

The poverty of poverty reduction strategies

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PALASH KAMRUZZAMAN

THE predominant and prevalent discourse for poverty reduction is that the rich countries can help to lift poor people onto the bottom rung of the ladder through debt relief and/or a massive injection of aid. Those poor (countries) will then be able to climb the ladder of growth themselves, and thereby ascend out of poverty. Such a vision of economic growth is based on the notion that it is possible for all states to follow a broadly similar pattern of "development."

Consequently, there had been an abundance of policy strategies for poverty reduction for many years, for example, Heavily Indebted Poor Countries (HIPC) initiatives, Country Assistance Strategies (CAS), Structural Adjustment Programs (SAP), and Comprehensive Development Frameworks (CDF).

But the lives of poor people were unchanged. This leads to the question: why so many "well-intentioned" development initiatives have failed in the past? One reason is that those initiatives were imposed from outside, with insufficient sensitivity to local contexts.

Critics argue that these esoteric and erudite prescriptions helped to disguise the hegemonic nature of anti-poverty policies in poor countries. Experience suggests that such policies quite often fall on infertile ground. Instead of assisting people's pursuits, these policies send them off in other

directions, replacing and displacing the local effort.

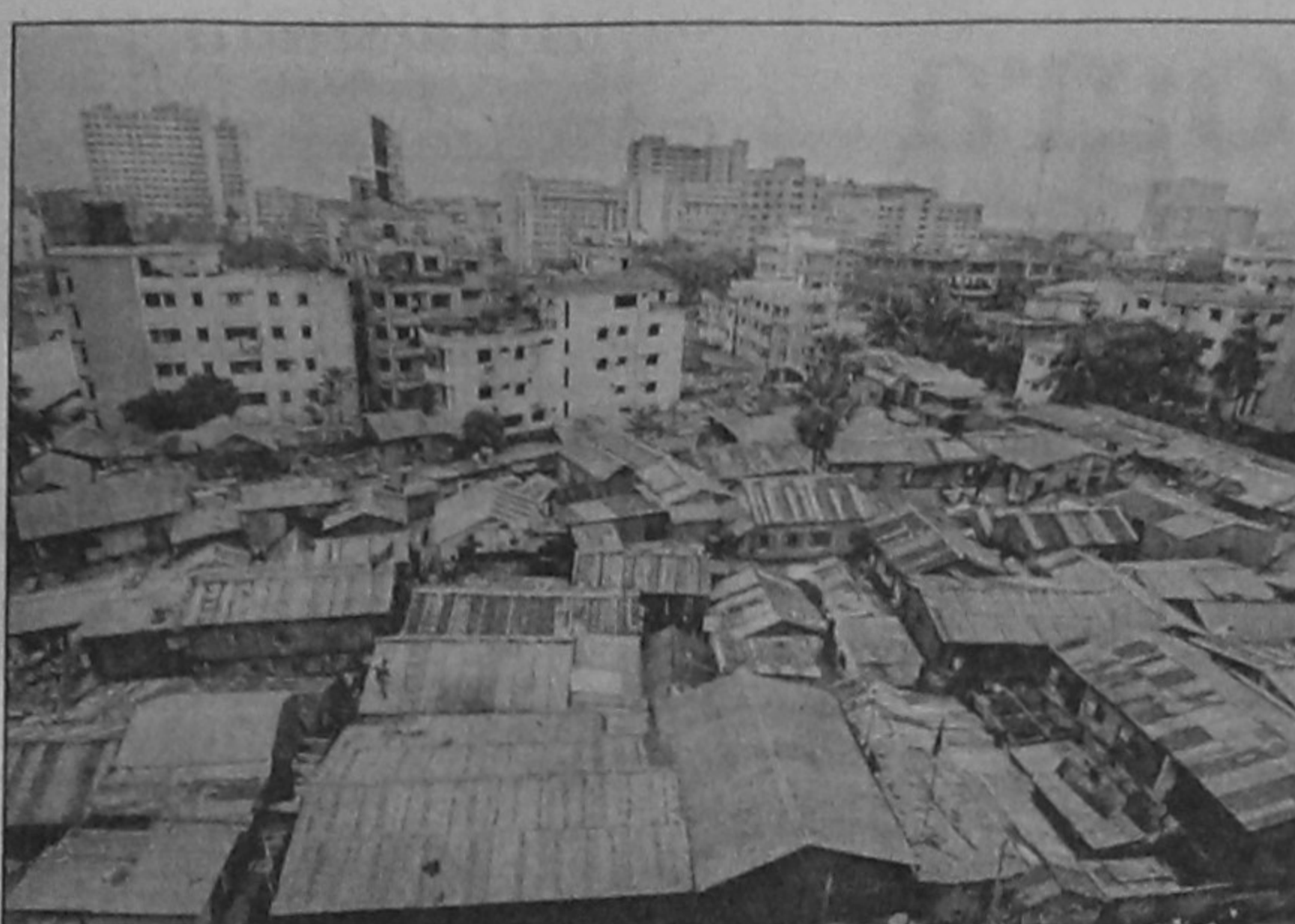
Poverty elimination of basic deprivation is not primarily a matter of mere economic growth, but of political and economic empowerment of the poor through firm commitment and uncompromising, resolved, and dedicated action on the part of political leadership. It needs to focus more on minimising inequalities than on maximising profits and inducing growth based neo-liberal economic policies.

