The NGO Role in the Eradication of Poverty

Address at ACFOA Annual Council Meeting
by
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Good afternoon, ladies and gentlemen. It's a great pleasure to be here today in Canberra and to be able to talk with you. I need to start out by making a confession, namely that I'm no great expert on how NGOs can contribute to national efforts to achieve what we like to call sustainable development, and I can only venture some very tentative ideas as to what international NGOs can contribute to the eradication of poverty.

However, I am fairly certain of one thing - no one has the proven answer to how poverty can be eradicated, no developed, urbanised society over the last several thousand years has yet achieved its eradication - in fact few have seriously attempted it - and I think we must all be modest in terms of what progress we can expect to see in our lifetimes.

Indeed events and trends over the years since the end of the Cold War make for a stark contrast with the optimism expressed by governments and the UN system in the commitments and recommendations contained in the World Summit for Social Development Declaration and Programme of Action and similar declarations, such as the Manila Declaration.

The Copenhagen Summit, held in March, 1995, has been hailed by UNDP and many governments and NGOs as “a landmark achievement for people-centred sustainable development.” Broadly, the Copenhagen Agreement called for the eradication of poverty, the expansion of productive employment and the promotion of social integration. As UNDP states in its policy paper, Poverty Eradication, the challenge for all development actors is now “to implement the principles and recommendations agreed upon at Copenhagen.” Governments committed themselves “as a matter of urgency, and preferably by the year of 1996, the International Year for the Eradication of Poverty, to formulate national policies to substantially reduce overall poverty in the shortest time possible.
Well, friends and colleagues, don't hold your breath. 1996 is here, and as this year's edition of the Reality of Aid makes all too clear, OECD donor aid levels continue to fall, not rise, and the only serious attention we have seen to the 20/20 initiative of mutual northern/southern commitment to investing in basic social programs have been in a very small number of developing countries.

At the same time we've watched in horror as whole societies implode and nation states disintegrate into chaos. In Africa the basic trends of economic growth and agricultural productivity are far too often negative. In Europe the dissolution of Yugoslavia challenges many of our assumptions of the relationship between Quality of Life indicators, economic development, and social cohesion. In Latin America, the rich and the poor peer across an every widening gulf, in mutual distrust.

Against this backdrop I am asked to speak with you today on the NGO Role in the Eradication of Poverty - so please believe me that genuine humility is the order of the day. But at the same time, let me say - emphatically - that I do think NGOs have an important - indeed essential - role to play, and that I do believe that there are very important things NGOs can do which will ultimately promote significant reductions in poverty, and will empower large numbers of people to lead more worthwhile lives.

I also want to emphasise that the NGO community is a very diverse group, and this diversity is a great strength. Because this diversity deserves respect, I am not in favour of being proscriptive when we discuss the role of NGOs. For international NGOs working to alleviate poverty outside their own borders, I would sustain that it is still legitimate to engage in direct intervention programs, where such programs engage local parties fully. There are times when an international NGO brings (and can share) a comparative advantage. And since the challenge we face is global, it is important that we work together in partnerships in the field so that we speak of the same grass roots reality when we advocate for policy reform and fundamental changes in the international system. It is, however, likely that where international NGOs today can make the greatest contributions to eradicating poverty is at home, by building a constituency, through advocacy and development education, for basic changes in international economic policy; and in the field, by supporting the empowerment of civic institutions committed to social welfare, and by
developing the capacity of indigenous institutions to work for social change in their own countries.

There are four basic themes I would like to touch on today. The first theme is the fragility of the development process - a theme I’ve already alluded to in my mention of Yugoslavia and the dissolution of African states - the fragility of the development process and the role NGOs can play in promoting conditions that would make the process of development more durable, or resistant to stress - both external stresses and internal stresses.

Second, I would like to touch on the problems of urban development, urban poverty, and the role NGOs can play in what in the developing world are, explosively, the fastest growing population concentrations in rapidly urbanising societies; and in the more developed, or the ageing industrialised north, the evolution of permanent inner city ghettos, characterised by chronic unemployment and social chaos.

Third, I would like to underscore a truth that you are all aware of, that overwhelmingly, north and south, the most poor and the most vulnerable are women. In Asia’s most rapidly developing economies, female headed households increasingly constitute the least favoured, most impoverished sector of society. In business terms, the maximum investment leverage for NGOs remains in projects targeted in improving the status of women within any and all societies.

Fourth, I would like to talk a bit on the role of international NGOs, as opposed to indigenous or national NGOs, in achieving reductions in poverty. What are the comparative advantages, and the comparative disadvantages, of an NGO working to benefit people outside its own border?

