

HUMAN DEVELOPMENT REPORT - 1997

A. NOTES/REFLECTIONS ON REPORT

• II - 1-2

a. This confuses three debates:

1. Income vs. Broader Definition
2. 'Objective' Survey vs. 'Guided' Participatory Analysis
3. Single Index vs. Multiple Indices.

b. There is **no case** for limiting poverty measurement to household income.

- access to basic services is measurable
- results re life expectancy, literacy, water use, basic health use are measurable

c. The 'objective/'guided' debate is something of a mare's nest when separated from household income vs. broader. A dialogue survey to test indicators before a standard empirical survey is quite feasible. Objective survey techniques for participant defined poverty exist e.g. Social Weather Station (Ateneo, Manila) ones. In large part it is a World Bank/UNDP institutional pre-eminence battle e.g. in Guinea.

d. **Single indices** which **merge totally disparate components** are useful to catch attention and nothing else HDI falls in that category. **Multiple indices** are better analytically and operationally. The black box numbers necessarily represent some experts idea on how to weight. HDI, oddly, includes no direct social goods consumption indicators at all and one indicator for which statistics are both fragile and non-comparable (adult literacy where it declines to use a number of national figures apparently guessing its own). In any case HDI is not primarily about poverty because it uses national averages which conceal as much as they reveal. Further decision takers are used to having to balance among multiple goals (whether at household or global level) which multiple indices can facilitate and a single one cannot.

The 'objective' single indices perforce convert to money. They are however somewhat problematic. It is possible to estimate cost of adequate diet, water, health, education, housing clothing, etc. Basically an absolute poverty line household budget plus a parallel

one for public goods. However, how to interpret is unclear. The marginal costs for last 10% may be lower (in some cases education) or much higher (usually water) than average so 90% coverage of population would not be 90% of total cost. And 90% **average** is subject to some limits as average food availability per capita (one household swimming pool hides 10 waterless families). Further real costs (especially among sectors) would be so disparate internationally as to lead to grave comparability problems.

e. This suggest a case for a basic data set:

1. Household Budget Survey

- tied to absolute poverty budget to get % poverty
- conceptual clarity in treatment of self provisioning (food, housing, water etc.)

2. Household Access Survey

- Physical availability basic public goods (e.g. is there a clinic within 5 km and with a potential user population not over a set maximum)

3. Household Results Survey

- e.g. school enrolment, clinic use, literacy, nutrition

4. Household Other Aspects Survey

- e.g. Housing 'Quality'/Space
(Very hard to achieve comparability even in one country, let alone globally)

f. From which indices (plural) are published - **Income** (% 125%-100%, 99.9%-75%, 74.9%-50%, Under 50% of **household absolute poverty line**). 'Poverty' tied simply to % average income (per capita or household) has little useful meaning as index; **Access** to public services; **Results** - enrolment, clinic use, nutrition, literacy; **Other** e.g. housing (or perhaps that's a result. The target is to set out %'s just above, just below, way below some absolute line which is objectively informed view of minimum socially acceptable. (Any usable absolute poverty line is mixed - calorie/energy/etc. requirement costings have to be based on diets people will in fact eat rather than suffer severe hunger from less calories/different food mix and clothing estimate in absolute poverty line is only partly climate - nudity however 'objectively' functional can't be inserted.)

- g. **Country-Regional-Global** indices sets come from h. The **most important (and comparable)** should be **global** - ultimately **for poverty purposes** dethroning HDI as much as GNP. A **wider** set should be used **regionally** and a **yet wider nationally**. At all levels comparability over time and rough comparability among countries (or urban/rural and zonal nationally) matter. Possibly up to 10 globally, 15-20 regionally, 25 nationally. (See Annex). But build up toward that level and on different time scales for countries with different starting points so **few** garbage numbers 'concreted' into tables. (Do not repeat the UNDP 'governance/freedom' indicators in the end being slightly edited Freedom House i.e. the canonisation of the Jesue Helms - AEI - Daughters of American Revolution - Heritage - John Birch - World Vision crowd.)
- h. Some aspects can **at least now** only be handled **qualitatively** and/or nationally. This does not mean non-rigorously merely that at present reduction to tables and especially global tables would be very crude reductionism.
- e.g. 1. **anti-dependence** (Indian study preference for own livelihood not rural wage employment)
2. **anti-vulnerability** (variable by country can be pro urban wage or pro rural self provisioning plus cash strategy)
3. **social exclusion** (beyond physical which up to a point can be gotten into 'access', 'use' tables)