Political leaders, seemingly, have difficulty in coming to terms with the fact that the conditions of poverty in the developing countries are a consequence of the maldistribution of power, and, therefore, require major institutional change or change in the existing political and social power structure.

However, although one size cannot be suitable for everyone, a universal framework for poverty reduction, Poverty Reduction Strategy Paper (PRSP), is now in place for poor countries.

As of May 2008, fifty-nine countries have a full PRSP, and in addition to this, Interim PRSPs (IPRSP) of nine other countries can be found in the World Bank website. There are several reasons why the national governments have "accepted" such an approach. It is primarily because of the hegemonic relationship of the governments with two leading global monetary agencies, the World Bank and IMF.

When a policy is being prepared cognate to an external framework to



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Have the lives of the poor people changed?

fulfil a condition of a lending and borrowing relationship, then the borrower tries to produce the strategy exactly in a way that will ensure the deal. This leads to the production of a policy that is distant from local and cultural contexts and closer to the lenders' prescriptions.

Nevertheless, it is probably safe to say that "poverty reduction" is an issue that will remain at the top among the research topics. Governments, the international community, IFIs, civil society, academics, consultants, researchers and NGOs are perpetually coming up with different ideas and frameworks for poverty reduction. Various targets are set and re-set, aid and other assistance are pledged for poor countries, but poverty still persists in the poor countries and even in pockets of many so called developed countries.

It seems as though poverty reduction is an insurmountable task regardless of

all national and international efforts. But is this really the case? Is poverty actually mightier than human-kind and its aspirations and dreams of a better world? Or is it that nationally and internationally "poverty reduction" is little more than a slogan and not backed up by firm commitment?

The current financial crisis has made a dramatic economic downturn in rich countries. What could be the likely impact of this crisis for developing countries? There are several dimensions. First of all, budgets for official development assistance (ODA) might be cut, as tax revenues in rich countries decline. Furthermore, there is less demand for the commodities in the West that poor countries export. The exports of emerging and developing economies are collapsing. Labour markets are also shrinking which is a terrible news for countries like Bangladesh where migrant workers

were contributing to a significant level for its forex reserve.

Initially, it appeared that developing countries would not be hit very hard by the current financial crisis because they had not invested in the highly speculative and inadequately collateralised asset-backed securities. That assumption, however, proved false.

This leads us to the question what could poor-country governments do to mitigate the crisis? The reality is there is not much they can do vis-a-vis the rich nations. They have much less fiscal scope, because they only get loans on tougher terms. Their options in monetary policy are also very limited, because relaxing interest rates has a much greater impact on their currencies' exchange rates. Their ability to act at the macro-economic level is thus limited.

At the same time, we must not forget that these countries are falling victim to a global crisis which they did not cause. Therefore, the governments of rich nations must swiftly take action to set up new procedures to resolve such problems fast and in fair terms. When we talk about "fair terms," we must not forget that, historically, poor countries are following and conforming to some global ideas. As the poor countries are often obliged to agree on global ideas to perpetrate loans and aid, this hegemonic process may then lead the ideas and frameworks to become dogmatic (which must be followed by poor countries to obtain aid) rather than to become effective.

Poverty reduction is not feasible by borrowing concepts from external sources or by foreign experts. How far an eloquently drafted policy (foisted by the IFIs and/or other international organisations) will influence national

and local development is highly dependent on the extent to which political leaderships have belief, confidence, and commitment. Otherwise, policies will be merely a superficial paper document.

