-be-outdated form of social capital, with the ever-younger leadership of the province less interested in the relationship building this small NGO has done over the years with its predecessors. It could also, however, stand on ground relatively more solid than the large development organizations that are perceived to have their own socio-political agenda. The grounded nature of MQI work, driven by funds from the US but ideas from Quang Ngai, may serve as less of a threat than more traditional development organizations.⁷⁵

Conclusion

The rules and values established in the economic development field, as in any other, are essentially norms enforced and sometimes formalized by the power structure of that field. Sometimes this happens through national and international law or trade and economic agreements, and sometimes it happens through a sort of peer pressure, using very concrete ideas of what a "good" organization looks like. Rules (formal and informal) do serve a purpose, if only to establish a set of things we'd rather an organization *not* do or *not* be. Just as Max Weber suggests that judging the validity of values is inherently sticky because they are normative, field rules are similarly norm-based, and thus always under contestation.⁷⁶ My

⁷⁴ Large organizations working in this province are still quite few in number. As of 2011, this included the East Meets West Foundation, World Vision, and Plan.

⁷⁵ This is only increasing as political unrest and democratic uprisings are becoming an increasingly prevalent part of the global and regional political discourse. Authoritarian governments interested in maintaining legitimacy and stability are faced with the risk of losing political control as economic liberalization increases the wage gap, the global financial crisis reduces government liquidity, and inflation increases the cost of living. In our conversations during the spring of 2011, Do presented anecdotal evidence of an increase in surveillance of foreign-based humanitarian organizations, quite likely connected to the perceived increased threat of political discord.

⁷⁶ Weber, Max. "Objectivity in the Social Sciences" (1897)

purpose here is not to suggest that field rules and the hierarchy that determine them are inherently bad or that we should embrace a field where any organization can operate in whatever manner it pleases. I'm also not suggesting that MQI is doing everything right, and should therefore be the model for all other organizations; even all other small organizations. It's not, and it shouldn't be. The acknowledgement of value-judgements is not necessarily an argument for their removal, though I, like Weber, *would* argue that we shouldn't be entirely bracketed or bound by the norms and ideas of a particular belief. Policy is not a science, and mistaking positivist interpretations of data as implicit in the data itself is a dangerous thing.⁷⁷ What MQI *is* doing, and what others can take from it's experience, is attempting to build an organization that reflects the ideas and interests of the population it's trying to help, *with input by that population*. Grounded practices, community partnerships, genuine communication that attempts to solve problems across linguistic and cultural boundaries; these are basic principles that *should* drive international development organizations.

We can all agree that inequality is growing, and it is doing so in new ways. Embedded in state policy, spread through organizations and markets, it moves across regional, class, gender, racial and ethnic lines. Therefore, it seems acceptable to admit, the work that has been done so far is insufficient to address these problems, not to mention the problems that will undoubtedly appear in a future that we can't yet predict. Scholars from around the world are discussing alternative visions, strategies, and methods.

“First, our consciousness and ethics now need to be crystallized into a clear vision of what we want society to be like...This does not mean an attempt to impose a uniform ideology from the top. Rather, we feel that the debate around the real, hard issues of development, peace, and equality has only just begun, and we need to reflect together on what we have learned from the diverse richness of our experiences. Second, we need the strategies that will get us from here to there.”⁷⁸

The time is not one for increasingly regimented structuring of the organizations attempting to address these problems, and yet we continue to professionalize, to put all of our eggs in the basket of a market-based solution to a market-created problem. What is specific becomes universalized and what is cultural is normalized to the point of being taken for granted.⁷⁹ The contribution that an organization like MQI brings to a discussion of development organizations in general is that they have their *own* way, based on their personalities, their biographies, and on the history of and people in the place in which they are working. There must be room for organizations to try alternate ways of operating, new ways of interacting. The trend set by granting institutions (both public and private) has been increasingly restrictive of what sort of applicants measure up; a standard which effectively squeezes out all those who look and act different from the norm. Too many institutionalized rules – about what kind of person is fit to run an organization, about which population should be helped, about what qualifies an organization for grant funding, and about how many people need to be helped in order to qualify as an “effective” use of funds – and non-conformists who may bring innovative ideas to the field, or who may be funding grassroots and locally-based solutions, are stymied and squashed.

⁷⁷ “The constant confusion of the scientific discussion of facts and their evaluation is still one of the most widespread and also one of the most damaging traits of work in our field.” Weber, pg 60.

⁷⁸ Sen, Gita and Caren Grown, “Alternate Visions, Strategies, and Methods” in Development, Crises, and Alternative Visions: Third World Women's Perspectives. Monthly Review Press (New York: 1978) pg 78.

⁷⁹ Hoare, Quinton and Geoffrey Nowell-Smith, Selections from the prison notebooks of Antonio Gramsci (Lawrence & Wishart: 1971)pg 422.

There is a growing awareness of the power system determining the rules of the field, and who they benefit. In The Revolution Will Not Be Funded; Beyond the Non-Profit Industrial Complex, twenty or so activists and authors discuss the corporate model that has developed in the non-profit world, and how organizations can reject it in favor of structures that more closely model the vision of the future that their organizations are trying to build. They focus on long-term community goals, not short-term funding campaign outcomes. They reject the corporate model that often leaves the very existence of a social justice organization resting “more on the effectiveness of professional grant writers than on skilled – much less “radical” – political educators and organizers.”⁸⁰ These explicit and eloquent criticisms of the Non-Profit Industrial Complex (NPIC)⁸¹ are nonetheless audible only on the fringe, marginalized by the political and social activism that drives their involvement in the social justice movement. Moreover, the power of the field-norm goes beyond, as has been shown here, the physical and structural constraints. Worse is the “way in which this new industry grounds an epistemology – literally, a *way of knowing* social change and resistance practice – that is difficult to escape or rupture.” Thinking outside the box becomes more of a challenge, because the NPIC “has institutionalized more than just a series of hoops through which aspiring social change activists must jump – these institutional characteristics, in fact, dictate the political vistas of the organizations themselves.”⁸²

MQI, or more specifically its talisman, Mike Boehm, is another example of an organization working against the grain, albeit maybe less intentionally so than the activists in The Revolution Will Not Be Funded. He, and MQI, work in what can be generously referred to as a difficult environment. MQI is the only foreign NFP allowed to work with ethnic minority communities in the Quang Ngai province. It is also one of very few organizations traversing the delicate political territory that surrounds the provision of social services to Agent Orange victims. With a bureaucratic structure more hindrance than support to foreign development organizations – especially the small ones, Viet Nam as a whole and Quang Ngai in particular⁸³ is not an easy place to do this work.

Mike and MQI are finding success in Quang Ngai because they are *not* taking into consideration what would be common business practices under a more formal structure, or under the increasingly popular corporate style. The practicality of working in Quang Ngai,

⁸⁰ Rodriguez, Dylan. “The Political Logic of the Non-Profit Industrial Complex” in The Revolution Will Not Be Funded; Beyond the Non-Profit Industrial Complex. South End Press (Cambridge, MA: 2007), pg. 22.

⁸¹ In President Dwight D. Eisenhower’s 1961 farewell address he introduced the concept “military industrial complex”, warning that the wide-scale and intricate connection between the military and the warfare industry would determine the course of economic development and political decision-making for the country, to the detriment of all other sectors and ideas. When activists began to use the term “prison industrial complex” they were attempting to encompass a similarly complex and hidden set of connections. The Non-Profit Industrial Complex (NPIC), like the other two, have reshaped the landscape and consequently shifted people’s understanding of the non-profit sector. Gilmore, Ruth Wilson. “In the Shadow of the State” in The Revolution Will Not Be Funded; Beyond the Non-Profit Industrial Complex. South End Press (Cambridge, MA: 2007), pg. 46.

⁸² Rodriguez, Dylan. “The Political Logic of the Non-Profit Industrial Complex” in The Revolution Will Not Be Funded; Beyond the Non-Profit Industrial Complex. South End Press (Cambridge, MA: 2007), pg. 29.

⁸³ Quang Ngai is particularly difficult for several reasons. First, it is an incredibly poor and rural province, meaning provincial leadership has relatively little interaction with foreigners of any sort. Second, it was a hard-hit part of the country during the American War, with the populace bearing injuries committed by both sides. This has meant that residents are particularly distrustful of outside intervention. Lastly, because central Vietnam has a larger number of small ethnic minority communities, many of whom were forcibly nationalized, the Vietnamese government is particularly careful about which outsiders are allowed to interact with these communities, and in what manner.

any efficacy calculations and the organizational structure and capital-values of most development NGOs are all ignored. They work in a place with a prohibitive bureaucratic structure, and they do so with success, owing to their personal connection to this locale; a relationship with a place and a history that removes those difficulties from the equation. In a field where business savvy, objective rationality and a corporate model are increasingly employed, MQI is personal, subjective, and community-based.

This might mean that specific practices are not necessarily generalizable. It means that another group of people caring about another location, history, or problem couldn't necessarily look at MQI and form their own organization on that model. This lack of generalizability is, in fact, an incredibly common critique of projects built around unique problems in some very specific corner of the world. That the organization is currently interested in working only in this one province and with grounded methods dooms them to marginality in this era of economic development non-profits, while simultaneously making it possible for them to continue – even to expand – within this small world. We need to facilitate the creation of a space for these organizations *because* their work is so much less able to be mass-reproduced. It is responding to a location- and time-specific problem that can only be addressed by those with a deep interest in and understanding of that place and time.

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BRIDGING THE INEQUALITY GAP: THE ROLE OF THE MIDDLECLASS

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ABSTRACT

The issue of inequality in the society has been widely debated in not just the field of politics but also other fields of study, so also the issue of the middleclass, such that presidents and other political leaders have made discussions on middleclass campaign issue, however these perspectives have not adequately addressed the issue of the role of the middleclass in bridging the gap between the rich and poor in our society. This paper attempts to address the issue of the middleclass with special attention on its role in closing the inequality gap in our society and also in sustaining development and acting as a stabilizing force in the economy, specifically in this paper I will be looking at writings of scholars on the subject matter and general definitions of the middleclass in order to show the importance of this class in the society, I will discuss the role of the middleclass in engendering development and stabilizing the economy and juxtapose them against the present state of the middleclass in developing nations in order to reveal the previously misunderstood connection between the middleclass, sustainable development and stable economy. The argument of this paper is that nations are able to close the inequality gap because they have a large and strong middleclass.

In conclusion, this paper by closely examining the character and qualities of the middleclass sheds new light on the little recognized role of the middleclass in sustaining development and stabilizing the economy in nations be they developed or developing nations.

Keywords:

Middleclass, Inequality, Sustainable Development, Millennium Development Goals, Human Development

INTRODUCTION

Most developing countries especially those in Africa find it difficult to maintain or sustain acceptable economic status for their population. This has become a recurrent decimal in these countries in spite of the vast human and material resources possessed by them.

In most if not all of these countries mainly two classes of people are always recognized, the upper class (rich) and the lower class (poor) A careful analysis of these categories of people in these countries would reveal that the classes lie at both ends of the same continuum. It is important to state here that the division of the society into two classes is of course not a natural occurrence. This division arises from the process of production, in which one class controls the means of social production and the other is constrained to live on its labour. Thus, creating income inequality gap, hence it is necessary to establish a middleclass in other to strike a balance in the society since both the rich and the poor classes are antagonistic to each other.

In other to strike this balance this work has been divided into two parts. The first part starts with the conceptualization of concepts and issues pertaining to the underdeveloped nature of states, part two starts with an analysis of how the middleclass can act as a catalyst for development and stability of states, re-assessing basic assumptions and suggestion / conclusion.

CONCEPTUALIZATION OF CONCEPTS

Webster dictionary defines middleclass as the class of people, including those in professional and commercial occupations. Other usual criteria; relatively median income, secondary or higher education and the holding of general conformist views. While oxford dictionary of politics states that the middleclass are distinguished from the working class (poor), by occupation and education, distinguished from the upper-class (rich), by seriousness, moral purpose and earning a living.....

Agada (1990) defines the middleclass as that class, which consist of those people who have a degree of economic independence, but not great deal of social influence or power. Ochonma (1983) insists the term encompasses merchant and professionals, bureaucrats and some farmer and skilled workers. While William (1973) had earlier observed that the middleclass is a social and economic class, which is made up of people who are moderate in terms of wealth and social affluence.

Ravallion (2010) sees the middleclass in developing countries as households with expenditures between \$2 to \$13 dollars per person (based on 2005 consumption ppp), while Kharas and Gertz (2010) in defining the middleclass used thresholds of \$10 and \$100 per person. Again Milanovic and Yitzhaki (2002) assumes middleclass as those living between the mean incomes of Brazil and Italy which based on 2005 PPPS is between \$10 to \$20 per day.

On the other hand, Easterly (2001) used the expenditure/income share of the middleclass 60% as a measure of the middleclass.

It is of course very clear that these distinctions are made considering the conditions and situation in which the person making the analysis found himself. Consequently, the middleclass in most economies may be identified in terms of their level of education, probably attainment of secondary education, of which one could be self-employed. Secondly, one's physical condition, even though one's physical condition in most economies could be said to be relative, for example a person in Africa whose physical

condition portrays as a working class put in another environment, say in the USA may not attain the same physical condition, then thirdly, one's consumption habits of course distinguishes him from other classes. In Africa the consumption habits of the middleclass could be compared to that of the lower working class. There are of course reasons why the middleclass in Africa lacks the natural qualities and trappings of a normal middleclass as portrayed in our definitions.

Conclusively, therefore it may be wise to state the values commonly associated with the middleclass. These are desire for social respectability and materials wealth and an emphasis on the family and education.

SUSTAINABLE DEVELOPMENT

Mittelman (1988) had defined development as "the increasing capacity to make rational use of natural and human resources for social ends".

Baran (1955) saw development as a far-reaching transformation of society's economic, social and political structure of the dominant organization of production, distribution and consumption. While Rodney (1974) noted that "at the level of the individual, development implies increased skill and capacity, greater freedom, creativity, self-discipline, responsibility and material well-being. However, what is indispensable is that the achievements of any of those aspects of personal development is very much tied to the state of that society as a whole" then at the level of social groups Rodney posits that "development implies an increasing capacity to regulate both internal and external relationships'. From the economic point of view he sees development as existing when society's members increase their capacity for dealing with the environment, of course this capacity for dealing with the environment is dependent on the extent to which they understand the laws of nature (science) on the extent to which they put that understanding to practice by making or devising tools (technology) and on the way and manner in which work is organized".

Going by our definitions of development one thing stands out, development has to do with the individual person and affects his behaviour, characteristics, ways of living and mode of the thinking.

Now coming to sustainable development which is a concept that came into general usage following the publication of the 1987 report of the Brundtland commission setup by the United Nations General Assembly, the commission saw sustainable development as development that "meets the need of the present generation without compromising the ability of future generations to meet their own needs".

Sustainable development is broken into three constituent parts; environmental sustainability, economic sustainability, social political sustainability. In the context of this work we would focus mainly on two parts, economic sustainability and social political sustainability.

Inequality

One cannot talk about inequality without putting it in a particular context, but inequality means unfair, or unequal. In this work we see inequality as having to relate with peoples political, social and economic conditions hence we can talk about income inequality, social inequality, and wealth inequality, etc.

DIFFERENCE BETWEEN DEVELOPED AND DEVELOPING COUNTRIES.

It is pertinent at this point to identify those factors that distinguished the developed countries from the developing countries, in order to position the middleclass as a catalyst for sustainable development and stability.

The term developed country is used to categorize countries with developed economies in which the tertiary and quaternary sectors of industry dominate. This level of economic development usually translates into high per capita income and high human development index (HDI). The human development index is the measure of life expectancy, literacy, education and standard of living for countries worldwide. It is the standard means of measuring well-being. It is in fact used to determine whether a country is a developed, developing or underdeveloped country and also to measure the impact of economic policies on quality of life.

Actually, United Nations member states are listed and ranked according to these measures. Thus the major differences between a developed and developing country may be pinpointed in the areas of long and healthy life as measured by life expectancy at birth, knowledge and education as measured by the adult literacy rate and the combined primary, secondary and tertiary gross enrollment ratio, then decent standard of living as measured by the log of gross domestic product (GDP) per capita at purchasing power parity (PPP) in Dollars.

From the foregoing it is evident that the major difference between developed and developing countries are mostly on individual basis or affect the human aspect such as developing countries having high birth rates while developed countries have low birth rates, again, death rates in developing countries is high because in many cases, there are dirty, unreliable water supplies, poor housing conditions poor access to medical services, endemic disease in some countries and diet that are short in calories and/or protein. While developed countries have low death rates because safe water supply, more than enough food and advanced medical services which are easy to access. Though some developed countries have high death rate as they have an ageing population with many older people.

There is also the issue of provision of basic amenities such as shelter, clothing, food and housing, also included is education and good transport network, when all these are available, the individual gets more time and comfort to develop himself.

Thus, it could be said that the major difference between developed and developing countries lie in their human development index (HDI).

SUSTAINING DEVELOPMENT AND STABILITY IN DEVELOPING COUNTRIES.

For one, no country can develop by necessarily "delinking" or industrializing without developing the humans who make up the society. But by expanding the size of its middleclass a society increases the size of educated individuals, the size of their income and their ability to be independent.

To say the least developing countries spend so much money providing basic amenities that function to say the least, at the lowest level of functionality. For example individuals in developing countries spend much of their income trying to provide basic amenities, they build houses out rightly while in developed nations, there is the option of functional mortgage and loans at low interest rates. Individuals in developing countries dig boreholes to provide water for themselves, while government plough in billions into provision of

same but it is nowhere to be found. Jennifer Brea had listed the top ten major challenges African countries must overcome to escape its persistent state of underdevelopment thus,

1. The legacy of Colonialism
Colonial powers haphazardly divided Africa, creating states without regard to nations
2. Lots of land few people
Many African states contain vast, sparsely populated regions, these provide ideal location from which rebels could routinely attack and hide from government forces
3. Infection diseases
HIV/ AIDS Malaria and Tuberculosis have wreaked havoc on African states. Reports show that an African child dies every 30 seconds from Malaria, Tuberculosis infection rate have tripled in the last decade. In some African state one out of every four adult are HIV positive.
4. Civil war.
5. Scarcity of Human capital
The supply of labour and its production has been decimated by decades of civil wars and disease and by pervasive lack of access to education. Moreover the most highly skilled professional doctors, engineers and scientists leave Africa for more developed countries at the rate of 20,000 per year.
6. Corruption, cost African countries nearly 150 billion dollars each year and raises the cost of products by 20%
7. Natural resources
The abundance of natural resources in poor countries have led to rampant corruption, low level of industrialization decreased incentives to diversify the economy or invest in education. The struggle between rival, often ethnically based political groups for control of oil and diamond resources has fuelled armed conflicts across the continent.
8. Personal Rule; Post -colonial Africa has been plagued by government founded not on strong institution but on the personal charisma of the leader. Those leaders often treat the state as their personal property, stifling the development of opposition political parties regular elections, a free press and other mechanisms of accountability associated with developed democracies
9. Foreign Aid: International Assistance may hurt poor African countries as much as it helps, because AID, often comes with "strings attached".
10. An unjust international system: Europe and united states, large potential markets for African produce continues to impose high tariffs on foreign agricultural products while placing pressure on African countries to open up their economics to foreign trade.

Those of course are the reasons why Africa has remained underdeveloped, in order to overcome these problems Africa needs to amongst other things make efforts towards achieving the millennium development goals and invariably increase the size of its middleclass.

Several studies have shown the importance of the middleclass in sustaining development and stabilizing economies. Banerjee and Duflo (2008) believes that the middleclass is important for economic growth on account of their investments in human capital, Acemoglu (et al. 2005) is also of the view that a strong middleclass is likely to lead a long-

run development by positively affecting the proximate causes of growth. It also follows that a strong middleclass may help in fighting against poverty, (Ravallion 2009, Birdsall 2012). The millennium development goals if achieved will most likely increase the size of the middleclass in most developing nations, but for certain reasons that may not be because the several MDG progress reports have been unfavourable especially as it concerns African countries "African is the only continent not on track to meet any of the goals of the millennium declaration (UN world summit Declaration 2005), the Blair commission for Africa 2005, world Bank and IMF Global monitoring Report 2005 all believe that Africa will not achieve any of the MDGS by 2015.

Middleclass influences growth primarily through higher levels of human capital investment, contributes to larger government, higher levels of urbanization and greater democracy. (ADB 2011).

David Madland believe alongside President Obama that a strong middleclass is what grows the economy not the rich, the MDGS will not only help nations to develop and enlarge their middleclass but will also enable states create the enabling environment for sustainable economic and political development.

MIDDLECLASS AS CATALYST FOR DEVELOPMENT AND STABILITY

Aristotle had described the politically best state thus "the best political community is formed by citizens of the middleclass and these states are likely to be well administered in which the middleclass is large, in which the citizens have moderate and sufficient property, for where some possess much and others nothing there may arise an extreme democracy or a pure oligarchy or a tyranny may develop out of either extremesDemocracies are safer and more permanent than oligarchies, because they have a middleclass which is more numerous and has a greater share in government, for when there is no middleclass and the poor greatly exceed in numbers troubles arise and the state soon comes to an end." Even through Aristotle wrote in the fourth century B.C he was actually describing why democracies succeed or fail today, much depends on the size of the middleclass of the country in question.

The middleclass as it is, posses certain natural qualities and characteristics that make it susceptible to stability in the society.

Tilkydjiev (2005) had observed that throughout the modern world the middleclass is increasingly looked upon as a precondition for stability in the social structure, as a means of softening social inequalities, as a way of retaining the status quo, an instrument of achieving confidence in the future. Li (1997) notes that professionals, civil servants and managers have been on the growth too. Their portion grew from 7.5% to 29% at the end of the 1970's

Thus, the distance between the "top" and the "bottom" of the stratification pyramid has been undergoing a process of shortening and fragmentation because of a new situation involving a restructuring of the framework social groups, in which the middleclass has been the epitome of the new development and more importantly the driving force behind it.

The middleclass has a strong potential for development and change, hence the middleclass will continue to be the driving force behind modern society.

Developed countries are able to sustain their development status and maintain stability not just because they are industrialized but because they have a large middleclass, the middleclass now acts as a balance in the society between the upper class and the lower class of the society at the same time the middleclass because of its nature and characteristics and its position in the society acts as a catalyst for sustaining development and stability in the society.

CONCLUSION

The middleclass relates to a relatively "median" sector of the social Pyramid, the concept of middleclass is also very relevant to the development and stability of developing states.

Hence, in order to build up a large middleclass that would quicken sustainable development and stability developing countries must as a matter of fact device means and ways of achieving even if its 60% of there millennium development goals which in turn takes care of most of the challenges African countries face.

Further more, positive action must be taken to minimize the incidence of corruption and "sit- tight" regimes. It is only when these are done that developing countries would breath the air of sustainable development and stability.

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Enhancing Food Security through Sustainable Agricultural Development

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Abstract

Until recently, global agricultural research work focused on quantitative improvement such as high yield at reduced cost so as to combat hunger. At present it aims at the qualitative enhancement of food from plants and animals to improve health and fitness. These goals can be achieved through sustainable agricultural production which requires greater emphasis on improving agricultural productivity thereby enhancing food security and reducing poverty. In spite of the constraints faced by the agricultural sector in Kuwait such as water deficiency, harsh climate and low soil fertility, the Kuwait Institute for Scientific Research (KISR) is active in conducting research on plant production, animal production and aquaculture to achieve certain levels of food security in Kuwait. This paper focuses on the contributions of agricultural research at KISR for food security which include Testing of Closed Production System for Controlled Environment, Selection of Crops for Salt Tolerance, Demonstration of a Pilot Scale Production of High Quality Broilers and Eggs, Intensive Lamb Production, Development of Propagation Technology for Fish and Improving the Nutritional Value of Food through food enrichment.

Key words: high yield, agricultural productivity, qualitative enhancement

Introduction

Sustainable agriculture is an integrated system of plant and animal production, which make the most efficient use of nonrenewable resources and enhance the quality of life for both the farmers and the society. Kuwait being a desert country, agriculture activities and business are in the developing stage. Agriculture in Kuwait is constrained by the hardships of water deficiency, harsh climate and low soil fertility. Even then substantial progress was achieved by the utilization of tertiary treated waste water for irrigation, implementing protected and climate controlled agriculture and modern cropping systems. The major constraints include low quality and yield of local production in comparison with international standards, low rate of feed conversion into meat in poultry and low rate of milk production, low crop yield in greenhouses and open fields, low consistency of agriculture product quality, limited proper application of modern technologies in agriculture and food production, limited support to producers for improving their experience, lack of incentives for implementation of new technologies that may result in increased rate of production and proper exploitation of renewable natural resources and high water utilization for each unit of food production. In spite of all these constraints, KISR is active in conducting research that aims at achieving certain levels of food security in Kuwait. Activities are concentrated in conducting research on animal production, aquaculture, plant and soil sciences, plant tissue culture, agricultural biotechnology and disease control. For this, the emphasis is given on sustainable and efficient use of available

land, water and energy. KISR also aims to select and adapt crop plants that can tolerate increasing salinity levels in soil and tolerate continuous irrigation with poor quality water.

Materials and Methods

The major agricultural research works done at KISR in the Arid land Agriculture Department (AAD) include:

Selection of Crops for Salt Tolerance (Abdal et al., 2002)

To enhance Kuwait's crop production and to increase crop productivity KISR initiated a project to screen salt-tolerant crops (Table 1). To achieve these objectives, a screening study was conducted using potential salt tolerant genotypes collected from various international research organizations. The study was conducted under laboratory conditions using a nutrient solution recommended by the US Salinity Laboratory (Table 2). The seedlings thus obtained from the germination studies were grown in plastic containers filled with perlite under greenhouse conditions. The seedlings were irrigated using salinized nutrient solution of various concentrations (1.6, 9.6, and 18.6 dS/m).

The whole study was based on a systematic reduction in the investigated genotype at various controlled stages, namely, germination, seedling establishment and growth to adult size. At each stage, those varieties that exhibited maximum ability to withstand increasing salinity treatments were passed on to the later stages of experimentation for further screening. The crops that were found to be most tolerant to salinity were grown under field conditions in Kuwait using brackish water, and freshwater was used as a control.

At the end of the study, five crops were selected as being the most tolerant to saline water in Kuwait which includes Tashkentskaya 10 for cabbage, Motano for cauliflower, Detroit Dark Red 1 for beetroot, IG33000 for barley, Bl Bhsto De Chinchon for garlic, and IP 3757 for pearl millet.

Intensive Lamb Production (Malik et al., 2000)

Reproduction performance, lamb growth and lamb survival in the purebred Naeemi and crossbred Border Leicester × Merino (BLM) ewe lambs bred to Naeemi rams at 10-12 months of age was studied. The conception and lambing rates were 67.4 and 73.9% for Naeemi and 77.9 and 86.5% for BLM ewe lambs, respectively. The results indicate that high pregnancy and lambing rates can be achieved even in young ewes under one year of age within an eight-monthly lambing regime. Lamb birth and weaning weights averaged 3.56 and 18.1 kg, respectively. The growth rate to weaning (eight weeks) averaged 230 g/d. Crossbred lambs (Naeemi × BLM) were significantly heavier than the Naeemi lambs at birth and at eight weeks (weaning). There was a positive and linear effect of body condition of the ewe at joining on the birth and weaning weight of its progeny. Eighty-seven percent of lambs born alive survived to weaning age. Lamb survival was significantly affected by season of birth. Only 72% of the lambs born in summer survived compared with 97 and 93% survival rates for lambs born in winter and spring, respectively.

Pilot Study on Production of High Quality Broilers and Eggs (Al-Naser *et.al.*, 2007)

This project was conducted with an aim to produce the table eggs that have high levels of omega-3 fatty acids and have the desired and appropriate ratio between omega-6 and omega-3 fatty acids through including flaxseeds in the diet of the laying hens and to introduce a cage technology system for raising broilers, and to demonstrate the financial output and the economic benefits of producing omega-3 fatty acids enriched eggs. Results showed that the production of omega-3 enriched eggs can be accomplished by adding flaxseed in the diet of laying hens, reaching 255 mgs of omega-3 fatty acids per egg and a ratio for omega-6: omega-3 of 4.4:1.

Production efficiency of broilers raised on the floor is better than that of broilers raised in cages because feed consumption is more for birds raised in cages since they have more feeder space per bird. If feeder space is reduced for birds that are raised in cages, to become comparable to that of birds raised on the floor, then production efficiency of birds that are raised in cages or on the floor becomes similar. The hygienic condition of birds raised in cages is much better than that of birds raised on the floor and space utilization is much better. The breed has an impact on the body weight at 5 weeks of age (slaughter age) when they are placed in cage system however it has no effect on feed efficiency.

Effect of Different Dietary Protein Levels on the Production Performance of Arabian Chicken in Kuwait (Khalil *et.al.*, 2008)

The study focused on the effect of three different levels of protein namely 17% protein (control), 18% protein, and 15% protein on the production performance and the effect of three different levels of protein on fertility and hatchability of the Arabian chicken. The activity was implemented at the poultry research farm at Kuwait Institute for Scientific Research (KISR) Sulaibiya field station. Arabian chickens were provided by the client, Mr. Saud Al-Aazmi. The total number of chickens was 45; 9 males and 36 females. Egg production, egg weight, egg mass, feed efficiency, and the percent fertility and hatchability were measured. There were no significant difference in the egg mass, egg weight and feed efficiency of the hens fed with the three levels of protein and the Arabian chickens were adapted to the 15% protein in the diet.

Conclusion

The agricultural sector of Kuwait is facing many challenges and even though the economy of Kuwait is developing in a fast pace, with the high income from oil, increase in population leads to the limitation of agriculture. Since, climatic challenges impose constraints on sustainable agricultural development, greater emphasis is needed to safeguard natural resources and agro-ecological practices.

In spite of these challenges, practices involving integrated water and land management, sustainable crop production systems; crop improvement including improved irrigation practices, water harvesting techniques, introduction of drought tolerant crops, conservation and use of indigenous genetic resources, and application of biotechnology helps in sustainable agricultural development.

Since, the state relies extensively on imported food from other countries, leading to food insecurity, there is an urgent need for adapting sustainable and

economically viable crop production system to enhance production efficiency, productivity and quality.

Hence, KISR aims to increase agricultural production in a sustainable manner through conservation technologies. The projects conducted at KISR played a significant role in developing strategies for sustainable agriculture for enhancing food security.

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INCREASING EDUCATION, SUSTAINABLE AGRICULTURE, FOREIGN CAPITAL INFLOWS, INFRASTRUCTURE GROWTH AND POVERTY ALLEVIATION IN DEVELOPING COUNTRIES: A CASE OF UGANDA

BY SARAH AMERI ALUM, MBA STUDENT

ABSTRACT:

Poverty continues to increase and remain persistent in developing countries and within disadvantaged groups. This aroused the curiosity to provide a comparative perspective in analyzing past and current trends to better understand this never-ending downward spiral.

This paper seeks to explore the relationship between increasing education, sustainable agriculture, foreign capital inflows, infrastructure growth and poverty alleviation in developing countries with reference to Uganda.

It takes on a descriptive research method to analyze the relationship between increasing education, sustainable agriculture, foreign capital inflows, infrastructure growth and poverty alleviation in developing countries. Secondary sources like journal articles, text books and publications from institutions, public libraries and conference proceedings were used.

Findings reveal that with increased education, sustainable agriculture, foreign capital inflows and infrastructure growth, Uganda can achieve faster reduction in poverty.

The paper proposes a framework to support the alternative thinking that poverty alleviation can be enhanced through increasing literacy through education, adopting sustainable agricultural practices, foreign capital inflows and infrastructure growth.

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INTRODUCTION

The paper presents a discussion on issues surrounding poverty alleviations in Uganda such as increasing education, sustainable agriculture, infrastructure growth and foreign capital inflows.

1.1 BACKGROUND TO THE STUDY

Due to unequal distribution of resources, poverty continues to persist and increase in under developed countries and within disadvantaged groups. With more than one billion people living in extreme poverty, surviving on less than one dollar a day and suffering from lack of adequate shelter, healthcare, education and protection and a voice on what happens in their communities, poverty alleviation remains one of the main goals of developmental efforts in less developed countries.

Over the years, Uganda's economy has experienced varying growth rates. Uganda's main sources of growth from 1990s to date has been the peace and good economic policies that led to increases in agricultural incomes, foreign direct investment, remittances by Ugandans living abroad, and infrastructural growth. From independence in 1962 up to 1971, Gross Domestic Product (GDP) grew by an average of 5.2% per annum. However, between 1971 and 1979, GDP declined by 25% due to the unstable political situation and economic mismanagement. From 1981 to 1983, Uganda experienced GDP growth rate of 5.5% but recorded negative growth rates in 1984 and 1986. Between 1987 and 1996, GDP grew at an average of 6.5% translating into 3.4% growth in per capita terms. The decline in monetary growth, together with growth in agriculture, especially food crop production, contributed to a reduction in inflation, from 200% in 1987 to about 7.1% in 1996. There was impressive growth over the Poverty Eradication Action Plan (PEAP) period, with an average rate of growth in GDP of 7.2% per annum between 1997/98 and 2000/01. The growth rate slowed to 6.8 per cent between 2000/01 and 2003/04, and increased to 8 per cent over the period 2004/05 to 2007/08. At this GDP growth rate, nominal per capita income is projected to increase from USD 506 in 2008/09 to about USD 850 by 2014/15. The impressive GDP growth performance in recent years has contributed to a significant reduction in poverty levels. The proportion of people living below the poverty line is expected to decline from the level of 31% in 2005/06 to about 24.5% in 2014/15, above the MDG target of 28%.

However, in spite of this commendable economic performance, the country continues to face some challenges which have undermined achieving much faster economic growth and socio-economic transformation. The country has not achieved significant productivity growth in agriculture and thus not releasing the excess labour. There are structural features in the economy that Government needs to address in order to alleviate poverty. For instance, due to dominance of primary commodities over industrial products implying that the rapidly growing new sectors are not contributing significantly to value added exports and are therefore, not outwardly oriented; slower than desirable growth in the agricultural and industrial sectors and new sectors that are not absorbing the rapidly growing educated labour. In spite of the potential direct and indirect positive impact of the discovery of oil, including easing future fiscal constraints and other multiplier effects in the economy, there are still considerable barriers to growth that should be addressed, complemented by policies to reduce poverty and therefore, raise the quality of life..

There is therefore need to address structural bottlenecks in the economy of a developing country such as Uganda in order to accelerate social economic transformation and alleviate poverty.

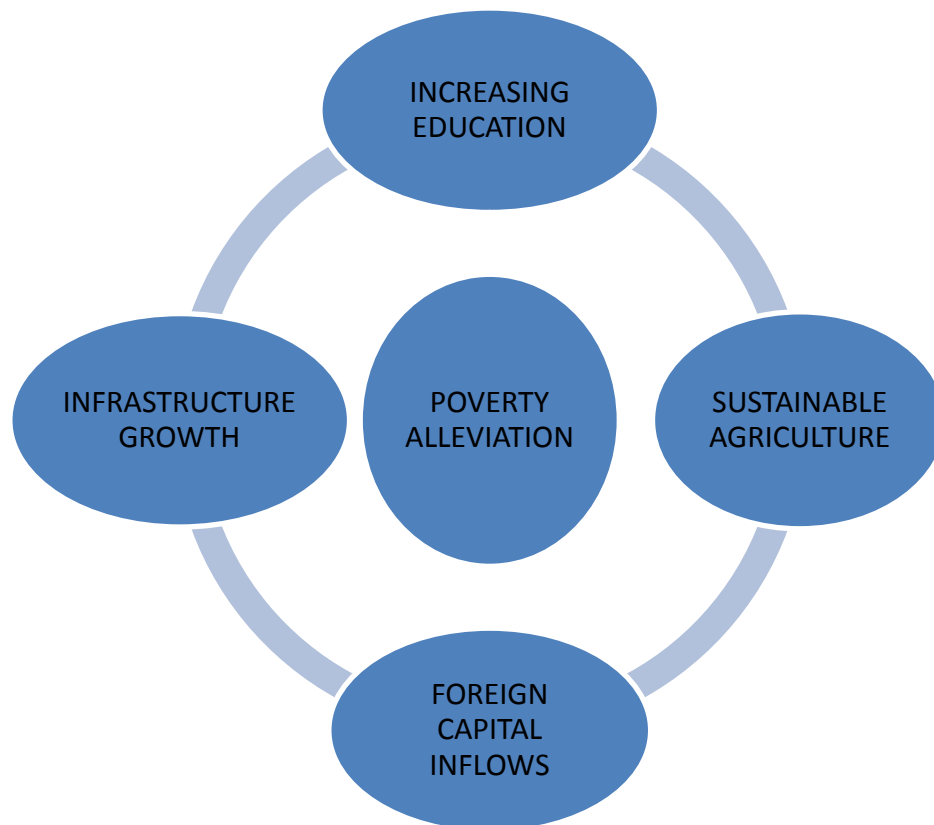
1.2 STATEMENT OF THE PROBLEM

To attain a relatively higher per-capita income level in the face of a rapidly rising population requires developing countries such as Uganda to massively increase in skilled labour and its redeployment in the production of value added export-oriented goods and services. With a combination of a high dependency level in the population and a large share of the labour force being in subsistence agriculture or in the informal sector, presents considerable challenges to the achievement of development goals, such as, the reduction of poverty and improvements in health, education, housing, productive employment, gender equality and quality infrastructure growth. This can be reversed through development strategies such as increasing literacy through education, adopting sustainable agricultural practices, foreign capital inflows and infrastructure growth can be able to increase the rate of poverty alleviation.

1.3 PURPOSE OF THE STUDY

This paper seeks to explore the relationship between increasing education, sustainable agriculture, foreign capital inflows, infrastructure growth and poverty alleviation in developing countries with reference to Uganda with a focus on the role each variable has to play and has played in this fight against poverty.

1.4 CONCEPTUAL FRAMEWORK



1.5 RESEARCH DESIGN

It takes on a descriptive research method to analyze the relationship between increasing education, sustainable agriculture, foreign capital inflows, infrastructure growth, economic growth and poverty alleviation in developing countries as most of the data was qualitative.

1.6 SOURCES OF DATA

Secondary sources like journal articles, text books and publications from institutions, public libraries and conference proceedings were used.

1.7 DATA COLLECTION

Journal articles were obtained particular from the emerald library and reports from IMF and World Bank reports on developing countries.

2.0 THEORETICAL FRAMEWORK- LITERATURE REVIEW

A theoretical framework has been developed through a review of existing theories and knowledge from literatures on increasing education, sustainable agriculture, foreign capital inflows, infrastructure growth, economic growth and poverty alleviation in developing countries with reference to Uganda. In so doing, the subject of inquiry has been extracted in light of previously conducted research and scholarly work.

2.1 POVERTY ALLEVIATION

Poverty is the state of human beings having little or no material means of surviving—little or no food, shelter, clothes, healthcare, education, and other physical means of living and improving one's life. While poverty is much more widespread in developing countries than developed, both types of countries undertake poverty reduction measures.

According to the IMF World report (2010), Uganda is faced with a number of constraints in the fight against poverty such as: weak institutional alignment, coordination and accountability practices. Okidi and McKay (2003) and Lawson *et al* (2003) do highlight some of the basic characteristics for each of the poverty states. They found that household size and education were key factors influencing a change in a household's poverty state, of either slipping into or moving out of poverty. The former study goes further to suggest that the initial physical and human resource endowment were an important contributory factor. Today, continued economic development is constrained by the lack of economic freedoms. This requires extending property rights to the poor, especially to land for mainly agricultural purposes, financial services, extending technology to the poor, such as mobile banking.

Aid and government support in health, education and infrastructure helps growth by increasing human and physical capital. However, for Uganda's case, inefficient institutions (mainly public), corruption and political instability have discouraged investment.