At present I suspect most PRA and poverty perception surveys (e.g. Social Weather Station) are **not** addable in empirical form even nationally in PRA case though within limits (SWS divides Manila, Other Urban Luzon, Rural Luzon, Urban and Rural Visayas, Urban and Rural Mindanao though it also presents national) the surveys are. Global comparability for either is a long way down the road. The 1997 **HDR** can perfectly well address issues and outcomes analytically and quantitatively even if they can't be put into its global statistical tables. Bad numbers detract from good verbal and bad global from good national - otherwise one could just Annex the handiest big telephone directory. Empirical and "illustrative or descriptive" is a faulty set of alternatives - rigorous verbal and qualitative analyses and key cases are attainable. That does require clear concepts with a rigorously definable objective correlative - "capability poverty" and "capability deprivation" may well be headlines toward such concepts but are not now rigorous or articulated observable reality related enough.

- **II - 3**

- a. **Relative poverty** as such is not very helpful. Unless it is tied to **exclusion** or **marginalisation** or **capability deprivation** in a rigorous way, it is open to the criticism that it supposes all lower income households should and wish to become like all middle income ones. (e.g. poverty defined as income less than two thirds average can only be eliminated by a quite implausible degree of income levelling.)
- b. One key form of **chronic** poverty is bad hands able to work to mouths to feed household ratio poverty. This is **not** transient (until children grow up in a context in which they can be educated/fed/healthy and therefore not 'soluble' by public works or other workforce schemes. Nor is it chronic **structural** poverty which afflicts households with adequate hands but no access to reasonably productive livelihoods (to which, for whom, such schemes may provide a partial answer).

- **II - 4 - Para 2**

- a. but if at least basic health-education-water-nutrition-sanitation have large external economies (as even the World Bank argues) then public provision (or at least minimum guarantee by safety nets e.g. re nutrition) is economically efficient under strict neo-classical analysis. **WDR '97** should take the battle to the enemy camp on this.
- b. if liberalisation **is** about efficient markets, then it should be about fair competition/anti monopoly etc. vis à vis the public. Free trade in food domestically, breaking private or 'licensed' oligopsonies, could often allow cheaper food for buyers (including poor rural food deficit households), higher food prices to grower sellers and greater competitiveness vis à vis foreign. By the same token poor food producing countries should (and under WTO can) introduce "anti dumping" duties against USA-EU-Canada etc. to the extent subsidised food distorts markets.

- **II - 4 Para 3**

- a. Over 50% of Philippine labour export is male. Construction and merchant marine are all male almost but not fully balanced by nursing and domestic service. Other sectors are mixed.
- b. The high import content results from 50% overvaluation caused by high (non-market) interest rates imposed by Central Bank on IMF advice to suck in footloose financial capital.

- **II - 6**

- a. The content seems to be rather different from title!
- b. **Self assessment** (including as to income to be not poor)is practicable e.g. Social Weather Station (Ateneo) cited earlier as well as PR approaches. The SWS results are interesting in that poor/non-poor assessments of poverty line are very similar **and** are very different by zone and urban/rural. They appear to be analogous to Ricardo's minimum wage i.e. socially acceptable minimum. In 1989 Manila about at wage of primary school teacher which was then slightly above or at absolute household poverty line there.
- c. Possibly study of **risk of falling into absolute poverty or social exclusion needs to be paralleled by chances of climbing out and average time to do so.** e.g. a rainfed cropping household with a drought year work for food safety net can climb back with rain, while a pastoralist household often cannot do so (at least that way) because rains bring back maize and grass but not dead cattle and camels. More broadly climb back should be most feasible for young and least for elderly and is probably cross limited by social exclusion 'characteristics'.

- **II - 7**

- a. The work should **not** assume there **is** a single household budget. Nor should it assume single person (or committee) dominates each budget.
- b. Least atypical pattern has separate, overlapping, income stream, expenditure (or provisioning) and labour (**cross** allocations in support of income streams) budgets. Gender and age implications. My experience suggests near universal in SSA and the norm in urban lower middle class Philippines. Suspect more common in North than the intellectual hegemony of Victorian practice and Chicago School model lead one to suppose.

- **II - 9**

- a. This is incredible. The two most common root causes don't get a look in! (Late on last day?)
- b. **Low Productivity** (those whom to paraphrase Joan Robinson it is worth nobody's time to exploit).
 - lack of education, health, nutrition (personal deproductivisation).

