

THE HUMAN DEVELOPMENT PERSPECTIVE

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Two years ago questions like “what’s new and what’s different in poverty reduction?” would have brought a set of answers different from those that one would give today. Despite the Asian financial and economic crisis, positive new developments within the last two years suggest promising possibilities for poverty reduction and poverty elimination.

Poverty Reduction before the Asian Financial and Economic Crisis

Three new elements stand out in the approach to poverty reduction in the 1990s.

First, there was a new optimism in the mid-1990s over the prospects for rapid reduction of poverty in developing countries. The Human Development Report (HDR) for 1997, which focused on poverty, amply demonstrates this. It showed that the incidence of poverty had fallen more in the last 50 years than in the previous 500 years. Indicators of human development highlighted significant advances in most countries of the world, including countries that had experienced long periods of economic difficulty. The People’s Republic of China (PRC) and some 14 other countries, with a population totaling 1.5 billion people, had shown astonishing drops in poverty in less than 20 years. Ten more countries with almost another billion people reduced the proportion of their populations below the poverty line by a quarter or more. All this set the stage for optimism regarding prospects in the rest of the world, with many Asian countries leading the way.

Second, there was a new commitment to reducing and eventually eliminating poverty. At the World Summit for Social Development in Copenhagen in 1995—the largest meeting of heads of state ever held (117 presidents, prime ministers, and ruling monarchs), with 185 national governments represented—countries for the first time made clear commitments to eradicate poverty. This they pledged to do by setting national goals, reducing inequalities, and undertaking strategies aimed at substantially reducing overall poverty in the shortest time possible while eradicating absolute poverty by a target date to be specified by each country in its national context. Although not every country may be serious about making good its commitments, the fact that these have been made provides a focus for the Asian Development Bank (ADB), governments, nongovernment organizations (NGOs), and others to encourage and support action.

Third, a new conceptual framework emerged that defined poverty as human deprivation. This perspective has been highlighted in the HDR series, which drew on the ideas of Amartya Sen and the inspiration of HDR founder Mahbub Ul Haque. Notably, both are Asians.

Poverty Reduction after the Crisis

Two years after the mid-1997 beginning of the crisis, poverty alleviation in the region remained stalled, a contagion which has spread to other parts of the world. Some 40 percent of the world economy was now in recession. The optimism of the early 1990s had given way to deep pessimism and then cautious recovery, with countries still showing a wariness about prospects and their sustainability. These setbacks should not, however, undermine the attention to poverty; indeed, they should reinforce the resolve to tackle it forcefully.

Just as globalization has yielded painful lessons about the repercussions of financial vulnerability, it also offers new opportunities to deal with them at global and national levels. Clearly, international support is needed not only for the weak countries in Asia but also for many of the stronger ones. Recent events have shown that none are invulnerable to financial attack. The lessons of the 1990s in key areas of development indicate how much can be done when people, governments, and international agencies put their mind to it.

Accelerated Action for Poverty Reduction: Setting Goals

Experiences over the past five years, especially in the United Nations Children's Fund, have yielded several effective approaches to poverty reduction. A major one is to set goals, a vital step if all sectors of society are to mobilize around them for concrete, targeted, and achievable outcomes.

Despite all the difficulties of the 1980s, some 40 percent of the countries of the world achieved their goals in child mortality reduction. Immunization rates have risen to 80 percent in much of the developing world. Some 72 developing countries had rates double those of the United States. Similarly, polio eradication has come a long way from the days of spirited debates around whether it was at all feasible. As of today, an amazing 150 countries are polio free. Successes of this nature show that while crucial poverty issues like class and exclusion should not be side-stepped, it is also inappropriate to hold back because of them and ignore new avenues for addressing basic needs where rapid advance is possible.

Malnutrition is another case in point. In Thailand, a committed effort by the government in 1982 to reduce malnutrition, which was then affecting over half the children of the world, brought malnutrition levels down to 15 percent by 1991. The severe and moderate malnutrition that had afflicted another 15 percent was virtually abolished. In a similar vein, establishing goals for improving primary education offers hope through targeted action.