2.2 INCREASING EDUCATION AND POVERTY ALLEVIATION

According to Simon Appleton *et al* (2009), three broad facts about education have emerged from recent research. Firstly, almost universally, education is found to lift people out of poverty. Secondly, when a comparison is made between investing in education and other forms of investment, the returns from investing in education are on average lower. Thirdly, the returns to education in the sense of the increment in income that accrues to each year of education are much higher for those with higher levels of education. Their research confirms that households with a higher level of education are less likely to be poor and also that returns to education rise with the level of education.

On the other hand, Ghosh, (2011) asserts that, globally, there has been some good news on the education front over the past decade. Across the world, literacy rates have gone up, school enrolment rates have risen and dropout rates have fallen. Much of the improvement has taken place in the regions that most needed it, such as relatively low-income countries that previously had very poor enrolment ratios. And the improvements in educational outcomes have been particularly marked for girls and young women; gender gaps have fallen, and in some regions have even reversed. She points out that such improvements are still nowhere near adequate, but that does not take away from the clear positives. Yet there are implications for the future that remains inadequately analyzed such as the issue of whether quality is matching education and skills with the available jobs.

In 1997 Uganda abolished school fees in government-aided primary schools with a view to enrolling all children of school going age in school under the Universal Education Program (UPE). The share of education budget in the national budget increased significantly from

15% in 1996 to 21% in 2001. However, according to the IMF World report (2010), public funding to higher education has been declining overtime. The UPE has led to the increased enrollment of students in primary and secondary schools that releases a vast number of students into higher institutions hence putting a lot of pressure on the existing old facilities in public universities resulting into poor quality of service delivery. Additionally, capacity gaps in education have contributed to use of teaching methods that are old fashioned and books that are not only inadequate but those that are available are not always used effectively. There is also limited access to education for marginalized groups including children with disabilities and those in post conflict areas of northern Uganda in addition to inadequate physical infrastructure like scholastic materials, classroom blocks, water and sanitation, power supply facilities and equipment.

Regarding manpower planning and training, there appear to be mismatches between the skills supplied and the skills demanded. Young graduates from universities and other tertiary institutions find it difficult to find jobs (Okurut *et al*, 2005). In rural areas young people that drop out of school or complete the primary education cycle but fail to proceed to secondary or post-primary education find it difficult to get employment. Without any means of sustenance, the youth resort to crime, violence, abuse of alcohol and drugs, this exacerbates their poverty situation even further. Thus participation of the chronically poor in the labour market becomes very limited

Ghosh (2011) points out that many students, including those coming from relatively poor families, have invested a great deal of their own and their families' resources to acquire an education that comes with the promise of a better life. In the developing world, this hunger for education is strongly associated with the hope of upward mobility, leading families to sell assets like land and go into debt in the hope of recouping these investments when the student graduates and gets a well-paying job. Integration of school education within the economic activities of a community is one step to solve the problem. For instance, in a carpet-weaving village, lessons would also cover various aspects of the carpet industry. In this way, school education would help children to improve traditional trade skills of the village alongside other curricular contents. It would ensure their future employment possibilities and contribute to the (economic) well being of the whole community. Furthermore, the school would not then be alienated from the community and traditional trades would reinforce learning.

Therefore, with increased education, especially of good quality, there will be access to both employment and self-employment meaning, more of the population can earn money to feed themselves and their families.

2.3 POVERTY ALLEVIATION AND SUSTAINABLE AGRICULTURE

Raising farm incomes is described as the core of the antipoverty effort as three quarters of the poor today are farmers. Estimates show that growth in the agricultural productivity of small farmers is, on average, at least twice as effective in benefiting the poorest half of a country's population as growth generated in nonagricultural sectors. Growth in the agriculture sector has a large effect in reducing the overall poverty and given the impact that for most developing countries the population resides in the rural sector, it has a direct effect on a larger segment of the population.

Food shortages were common before modern agricultural technology and in places that lack them today, such as use of nitrogen fertilizers, pesticides and irrigation methods. Improving water management is an effective way to help reduce poverty among farmers. With better water management, they can improve productivity and potentially move beyond subsistence-level farming. In addition, countries with a higher level of available land can achieve better

results in the pace of poverty reduction. In fact, the common wealth report “Action to reduce poverty” proposes to also recognize the overall growth of the agricultural and rural sectors as central towards the achievement of sustainable reduction in poverty in the long run. However, the growth in the agriculture sector requires the government’s market intervention in the market in a way that influences supply and demand rather than self-defeating measures such as price controls (Dreze & San, 1939).

As per the IMF Country report (2010), Agriculture has for a long time been a core sector of Uganda’s economy in terms of its contribution to GDP and employment. By 2005 it employed 73 per cent 23 of the labour force (UBOS, 2005)²⁴. In 2008/09, the sector accounted for 23.7 per cent of total GDP. Agricultural exports accounted for 47 per cent of total exports in 2007. Much of the industrial activity in the country is agro-based. Even though its share in total GDP has been declining, agriculture remains important because it provides the basis for growth in other sectors such as manufacturing and services. In the face of the global financial crisis, agriculture is contributing a lot of foreign exchange revenue from regional trade and therefore improving the country’s balance of payments position, and in the process helps to stabilize depreciation of the Uganda shilling.

Agriculture has the potential to significantly increase its contribution to economic growth and poverty reduction. In 2008/09, agriculture grew by 2.6 percent, twice the rate of growth experienced in 2007/08. It has been demonstrated that if agriculture in Uganda grew at the average rate of 2.8 per cent per year, as experienced in the last 8 years, the poverty rate would be reduced to 26.5 per cent by 2015 (Benin et al, 2007)²⁵. However, if greater investments were made in agriculture and the sector grew at 5.9 percent per year to 2015, the national poverty rate would be reduced by an additional 8.6 percentage points thereby reducing head count poverty to 17.9 percent of the population and the absolute number of poor people to 6.9 million. Therefore, investing more in agriculture to achieve higher sector growth rates is the surest way of effectively reducing poverty. It is for these reasons that agriculture is being given a lot of attention in national development.

Despite the importance of agriculture in the economy, the sector’s performance has not been impressive in recent years. Real growth rate in agricultural output declined from 7.9 percent in 2000/01 to 0.1 per cent in 2006/07 (UBOS, 2008)²⁶.

Agricultural Sectoral GDP (2002 prices) Growth rates and shares in GDP						
Sector	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Agricultural	1.6	2	0.5	0.1	1.3	2.6
Sub-sectors						
Cash crops	7.3	-5.5	-10.6	5.4	9.0	1.7
Food crops	-1.5	-0.2	-0.1	-0.9	2.4	2.9
Livestock	4.7	3.0	1.6	3.0	3.0	3.0
Fisheries	9.6	13.5	5.6	-3.0	-11.8	-0.4
Source: UBOs statistical abstracts 2008/2009						

The EMU (2007) study indicates that the decline in production patterns and land productivity were attributed to weather changes (mainly drought); crop pests and poor soil management; disease epidemics and changes in domestic and international commodity prices. Other reasons for the decrease in crop production include limited extension services. The main constraints identified by extension workers in reaching farmers were lack of transport/equipment, inadequate funding and negative attitudes of farmers towards change in farming practices. The observed increases in crop production and yield were attributed to land saving technologies (seeds, fertilizers and better agronomic practices).

Export of livestock products in Uganda is limited to raw and semi-processed hides and skins but there is a rapidly growing export of live animals (cattle and goats) to Southern Sudan. Inadequate disease control and the absence of the relevant quality and processing infrastructure are some of the major limiting factors for exporting beef and dairy products. Constraints to growth in livestock sector are mainly related to diseases, lack of good breeds and lack of quality pastures and feeds for livestock. The demand for crop products by the livestock and fisheries subsectors creates both forward and backward linkages within the entire agricultural sector, demonstrating the huge potential for overall sectoral growth.

Some of the strategies proposed strategy by in the NAP (2010) that can be adopted to enhance agricultural production and productivity are:

- Improve agricultural technology development through generating technologies, practices and strategies to address stakeholders' demands and response to market opportunities, Instituting an efficient and effective delivery and uptake of technology and knowledge, established through the innovative system.
- Strengthen the linkages between agricultural researchers, extension services and farmers at various levels and ensuring effective delivery of advisory services and improved technology and increasing farmers' participation in technology development; Enhance farmers' access to production and agro-processing technologies; and feed-back on generated technologies.
- Control diseases, pests and vectors by conducting early detection of crop pests, weeds and diseases and also control livestock diseases and vectors to ensure that communicable diseases are managed in order to promote animal health as a means to greater productivity and market penetration through developing a policy on pests and disease control, setting and operational zing standards for diagnostics, surveillance and control of pests and diseases including weeds and strengthen capacity of local governments to effectively manage pest.
- In addition, enhance productivity of land through sustainable land use and management of soil and water resources by supporting ongoing activities for scaling up Sustainable Land Management (SLM) such as coordination, advocacy and rewarding programmes for water and soil conservation at community level;
- Introduce and support aquaculture parks and support the increase in acreage of small-scale aquaculture from 5,000 hectares to 20,000 hectares and large-scale aquaculture from 25,000 hectares by 2015.
- Develop and promote animal traction technologies and build capacity for development of appropriate farm structures as well as testing, adaptation, demonstration and promotion of appropriate farm equipment;
- Rebuild productive infrastructure in support of farming by rehabilitating rural infrastructure, like community access roads, water points, crushes, markets and others that will improve access to markets.

- Supporting the agricultural input market chain, increasing understanding of markets and market opportunities, and strengthening the capacity of producer groups; Promote agro-processing /value addition to agriculture produce.

The decline in national poverty is reflected in the regional and rural/urban poverty estimates, except in the North where it remained almost unchanged. Poverty in Uganda remains more pronounced in rural areas and among crop-based agricultural households. Women in the agricultural labor force play a significant role in raising agriculture value added per worker in developing countries. High concentration of employment in agriculture results in diminishing agricultural returns, while the use of fertilizer does contribute positively to agricultural labor productivity in developing countries. Agriculture value added per worker, the share of official development assistance (ODA), and internal renewable resources such as internal river flows and groundwater rainfall and total annual freshwater withdrawals for irrigation and livestock production do contribute positively to agriculture growth in developing countries. National poverty in developing countries may be reduced by an increase in labor productivity in agriculture.

2.4 FOREIGN CAPITAL INFLOW TOWARDS POVERTY ALLEVIATION

Foreign capital inflow can be in the form of trade, foreign direct investment, foreign aid and debt relief. The issues surrounding foreign capital inflows and poverty alleviation in developing with reference to Uganda are discussed below:

2.4.1 INCREASING TRADE IN DEVELOPING COUNTRIES

Free trade advocates continue to claim that trade, not debt relief or increased foreign aid, is the key to sustainable growth and poverty reduction in developing countries. Uganda needs access to western markets in order to export its products. Economic growth is largely responsible for poverty alleviation." And trade has long been considered the engine of economic growth for developing countries. Therefore, increasing the levels of trade will foster economic growth and will be beneficial for poverty reduction. In the words of Dollar and Kraay (2001), "trade should be at the center of any effective poverty reduction strategy." Not only does trade increase the amount of capital available to entrepreneurs and government officials (taxes), but it also enlarges employment opportunities while reducing the cost of goods. Trade provides the poor with jobs and cheaper commodities. Trade is most effective for generating economic growth, often an indirect antecedent of poverty alleviation, particularly when trade involves manufactured goods rather than raw resources or foodstuffs."

Rothberg (2005) believes that the key to improved security and democracy in Africa is the creation of industrial and manufacturing jobs." Research on trade does point out that what a country produces is as important as how much it exports. Developing countries that export natural resources and primary products have a greater degree of income inequality and higher rates of poverty than countries that export high-value added products that require large amounts of capital, a skilled work force, and advanced technologies.

But Africa has often been relegated to the status of a resource colony, providing the industrialized world with oil, minerals and agricultural products. The decline in the price of Sub-Saharan Africa's key export products (other than oil) has resulted in a long-lasting economic crisis, the consequences of which are lower wages, less government spending for social services and, ultimately, increased poverty. Thus, there is still considerable disagreement over the viability of trade as a global poverty reduction strategy. Critics, notably Rodrik (2000), believe that most research dealing with beneficial aspects of trade on

growth and poverty reduction suffer conceptual and statistical problems. He claims that it is not trade that drives growth but the presence of "quality institutions."

Through regional integration, for instance the EAST African community, Uganda Improved cross-border physical connectivity provides greater access for it to reach others and external markets. By working together, developing countries can deal with the adverse impact of cross-border issues e.g. Outbreak of communicable diseases, environmental problems, and other transnational issues hence breaking the poverty cycle.

2.4.2 FOREIGN DIRECT INVESTMENT (FDI)

FDI refers to foreigners acquiring a lasting management interest in an enterprise operating in the economy of a country. These can be individuals, corporations or governments. FDI brings inflows of capital, technology and expertise. It however excludes investment through the purchase of shares. It is believed to foster economic growth hence poverty alleviation.

Klein et al (2001) contend that a high level of FDI significantly reduces poverty in developing countries. Although, Henley et al (2008) argue that if its level in Africa is significantly increased from the current 3%, poverty will go down but, for a continent characterized by civil wars and coup-de-etats, these proponents ignore the fact that investors consider physical security, economic and political stability as the three most key factors that determine location for investment.

Increasing foreign private capital inflows including FDI's is found to increase the pace of poverty reduction across most countries. Thus countries which attract more private flows are able to address their poverty problems better than those with less of such flows because such capital brings along with it better technology and markets for export. Therefore FDI's particularly help in increasing exports. However if scarce resources are diverted to attract FDI's at the cost of poverty alleviation programs, then the pace of poverty reduction could suffer regions and it could also lead to increased inequality at least in the short run.

According to Lovegren (1997), whether FDI even alleviates poverty in developing countries is questioned by critics who note that majority of African governments suppress wage demands, tax rates and land rights to attract these investors. These however concentrate in oil and mineral projects that offer big quick returns but do little to build infrastructure that will benefit the poor. The irony is that these big returns are re-invested in their home countries in Europe and the US, making the poor here even poorer.

Increasing the level of FDI may therefore make a bad situation even worse unless checks are put in place by African governments. These could learn from Malaysia and South Korea for instance. The two successfully alleviated poverty by strictly regulating foreign investors to follow reasonable standards of pay and labor conditions, pay reasonable taxes and conditioned them to keep a significant part of the profits in the afore-mentioned countries.

2.4.3 INCREASING FOREIGN ASSISTANCE THROUGH AID

Poverty alleviation also involves improving the living conditions of people who are poor through foreign aid, particularly in medical and scientific areas which is essential in providing better lives. Many countries in Africa are too poor to pay for investment in human capital thus foreign Aid often provides the sole source of funds Problems with today's development aid is that the high proportion of it is tied aid, which mandates receiving nations to buy products, often more expensive, originating only from the donor countries. Nevertheless, small changes in the way each individual in the affluent nations lives their lives could solve world poverty (Peter Singer, 2009).

It is argued that aid can be useful in reducing poverty only if it is productive investment such as providing efficient institutions and improving education and healthcare. If aid is not effectively used in improving human capital and social capital such as better institutions, it may not contribute to a reduction in poverty overtime. Rehman (2005) notes that the increased aid merely alleviates the symptoms of poverty unless people have access to productive assets and an awareness about market economy while Masud and Yonteheva (2005) find that non-governmental organizations aid reduces infant mortality more effectively than bilateral aid while the impact on illiteracy is less significant. Clearly aid has to be associated with efforts to produce sustainable sources of income.

Some think tanks and NGOs have argued that Western monetary aid often only serves to increase poverty and social inequality, either because it is conditioned with the implementation of harmful economic policies in the recipient countries, or because it's tied with the importing of products from the donor country over cheaper alternatives. Sometimes foreign aid is seen to be serving the interests of the donor more than the recipient and critics also argue that some of the foreign aid is stolen by corrupt governments and officials, and that higher aid levels erode the quality of governance. Policy becomes much more oriented toward what will get more aid money than it does towards meeting the needs of the people.

As a result, Ayitteh, G.B (1999) highlights that the programs lack transparency and the Aid neither goes where it was intended nor helps those intended. Zaire under President Mobutu for example received over \$1.5 billion in US Aid yet a once-wealthy country was pauperized during his reign as he and his cronies literally stole most of this money

Findings reveal that Problems with the aid system and not aid itself are that the aid is excessively directed towards the salaries of consultants from donor countries, the aid is not spread properly, neglecting vital, less publicized area such as agriculture, and the aid is not properly coordinated among donors, leading to a plethora of disconnected projects rather than unified strategies.

Supporters of aid argue that these problems may be solved with better auditing of how the aid is used. Aid from non-governmental organizations may be more effective than governmental aid; this may be because it is better at reaching the poor and better controlled at the grassroots level. As a point of comparison, the annual world military spending is over \$1 trillion.

2.4.4 DEBT RELIEF

This has been one of the proposed ways to help poor countries that emerged during the 1980s. Given that many less developed nations have gotten themselves into extensive debt to banks and governments from the rich nations, and the interest payments on these debts are often more than a country can generate per year in profits from exports, cancelling part or all of these debts may allow poor nations "to get out of the hole". If poor countries do not have to spend so much on debt payments, they can use the money instead for priorities which help reduce poverty such as basic health-care and education.

Proponents of this strategy argue that majority of these debts accrued from illegitimate African leaders (dictators) whose corrupt and inefficient governments were knowingly lent money by the World Bank and IMF. The two bodies hence created a debt cycle as the scarce resources of African countries are diverted to pay off these creditors first, leaving little for poverty eradication, hence more borrowing. The only way out, they argue, is total debt forgiveness.

While critics such as Mustafa (2007) argue that, debt relief alone does not guarantee that the freed money will now be used for poverty alleviation, yet it wasn't in the first place. Consider Cameroon for example that has benefited from this initiative yet still has one of the highest

poverty rates primarily due to its high level of corruption. It is therefore evident that debt relief will need to be accompanied by principles of good governance if it is to succeed as a poverty alleviation strategy.

Uganda, as a Highly Indebted Poor Country (HIPC), completed its Poverty Reduction Strategy Paper (PRSP) in June 2000. The PRSP is the government's framework for helping citizens escape poverty. As part of its multidimensional approach to poverty reduction, the government created the Poverty Action Fund (PAF) to channel savings from debt relief into services for poor communities such as new feeder roads, health clinics, schools, bore holes, and agricultural assistance. Through PAF-funded projects, the government hopes to reduce the rate of consumption poverty, facilitate a shift from subsistence to export farming, and support the growth of a modern agricultural society. PAF projects are expected to be the bridge between macroeconomic policy and the village, positioning the smallholder farmer or rural entrepreneur to take advantage of economic

2.5 ALLEVIATION OF POVERTY THROUGH INFRASTRUCTURE GROWTH

Development economists have emphasized that reliable and affordable infrastructure can reduce poverty and contribute to the achievement of poverty alleviation by promoting growth and supporting the delivery of key services and human development such as education and health (Briceo-Garmendia et al, 2004). Infrastructure development includes all aspects of connectivity, education, health and markets. Kilkey (2004) notes that the electrification and development of telecommunication and passenger elevates supported exponential role of crisis concentration.

Anderson and Cheng (2007) assert that poor people and communities in developing countries who are often viewed as beneficiaries or passive targets of interventions can play a major role in improving physical access to services, and government agencies need to understand their role goes beyond participation in public consultations. The financial reality in many developing countries is that communities have no choice but to get involved in improving roads, ports, and bridges. Thus, community ownership and management of these types of infrastructure is a viable way of providing sustainable access to all. Some strong evidence shows that when communities voluntarily own and manage infrastructure, the cost of maintenance is significantly lower than when the same type of infrastructure is owned and managed by a public sector enterprise. They assert that future investments in public infrastructure require sustained efforts over a considerable period of time to develop stable and competent public sector institutions that support market development and address market failures. Several policy options can contribute to attaining the objectives already described

Uganda has, during the last two decades, witnessed a significant expansion of the housing sector. Its policy of liberalization has affected the housing industry in a fundamental way. Government encourages individuals and private firms to build houses for themselves The National Housing and Construction Corporation (NHCC) sold off many houses to private buyers. The government's role in the housing sector in urban areas is limited to approving building plans, and ensuring quality of building construction. However, there are hardly any housing schemes for the poor in urban areas, and where efforts are made by the public sector to provide housing for the poor the rich often grab such opportunities for themselves.

The overall goal of this poverty reduction strategy would be to increase the access of the rural population to employment opportunities and to economic and social goods and services through an effective provision of sustainable rural infrastructure. The immediate objective of this strategy would be to increase the use of local resources (labour and materials), planning on the basis of people's needs and productive job opportunities through infrastructure

development and maintenance. The aims of this strategy would be to develop appropriate institutional arrangements, effective management mechanisms and training approaches in order to introduce, promote and support labour-based planning, design, and implementation and maintenance technologies in the infrastructure sectors and expanding their use in the existing and pipeline capital investments in the infrastructure sectors to maximize impact on poverty and employment. The main activities would relate to this integration of local resource based strategies for sustainable rural infrastructure provision into Government and donor supported capital investment programmes.

3.0 ANALYSIS AND INTERPRETATION OF FINDINGS

This chapter presents an analysis and interpretation of findings on increased education, sustainable agriculture, foreign capital inflows, infrastructure growth and poverty alleviation in developing countries such as Uganda.

The micro evidence is consistent with macro evidence that growth is a key part of any poverty reduction strategy. Poverty reduction has been much more rapid in Uganda because of much greater growth. Using macro data, a clear role has been found from openness to productivity growth. To design effective strategies to combat poverty, policy makers need to know precisely who have and have not benefited from the impressive macroeconomic performance Uganda enjoyed between 1990s to date. And this is what the paper has endeavored to provide insights into, with a bias in favour of, and thereby focus on the role of increasing education, sustainable agriculture, foreign capital inflow.

Findings indicate that education is nearly as valuable for the self-employed as it is for those in formal sector jobs. In Uganda, education plays an important role in access to certain types of employment and the returns to education are lower in the rural than the urban sectors. This makes it likely that one of the effects of education is to encourage a shift towards the urban sector.

The agricultural growth policies during from the 1990s are perhaps the most important causes of the increased participation of the chronically poor individuals/households in labour and commodity markets. The low productivity in agriculture in part explains the low wages in the sector

Increased participation of the poor in output markets as sellers, these households witnessed a limited access to: financial markets, agricultural inputs (such as improved seeds, extension service) and market information. This can be enhanced through access to extension services, fertilizers and infrastructure growth such as construction of market access roads. This will enable such persons to benefit from the favourable growth policies, access to productive assets, particularly land and credit and environment that prevail in Uganda. However, land reforms should be implemented carefully so as to avoid social unrest, which could worsen the plight of the poor. Other policies that would encourage a dynamic labour market in rural areas include increasing the monetization of the rural areas. Increased use of cash and a reduction of the subsistence sector would auger well for the development of markets in rural areas, including the labour market.

4.0 CONCLUDING REMARKS

In this paper, it was clear that increasing education, sustainable agriculture, infrastructure growth and foreign capital inflows are critical to poverty reduction. Many developing countries, especially in Africa, have woefully inadequate levels of agricultural R&D, rural infrastructure, and human capital, and these gaps are major constraints to their development. Despite this fact, many governments and donor agencies have reduced investment levels in these areas in recent years. Spending on roads, agricultural research, and education are some of the best win-win investments. At the same time, developing countries need to improve the efficiency with which most of these public goods and services are supplied. Meeting this goal will require new institutional reforms, new forms of financing arrangements, and partnerships with private and other nongovernmental agencies.

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BIOBIOGRAPHY

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Institutional Credibility in the Malaysian's Environmental Impact Assessment (EIA) : Indigenous Outcry of Bakun and Kelau Dam Projects.

By

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ABSTRACT

As an emerging economic country, Malaysia faces a great challenge in promoting and facilitating economic growth as well as maintaining environmental soundness. The pressure of market economy towards capital productions particularly land is enormous as it needs to cater for rapidly urbanization and modernization process. Although the current development planning and control mechanism for example, Environmental Impacts Assessment (EIA) has been put in place, apparently it gives less meaning, at least from the local and social actors' perspective. As such in the language of neo-liberal, this institution is been regarded as less credible or empty in certain cases. As this paper would demonstrate the two EIA projects namely Bakun (hydroelectric Project) HEP in Sarawak and Kelau Dam in Pahang suggest that instead of projects gained credibility, it have actually brings empty institution. This paper would argue that the problems are attribute from two main factors 1) EIA failed to bring its real objectives as an development and planning control tool, instead as social actors in this paper pointed out, EIA including the public participation process in which local people inputs were sought was conducted in 'formality' and restricted way. On top of that, as motives and intention of politicians and developers were revealed, the EIA has been has been treated merely as 'window dressing' in order to justify the procedural approval; 2) The rules on EIA generally and land specifically which have been imposing by state are seen as out of touch with local people aspiration and needs. Distributional conflict mainly because of the vanished of the Natives Customary Rights (NCR) over land becomes the real reason of people outcry. The new rules as imposed by state are seen as threatening their livelihood most notably to the poor farmers who are depending greatly on land as a source of life. As consequences, resistances and protests toward project or due to the new rules introduced by project implementation have been manifested in the forms of peace, mostly, and to some degree in violence as well. Eventually this leads local actors to believe that EIA institutions are incredible as state and politicians are fail to perform the functions as it ought to be.

Keywords: EIA, Land, Indigenous, Institution and Credibility.

1.0 INTRODUCTION: EXAMINING INSTITUTION, PROPERTY RIGHTS AND CREDIBILITY

This paper deals with the issue of EIA policy within the framework of institution, property rights and credibility concepts. Thus, it is useful to provide some theoretical background on the three nation concepts that navigate this paper. The current debate on institutional change suggests that any institution created must possess the element of acceptance or trust to the system as a key determinant of policy success. Only by having the credibility, the institution would bring positive affect as it intends to do so. Therefore, establishing credible institution means that it is able to rally social and political support. In this regard, the institution without credibility is incredible or an empty to some degree - *a hollow shell* or even a negative effect on the action of social and political actors. It suggests that security of property right as the precondition for economic growth and social stability. In property right discourse, For example, Weimer et al. (1997, p. 20) illustrate that institutional reform is unlikely to be effective in promoting economic growth and political stability when people believe that they are subject to arbitrary change. Instead of focus on security of property right, Ho (2009, p. 184), on the other hand, opined credibility of the institution should be our focus in analyzing institutional change.

There is no single concept that can represent the universal definition of institutions, as sociologists, political scientists and economists used it. This stems from the fact that each school constructs and defines behavior. However, as assets by Ho (2005, p. 2) institution definition can be dealt in two ways: 1) In behavioral aspects where institution is regarded as the rules of the game in society. This path has been taken by Knight (1992, p.2), for example, who defines institution as socially set of rules that structure social interactions in particular way. The same line of definition was given by North (1990, p. 3) who defines institutions as ‘*the rules of the game in a society or more formally, the humanly devised constraints that shaped human interaction*’. , and: 2).

On the other hand, the more narrow definition can be found from Ho’s works, (2001, p. 399), who regard institution as a “legal and state administrative sphere or institutional arrangement embodied in promulgated policies, formal laws and customary rules and the state administration. For this paper, I incline to adopt the straight forward definition of institution which is ‘*social rules*’ where in the context of EIA, I regard the societal and economic phenomena – EIA problem and land rights as affected by and affecting institutions. While in conceptualizing institutional change, I subscribe Ho’s view (Ho, 2005, p.2) that it does not matter either *resultant-determinant* or *chicken (institution) versus egg (changes in socio-economic conditions)* matters, instead what concerns more is interaction- by which the institution affect change and being affected at the same time.

Now we turn to the concept of property rights. In a simple definition, it is rules (formal and informal) that designate the appropriate use, control and right to transfer (Knight, 1992, p. 22). Other authors suggest that property rights are a concept of rights and duties with settings and circumstances (including objects) capable of producing income. It is social relations in the general sense (Blomley cited in Ho, 2005, p. 44; Weimer (1977, p. 3). In this paper, I cautiously refer the concept of property rights into two distinct perspectives (see, Haber et al., 2004, p. 21), firstly, from the holder’s view. In holder’s view there are three main rights: 1) the rights to use an asset; 2) the rights to use the asset and to earn income and contract regarding the asset; 3) the rights to alienate, sell or transfer the asset. On the state’s view, the rights are relating on two rights: 1) to specify property rights and; 2) to enforce it.

In dealing with EIA and land as institutional change, this paper takes a stand by which I believe that it is not a matter of state intervention versus market forces; or private versus public, or formality versus informality; or title versus un-title or tenure security versus insecurity as prescribed by neo-classical approach, instead, I move the argument around the credibility concept where the said policy must gains social and political support in order to be succeed. As explained by Ho in Kremer et al. (2009, 184-185) *'by accepting credibility as the criterion for the institutional change (or no change), it is no longer matters whether an institution is formal or informal, privatized or communal and secure or insecure. However, the biggest challenge is how to measure the credibility concept? It is not a simple task by just asking a question on the level of institutional credibility to someone.* Ho (Ibid, p. 186) provides a conceptual guidelines in this regard where he asserts that *"...the level of conflict that an institution generates; the extent of 'institutional robustness' expressed as a function of institutional lifespan and flexibility; the degree to which an institution facilitates or frustrates overall socio-economic, political and cultural change; and the extent to which an institution fulfills the functions it ought to perform in the eyes of social actors"*.

2.0 MALAYSIA: AN OVERVIEW

Development pressure is getting pronoun when considering its growing population of 28.97 million and Gross National Product (GNP) per capita of US 7,900 in 2010, it enables Malaysia to occupy a position in the upper middle income group. In terms of investment preference, Malaysia was positioned at the 26th, out of 30 surveyed countries (World Economic Forum, 2009, p.15) while Global Foreign Direct Investment (FDI) has recorded a total inflow into Malaysia was accounted to USD7.0 billion in 2010 as compared with USD1.4 billion in 2009 (UNCTAD, 17 Jan. 2011, p.3). Against the background, it thus gives great pressure for Malaysia in reconciling its vibrant economy and maintaining sound environment.

The introduction of National Environmental Protection Act (NEPA) in The United States of America (USA) in 1969 has given great impacts to many countries including Malaysia, specifically to the development of EIA as an environmental planning and decision making tool. Since then, EIA takes its momentum and being accepted as a crucial environmental tool, not only in the US context but also spread out around the globe. Parallel to this development, the success of EIA as an adaptive management and planning tool in the USA has attracted other countries to adapt the same tool and until now almost 100 countries worldwide have accepted EIA as an important instrument in environmental planning and decision-making process (Alshuwaikhat, 2005, p.308). The pace of EIA spreading is greatly help with the Rio's Declaration in 1992 when sustainable development concept emerged and being accepted as an important ideology in environmental planning.

Environmental Impact Assessment (EIA) is defined as an evaluation that is systematically used to collect data, assess impacts, anticipate and communicate the impacts of the proposed projects that are expected to arise (IAIA, 1990, p.32). Due to those abilities, EIA has attracted a growing attention among decision makers in environmental management and planning field to use it as a tool in decision making process. Moving toward a developed nation status, Malaysia is rapidly experiencing urbanization process whereby natural resources like water, land and forest products become subjects of contestant. In this regard, EIA as part of the environmental and planning control becomes highly relevant.

What has EIA got to do with social protection and poverty? Simply put it, on the practical sides, EIA is one form of the social protections whereby it is being used to safeguard community wellbeing and environmental degradation through its function as we previously mentioned. Therefore, sound the EIA process and procedures play critical roles in balancing economic growth and human wellbeing. Related to this as clearly stipulated in Article 25 of the Universal Declaration of Human Rights³ and Article 11 of the International Covenant on Economic, Social and Cultural Rights which stated access to the land is closely related to access to food. Consequently the right to food requires that each individual, alone or in community with others, have physical and economic access at all times to adequate food or means for its procurement (UN,A/65 2010, p. 3). Moreover, since the projects in this study affected indigenous people who greatly depend on land, therefore, protecting native title is equal to protecting indigenous livelihood.

This paper is divided into three parts. The first part discusses the theoretical aspect of concept. It also provides overview on Malaysia and the evolution of EIA historically. The second section discusses the implementation of EIA where the first part deal with the EIA particularly on public participation as practices on both cases study. The third section examines land rights issue from the respondents' perspective. This section also illustrates conflict and resistances as taken by state, project proponent and indigenous people.

3.0 RESEARCH METHODOLOGY IN DATA COLLECTION

This paper adopts mixed methods study through the variety of instruments in data collection process which among others include survey, interview, documents study and participatory observation. The case study has been made from two EIA projects namely the Bakun Hydroelectric Project (hereinafter Bakun HEP) in Sarawak and Interstate Raw Transfer Project from Pahang to Selangor (hereinafter Kelau Dam) in Pahang. For the Bakun HEP, the preliminary data collection was done in Mei 2011. Researcher stayed about a month at Resettlement Schemes of Sungai Asap (RSSA) in Bintulu and Kuching in order to build a network with local communities. Assessing on local community's socio-economy activity as well as conducting initial semi structured interview. Also been conducted at this stage was documents reviewed from the several government agencies in Kuching and Kuala Lumpur and Putra Jaya.

The second round site visited was executed from September to November 2012 which aims to gather a thorough data collection process. Questionnaire survey was carried out to 220 respondents by using the stratified sampling method to each 10 longhouses in RSSA. To complement the quantitative part, the semi structured interviews were done to community leaders of Orang Ulu's aristocrat including Head of Penghulu (Pemanchar), Head of Tuai Rumah (Penghulu) and headman of longhouse communities (Tuai Rumah). The semi structured interviews were also carried out to NGOs, local politician activist, government agencies at the state and district level as well as with Sarawak Hydro (project proponent). Researcher also conducted semi structured interview with part of the Orang Ulu who refused to resettle at RSSA and maintain to remain in Ulu Balui (to be precise in Nahe Jale, Belaga Sarawak).

On the other hand, considering that Kelau Dam Project located in Raub Pahang comparatively is not far from Kuala Lumpur as compared to Bakun in Sarawak, thus a preliminary site visits were done three times somewhere between Mei 2011 to July 2012.

During the periods, semi structured interviews were done with key local communities' leaders including Headman (Batin) and Village Communities and Development Committee (JKKK) as well as to government agencies, project proponent, contractors and NGOs. researcher also visited the remaining of Orang Asli who refused to move out from their original village in Sungai Temir. The final questionnaire survey of 37 respondents took place on the second week and third week in November 2012.

In both projects, researcher takes part in various social and cultural activities. Staying together with them was a great experience as it allow researcher to have a direct observation. Besides formal interview, informal conversation in various social and cultural setting has enriched the quantity of data as well as sharpen researcher understanding on community issues.

4.0 EVOLUTION OF EIA IN MALAYSIA

Before we start with the evolution of EIA, it is worthwhile to have a brief contextual of politics and economy forces that shape the introduction of EIA in Malaysia. The agenda for development can be argued begun significantly through the introduction of New Economic Policy (NEP) in 1970 resulted after the racial riot in 1969. Prior to the NEP, state roles were characterized by limited and indirect intervention (Aun, 2004, p. 74). The NEP has twofold objectives-1) alleviating poverty regardless of ethnic lines and, 2) restructuring society through the elimination of ethnic identification of economic function. The level and structure of the Malaysian's economy at that time was predominantly agricultural. Among the measures, government has established Free Trade Zone (FTZ) in order to attract foreign investors to participate in Malaysia economy. Inevitably, while it brings positive growth on economic sides, on the other hand, this approach significantly poses heavy pressure for environment and human wellbeing.

Malaysia Government, however, realizes that the need for comprehensive environmental law is getting crucial to safeguard environmental and human wellbeing. This has resulted to the formation of Environmental Quality Act 1974 (EQA). This federal enacted law came into enforcement on 15th April 1975 aims to protect the Malaysian environment with its two broad objectives: 1) to prevent environmental pollution and; 2) to provide remedies measures. It thus been regarded as the first ever Malaysian environmental law that dealt environmental holistically. In the early years of implementation, EQA mainly focus on remedial measures whereby environmental issues and problems are solved on the reactive approach. This approach seemed right given to the status of the Malaysian's industrialization phase, which at that time was largely dominated by small scales and limited numbers of agricultural based industry most notably small rubber, tin, timber and palm oil factories.

In relating to EIA, although EQA was introduced in 1974, there was no clear mention on the need of EIA until in the Third Malaysia Development Plan (1976-1980). The Third Malaysia Plan acknowledged the degradation in environmental quality such as air pollution, water pollution, forest depletion and land clearings. The sources of this degradation are activities related to the development of land and natural resources and discharge of wastes from the industrial activities mainly from rubber and oil palm factories. The need for EIA was evidently spelt out in the policy statements Chapter XI of the Third Malaysia Plan (1976-1980) which quoted as follow :

“In the evaluation of all relevant projects, an assessment of the overall impact of these projects on the environments will be undertaken. Ministries and Departments as well as the private sector will be required, before embarking on the implementation of such projects, to identify all likely environmental effects as well as the means to be taken to counter them. These assessments will be taken into account in the final design and implementation of the projects but bearing in mind that the adoption of environmental protection measures will need always to be in balance with development costs” (Third Malaysia Plan, 1989, p. 226)

Following this, a number of efforts have been taken to implement the procedure. After setting up the Ad-Hoc Panel in the then Division of Environment, in 1977, a proposed EIA procedure was first introduced at the National Seminar on Environmental Impact Assessment in September 1977. The proposed procedure was examined and reviewed by the Ad-Hoc Panel. Subsequently, the proposed procedure was submitted with its implementation plan to Malaysian Government for its consideration and approval in 1978. Approval from the Government was given in principle subject to the preparation of a set of EIA guidelines. In January 1979, under the Colombo Plan arrangement, a New Zealand consultant was assigned to help Malaysia in preparing the environmental impact assessment procedure. A draft guideline known as the Environmental Impact Assessment Handbook-Procedure and Guidelines was prepared and endorsed in 1979 by the Environmental Quality Council, a body set up under the Environmental Quality Act, 1974 to advise the Minister.

At the same time, Malaysia realizes that EQA merely offers a limited solution as it works on the responsive based (re-active approach) which means that it failed to serve as a pro-active measures. Considering many projects been granted an approval first, have latter found to cause the environmental damages because of failure to anticipate such consequences. This turn out to be an internal factor that makes Malaysian government to amend EQA.

Parallel to this development, Foreign Direct Investment (FDI) has started to come in Malaysia which resulted many factories have been set up. For examples Ghazali Atan (Cited in Jomo, 1994, p. 37) states that during the 1980, FDI was around 8 percent from the gross domestic capital formation in Malaysia. Consequently, it has arisen to 19 percent in 1989. Mahathir’s administration begin in 1980s has accelerated economy paces through the expanding and modernizing economy. A series of reform and rationalization measures have been initiated such as Industrial Master Plan, Look East Policy, National Agricultural Policy, Privatization policy and so on. These policies and initiatives are reflected in the shift from raw material production to manufacturing as the basis of the country’s economy. The rate of industrialization and urbanization has accelerated since then. This economy background gave great effect to the Malaysian’s environment. Although EQA already in place, it fails to address environmental problems effectively.

It was not until 1987 when Malaysian government realized that special attention needs to put in place towards a comprehensive environmental strategy. The current approach taken at that time which emphasized on the remedial measures was realized were ineffective considering the rapid development progress that happened in the mid-1980s. This is particularly true during the industrialization and urbanization era where development projects were large in scale than before as well as the steady inflows of foreign direct investment (FDI)⁵. For examples Malaysia GDP Between 1960 and 1990, real GDP (gross domestic product) increased sevenfold, at an annual growth rate of 6.8%. Having all those pictures and taking cognizance that prevention measure failed to address environmental problems in

comprehensive manner, has led the Malaysian government to introduce EIA. The EQA was amended and as a result The Environmental Quality (Prescribed Activities Quality) (Environmental Impact Assessment) Order 1987 has been introduced through the injection of section 34A¹. The Order 1987 then became a mandatory requirement for 19 development activities².