- "structural unemployment" - or push out into low productivity margin (production structure deproductivisation).
- poor "industrial relations" broadly defined from gender in household to "rooineks" at foreman level in South Africa (labour relations deproductivisation).

c. **Exploitation Usually Via Imperfect Markets**

- private oligopsony/oligopoly often local
- state oligopsony re public service (e.g. the Adedeji report)

d. Any analysis ignoring b. and c. is unlikely to be useful or intellectually credible.

e. Other factors can go on forever. Need to hilite 2 or 3. **War/civil disorder** is one. Especially for Africa **HIV/Aids** is another (albeit the doomsday scenarios seem rather overblown. If true they stand whole demographic forward analysis on its head - decreasing population, labour shortage, increasing dependence ratio). **War is the main man made** (Sic - women rarely have power to make war) disaster. Of **natural, drought** might be good #3 choice. As with war, survival assistance during and rehabilitation strategy after need to be addressed in terms of mitigating and especially snapping back from (climbing out of poverty). UNICEF and IDS seem about only bodies whose research tries to link micro/macro on War, Drought.

- **II - 10**

- a. Gender/poverty requires intrahousehold analysis e.g. lower % girl children in school (especially post primary) is if anything more marked in complete (male plus female) households than in female headed.
- b. What does female headed households not poorer **mean**? Absolute or per capita. (On the whole female adult only households are smaller as presumably are male adult only.) Is the bimodal income distribution of Maputo and Namibia common:
 - i. female adult only households disproportionate share **bottom 25%** (adjusted for numbers or raw);
 - ii. but also disproportionate share of bottom part of **top 25%** - teachers, nurses, clerks (and here clearly smaller than average households presumptively linked to education)

- c. The finding is **curious**:
 - i. women are disproportionately represented in low income employment/livelihood categories;
 - ii. in any employment category women's average earnings tend to be below men.
- d. "Female headed households" is a somewhat deceptive category. It **means female adult only**. The comparable box is male adult only. In practice the latter box is much less full (nearly empty in Africa except for one person households at opposite ends of economically active age spectrum) because a man losing (death, divorce, desertion) wife who does then have dependants (especially children) has much higher probability to remarry. So far as I know nobody seriously divides **two adult** (one male/one female) households into "Female Headed"/"Male Headed"! None go into first box.

- **II - 11**

- a. Is this not **conventional un wisdom**?
- b. A better model would appear to be:
 - i. **Poverty** (especially high U5 mortality) **results in high population growth** (for multiple reasons);
 - ii. Poverty also **forces ecological damage** (reduce future welfare or starve now is **not** a choice)
 - iii. **Demo and Eco feed back to worsen poverty** and continue downward dynamic.
- c. Doubtless conventional model does apply sometimes in some places, but alternative seems more often to the point (and more likely to help identify 'exit' points and policies to facilitate).
- d. How stable are these equilibria? The early famous East African ones - e.g. offshore lake island in Tanzania - have imploded and are now ecological disaster areas with low and poor populations. How heavily are Asian success cases tied to irrigation? The African ones to Myint type opening up/vent for surplus take off of real productivity (at value to household level)? Are they stable or does their viability depend on continuing technology/labour productivity gains (even if population growth slows)?

- **II - 12**

- a. Such a body of international customary law now exists. It is articulated from/around/up to "Right To Development". Enough resolutions and conventions long enough so that it does constitute international law at level of principle. Much less so at articulated practice level.
- b. Suggest you secure a copy of Professor James Paul's Retirement Colloquium Lecture (available from Intl. Centre for Law in Development across street) to provide working knowledge of position as perceived by international lawyer and possibly secure input from him (or Clarence Dias or ICLID) on the topic.

- **II - 13**

- a. Laudable assuming "Human Misery In All Its Unfullness" is definition of poverty.
- b. But risks being very wide and shallow adding little on any topic.
- c. Further some aspects of misery are not readily handled under a poverty rubric (mental illness and borderline socio mental underaverageness) nor by state (many aspects of income and consumption patterns). Those which can be **interrelated micro to macro** and **linked to public policy** (including facilitating/incentivating enterprise or social sectors to act) deserve pride of place.
- d. **Crime**, for example, is partly poverty related. But to that extent future reductions are linked to present poverty reduction **not** present poverty reduction to present crime prevention. Similarly poverty influence on reoffending relates to economic/public service access environmental action **plus** social group, household (and peripherally state) actions which are not easily entered into analytically from nor primarily defined by poverty.
- e. Citing these topics, noting poverty link, indicating what poverty reduction could do over what time span, supporting directions/actors for non poverty centred actions would be useful but not an encyclopaedia of applied sociology, social policy and social systems.
- f. For the avoidance of doubt I do consider "Social Exclusion" as poverty. **But** empirical and even qualitative mapping are for less advanced and **probably** general income-access-use poverty reduction would reduce social exclusion impact. In any case social exclusion link to - e.g. - crime seems rather analogous to that for income-access-use poverty. e.g. In South Africa socio political exclusion plus absolute poverty has convinced many black youth life (including their own) is of low value. Thus violence is often a first resort whether for economic, social, political or other reasons. In the long run socio-political