The reduction of global poverty requires not only political will, but also capable states and effective actions. Adequate funding is also necessary. There was an agreement in the second UN conference on development finance in Doha to assess the financial crisis and its impact on poor countries at a UN summit at the highest political level in 2009.

This April in London, G20 leaders will face a number of major domestic and international challenges in the forthcoming summit on tackling global financial crisis, such as fiscal stimulus to boost economic demands, toxic assets of banking systems, rising unemployment and falling house prices.

Governments in Europe and the US put together packages worth several hundred billion dollars or euros to save banks and other financial institutions threatened by insolvency. Is it possible for these leaders to ponder any bailout package for the poor countries to come out of debt and reduce poverty while poor people's sufferings have intensified due to a crisis where they did not play any role.

Is it possible to think about a "new beginning" for global poverty reduction -- a synergy between contemporary knowledge of West; and hopes, desires and aspirations of poor countries in contrast to hegemonic aid/debt relationships that fetter the poor even firmer with the chain of poverty?

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Are we prepared?

We have been hearing predictions about an earthquake, without taking any precautions so far. A nine-storied building collapsed in Savar in 2005, where the rescue operation lasted more than a week. There are many illegal structures that have not followed any building code or taken measures to avoid a disaster.

MAHBUBA NASREEN

TODAY is "National Disaster Preparedness Day." Disasters such as floods, river erosion, cyclones, droughts, tornadoes, cold waves, earthquakes, drainage congestion/ water logging, arsenic contamination in ground water, land slides, salinity intrusion, fire etc. are causing severe damage to Bangladesh's economy and society. Coastal inundation and erosion, deforestation, loss of bio-diversity and agriculture, large-scale migration, etc are also big threats.

The large numbers of river tributaries, high monsoon rainfall, coastal morphology and some human activities contribute to the vulnerability, to which climate change adds a new dimension. It has been estimated that between 1991 and 2007, 95 major disasters were recorded in Bangladesh, resulting in nearly 200,000 deaths and causing an estimated \$5.9 billion in damages. The highest losses were in agriculture and the infrastructure.

Bangladesh is well-known for her disaster management ability. This is for many reasons; within South Asia Bangladesh is the first to have a separate Disaster Management Bureau (DMB); the country has a good number of institutional structures to achieve technical monitoring, capacity building, preparedness and response; the Ministry of Food and Disaster Management (MoFDM) is responsible for coordinating national disaster management efforts across all agencies.

In 2004, MoFDM launched the Comprehensive Disaster Management Program (CDMP) to expand its focus from reactive emergency response to proactive risk reduction. Bangladesh has created a simplistic model to guide disaster risk reduction and emergency response management efforts in the country.

A draft for the National Plan for Disaster Management (2007-2015) was prepared by the National Disaster Management Coordination Committee in February 2007, and is waiting for final approval from the National Disaster Management Council.

The MoFDM has taken steps to make the Disaster Management Regulatory Framework active, and is in the process of assessing disaster risk. Risk assessment processes involve stakeholders from different occupational groups, community level decision makers, GO/NGO officials at union level, and relevant government representatives from upazila level.

Based on this, a district level risk reduction action plan will be developed by CDMP under the MoFDM. It is expected that the risk assessment process will help in facing a disaster.

However, the Community Risk Assessment (CRA) does not have a template to be followed in all locations. For the analysis of the results of the disaster risk assessment, one has to wait till the information is shared at national level.

From the institutional settings and formal structure of disaster management it seems that Bangladesh is well prepared to face any kind of disaster. In reality, the

whole operation of disaster management is highly centralised. In case of emergency local committees become almost dysfunctional. The local government institutions completely depend on the decision and resources of the central disaster management authority to response to the disaster. It has been revealed from research that people's own initiatives and indigenous household level coping mechanisms, most of which are adopted by women, are also contributing to disaster management in Bangladesh.

Bangladesh's disaster preparedness is confined mostly to floods, because floods are the common most disaster and about 68% people suffer from flood problems, for which they have to be prepared. Even more than one year after cyclone Sidr, the affected people are vulnerable to many sufferings. The initiatives taken by government do not always work as expected. There are many social, economic and political factors that contribute to the challenges encountered by the country's policy.