As for the State of Sarawak, the main legislation governing the EIA is The Natural Resources Ordinance (NRO) which was established in 1949. The NRO was amended in 1993 with the modification of the old regulation known as Natural Resources and Environment (Amendment) Ordinance, 1993. It comes into force in February 1994 as the legislative instrument for the protection and enhancement of the environment. The EQA is still applicable in Sarawak albeit the NRO is the leading legislation in governing EIA for the state.

The evolution of EIA legislation cannot be separated without a brief evolution on how state roles in EIA process particularly public participation. In peninsular Malaysia the handbook of impact guidelines stated that it is responsibility of the project proponent to provide and distribute sufficient copies of the detail assessment to public and interested parties. According to section 3.4.4 of EIA handbook, public participation must be included in the DEIA for which it will bring benefits to the project. Besides require public inputs from the affected areas, copy of report must also be accessed by and displayed for public comments.

Relating to public participation, in 1996, Terms of Reference (TOR) and Detail EIA (DEIA) require reports to be displayed and inspected by public. The DEIA report should be made available to the public and project proponent is responsible to provide and distribute sufficient copies to meet the collective requirements of the Review Panel, the approving authority, relevant environmental agencies. In addition, the public must be informed about the place and date for the DEIA reports to be reviewed and make comments. Notification should be done through the mass media and website of DOE (see section 4.3). To further strengthen public participation in the EIA procedure, in March 2007, all DEIA reports which have being processed must include with executive summary and be displayed on the DOE's website.

However, in contrast to Sarawak, the requirement for public participation as enacted in laws and acts doesn't have strong provisions. Therefore, the mandatory requirement for public participation is strongly enforceable in Peninsular Malaysia and Sabah. However, this not to suggest public participation does not exist all in Sarawak. The state procedures on public participation for DEIA report clearly mention that the right to public participation is on the initiative of the project proponent. In other words, the public may be invited to comment on the propose project which has been subject to detail EIA, on the initiative of the project proponent and where it affected public interest (Nijar, 1997, p. ccxxxi; UNEP, p. 51).

¹It states that, a project proponent shall, before any approval for the carrying out of a prescribed activity is granted by the relevant authority, submit a report to the Director General of Environmental Quality. The report shall be in accordance with the guidelines prescribed by DG and shall contain inter alia, an assessment of the impact such activity and environment (S34A (2)).

² The 19 prescribed activities are agriculture; airport; drainage and irrigation; land reclamation; fisheries; forestry; housing; industry; infrastructure; ports; mining; petroleum; power generation and transmission; quarries; railways; transportation; resort and recreational development; waste and treatment disposal and water supply.

5.0 INSTITUTIONAL ARRANGEMENT OF EIA ORGANISATIONS

This section describes the position of EIA in the overall environmental and planning framework. The main and leading agency in administering EIA in Malaysia is Department of Environment (DOE). DOE is one of the departments under the Ministry of Natural Resources and Environment (NRE). DOE's main objective is to protect and ensure environmental perseverance in Malaysia. DOE is not alone in overseeing EIA processes as other agencies as shown in Table 1 and Table 2 show that other agencies are strongly involved and interrelated.

It is important to note that, Malaysian EIA system also can be viewed as part of the supplementary mechanism in development planning and decision-making system. Bear in mind, the State Planning Committee (SPC) is a responsible committee that will grant planning permission while the DOE only approves an EIA report. The DOE only approves EIA report after recommendation was made by other agencies and the decision to approve the project is another matter which solely made by The SPC. In normal circumstances, The State Planning Unit is given the approval only after the DOE has approved the EIA report. Only after the project proponents obtained the approval from DOE they need to get an approval from other technical agencies as simplified in Table 1. These agencies also involved in giving input and review the EIA reports. Table 2 below describes the simplified roles and responsibilities of the stakeholder in EIA (Abdullah, 2009, p. 57 and 36).

Table 1: Agencies' Areas of Concerns

Agency	Area of Concern
Town and Country Planning Department	Mainly landuse; but also utility, infrastructure and solid waste
Drainage and Irrigation department	Drainage and Irrigation issues
Public works department	Road design, traffic impacts during construction and operation
Geology department	Rock falls, vibration and soil erosion (normally for quarries)
Occupational safety and health department	Health and safety of workers
Forestry department	Forest reserve areas, forest clearing
State water authority	Water catchment area, location of project with respect to water intake points, effect of development on water demand
Land and mines offices	Whole report, in general and not specific
State economic planning unit	None specific

Source: Abdullah, 2009, p. 152

Table 2: Roles and Responsibilities of EIA stakeholders

<p>1. The Project Initiator It can be individual or organizations or private or public sectors that propose and implement the project. The project initiator can delegate the task of conducting EIA to consultant. The project initiator is responsible for the overall planning or project and for the EIA.</p>
<p>2. The Assessor The assessor is the individual who may be a leader of a team who conducts or coordinate EIA study. He is responsible to the project initiator to complete the task of preparing the EIA report.</p>
<p>3. Environment-related Agencies The main agency in implementing EIA is DOE, however, other agencies (mostly technical agencies and neglected non-technical agencies) are involve in five areas :</p> <ol style="list-style-type: none">Providing information to the assessorFormulating the terms of reference (TOR) of EIA studyGiving comments on the EIA studyReviewing the EIA reportMonitoring and auditing of compliance of the project initiator to the agencies requirements and project impacts
<p>4. The Review Panel With the purpose to review the Detail EIA, DOE appointed the independent body. The panel is responsible to make comments and recommendations to the project authority with regard to the environmental cost and benefits to the project. (It is important to see whether any political interference or vested interests also play main criteria for their reviewing EIA reports.) For the Preliminary EIA reports, The State DOE offices with consultant with other government agencies do the review internally.</p>
<p>5. The project Approving Authority The project approving authorities are government authorities that have power to grant or reject the project application. These authorities are as follows:</p> <ol style="list-style-type: none">The National Development Planning Committee- Federal Government Sponsored ProjectsThe State Planning Authority – State Government Sponsored ProjectsThe Ministry of Trade and Industry – for industrial projects <p>The project approving authority should only grant development approval on the condition that the DOE has approved the EIA report for the project.</p>
<p>6. The public The public are the central actor in EIA process however, in practices there are always neglected and considered as formality only. According to procedure, public will be involved during:</p> <ol style="list-style-type: none">scoping process;profiling (data collection);Impact identification andDuring Detail Assessment EIA report review

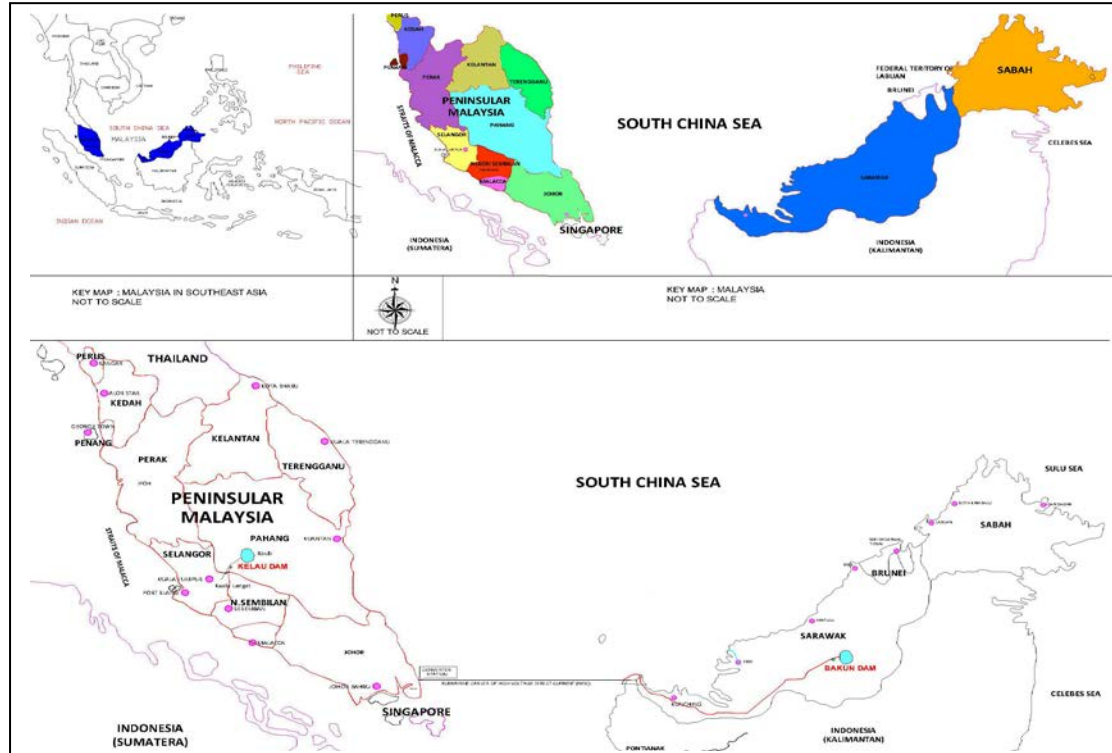
Source: Modified from Abdullah, 2009, p.36

6.0 MALAYSIA AND STUDY AREAS: AN OVERVIEW

Strategically located in the Southeast Asia, Malaysia is a federated of 13 states which is divided into two regions namely Peninsular Malaysia or previously known as Malaya, and East Malaysia which consists of states Sabah and Sarawak. Both states are also known as Borneo States. Geographically, Peninsular Malaysia lies at the southern tip of the Asian Archipelago where Thailand to its north and Singapore to its south. The states of Sabah and Sarawak are separated from Peninsular Malaysia by the South China Sea. The Peninsular Malaysia covering 132,339 square kilometers while East Malaysia which contains the state of Sabah covers an area of 73,631 square kilometers. Sarawak which is the biggest state in Malaysia covers 124,450 square kilometers. Federal Territory which consists of Federal Territory of Kuala Lumpur, Federal Territory of Putrajaya and Federal Territory of Labuan and all constitute to 383 square kilometers (Malaysia Statistical Department, 2011, 1).

Bakun is situated under Belaga District which is one of the third districts in Kapit Division in Sarawak. It covers an area of 19, 403,20 km². Kapit division is the largest division in Sarawak. To the south, Belaga is bordered by Central Kalimantan Region of Indonesia and Brunei in the north (Refer to the Map 1). Topographically Bakun is a hilly and predominantly forested area and rivers are scattered in this area and function as one of the important transportation modes.

On the other hand, Kelau Dam is located partly in Bentong and Raub Districts, which is the western part of the capital state of Pahang; Kuantan. Adjacent to the Raub District is Kuala Langat District which located in Selangor.



Map 1 : Project Location for Bakun HEP and Kelau Dam
 Note: Currently the Submarine Cables of High Voltage Direct Current (HVDC) project is still pending.

In both study areas indigenous income is generated from the land based activities. Both dam projects have affected the indigenous people³, of which in the context of Sarawak, this people is called Orang Ulu, and Orang Asli in the Peninsular Malaysia.⁴ In the Malaysia context, The Orang Ulu and Orang Asli are considered minorities⁵. They are minority and constitute around 0.08 per cent and 6 per cent for Orang Asli and Orang Ulu respectively.

Land acquisition process has been carried out in both cases where native customary land (NCR) over land has being extinguished. Both indigenous people in the study areas have been relocated from their original settlement where in the case of Orang Ulu to RSSA, and for the Orang Asli at RSLB. The resettlement plan is designed to bring the affected communities into main stream of development and to ensure that they are socially and economically better off than their former living standards (Sarawak's SPU, 12 Mac 1996, KL, p. 13). The same objective was given by Pahang Government which stated that 'to bring the group (Orang Asli) into the current economic and education development (KeTTAH, July 2010, p. 1.1.2).

The Bakun HEP has directly affected 15 longhouses settlement which were scattered along the Balui River in Belaga District (refer Box 1). Their population in 1999 is 9,428 and wholly from the Orang Ulu communities. The Orang Ulu communities is a collective term which comprise among others the sub-ethnic of Kanyan, Kenyah, Lahanan, Ukit and Penan communities. The Orang Ulu constitute less than 0.6 percent of the Sarawak's population (Sarawak State Government, 2009).

The Kelau Dam, on the other hand involved the relocation of Orang Asli from the Temuan sub-group. This Orang Asli are from the Sungai Temir Village, near to Federal land Development Schemes (FELDA) of Krau. The total population of the affected Orang Asli are 380, from the 123 head of families

7.0 PROJECT CONCEPT AND RATIONALITY

This section provides brief statement rationalities as stated by project proponents as well as some counter arguments made by those who oppose the project. It aims to give analytical view on the necessity of the project.

³ this research consciously uses the term 'indigenous' generically to refer the aboriginal people, natives and original people etc.

⁴Orang means people in English. Generally both Orang Asli and Orang Ulu are connoted as those who live in rural areas and have a socio-economic backward. Orang Asli is the collective name of the eighteen sub groups who living only in Peninsular Malaysia only. The word of Asli originates from the Arabic word 'Assala' which means 'asal' in Malay or 'original' in English. On the other hand, orang Ulu is collective for the 27 small ethnic groups who presence only in Sarawak. The word 'Ulu' literally means '*people of the interior*' or '*upriver people*'. .

⁵ According to Minorities Right Group International (MRG), minority refers to those who are disadvantaged ethnic, national, religious, linguistic or cultural groups who are smaller in number than the rest of the population and who may wish to maintain and develop their identity (Minority Rights Group International, June 2012, p. 236).

Box 1: Basic Info on Bakun HEP

Location	District of Belaga in Kapit Division of Sarawak, East Malaysia.
Impounds river	Batang Rajang and Batang Balui
Size	44 km tunnel dug
Capacity	2400MW
Current status	Completed and comes to operation in September 2011
Date of commenced	Officially in 1996 but in 1994 official ground breaking made by Mahathir (PM)
Date of operation	August 2011
Cost	7.46 billion (no official exact figure given)
Project Proponent	Federal Government through Ministry of Finance (MoF). MoF then assigned Sarawak Hydro Sdn Bhd, a wholly subsidiary company to administer the project.
Project developer	Ekran through privatization project in 1994 before it took over by joint venture between Sime darby and SinoHydro of China (MCJV) in 2002
Relocation of people	Resettlement of Orang Ulu at resettlement scheme of Sungai Asap
Date of EIA approved	or 27 th March 1995-(first report from out of three)-power play, p. 65
Date of EIA submission	8 September 1994

Bakun HEP is a dam electricity generation project which located in Bintulu Sarawak (refer Box 1). Bakun HEP is planned to give security to the future energy demand in Malaysia as at the current state of technology, the availability of existing energy sources are subject to deplete. Therefore, Bakun HEP would ensure sustainability of energy demands that consequently would reduce potential energy import. This consequently would reduce foreign exchange outflow (EPU, 1996). It was planned that electric supply from Bakun HEP be transferred back to Peninsular Malaysia as well as to export to the neighboring countries like Indonesia, Brunei or Southern Philippine. This line of reasoning however, confronted with a few critical points. INSAN and Friend of Earth (Foe) for examples outlines several drawbacks; firstly, it is argued that there is no need for Bakun's electricity. There is a current surplus in Malaysia which will continue well into the next century. Critics also argue that Malaysia has an excellent opportunity to frame future power-generating projects in a properly construed, efficient and environmentally-conscious as outlined in National Energy Policy. Critics also point out that Bakun's electricity will be neither the cheapest nor the cleanest. Electricity price rises will make the Malaysian consumers and investors will bear the cost. Another strong comment was on the resettlement of Orang Ulu which clearly will bring negative social impacts (see, INSAN, 1996, <http://www.foe.co.uk>, Retrieved on 13 August 2010).

On the other hand, kelau Dam Project is a dam project to transfer raw water from Pahang to Selangor through the construction of 44.6 km tunnel to water treatment Plant in Kuala Langat Selangor (refer Box 2). It then will be channeled to Kuala Lumpur and Putra Jaya as well.

Box 2: Facts about the Project

Location	Located in Bentong and Raub districts in the Pahang State as well in Kuala Langat in Selangor.
Project purpose	Inter-state raw water transfer from the state of Pahang to Selangor, Kuala Lumpur and Putrajaya
Project proponent	Federal Government
Water capacity (per day)	1,890 million litres
Impounds river	Kelau, Bentong and Telemong Rivers
Size	44.6 km length of tunnel dug
Component	Dam, tunnel and treatment plant
Date of construction commenced	2010
Expected date of operation	2014
Cost	RM 9 Billion of which RM 3.8 billion or Yuen 380 billion funded by JICA
Project Proponent	Federal Government through Ministry of Energy, Green Technology and Water (KeTTHA)
Relocation of people	Resettlement of Orang Asli from the Sungai Temir Village 250 acres (102 hectare of Orang Asli Reserve) to New Resettlement scheme in Lurah Bilut (600 acres), Raub, Pahang.
Date of EIA submission	PEIA submitted in September 1998, DEIA August 2000
Date of EIA approval	24 February 2001

It was claimed that Selangor and Kuala Lumpur would face critical stage of water shortage in 2010 if no mitigating measures being taken to address the rapid growth of development in the state. It said that the current water resources and capacity in Selangor are not able to solve this problem, therefore the Kelau Dam project came into picture. The project will address the water shortage problem in Selangor, Kuala Lumpur and Putra Jaya (KETTHA, Progress Report September, 2011).

Kelau Dam is considered as highly impact project which total cost is amounting RM 9 billion. Critique has pointed out on the need of the project which flawed in water projection model as well as the resettlement of Orang Asli.

8.0 EIA PROCEDURES: MERELY WINDOW DRESSING?

While we acknowledge the important roles play by EIA as one of the planning and development mechanism, however, it practices paint a different pictures. To investigate this matter, I highlight a few incidents related to EIA procedures, especially in public participation.

8.1 Announced and Start Work First, Apply an EIA Approval Letter

The EQA clause 34 A (6) clearly mentioned that '*any person who intend to conduct development project must conduct EIA study*', however, it was well documented an EIA approval but the question was, as in the case of Bakun HEP, perhaps the most glaring violation could be related to the fact that even without being granted an approval from the DoE or NREB, the Bakun HEP had been launched officially by Mahathir Mohamad on 30 January 1994 at Kuching Santubong Resort and again on 19th September 1994, the Prime Minister conducted the ground-breaking ceremony for the Bakun project in Belaga although

any EIA report had yet been submitted to the DOE, even more has been passed. This launching apparently was in advance of DEIA procedures administrative system particularly to the EQA legislation.

On the Kelau Dam sides, project has been approved on 24 February 2001, a decision made was based on three reports submitted to DoE Federal. However, the other two reports 1) EIA study for the proposed conversion of 600 acres of Kelau Forest Reserve at Sungai Bilut For the Resettlement of The Sungai Temir Orang Asli Raub Pahang Darul Makmur which was prepared and submitted by UKM Pakar Runding in April 2003 ; and 2) Inception Report (revised) additional survey of flora and fauna in the Lakum Forest Reserve and Survey of Riverine Fishery at Sungai Kelau and Sungai Semantan Pahang Darul Makmur was submitted in June 2002 by MAB Environmental Consultants Sdn Bhd. 3) Inception report by UKM Pakarrunding in June 2002 on EIA study for the proposed conversion of 600 acres of Kelau Forest Reserve at Sungai Bilut For the Resettlement of The Sungai Temir Orang Asli Raub Pahang Darul Makmur. In fact, those three reports were submitted after the approval of project has been made.

8.2 Public Participation: Practices and Rhetoric

The most dilemmas in EIA relates to the deficiency in public participation. This is the clear for the Bakun HEP as can be seen from the chronology of issue. For example on 23rd February 1994, sixteen NGOs urged the government to be more transparent in giving the information on the project as well as to ask more public consultation. In the same month the DAP joined the demand by asking more information had to be given to public on the safety aspect of the Bakun HEP. A public forum was planned in Kuching to be attended by the Sarawak Finance Minister, Chair of the Bakun development Committee (BDC), representative of the Orang Ulu Communities and NGOs. However two days before the event that should have taken place, the hotel had cancelled the booking at the last minute, an attempt to seal the information (Aliran Monthly, 1994, p.7).

In March 1994, members of the NGO asked the DoE to follow its procedures by allowing DEIA reports to be accessed by the public. In response to the growing public concern on EIA , the Minister of Science, Technology and environment, Law Hieng Dig gives his assurance that public input will be sought before the submission of the EIA report to the DOE (NST, 18 May 1994).

Another testimony suggests that public participation was limited in Bakun HEP can be seen in terms of procedures of displaying the report. They report when to display at last, but with little meaning since the short time and limited in in Belaga and Kapit. It was made available one month later at the DoE HQ in Kuala Lumpur on 27 July. It is important to record that government finally allow for report to be scrutinized on directive by Prime Minister then, Mahathir on 12 Jun 1995 and reaffirmed again by Deputy Prime Minister then, Anwar on 23 June 1995.

To extend the limitation and secrecy approach in dealing with the project and EIA matters, most of the EIA studies and Reports for both projects are classified under the Official secret Act (OSA). Such nature of secrecy on the Bakun HEP, indeed reinforce public's perception that this project is conducted without transparency and accountability.

For the Kelau Dam, the issue that brought criticism was the way of project proponent gained consent from Orang Asli to relocate as well as they was no-compliance on free, prior and informed consent. To flash back the project evolution, the first news about the project was in 1999, when the project already on the board and PEIA for project already had been approved (see, DEIA, Vo. 1, p. 1-7). Not only that, the only source of news regarding the project to the Orang Asli communities in Sungai Temir was come solely from Batin Cham and not through the consensus from communities. He is loyal to government order although some sections of the community do not agree to the project and the need to relocate. *“We don’t know about the project as government and decision taken towards Orang Asli unless be informed by Batin Cham. He is the only sources for the whole community about the project”*. This statement from Orang Asli rightly acknowledged in the DEIA 2003 which stated that most of the information gathered were from the village head (89.2%) or 74 respondents (DEIA 2003, p. 4-15).

Perhaps, finding from Figure 1 below could further shed light on our discussion on public participation in both projects. Out of 257 total respondent, 226 (87.9 %) were not satisfied with public participation, contrary to only 14 respondents (5.4%) who agreed in their involvement in EIA. It proves general perception that EIA is not given adequate space for effective public participation.

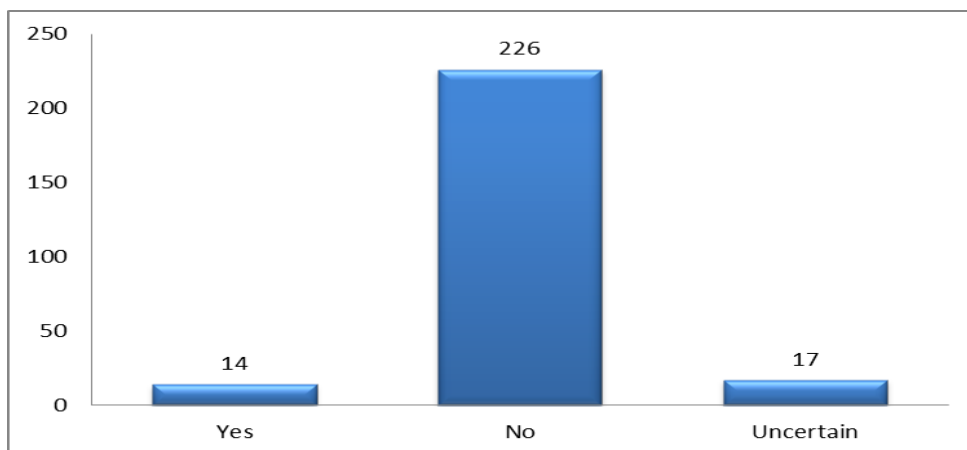


Figure 1: Respondent Perception on Satisfactory level in EIA Project

9.0 LAND RIGHTS AS THE SOURCE OF REAL PROTECTION

This paper takes stand that the real source of life protection should be put on the state roles in safeguarding fundamental rights of native people to have proprietary interest in their NCR. Without that, indigenous life could be threatened, as Indigenous dependency to land is highly considerable. In this section, I will give brief review on the land rights issue in Malaysia, before I provide the finding from the questionnaire data. Although land tenure system is under Native Customary rights or (NCR), however it brings social support to the system. Perhaps this could strengthen my argument on the necessity and relevancy of the land rights issue to the indigenous life.

As stipulated in Article 9 of Federal Constitution, native title under state jurisdiction, thus allows state to enacted own law. In Sarawak, the main land law is Sarawak Land Code 1958 whereas for the Orang Asli is Aborinal People Act 1965. In normal circumstances, native title is given to communal and not individual. Therefore native title could be regarded as collective rights. In the cases of Bakun and Kelau, the particular areas had been reserved as

Native Customary Land (NCL) and and Orang Asli Reserve Land (sometime Aboriginal Reserves) Only member of the indigenous groups have rights to the land. However, although the land title is given to the communal, the NCR stipulates the individual rights on land.

It is important to note that in both cases, the NCR over land (i.e. native title) has been abolished and fully replaced by state land law which is Sarawak land Code (SLC) 1958 for the Orang Ulu. Meanwhile for the Orang Asli, NCRs status as stated in Aboriginal People Act (APA) 1954 has been fully extinguished to National land Code 1965. Native title which was granted previously was gone.

This section illustrates the impact of land rights due to the abolishment of NCR over land. All the quantitative provided in this paper has been analysed by using the descriptive statistics of frequency. At this stage, it aims to capture the general perception of respondents.

a) Strong Indigenous Dependency to the land

One factor as to why new institution does not rally social support is when the land acquisition was made to the local communities which highly dependent to land. As such the loss of land due the project would significantly threaten indigenous live. Figure 2 and figure 3 provide the employment structures of the Orang Asli Sungai Temir and Orang Ulu at RSSA respectively. For the Orang Ulu, it shows that 40 per cent or majority of the population in 2007 are involved in the farming and followed closely by those who work at the timber company at 36.3 per cent. In figure 3 below, the main occupation of the Orang Asli in the study area is farming which constitutes 55 percent of the population. While another 41 percent work as laborers the small population or merely 4 percent are unemployed.

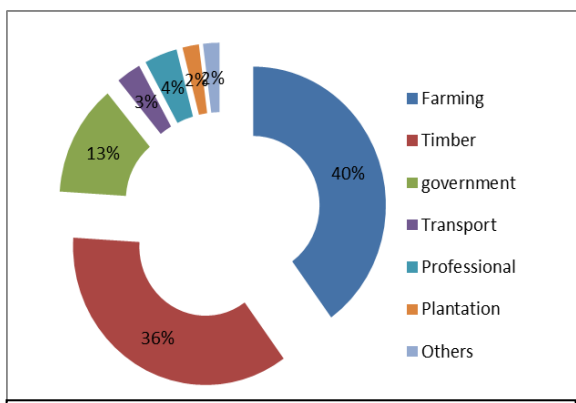


Figure 3: Percentage of Employments at Sungai Temir in 2010

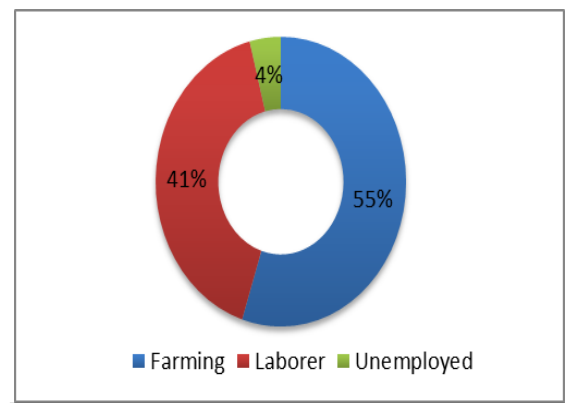


Figure 2: Percentage of Employments at RSSA in 2007

b) Perception of Respondent on The Current Land Law and Policies

State attempts to replace native title to grant title/individual tile does not rally social support even though it could give security to property. Besides conflict generated from this study complement quantitate survey on respondent perception. It in line with our previous discussion that institution is something cannot be imposed. As can be seen from the Figure 4 below, it illustrates that only 10 respondents (3.9%) and 9 respondents (3.5%) responded

positively on the changes in the laws and policies on land. Opposite to this, the overwhelming or 138 respondents (53.7%) and 88 respondents (34.2%) disagreed and strongly disagreed respectively on the current land laws and policies.

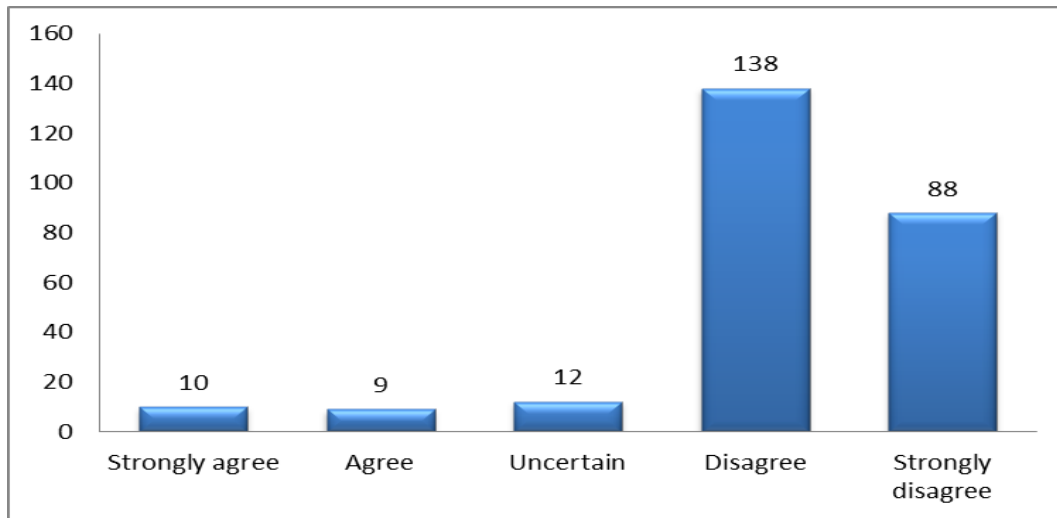


Figure 4: The Current Land Laws and Policies are in line with indigenous custom

c) Negative Effect of Project Towards Availability of Free Food

Native title allows indigenous people to have rights in roaming areas where they can find food freely. However, since the abolishment of NCR, this rights are gone. The loss of these rights eventually threaten indigenous livelihood. Perhaps the view expressed by Pemanchar Tony Kulleh from Uma Bakah at RSSA could complement our discussion: *“During our life in Ulu Balui we have pemakai menoa and puau gulau (customary land classification) where we can get food easily and move freely in the area. There is no more communal land and by just only 3 acres of compensated land each to each family, which is not adequate. That becomes one the main reasons why local people loss respect to government. Being granted an individual land title is nothing and makes no difference to us”* (Personal Interview, .

The statement made by Tony Kulleh is shared from the finding in Figure 5 by respondent in both case studies where 184 (57.3%) and 52 (34.3%) respondents were disagreed and disagreed respectively on application of new land law. Both categories perceived that the current state land laws and policies have decreased indigenous alternative of food availability. On the hand, only 11(4.3%) and 10 (3.9%) respondents were not agreed on the negative impacts of free food availability at the new resettlements.

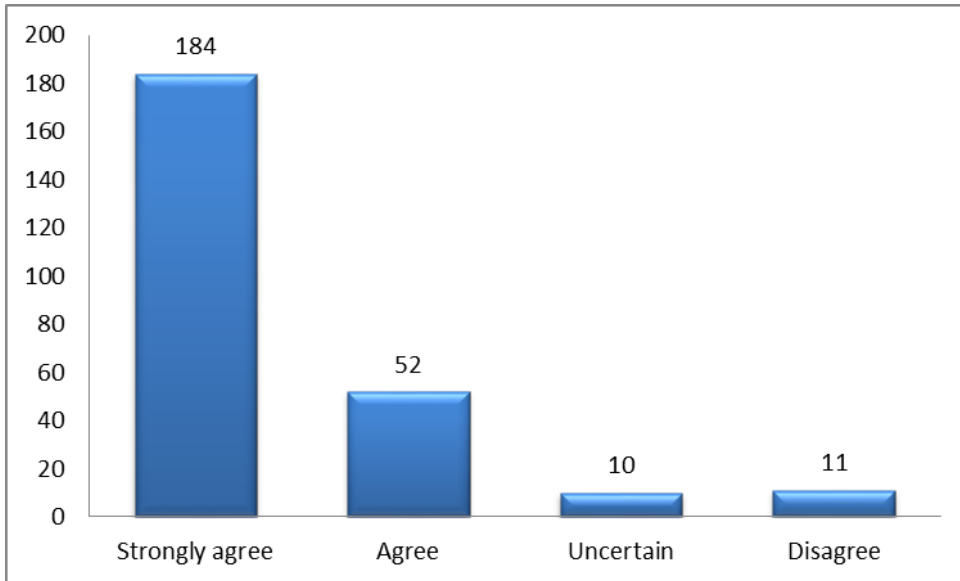


Figure 5: Project Gives Negative Impact to the Availability of Free Food

d) The Abolishment of Native Title is Not Welcome

Previously indigenous people in the study areas enjoyed customary rights over land. Among important rights is the right to forage in the communal land. Foraging activities allow them to get free food. However, since these indigenous people have been resettled without providing communal land thus it raises the issue of availability of free food. Figure 6 below shows the perception respondents on the abolishment of the NCR over land in both areas. Out of 170 respondents (66.1%) and 57 (22.2%) feedback of the total 257 participants strongly disagreed and disagreed respectively on the abolishment of NCR over land.

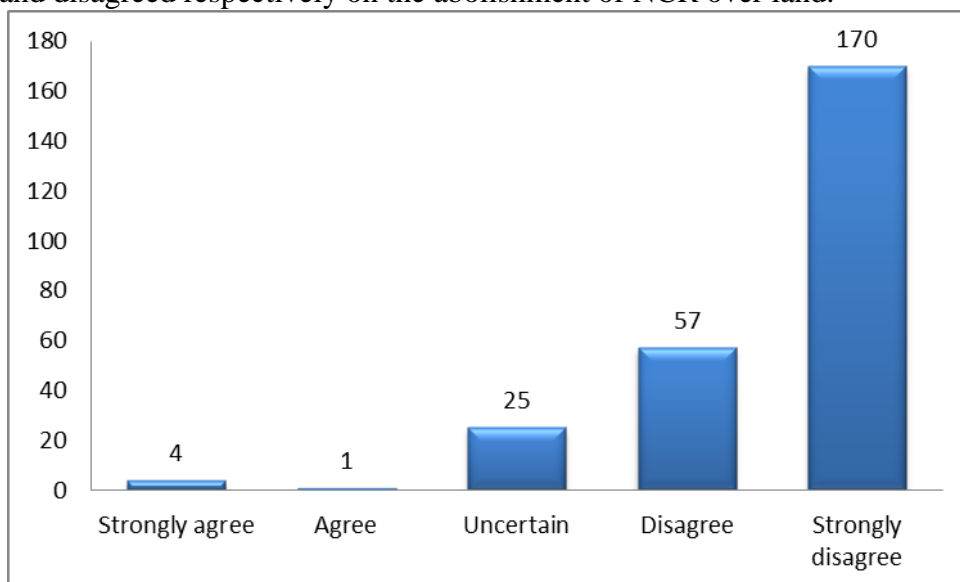


Figure 6: The Abolishment of Native titled is acceptable

e) Individual Land Titled in Question

Many property rights scholars suggest that Individual titled can be accepted because it provides security to property. However, in case of indigenous people who previously enjoyed NCR status which flexible as it gives social security particularly in accommodating for future generation. Figure 7 below indicates that the substantial or 150 (58.4%) respondents disagreed and 65 (25.3%) that the individual land titled were able to support their

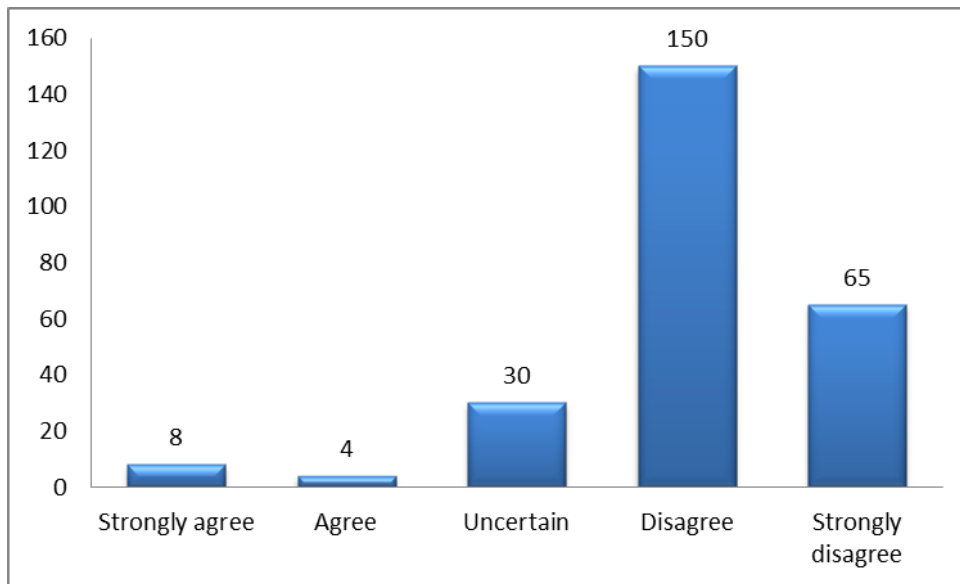


Figure 7: Individual Land Title is better than Native Title

10. METHODS IN CONFLICT AND RESISTANCE

The sources of resistance as we discussed are diversified but it center on public participation and land rights issues. This chapter illustrate briefly on conflict and resistance as happened in the study areas.

10.1 State approaches

a) **Persuasion:** A normal approach taken by project proponent in both study areas was persuasion. In both cases, community leaders were promised that the project will give enormous benefit to them. Community leaders were instructed to persuade his men to agree on project. Persuasion always comes with another method namely material reward- in this case compensation. In case of Orang Ulu and Orang Asli, they were promised that they will be rewarded for the sacrifice. For example in the Kelau Dam case, they were promised to get a new house, land and monthly income which they are hard to refused. (Personal Conversation with Orang Ulu and Orang Asli, July 2012 and September 2012).

From the observation, indigenous people are always support ruling party (at least before the resettlement process took place). State and politicians from the rulling party are highly respected. Government order are something to be abided because trust that government will take care ordinary people (Personal Interview with Pemanchar Umek September 2012 and Batin Cham July 2012). In this regard, community leaders play a significant roles in getting community consent. Considering that community leaders are paid monthly by government, persuasion depends greatly on them.

In Bakun case, Orang Ulu who agreed on project were not fully given voluntary since payment of compensation has been used to tied up indigenous hand. They were only paid 30 per cent from land and assets prior to resettlement. This made force people in order to get the rest of (70 percent) compensation. For the Orang Asli, during the ministry visited cum project consent to the Orang Asli village, food rations likes rice, sugar and cooking oil were offered to induce them (Collin,2010, p. 121).

b) **Threats:** To complement positive approach, threat also been used in both cases. Treat is divided into two categories: 1) physical detention and; 2) negative labeling. The first category is not clearly existed in both case studies except for those who dares to hold demonstration. The second types of threat is negative labeling which in both cases played significant roles. Negative labeling such as traitor to the nation, un-patriotic, anti-development, foreign agents are among the powerful labeling which make local people afraid to oppose or critique the project. Moreover, those who have been labeled with such words will be at least being perceived negatively by the rest of the community (Saran anak Imu; Bedu).