What were the secrets underlying these successful experiences? One was political commitment from many parts of society. Another was taking the decision to go to full scale instead of settling for more conventional pilot projects. Choosing low-cost approaches like clean water and oral rehydration allowed scarce financial resources to cover a much larger population than otherwise. Social mobilization at community, subregional, and national levels brought in large numbers of volunteers from all parts of society eager to help. Finally, careful monitoring fostered sustainability in providing information on whether or not the programs were fulfilling expectations.

Human Development

The human development approach to poverty parallels the approach to development. Drawing extensively on Amartya Sen's work, human development represents the process of expanding people's choices to live long, healthy, and creative lives. It is not merely about human resource investment, social-sector expenditure, basic needs, or economic growth, or even about poverty. As emerging data demonstrate, long-term patterns of economic growth do not necessarily correlate with progress in human development. Enlarging people's choices implies reinforcing human capabilities and fostering access to meaningful opportunities for exercising choice.

In 1997, Sudhir Anand and Amartya Sen helped define a multidimensional approach to poverty, which they saw as the denial of capabilities and opportunities for living a long, healthy creative life. Poverty is more than a lack of income. Overcoming it means having a decent standard of living, the respect of others, and the things that people value in life. As with human

development, the definition of poverty as a concept is much broader and more fundamental than its measurement, which cannot reflect all dimensions in a single, quantifiable indicator. Measurement dimensions include longevity, access to information and knowledge, social and political participation, and material means.

Like the Human Development Index (HDI), measurements for the human poverty index (HPI) rely on a composite index of the different dimensions of human life, with a focus on quantifiable elements such as longevity, knowledge, and a decent living standard. While the HDI measures progress in these dimensions in a country or community, the HPI measures the extent of their deprivation. The HPI is the counterpart to the Income Poverty Index in the same way that HDI is the counterpart to GNP per capita. HPI data sets exist for some 80 countries and can be readily found in the HDR. Contrast this with the dollar-a-day income-only measures that exist in about 48 countries (16 of them in Asia), according to the latest World Bank estimates.

The 1997 HDR, focusing on poverty eradication, lists six essential actions. First, empower poor people to gain greater power over their lives and resources. This is achieved by building the assets of individuals, households, and communities. The state can help by ensuring poor people's access to credit, food, education, health care, family planning, safe water, sanitation, and security of land and housing tenure. NGOs can help by advocating pro-poor governance and by organizing people to participate effectively in decisions and actions geared to acquiring assets, basic services, and a decent life.

Nutrition deserves particular mention. In the last 10-15 years, malnutrition rates have declined in all regions of the world except sub-Saharan Africa. It is important to point out that while the old arguments on why investment in nutrition is a vital part of human capital formation are still valid, new evidence reinforces strongly the crucial importance of nutrition interventions. Data from some 35 studies involving people born during the Second World War indicate that moderate or severe malnutrition in the womb or in the first two years of life has measurable effects on people's life chances in their 60s and 70s. Cancer, diabetes, and heart disease occur at significantly higher rates among older adults who suffered from malnutrition early in life. Much greater attention must be directed to the problem of malnutrition in the first two years of life and the nine months before that.

The ADB is to be congratulated on developing a major program of nutritional analysis covering seven countries of the region. PRC, India, Thailand, and others are working to identify practical actions for rapid reduction of malnutrition. Low-cost approaches must, however, contend with rising rates of obesity in middle age which, according to the World Health Organization, are reaching almost epidemic proportions.

Time limitations prevent further elaboration of the five other essential actions for poverty reduction and elimination, namely, gender equality, pro-poor growth, an active pro-poor state, equitably managed globalization, and international support for special situations (debt, AIDS, etc.) in the poorest and weakest countries. It is appropriate to conclude with the assertion that eradicating absolute poverty is a human right, a condition for global stability, an affordable goal, and a practical possibility.