There are other disasters too, which are not widely focused as floods or cyclone, for which we are not prepared. Arsenic contamination of ground water is still posing a threat to 80 million people. The recent fire at Bashundhara City is one of the best examples of the Bangladesh's lack of preparedness to face various kinds of disaster. It showed that the fire at BSEC building did not teach any lesson.

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Disaster management includes preparedness, participation, accountability, decentralisation, legally enforceable obligation, national co-ordination and co-operation, and international coopera-



ANMIR AHMED/DRIK NEWS

Where will she go for help?

tion and coordination. There are some challenges in achieving the disaster management goals of Bangladesh because the institutional framework of Bangladesh does not have the capacity to adopt the preparedness through participatory approach.

The development policy of the country does not emphasise the various types of disasters and severity, and applies a similar policy for all. Moreover, disaster risk and preparedness were never in the political parties' manifestos. Resource is also limited to the disaster management issues. CDMP/MoFDM's partnership with academic institutions and other non-government organisations must focus on disaster preparedness along

with other activities.

It must be mentioned here that the Bangladesh Action Plan for Climate Change (2008) has included comprehensive disaster management as one of its six pillars, and resources from a multi-donor trust fund have already been allocated. The question is how much of the resources will be expended for disaster preparedness?

In most cases, the disaster fund is used for relief distribution, which works as subsidy for a government's political stability. That should no longer be accepted as pro-active disaster preparedness and management.

Collective endeavour and multi-faceted co-operation are needed to

ensure early warning system, adequate pre-disaster preparedness, speedy post-disaster management and adequate placement of resources to mitigate the causes and consequences of a disaster. Mainstreaming of disaster risk management programming through coordination, co-operation and advocacy (partnership development) with the people, strengthening of community institutional mechanisms, expanding mitigation, and preparedness and response strategies across a broader range of disasters should be in the priority list of disaster management.

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There are two types of exerciser



WHEN it comes to exercise, you can divide people into two categories: spenders and non-spenders. The first decides he wants to get fit and applies to the World Bank for a US\$100 billion loan so he can buy vast amounts of equipment,

gym membership, designer sports shoes and hi-tech clothing.

The second just strips off his clothes and jogs out of the house. My banker friend Sze Sze Tan, a Singaporean, is the first. I am the second.

Last weekend Sze Sze and I met for a morning jog along the coastline near my apartment. Noticing the sun rising, I stripped to my ancient shorts (Jurassic era), singlet (Mesozoic era) and shoes (pre-Cambrian era), and stepped outside.

Sze Sze turned up in a taxi in a brand new skin-tight aerodynamic suit. He looked like a Marvel superhero, if you

can imagine a small, bald, Singaporean banker Marvel superhero. (No, I can't either).

His costume had strange stripes, which went from the outsides of his hips to the insides of his knees. I wondered if I should tell him that he had his "knickers in a twist." He explained: "These lines on my running gear follow the line of the iliotibial band, which are muscle fibers."

We set off, jogging along the coast. The two of us ran at the same pace, so I guess the hi-tech suit didn't make much difference.

Half an hour later, I estimated we

were halfway along the route. He replied, "Actually, we've travelled 4.9 kilometers." He explained he was carrying a global positioning device, which sent a pulse to a satellite and continuously recalculated how far we'd gone.

After another 15 minutes, I noticed he had something under his shirt. He flicked it up to reveal (above his chiseled stomach muscles) a device, which measured his heartbeat. "It tells me that at the fastest point of the run, the slope we just did, I reached 99 per cent of my recommended heart rate," he said.

I didn't explain that I have a simpler

way of finding out when I over-tax my heart. I drop dead. We continued to pound the track until we reached our destination, a distant beach.

Coming to a halt, Sze Sze checked his over-sized wrist monitor. "We ran 9.8 kilometers in one hour, six minutes," he said. He clicked through a series of graphs on the screen. "That's my heart rate. That's my running speed. That's our distance. That's my cadence, or running rhythm. That's my average stride length. That's our elevation. And that's my score on the running index."

The machinery he was wearing, he explained, would send the data to his

home computer which would analyze it for him.

On the way back, a woman jogger approached me. She pointed to her wrist monitor and said: "I can't work out how to make this thing tell me the time." I looked at how far the sun had risen. "It's about eight-thirty," I said.

Then she noticed that my wrists were bare. "Where IS your watch, anyway?" I pointed to the sun. "I keep it in the sky, where everyone can see it," I said. "It's lo-tech, but it works."

For more information on exerciser of third kind visit our columnist at www.vittachi.com