10.2 Resistance by Indigenous

a) **Action Committee:** In case of Bakun HEP there are two different committees concerning to the project; 1) The Bakun Development committee (BDC) is committee which supports the project and; 2) The Bakun Region Peoples is a committee which opposed the Bakun HEP. Meanwhile for the Kelau Dam Project the Lakum Forest Reserve Rehabilitation Action-Committee is responsible in mobilizing and coordinating people protest towards project. In case for BDC, the committee provides inputs from the local communities and channeled it to the state.

b) **Support :** In Bakun case. support was gained through local and international parties. Local NGOs like Sahabat Alam Malaysia (SAM) and international NGOs like Friend of Earth (FoE) and International Rivers Network (IRN) provide support to the committees. A global campaign has been initiated by Friend of Earth (FoE) and international NGOs gives serious concern from government. Within Malaysia, a coalition of 40 Malaysian Non-Governmental Organisations (NGOs) comprising indigenous, environmental, human rights, women's, workers', and consumer groups, as well as other NGOs and indigenous groups gave strong voices to oppose the project. Petitions and letters to the leading consortium (Asea Brown Boveri), consultant (Harza Engineering Company), politicians as well as PM, High Commissioner Malaysia in London, DPM and Chief Minister of Sarawak.

In case of Kelau Dam, among the active and leading NGOs are Center for Orang Asli Concerns (CoAC), Sahabat Alam Malaysia (SAM), Save Sungai Selangor (SOS) and The Treat Every Environment Special Sdn Bhd (TrEES) supported the public protest by giving technical view on the project. Same as in the case of Bakun HEP, strong helped by International NGOs like Friend of Earth (Japan) gave pressure to the Malaysian Government.

c) **Media:** Although in Bakun Case, alternatives media at that time were limited however, with the active roles by local and International NGOs as well as action committee, it managed to bring local plight to the outsider. Utusan Consumer and Borneo Post are among the actives local media in giving the coverage to the project. In case of Kelau Dam, many alternative media such as online media give a balance view and spread the incident involving resistance extensively.

In both cases, publications such as pamphlet, video, articles help to generate public interest and create awareness on the project. For examples in Bakun Case, documentary video ‘ Mother of Bakun by Coalition of NGOs (GABUNGAN) and Dam:Drowned Forest: Damned Lives” by Center for Orang asli Concern (CoAC). Both video documented indigenous view on project and why they oppose the project.

d) **Demonstration:** Two stages of demonstration were held by local communities; 1) before the resettlement exercise and: 2) after the resettlement. In mid-year of 2010, there was an incident when local people mainly from downstream river held a demonstration in front of Bakun Dam entrance during the water impoundment period. The protest was made because of the decreasing of water level of Balui River (Personal interview with Sarawak Hydro Engineer, 13 September, 2012).

For the Orang Asli general protest has been made on 17 March 2010 where they took on the street in Putra Jaya or to be specific in front of Seri Perdana, the official resident of Prime Minister Malaysia. It was estimated that around 2,000 Orang Asli from 8 states gathered in the administrative capital of Malaysia, Putrajaya, to voice their opposition to the amendment of the Aboriginal People Act (APA) (see, <http://www.malaysiakini>, Retrieved on 12 August 2012)

e) **Blockage:** In case of Bakun HEP, residents of Long Geng organised a blockade in the area in 1988. Many blockades were made directly against logging activities around Belaga area. Blockage was also been made after the resettlement, for example, local e protest concerning the use of Tubau-Bakun Road by logging companies lorry. Meanwhile in Kelau Dam Project, one blockage was made by simple barricade made from wood at the main entrance of their village. Orang Asli's intention was to prevent outsider from demolish their property (Interview with Bedu, 2012).

f) **Parliamentary Lobby:** Political parties particularly Democratic Action Party (DAP) plays active roles in opposing the project. For example, DAP organised a forum on April 15, 1994 to spread the information on project to public. They had collected 3,300 signatures from the people who opposed the Bakun project. In March 1995, the DAP also launched a nationwide campaign for a petition asking for the release of all the feasibility studies (INSAN, 1996).

The used of Member of Parliament (MP) also occurred in both cases. Not only that letters and memos have been sent to them by post, requesting them to voice up local plight in the parliament. Moreover, in case of Bakun, for example six Orang Ulu representatives have made special visited to the Deputy Prime Minister Abdullah Badawi.

In the Kelau Dam case, a DAP MP also participates actively in the Orang Asli struggle. For examples, Charles Santiago, the DAP MP from Klang Constituency, who is also the Coordinator for the Coalition Against Water Privatisation (CAWP) strongly opposed the project and actively debated of the issue in parliament.

g) **Court cases:** To complement other methods, indigenous people in the study area also bring the protests to court. At least three court cases have brought by people of Bakun. The first court case was filed by three of Orang Ulu from the long houses of Long Bulan, Uma Daro and Batu Kalo in Belaga District led by Kajing Tubek, Tahu Lujah and Sarah Simu on 20 April 1995. The second court case was made in 2000 by Bato Bagi, the leader who refused to resettle at the RSSA while the third was by Uma Balui Ukap from RSSA.

For the Orang Asli of Kelau Dam, the application was filed on 9 October 2007 by three Orang asli namely Pendor Bin Anger, Cham a/l Beng (the current Batin at Sungai Temir Village and now at RSLB) and Bedu Bin An (Menteri who has refused to relocated), together

with 24 others. The Orang Asli challenge are based on two main grounds: 1) There was a flawed in the public participation process where there was no free, prior and consent principle as promulgated by the DoE while conducting the process 2) The project is sidelining the orang Asli interest. In both case studies, the central issue is the loss of NCR over land, inadequate compensation and flawed in public participation

11. CONCLUSION

Throughout the paper, I draw the entire picture of EIA as social rules and its strong relation to land and how the credibility of EIA is eventually lies on the land rights or native title. Although EIA is supposed to enhanced environmental preservation and human wellbeing, however, the implementation is undoubtedly poses a big question. Public perceived that EIA requirement is merely treated as procedural requirement and it fails to fill full its objectives.

Compounding this problem of credibility of EIA is relates to the abolishing of NCR over land. Therefore when local people in this study who depends greatly on land and there is no alternatives employment outside agriculture sector, it has becomes the real reason for public outcry. This study confirms the study on institutional change which states that new institution is perceived as an empty when it fails to facilitate social and economic changes. In this regard, the EIA and the state laws and policies which replace customary institution in governing property rights fails to bring positive effects, the state of incredible or empty.

Consequently, this gives a serious concern on EIA as a social protection mechanism. Therefore, to restore the credibility of EIA, two aspects as discussed in this paper need to be tackled; firstly procedural requirements of EIA need to be abided and by saying the strong enforcement agency really required here. The executive dominancy and technocratic approach in governing EIA should be minimal, if not eliminated. Secondly, in relating to institutional debates, laws and policies introduced by state (top) must reflect local needs and it is hard to impose institution which strange in local eyes. Only by meeting these two requirements, I believe that EIA will gain its credibility.

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Location and characteristics of the poor in Kelantan, Malaysia: A poverty mapping exercise using Geographic Information System (GIS)

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Abstract

Poverty is an issue that has great influence in shaping the development policy and planning in Malaysia. The importance of poverty reduction to the national agendas has motivated greater interest in the geographic dimension of poverty in Malaysia. Kelantan is a state with the fourth highest poverty incidence in Malaysia. Poverty Line Income (PLI) was used to categorise the poor into hard core poor, poor, vulnerable and non-poor group. The aims of the study to explore the characteristics of poor in both rural and urban area and the pattern of the well-being among the poor will be analysed. The data employed are secondary data from Implementation and Coordination Unit (ICU) via e-Kasih portal system consisting of 47662 head of household in Kelantan registered during the period from 2008 to August 2011. This study used ArcGIS to map the locality of the poor. For policy purposes, an accurate identification of target groups for the purpose of planning, implementation and monitoring determines the successful implementation of poverty alleviation program in Malaysia

Key words: Poverty mapping, characteristics of poor, poverty analysis, Kelantan.

Introduction

Poverty is an issue that has a major influence in shaping the country's development policy in Malaysia. The government has implemented various policies to alleviate poverty and redistribute income between races, with emphasis on national unity. In 1971-1990, the New Economy Policy (NEP) was introduced as a core policy of poverty eradication and the results have demonstrated tremendous achievement by reducing overall poverty substantially from 49.3% in 1970 to 3.8% in 2009 (Malaysia, 2010). Although, the NEP officially ended in 1990, NEP's basic principles of growth with distribution has been continued through the National Development Policy (1991-2000). This policy has maintained dimensions of the NEP strategy through a new approach in the context of poverty alleviation of extreme poverty and relative poverty reduction. At the beginning of 2000, the National Vision Policy (2000-2010) developed the idea of sustainability in order to balance development, economic growth and poverty. Focuses on the restructuring the target groups as well as improve the quality of community development and sustainable growth is a stance of this policy. To strengthen the effort in addressing poverty alleviation, in 2009 the government launched the Government Transformation Programme which consists of six National Key Result Area (NKRA). One of them is to improving income for the lower group income through: 1) coordination the measures to address the low-income groups by accelerating efforts to identify and assist the focus groups targeted by all departments and agencies; 2) the implementation of high impacts initiatives and begin preliminary work for long-term action; and 3) determination of enablers to ensure delivery of initiatives are well coordinated and executed. In 10th Malaysia Plan (2010) under the inclusive socio-economic development, government has four key point targeted in order to improve the living standards of the lowest 40 per cent of household by 2015 as compared to 2009, include i) reducing the incidence of poverty from 3.9% to 2%, ii) to increase the average monthly income from RM1440 to RM2300, iii) to improve the overall income equality by reducing the Gini coefficient from 0.441 to 0.420, and iv) to increase the percentage of households with SPM educational level or above from 30% to 45%.

In curbing poverty the government requires a comprehensive mechanism to ensure that this problem can be solved effectively. In this regard, Malaysia has begun to explore the geographical gaps of poverty in the country through a concept known as poverty mapping which has become one of the important methods to curb poverty in developing countries (Koh, 2009). Basically poverty mapping is a method to combine survey and census data to estimate income inequality through geographical factors. This is because at present the main problem for reaching out to the poor in addressing their specific needs, require poverty statistics at smaller geographical disaggregation: the state, counties and parishes. To identify the poor and their needs, data on their social situation is important. Therefore, it become necessary for the Department Statistic Malaysia to use Geographical Information System (GIS) to improve and combine more additional variables on the map as outlined in the Strategic Plan 2010-2014 (Department of Statistics Malaysia, 2012).

The use of GIS in poverty studies

Narimah et al, (2012) used GIS applications in assessing the accessibility of households to nutritious and affordable food provided by retail stores in the state of Penang, Malaysia. They found that supermarkets that sell a variety of foods at low prices tend to be in urban areas, which makes it difficult for the poor to benefit from it. Their study also indicates that low-income groups have no problem in terms of distance to get food items at grocery stores. With the approach, their study found that there are areas suitable for the placement of the grocery shop *Kedai Rakyat 1Malaysia (KRIM)* which offers cheap and affordable prices of products to lower income groups.

GIS database contains information not only on the value of social, economic, climatic, and environmental or observations, but also on the location and spatial arrangement (Bigman and Fofack, 2000). According to Deichmann (1999), the importance of GIS is to capture heterogeneity within a country, to identify geographic factors that affect poverty, to improve target resources and interventions and communications about poverty conditions. Some studies show that geographic targeting for small administrative areas has increased the cost-effectiveness and efficiency of development expenditure in the accounts for the poor (Baker and Grosh, 1994; Bigman and Fofack, 2000; Elbers et al, 2004). Therefore, the direct targeting is the appropriate approach to address neglected areas such as rural areas that lack benefit from any development of a country. Targeting requires the development of detailed maps and analysis of a wide area, the distribution of poverty and other indicators related to poverty and welfare.

Recent advances in poverty mapping methodology includes the development of techniques to link survey and census data to estimate the income and consumption of population for small administrative areas across the country or region (Ghosh and Rao, 1994; Larrea et al, 1996; Hentschel et al, 2000 ; Elbers et al, 2003). Approach to small area estimation (SAE small-area estimation), which involves the relationship in determining between the variables of income or expense. The result of the study can be found in the household survey and the variables that are commonly found in the national census. In addition, the welfare indicators developed from SAE, spatial analysis tools and geographic information systems (GIS) have opened up new possibilities for integrating indicators of poverty and its relationship to the wider national scale poverty assessment in the country. For example, measurement of distance and convenience rarely found in the census but it can be obtained through a map of facilities, services and transport links. Analysts can also use statistics derived relationships to develop mapping for welfare indicators for the study in the form of detailed geographical survey. This method uses census survey consisting of thousands of households compared with households the studies involved only 5-30% of the population, have an impact on the comparability of the poor and limited geographic extent (Hyman et al, 2005). The influences of geographical factors were also studied by previous researchers in several Asian countries such as Jalan and Ravallion (1997) on the study of rural poverty in China and Ravallion and Wodon (1999) in Bangladesh. Both studies illustrate that the location and standard of living factors of an area is important in targeting poor households. The linkage of environmental degradation factors and poverty can also be estimated through the use of GIS using factors of rainfall(level and variability), soil and slope, as well as environmental comparative study with the previous situation (Anthony and Godfrey, 2005).

Material and method

The study used secondary data from the census data bank storage of ICU for 2008 to August 2011. The study involved data of head of household of the poor who registered through the *E-kasih* system, which is a national poverty data bank. The data for Kelantan consists of 10 districts and 65 sub-districts for evaluating and explaining the characteristics of poverty in Kelantan (see Table 1). The software program of ArcGIS 9.2 (ESRI, 2006) was used to show the distribution of poverty by status and the variables in the study. These consists data on strata, ethnicity, occupation and assistance. Meanwhile the poverty statuses are categorised into hard core poor, vulnerable poor and out of poverty based on food and non-food poverty line income (PLI).

Table 1: Distribution of poverty status by districts in Kelantan

Districts	Poverty groups				Total
	Hard core poor	Poor	Vulnerable group	Non-poor	
Tumpat	343	2410	4086	700	7539
Bachok	220	1544	2838	951	5553
Tanah Merah	231	1199	1681	450	3561
Gua Musang	152	912	1367	554	2985
Kota Bharu	335	2806	4067	1397	8605
Machang	98	1102	1286	344	2830
Pasir Mas	214	1859	2471	534	5078
Pasir Puteh	288	1951	2930	803	5972
Kuala Krai	152	986	1634	725	3497
Jeli	134	692	753	463	2042
Total	2167(4.55%)	15461(32.44%)	23113(48.50%)	6921(14.52%)	47662(100%)

Source: ICU, Department of Prime Minister (2011)

Poverty status is divided into four categories as follow:

- i) Hard core poor: this group is among households with income less than the food poverty line. Food poverty line is based on the daily needs of each individual based on the food calories PLI 2005 methodology for Malaysia of about RM415.00
- ii) Poor: Based on PLI 2009, those with income less than RM763.00 in Peninsular, RM1048 for Sabah and RM912 for Sarawak
- iii) Vulnerable group: Those rural and urban who have incomes above the poverty line mean threshold income of RM1000.00 and RM1500 respectively.
- iv) Non-poor: Those who are above the poverty line and on the threshold of vulnerable and above.

The identification of the 'pocket of poverty' which is low-income areas and the surrounding area based on the Household Income Survey (HIS) conducted by Department of Statistic of Malaysia. However, the indigenous people, FELDA settlements and estates that have their own administration are excluded.

Study area

Figure 1 shows the study area of Kelantan which is located in an east coast of Peninsular Malaysia. It comprises of 10 districts, namely Tumpat, Kota Bharu, Pasir Mas, Bachok, Tanah Merah, Pasir Puteh, Machang, Jeli, Kuala Krai dan Gua Musang. Kelantan is the sixth largest state in Malaysia which is covered an area of 15,099 square kilometres. The population of 1,539,601 consist of four main ethnic groups, namely Malay (95.7%), Chinese (3.4%), Indian (0.3%) and others (0.6%). About 42.4% of the population are urban population (Department of Statistic, 2010). In 2009, Kelantan was placed as the fourth highest poverty incidence of 4.8% after Sabah (19.7%) followed by Perlis (9.0%) and Kedah (5.3%) (Malaysia, 2010). However, Kelantan showed a reduction of poverty rate with a decrease of 5.8% from 10.6% from the year 2004. In fact, the proportion of national income to state inequality for 2009 and 2004 showed a decline from 1:0.63 to 1:0.56, respectively.



Figure 1: Map of Kelantan

Result and discussion

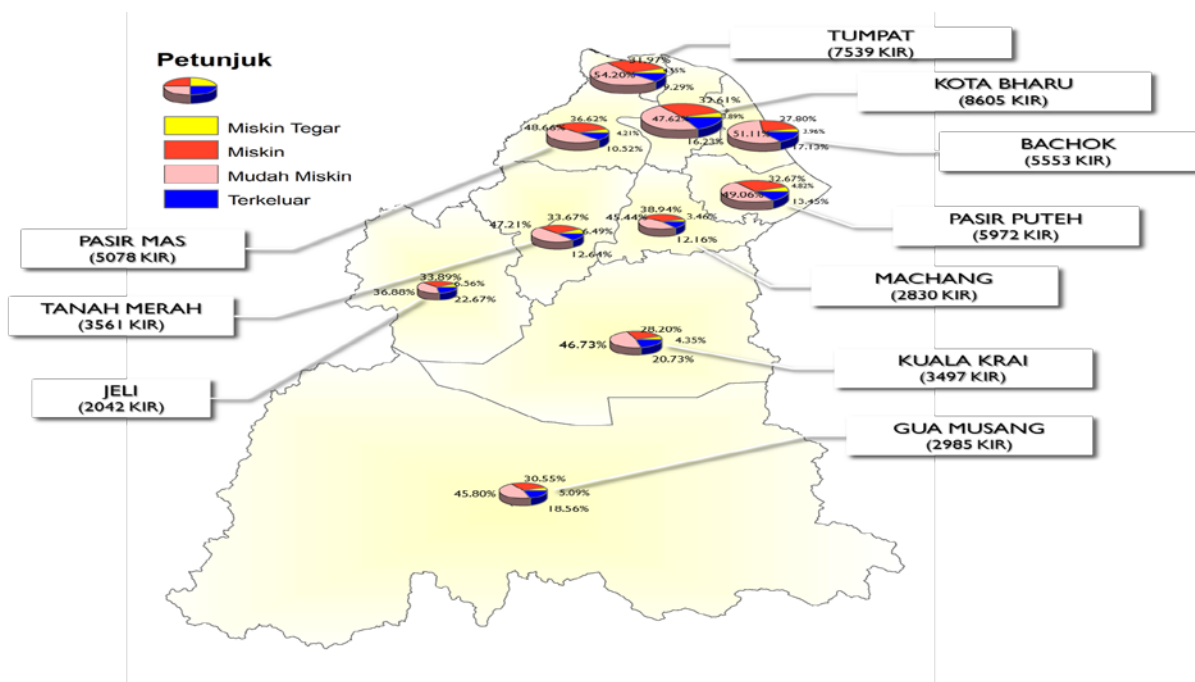


Figure 2: Distribution of poverty status by district in Kelantan

Figure 2 shows the distribution of poverty by district in Kelantan. The study revealed most of the hard core poor respondents are centred in Tumpat (15.8%). The highest number of hard core poor in urban area is in the state capital of Kota Bharu with a rate of 52.4%. Meanwhile, the hard core poor at rural area are concentrated in Pasir Puteh (17.9%) and followed by Tumpat (16.5%). Overall, the hard core poor are concentrated at the north Kelantan area which is Tumpat (15.8%), Kota Bharu (15.5%) and Pasir Puteh (13.3%). Table 2 show the distribution of the poverty status by district for the entire state of Kelantan.

Table 2: The distribution of hard core poor and poor by districts in Kelantan.

Districts	Poor Households	Poverty status		Poverty incidence (%)
		Hard core poor	Poor	
Machang	2830	98	1102	42.40
Pasir Mas	5078	214	1859	40.83
Jeli	2042	134	692	40.45
Tanah Merah	3561	231	1199	40.16
Pasir Puteh	5972	288	1951	37.49
Gua Musang	2985	152	912	35.64
Tumpat	7539	343	2410	36.52
Kota Bharu	8605	335	2806	36.50
Kuala Krai	3497	152	986	32.55
Bachok	5553	220	1544	31.76
Total	47662	2167	15461	36.98

Source: Tabulated by authors from ICU *E-kasih* data base, 2012

Table 2 shows the distribution of the hard core poor and poor by districts in Kelantan. The result shows that four out of ten districts experienced high incidence of poverty above 40%, namely in the districts of Machang, Pasir Mas, Jeli and Tanah Merah. Meanwhile, the rest of the districts have a range of 30% and above. The overall incidence of poverty in Kelantan by strata was recorded at 36.98% for urban area, mainly located in the sub-district of Kota Baharu with 12.8% and 66.2% for rural area, mainly in Pengkalan Kubor sub-district of Tumpat (35.0%) see Figure 3 and 4.

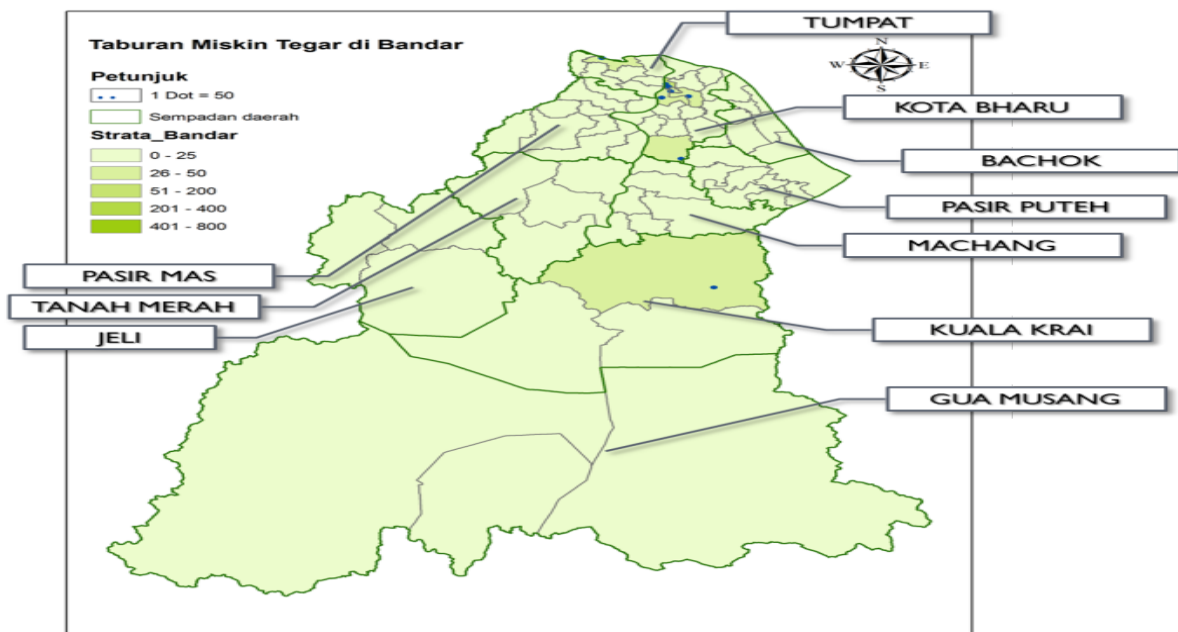


Figure 3: Distribution of urban hard core poor by districts in Kelantan

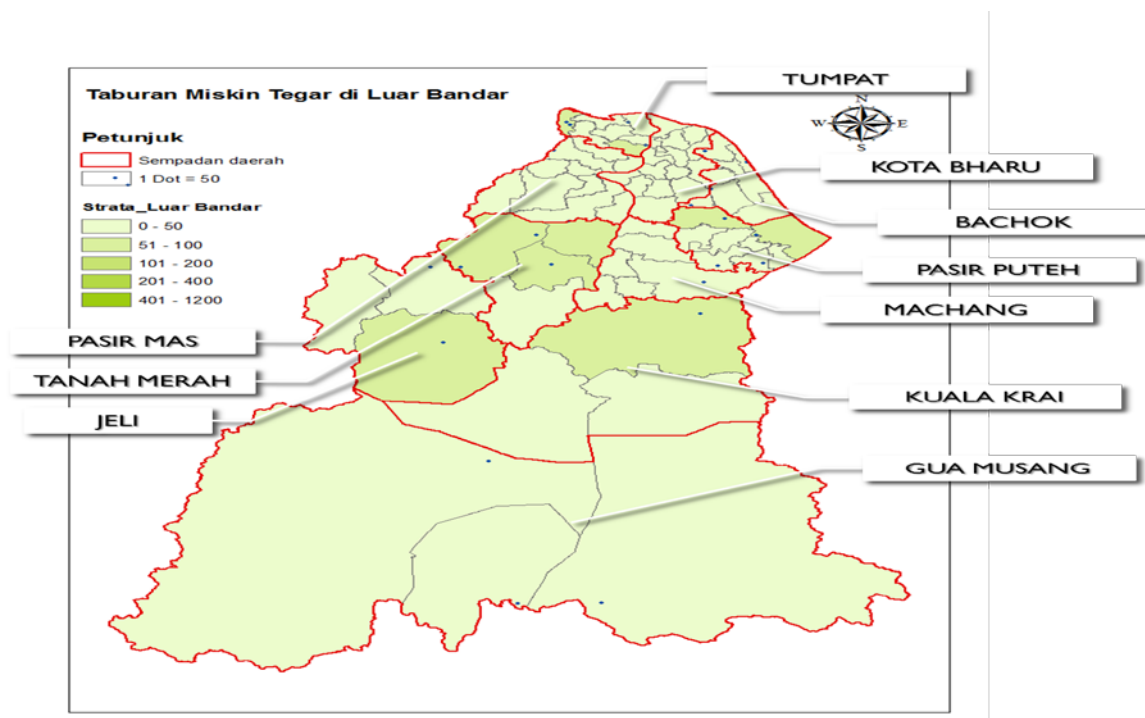


Figure 4: Distribution of rural hard core poor by districts in Kelantan

Poverty and ethnicity

Distribution of poverty in Malaysia is closely linked to ethnic settlement patterns and industrial structure (Wan Nor Azriyati et al, 2011). The impact of the British colonial government separated the three major races: Malay, Chinese and India in terms of employment and geography. This causes the magnitude of poverty and income inequality is always highlighted in the government's policy through the implementation of various policies to eradicate poverty and redistributing income between people with an emphasis on national unity. Table 3 shows that there are nine ethnic categories ranging from Malay, Chinese, Indian (including Indian Muslims and Sikhs), Kedayan, Lun Bawang, Melanau, Orang Sungei and others in Kelantan. Table 3 indicates the four major ethnic groups included in the survey.

Table 3: Distribution of poverty status by ethnic group in Kelantan

Ethnicity	Poverty status				
	Hard core poor (%)	Poor(%)	Vulnerable group(%)	Non-poor(%)	Total
Malay	2111(97.4)	15191(98.3)	22198(96.2)	6794(98.2)	46294
Chinese	11(0.5)	121(0.8)	304(1.3)	52(0.8)	488
Indian (include India Muslim and Sikh)	3(0.1)	27(0.2)	27(0.1)	7(0.1)	64
Others	42(1.9)	122(0.8)	548(2.4)	68(1.0)	780
Total	2167(100)	15461(100)	23077(100)	6921(100)	47626

Source: Tabulated by authors from ICU *E-kasih* data base, 2012

The result shows that the Malays are the majority ethnic group in Kelantan representing 97.2% of the poor and followed by others group ethnic (1.64%). Meanwhile, the Chinese and Indian are representing 1.03% and 0.13% of the poor respectively. The result also indicates that 37.4% Malay are still trapped in poverty, 48% comprises of vulnerable or marginal group and 14.7% have moved out of poverty. For the vulnerable groups, the Chinese and other ethnic groups, dominate representing respectively 62.3% and 70.3%. Distribution of Chinese those are extremely poor are found in all districts except the districts in Bachok, Jeli, Kuala Krai, Machang and Pasir Puteh. About 28.1% of the poor Indian are located in Tanah Merah district. While for other ethnic groups, comprising Kedayan, Lun Bawang, Melanau, Orang Sungei and others are available at all districts represented by 0.75%-7.02% except Bachok district, Machang, Pasir Mas, Pasir Puteh and Tumpat.

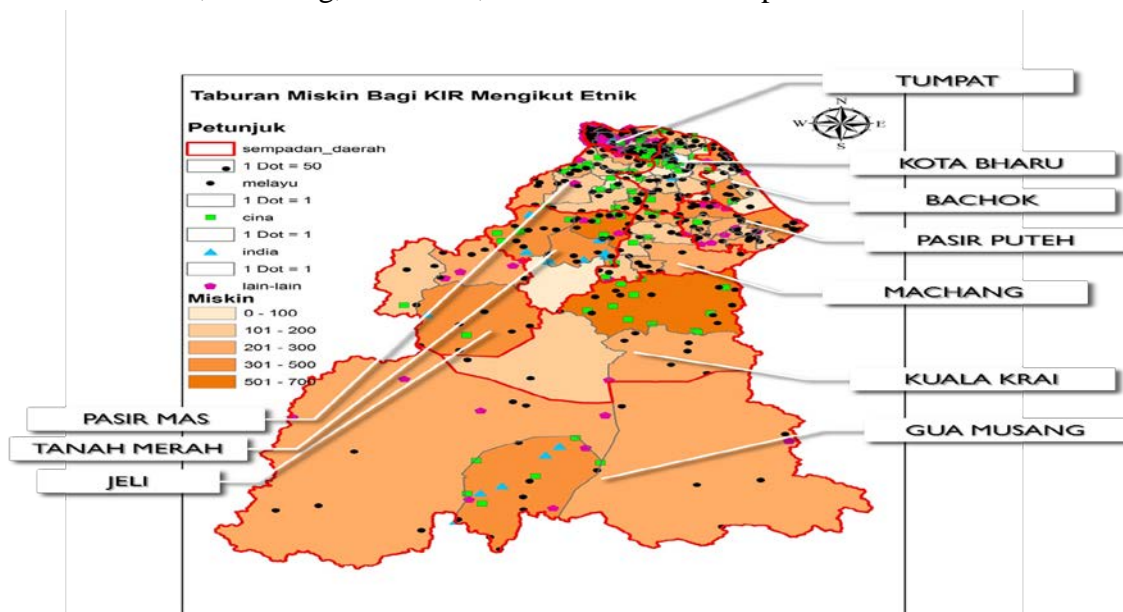


Figure 5: Distribution of poor by ethnic groups

Figure 5 shows the distribution of poor by ethnic groups in the districts of Kelantan. The study found that Malays dominate by the range of 95.8-99.6% and mostly located in the district of Bachok and Pasir Puteh. Meanwhile, the Chinese poor are mostly concentrated in Kota Baharu and Kuala Krai with about 1.60% and 1.01% of the poor, respectively. Furthermore, the poor of othes ethnic groups are located in Tumpat (3.61%) comprising 0.80% of the overall poor in Kelantan.

Poverty and education

The educational levels are categorised as secondary school and above (postgraduate polytechnic/college/university), medium level (Form 4-5/GCE/O-Level/Vocational/Technical schools), Lower Secondary level (Form 1-3/ Remove Class), Primary level (Primary/Pre-school) and no schooling. Figure 6 shows the level of education by poverty status among the head of poor households in Kelantan.

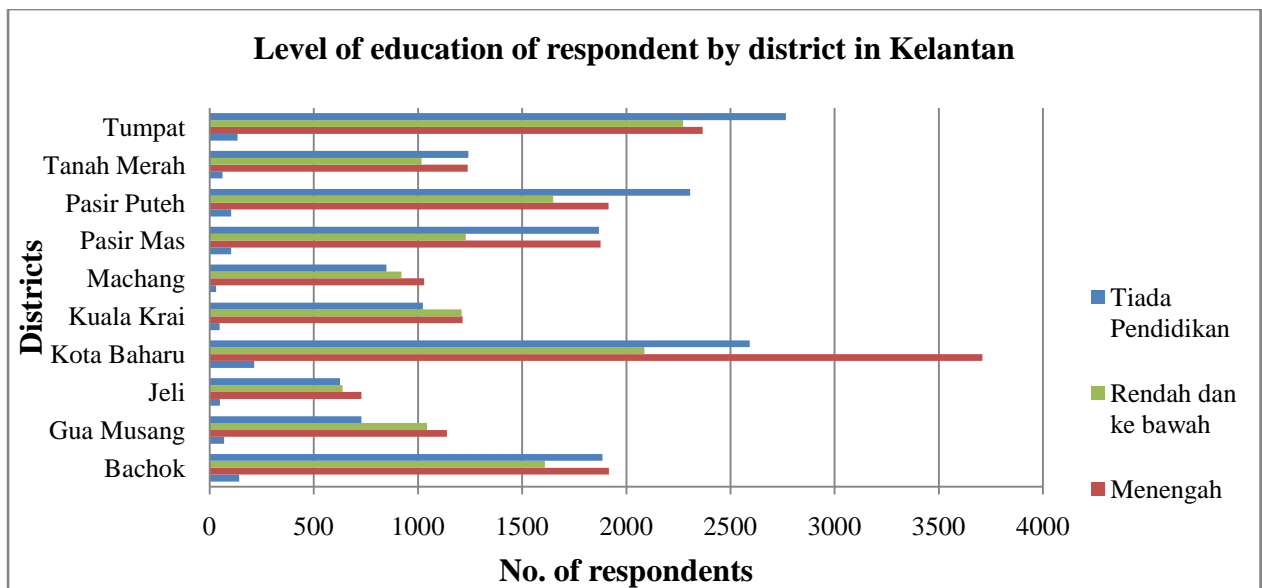


Figure 6: Distribution of level of education of head of poor household by districts in Kelantan

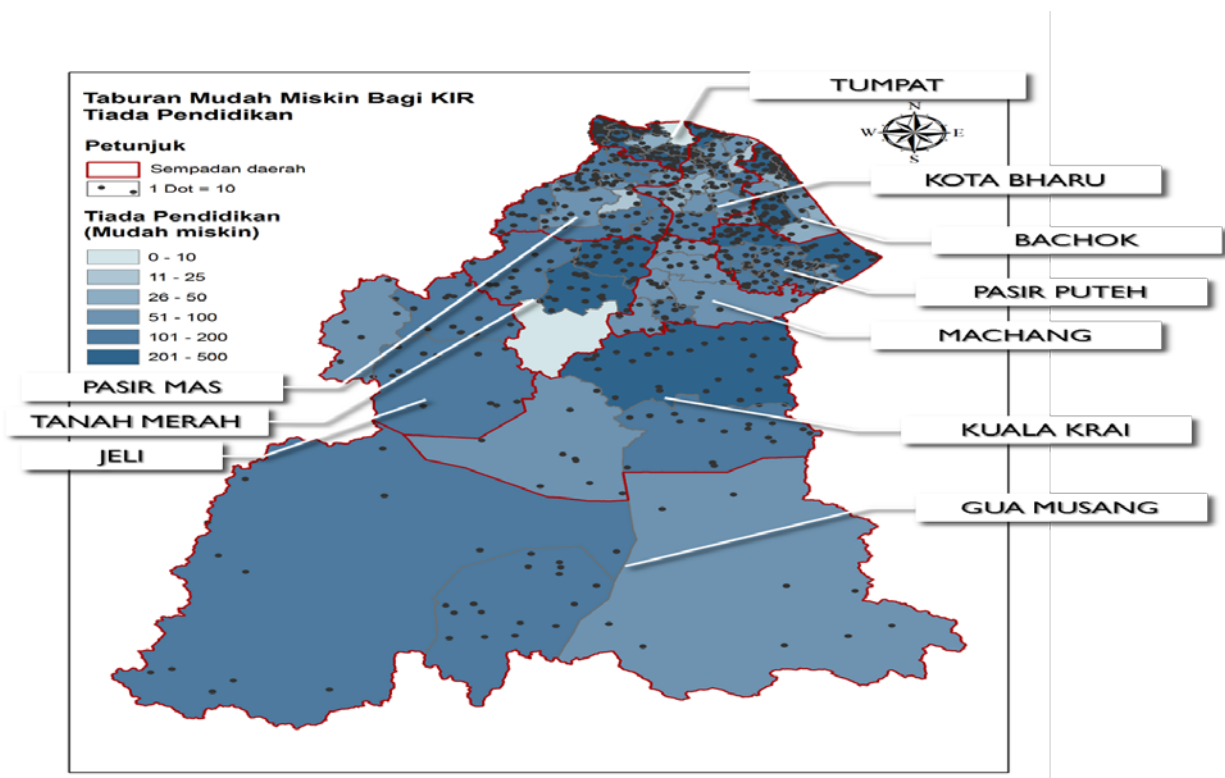


Figure 7: Distribution of vulnerable poor without schooling by districts in Kelantan

Figure 7 shows the distribution of the vulnerable group with no schooling by districts in Kelantan. The study found that more than half (56.83%) of the vulnerables in Kelantan have no schooling experience (23,113). They are mostly in the Northern Kelantan namely in Tumpat (18.43%), Kota Bharu (16.0%), Pasir Puteh (14.6%) and Bachok (12.2%). Generally, the result shows that the vulnerables are in a risky situation since they lack the human capital assets as a basis for the development of human capital for survival. The total of respondents who completed secondary school

form the majority of 17,130 (35.9%), followed by no schooling category of 15,889 (33.3%), with primary school and below (28.7%). Furthermore, the distribution of education for the hardcore poor and poor with secondary education are respectively 5.81% (hard core poor) and 40.0% (poor) (see Table 4).

Table 4: Distribution of level of education by poverty status in Kelantan

Level of education	Poverty status				
	Hard core poor(%)	Poor(%)	Vulnerable group(%)	Non-poor(%)	Total(%)
Secondary school and above	54 (5.66)	352 (36.9)	453 (47.5)	95 (9.95)	954 (2.00)
Secondary School	995 (5.81)	6845 (40.0)	7029 (41.0%)	2261 (13.2)	17130(35.9)
Primary school and below	622 (4.55)	4306 (31.5)	6602 (48.3)	2146 (15.7)	13676(28.7)
No schooling	487 (3.07)	3957 (24.9)	9029 (56.8)	2415 (15.2)	15889 (33.3)
Total	2158	15460	23113	6917	47648

Sources: Tabulated by authors from ICU *E-kasih* data base, 2012

This shows that poverty status cannot be related to low level of education. Further studies are required to see the role of educational variables in relation to poverty status in Kelantan.

Poverty and occupation

The occupational level is important determinants of socioeconomic status of the population. This study is determines seven categories of occupations namely self-employed jobs, salaried workers, students and retirees, housewife, unemployed and others. In the study, groups of job categories have been categories into three main categories: self-employed, salaried and other jobs. For the hardcore poor those are engaged in paid employment, the study found that 34.5% compared to 33.13% and 32.40% are self-employed and have other jobs. The majority are in Pasir Mas district with a percentage of 43.9%, followed by Tumpat, Kota Bharu, Gua Musang, Pasir Puteh, Bachok and Tanah Merah with a percentage ranging from 30.7% - 39.5%. Meanwhile Machang and Jeli district had lower percentage, ranging from 26.5% and 24.6%, respectively. The majority of the hardcore poor are self-employed, and are located in Machang (42.9%) followed by Jeli (41.8%), Gua Musang (40.7%), and Tanah Merah (40.7%). As mentioned earlier the hard core poor are mostly located in the rural areas. The rural communities are mostly engaged in the agriculture sectors where the the self-employment job are plenty. Meanwhile, Pasir Mas district (32.3%), Bachok (32.3%) and other districts Kota Bharu, Pasir Puteh and Tumpat have a range of 24.5% -29.5% percentage engaged in agriculture (see Figure 8).

