



Fighting Poverty in the 'Forgotten' Corner of the Region

By Jet Damazo

OVER THE past few years, the National Poverty Reduction Strategy Fund (NPRS) and the Poverty Reduction Cooperation Fund (PRF) have financed three technical assistance (TA) grants* to analyze poverty and support the development of national poverty reduction strategies in countries in the Pacific region.

In this interview, Stephen Pollard, an ADB economist who has been working in the Pacific Islands for over 23 years (10 years with ADB), tells us how these projects fared, what lessons were learned from the work, and how poverty reduction should involve, first and foremost, the poor.

Q: What is the story behind all these TAs?

At the turn of the millennium, there was a lot of discussion in ADB and in development more generally about poverty. And then we turned to the supposedly idyllic Pacific Islands and asked, "...but is poverty an issue there?"

On return to the Pacific from a brief sojourn with the Strategy and Policy Department Poverty Unit, I took over a couple of TA projects that sought to analyze poverty in the Pacific, mostly in quantitative terms. The NPRS-PRF then funded additional technical assistance that allowed us to significantly expand both country coverage and our approach to better understanding poverty, to include participatory assessments; that is to bring the voices of the poor to our understanding of poverty in our region.

These studies eventually became a series of poverty assessments in the Pacific, which in turn became known as the "Priorities of the Poor". They look at poverty country by country, through quantitative and qualitative measurements. The studies were very beneficial in that they didn't just consult statisticians, economists and government officials but they really took the issues to the people, to the poor, to see what was actually going on.

* TA 6245- SubREG: Strengthening pro-poor policies in the Pacific (ongoing) - \$925,000 – PRF; TA 6047- SubREG: National poverty reduction strategies in Pacific DMCs (completed, forerunner to TA 6245) - \$500,000 - NPRS; TA 6061-SubREG: Pacific Fund for strategic poverty analysis (completed) - \$50,000 - PRF.

Q: Is there poverty in the Pacific?

There's so much talk about dynamism in the Asia-Pacific region, but this is not the case in the Pacific. The Pacific region is failing. You have increasing unemployment, most especially increasing youth unemployment, HIV/AIDS, and expanding urban squatter settlements. We have new or increased social concerns that were little known of a decade or so ago. Last year there were riots in Tonga, another coup in Fiji that followed earlier disturbances in the Solomon Islands and Papua New Guinea. These social disturbances are at the tail-end of failing social systems that in turn result from failing economies and failing government.

To put this in some perspective, we also have to remember that independence came relatively late to many of these island nations. Also, they are very much isolated from the rest of the world, not just in miles but also in terms of exposure and experience. They are often very small islands with very small populations, and so you can understand how they are quite closely-knit and clannish. These factors affect the whole process of State formation and democratization, which is well behind that of parts of Asia.

Q: How did the governments and the people of the Pacific react to the TAs/studies?

At the time that we commenced this work the concept of poverty, or hardship as islanders commonly prefer to call it, was still a very new concept to the Pacific. Region-wide mutually-supportive traditions and cultures, supporting extended families, villages and islands could not accept that poverty and hardship could exist. Although the ADB has now carried out extensive work on better understanding and examining how to better deal with poverty, many in the islands' leadership, in government, and even some in civil society still find it difficult to accept that hardship, or poverty, is both significant and increasing.

So for us to say, "look at poverty", was, and perhaps still is, very thought-provoking. In the Pacific sense of relationships, it can also be quite an embarrassment for the leadership to be questioned in terms of the development directions of their nations. At the same time, it has also been a challenge to ADB to raise such issues and to question.

Q: What did you learn about poverty in the Pacific?

We found the stories of poverty or hardship to be so consistent. First, poverty or hardship is an issue. Secondly, there's an issue of equality, or rather substantial and increasing inequality. The studies established consistent priorities in each of the countries. First, people say they want jobs or other means to attain an income. Second, they want access to certain basic social services, like education and healthcare. And third, the people of the Pacific say that worsening governance, and in some instances even corruption is an issue. Fundamentally, this amounts to a demand for the formation of a modern, efficient and effective State.