inclusion via living the Constitution and economic empowerment with an income-access-use poverty reduction focus **are** basic answers. But they cannot change either internalised attitudes or achieve actual socioeconomic environment shift fast enough to reduce violence levels now. That feeds back to threaten/slow inclusion and capacitation. Some immediate community-police-magistracy-state joint, articulated strategy is needed. But I doubt poverty reduction (however defined) is a good intellectual or practical entry point to that strategy. (e.g. give an income supplement and many will - quite rationally so long as life is perceived to be of low value and 'legal' economic opportunities few - rush out to buy an AK 47 to 'earn' a 'good life' even though they know it is likely to be vulnerable and brief.)

- **III - 2**

Capability deprivation is almost certainly inferior to **social deprivation**. It is broader, overlapping standard income, public serviced access caused poverty, and fuzzier. Even **social deprivation** needs careful specification. Gender should probably be broken out as it (and 'race' in some cases, **not** ethnic more generally) does have harder analysis and better links to available empirical data.

- **III - 3**

- a. I concur fully with main streaming of gender issues not consigning them to a "femalestan" or "nursery" chapter.
- b. In this respect a gender issue/factor is one with gender implications. e.g. bad hands to mouths ratios are (virtually *ab definitio*) correlated with single adult households with dependants. These are in practice dominantly "female headed" (indeed absence of adult male is definition of female headed household!). Therefore there is a gender issue. (If men usually 'inherited' broken households children and did not remarry and/or women from 25 to 50 had double male probability of death, there would still be a gender issue but single adult households would be more likely to be male than female headed.) This is separate from (though aggravated by) women's empirically demonstrated overrepresentation in low income jobs/livelihoods and lower than male income category by category.

- **III - 4**

Unless great care is taken this will be a rerun of "marginalisation" and "TNC" fashions of 1970's. They - as a whole - neither focused and advanced intellectually nor advanced

matters operationally. WTO as demon is overdone - and by misdirecting attention probably protects more getatable problems - e.g. national absence of free and fair markets (oligopoly/oligopsony).

- **III - 5**

Well, they might be were their achievement by 2027 (in sense I assume rapporteur means) any more likely than the opening for letting of New Jerusalem or the Battle of Armageddon.

- **III - 6**

Indeed but including **starting** from poverty as an engine of population growth and environmental degradation which then reinforce poverty. (No reason dominant causal directions should be the same in all countries at all times.)

- **III - 7**

Again plays Hamlet with no Prince of Denmark. **Low actual and achieved productivity**

- **III - 9**

a. Yes but in Child Summit mode:

a. broad goals

b. dated articulated targets

c. targets including instrumental means as proxies

d. targets (especially national ones catalysed by global) "within human reach" not so unattainable as to "lose the name of action"

not the Committee on Development Planning mode.

b. Is "revolution" best word in terms of mobilisation? (e.g. "Ending Absolute Poverty: The Next Steps" might be as good even if more sober.)

c. **One** test of whether a topic deserves major attention is whether by **1997 WDR** it can have outcomes which can fit into structure at a. If **not** it will be seen as peripheral. This is a general point, not an anti cultural aspects one e.g. breastfeeding targets are in Child Summit outcome.

- **III general**
 - a. This is a prospectus for a 10 year study leading to 200 country volumes, 40-50 sectoral and one summary (= WDR).
 - b. Possibly UNDP should embark on such an exercise now. (I'd tentatively back it subject to opportunity cost and applied policiability instress.)
 - c. **But** the exercise can't be done by **WDR 1997!** To try to achieve all of it will be to get less done than is possible.
 - d. **But** if the 10 year exercise is a goal
 - i. **WDR 97** should prove doability, rigour policy relevance by concentrating on areas where hard analysis and data do exist;
 - ii. **and** do conceptual, case illustrated exploration to define parameters for follow on justified by quality of "i"

- Reginald Herbold Green
Lewes
May 1996

P.S. The above is rooted in a belief (prejudice?) that the dominant purpose of poverty research and analysis (especially for UNDP) ought be to facilitate the reduction of real poverty of real people. I am well aware this is "politically incorrect", arguably Philistine and probably not the dominant operational intellectual position or motivation. However I do not choose to abandon the Sermon on the Mount or Adam Smith or most of my African and Philippine colleagues, contacts and acquaintances (including virtually all the domestic social sector and poor ones). Perhaps I am King Canute, but even in his case the tide presumably did retreat (just as an objection to Arnold's "Dover Beach" title is that the tides there have a habit of halting their retreat and returning to advancing mode).