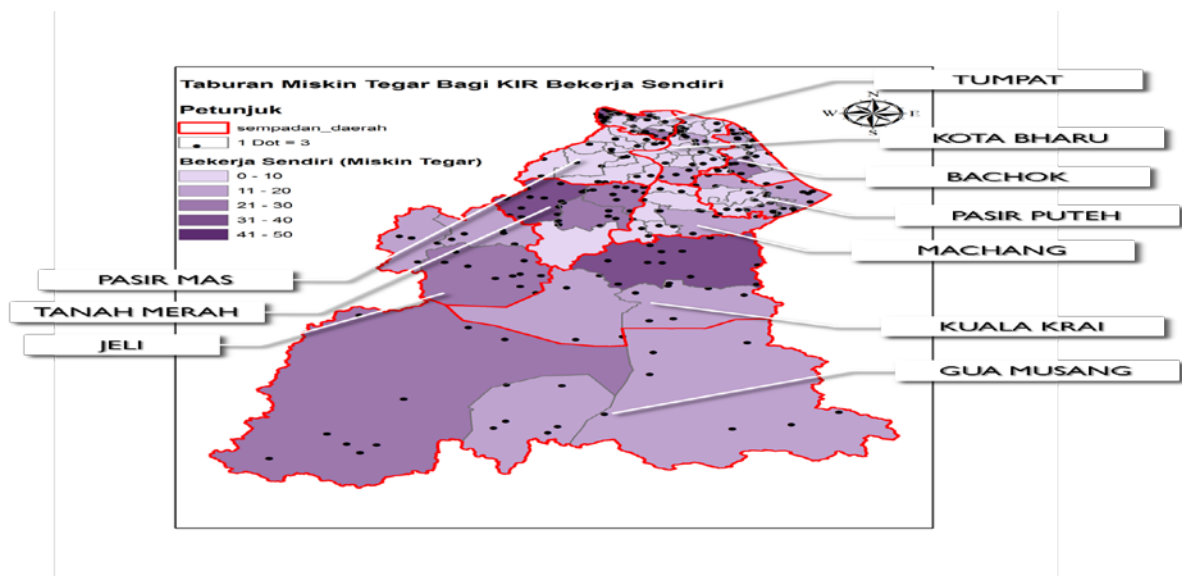


Figure 8: Distribution of self-employment among hard core poor by districts in Kelantan

Conclusion

Rural poverty is concentrated in the Pengkalan Kubor which is sub-district of Tumpat with poverty incidence of 35.0%. The demographic profile of Tumpat shows on the whole it have all the variables of poverty in terms of hardcore poor, poor, self-employment and had lower education. From 2008 to August 2011, only about 10% (700 people) of those out of poverty or 9.30% out of the total population are in the study area. Although there is ethnic diversity in Tumpat, the Malays who are the majority are still caught by the trap of poverty, as 97.4% of respondents of 2111 and 15,191 hardcore poor (98.3%) of the poor are mostly in Bachok and Jeli. Meanwhile, the majority of the urban poor are concentrated in the state capital Kota Bharu Kelantan district, with 52.2% poor and 54.2% hardcore poor. There are 15 sub-districts in Kota Bharu, with about 23.8% and 29.6% are urban poor and hard core poor, respectively. The hard core poor are mostly concentrated in the Kota, which is sub-district of Kota Baharu. Most of the poor are with secondary education (22.5%) while 15.6% for hard core poor are with secondary education. About 40.3% of the hard core poor are employed with other work (pensioners, students, housewives, no job, etc.), followed by 35.2% as employees and the remaining 24.5% are self-employment. While the poor who are involved as paid worker are about 51.4% of respondents, followed by those are with other occupations (28.0%) and the rest are self-employment (20.6%). The majority of the poor in the district of Kota Bharu are the Malays (97.9%) followed by Chinese (1.60%), Indian (0.43%) and other ethnic group (0.04%).

Acknowledgement

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POVERTY REDUCTION AMONG SCAVENGERS: A LOGISTIC ANALYSIS OF BANGLADESH

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ABSTRACT

The objective of this paper is to examine factors affecting the *state of affairs* of poverty and their likelihood among the scavengers. Particular interest is on the question whether contribution of non scavenging activities reduces their probability of being poor. This issue is of particular since it has been argued in various literature that there is prospect for non scavenging sector to play an important role in alleviating of reducing poverty of the scavengers. Here, we provide the empirical evidence on this question by estimating a logit model using primary data gathered among Dhaka, Bangladesh. Our results show that non-scavenging (*but matters related to scavengers*) is an important predictor of poverty and hence, matters to poverty. Other factors that are significant are age, remittance, lack of training, as well as the local area economic characteristics. The findings of this study imply that promoting organized systematic waste management activities such as intensifying urban industrialisation of non scavenging *methods accommodating scavengers* such as planned recycling in the urban areas will have a positive impact on effort to reduce poverty. This paper is organised as follows. Section I provides the introduction, and Section II discusses the sources of data, measures of poverty, and the model for estimation in the study. Section III discusses the results, while Section IV is the conclusion.

KEY WORDS: *Waste Management, Poverty, Logistic Regression..*

1. INTRODUCTION

Improper solid waste management in these cities is impairing human health and causing economic, environmental and biological losses (Moghadam et al., 2009) and is rendering the local authorities of these cities a daunting task (Damghaniet al., 2008). Solid-waste management is a major challenge in urban areas throughout the world. Without an effective and efficient solid-waste management program, the waste generated from various human activities, both industrial and domestic, can result in health hazards and have a negative impact on the environment. Understanding the waste generated, the availability of resources, and the environmental conditions of a particular society are important to developing an appropriate waste-management system.

1.1 Background of the study

Dhaka, the capital city of Bangladesh, with more than 15 million inhabitants, is one of the fastest growing mega cities in the world in an area of 347 sq km. In Dhaka, solid waste generation amounts to 3500 ton/day, of which 1800 tons are collected and dumped by the Dhaka city corporation (DCC), 900 tons end up in backyards and informal landfills, 400 tons end up on roadsides or open space, 300 tons are recycled by the Tokais (destitute slum children acting as scavengers), and 100 tons go through informal recycling at the point of generation (DCC, 2005). Irrespective of the municipal authorities' ability to collect it, both collected and uncollected waste creates problems for the city residents .Poverty alleviation

has been placed high on the international development agenda following the adoption of the United Nations Millennium Development Goals (MDGs) in 2000. The first and foremost of these goals is to reduce into half the proportion of people living on less than US\$1 per day, and those suffering from hunger, by 2015 (UN Millennium Declaration, 2000). Urban areas in developing countries have been growing exponentially. The issue of poor solid waste management (SWM) has become an enormous burden for governments of developing countries Asia and Africa mostly because it has thrown critical challenge to protect and maintain public health, safety and the environment. (Calo` & Parise, 2009; Halla & Majani, 2003; Mwangi, 2000; Ogu, 2000; Zia & Devadas, 2008) A recent study by World Bank has estimated that about 40% of the total population in Bangladesh will be living in urban area in Bangladesh by 2025 (ADB, 2000) The principal sources of solid wastes are residences, commercial establishments, institutions, industrial and agricultural activities. Domestic, commercial, and light industrial wastes are considered together as urban wastes. In developing countries it is also a key source of livelihood and social capital, particularly for the urban poor. Several authors have highlighted the economic, political, and social conditions necessary for recycling success and investigated the determinant factors of households' participation, and the attitudes of people in recycling programs (Ball and Lawson, 1989; Martin et al., 2006; McDonald and Oates, 2003; Perrin and Barton, 2001; Tonglet et al., 2004). The non-scavenging employment has been generally recognised to have the potential in raising scavengers household income, and therefore reducing urban poverty. Solid waste recycling practices in Bangladesh are mainly dominated by the informal sector. Studies have shown that scavenging income increasingly plays an important role in national economy of Bangladesh.. Such linkages may improve the efficiency of the entire sector and create new opportunities for employment. In fact, I have pointed out several grounds on the desirability of developing the non-scavenging sector as a vehicle to reduce urban poverty. Among them are: (i) the growing urban communities cannot be sustained by the formal sector alone; (ii) urban economies are not purely industrial and most of the urban communities derive their incomes from various sources rather than from industrial sector (iii) Encourage the participation of women in the informal sectors and hence empowering them. While it seems that promoting the development of the non scavenging sector and hence, encouraging scavengers to diversify their income sources is desirable, its impact on poverty remains to be substantiated. In fact, there are reasons to believe that promoting the non-scavenging sector, and encouraging scavengers to participate in non scavenging employment, might not necessarily reduce poverty. This would be the case if those who secure the non-scavenging jobs are mostly the non-poor scavengers. The accessibility of the poor scavengers to non-scavenging employment might be limited, for instance, due to their lower level of education. We provide the empirical evidence on this question by estimating a logit model using primary data gathered among landfill zone from Dhaka Bangladesh. In the practical ground, there are different types of waste pickers or scavengers that are collecting recyclable items from different places, starting from household to the final dumping site. There are 5 types waste pickers or scavengers are officially recognized in Bangladesh a) street collector b) dumping site collector c) Van driver collector d) Feriwala (mobile buyer) e) Sweepers. The scavengers that are involved with other job stated about earning more money, which gave them opportunity to share more money for the family. The extra income range is frond from BDT 500 to above 4000 per month. However, more concentration is up to BDT 3000.

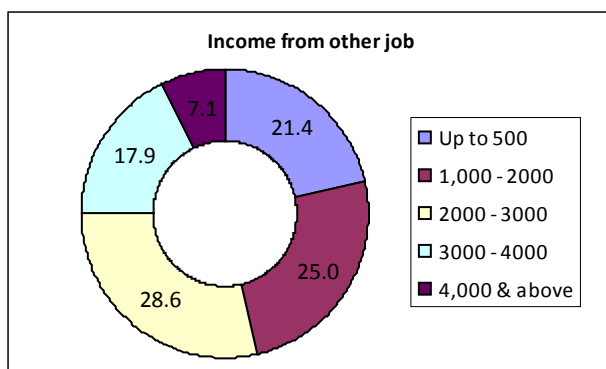


Figure 2: Monthly income from other job

The official gross poverty line income in Bangladesh in 2010 is TK 3075 per month equivalent to US\$38. Thus, in this study, a recycler's income that is equal or more than TK 3075 is considered above official gross poverty line, while those recyclers whose with recycler income that is less than TK 3075 is categorised as below official gross poverty line, thus poor in official sense.

This paper is organised as follows. Section I provides the introduction, and Section II discusses the sources of data, measures of poverty, and the model for estimation in the study. Section III discusses the results, while Section IV concludes

2. METHODOLOGY

2.1. Empirical design and data collection

The questionnaire used in this study was based on focus group discussions among the scavengers of the three landfills Matuail, Amin Bazr, and Uttara of Dhaka city. We then conducted a pre test on 30 scavengers in Dhaka in order to uncover any misinterpretation of the questions and to identify the bid vector that should be used in the final study, which we carried out with a double bounded elicitation format

2.2. Survey design and sampling method

There were three methods that could have been used to conduct the survey: face-to-face interview, telephone interview, or mail (Yoo and Kwak, 2009). A telephone interview was the least preferred method because conveying complex information, particularly about hypothetical options, is difficult over the telephone, partly because of the respondent's limited attention span and sometimes not using phone because of financial constraint. In addition, mail surveys are rarely used because they have an extremely low response rate and responses tend to be skewed with a bias toward one point of view; thus, it seemed especially risky to use mail surveys (Yoo and Chae, 2001). Another point is very important that not to use telephone interview because it is quiet unpractical to expect telephone in slum area . Of these methods, we chose to use face-to-face interviews. Because the quality of data obtained by this method has been found to be the highest the most complete, comprehensive and meaningful (Yoo and Kwak, 2009). The survey response rate was over 99% which is better than other methods. Email and telephone methods would not have been useful for this research because our respondents live in slum area where mobile has access but no more email. The data used in this study is primary data which is gathered through a survey carried out on 400 scavengers in Dhaka city. The survey is conducted between the month of January

to March, 2012. A face to face interview was carried out with the respondents, where they were chosen through a stratified random sampling. Scavengers involved in unauthorised scavenging and resale of medical waste and many waste item like paper, metal , tin, plastic, bottle, bones etc. Many individuals were observed to be involved in general waste scavenging, but a smaller group was found to specialise in non scavenging activities. It is this smaller group that was chosen for the current study.

2.3. Design of the questionnaire

The questionnaire contained four sections. The first section comprised some general questions regarding the daily scavenging activities. The second section formulated some questions about the knowledge and attitudes of respondents of recycling and scavenging. Description of non scavenging and a new training program organized by NGO were included in the third part. The last part of the questionnaire collected socioeconomic data on the respondents.

2.4. Study areas

The study areas are in the nearby Savar, Ahsulia and Narayangang town of Dhaka city. The choice of these towns was fixed because one of them has the sanitary landfill and both have government approved landfill. Specifically, the proposed sites are about 1 km from central Dhaka, a ‘sleepy’ small urban centre at the border of the town Ashulia and Savar. Matuail is a small town, while Uttara is one of the fastest growing and densest townships in the state. Uttara is about halfway between Dhaka and Tongi. Three landfill area of Dhaka city were chosen in this study. These are Matuail, Amin bazaar, Uttara. Table 1 shows the sample statistics of the study area.

Table 1. Sample Statistics of the Study Area.

AREA	TOTAL POPULATION	RESPONDENT
MATUAIL/keranigang	794 340	200
AMIN BAZAR(GABTOLI),SAVAR	1385910	100
UTTARA	179907	100

Source: Population Census 2011

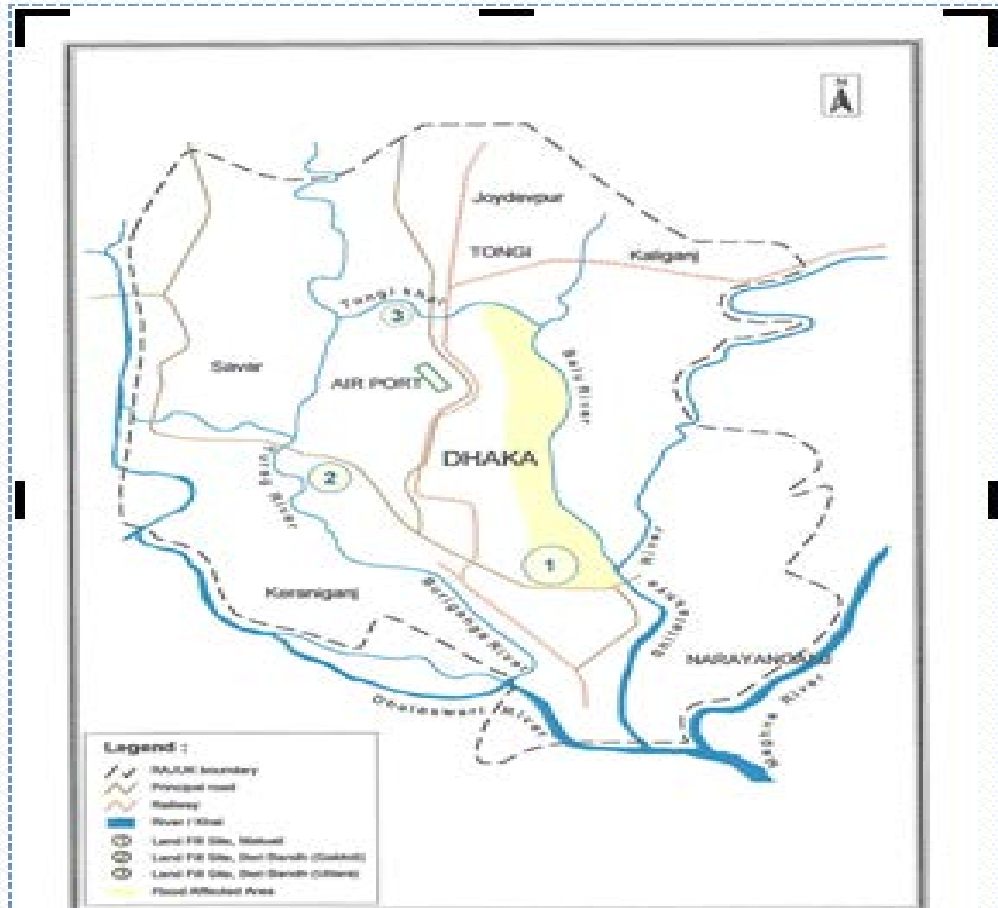


Figure 2. Map of Dhaka City

2.4 Sampling size and sample distribution

2.5 The logit model

A regression model was developed to estimate the effects of various factors on the probability of a scavenger being poor, we employed a binary choice model based on maximum likelihood method. Dummy dependence variable of 0 and 1 is used. The value of 1 is assigned to a poor scavenger, i.e. if the scavenger income is less than the specified poverty line income. On the other hand, the value of 0 is assigned to a non-poor scavenger, i.e. if the household income of the scavenger is equal to or more than the specified poverty line income.

When the dependent variable is in 0-1 style, researchers can choose between logistic regression and probit regression (Wang, Zhang et al. 2011). For this reason, in this study, logistic regression was selected as our evaluation method. It was assumed that the factors listed in Table 2 might affect the probability of a scavenger being poor; thus, these factors were included in the model as independent variables. The model of the probability of being poor, $P(Y_i = 1)$, was represented as:

$$\text{Log}_e \left[\frac{\{P(Y = 1) | X_1, \dots, X_p\}}{\{1 - P(Y = 1) | X_1, \dots, X_p\}} \right] = \text{Log}_e \left[\frac{\pi}{1 - \pi} \right]$$

$$= \alpha + \beta_1 X_1 + \dots + \beta_p X_p = \alpha + \sum_{j=1}^p \beta_j X_j$$

π is a conditional probability of the form $P(Y=1 | X_1, \dots, X_p)$. That is, it is assumed that "success" is more or less likely depending on combinations of values of the predictor variables. The log-odd, as defined above, is also known as the logit transformation of π and the analytical approach described here is sometimes known as logit analysis. The logistic function takes the form of:

$$\langle P(Y = 1 | X_1, \dots, X_p) \rangle = \frac{e^{\alpha + \sum_{j=1}^p \beta_j X_j}}{1 + e^{\alpha + \sum_{j=1}^p \beta_j X_j}}$$

This can also be transformed into:

$$\langle P(Y = 1 | X_1, \dots, X_p) \rangle = \frac{1}{1 + e^{-\alpha - \sum_{j=1}^p \beta_j X_j}}$$

The non-response probability is

$$P(Y=0 | X_1, \dots, X_p) = 1 - P(Y=1 | X_1, \dots, X_p) = \frac{1}{1 + e^{\alpha + \sum_{j=1}^p \beta_j X_j}}$$

Using the set of predictors, the LR equation for the log-odds in favour of scavengers is estimated to being poor be:

$$\log \left[\frac{P_i}{1 - P_i} \right] = b_0 + b_i \times X_i$$

Using the partial coefficients, b_i , informing the change to log odds of being poor. The independent variables used in the logit analysis and their expected signs are given in Table 2

It is worth to note that the sign of the estimated parameter is already sufficient to conclude whether the independent variable has a positive or negative impact on the dependent variable (Wooldridge, 2002). In addition, the impact of the independent variables on the dependent variable could be examined by looking at the odds ratio. In addition, given the value of the independent variables, the estimated value for the dependence variable could be interpreted as the probability of the scavenger being poor (Greene 2000; Long dan Freese 2006; Maddala 1983).

Table 2. Description of Variables and Expected Sign

VARIABLE	DEFINITION	EXPECTED SIGN
DEPENDENT VARIABLE		
Poor	Binary Yes=1 , No=0	
INDEPENDENT VARIABLE		
INDIVIDUAL CHARACTERISTICS (INDC)		
Age	(Continuous) Age of the scavenger	-
Gender	MALE =1	+

	FEMALE=0	
Education	Continuous) Years of education of the head of household	-
Non scavenging work (trading,ngo, recycling, maid)	(Dummy) Yes =1 No=0	-
HOUSEHOLD CHARACTERISTICS(HHC)		
Household size	(Continuous) Household size	+
No of Dependent	(Continuous) Number of dependents	+
Training	(Continuous) To increase skillness	-
Category of item	(Continuous) Types of collected items	+
Remittance	(Continuous)Total income received from remittance	-

3. RESULT DISCUSSION

3.2 The Results of Logit Model

Only 400 respondents (questionnaires) are used and analysed. Table 3 reports the results of the estimated logit model. The results of the logit model shows that the variable non-scavenging has negative but significant impact on the probability of being poor for the scavengers at 5% level of significance. Another variable training has also negative but significant impact on the probability of being poor of the scavengers at 1% level of significance. Organising and training informal recyclers into micro and small enterprise(MSEs) is a very effective way to upgrade their ability to add value to collected materials (Haan et al., 1998). Another two variables number of family member and number of dependent family members are also significant but negative at 1% level of significance.

Table 3. Estimated Logit Model

		B	S.E.	Wald	df	Sig.	Exp (B)
Step 1a	INDI_AGE	-.034	.029	1.357	1	.244	.966
	INDI_2_GENDER	.635	.416	2.326	1	.127	1.886
	INDIVIDU	.070	.433	.060	1	.872	1.066

AL_3_EDU			26			07
INDIVIDU	-3.485	.438	63	1	.0	.0
AL_4_NO			.4		50	31
N_SCAV			31			
HC_1_FA	.868	.197	19	1	.0	2.
MILYMEM			.3		10	38
			12			1
HC_2_DEP	.533	.228	5.	1	.0	1.
ENDENT			47		19	70
			1			4
HC_3_RE		.000	2.	1	.1	.9
MITT	.001		20		38	99
			5			
HC_4_TRA		.466	14	1	.0	.1
INNING	1.743		.0		10	75
			23			
HC_5_QNT	.052	.152	.1	1	.7	1.
Y_ITEM			19		30	05
						4

a. Variable(s) entered on step 1: INDI_AGE, INDI_2_GENDER, INDIVIDUAL_3_EDU, INDIVIDUAL_4_NON_SCAV, HC_1_FAMILYMEM, HC_2_DEPENDENT, HC_3_REMITT, HC_4_TRAINNING, HC_5_QNTY_ITEM, LC__

Table 2: Estimated Logit Model

	Parameter	Standard error	Odds ratio
Constant	-3.663	2.544	
Individual characteristics (indc)			
Age	-.034	.029	.9665
Gender	.635	.416	1.887
Education	.070	.433	1.072
Non scavenging income	-3.485	.438	.030
household size	.868	.197	2.382
No of dependent	.533	.228	1.7040
Remittance	-.001	.000	.999
Training	-1.743	.466	.174
Category of item	.052	.152	1.05

Log likelihood = - Number of obs =400 Lr chi2(12) = 274.846 Percent correctly predicted =90.3% Significance level: ***p<0.01; **p<0.05; *p<0.1			
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In this study, non scavenging income, family member (household size), number of dependent and training were expectedly positive and highly significant at the 1% and 5% level of significance as we expected. This results support the hypothesis that the probability of the scavenger saying yes to the income increases with age and training . Many scholars results support the conclusion that training and age have positive relationship with the non scavenging income in recycling which is in accordant with our research results. The coefficient of training is negative, which makes sense because usually the people when have a training program are more knowledgeable and skilled about his work and most of all hope to take appropriate methods to improve their living environment and process of work. The coefficient of age is also negative, which makes sense too because its indicates that the older people or matured people have a higher experience than and are more skilled than younger people. (. David C. Wilson_, Costas Velis, Chris Cheeseman 2006). Another variable training is significant at 1% level of significance. Other variables such as age, education and gender were not statistically significant. The most commonly examined variables are gender, age, education and income (Saphores, Nixon et al. 2006) (Meneses and Palacio 2005). argue that women bore a greater burden of recycling tasks than men in a household, while Arcury et al. (1987) suggest that women are usually associated with recycling tasks because they traditionally have played a greater role in domestic tasks. This shows that these characteristics have little influence on non scavenging income. However, other studies find no link between gender and recycling (Gamba and Oskamp, 1994; Werner and Makela, 1998). The relationship between education and recycling is ambiguous. Saphores et al. (2006) find that higher education increases the willingness to recycle, but several other studies report that education has no significant effect on recycling behavior (Vining and Ebreo, 1990; Oskamp et al., 1991; Gamba and Oskamp, 1994; Meneses and Palacio, 2005). The result of the estimated model was satisfactory and the predicted of the logit model were fairly accurately (90%). Lastly , it can be recommended that training was found to play the major role in non scavenging($\beta = - 1.743$) compared with the other two factors($\beta = .868$ and $\beta = .533$ and $\beta = -1.743$.) Therefore the most effective method for increasing non scavenging income to increase the training program among the scavengers.

4. CONCLUSION AND POLICY IMPLICATION

The results show that education and gender are not statistically significant to explain the probability of a scavenger being poor. However, as expected, the level of age is significant, and has a negative relationship with the probability of being poor. This implies as the level of age of the scavenger increases, the probability of the scavenger being poor decreases. In fact, the odds ratio of age implies that if age of the scavenger increases by one year, the likelihood of the scavenger being poor decreases by a factor of .97 *ceteris paribus*. The explanation for

this result is quite obvious. Age increases human capital such as experience, level of skill of the scavenger to secure good jobs. The positive relationship between age and number of site visits is also consistent with previous findings that older people have a higher tendency to recycle (Vining and Ebreo 1990; Meneses and Palacio 2005; Saphores, Nixon et al. 2006) If alternative employment opportunities and associated wages were higher, scavenging would be less financially attractive (Porter, 2002). The result of the study shows that non-scavenging income and training have significant impact on the probability of being poor. This result implies that if scavengers are to diversify their income sources by participating in non-scavenging activities, their probability of being poor will be decreased. But if they do scavenging properly and organized way they will be able to combat the poverty. Besides, the results also show if the scavengers get the training organised by the government as well as the non-government organisation (NGO), they can easily reduce their poverty because they get the knowledge from the training about how to do the scavenging and do the recycling activities properly. Training increases the skillness of the scavengers their efficiency, make them conscience about their health, environment etc.. The involvement of the private sector in delivering municipal solid waste management(MSWM) services is a major theme in current efforts to improve MSWM in developing economies (Cointreau, Gopalan, & Coad, 2000; GTZ, ERM, & GWK, 2004; Wilson et al., 2001). If they are skilled they will earn more rather than an unskilled scavenger. Currently, the NGOs are mainly arranging the training for the scavengers. So, the government also should take initiatives to organise training for the scavengers which will be help them to reduce their poverty. This study also discovers that all variables of the household characteristics – remittance and training– are significant and have the expected signs. Our results also show that remittance, as expected, tends to reduce the probability of the scavenger being poor. Poverty alleviation has been one of the main agenda of development in most developing countries. The observed increase in the share of non-scavenging income in total income as found in most studies has led to the argument that the non-scavenging sector could play an important role in alleviating poverty. Some studies find a positive relationship between income level and recycling involvement (Vining and Ebreo, 1990; Oskamp et al., 1991; Gamba and Oskamp, 1994), but a study by Scott (1999) finds no statistically significant relationship. This argument calls for examination on determinants of poverty, particularly the poverty impact of the non-scavenging activities. Here, we provide the evidence from a case study among urban poor specially scavengers in Dhaka Bangladesh. Our results show that non scavenging income, age, training program, remittance, as well as remittance are significant factor to consider the likelihood of a scavenger being poor. Hence, our findings suggest that participation of the scavenger in the non scavenging activities does not necessarily reduce their likelihood of being poor. The findings of our study therefore lend support to the view that planned, monitored and supportive scavenging the non-farm sector can be a viable option to reduce poverty among the urban poor households. Besides, our results also suggest that the economic structure of the local area where the scavengers lives also matters to poverty. Areas that have relatively higher industrial activities tend to reduce the likelihood of being poor. Thus, opening up opportunities for scavengers to participate in non-scavenging employment, through development of urban industrialisation for instance, will have a positive impact on poverty reduction effort among the urban poor households. Forming scavenger/waste picker cooperatives and associations can also enhance their position.

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Role of Agricultural Research in Improving Global Food Security

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Abstract

Poverty is the denial of basic human needs such as food, clothing, shelter, health care and education, and alleviation refers to any practice which seeks to lower the stage of poverty. According to FAO (2009), food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. Even though Kuwait is not a food producing country, it is still keen to develop its agricultural sector. Hence, the Kuwait Institute for Scientific Research (KISR), set forth the aim of developing modern agricultural technology to improve the production performance of promising crops with a view to assist global research in poverty alleviation. In view of these facts, KISR undertook a number of research projects on drought and salinity tolerant wheat and barley in collaboration with different international and regional organizations using advanced horticultural practices so as to improve the quality and yield. Around 500 genotypes which are tolerant to salinity and drought were screened and studied under local conditions. The results presented in this paper may provide ample information on crop production and thereby reducing import share on food products.

Key words: poverty, agricultural sector, promising crops, horticultural practices

Introduction

The global economic crisis had affected the small-scale farms and rural areas of the world, where 70 percent of the world's hungry live and work. It has been estimated that almost one sixth of the human population is suffering from hunger. The denial of basic human needs such as food, clothing, shelter, health care and education is termed as poverty, and any practice which seeks to lower the stage of poverty is coined as poverty alleviation. According to FAO (2009), food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life to all the people, at all times. There are many reasons for worldwide food insecurity and hunger. More than one billion people in the world are hungry due to economic crisis, food price crisis, removal of agricultural subsidies by the developing countries, rise in the price of fertilizer due to increase in the price of oil and climate change, water scarcity, natural disasters, diversion of food crops for making biofuels, population growth, and war and civil conflict. The Republic of Congo in Central Africa is the poorest country today followed by Liberia and Zimbabwe. Factors like geography, industrialization, colonialism, education, resources, infrastructure, overpopulation, investment, government and debt make poor countries remain the heavy foot of poverty. Food security can be achieved by enhancing productivity of agricultural crops by the introduction of high yielding varieties, securing property rights and access to finance, converting unproductive lands into agricultural fields, controlling the use of food crops as biofuels, enhancing human capital through

education and improved health and by practicing population control and better health levels.

Even though Kuwait is not a food producing country, it is still keen to develop its agricultural sector. Hence, the Kuwait Institute for Scientific Research (KISR), set forth the aim of developing modern agricultural technology to improve the production performance of promising crops such as barley and wheat with a view to assist global research in poverty alleviation. Kuwait has an urgent need to provide the nation with a minimal degree of food security. In view of these facts, KISR undertook a number of research projects on drought and salinity tolerant wheat and barley in collaboration with different international and regional organizations using advanced horticultural practices so as to improve the quality and yield for achieving food security. For this, the emphasis is given on sustainable and efficient use of available land, water and energy. KISR also aims to select and adapt crop plants that can tolerate increasing salinity levels in soil and tolerate continuous irrigation with poor quality water. The crop water use efficiency can be maximized through the promotion of modern irrigation systems such as sprinklers, centre pivot, drip, bubbler system etc., replacing crops with high water requirements with drought tolerant crops and using treated sewage effluent irrigation. The efforts in the area also include applied research into integrated farming systems, sustainable crop production and animal production technologies. These modern technologies will serve the needs of the local agricultural sector in increasing economical and efficient agricultural production for achieving food security.

Materials and Methods

The major agricultural research works done at KISR in the Arid land Agriculture Department (AAD) include:

Selection of Crops for Salinity (Abdal *et al.*, 2002)

The study conducted at the Arid land Agriculture Department (AAD) of KISR screened a total of 332 barley germplasms received from ICARDA (76), USDA (171), Germany (68) and Canada (29) at germination and growth stages (FA011C). Lines were identified to be highly tolerant to salinity, and these lines can be used in developing improved varieties and hybrids (Tables 1 and 2).

Table 1. Performance of ICARDA Barley Lines

Crop	Lines Tested	Tolerant in GH	Promising lines in FD
Barley	332	76	10

Table 2. Average Yield of ICARDA Barley Lines

Crop	Variety	Yield in Fresh Water kg	Yield in Brackish Water kg
Barley	IG33000	34.80	45.23

Matching Soil, Water and Genotype for Barley Cultivation in Kuwait (Al-Menaie, H. S., 2003)

The study dealt with the performance of salt tolerant barley in combination with agronomic soil rejuvenation methods. One hundred and forty one barley genotypes were evaluated for their response to fresh and brackish water irrigation and it was found that sustainable barley cultivation is feasible in Kuwait by careful consideration of soil type, local ground water, soil rejuvenation, water table control and genotype.

Planting of Wheat in Kuwait (Abdal and Ajmi, 1989)

Five experiments were conducted in wheat (AG-59) of which the production experiment using the variety, Yecora Rajo gave promising results and the total yield was closely correlated to the world average of wheat production and the continuity of such research is needed for future production of wheat in Kuwait. In the variety trials, straw yields varied among treatments and Geza 163 gave highest grain and straw yield among the 25 varieties. All the varieties had more than 2T/ha straw yield and almost half of the varieties yielded more than 4T/ha. The experiment on the effect of phosphate fertilizer rate on total wheat yield showed no significant differences among the treatments tried. The results of the experiment on splitting phosphate fertilizer on wheat production in Kuwait showed that there was no correlation between each treatment and were found to be non-significant. Under the experiment on the introduction of wheat germplasm to Kuwait showed that PI 90279 was the best among the 165 varieties tried. Since one year data alone is not reliable for farmers, the project recommended for continuing the introductory trials.

Performance of Forage Barley and Wheat in Kuwait (Al Menaie *et al.*, 2010)

The growth performance of forage barley was studied under the harsh environmental conditions of Kuwait using 40 promising lines procured from the Arab Centre for the Studies of Arid Zones and Dry Lands (ACSAD). The barley genotypes were sown at the rate of 400 seeds/m² in a randomized complete block design with three replications using fresh and brackish water for irrigation. All the recommended horticultural practices were adopted. Results revealed that brackish irrigation water reduced plant height by about 17% as compared to fresh water. Plants with a medium height were more tolerant to salinity stress. On the other hand, salinity susceptible plants have fast growth, more plant height and larger leaf area as compared to the tolerant ones under salinity conditions. Salinity stress during vegetative growth decreased number of spike per m², thousand grain weight and grain yield. Among the 40 lines studied, ACSAD 1658, 1704, 1684, and 1697 were significantly different in grain yield and these lines can be used in developing improved varieties and hybrids .

Germination of Barley Seeds under Different Drought Treatments (Al Menaie *et al.*, 2012)

The combination of water stress and high temperature is the main abiotic factor limiting crop growth, development, and yield in Kuwait. Even though barley is the most drought-tolerant among forage cereals it's production is affected by the scarcity of water and high temperature, and yield improvement experiments must aim at controlling the stress effects. Hence, this study was initiated to study the

germination of barley seeds under different drought treatments. Twenty promising barley genotypes were germinated at five different osmotic stress levels namely 0.0 MPa (T1, distilled water, control); -0.6MPa (T2); -0.9 MPa (T3); -1.2 MPa (T4); and -2.4 MPa (T5). Results indicate that germination percentages of different genotypes vary significantly in their tolerance to osmotic pressure, and increased osmotic pressure was found to decrease the germination. The average root and shoot length, and fresh weight of seedlings were also negatively affected by increase in osmotic pressure. The average root length under control was 60.4 mm and was found to decrease by about 22, 46, 85, and 96% as a result of increased osmotic pressure from -0.6 to -0.9, -1.2, and -2.4Mpa respectively. The longest shoot length of 82.38 mm was recorded in the control. The maximum value for fresh weight of seedlings was observed in the control treatment, and the minimum in -2.4MPa (T3) treatment (Table 3). Correlation studies were conducted among different characters and germination percentage showed positive and highly significant effect on shoot length, root length and fresh weight (Table 4).

Table 3. Seed Germination Percentage for 20 Promising Lines of Barley

Varieties	Osmotic pressure treatments				
	Control.	-0.6MPa	-0.9MPa	-1.2MPa	-2.4MPa
Var. 1	100	41.6	33.6	44.0	0
Var. 2	100	89.6	68.8	59.2	20.8
Var. 3	100	84.0	76.8	0.0	0
Var. 4	100	82.4	66.4	39.2	7.2
Var. 5	100	88.8	86.4	73.6	6.4
Var. 6	100	87.2	60.0	31.2	12.8
Var. 7	100	94.4	84.8	53.6	7.2
Var. 8	100	67.2	32.0	16.0	10.4
Var. 9	100	90.4	82.4	36.8	12.0
Var. 10	100	87.2	84.0	52.8	16.0
Var. 11	100	55.2	59.2	25.6	0
Var. 12	100	94.4	77.6	38.4	8.8
Var. 13	100	67.2	33.6	16.8	0
Var. 14	100	88.0	68.0	16.8	3.2
Var. 15	100	64.8	59.2	28.0	.0
Var. 16	100	79.2	62.4	27.2	8.4
Var. 17	100	90.4	73.6	22.4	4.8
Var. 18	100	70.4	57.6	28.8	8.8
Var. 19	100	88.0	72.0	29.6	6.8
Var. 20	100	81.6	64.8	16.8	6.0

Table 4. Pearson Correlation Coefficient among Various Traits of 20 Barley Genotypes

		Germ	Shoot	Root	Fresh
Germ	Pearson Correlation	1	.540(**)	.815(**)	.824(**)
Shoot	Pearson Correlation		1	.555(**)	.504(**)
Root	Pearson Correlation			1	.784(**)
Fresh	Pearson Correlation				1

** Correlation is significant at the 0.01 level (1-tailed).

Conclusion

The agricultural sector of Kuwait is facing many challenges due to arid climatic conditions and greater emphasis is needed to safeguard natural resources and agro-ecological practices. Since, the state relies extensively on imported food from other countries, leading to food insecurity, there is an urgent need for adapting sustainable and economically viable crop production system to enhance production efficiency, productivity and quality. The projects conducted at KISR played a significant role in developing strategies for increasing the production and productivity of agricultural crops in Kuwait. Experience gained from this work and information obtained will be of great value in improving the status of agriculture in Kuwait.

The global economic crisis had already affected the small-scale farms and rural areas of the world, where 70 percent of the world's hungry live and work. It has been estimated that almost one sixth of the human population is suffering from hunger. Let us reflect on those human beings those who are suffering from poverty. Kuwait being a consumer country, have the know-how and the ability to solve problems when we consider them important. Let us work together to make sure hunger is recognized as a critical problem, and solve it.

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SOCIAL SECURITY: FIXING THE GLARING GAP FOR EMPLOYEES OF FORMAL SECTOR

Leena Ramanan

ABSTRACT:

India completed sixty five years of independence and is counted among the fast developing countries of the world but is yet to recognize social security as the fundamental right of her citizen. Though it is very complex to bound social security system in a large and diverse country like India but a better understanding of the policies of prevailing social security system of India, the citizen can contribute positively to the workforce and to their own welfare, at little or no cost (with possible savings). If government's intervene and slightly modifying some of the prevailing social security schemes, it can bring a big difference.

Formal Sector accounted for about 14 per cent of total employment in 1999-2000 as also in 2004-05 which has increased to 16 per cent in 2009-10. 84 per cent of workers are in 'unorganised' or 'informal' sector, with no job security or social security. The concern is that more than half of the workers of formal sector are in 'informal' category, with no secured tenure of employment, nor any protection against the contingent risks during or after employment. The alarming situation is that this numbers are rising: 'informally' employed workers constituted 42 per cent of those employed in the formal sector in 1999-2000, the figure increased to 47 per cent in 2004-05 and stood at 51 per cent in 2009-10¹.

Apart from making policies government should educate the people to personal fund management, conduct financial awareness programs and research on public discourse over the future of Social Security.

Introduction

India a South Asian country with population of 1.2 billion, spread over 29 states union territories, tied together with deep cultural continuities. There are twenty-four languages and countless other dialects with 80 % Hindu population, 10% Islams, and 5 percent of Sikhs and Christians; the rest (a good 45 million) are Buddhists, Jains, Bahai, and more.