And we are continuing to learn how to help alleviate poverty; most especially how social organization and the political economy can hold back any support for change. This has led us to understand the importance of much more extensive consultation and

participation in development efforts to help generate the demand for improved governance.

Q: What were the outcomes of the TAs?

The overall goal was to influence future policies and strategies, and the TAs achieved this. They helped both the Pacific and the ADB to better understand poverty and hardship in the region, to prioritize needs, to further interpret what we now call the “binding constraints” to growth and development, and to otherwise assess the means if not answers to reducing poverty. And these results have been fully reflected in ADB’s development strategies, both for the region as well as for each country. The priorities of the poor became the priorities for the current ADB Pacific strategy.

The results of the qualitative participatory poverty assessments provided a highly effective complement to the more quantitative analyses of poverty and hardship and the assessments of government policies and strategies. These assessments, together with subsequent workshops in each country, helped create ownership and commitment to the new understandings of poverty. They helped raise attention to the need for policies and strategies required to reduce poverty, and also helped to clearly prioritize the needs of the poor within each country.

The TAs have also had quite an impact on the way in which ADB is now working in the islands. The participatory processes that helped us to better understand poverty continue to be used to strengthen a participatory formulation and now implementation of country strategies and programs. This increased attention to greater consultation and participation has led to increased policy dialogue and some improvements in governance in some islands. I see this as essential to the implementation of ADB’s new strategy for Weakly Performing Countries. I think PARD has proven how the ADB can implement this new Strategy.

Q: What did these TAs show about the development process?

In 2005 in one of the island nations, we saw the President, all his cabinet members and senior executives meet with their people to prioritize national development needs. This process was greatly strengthened by participatory processes financed by ADB and AusAID. In fact, at the formal end of the process, hundreds of people showed up and they couldn’t all get inside the room. For me, this has all been very rewarding. It’s the beginning of strengthening transparency and accountability, softening pent up frustrations, and helping to form stronger States. This is also the beginning of helping the people to better understand the principles of what works in development. That’s where development should be at in the Pacific.

We have learnt that we cannot solely concentrate on the supply of perfected investments, on the supply of finance and technology, at least not in the weakly performing states of the small populations of the Pacific. Where the State is weak, country strategy and investment program formulation will also most likely be weak, most especially in terms of how people have been involved. Some countries have started to correct these weaknesses and ADB can help.

As an example, in another TA funded by the PRF[†], ADB is helping the people and government to formulate an answer to what was previously believed to be an impossible problem of how to better manage solid waste in the urban atolls of the Marshall Islands. Solid waste in an urban atoll is such a difficult yet important issue. Atolls have very fragile ecosystems. Previous development efforts consistently focused on the supply side, on relatively easy solutions of how to provide ready answers: “We have an incinerator. We don’t use it anymore. You guys want to use it?” But this kind of approach completely removes ownership and responsibility from the creators of waste. So we have sought to address the issue from a people perspective using participatory methods. Such an alternative, demand-based approach is not likely to be easy. It will take more time and therefore patience. It will likely address some long entrenched sensitivities. However, it has so far raised demand for a solution and also, more generally for better governance.

So, in my opinion, this is what we should be doing, getting people involved in finding their solutions to development problems. Back in 2001 Professor Ron Duncan and I drew up a conceptual framework to help establish the binding constraints and priorities for poverty reduction.[‡] For too long, international development assistance has given priority to addressing development at what is a rather late stage of development processes; that is at the level of investment. This may work where governance is not a problem, where private competition is vibrant, the economy dynamic and where public services are performing. However, where the private sector environments are not enabling, where public services are not performing, where states are weak, then I think development assistance has already proven, that in these countries investment projects will not yield. Here there is a prior need for people to get involved, for them to understand and demand better policy and better governance; that is the prior formation of a State. #

[†] TA 4653-RMI: Increasing ownership and effective demand for improved urban waste management and disposal (ongoing) - \$300,000 – PRF.

[‡] Published in A [Framework for Establishing Priorities in a Country Poverty Reduction Strategy](#), ERD Working Paper Series No. 15 (ADB Economics and Research Department, May 2002).