ANNEX

POVERTY MAPPING

1. Ideally UNDP should have/publish/collect/facilitate indices/data.

A. Income Poverty

- Absolute Poverty Line
- % households (124.9%-100%)
(99.9%- 75%)
(74.9%- 50%)
(Under 50%)

B. Access To Basic Services Poverty (Physical Access)

- Primary Education - School Capacity - Teaches To UPE Population Ratio.
- Basic Health Services - Clinic Distance/Capacity
- Water - Capacity/Distance Criteria
- Nutrition - (Linked to A)
- Sanitation - (?)

B.1 Access (Actual)

- PE - % enrolled/% completion/% adult literacy
- BHS - % 2 or less contacts a year
- Water - % under some floor use level
- Nutrition - % severe U5 malnutrition
% adult malnutrition
- Sanitation - (?)

C. **Other**

- Housing (Quantity) - Space Per Capita Under X Metres²
- Housing (Quality) - (?)

(This is a very climate and culture tied item. Hard to imagine global comparability in real - not just empirical - sense)

D. **Demography**

- Life expectancy at birth
- Under 5/Infant mortality

(An illness indicator would be desirable but hard to attain with accuracy/comparability and some - e.g. time off work - would probably be income correlated nationally and globally - poor can't afford to be sick and especially not for long.)

2. **SOURCES**

- A. **Household Survey** (not just a Budget Survey) - Every 5 years/annual desk or smaller sample update.
- B. **Absolute Poverty Line estimate** (with annual current price and 5 year recalculation).
- C. **Sectoral Data** -health, Education, Water.
- D. **Census (and Health) Data** - especially for demography.

3. **FEASIBILITY**

- A. The cost of relatively complete set should not be exorbitant. Value for strategy including food policy formulation and review and - especially - for monitoring should be high.
- B. Most countries lack several (or nearly all) of this data bank. Many entries are rarely updated and most are not on truly comparable definitions (which may not matter in country but does for global presentation).

- C. **But** enough boxes would be filled with data better than telephone numbers to make it a worthwhile data annex goal for **HDR-97** and subsequent **HDR** Statistical Annexes.
- D. **But² HDR-97** should set in motion a **process of data upgrading**:
 - i. workshops to brainstorm what to include
 - ii. workshops to set standard definitions (as for GDP) to reduce non comparability
 - iii. UNDP priority to assisting countries to set up and run in data systems and to train personnel to operate, update and develop them. (UNDP has done rather good job on this re Household Survey in Mozambique except inadequate domestic takeover training and "new broom" administrators wanting to cut but retreating in face of top level wrath.)

4. GOALS FOR MAP

- A. User Intelligibility
- B. Key Goal or Proxy Inclusion
- C. Applied Policy Facilitating (data on aspects of poverty which **can** be policy foci)
- D. Comparable Over Time One Country
- E. Comparable Internationally (a high priority goal for UNDP - not always for country)
- F. Monitoring Friendly (i.e. able to plot changes over time with fair degree of confidence)

5. SINGLE INDEX

- A. Why?
 - Headline/Instant Recognition/Publicity (Maybe - if it really does that)
 - Simplicity (Only if that means simple mindedness)
 - Intelligibility (No, except for a handful of specialists)
 - Illustrate not totally GDP/capita constrained (Well... won't the components do that?)

- Guide policy (Only by taking out of hands of decision takers - each component is better entry point to policies.)
 - Pecking Order Pride or Shame (Maybe on shame side. But how much? Pakistan didn't respond that way to HDI.)
- B. **Black boxing is a bad thing** in general but may have specific particular uses.
- C. The UNICEF approach of multiple (about 6?) headline indices and a set of supporting ones (**Wealth of Nations** issues) is a promising one for UNDP to seek to generalise re Poverty.
- D. If UNopolitics or perceived publicity grabbing possibility (which is a **valid** consideration) require, a weighted index could be made.
1. 40% Absolute Poverty %'s
 2. 20% Access - Physical
 3. 20% Access - Results
 4. 20% Demographic

with clear statement in notes at end of table as to how done. A case for 1 and 3 each being 30% or all being 25% can be made. But 1 and 4 least bad data and 1 does facilitate much of 3 and has impact on 4. It might be an idea to have **negative** index i.e. measure/cumulate deficits so highest was worst and publish tables in that order.

RHG/lab/JOLLYRG.doc 30.05.96