The Indian economy is the world's tenth-largest by nominal GDP and third-largest by purchasing power parity. India has achieved success in providing social security to poor and vulnerable but when we compare the share of GDP spend on social security schemes by Indian Government it is just 4% of total GDP. The Europeans especially the Scandinavians spend more than 1/5 of their GDP on social security, even countries like S.Africa, Argentina, Brazil etc more the 10% of GDP on social security schemes².

¹ Growth and Structure of Employment in India Long-Term and Post-Reform Performance and the Emerging Challenge, T.S. Papola Partha Pratim Sahu, March 2012

² Functioning of Contingent Social Security Schemes in Kerala: The Social and Institutional Context of Delivery at the Local Level

Social Security is a perception of protection and India has a social security from the time our culture and tradition flourished. Our foundation is formed by rich cultural and spiritual values which are evident in our epics, we strongly believed in prayers and doing social work beneficial for human being and assumed that almighty God is the caretaker of our social security. We have a rich and illustrious history as one of the longest living civilisations in the world and thought of wellbeing of the individuals started long before independence, though independence brought the country under one umbrella. After Independence India when India was facing many financial and economic problems, the first measures in its program of domestic reforms and improvements was the establishment of a social security program³.

Now also 29.8% of India's population is leaving beyond poverty line, it is very complex to bound social security as a fundamental right to the citizens of India which stands second to China in terms of population but it would be wrong if we say that there is no social security in India. The founding fathers of India and their followers with great effort and thoughts have made many policies and implemented them in our government structure so that we can have basic life security, family security, health care, education, employment, housing, water, electricity, roads and corruption free administration. With globalization, demographic changes and increasing migration, the trend of extended family and community to nuclear family has increased the need of government intervention to provide social security schemes to citizen has become a necessity. ILO has mentioned Social security as a series of public measures, against the economic and social distress that otherwise would be caused by stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, disability, old age, and death; the provisions of medical care; and the provision of subsidies for families with children⁴

AIMS AND OBJECTIVE OF THE PAPER

- How we can fill the gap of social security between the employees of formal sector with social security and employees without any social security in the formal sector?
- How some changes in prevailing schemes of India's social Security programme can be benefitted by a larger group?

THE DEFINITION OF SOCIAL SECURITY: FIXING GLARING GAP FOR EMPLOYEES OF FORMAL SECTOR

Employment has always featured as an element of growth and development for the citizen of India. Employment is distributed into two sectors Formal and Informal. Again employment is of four types, these are (a) formal employment in the formal or organised sector, (b) informal employment in the formal sector, (c) formal employment in the informal sector, and (d) informal employment in the informal sector.

The Formal sector includes mainly those establishments which are covered by the Factories Act, 1948, the Shops and Commercial Establishments Acts of State Governments, the Industrial Employment Standing Orders Act, 1946 etc or we can say that formal sector is defined to consist of the entire public sector and the private sector enterprises employing 10

³ Social Security in India by Wilbur J Cohen

⁴ ILO, Introduction to Social Security (Geneva, 1984), p. 2

or more workers. This sector already has a structure through which social security benefits are extended to workers covered under legislations.

Informal employees of formal sector are those without any employment and social security benefits provided by the employers/employment. In this paper the argument is how to fill the gap of at least social security benefits of employees in formal sector with social security and employees in formal sector without any social security.

Informal Sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers. Informal sector consist of informal employees without any promotive social security and have to depend on protective social security measures.

OBSERVATIONS

In India adequate social security policies are there for the employees of formal sector but more than 50% of employees these sector are equivalent to the employees of informal sector without any employment/ social security benefits provided by the employers. These are the employees who work in the organized sector but come under the categories of regular, casual and contract workers who remain unprotected because of non-compliance of the provisions of the existing laws. They do not enjoy employment security (no protection against arbitrary dismissal) work security (no protection against accidents and illness at the work place) and social security (maternity and health care benefits, pension, etc.), thus being in the formal sector is treated like being in the informal sector.

From various reports published by Government of India, survey report and literature reviews some of the data's are analysed and presented in this section of the paper.

Table: 1

Relationship between Sector and Type of Employment			
All Workers 1999-2000 & 2004-05			
Sector	Total Employment (Million)		
	Informal Worker	Formal Worker	Total
1999 – 2000			
Informal	341.3 (99.6)	1.4 (0.4)	342.6 (100.0)
Formal	20.5(37.8)	33.7 (62.2)	54.1 (100.0)
Total	361.7 (91.2)	35.0 (8.8)	396.8 (100.0)
2004 – 2005			
Informal	393.5 (99.6)	1.4 (0.4)	394.9 (100.0)
Formal	29.1 (46.6)	33.4 (53.4)	62.6 (100.0)
Total	422.6 (92.4)	34.9 (7.6)	457.5 (100.0)

Note : Figures in brackets are %

Source : NSS 61st Round 2004 - 2005 and NSS 55th Round, 1999-2000, Employment-Unemployment Survey. Computed

From (Table 1) it is evident that total employment in the economy has increased from 396 million to 456 million between the two NSS rounds in 1999-00 and 2004-05. The change in the organised or formal employment has been negligible (i.e.33.6 million to 35.0 million).

Therefore, the increase in total employment has been of an informal kind i.e. 58 million (from 362.8 to 420.7 million) or 16 per cent. However, if we view the increase from a sectoral point, employment increased by 7.7 million or 14 per cent (from 54.9 to 62.6 million) in the formal sector.

The conclusion is that with the increase in the employment in the organised or formal sector over this period has largely been of informal in nature i.e. without any job or social security. This constitutes what can be termed as informalisation of the formal sector, where any employment increase consists of regular workers without social security benefits and casual or contract workers again without the benefits that should accrue to formal workers⁵

Estimated Number of Informal/Formal Sector Workers by Major Economic Activity in 1999-2000 & 2004-05 (million)						
	1999-2000			2004-05		
	Informal Sector	Formal Sector	Total	Informal Sector	Formal Sector	Total
				Agriculture		
Informal Worker	231.72	2.99	234.71	251.72	3.21	254.93
Formal Worker	0.4	2.57	2.97	0.02	2.82	2.83
Total	232.12	5.55	237.67	251.74	6.03	257.76
				Industry		
Informal Worker	43.75	12.13	55.88	59.42	16.71	76.14
Formal Worker	0.48	8.14	8.61	0.5	8.67	9.15
Total	44.23	20.27	64.49	59.92	25.38	85.29
				Services		
Informal Worker	64.24	7.93	72.17	80.59	8.99	89.6
Formal Worker	0.92	21.14	22.06	0.9	22.16	23.05
Total	65.16	29.07	94.23	81.5	31.16	112.65
				Total		
Informal Worker	339.71	23.04	362.76	391.73	28.91	420.67
Formal Worker	1.79	31.85	33.64	1.42	33.65	35.03
Total	341.5	54.89	396.39	393.16	62.57	455.7

Source: NSSO 55th and 61st Round Survey on Employment-Unemployment. Computed.

As per the above table total employment in the economy has increased from 396 million in 1999-2000 to 456 million in 2004- 05. Since there is not much change in the organized or formal employment during this period, the increase in total employment has been almost an informal kind. Although employment increased by 14 percent in the organized sector over this period, the entire increase has been mostly informal in nature, i.e., without any job or social security. This constituted what can be termed as informalisation of the formal sector. The formal employees of organized sector is also given other securities like private insurances, leave benefits, trainings to develop skills, vacation time benefits, bonouses etc so that they continue with the

⁵ The Challenge of Employment in India- An Informal Economy Perspective, Volume I - Main Report, National Commission for Enterprises in the Unorganised Sector, April 2009

same organization for a longer duration, on the other hand the informal employees/workers are deprived from that too

Table 2

Net Additions of Informal/Formal Workers by Sector & Major Economic Activity between 1999-2000 & 2004-05						
		Net Additions (million)			Net Additions (%)	
	Informal Sector	Formal Sector	Total	Informal Sector	Formal Sector	Total
				Agriculture		
Informal Worker	20	0.22	20.22	33.72	0.37	34.09
Formal Worker	-0.38	0.25	-0.14	-0.64	0.42	-0.24
Total	19.62	0.48	20.09	33.08	0.81	33.87
				Industry		
Informal Worker	15.67	4.58	20.26	26.42	7.72	34.16
Formal Worker	0.02	0.53	0.54	0.03	0.89	0.91
Total	15.69	5.11	20.8	26.45	8.62	35.07
				Services		
Informal Worker	16.35	1.06	17.43	27.57	1.79	29.39
Formal Worker	-0.02	1.02	0.99	-0.03	1.72	1.67
Total	16.34	2.09	18.42	27.55	3.52	31.06
				Total		
Informal Worker	52.02	5.87	57.91	87.71	9.9	97.64
Formal Worker	-0.37	1.8	1.39	-0.62	3.03	2.34
Total	51.66	7.68	59.31	87.1	12.95	100

Source: NSSO 55th and 61st Round Survey on Employment-Unemployment. Computed

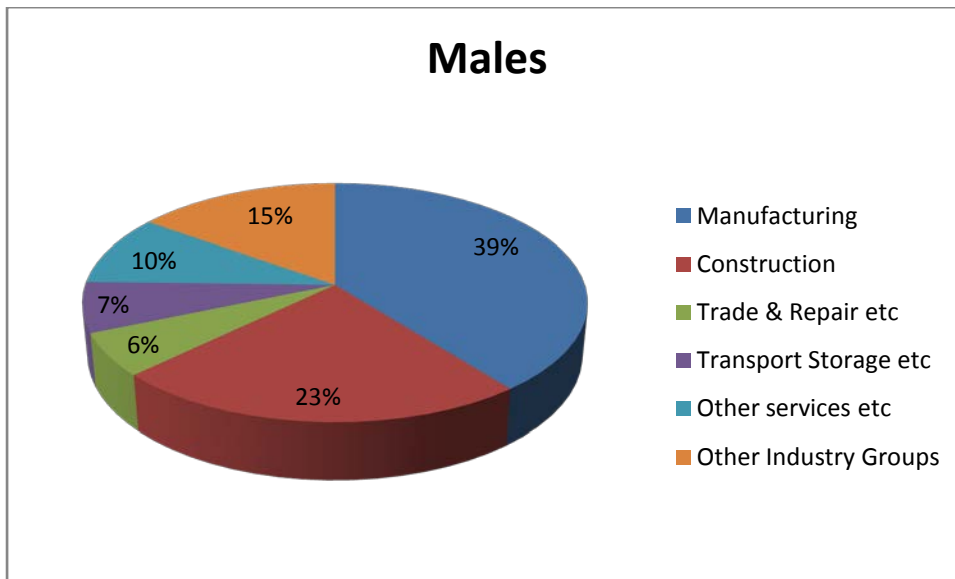
The projections of employment were made for formal and informal sectors within each industry group by using average annual changes in the percentage shares of each industry and sector between 1999-2000 and 2004-05, being revealed is the above table. The shares of informal sector employment in the Formal Sector is increasing.

This means that even with a structural transformation in employment from agriculture to non-agriculture, it will principally be a movement of informal workers from agriculture to the industrial and service sectors where they would still remain as informal workers.

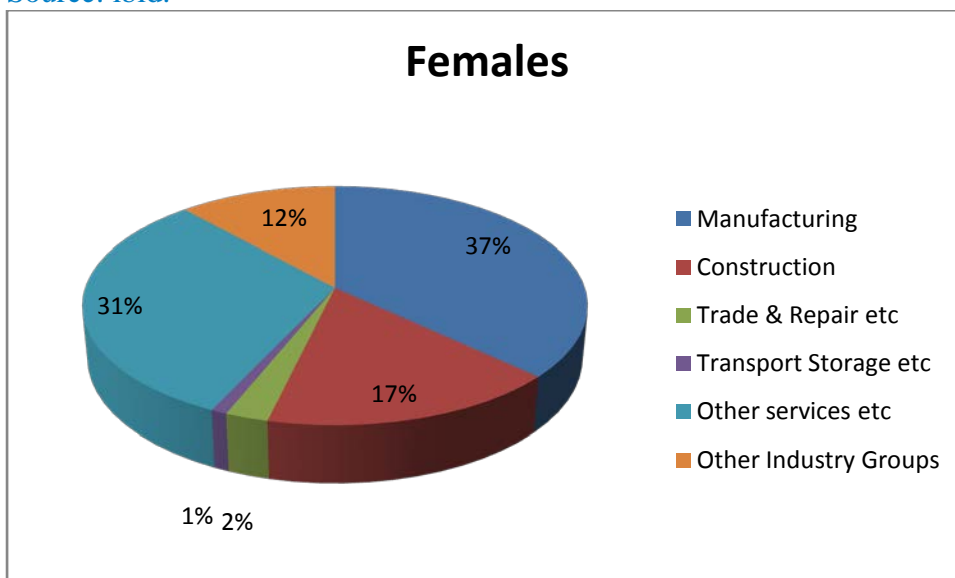
Though formal sector accounted for about 14 per cent of total employment in 1999-2000 as also in 2004-05 and the proportion slightly increased to 16 per cent in 2009-10. But more than half workers of formal sector are in 'informal' category, with no secured tenure of employment, nor any protection against the contingent risks during or after employment. The alarming situation is that their proportion has been rising: 'informally' employed workers

constituted 42 per cent of those employed in the formal sector in 1999-2000, the figure increased to 47 per cent in 2004-05 and stood at 51 per cent in 2009-10⁶.

Distribution of informal Non-agricultural Workers in formal sector across Industrial Categories by Sex (Percentage) - 2004 - 2005



Source: *ibid.*



Source: *ibid.*

From the above figure, it is clear that both males and females without social security from the employers are more concentrated in the field of manufacturing sector followed by construction industries.

CONCERNS

With globalization and development in communication systems, India is also following the International trend of flexibility, unbundling of manufacturing employment (leading to

⁶ Growth and Structure of Employment in India Long-Term and Post-Reform Performance and the Emerging Challenge, T.S. Papola Partha Pratim Sahu, March 2012

outsourcing of various services earlier enumerated in the manufacturing sector), and an expansion in other types of outsourcing and contract services. Overall, this has led to a growth in the share of employment in the informal sector in industry and services along with growth in informal employment in the Formal sector.

Now we can find many appointments are project based, hence the employment depends upon the duration of projects and the employments are time specific. It gives continuous stress and pressure to the employees to show better performance and to continue with the same project or continuation of the employment in another project. Even if we consider the case of highly paid employees but falls in the category of informal employees of formal sector always has the fear of loss of income opportunity and uncertainty always keeps haunting. They feel it is a type of hire and fire arrangements, usually hinders promotion opportunities or transfer to another position. The worst case is that it may also result in not being able to attract a loan from a bank.

It is noticed that there was no official compensation for work related injuries. Compensation was purely based on the quality of relationship between the owner and worker and that too confined only for the permanent employees. Even among the permanent workers only one-tenth had their medical bills reimbursed, and less than 4 per cent were given some cash, mainly in the computer division (Dewan 2005). No temporary workers received any medical benefits and even in the case of work related injuries taking leave implied loss of pay and often loss of job as well. The logic being that the owner could not stop production to wait for the injured worker. 52 per cent of the women and 48 per cent of the men, mainly employed for more than five years were only subscribed to the Employees State Insurance.⁷

REASONS FOR DIFFERENCE

Some of the reasons behind increase in informal employees in formal sector are:

Employer's liability schemes: Many Employers in the fear of increasing his/her liabilities avoid giving benefits to employees, which can be prevented to an extent by opting contributory social security to everyone.

Implementation Issues: The employers take the advantages of overlapping laws and lack of coordination between the government departments. They evade Governments liabilities and deprive the employees from benefits by dividing them into various types of job seekers.

Lengthy documentation procedures: Time consumption in completing the formalities of giving benefits to the employees increase the administrative and HR costs of organization which forces the employers to mould the prevailing laws.

Poor administration: Delays in documentation, duplication and defalcations due to poor administrative functions in proper facilitation of social security schemes.

Corruption: Corruption badly effect entitlement programs and social spending schemes sanctioned by the Indian government, a study conducted by Transparency International in 2005 found that more than 62% Indians had first-hand experience of paying bribes or influence peddling to get jobs done in public offices, and informal employees of formal sectors are also the victims of corruption.

⁷ Report on Conditions of Workers and Promotion of livelihood in the un-organised sector, NCEUS, 2007

SYNOPSIS OF PREVAILING SOCIAL SECURITY LAWS OF INDIA

The employer's long term goal can be accomplished by supporting employee's needs. The employers needs can be categorized as employee retention, employee attraction, cost control, increase in productivity and reduction in HR and administrative cost. Whereas employee's needs are better salary/wages, health benefits, retirement benefits, other insurance benefits (life, disability etc) along with advancement opportunities.

The equation is not balancing when we see the figures, out of an estimated work force of about 397 million only 28 million workers are having the benefits of formal social security protection. About 24 million workers were covered under various employees provident funds schemes and about 8 million workers were covered under the ESIS, in addition to about 4.5 million under the Workmen Compensation Act and about 0.5 million under the Maternity Benefit in 2000.

The major representatives of social security schemes in India are:

The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF & MP Act):

The Employees' Provident Fund Organization is a statutory body of the Government of India under the Ministry of Labour and Employment. It administers a compulsory contributory Employees Provident Fund (EPF), Employees' Pension Scheme (EPS) and Employees Deposit Linked Insurance Scheme (EDLI). It is one of the largest social security organizations in the world in terms of the number of covered beneficiaries and the volume of financial transactions undertaken.

The Employees' Provident Fund Organisation (EPFO), a statutory body established by the government of India and every establishment in India, employing 20 or more persons is required to register with the social security authorities unless they are an exempt establishment. An establishment employing less than 20 persons can voluntarily opt to register with the authorities for the welfare of its employees.

The mandatory program's under EPFO for the employees and their contribution % is given below:

- EPF (Employer: 1.67 to 3.67%; Employee: 10-12%; Government:0%)
- EPS (Employer: 8.33%; Employee: 0%; Government: 1.16%)
- EDLI (Employer: 0.5%; Employee: 0%; Government: 0%)

EPFO covers 7 million establishments with a membership of approximately 62 million workers.

Recently EPFO has also been involved actively in the implementation of international social security agreements with many other countries world wide. These agreements help Indian workers by providing exemption from social security contribution in case of posting, totalling of contribution periods, and exportability of pension in case of relocation to the home country or any third country.⁸

⁸ Second Annual Report to the People on Employment, Ministry of Labour and Employment, Government of India, 2011

More details can be obtained from the following link:

1. [Employees' Provident Fund Scheme, 1952](#)
2. [Employees' Deposit Linked Insurance Scheme, 1976](#)
3. [Employees' Pension Scheme, 1995 \(replacing the Employees' Family Pension Scheme, 1971\)](#)

The EPFO has the dual role of being the enforcement agency to oversee the implementation of the EPF& MP Act and as a service provider for the covered beneficiaries throughout the country. With the latest decision of government of linking the payment of EPF benefits to existing members with the Aadhaar card will be able to analyze some of the unsolved issues.

Employees' state Insurance Scheme of India (ESIC): ESIC is a multidimensional social system custom-made scheme to provide socio-economic protection to worker population and their dependents covered under the scheme. Besides full medical care for self and dependents, that is admissible from day one of insurable employment, the insured persons are also entitled to a variety of case benefits in times of physical distress due to sickness, temporary or permanent disablement etc. resulting in loss of earning capacity, the confinement in respect of insured women, dependents of insured persons who die in industrial accidents or because of employment injury or occupational hazard are entitled to a monthly pension called the dependents benefit.

At an average the ESI Corporation makes 4 million individual payments each year amounting to about Rs.3000 million through its wide spread network of branch Offices in the implemented areas. For availing cash benefit in different contingencies insured persons or their dependants have to complete some minimal formalities and follow certain set procedures.

Presently, nearly 14 million Insured Persons and about 56 million beneficiaries are covered under the ESIC scheme roughly about 5% of India's population. The wage ceiling for coverage under the ESI scheme has been enhanced from ` 10,000 to ` 15,000 with effect from 1 May 2010, bringing about 4.5 lakh additional employees within the social security umbrella. ESIC introduced a novel scheme of unemployment.

ESIC introduced a novel scheme of unemployment allowance (Rajiv Gandhi Shramik Kalyan Yojana) with effect from 1 April 2005 under which IPs covered under the ESIC scheme for three years or more, who lose their jobs due to closure of factory or retrenchment or permanent disability, are provided unemployment allowance in cash equal to 50 per cent of their wage up to one year. During this period, the insured person and his family are also eligible for medical care. Those insured persons who undergo training at Vocational Training Centres run by the Ministry of Labour and Employment, Govt. of India, are also paid the fee charged by the institution as well as travel expenses.

For more details : <http://esic.nic.in/coverage.htm>

Maternity Benefits: With the increase in number of women coming out for work and entering industrial and factory life was one of the earliest Conventions adopted at the first annual International Labor Conference was the Maternity Protection Convention, 1919. In India this benefit is given under the Maternity Benefit Act, 1961. Most of the employees of

Formal sector enjoy this benefit with paid leave for six months along with the coverage of maternity related hospitalization charges through ESI or private Group insurances.

Maternity Benefit under ESIC Scheme gives the following benefit to the insured women:

- Confinement-payable for a period of 12 weeks (84 days) on production of required forms.
- Miscarriage or Medical Termination of Pregnancy (MTP)-payable for 6 weeks (42 days) from the date following miscarriage-on the basis required formalities
- Sickness arising out of Pregnancy, Confinement, Premature birth-payable for a period not exceeding one month on submission of required forms
- In the event of the death of the Insured Woman during confinement leaving behind a child, Maternity Benefit is payable to her nominee on production of required forms.

Maternity benefit rate is 100% of average daily wages.

http://esic.nic.in/benefits_maternity.htm

New Pension Scheme (NPS): The Government of India has launched NPS and made it available to all citizens of India, with effect from 1st May 2009 on a voluntary basis. All new entrants to Central Government services, excepting the Armed Forces, with effect from 1st January 2004 are enrolled under this scheme. Most of the State Governments have since notified a similar pension system for their new entrants. With this common man got an entry to the system, until now the pension schemes were available to Government employees and employees of big firms who have provident fund facility. It is a defined contribution based pension scheme and differs from the existing pension scheme in the sense that existing pension fund of Government of India offers assured benefits. Apart from tax saving there is tax exemption on the contribution of both employee and employer and fund management cost is very low, which will enhance the returns. There is provision for both common man who does not have much knowledge about the market and for those who would like to take risk and invest in their interest. Employees get tax deduction on their contribution and from next financial year employers will be in a position to show their contribution as business expense generating additional tax benefits for the firm.

More details can be obtained from the below link:

www.pfrda.org.in

www.npscra.nsdl.co.in

OTHER BENEFITS

After the deregulation in 1999, the insurance industry has seen a boom in India. Now there are 24 general Insurance and 23 life insurance companies, interesting part is 22 insurers set up operations in life insurance only after the government opened up the way for private sector and 20 are joint ventures with foreign companies. 17 non-life insurers, including health insurers operating in the private sector, 16 are in collaboration with foreign partners. Thus, 36 insurance companies in the private sector are operating in collaboration with well-established foreign companies. With this rapid and significant change in the insurance sector, formal employees have started getting benefits like Group Medical Insurances, Group Personal Insurances, Group Term Life insurance, Employee deposit link insurances etc.

Group insurance policy gives the employees the advantages of standardised coverage and very competitive premium rates and only one master policy is issued for the organization. In Employer-employee groups the group insurances may be either contributory or non-contributory and there will be no limit to employer contribution.⁹ If the Employer/Manager of the group wishes to collect a service charge from the members to cover costs, he should clearly disclose it as an additional cost and not as premium, in his communication to his members". Further, any organisation / entity in its capacity as Employer / Group Manager, with whatsoever nomenclature may be, is prohibited from collecting any amount other than the insurance premium payable to the Insurers with regard to the underlying Group Insurance¹⁰. Group policies are eligible for group discount based on the size of the group. The group discount is slab-wise and increases with the size of the group. A brief introduction of various types of group insurances are given below:

Group Medical Insurance (GMI): The objective of GMI is to prevent the employees from the risk associated with Accidents or Illnesses and protect them from the ever increasing costs associated with hospitalization. GMI provides cover to all the employees of the organization in a single policy. There are several advantages over buying an individual policy, which are:-

It covers employees and their family members from hospital and medical expenditure that accompany an illness or accident. Usually family members include spouse and two dependent children and in some cases parents are also covered. Benefits of GMI:

- Cheaper than the individual Medical Insurance
- Lower Premium Costs
- Cover for all members
- Cashless Claims across Network Hospitals
- Cover From Day One of member joining the group

Group Personal Insurance (GPI): GPA insurance policy is that it provides compensation in the event of death or disability of an insured employee directly due to accident.

Contingencies covered under the scheme are:

- Death
- Loss of 2 limbs, both eyes or 1 limb & 1 eye

⁹ Guidelines on group insurance policies, July 2005

¹⁰ Clarification on Guidelines on Group Insurance Policies dated January, 2011

- Loss of 1 limb or 1 eye
- Permanent total disablement other than the above (e.g. Paralysis due to an accident)
- Permanent partial disablement (e.g. loss of a finger)
- Temporary total disablement

Above benefits are referred to as capital benefits, it is not necessary that all benefits mentioned above are to be covered. On underwriting consideration or at the request of the insured, policies may be issued covering all benefits or partial benefits or only one benefit. Employees need to refer to the policy wordings for the complete cover, exclusions and terms and conditions of the policy.

Group Term Life (GTL): GTL provides life insurance protection to the employees of the organization who are members of this scheme. GTL provides benefit to the beneficiaries if the covered individual dies during the defined covered period. Life insurance cover is allowed to all the members of a group subject to some simple insurability conditions without insisting upon any medical evidence. Scheme offers covers only on death and there is no maturity value at the end of the term. The premium is very less when compared with individual life insurance schemes.

Employee deposit link insurance (EDLI): An employer eligible under the Employee's Provident Fund and Miscellaneous Provision Act, 1952, has a statutory liability to subscribe to Employee's Deposit Linked Insurance Scheme. EDLI is an EPFO approved product that provides greater insurance benefits than the cover offered by EPFO and private insurance companies are linked to it.

EDLI enables the employers to protect their employees with life insurance cover. The employer makes a contribution from each employee's wage, towards this scheme. In the unfortunate event of the death of a member, the scheme provides a death benefit to the beneficiary. EDLI is mandatory by law, making it a statutory liability for all companies to which the Employee's Provident Fund and Miscellaneous Provision Act, 1952 applies and which have at least ten permanent employees. The scheme was introduced by the Central Government with effect from August 1, 1976.

The employer needs to contribute 0.5 per cent of the basic salary of each employee's wages towards the EDLI, subject to a maximum of Rs 6500. The employer would also need to contribute 0.01 per cent of the monthly wage towards administrative charges to the Regional Provident Fund Commissioner (RPFC).

The maximum amount payable under the Act is equal to the average balance in the previous 12 months in the PF account, where such balance is less than Rs 35,000 and if the balance is greater than Rs 35,000, the average (as stated in point (i) above) in addition to 25 per cent of the balance, subject to a maximum of Rs 60,000.

As per section 17(2A) of the Employee Provident Fund and Miscellaneous Provisions Acts 1952, the employer may be exempt from contributing to EDLI if employer is contributing to an insurance scheme, approved by the RPFC, offering better benefits in lieu of EDLI.

Regulations:

The insurance benefit payable would be the average balance in the Provident Fund of the deceased member in the previous 12 months. If this balance exceeds Rs 35,000, the insurance cover would be equal to Rs 35,000 plus 25 per cent of the amount in excess of Rs 35,000, subject to a maximum of Rs. 60,000.

Benefits*For the Employee*

- On death of the member, his beneficiary receives a higher sum assured based on the member's prevailing salary and years of service, irrespective of the actual Provident Fund Balance.
- The death benefit is free of tax in the hands of the beneficiary

For the Employer

- The settlement of claims is professionally managed and is quick and hassle free.
- The premium payable by the employer is usually less than the total contribution being paid by the employer to the Regional Provident Fund Commissioner Tax Benefits
- Premiums paid by the employer are treated as a business expense under Section 37 of the Income Tax Act

SOME OF THE OTHER SOCIAL SECURITY SCHEMES WHICH THE INFORMAL EMPLOYEES OF FORMAL SECTOR OR ANY CITIZEN OF INDIA CAN AVAIL AFTER UNDERSTANDING THE SCHEMES IN A PROPER WAY ARE :

Indira Gandhi National Old Age Pension Scheme (IGNOAPS): This is a national Old Age Pension Scheme in India launched by Ministry of Rural Development for all persons of 65 years (and above) and belonging to below the poverty line category according to the criteria prescribed by the Government of India time to time, are eligible to be a beneficiary of the scheme. The pension amount, as in Union Budget 2012-13 is INR 300 per month per person and states are supposed to contribute an equal amount vis-a-vis the scheme.

National Family Benefit Scheme (NFBS): This scheme provides a lump sum family benefit of Rs. 10000 to the bereaved household in case of death of the primary bread winner respective of the cause of death. This scheme is applicable to all the eligible persons in the age group of 18-64.

Janani Suraksha Yojana (JSY): This scheme is for safe motherhood intervention under the National Rural Health Mission (NRHM) being implemented with the objective of reducing maternal and neo-natal mortality by promoting institutional delivery among the poor pregnant women. The Scheme has contributed immensely in increasing the Institutional deliveries among the BPL, ST and SC population.

Handloom Weavers' Comprehensive Welfare Scheme: This is a Health Insurance Scheme enabling the weaver community to access the best of healthcare facilities in the country. The scheme is to cover not only the weaver but his wife and two children, to cover all pre-existing diseases as well as new diseases and keeping substantial provision for OPD. The ancillary Handlooms workers like those engaged in warping, winding, dyeing, printing, finishing, sizing, Jhala making, Jacquard cutting etc. are also eligible to be covered.
http://handlooms.nic.in/hl_sch_hwcws.pdf

Rashtriya Swasthya Bima Yojana (RSBY)

Under this scheme Government of India provide health insurance coverage to Below Poverty Line (BPL) workers and their families in the unorganized sector, which informal employees of formal sector can also avail. Coverage under this scheme is limited to five members of a family. The family should be included in the authoritative BPL list prepared by the respective state government. Proof of the eligibility of BPL house holds for the purposes of the scheme will be provided by the issuance of smart cards to all beneficiary households. Pre-existing conditions are covered from day one and there is no age limit. The enrollment of the beneficiaries will be undertaken by the insurance company selected by the State Government. The Insurer shall enroll the beneficiaries based on the soft data provided by the State Government and issue smart card. This is contributory scheme between Central Govt, State Government and a minute contribution from individual. The RSBY covers about 23 states and close to about 80 million people.

SUGGESTIONS AND RECOMMENDATIONS

Indian Government is striving hard to provide universal health coverage to the entire citizen of India¹¹, if a similar movement is taken for social security, one day or the other the entire nation can enjoy social security and there will not be any difference between sector and nature of employment.

The current situation forces India to adopt a broader concept of social security for those who are deprived. This will balance the provision of promotional and protective measures of social security. Some of the promotional social security measures in India are wages generation programmes, self-employment programmes and provision of basic needs like primary education, basic health services along with public distribution system and nutrition programmes for poor and vulnerable. On the other hand the protective social security programmes are national level and state level schemes to provide a financial cushion against contingency, sickness, accidents, old age and maturity for employees of both formal and informal sector of employees but there is no specific schemes for those who being in the organized sector and are not formal employees. Like US, if Social security schemes in India be linked with the social security programs of protecting employees through insurance and pension schemes where contribution to these institutional practice is mainly a responsibility of the individuals, the gap can be reduced, though there are some schemes but awareness is lacking. The literacy rate of India, Government should take measures to spread awareness through the advanced technology of communication, which will be cost effective in spreading various schemes beneficial both for employees and employers. Government should not only depend on government agencies but should make it compulsory to private channels of communication to telecast social messages beneficial for the citizen of India.

Technologies has improved the quality of services to a great extent, it should be strengthen further to improve handling capacity and revive delivery geometrically, like developing biometric vein detection or linking with the AAdhar for the entire social security schemes

¹¹ A Critical Assessment of the Existing Health Insurance Models in India, Socio-Economic Research, The Planning Commission of India, New Delhi, K.S. Reddy, Jan 2011

prevailing in India. If the procedural delay can be achieved by simplification of the process, it will make a difference.

Though the formal sector have their own schemes, there should be parallel Government schemes or social insurance (contributory by individuals) and the workers should have the option to be covered by either of the schemes and Government should play a more direct role to ensure that the workers get the benefits they were entitled to which can decrease the gap between informal employees and formal employees of formal sector atleast.

Apart from making different policies government should stick to couple of schemes and try to modify it and make it user friendly.

To bridge the gap of employees of formal sector with social security and without any social security by the employer can be achieved by extending application of the ESI Act all over the country to all classes of establishments through contribution or by creating a public fund by levying a cess or some other form of tax which would be available for payment of the benefit to all those need assistance, in the form of health care, housing, educational assistance for children, drinking water supply etc from this amount collected. Maternity benefit can be given to all the employees of the organised sector if it is converted into a social insurance scheme just like EDLI

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Social Transfers and Poverty: A Global Perspective

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Abstract: This study investigates an old issue that yet again has come to the fore of social policy-making and in analyses of global social development: to what extent does targeting and levels of social transfers matter for global poverty? Our analyses based on micro-level income data from Luxembourg Income Study for 38 countries indicate that levels of transfer income have greater explanatory value for cross-country differences in global poverty than the degree of low-income targeting in social protection. The main conclusion is that a one-sided focus on distributive profiles of social protection in the global social development discourse, neglecting the actual size of social transfers, may mislead policy recommendations social protection and poverty.

Keywords: Poverty, Social Policy, Redistribution, Comparative analysis,

Word count: 6202

After lingering in obscurity for decades, the role of social protection for poverty has risen on the global social development agenda. In 2009, the United Nations launched the “Social Protection Floor” initiative, promoting access to essential social services and income security for all people worldwide. In 2012, the World Bank adopted a new “Social Protection and Labor Strategy” for the coming ten years, calling for action for the advancement of social transfer programs in low- and middle-income countries. Meanwhile several developing countries have set up national programs for income redistribution, some of them part of pilot projects involving aid-funding.

Although the debate about social protection in developing countries recently has been expanded beyond the potential merits of low-income targeting, to some extent now recognizing the role of universal benefits and social insurance programs covering also informal sectors, attention is still very much focused on the distributive profile of social protection. The actual size or level of transfer income is more seldom emphasized, and often even completely ignored. Just to give one telling example, in the World Bank’s (2012) new strategy for social protection not a single section is devoted to levels of social transfers, whereas the distribution of social transfers among beneficiaries is frequently discussed. We find this one-sided focus on distributive profiles of social protection, which still is very much concentrated on effectiveness and efficiency of low-income targeting, to be somewhat disconcerting; not least given the substantial scholarship on affluent countries pointing out the relevance of more multidimensional perspectives on social protection.

The purpose of this study is to analyze the link between social protection and poverty in global perspective. As such, our analysis bridges two research traditions that too often have been separated; comparative research on welfare states in affluent countries and research on social development in low- and middle-income countries. To what extent does low-income targeting and levels of social transfers matter for global poverty? Are findings based on analysis of affluent countries still valid when the scope of investigation is widened globally? The empirical analysis is based on comparative household-level income data for 38 countries around 2005. We apply both descriptive statistics and regression techniques to evaluate the role of social protection for global poverty.

We would from the outset like to emphasize that we are not opposed to targeting in social policy reform, quite the contrary. Targeted programs can certainly help many poor families, and both means- and income-tested benefits constitute an essential element of every welfare state. Nor do we question the importance of universal benefits and social insurance for global social development. However, we believe that the discussion about possible linkages between social protection and global poverty too often has ignored levels of social transfer income. We will show the merits of a more multidimensional perspective on social protection that simultaneously integrates the distribution and level of social transfers into a single analytical framework. Our working hypothesis is that levels of transfer income are as important as the distributive profile of social transfers for cross-country differences in global poverty.

The study is outlined as follows. Next we review in closer detail the discussion about social protection and poverty in research on social development, also making reference to research on income distributions in affluent countries. In the subsequent sections we present our data and results before ending the paper with a concluding discussion.

Social Protection and Development

The debate about social protection and poverty is of old age in research on affluent countries, involving the pros and cons of different types of social transfer programs. Recently, the role of social protection for poverty has become topical also in the global social development discourse. A central part of this discussion on global social development concerns two principles in social policy reform; targeting versus universalism. In this context it is interesting to note that the universal social policies introduced in Western countries after the Second World War grew out of a social and economic critique of the malfunctioning poor laws, which were heavily targeted towards citizens at the bottom of the income distribution. It took a few more decades before comparative research on affluent countries was able to empirically demonstrate the limitations of targeting for effective poverty reduction.

In this context Korpi and Palme (1998), using comparative income distribution data from the mid-1980s, showed that redistribution was much lower in affluent countries where transfer income tended to concentrate in poorer income strata. Conversely income inequality tended to be higher in countries where the distribution of social transfers had a clear low-income

profile. In a later study, Palme (2006) demonstrated that similar results appear when shifting focus from income inequality to poverty. The evidence above suggests that targeting of social protection may not always be the best means for redistributing income and achieving low poverty levels. However, the extent to which results of this kind can be generalized globally is unclear. Meanwhile, the discussion about anti-poverty effects of targeted social transfers have recently resurfaced in research on affluent countries, where scholars are devoting increased attention to the ways in which welfare states have organized social protection for the poorest income segments, not least in the European context of austerity and policy reform (Bahle et al., 2010). Below we will briefly address some major tendencies in social protection reform in both affluent countries and developing regions, focusing also on recent findings in the poverty literature and policy recommendations of international organizations and supranational public institutions, such as the World Bank and the European Commission.

Social Protection Reform in Affluent Countries

Several affluent countries have introduced major reforms in social protection since the 1980s, and frequently changes have occurred in the downward direction due to cutbacks in entitlement levels and harsher eligibility requirements, especially in major social insurance programs (Montanari et al., 2007). Meanwhile, greater emphasis has been placed on targeted social transfers. The development of child benefits is one striking example, where several affluent countries either have replaced or complemented universal benefits with income-tested child tax credits (Ferrarini et al., 2012). Low-income targeted child benefits are also prominent in several developing countries, not least in Latin America (Esser et al., 2009).

Maybe it is too early to speak of a grand shift in redistributive priorities, away from universal policy programs and the social insurance schemes emerging with the expansion of social citizenship in the immediate post-war decades, towards more traditional forms of targeted responses to low income and poverty. Nonetheless, it is evident that means-tested benefit expenditure has increased dramatically since the 1980s. In the OECD-countries, means-tested benefit expenditure as a share of GDP almost doubled between 1980 and 2000 (Nelson, 2008). In Europe, the increase of means-tested benefit expenditure has continued after the new millennium in a number of countries; including Austria, Belgium, Denmark, Germany, Greece, Ireland, Italy, France, Luxembourg, the Netherlands, Portugal and Spain (Marx &

Nelson, 2012). The rise of targeted social transfers in affluent countries may to some extent reflect the influence of neo-liberal political ideologies in policy making and the broader trend of re-commodification in social protection reform noted above (Huber & Stephens, 2001; Castles, 2004; Swank, 2005). Other potential drivers are changing demographic patterns, such as increased lone parenthood and the return of mass-unemployment, particularly the persistently high long-term unemployment rates in many European countries reappearing after the oil-shocks of the 1970s.

