
GENERAL DISCUSSION

The main points raised by participants during discussions following the main presentations, and the responses by panelists and discussants, are summarized here.

Development Refugees

“Development refugees” may result from development projects involving resettlement. ADB’s record in this regard and its policies on assisting such persons were queried. ADB’s policy since 1994 is basically to avoid resettlement if possible. If inevitable, the policy requires that compensation must be offered along with the prospect of a better life in the new sites, or at the very least, a life at the same level as in the previous site.

Economics versus Sociocultural Concerns

It is reassuring to note that economists are discussing concepts and findings about people’s behavior and values that have long been recognized by anthropologists, political scientists, sociologists, and NGOs. A broader and more holistic understanding of how and why societies operate is surely needed. At the same time, this new synergy may be cause for alarm. Noneconomic social scientists rightly fear that concepts and data representing dynamic situations of social reality may all too easily turn into the narrow economic categories of market economics at its worst and distort the validity of the sociocultural data. Two examples come to mind: social capital and the nonmarket sector.

Sociologists and anthropologists have traditionally studied the norms, reciprocal ties, and trust built up among community members that stem from and result in mutual benefits and cooperation. They have also analyzed what disrupts these systems or leads to changes in their structures. Economists have now encapsulated these concepts as social capital, a term that sits comfortably with them, but which risks transformation from a dynamic representation of complex social reality to a static economic categorization of reality.

The same goes for nonmarket institutions. If the behavior, values, social structure, and institutions of people living in communities generally outside the market mainstream are incorporated into tightly integrated economic models showing no signs of *people* in the numbers, then there is cause for worry. Dynamic concepts drawn from other disciplines cannot simply be add-ons to economic theory; rather, they need to be reconfigured in a more holistic framework that allows for specific economic and other social science analyses.

Ethnic Minorities

No discussion of poverty can be complete without considering the poorest groups worldwide. Ethnic minorities are a case in point. They are denied access to education, to employment, and to the information they need for their own development. When they do obtain these benefits, it is often at the cost of their own language and traditional cultures.

Globalization

One participant noted that globalization, rather than being neutral, appears to be undermining any real attempt at poverty alleviation. Another pointed out that it can be considered to be neutral if it is defined simply as the opening of markets. Certainly it can have negative consequences, like serious competition between differently endowed countries, or where markets are not really open, or where large numbers of the population remain marginalized. However, a distinction should be made between structures, processes, and impact for sharper analysis.

Importing New Institutions

Meriting some caution is Dr. Wallich's assertion that the entry into developing countries of new institutions brings new standards of efficiency and profitability. The exact opposite may be true. Take the Indian bank scam of 1991-1992, in which Rs60 billion disappeared into thin air. The primary initiators turned out to come from the largest transnational banks. Because an institution originates in an industrial country and operates there according to proper norms does not mean that when it moves to a developing country it will sustain those norms in the face of corrupt local practices. Privatization is a process that needs to be closely monitored, as Wallich also emphasized.

Nonmarket Institutions

Some political scientists and sociologists have implied that when the state and market fail, it is automatically assumed that civil society institutions will move in to fill the vacuum as the new "saviors of humanity." In reality, longstanding social institutions may turn out to benefit only a few groups, trapping the rest in old exclusionary structures. Unless institutions outside the state and market are carefully analyzed in terms of their capacity to optimize society as a whole, reliance on civil society to right the wrongs of state and market may only invite social disorder. Collusion between corrupt politicians and self-serving businesspersons may then get free reign and the poor become more deprived than ever.

Participation

ADB staff are encouraged to visit areas where project activities will take place and get the views of people there about proposed programs. However, this is insufficient, as people often say things to visiting strangers that do not really represent their (the people's) views. The results are nonworkable programs built around inaccurate statements. ADB is very much aware of this problem and is studying new procedures that may be instituted to ensure proper participation of affected people, as partners rather than beneficiaries, in the early stages of project design.

Pro-Poor Growth and Environmental Concerns

Another contradiction appears in pro-poor growth and people as managers of their natural resource base. If fast growth is a priority, how can it be integrated with people-centered initiatives at the community level? In this regard, it was stated that the links between people managing the environmental resource base and poverty were established over a decade ago. In the communal management of local common property resources, there have been many failures as well as notable successes. Communities have allocated benefits and burdens and have managed their systems reasonably well through internal understandings and sanctions for erring members with no involvement of third-party, nonmarket legal institutions.

Recognizing the fragile nature of these nonmarket arrangements, analysts try to ascertain the impact on them of alternative institutions developing outside the community. Roads may attract the better-off people to migrate, thereby unraveling certain implicit agreements that had sustained them in their communities over hundreds of years. Nepal irrigation systems, for example, have existed for about 1,000 years. But even there, the poor are being hurt more and more as their resource base is denuded. It may become very reasonable to tax ourselves on the basis of environmental resource consumption in future, an option that needs serious consideration.

Redistribution of Wealth

Social development through investments in education, health, and nutrition represent gradual encroachments on concentrations of power and wealth. Although they take time before they show results, they offer sustainable ways of reducing poverty. Thus, social development policies are crucial to poverty alleviation.

Religious Globalization

In all the discussions of globalization, there is one form rarely mentioned: religion. To what extent did the spread of religions across the globe contribute to poverty? Religion needs to be studied as a social force in itself and not be disguised under the category of ethnic groups. It was pointed out that globalization is certainly often driven by fundamentalism: an economic fundamentalism that does not admit many doubts. A process of globalization that is more sensitive to human needs must start with different values and take a long view.

Simple Steps to Alleviate Poverty

While comprehensive frameworks and improved coordination among national and international development programs provide an important basis for poverty reduction, this optimal framework need not be in place before taking action as Dr. Ariyaratne has clearly demonstrated. The Grameen Bank in Bangladesh is another example of an institution that has reinforced people's sense of empowerment. Mr. Hernando de Soto of Peru has shown in a number of countries that by turning over land titles to the poor people occupying the land, the new owners quickly transform their assets into multiple benefits and an expanding economy. These are only a few of the measures that do not cost much but that enable huge numbers of people to obtain a new lease on life.

Finally, a panelist commented on an interesting point that came out strongly. How do we listen more to poor people? How do decision makers in ADB or other international organizations find opportunities to meet seriously with poor people? At one time, the United Nations Children's Fund was considering requiring all staff members to spend several days living in a village or a slum. The United Nations Development Programme under Robert Chambers set up a training program in India in which international staff could spend several days in a village, with the villagers being the experts and the internationals the students. We need more such initiatives.