To begin with the issue of the fragility of the development process, and what we can learn from recent experience, let me begin by stating what to me are disquieting observations: Just a few years ago, Rwanda was a darling of the donors and NGOs, a country whose decentralised, commune based governance lent itself to grass roots development. Sudan, Somalia, and Liberia had some of the highest per capita aid flows throughout the 1970’s and 80’s. Yugoslavia had achieved nearly universal education, significant industrialisation, and a status for women comparable for better or worse to
the most advanced western economies. None of this was enough to safeguard these societies from total collapse and impoverishment.

My own contention is that those of us who work in development must accept a degree of responsibility when countries in which we have invested a great deal succumb to internal political and societal pressures and self-destruct. Sometimes we may, inadvertently, play a role in creating the conditions, through our development agenda, for societal collapse. Susan Woodward, a fellow at the Brookings Institute argued recently at an International Peace Academy UNHCR/Princeton University workshop on Reconciliation, that the World Bank and IMF Structural Adjustment Program - prescription - for Yugoslavia in the early 1990’s effectively undermined the credibility and viability of the Yugoslav government by forcing it to rescind on its social contracts with its peoples in education, health, and general social welfare. She argues this created, an ambience propitious to the radical alternatives of Milosovich and Tudjman.

Similarly, in Rwanda, church groups in Europe had to face the awful realisation that the churches they had been supporting in Rwanda behaved in a most un-Christian manner towards people of different ethnic persuasions. And NGOs working in Rwanda saw their long time staff polarised into victims or killers, often before their eyes.

What relevance does all this have to the eradication of poverty you may ask? Too often I fear, there has been a wall between the two aspects of NGO work - sustainable development and emergency response. Emergencies have been perceived as blips on the screen, crude interruptions of the development process, to be quickly dealt with, and to move beyond, so as, all too often, to go back to the good old development agenda that preceded the emergency. Not, I would argue, good enough.

I think first of all we must recognise the fragility of the environment in which we work. For a poor farmer the journey from developmental progress to disaster is one failed harvest, one marauding militia. Too often development agendas, whether NGO or World Bank, are based on best case scenarios. There is little attempt to plan around anticipating worst case scenarios, on disaster mitigation. NGOs in Bangladesh focus on cyclone shelters after the 1992 cyclone, not before. The prevention of environmental degradation becomes a priority in the Sahel after the 1984-85 drought and famine.
community, we must see disaster prevention, both natural and social, as a
development priority for NGOs in the business of sustainable development.
Failure to include disaster preparedness in our development vocabulary is to
invite the spectacle of seeing all our best efforts washed away in a fortnight or
less.

Risk reduction also means an honest analysis of societal conflict, ethnic
divisions, and discord. No one in Rwanda was unaware of the history of the
Hutu-Tutsi tensions. But everyone hoped if there was enough economic
progress, the social discord would just go away. We didn’t want to deal with
something so ugly and difficult, and so, in a sense, we turned a blind eye to
ethnic tension, because it did not fit into our sustainable development agenda.

The second theme I would like to address is urbanisation and its implications
for NGO work in the reduction of poverty. NGOs have traditionally focused
in rural poverty, maybe because 30 years ago the developing world was
largely rural, maybe because the best way to minimise urban poverty seemed
to be to create a hold factor on the rural poor, to promote rural conditions that
would put a brake on urban migration, or maybe because it was just plain
easier to make an impact, a difference, in a rural setting than in a complex
urban environment. Be that as it may, the reality is that poverty is
increasingly urban, and we must make it our focus. By the year 2000, 50% of
the world’s population will be living in cities. In 1900 there were 10 cities in
the world with more than one million inhabitants. By the end of this century,
there will be over 430. Of the 25 cities that have ten million or more people,
18 are in the developing world. These megacities challenge the focus of
traditional thought. As one author suggests, they have the potential to
become uncontrollable, largely autonomous entities whose “physical, social
and cultural entropy can jeopardise medium and long term development,” (P.
Masure) as well as undermine social and economic structures outside such
urban zones. Mexico City may be a window giving us a look onto such a
near term scenario.

Another scenario, one based on the relative prosperity of America,
foreshadows potentially disastrous declines in urban well-being, and in the
role of urban centres as the generators of national prosperity. A new book by
Harvard sociologist William Julius Wilson argues persuasively that the
decline of the inner cities in the USA is directly related to the disappearance
of jobs and the social coherence they provide. He documents the radical
decline in business located in large American inner cities. As businesses move to the suburbs, beyond the reach of the inner cities and their residents, a permanent underclass with little likelihood of ever finding employment is created. Will future demographic changes around today's megacities in the developing world similarly sap their vitality at the core?