The emphasis on targeted policy responses is likely to continue growing in affluent countries; not least as a consequence of the global financial crisis beginning in 2007. During periods of fiscal constraints, means-testing of benefits frequently becomes the guiding principle for social policy reform. The European development already provides several examples whereby countries have strengthened principles for targeting in social protection, *inter alia* comprising measures specifically aimed at relieving extreme levels of poverty. Quite often these policy reforms are framed in terms of improving the efficiency of social protection (Nelson, 2011). Is this trend of increased targeting in social protection worrying from the perspective of poverty alleviation in affluent countries? Needless to say, it is difficult to here provide a definite answer to this fundamental question of social policy reform. In light of previous insights concerning the redistributive mechanisms of the welfare state and cross-national patterns of poverty there are serious reasons for concern, not the least since poverty and income inequality in several affluent countries has increased parallel to welfare state reorganization (OECD, 2008).

It may be the case that the two trends of welfare state retrenchment and rising inequality are causally unrelated, and perhaps previously observed relationships between the degree of targeting in social protection and redistribution have radically changed. Kenworthy (2011), for example, has here suggested that the two central principles in the design of social protection – targeting and universalism – gradually have lost prominence in redistributive terms. Whiteford (2008) has gone further and even argues that the association between social protection and redistribution in affluent countries has been altogether reversed. In his analyses covering OECD countries, targeted programs nowadays seem to be most effective in

redistributing income and reducing income inequalities. Summing up the latter findings Kenworthy (2011: 53) noted that “...targeting may not be so bad”.

The distribution of social transfers and targeting of social protection have also been addressed by the European Union (EU), most recently by the Social Protection Committee (2011) in their assessment of the EU 2020 Growth Strategy.¹ Although the Social Protection Committee here recognizes that greater efforts are needed to increase efficiency of social protection, often by means of improved targeting of social transfers to the poor, member states are also encouraged to raise benefit levels in regions where social protection is weakly developed. This latter aspect of the EU social inclusion agenda is important since it points to a growing awareness of mere targeting of social protection being insufficient for effective poverty alleviation – the importance of benefit levels and the size of transfer income also have to be recognized in this context.

When scholars and policy-makers have shifted focus from the European context to instead evaluate strategies for poverty reduction in low- and middle-income countries, this multidimensional perspective on social protection, concerning both distribution and levels of social transfers, tends to disappear. Much of the debate about social protection and poverty in developing countries concerns principles in policy design that are related to the former dimension, that is, the distributive profile of social transfers, disregarding the importance of benefit levels and the size of transfer income for poverty reduction.

Social Protection Reform in Developing Countries

Targeting of social protection has often been the guiding principle for social reform in low- and middle-income countries, apparently influenced by the combination of dominant macro-economic doctrines and aid policies (Mkandawire, 2005). The perhaps most recognized set of programs in this context are the so-called conditional cash transfer schemes; above all highly developed in Latin American countries. Conditional cash transfers are targeted to poor households that meet certain behavioral requirements; generally related to health care or

¹ The EU 2020 Growth Strategy is the steering wheel for European economic and social integration over the period 2010-2020. It replaced the previous Lisbon Strategy, which was effective 1990-2000. The Social Protection Committee is responsible for cooperative exchange between Member States and the European Commission in areas of social protection and inclusion.

education of dependent children. The scope of conditional cash transfer programs can sometimes be substantial and one of the largest programs is found in Brazil, where the *Bolsa Família* reaches roughly 11 million households (Soares *et al.*, 2010).

The underlying economic arguments for low-income targeting in the context of social protection in low- and middle-income countries are in several ways analogous to the ideas that have guided the re-structuring of welfare states in affluent countries, focusing on fiscal constraints and assumed negative consequences on economic growth of more comprehensive social protection programs. In terms of development aid, there has also been a shift in preferences from assisting developing countries towards helping poor people in these countries directly; changes that have entailed strong emphasis on targeted social transfer programs. For many donor countries and organizations it has for political reasons become necessary to demonstrate either that aid to a high degree actually reaches the poor (i.e. that it is efficient). This exclusive focus on targeted benefit programs has now become subject to debate (Holmqvist, 2011).

The discussion about social protection and poverty in developing countries has recently been broadened beyond the potential merits of targeting; recognizing that also other principles in the design of social protection may contribute to social development in low- and middle-income countries. This broadening of the scope for social transfers is partly visible in the revised approach for social protection in developing countries recently adopted by the World Bank (2012); which for decades has been one of the main advocates of conditional cash transfer schemes and other forms of low-income targeted benefit programs. The World Bank was an important factor in the policy-making process preceding the setting up of conditional cash transfer schemes in Latin America; providing advice as well as technical and financial support, especially in the initial reform stages. The World Bank now seems to recognize that additional measures may be needed to further reduce global poverty, although there certainly already has been some progress concerning reduction of extreme poverty. Since the 1980s both the incidence and depth of poverty has been reduced in many low- and middle-income countries (Chen & Ravallion, 2008), meanwhile millions of extremely poor people have gained access to various types of targeted social transfers (Barrientos & Hulme, 2011). However, much less progress has been made in terms of reducing income inequality, which

remains stubbornly high particularly in Latin America, in part due to insufficiencies in social protection (Lopez and Perry, 2008).

In the new strategy for social protection in developing countries, the World Bank seems to have adopted a more open attitude than previously; recognizing also the role of universal policy responses in social protection and to some extent acknowledging the need for comprehensive social insurance programs. However, the leading strategy still includes strong focus on distributive profiles social protection, with less emphasis on the size of social transfers and the amount of money actually received by the poor. In fact, with the exception of a short subordinate clause in relation to old-age pensions, we do not find a single reference to either benefit rates or entitlement levels in the World Banks' recently adopted Social Protection and Labor Strategy. We believe that this general neglect of levels of transfer income is unfortunate, not least when it comes to understanding the link between social protection and poverty in global perspective.

Data and Methodological Considerations

Comparative research on income distributions is facilitated by the availability of high quality data for different countries. The Cross-National Data Center in Luxembourg (LIS) is an international research infrastructure that assembles national micro-level income datasets and harmonizes data to improve comparability between countries. Recently great efforts have been made to include low- and middle-income countries in LIS. This study includes 38 countries for which comparative micro-level income data have become available: Australia (2003), Austria (2004), Belgium (2000), Brazil (2006), Canada (2004), Colombia (2004), the Czech Republic (2004), Denmark (2004), Estonia (2004), Finland (2004), France (2004), Germany (2007), Greece (2004), Guatemala (2006), Hungary (2005), India (2004) Ireland (2004), Israel (2005), Italy (2004), Luxembourg (2004), Mexico (2004), the Netherlands (2004), Norway (2004), Peru (2004), Poland (2004), Romania (1997), Russia (2000), the Slovak Republic (1996), Slovenia (2004), South Africa (2008), South Korea (2006), Spain (2004), Sweden (2005), Switzerland (2004), Taiwan (2005), the United Kingdom (2004), the United States (2004), and Uruguay (2004). We have used data as close to 2005 as possible (observation year noted within parenthesis).

In order to analyze the role of social protection for global poverty we have constructed two indicators from LIS data; one measuring the degree of targeting in social protection and another measuring the relative size of transfer income. Included in social protection is transfer income from both public and occupational benefits, and it is not possible to separate the two income components in LIS data covering most low- and middle-income countries. The degree of targeting in social protection shows the distribution of transfers in the income distribution when households are ranked according to factor income, which includes labor income and income from capital. Here we use the common procedure in comparative research to calculate the concentration coefficient of transfer income (Korpi and Palme 1998; Kenworthy 2011). For ease of presentation, the degree of targeting in social protection is measured by multiplying the concentration coefficient of transfer income by a factor of -1.0. The degree of targeting in social protection ranges between values of -1 and +1. Positive values indicate that transfer income concentrates in the lower half of the income distribution, thus the degree of targeting in social protection is high. Negative values indicate that transfer income concentrates in the upper half of the income distribution, and consequently with lower degrees of targeting in social protection. Values close to zero suggests that transfer income is more evenly distributed across income segments. The size of transfer income is measured in relation to factor income. Household income has been standardized to reflect economies of scale according to household size using the square root equivalence scale, which nowadays is the most common used scale in comparative research on income distributions.

For poverty we use a national threshold corresponding to 60 percent of median equivalized disposable household income in total population. Poverty counts are at the individual level, although income as such is measured at the household level. People falling below the 60 percent threshold are considered to be poor, relatively speaking. This relative poverty line is commonly used by the EU to measure the share of people who are at risk of poverty. We have also used alternative poverty thresholds corresponding to 40 and 50 percent of median equivalized disposable household income, without substantial changes in main interpretations of results. Results from sensitivity analyses show that the degree of targeting in social protection is somewhat more affected by the choice of poverty thresholds than levels of transfer income. Targeting here becomes slightly more important for cross-national differences in global poverty at lower income thresholds.

Although it may be justified to use more absolute approaches to poverty measurement, especially in low-income countries, such as the World Bank \$1.00-\$2.50 a day poverty lines (Chen & Ravallion, 2008), we argue that the relative perspective on income poverty makes more sense from a global perspective when also richer countries are included in the empirical analysis.² The relative perspective on poverty is highly relevant also for many of the middle-income transition economies. In 2007, for example, Chile, Estonia, Israel, Russia and Slovenia were invited for discussions about their possible OECD-membership; and enhanced engagement was offered to Brazil, China, India and South Africa. Against the background of such transition processes it appears relevant to raise our expectations on global social development and use relative perspectives on poverty in policy analysis, thus complementing evidence from studies focusing more on absolute perspectives. In addition it should be noted that the relative poverty threshold applied in this study compares with very low incomes in the poorest countries. In India, for example, 60 percent of equivalized median disposable household income corresponds to an income level of \$1.38 per day, using the World Bank's new purchasing power parities suggested for poverty measurement in low-income countries (World Bank, 2008). This figure can be compared with the median poverty threshold for developing and transition economies corresponding to \$2.00 per day (Ravallion, 2009). Clearly, relative poverty lines of 40 and 50 percent of equivalized median disposable household income are even further below this international benchmark of more absolute poverty measurements in poorer regions of the world.

Empirical Results

As could be expected, relative income poverty differs greatly across countries in the global perspective, ranging from around a third of the population living in poverty in Peru to around a tenth in Sweden, using the 60 percent income threshold. *Figure 1a-b* shows the bivariate relationships between targeting and levels of transfer income and poverty in the 38 countries. The degree of targeting in social protection is negatively related to poverty. Thus, the more

² The distinction between absolute and relative poverty is of old age and continuously discussed. While Sen (1983) have argued that there is an absolute dimension in poverty analysis, for example, by referring to minimum levels of nutrition, shelter and clothing, Townsend (1985) has stated that in practise most definitions of poverty are socially derived, and hence absolute and relative measurements of poverty often overlap. The World Banks' \$1.00-\$2.50 a day poverty lines and the relative income thresholds used in this study are no exceptions, as illustrated below.

benefits are being concentrated in the lower half of the income distribution, the lower the poverty rate tends to be (see Figure 1a). This result lends evidence to expectations that low-income targeting of social benefits explain cross-national variations in global poverty.

It should be noted that certain countries deviate somewhat from the general pattern, including Brazil, Colombia, Estonia, Guatemala, Peru and Taiwan. The negative value on our measure of targeting shows that social protection is regressive in these countries, something that is likely to reflect the particular mix of public and occupational benefits in the context of relatively large informal economic sectors. Here, targeted benefits are provided for certain categories of the most vulnerable citizens, whereas people in the upper half of the income distribution qualify for occupational benefits of much higher quality. Although Brazil, Colombia, Estonia, Guatemala, Peru and Taiwan appear to form a distinct cluster and could be regarded as influential cases, they do not severely distort overall results. The degree of targeting in social protection is still negatively associated with poverty after exclusion of these six countries from the analysis.

[Figure 1a-b about here]

Next we turn to the relationship between levels of transfer income and poverty. Also this policy-outcome link is shown to be clearly negative. Thus, the more money being spent on social protection, the lower the poverty rate (Figure 1b). In this scatter plot, the various countries are more evenly distributed along the regression line, thus providing a better fit to the data than in the analysis of the degree of targeting in social protection in Figure 1a. However, it should be noted that we so far only have analyzed the bivariate relationships between targeting and levels of transfer income and poverty. It is here warranted to estimate the net effects of each dimension of social protection after holding the other respective factor constant. One alternative is to calculate and graph partial regressions as scatter plots, which show the relationship between a dependent and an independent variable while controlling for the effects of additional explanatory factors.

Figure 2a-b shows scatter plots with the net effects of targeting and levels of transfer income on poverty, after controlling for the remaining policy dimension.³ Since countries not only differ in the design of social protection, but also have very different degrees of economic development, it here also becomes important to control for the Gross Domestic Product (GDP).⁴ When GDP and levels of transfer income are included in the regression as confounding factors, the degree of targeting in social protection loses explanatory power in statistical terms and its overall relationship with poverty disappears (Figure 2a). The scattering of countries along the regression line is simply too great to result in a statistically significant association. Meanwhile, the negative relationship with poverty persists when we perform similar analysis for levels of transfer income (Figure 2b). Thus even after adding controls for GDP and degree of targeting in social protection, the very size of transfer income accounts for a substantial part of cross-national variation in global poverty. In sum, when we want to explain cross-country differences in global poverty, the very level of transfer income appear to be more important than the degree to which benefits are concentrated to the poor.

[Figure 2a-b about here]

The link (albeit fairly weak) between targeting and global poverty mirrors results from recent income distribution studies in affluent countries where the concentration of benefits in the income distribution no longer seems to be of such primary importance for the extent to which social protection reduces poverty. However, in terms of policy inference the strategy to measure the concentration of benefits in the income distribution is associated with certain problems. One issue concerns the potential confusion of institutional structures and social risks, rendering inferences about the policy design difficult to make. Even a universal program covering nearly every citizen may concentrate in the lower half of the income distribution simply because the benefit mainly is received by those with lower incomes. One example is Swedish sickness insurance, where earnings-related compensation is combined with nearly universal flat-rate basic benefits. Although most individuals qualify for payments, beneficiaries tend to be concentrated to the lower part of the income distribution due to higher

³ These figures are the partial regression plots regressing poverty on the distributive profiles of transfer income, the level of transfer income and GDP. The partial regression plot shows the effect of adding an additional explanatory variable to the model.

⁴ GDP is measured per capita in purchasing power adjusted \$US. This data is from the World Bank.

risks for sickness among poorer households. It could thus be problematic to out rightly translate results based on the concentration of benefits in the income distribution into relevant conclusions about policy design. An alternative approach could here be to restrict empirical analyses to population groups where risks for loss of market income are more equally distributed across income segments. An obvious candidate is here social protection and poverty among elderly citizens.

Figure 3a-b shows the net effects of targeting and levels of transfer income on poverty among the elderly population (aged 65 or older). In each regression we have included GDP and the respective confounding policy dimension in the same way as in *Figure 2a-b* above. The first obvious thing to note is that the association between targeting and poverty alters direction, going from negative in the analysis of total population above to positive when the elderly are in focus (*Figure 3a*). Thus, targeting social protection among the elderly seems to be associated with higher levels of poverty. The association is still not statistically significant by conventional standards, and the associated p-value is considerably lower than in the analysis of the total population above. However, the change of direction of this relationship between targeting and poverty is remarkable and do indeed suggest that analyzes based on the concentration of benefits in the income distribution are influenced not only by institutional structures, but also the distribution of social risks. Notable, the association between levels of transfer income and poverty among the elderly remains clearly negative and statistically significant. One interpretation of these results is that targeted responses to social protection may be counter-productive and at times even be associated with higher poverty rates, not least when social risks are more equally distributed, such as among the elderly.

[Figure 3a-b about here]

Discussion

This study has dealt with an old issue that yet again has surfaced in social policy-making and social policy analysis alike: to what extent does targeting and levels of social transfers matter for global poverty? Based on new micro-level income data from LIS for 38 countries we have been able to address this question, analyzing the relative role of these two dimensions in social protection.

The overall findings indicate that levels of transfer income are more important than the degree of targeting in social protection for cross-country differences in global poverty. Higher levels of transfer income are consistently linked to lower poverty in total population and among the elderly; also when we control for targeting and differences in economic development between countries. One conclusion is that targeting may not necessarily be the most central policy feature in the design of social protection if our aim is to achieve low poverty rates in global perspective. Another essential factor is here the very size of transfer income.

The results presented in this study provide important additional input to the global social development discourse. We firmly believe that the discussion about global poverty would benefit from more multidimensional perspectives on social transfers, where both the distribution and levels of transfer protection are taken into account. Such multidimensional accounts on social protection are now largely absent from the global social development discourse, which has tended to have a one-eyed focus on the distribution of social transfers and targeting of benefits to the poor. Targeted social transfer programs may of course be of great help for citizens who have no other means of financial support. However, in terms of explaining cross-country differences in global poverty, the degree of targeting in social protection does not seem to be the most essential factor. The chief focus on the distributive profile of social transfers among leading international organizations, such as the World Bank, may thus lead to an insufficient account of the effects of social protection on global poverty. The results presented here show that the discussion on social protection and global poverty should focus much more on levels of transfer income and thus the size of benefits that are being offered to citizens.

Hitherto, analyses on social protection and poverty in the global perspective have been carried out at the aggregate level, providing fairly rough evidence on policy structures. One of the most troubling aspects of the empirical analysis is the confusion of institutional structures and social risks, at least when inferences on policy design are at stake. In this paper we have reduced this problem by restricting parts of the analyses to the elderly population. Another strategy is to base the empirical analysis on institutional data. However, here we need to make further investments in research infrastructure and begin collecting institutional policy data

also for low- and mid-income countries. One of the chief advantages of institutional data, such as benefit replacement rates of major cash transfer schemes, is that policy indicators become separated from the distribution of social risks. By this token comparative social policy scholars will be in a better position to model distributive effects of social protection and the role of policy design for global poverty. With institutional data we would also be in a better position to evaluate hypotheses about potential trade-offs and interdependencies between targeting and universalism in the global development of social protection. Such institutionally informed analysis on poverty has recently appeared in research on affluent countries (see Nelson, 2008; Brady & Burroway, 2012).

We do not deny the great challenges of collecting institutional policy data accruing to low- and middle-income countries. When the institutional perspective on social protection is shifted from affluent countries to developing contexts, we also need to take a wider set of issues into account (Esser et al. 2009). Insufficiencies in governance structures, financing and implementation are only a few examples of policy factors that need to be analyzed. The role of informal economic sectors, agricultural structures, aid policies and local social networks are other important candidates that need to be considered (Wood & Gough, 2006). However, despite the great research challenges that lie ahead, we believe that the results from this study underscore the fruitfulness of large-scale comparative approaches to research on global social development and poverty, integrating wider cross-national contexts and separating central dimensions of social transfer programs.

In the continued efforts of strengthening research on global social development we have here showed that it is essential not to confine discussions to targeting of social transfers and the distributive profile of social protection, it may be at least equally important to consider levels of transfer income, not the least when it comes to explaining cross-national differences in global poverty.

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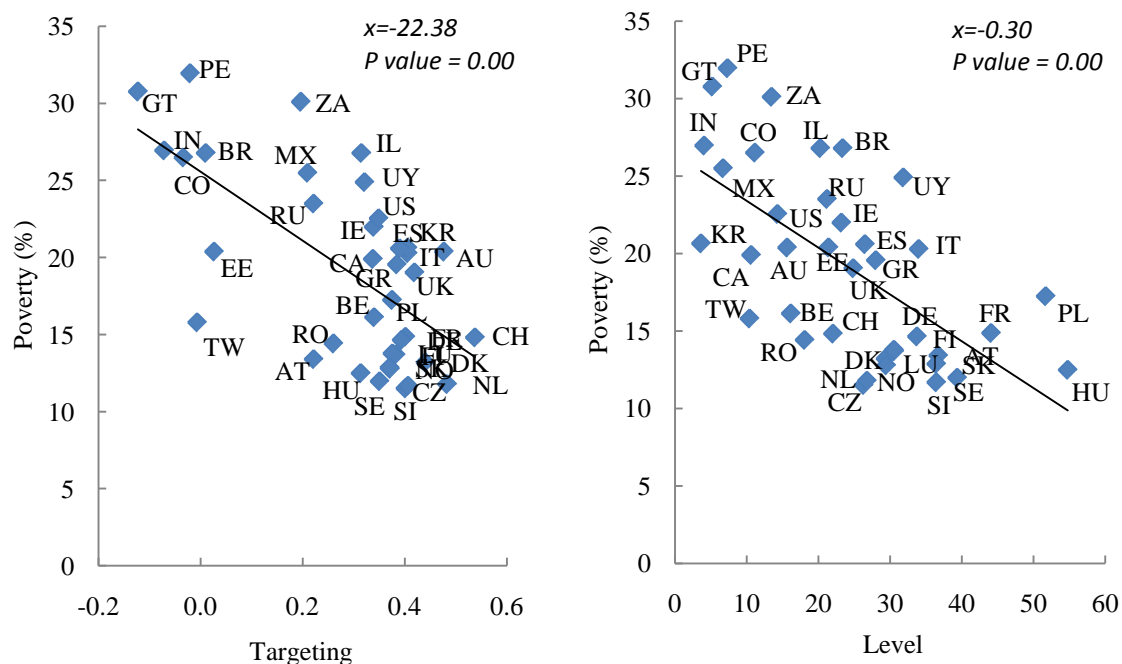
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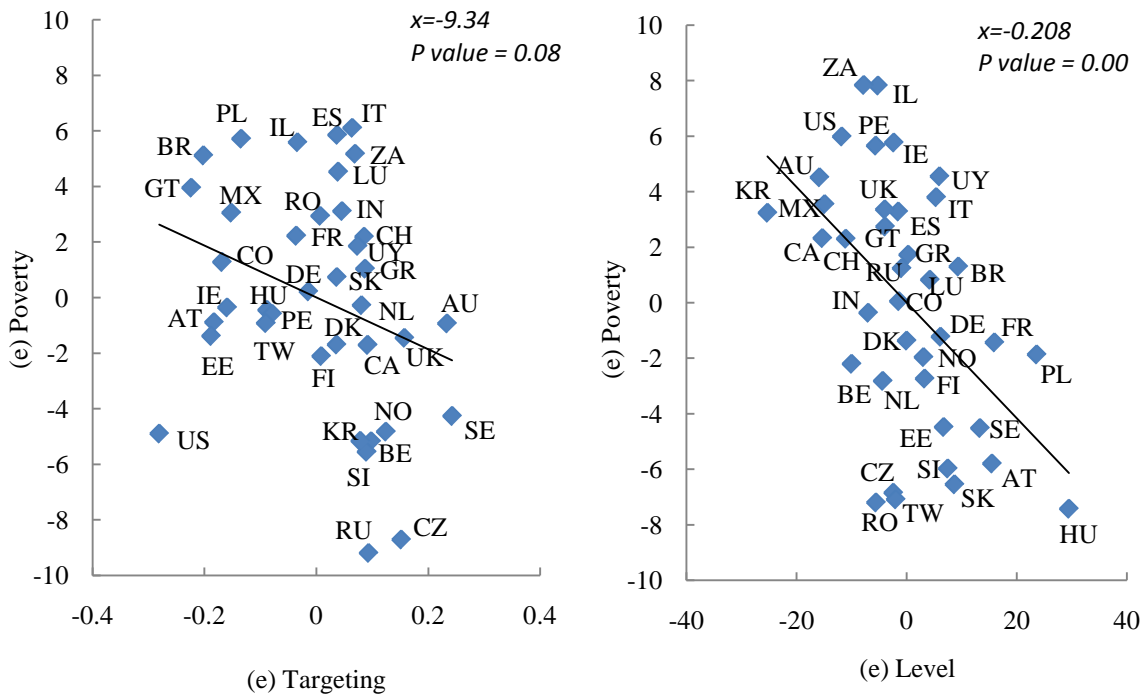
Figure 1a-b. Relative income poverty and targeting/level of transfer income in 36 countries, around 2005.



Note: Poverty limit is 60 per cent of median equivalized disposable income, Targeting of transfer income is the inverse coefficient of concentration. Level of transfer income is the size of transfer income in relation to factor income*100. Country abbreviations: Australia=AS, Austria=AT, Belgium=BE, Brazil=BR, Canada=CA, Colombia= CO, the Czech Republic= CZ, Denmark= DK, Estonia=EE, Finland=FI, France=FR, Germany=DE, Greece=GR, Guatemala=GT, Hungary= HU, India=IN, Ireland=IE, Israel=IS, Italy=IT, Luxembourg=LU, Mexico=MX, the Netherlands=NL, Norway=NO, Peru=PE, Poland=PL, Romania= RO, Russia=RU, the Slovak Republic=SK, Slovenia=SI, South Africa= ZA, South Korea= KR, Spain=ES, Sweden=SE, Switzerland=CH, Taiwan=TW, the United Kingdom=UK, the United States= US, and Uruguay=UY.

Source: Luxembourg Income Study.

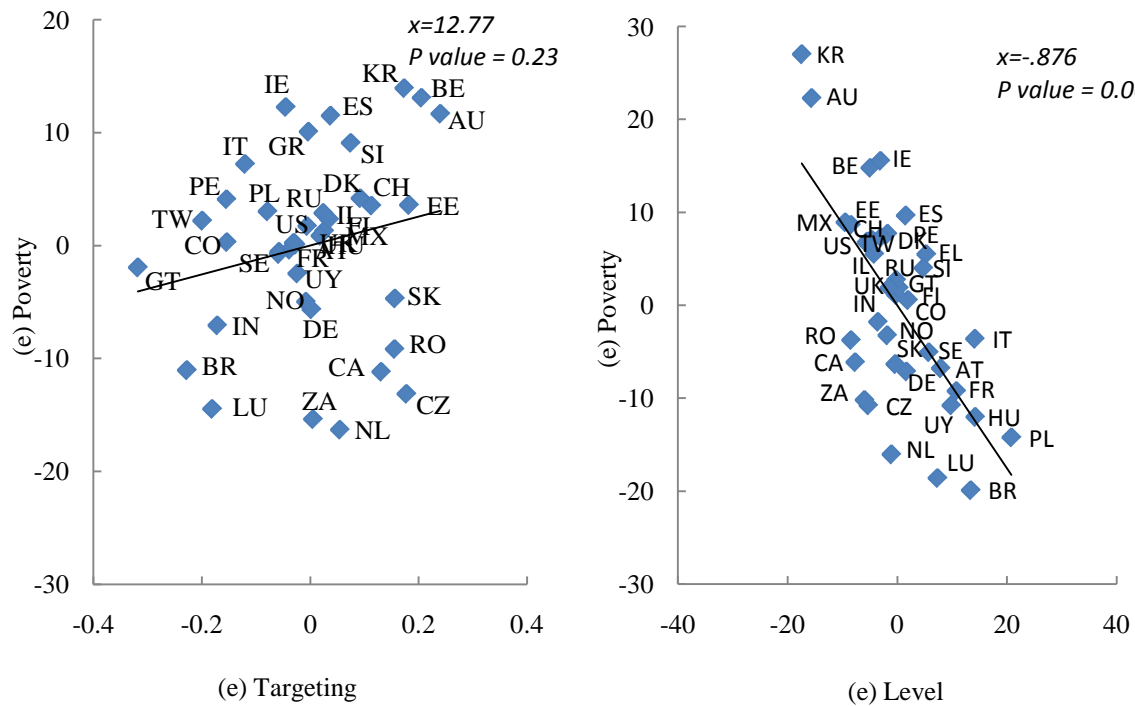
Figure 2a-b. Partial regression plots of relative income poverty on targeting and level of transfer income and GDP in 38 countries, around 2005.



Note: The Y axis shows residuals from regressing poverty against all independent variables except the targeting or level of transfer income. The X axis shows residuals from regressing targeting (or level) of transfer income against the level (or targeting) of transfer income and GDP.

Source: Luxembourg Income Study.

Figure 3a-b. Partial regression plots of relative income poverty on targeting and level of transfer income and GDP in elderly population (over 65 years) in 38 countries, around 2005.



Note: The Y axis shows residuals from regressing poverty against all independent variables except the distributive profile or level of transfer income. The X axis shows residuals from regressing targeting (or level) of transfer income against the level (or targeting) of transfer income and GDP.

Source: Luxembourg Income Study.

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TO MOVE OR NOT TO MOVE?: AN ECOLOGICAL MODEL ON INFORMAL SETTLEMENT IN THE PHILIPPINES

ABSTRACT

The plight of the informal settlers has been one of the interests of social workers and development workers since it continuously grow and develop as an issue and a problem. Factors identified in studies contributory to the plight of informal settlers are unequal distribution of resources, limited space for a fast growing population, market driven and infrastructure-concept of development, poverty, urban migration, ineffective policy implementation, and people's perceptions and attitudes on housing issues.

Given these factors, there is a need to come up with a model that will try to address the varying, multifaceted, and multilevel needs of the informal settlers. This practice model is guided by and based on the ecological approach which stresses that effective social work intervention occurs by working not only directly with clients or people but also with the economic, social, political, and cultural factors that affect their social functioning and conditions.

This practice model will first focus on a community-level intervention. Micro and macro level of practice should also be present to respond to the multilevel needs of the informal settlers and multifaceted issues surrounding homelessness.

I. Social Context

A. Homelessness in the Philippines

Urbanization has been one of the trends of change in recent years. As its definition, urbanization is the expansion of a city or metropolitan area, namely the total population or area in urban localities or areas (cities and towns), or the increase of this proportion over time. It can thus represent a *level* of urban population relative to total population of the area, or the *rate* at which the urban proportion is increasing. In terms of a place, urbanization means an increased spatial scale and/or density of settlement and/or business and other activities in the area over time. The Philippines also manifests this trend as can be proven by an abrupt increase in population in the main cities of the country especially in Metro Manila.

The growing population in the urban areas resulted to the increasing number of people living in squatter colonies as proven by a framework paper which tells that 1.4 million households lived in informal settlements (Webster, Corpuz, and Pablo, 2002). Besides their growing number¹, these informal settlers experience harsh conditions of insecure residential status, inadequate access to safe and affordable water, inadequate access to sanitation and other infrastructure (i.e., health, education, and security facilities), poor structural quality of housing, overcrowding, unemployment, and threats of catastrophes and demolitions. In figures, poverty incidence in urban population has steadily increased from 21.5% in 1997 to 24.3% in 2000 while the urban families who are living below the poverty threshold are about

¹ See Table 1 for the projected housing need in the Philippines.

1,493,826 for the same year (National Statistics Office, 2000 FIES Final Results Source of Poverty Statistics: TWG on Income Statistics). Thus, most of these informal settlers become urban poor. As of 2002, the urban poor had comprised 55 percent of the total poor population in the country. With all these conditions in the urban places, urban poverty then becomes the more glaring consequence of rapid urbanization rather than a better quality of life for the majority.

Table 1. HOUSING NEED, 2005-2010

Category	Total
Housing Backlog	984,466
❖ Doubled-up Housing	387,315
❖ Replacement/Informal Settlers	588,853
❖ Homeless	8,298
Substandard (Upgrading)	186,334
New Households	2,585,272
TOTAL	3,756,072

Source: HUDCC

Analysis on Homelessness

Varied but interrelated factors contributed to the mounting problem on homelessness. Such factors are social, political, historical, perceptive, and economic in nature.

- Unequal distribution of resources

This has been an accepted reality not only in the country but all over the world. Wealth is said to be concentrated in the hands of the few while the majority of the population has either enough or has very little or even nothing at all. This unequal distribution of resources makes it very easy for the few rich people to acquire properties such as land while the “have-nots” (as coined by the Marxists, referring to the poor) who need such assets more to improve their lives, are unlikely to acquire them.

- Urban migration

The national development strategy of the government which prioritizes urban areas in project targeting and implementation can be accounted for the notion of and the reality of more developed urban areas than the rural places. Rural places are left behind in terms of basic services and infrastructure, job opportunities, and educational facilities. This results in a fast growing urban population caused by migration from the provinces in search for better jobs, educational opportunities, and aspiring to have a better future. However, they are left to live in informal settlements where their relatives and families inhabit for years.

- Natural growth

Natural population growth also contributes to the increasing number of people in urban areas. Because of the rapid increase in population, it is oftentimes hard to improve one’s standard of living. Many informal settlers are second- or third-generation migrants. Given that impact of efforts to address the problems of

informal settlers and poverty as a whole are limited, poverty is passed on from one generation to the next, like inheritance. With this condition, the phenomenon of urban poverty in the Philippines has continued to grow at alarming proportions.

- Finite (limited) space for a fast growing population

Theoretically speaking, space is finite and does not increase in number and area. Because of a finite space in the urban areas to house a fast growing population, people have to be content living in high-risk areas under poor housing and environmental conditions.

- Market-driven & infrastructure-concept of development

Observably, urban land are used primarily to build infrastructure such as shopping malls, high-rise corporate offices, and the like, which are geared towards creating business districts within urban areas. It is also true that urban land are used to effect a better reach for the basic social services by building infrastructure like hospitals, government offices, schools, and others. While these land use strategies promote an image of development and likely to be attractive for investors for possible business and employments ventures, this also makes land prices higher. Thus, the urban population is hard up acquiring such assets where they could build their houses on. This is far worse for the urban poor who do not even have much to buy food for day-to-day survival; what more for high-priced land in the urban areas. Such land-use diminishes the social value of the land for which it was really intended, i.e., to use and live on it for the highest productivity and good or use of the majority (Phil. Constitution, Art.12, Sec.6) and not only by the high and middle-income developers, dwellers, and business sector.

- Ineffective policy implementation

An urban development and housing policy² in the country already exists that could serve as a general guide for planning and managing urban development and housing projects. But this policy has not been successful in addressing the problem of homelessness and urban poverty. Some of the reasons for the ineffective use of the existing policy are weak land inventory system which makes available land for socialized housing inadequate or problematic in terms of land ownership; poor coordination of implementing agencies; fast-tracked infrastructure projects which result in displacement of people to move to unprepared³ or incomplete relocation sites, leaving them in a more impoverished situations than their areas of origin; and lack of resources of LGUs to implement their socialized housing mandate.

- Imperfections of Shelter Initiatives

Over the years, different government and non-government initiatives were implemented to address urban poverty specifically those in the informal settlements. The projects' proponents neglected the importance of providing the people of its low-cost housing projects with livelihood opportunities to enable them to support their basic daily needs, as well as to pay the amortization for their

² See next section for a brief description of RA 7279 of the Urban Development and Housing Act of 1992 and other related policies.

³ Unprepared relocation sites would mean incomplete basic social facilities and infrastructure like water, roads, drainage, electricity, and others. This aspect would be discussed in detail in the succeeding sections.

acquired housing units. Relocation sites were far from clustered commercial areas where people could obtain employment, and lacked the basic services that would have encouraged the people to stay. In many cases, these people were forced to sell their land and houses to generate money for their daily survival, and form or join another informal settlement.

Other informal settlers, on the other hand, do not prefer housing options other than single-detached houses, inclusive of land ownership. Such other possible options⁴ include usufruct arrangement, medium-rise buildings, duplex, and the like. Having this psyche on what is an acceptable housing or security of tenure arrangement, the informal settlers are not attracted to alternative options which are short of owning the land and holding the title.

B. Resettlement in Focus

Having to occupy government infrastructures, government-owned lands, designated housing sites, areas for priority developments, and high-risk zones (i.e., railways, riverbanks, under the bridges, dumpsites, etc.), the urban poor are always subject to relocation because of proposed “development” projects of private and government organizations. Such projects result to displacement of these informal settlers which may result in loss of livelihoods and resources, and breakdown of community networks and social services which will then lead to hardship, social tensions, and impoverishment. Although other projects offer relocation sites to the affected people, most of these are incomplete with basic facilities and are often far from amenities for jobs and education. Thus, these projects often make their conditions even worse than better off.

Resettlement is just one of the processes and circumstances which are offered to the informal settlers. Other processes or programs of housing and security of tenure⁵ like Community Mortgage Program (CMP) and slum upgrading also have unique characteristics different from resettlement. Given the magnitude of impact of resettlement to the affected people and communities, resettlement process would be the focus of this model.

Resettlement versus relocation

The two concepts of resettlement and relocation are interchangeably used by implementing organizations. But based on actual experiences and looking at the terms closely enough, the two concepts are different from each other in actual implementation and in theory. The Institute for Housing and Urban Development Studies defined these two terms and from there, their difference can be pointed out. The two terms both entail removal of people to another location with provision of

⁴ These alternative arrangements do not entail transfer of land ownership or sole ownership to the land and/or structure.

⁵ CMP is a government housing program which provides long-term financing to organized communities of the landless urban poor for land acquisition and purchase, site development, and house construction and/or improvement while slum upgrading is the observance of the maximum retention policy in informal settlements and is done in communities where improvement of houses and infrastructure are needed to improve conditions of life of the community without having to move the families to other sites.

land and/or housing. Excluded in relocation is the implementation of specific actions related to settlement on the new site. Thus, resettlement entails provision of support in the new site in accord to community needs and for development and not just movement of people and structures.

II. Philosophical Considerations and legal bases

The Social work profession always believes and upholds the general principles and values such as human worth and dignity of persons, social justice and equal opportunities, self fulfillment, importance of organization/ environment that should have socially-provided devices for needs-satisfaction, process of social functioning, and principles towards relating to the client such as acceptance, participation, self-determination, individualization, confidentiality, and worker's self-awareness. These principles should also be manifested in working on resettlement to ensure welfare and development of the affected persons.

On a more specific plane related to resettlement per se, shelter is one of the basic necessities of life and all people have a right to safe, decent, affordable, quality, and permanent housing. Moreover, access to secure, safe, affordable, and appropriate housing is central to health and well-being. Housing provides the foundation from which individuals and families are linked with employment, education, health, and other services, and facilitates participation in the wider community. Moreover, all people are valuable and are capable of being valuable residents and community members. Thus in any initiative, informal settlers must be considered as partners for development along with other private and public sectors of society.

Legal Bases

To better explain and supplement the importance of the principles mentioned above, it is relevant to mention and discuss the legal foundations of housing specifically housing rights both in the international and local plane.

International scene

The right to adequate housing (as a component of the right to an adequate standard of living) is enshrined in many international human rights instruments. Most notably among these are the Universal Declaration of Human Rights (specifically in Article 25.1⁶) and the International Covenant on Economic, Social and Cultural Rights (in Article 11.1⁷). During the 1990s, the right to adequate housing gained further increasing recognition among the human rights community, and many

⁶ Article 25. 1 of the Universal Declaration of Human Rights states that "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control."

⁷ "The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent."

governments adopted or revised housing policies to include various dimensions of human rights.

The Second United Nations Conference on Human Settlements (Habitat II) in 1996 harnessed this momentum. The outcomes of the Conference, the Istanbul Declaration and the Habitat Agenda, constitutes a framework where human settlements development is linked with the process of realizing human rights in general and housing rights in particular. The Habitat Agenda, particularly in paragraph 61, clarifies actions and commitments of governments (including the Philippine government) and other stakeholders in order to promote, protect, and ensure the full and progressive realization of the right to adequate housing.

Local Arena

Our existing laws and policies provide key framework for assessing rights and setting up compensation and support for restoration and development of resettlement-affected people and communities. It is “the inherent right of every Filipino to be secure in their persons, houses, etc. as stated in the bill of rights of the Philippine Constitution (Art.3, Sec.2). Further under Art.13, Sec.9, it is indicated that “the State shall undertake a continuing program of land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas, as it promotes adequate employment opportunities to such citizens...” in accordance to these provisions, an urban land reform and housing program under the Urban Land Reform Act of 1978 (PD 1517) was implemented by the government. But the process of identifying urban land reform sites, however, was discontinued⁸ in 1989. The second initiative on legislation was the Urban Development and Housing Act of 1992 (RA 7279 or the UDHA), providing local governments and the communities more participative role in slum improvement and resettlement. It aims to facilitate access to land and housing underprivileged and homeless people and improve their housing condition. It outlines the definition of security of tenure, relevant sections on socialized housing such as the eligibility criteria for beneficiaries, allocation of 20% of subdivision area for socialized housing by developers, clear opportunities for employment & livelihood, and basic services.

III. Behavioral and Social Science Base

This practice model is guided by and based on the **ecological approach** which stresses that effective social work intervention occurs by working not only directly with clients but also with the familial, social, and cultural factors that affect their social functioning. Ecological approach considers the biological, psychological, social, economic, political, and physical aspects of the person and the environment

⁸ This is due to several issues such as the opposition of landowners, the declining effect of the law on land markets multiple ownership, land valuation problems, refusal of landowners to sell on one hand, and refusal of informal settlers to pay.

which gives a holistic view of the human behavior and how the environment affects the client's social functioning.

Thus in this particular model, assessment and intervention will move from macro to micro level of practice (from community work to groups to individual and even to a more macro level which includes advocacy, research, and planning). As one of the highlights of the ecological approach, the holistic approach is applied to address the needs of the whole person and to help clients achieve a stable housing situation. Housing need must be viewed as only one aspect of the full range of needs – both at the level of the individual, who is often experiencing a number of needs at the same time, and at the community level, to keep communities whole and avoid creating ghettos. Homelessness and housing need is often associated with other social and psychological challenges such as domestic violence, health problems, substance abuse, sexual exploitation, corruption, unemployment, and mental illness. Certain populations, such as indigenous peoples face systemic problems, well beyond the issue of income that are at the root of their heavy housing needs. To help people move to more stable housing situations, support services, therefore, have to be provided to address the full range of the individual's needs. Ideally, these services should be on site, integrated with housing services. A holistic approach also applies to raising awareness about the people's issues and building capacity of people in the community to better participate in affairs that affect their lives.

This practice framework and model on resettlement is also guided by and based on theories that are helpful in analyzing or viewing the social situation, problems, and views of the client system, which is the relocates or the displaced people or their environment to be able to formulate appropriate helping intervention. Below is a matrix of theories and their contributions to the understanding of resettlement and of the displaced persons:

Theory	Contributions/ Major Themes
Maslow's Hierarchy of Needs	<ul style="list-style-type: none"> • Shelter as one of the basic (physiological) needs of persons • Effects of such failure to fulfill this need to improving the economic and social well-being
Empowerment theory	<ul style="list-style-type: none"> • Serious social problems are best resolved with combined interventions at the individual and societal systems levels • Importance of people's awareness on their issues and acting on them to improve their lives
Feminist theory	<ul style="list-style-type: none"> • Worsening of impoverishment of women homeless or due to displacement • Needs of women are different from that of men
Crisis	<ul style="list-style-type: none"> • Homeless and displaced people encounter trauma, stress, and crisis due to insecurity, loss of lives, physical possessions, opportunities and networks due to displacement
Life cycle	<ul style="list-style-type: none"> • People at different stages of life have different housing needs and priorities
Functionalism	<ul style="list-style-type: none"> • What is home?—definitions and the function of home

Theory		Contributions/ Major Themes
		<p>within society</p> <ul style="list-style-type: none"> • Understanding the existence of homelessness as a phenomenon within the society and how society reacts to the phenomenon • Maintenance of social order and social system through shared norms and values • Homelessness as dysfunctional behavior
Structuralism		<ul style="list-style-type: none"> • How legislation, welfare state, and other organizations work to alleviate homelessness, the definition they use, and their purpose
Deviance	Functionalist	<ul style="list-style-type: none"> • How individuals become excluded from society and form subgroups with their won norms and values
	Structuralist	<ul style="list-style-type: none"> • The role of subcultures, their hierarchies
Culture		<ul style="list-style-type: none"> • Culture (norms and values) within informal settlements • Respect for cultural boundaries and traditions of other people (i.e., indigenous peoples, refugees, etc.)
Symbolic Interactionism		<ul style="list-style-type: none"> • Homeless culture and the impact of homelessness on the individual's self-perceptions • The way the individual acts, reacts, and interacts within the homeless culture and mainstream culture • The way people reintegrated in mainstream society
	Social psychology	<ul style="list-style-type: none"> • The way the norms and values of homeless culture are absorbed and transmitted • How people learn to be homeless
	Labeling theory	<ul style="list-style-type: none"> • The way people perceive themselves within mainstream society; how this contributes to social exclusion and inclusion • The way people reinvent themselves as homeless persons • The way society, public, and private sector ascribe the label homeless and its impact
	Normalisation	<ul style="list-style-type: none"> • People's ability to regulate themselves and conform to whatever the social norm is around them (homeless culture, drug culture, or mainstream society) • Resettlement process—trying to make people conform to a way of behaving and being • The medicalisation of homelessness—people need treating, making better
Constructivism		<ul style="list-style-type: none"> • The stereotypes used to describe homeless people in report and literature • Evolution of social policies for homelessness • Evolution of public perceptions of the homeless • An examination of the homeless industry • Evolution of homeless legislation
Agency		<ul style="list-style-type: none"> • How the individual acts and reacts within the society and the structures of that society
Structuration		<ul style="list-style-type: none"> • Looking at the interaction between people, society, and

Theory	Contributions/ Major Themes
	<p>structures including the way people interpret the law, the help they are offered and their position within society</p> <ul style="list-style-type: none"> • The interpretation of social exclusion and inclusion in terms of both mainstream society and homeless culture • How people use the resettlement process and succeed or fail
Risk	<ul style="list-style-type: none"> • A look at predictors and homelessness and who is in a position to spot those likely to become homeless • The obstacles and hurdles faced in resettlement and what acts as buffers to prevent repeat episodes of homelessness • The strategies used by homeless people to avoid homelessness and/or resettle after homelessness

Source: BRITISH HOMELESSNESS: THEORETICAL PERSPECTIVES, A Short Paper for the 5th Workshop of CUHP – Milan 21 – 22 April 2005

IV. Purpose of the Model

Generally, this model aims to guide all stakeholders in planning and managing resettlement projects and thus improve resettlement practices. In the long run, this model would basically promote wellness and improved quality of life of the informal settlers who are under resettlement. Specifically, this practice model is for all those who may be involved in or affected by resettlement projects. Possible users may have different ways on how this model will be of help to them.

- Implementing organizations and decision makers

This model primarily encourages the proponents of any resettlement project and their implementers to avoid relocation, and where this is not possible, try to minimize it & its effects. By providing a framework on how to manage resettlement, this model would help those involved in possible relocation to achieve a result that helps protect & develop rather than harm the affected people and communities.
- (Potential) SW theorists & practitioners

Primarily, this model introduces resettlement and the housing sector in general as a Social Work setting where interventions are needed and crucial. Thus, the model provides a resettlement process that is knowledge-, value-, and skills-based in a more generic plane.
- The affected people

This model may help raise awareness of resettlement-affected persons/communities on the proper way of dealing with them & their concerns; thus, opening venues for their involvement and participation in the whole process.

V. Components of the Practice Model

a. Historical Development

For most implementing and helping organizations of any processes of displacement, the Risk Model can be one of the many models, which provides basic framework and guidelines on how to plan resettlement and address its possible effects. The Risk Model examines risks to be avoided if people affected by projects are not to be impoverished. Among these risks are joblessness, landlessness, homelessness, marginalization, food insecurity, increased morbidity and mortality, loss of access to common property, and social disarticulation. These risks should be addressed through provision of intervention. Under this model, minimum interventions per risk are as follows:

Risks	Elements of Intervention
Access to basic social services	re-establishing access
Landlessness	compensation, land based/ non-land based resettlement
Joblessness	re-employment/ livelihood opportunities
Homelessness	house construction
Marginalization	social inclusion
Food insecurity	adequate nutrition
Increased morbidity/ mortality	improved health care
Loss of access to common property	restoration of community assets and services
Social disarticulation	rebuilding networks
Increase costs	location specific resettlement

b. An Ecological Approach to Resettlement: Process and Methods

Background

Categorically speaking, there are five areas to which a successful resettlement practice can be looked at and should be comprised of:

1. Sound policy, legal and institutional framework

Policies and legal mandates that protect the welfare of all the stakeholders especially the affected families are really needed in any project. Sound policies and procedures, on the other hand, should not be manifested in paper and documents alone but should be adopted and implemented properly by competent staff and institutions.

2. Participatory planning and management of the process

This refers to who should be involved in working out what to do, how and when, and who should be responsible for decisions and actions. This aspect will still be explained in detail in the succeeding sections.

3. Good location of the relocation

This is one of the most critical aspects because location is the key for access to income-earning opportunities and other important institutions and facilities for development.

4. Good physical development

This includes livable housing conditions and other needed infrastructure that are vital to ensure quality of life of the newly relocated families. Good development of options for physical development of the site and the houses depends very much on good understanding of the existing situation and full participation of those affected.

5. Effective socio-economic development

This includes community building and income-generating activities to stimulate and enhance sense of community in the area and income generation.

In summary, this practice model will first focus on a community-level intervention. In the linkages part of the paper, micro and macro level of practice will be highlighted.

The Helping Process

For this model to be attuned with the Social Work profession, the resettlement phases were categorized under the phases of the helping process of Social Work.

General Phases of helping process	Resettlement helping process
Assessment	<ul style="list-style-type: none"> • Information collection and analysis • Decision-making: avoid or minimize relocation
Planning	<ul style="list-style-type: none"> • Establishing Policy framework • Forming Institutional framework • Formulation of Resettlement Plan
Intervention	<ul style="list-style-type: none"> • Relocation • Settlement: Social and Economic Restoration and Development
Monitoring and Evaluation	<ul style="list-style-type: none"> • Monitoring and Evaluation
Termination	<ul style="list-style-type: none"> • Phase out

After this model has been implemented, the community of informal settlers will have improved housing conditions, security of housing tenure, better livelihood opportunities, restored social networks, managed negative feelings and experiences regarding resettlement, and are empowered and organized to participate in the resettlement process. Research, advocacy, networking and training and development will become part of the macro interventions which are also contributory to the improved conditions of the affected people.

Research	Advocacy
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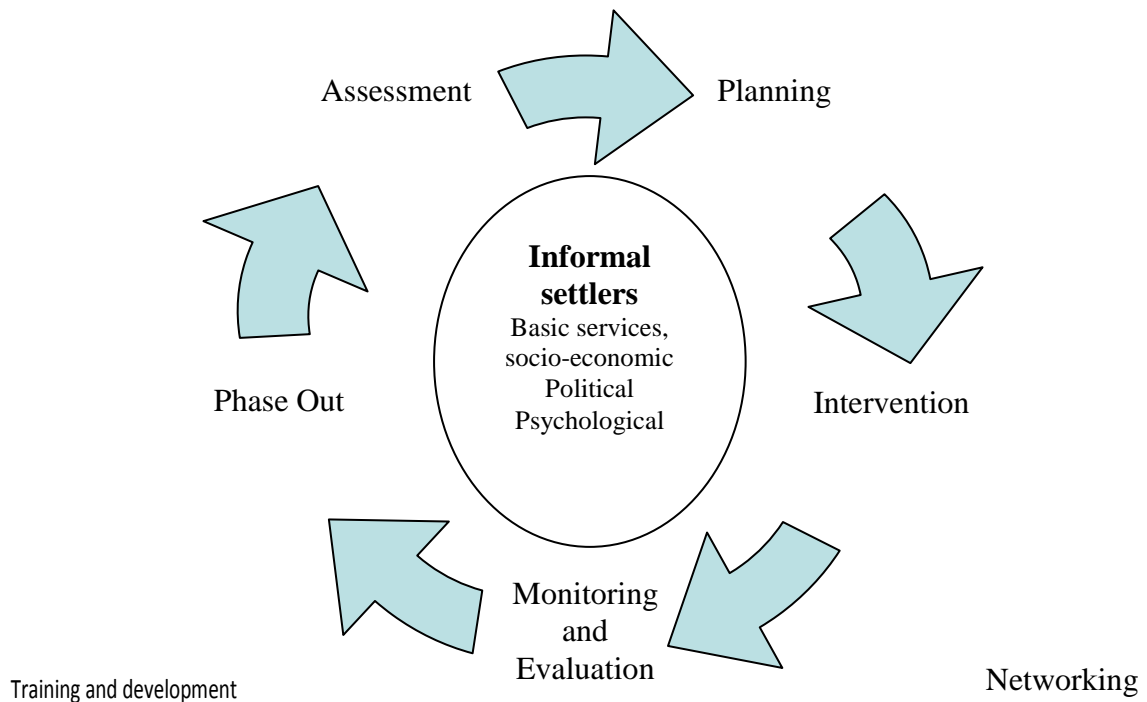


Figure 1. Ecological Social Work Model to Resettlement

The social work helping process in this model will highlight the participation of the affected people particularly the informal settlers this is why the informal settlers and their needs at different aspects and levels in the figure above are situated at the center of the helping process. Since the informal settlers will be the most affected in this issue, their participation should be the starting point for all activities which will help reduce their fear and doubt on the impact of the project and can ensure appropriateness of intervention and mitigate negative responses and reactions from the people that can delay the project. Other stakeholders in the project such as the government, receiving community leaders, leaders from the community of origin should also be involved in the whole process. For the part of the informal settlers, community organizing will be the central strategy to ensure that the community will have a venue to participate in the whole process. Formation of various committees that will involve other stakeholders can also facilitate their participation.

Affected persons should be prepared the earliest possible time to minimize risks and to facilitate smooth response to the issues at hand. Social preparation can be in the form of facilitating the conduct of information, motivation, and community relations activities, production of information materials, conduct of community assemblies and consultation meetings, orientation with leaders and affected families, and recommend appropriate relocation package and other entitlements for the affected families especially for the vulnerable groups.

A. Assessment

1. Information Collection and Analysis

Community organizing through social preparation can start in this step where community people and the social workers can share information about them and about the issue at hand. During this process, conscientization of the community members can be facilitated through the different data gathering and social preparation activities.

Potential leaders may also arise which can be a way to facilitate capability building and formalization of the organization. If a people's organization is existing in the community, this should be considered and assessed in terms of its vision-mission, perceptive in the issue, and willingness to participate.

In here, there needs to be credible and accurate data that will reflect the magnitude of the impact of the resettlement idea/proposal to the affected people and communities. Specifically, it will be able to: to identify extent of effects of land loss, to assess entitlements, and to prepare land compensation award papers; to prepare a complete inventory of affected persons and their assets as a basis for compensation; to identify non-entitled persons; to minimize impact of later influx of "outsiders" to project area; to prepare profile of the affected persons and in turn would enable to have guidelines for the preparation of a resettlement plan; to assess incomes, identify productive activities, and plan for income restoration; to develop relocation options; to develop social preparation phase for vulnerable groups; to prepare appropriate entitlement packages; and to investigate specific issues for particular groups of affected persons. These will be the data requirements needed to be able to assess and plan for intervention. These will be taken from the surveys, census, interviews, observations, and meetings.

Affected persons

- Total number of affected persons
- Demographic, education, income, and occupational profiles by sector, age group, or vulnerability cluster
- Inventory of all property and assets affected
- Socio-economic production systems and use of natural resources
- Inventory of common property resources
- Economic activities of all affected people, including vulnerable groups
- Social networks and social organization
- Cultural systems and sites

Host/ receiving area

- Map of the host communities and settlement area
- Existing population density and carrying capacity
- Demographic and socio-cultural composition
- Common property resources
- Land use patterns
- New infrastructure and development needs
- Reactions to resettlers
- Community organizations and needs
- Social network and social organizations
- Cultural systems and sites

Land and the area where they come from

- Map of the area and villages affected by land acquisition
- Total land area acquired for the project
- Land type and land use
- Ownership, tenure, and land use patterns
- Land acquisition procedures and compensation

- Existing civic facilities and infrastructure
- Non-land economic and resource systems

2. Decision: avoiding or minimizing displacement and risks

Data gathered from data collection methods will very well influence the decision if the project will be pursued or not, given the likely impact that will happen to the communities involved and the affected persons and the social costs and gains of the project and the resettlement. There are options for the decision: (1) No redevelopment and no relocation: project causing displacement is not worth the real costs of relocation; (2) Partial development, minimizing compulsory relocation: using less land, sharing the land by increasing density of use, and encouragement of voluntary relocation; (3) Relocation as close as possible to the original site: high costs for the land, lower costs for the basic services; (4) Relocation to an affordable distant site: lower costs for the land at the expense of the affected families. Stakeholders analysis and cost benefit analysis can be used to assess the situation and come up with the decision. Despite these options, government oftentimes consider relocation either near or a little distant from the original site especially when the community lives in so called danger zones or if specific plans have been made already for the development of the site. In this case, resettlement will be inevitable, but should be planned and managed well.

B. Planning

1. Resettlement plan

A resettlement plan should be able to include the following in order to address the needs of the affected people and minimize the risks of relocation: identification of alternative sites and selection; valuation of and compensation for lost assets; landownership, tenure, acquisition, and transfer; access to training, employment, and credit; shelter, infrastructure, and social services; environmental protection and management; and implementation schedule, budget, and monitoring and evaluation plan. Select suitable relocation site/s: location, quality, and land ownership issues. Promoting the participation of the affected people (especially the vulnerable groups) and host communities in decisions is crucial concerning site selection, lay-out and design of site and houses, and site development especially the basic services needed in the new site.

In specific terms, plans should be made for the following:

- Affected persons: those who stand to lose, as a consequence of the project
- Unit of Entitlement: be an individual, a household, or a community
- Loss and Eligible Impact: some losses are more visible and tangible than others
- Establishing Eligibility Criteria for Resettlement: compensation for lost assets, incomes, and livelihoods; assistance for relocation; and assistance for rehabilitation to achieve at least the same well being with the project as without it
- Valuation of Entitlements and Grievance Methods: should be at the replacement value at the least
- Compensation Options: should be offered multiple choices of packages in terms of compensation, relocation, and rehabilitation
- Income Restoration or improvement programs

a. Policy framework for advocacy

Part of the planning should include developing a policy framework at the LGU or even at the higher level of governance. Good practice requires policy support to guide the whole process. Issues to consider are protection of the urban poor weighed against the need for economic development and issues of equity where increased development value goes towards paying the costs of necessary relocation. It is important to note if existing policies are already enough to be used as policy framework for the resettlement project. Most often than not, existing laws and policies are very general that policy guidelines for specific resettlement projects are needed especially for the LGU level. It should emphasize the need, not just for compensation at replacement rates to restore lost assets, but also for measures to restore living standards and livelihoods. Policy framework should include Housing rights, Compensation of assets and rehabilitation, Applicable legal and administrative procedures, Land Titling and registration procedures, Laws and regulations relating to the responsible agencies or implementers, and Laws and regulations relating to development of new site. If the policy framework will not be finished before the actual resettlement, advocacy for such should be continued to continuously protect the affected persons and prevent further damage to other communities with similar problems.

b. Institutional framework

Very crucial to develop as well is the structure, functions, and other institutional or organizational requisites to ensure the smooth management of the relocation. Policy should be development of procedures and resource allocation, and the proper structure and resources needed to operationalize the plan.

C. Intervention

2. Relocation

Relocation or resettlement means the actual movement of people and their possessions or belongings. It is important to ensure that sites are completed with standard amenities (with completed houses, water, electricity, and other facilities) before any relocation takes place. Implementers should also assist vulnerable groups in the relocation itself. It is also necessary to ensure the availability of all required resources and necessary relocation documents. Voluntary dismantling of structures should be allowed to those willing to voluntarily dismantle their structure with assistance from implementers. Loading of housing materials/ belongings and transporting of families to the relocation site or other option destination is needed to be facilitated by the implementers. Issuance of entry passes or any identification to designated relocation site may be needed to ensure that all eligible affected persons will be protected from outsiders. The implementers need to ensure peace and order and police assistance. Monitoring and documentation will play a very crucial role in this aspect to see and document whether the plan made especially for the side of the affected persons was followed. The implementers need to coordinate with proper authority to secure the affected families in the area. The leaders of the receiving area will play a vital role here.

3. Settlement: Social and Economic restoration and improvement

Resettlement is much more than physical development. Besides houses and other physical infrastructure, socio economic aspects need to be restored or improved further after the relocation. For the social aspect, it means maintaining or establishing

community ties or social networks which was lost or hampered due to the relocation. Community (re) building is essential. There needs to have a support or to establish new community organizations if these have not been existing anymore. Per sector organizing is ideal. It can also be that the organization built during the social preparation phase can be maintained or further strengthened. These are important since POs can represent the needs and interests of the community towards authorities, and participate in decision-making, and can serve to set priorities and help channel the needs of the individual relocatees especially after the relocation. Host community has an important role in assuring that the relocatees are accepted and integrated in the new community. Maintaining ties in the new community could be done physically (by the lay-out of the site) or through community building efforts. Infrastructure such as health, schools, market, transportation, and other facilities should also be built with proper facilities and competent personnel if these are not accessible or available to the relocatees. These are aimed at answering the issues of health, education, social exclusion, and inaccessibility of basic services which form part of the conditions of the informal settlers before the relocation or worsen their condition after the relocation.

For the economic aspect, this can be in the form of short term assistance (compensation for lost assets, subsidized services, temporary employment for site development, house construction, etc.) or long term. For the long term assistance, land-based program such as providing enough land to regain or build farms and small rural businesses can be provided or the non-land based to include occupational training, employment, directed credit, small business and enterprise development and job creation at the new community. Establishing a community development fund/savings group to be controlled and administered by the relocatees can also facilitate economic restoration or improvement. Economic aspect development may require support and assistance for 3-5 years. It is good to analyze economic activities of all the affected persons (by gender, age group, education, skills, income, household size, preference, option, culture) to assess their needs prior to the relocation to better prepare this aspect to facilitate better transition. It is good if the implementers and the community could identify multiple income restoration programs through market and financial feasibility analysis. Providing relocatees access to credit can also very well help in this aspect especially for the families who need it most. The implementers should allow and give support for product marketing if appropriate w/in and outside relocation site. The implementers should also monitor and evaluate the program and provide technical assistance for support.

D. Monitoring and evaluation

Monitoring and evaluation should be done at two levels: internal and external for check and balance. Internal M and E is done by the implementers and takes place against the activities, entitlements, time frame, and budget stipulated in the Resettlement Plan. External M and E is undertaken by independent organization. Tasks of external M and E is to verify results of internal monitoring, to assess whether objectives have been met especially on social and economic development; to assess resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future project; and ascertain whether entitlements were appropriate to meeting the objectives. Potential indicators can include basic information on the affected households, restoration of living standards, restoration of livelihoods, levels of people's satisfaction, restoration/ enhancement of social network, effectiveness of

resettlement management, and environmental impact. Methods for this can be as follows: interviews, FGDs, community public meetings, structured direct observations, informal surveys/interviews, or in-depth case studies. Results of the monitoring and evaluation should be reflected on the follow up activities and program of the implementers and of the community organizations. These can be in the form of strengthened support on the existing aspects, longer assistance, support on the additional aspect or phase out.

E. Phase out

Phase out happens if after the relocation, people especially the affected families or the relocatees were able to enhance their quality of life; if people are equipped with skills on how to maintain and sustain their physical, social, and economic facilities and technology; if the community is able to address their problems; if the community is able to extend support and help to other communities who are in the same situation. Normally, turn-over occurs during this phase in which the relocation site and the whole program management are turned over to the receiving community and to the community organization.

VI. Linkages of the Model

A. Micro level

Displacement can cause not only loss of belongings but also of social network/ties/ support, dream, hope, and other aspirations. Worries, fears, and doubts (crisis/stress) are inevitable in any resettlement project especially for the vulnerable groups such as the elderly, children, women especially the pregnant, solo parents, and the like. Even functional individuals become dysfunctional during these times. These feelings of loss and loneliness are not always captured by community-level intervention; thus, the need for micro-level intervention to address such needs. Practitioners should also be vigilant in cases of abuses by ground implementers/ host communities especially to women/ children/ elderly. In this case, appropriate interventions depending on the need or problem are needed such as legal assistance, medical support, counseling, reassurance, ventilation, and other responses that will respond to the individual feelings and experiences of the informal settlers or relocatees. These interventions can be done before the resettlement to ensure that early detection and response will be provided and even after the relocation or during the settlement to facilitate smoother transition to the new community and new life.

B. Macro level

At the macro or societal level, several methods can still be done by social workers to cover other issues contributory to the resettlement as an issue. Macro level intervention also form part of the continued involvement and updating of the social workers on the said issue. Advocacy among others is very crucial. Policy advocacy needs to be done by social workers by being involved in selected mobilizations against demolitions and unlawful resettlement practices. Advocacy should also focus on the societal issues which are contributory to the issue of informal settlers such as unequal distribution of wealth, lack of jobs, governance, and the like. The policy and institutional framework that are needed to protect the informal settlers are crucial for advocacy at the local and national level especially if existing policies are not enough

or are not adopted or followed by concerned agencies. Advocacy can also be done by being proactive in promoting policies that will protect the welfare of people and being vigilant to fight against the passage of policies unfavorable to the marginalized groups. Networking/ collaborative efforts can also be done by social workers in promoting partnerships with other organizations for a stronger say in resettlement issues and for technology sharing. This can very much help in the advocacy work of the social workers.

Research can also help in terms of continuously doing data gathering of experiences, theories, and models on resettlement to draw learnings for future venture into improving the practice model and to make the model more appropriate for each community.

Training and development should also be evident through continuous study on resettlement and the practice by attending related fora, reading literature, and using other media to be able to improve the practice model for resettlement and other issues confronting the society.

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BIOGRAPHY OF THE AUTHOR

Finaflor F. Taylan is a social worker by profession in the Philippines. She is currently the Program Chair and a faculty of the Diploma/Master of Social Work Program of the University of the Philippines – Open University. She is also a member of the Board of the National Association for Social Work Education, Inc. (NASWEI), an umbrella association of social work schools and educators in the Philippines.

She is a graduate of Bachelor's degree and Masters degree in Social Work in the University of the Philippines Diliman in 2004 and 2011 respectively. Her work background includes working with urban poor, youth, children, rural poor, and persons with disabilities in both government and non government organizations in the Philippines. She has had several experiences participating in international conferences on topics related to development, social work and social change.

Currently, she is very interested in developing her competence in working with and for children towards a rights based/responsive development agenda especially in the countryside where access to services is a challenge.

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Utilization of antenatal care and delivery services in mid- and far-western Nepal

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ABSTRACT

Background

Antenatal and delivery care services are important interventions to improve maternal and neonatal health and to reduce maternal and neonatal mortality. However, utilization and coverage of these services remain poor, especially in rural and remote areas of Nepal. This study examined the characteristics associated with the utilization of antenatal and delivery care services in mid- and far-western Nepal.

Methods

This cross-sectional study examined three rural and remote districts of mid- and far-western Nepal (i.e., Kanchanpur, Dailekh and Bhajang), representing three ecological zones (southern plains [Tarai], hill, and mountain, respectively) that show low utilization of services by skilled birth attendants. We interviewed 2,481 women who had delivered a baby within the

past 12 months. Bivariate and multivariate analyses assessed the association between antenatal and delivery care visits and the women's background characteristics.

Results: Sixty-nine percent of study participants had attended at least four antenatal care visits and 48% delivered their babies with the assistance of skilled birth attendants. Women who knew the danger signs of delivery and pregnancy (e.g., premature labor, prolonged labor, breech delivery, postpartum hemorrhage, severe headache) were more likely to attend four or more antenatal care visits (odds ratio [OR] = 1.69; 95% confidence interval [CI] = 1.33-1.94) than those who lacked such knowledge. Living less than 30 minutes from a health facility associated positively with increased use of both antenatal care (OR = 1.4; 95% CI = 1.15-1.72) and skilled birth attendants' delivery services (OR = 1.2; CI = 1.05-1.54). Four or more antenatal care visits were a determining factor for the utilization of skilled birth attendants.

Conclusions

Less than half of the women in this study delivered babies with the aid of skilled birth attendants. Therefore, the rural and remote areas of Nepal should increase utilization of such services. Distance to a health facility was also a determining factor. Finally, women should know the danger signs of pregnancy and the health benefits of using skilled birth attendants.

Key words: Antenatal care, delivery care, skilled birth attendants, barrier, Nepal

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WHAT DOES COMMUNITY EMPOWERMENT CONSTITUTE

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ABSTRACT

This paper briefly examines the concept of empowerment of disadvantaged and marginalised groups before moving on to give an example of what constitutes empowerment for two communities in rural Malawi. This example was identified by these communities during focus group discussion meetings which were part of a PhD field project in 2007. Political and development contextual issues surrounding this empowerment programme are also examined. Finally, the paper argues that rather than the current approach where development practitioners, governments and non-government organisations speculate what empowerment programmes a community would need, the communities themselves should come up with what would constitute empowerment for them. These programmes would differ from community to community and even for individuals within the community.

Key Words: Community Empowerment, Poverty Eradication, Community Participation

INTRODUCTION

The theme of empowerment of the most disadvantaged groups features highly in development and poverty literature (AWID, 2002; 2003; UNDP, 2005; Cassano & Dunlop, 2005; Ife & Fiske, 2006). According to Kenny (2007:163) empowerment refers to “the ways that power relationships are changed in the interests of disadvantaged, oppressed or exploited groups”. Ife & Tesoriero, (2006:65) have pointed out that “empowerment aims to increase the power of the disadvantaged”. Different authors have argued that if poverty is going to be eradicated then the most disadvantaged groups should be empowered to determine their own future (AWID, 2003; Ultvedt, 2004; Slim, 1995). Ife & Tesoriero (2006) have taken this concept further and argued for self determination and self reliance among the disadvantaged groups.

However, there still remains an ambiguity among development researchers and practitioners as to what really constitutes empowerment of the most disadvantaged (Ife and Tesoriero, 2006). The trend has been these practitioners and researchers making suggestions as to what would constitute empowerment. This paper does not attempt to resolve these ambiguities but rather reports part of findings from a PhD research project that was conducted in rural Malawi with two disadvantaged and marginalised communities. The study used a qualitative, rights-based to participative action research to conduct six focus group discussion meetings in Kabwazi and Linthipe Extension Planning Areas (EPA) in Dedza District which is in the Central Region of Malawi. Two focus groups comprised ex-beneficiaries for an earlier poverty alleviation pilot project called Dedza Safety Nets Pilot Project (DSNPP)

implemented by Concern Universal in 2000 (Nyasulu & Kuyeli, 2002) and two groups comprised local leaders. The last two groups comprised a mixture of ex-DSNPP beneficiaries and some local leaders. These have been referred to as ‘mixed focus groups’.

Ife & Tesoriero (2006) have argued that not allowing the disadvantaged groups to be self reliant is disempowering. This view has been shared by other authors and development practitioners (Chinsinga, 2003a; Ultvedt, 2004; UNDP-HDR, 2005). This PhD project sought to give a voice to the voiceless thereby empowering them to speak for themselves. The rights-based approach as a research framework provided for this opportunity and Participatory Action Research provided the tools and platform for engaging these most disadvantaged groups. The participants in the focus group discussion meetings were recognised and treated as experts of their lived experiences and were allowed to articulate their circumstances using human rights principles (Cassano & Dunlop, 2005).

THE NOTION OF EMPOWERMENT AS SUGGESTED BY THE PARTICIPANTS

To begin with, the participants in the meetings suggested that poverty eradication programmes should comprise a set of integrated interventions. These interventions, they argued, should be a part of the wider government development strategy rather than stand alone programmes. The participants expressed their frustration with government and non-government organisations because of what they viewed as

complacency to end poverty over the past forty years of independence in Malawi. They attributed this tendency to a lack of vision and political will.

Empowerment Programmes are one of the rights-based poverty eradication interventions which the participants in the focus group discussion meetings identified. This intervention they argued would constitute several components with the purpose of empowering the rural disadvantaged and marginalised groups to take a leading role in the fight against poverty. The participants mentioned several initiatives as examples of empowerment programmes. I will now present their views in general before examining one such initiative in detail. The participants indicated that they are not interested in hand outs but rather that ‘bottle-necks’ should be removed from the development process for them to be active participants and development determinants.

For instance, a rapporteur for a subgroup in a mixed focus group discussion meeting in Kabwazi EPA said “The villagers should be empowered to articulate and originate development projects”. A female ex-DSNPP beneficiary in the meeting added “There should be committees in each village where the villagers themselves can participate in discussions on how to deal with poverty in their villages”. One local leader participating in a leader’s focus group discussion meeting in Linthipe EPA took the issue of empowerment a bit further. He proposed that “Research should be done by the villagers themselves into why poverty has not been eradicated in their communities...they should just get technical assistance on how to conduct such a research from NGOs or government”.

The participants argued that poverty has not been eradicated because of lack of participation by the poor people themselves. This position is supported in literature (AWID, 2002; 2003; Ultvedt, 2004). The participants argued that only the person living in poverty is the one who knows what poverty is all about and is therefore well equipped with the knowledge of how to get out of poverty. As exemplified by the three quotations above, the participants argued that poverty would be eradicated if the most disadvantaged and vulnerable groups are empowered with such skills as systematic poverty analysis, programme design and implementation, and monitoring and evaluation. Slim (1995) refers to this process as capacity building.

On the other hand, empowerment involves government and non-government organisations 'giving space' to the most disadvantaged and vulnerable to participate in the development process. The participants complained of government and non-government organisations' tendency to design, implement, monitor and evaluate programmes without the involvement of the primary stakeholders themselves. This tendency, they noted, takes various forms. In some instances, the government is secretive and never releases information to the primary stakeholders. In other instances the non-government organisations do not give out copies of the project proposal to the village leadership and their subjects. This affords the government and non-government organisations the opportunity to implement the programmes without being accountable to the primary stakeholders. Examples of lack of accountability which the participants gave included unfinished or substandard school buildings, project funds being diverted to other unrelated projects and drilling boreholes at an inappropriate time of the year.

Empowerment of the most disadvantaged and vulnerable groups will involve a complete shift in the development paradigm that is currently in use. The tenets of the rights-based approach place the most disadvantaged and vulnerable individuals at the centre of the development process (Ultvedt, 2004; AWID, 2002; 2003; UNDP, 2004). All development processes, the means and the ends, are about the most disadvantaged and vulnerable groups. Having explored the broader context of empowerment, I will now give an example of the initiatives which the participants mentioned that they would constitute empowerment programmes.

Programmes which Promote Access to Smallholder Farmers' Clubs and Other Beneficial Associations

As a poverty eradication initiative, a participant in an ex-DSNPP beneficiaries focus group discussion meeting in Kabwazi EPA said “ We need programmes that promote access to groups like farmers clubs and seed banks and the like....without prohibitive conditions”. In order to contextualise this statement, we will explore some information regarding farmers' clubs and seed banks. Some of the information used to build this context was obtained through a semi-structured interview with a former government employee who I have referred to as the key informant on this issue.

The Smallholder Farmers' Clubs Credit Scheme was started in 1972 by the Government of Malawi. These clubs and associations were formed to provide farmers with access to farm inputs on very affordable loan terms and better farming knowledge in order to boost their farm produce. The farmers clubs were organized in a manner that allowed no more than thirty smallholder farming households to get

together and apply for a loan from the government. The philosophy behind the scheme was that the farming households would encourage each other to work hard in their fields and at the same time help each other with loan repayments as a group. The key informant that I interviewed mentioned that there were instances where if a member of a particular farmers' club became ill, his or her compatriots would team up and help cultivate the field of their ill colleague. The support among the farming households included repaying loans for a member who was struggling financially. The informant, who has himself worked with the government for over thirty years in several positions including that of Agricultural Field Advisor (AFA), commended the programme for its great success. Indeed as a credit to this success, there was sufficient food in Malawi in the period of 1973 to 1990 (Earth trends, 2003).

During this period the government of Malawi implemented many other programmes aimed at assisting farmers. One such programme was the introduction of the Agricultural Development and Marketing Corporation (ADMARC) in 1971. This corporation was a revolving fund programme which contributed tremendously to the success of the afore mentioned farmers' clubs. It was also the main distributor of farm inputs and the central buyer of most farm produce. All loans recovered from the farmers were used to refinance the activities of ADMARC. As ADMARC was well funded from these revolving funds, it had adequate resources to give to the farmers, each according to need. The key informant indicated that each farmer was given inputs according to the size of their field. He said "Fertilizer was given in adequate amounts, most of the times the minimum was six (50 kg) bags". He also said that each farming household was encouraged to grow a cash crop along side maize which could be used to repay the loan.

The farmers' clubs were organised in such a way that each had a committee of ten members. The village headmen were not allowed to be on the committees. This was because the village headman was a witness and a guarantor for all the loans given in his or her village. The village headmen played a crucial role in loan recovery. However, under intense pressure from the World Bank and the International Monetary Fund for political and economic reforms, the then one party regime introduced the Malawi Rural Finance Company (MRFC) which was poised to take over the loan and credit facility from ADMARC. At this time ADMARC was to be privatized. ADMARC was expected to work as a viable business entity and compete with other private buyers as the markets were now liberalized. From this moment on, this loan and credit facility was no longer favourable to the smallholder farmers as it began to charge higher interest rates and reorganized every thing to work like a business. The key informant indicated that the interest rates were as high as 36%. He bemoaned the deterioration of loan conditions and the hardships that farmers faced from that point on. "Loans that were meant to improve the livelihoods of smallholder farmers ended up making them poorer with the repayments" he said.

The advent of multiparty democracy in Malawi in 1994 and the liberalization of the markets that followed was the straw that broke the camel's back. The campaigners for change persuaded the rural masses not to repay their loans which they had taken that growing season. These campaigners promised to distribute free farm inputs and that everyone would be given these free farm inputs. When these campaigners took power in 1994 they viewed this loan and credit facility as a legacy of the former one party regime. Therefore funding smallholder's farmers clubs was no longer a priority of the

new government. This saw almost all initial farmers' clubs collapse. Some non-government organisations and interested groups started forming smallholder farming associations whose agenda was no longer to foster access to farming resources but rather market alliances to increase their bargaining power in a now liberalized market economy. At the time when this research was conducted, the participants reported the existence of several farming associations whose agenda is to provide some competitive loans to smallholder farmers. However, many of the poorest farming households have no access to these loan facilities because one of the major conditions for accessing services with the new associations is the potential for repayment. Therefore the members are expected to show collateral assets before they can become members. In light of this prohibitive condition, a female ex-DSNPP beneficiary therefore advocated for "Programmes which promote access to farm input and loans without discriminating against some members of society". This brief background information provides a framework in which the participants to the focus group discussion meetings bemoaned the lack of loan facilities.

I will now discuss seed banks as another example of empowerment programmes which the participants in the focus group discussions suggested. Seed banks are community based initiatives where farmers receive high production seed from some non-government organisations and they are supposed to give say one tenth of their produce to a village seed bank as a form of repayment so that other farmers can take that seed the following growing season. This is aimed at populating the entire village with high productive seed or livestock. A subgroup's rapporteur concluded his group's discussions by saying that rights-based poverty eradication initiatives should comprise programmes that promote access to resources that would allow them to be

self reliant. He said “We need programmes that would give us a chance to access resources that we would use to develop ourselves and meet our needs in the villages”.

CONCLUSION

Empowerment of the most disadvantaged and marginalised groups is a key poverty eradication requirement. It is imperative that these groups should be empowered so that they could become masters of their own development. However, there remains an ambiguity as to what constitutes empowerment of the most disadvantaged and marginalised groups. These participants in these focus groups discussion meetings articulated what would constitute empowerment for them. They wanted programmes which would support them to access loans just like any other noble citizen. They stated in no uncertain terms that they were not interested in handouts but rather to be empowered to access loans to better themselves. It is my submission that each community and individuals in that community have a better understanding of what would constitute empowerment for them. Other than the current approach of government and non-government organisations speculating as to what empowerment programmes should be implemented in a particular community, there is a need for a true engagement with the concerned communities to come up with what would constitute empowerment for them. If poverty is going to be eradicated, then the people living in poverty must be empowered to articulate their own needs and be masters of their own development.

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