Many NGOs have traditionally eschewed the urban sector in favour of rural work. On the emergency side of our work, Bhopal and Chernobyl were considered by many NGOs outside their scope of expertise. Yet we can only assume there will be many more such technological disasters, and that advocacy and preparedness should focus on prevention and mitigation. On the development side of NGO work, the scale of urban poverty is daunting, but not to engage ourselves in this challenge would be to marginalize ourselves. Much good NGO work is already being done in the non-formal economic sector.

The third aspect of NGO work on poverty eradication I would like to touch on is the critical importance of addressing the gender disparity. Whether in Jakarta or Bangladesh or New York, the most vulnerable are women, and the surest predictors of poverty is a women headed household. Disparities in education, in wages, in legal status, and the weight of cultural biases create extraordinary obstacles to poor women escaping poverty. If there is a single area where I think NGOs can help change the basic dynamic of inequality, and therefore of poverty, it is in working to empower women through education, by enabling women to exercise control of their fertility, and by giving them the skills and the legal protection to achieve economic parity with men.

The last theme or issue on which I wish to touch today is the role of international NGOs, and the comparative advantage we can bring to the struggle to fight poverty world-wide.

Poverty is now becoming as global as are capital flows and free market trade. In the European Union there are now 50 million poor. So called neo-liberal policies and the unfettered progress of technological and organisational changes in the production of goods and services are generating massive unemployment and job elimination in the rich countries at the same time as this economic revolution is bypassing the very poorest nations.
Governments face a seemingly inexorable push to reduce instead of enhancing their regulatory roles and their planning functions. However, it is all too apparent that without active state regulation, poverty eradication policies cannot be effectively implemented, and without concerted action by governments in both the South and the North, there is little probability that current international economic policy will be modified.

This is where the role of the NGO movement becomes crucial. There are clear agendas for poverty alleviation. The NGO World Bank working group paper of 1994 “The Challenge of Poverty Eradication”, the Manila Declaration of 1994, the results of the Copenhagen Summit, the UNDP policy paper on Poverty Eradication cited earlier, even the recent DAC paper, *Shaping the 21st Century: The Contribution of Development Co-operation*, all are consistent in their recommendations.

All NGOs know the general direction of change. But there is no political will to achieve the change, there is no political constituency for change and the best crafted declarations remain just so many words on paper. And here is where international NGOs must focus their efforts if they really want to have a long term impact on poverty.

If we accept the premise that a lot of the responsibility for poverty in the South rests with the policies of the northern Governments and the Multilateral institutions they control, and that our governments reflect the attitudes and perceptions, or perhaps the ignorance and lack of interest of the voters in our countries, then a critical component of our work is here at home.

Those governments which have traditionally been most internationalist and most generous with foreign aid - the Scandinavian countries, the Netherlands - not coincidentally also have the most aware and concerned publics.

When we fail to educate, misinformation itself becomes the enemy. In the United States a year or so ago a survey of the public found that most Americans felt quite strongly that American has an obligation to help the genuinely needy in other parts of the world.

However they also felt America was now doing too much, and they were concerned about waste and about aid going to the wrong people. Asked to estimate how much America now spent on foreign aid as a percentage of the
federal budget, and how much would be appropriate, respondents estimated the US now spends 14% on foreign aid. Respondents also felt about 5% of the US budget would be an appropriate foreign aid level. In fact, of course, sadly, the real level of US foreign assistance is less than 1% of the federal budget, and just a fraction of the OECD - recommendation of 0.7% of GNP.

Where are we heading as an NGO community? Field programs remain important, but at a time of scarce resources, or hard choices, we cannot afford to forget our domestic constituency. Field work should inform our advocacy and our public education work. But unless we work to build a domestic constituency that cares about the problems of the poor, at home as well as abroad, unless we build an understanding of the interdependence between international economic policy and poverty alleviation, we may continue to labour in the vineyard, and we may be labouring increasingly in isolation and without resources. NGOs, we must in modesty remember, cannot ever by our own efforts eradicated or alleviate poverty. We can set some good examples, show the way, but we need to convince others to follow. Only when those who control northern and southern governments and the international finance system truly believe in the efficacy and the feasibility of poverty alleviation, of people focused development will the changes we all want take place. That is our challenge. Not just to lead, but to convert, to convince, to ensure that others believe and join a world-wide crusade against poverty. Thank you.