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POVERTY REDUCTION IN SOUTH ASIA

Promoting Participation by the Poor

Summary of an Informal Workshop Co-sponsored by the World Bank
and the South Asian Association for Regional Cooperation (SAARC),
October 12 - 15, 1993



THE WORLD BANK



SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION

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This workshop was undertaken under the auspices of the Office of the Vice President, South Asia Region, World Bank. Valerie Kozel and Barbara Parker organized the workshop, with the assistance of Toni Thomas. The principal author of the report was Barbara Parker. Valuable contributions were made by D. J. Wood, Daniel Ritchie, Robert Drysdale, Sadiq Ahmed, and Ann Duncan. Salahuddin Ahmad provided research assistance. The workshop and the preparation of the report were under the general direction of Gobind Nankani.

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Foreword

I have great pleasure in contributing this foreword to the summary report of the informal workshop on poverty reduction in South Asia, held under the joint sponsorship of the South Asian Association for Regional Cooperation (SAARC) and the World Bank.

By bringing together participants from a wide spectrum of fields relevant to development and poverty reduction, the workshop helped clarify diverse experiences, approaches, and perceptions in this area through a thorough exchange of views and information.

As a result of this fruitful interaction, the workshop identified several areas of consensus, clarified issues for further research, analysis, and discussion, and suggested possible future steps. The broad consensus which emerged from the workshop—that the approaches adopted in successful community-based participatory programs in South Asia hold great promise—provides a firm basis for pursuing such approaches through further research, evaluation, and operational experimentation.

The report of the Independent South Asian Commission on Poverty Alleviation (ISACPA), prepared in pursuance of the Colombo SAARC Summit decision in November 1991, and the Seventh Summit Consensus on Poverty Eradication of April 1993 have evoked a keen interest both regionally and in the wider international development community. The obvious common themes in the ISACPA recommendations, the Seventh Summit Consensus on Poverty Eradication, and the World Bank's work prompted SAARC and the Bank to jointly sponsor the informal workshop to pursue regional dialogue on the pressing issue of reducing poverty. The success of this first joint initiative sets the stage for further collaboration in this and other areas of common concern.

The wider dissemination of the summary report of the workshop is intended to contribute to our efforts in formulating more effective poverty reduction and eradication strategies that would merit support by both South Asia governments and the development community.

Ibrahim Hussain Zaki
Secretary-General
SAARC

Preface

The workshop on Poverty Reduction in South Asia: Promoting Participation of the Poor, jointly sponsored by the World Bank and the South Asian Association for Regional Cooperation (SAARC), provided an opportunity for participants to compare and discuss their ideas and experiences related to poverty reduction initiatives in the region.

Although much has been achieved, the pace of poverty reduction in South Asia—particularly for the extremely poor—has been distressingly slow. Interest in promoting participation by the poor as a key component of comprehensive poverty reduction strategies has been growing in recent years. There are many examples of successful community-based and participatory programs in South Asia, and all countries within the region are beginning to incorporate insights from successful community-based programs conducted by nongovernmental organizations (NGOs) into national poverty reduction strategies. For example, Pakistan's National Rural Support Program (NRSP) will apply many of the approaches developed by the well-known Aga Khan Rural Support Program to the design and implementation of government programs. In Bangladesh the government has undertaken a commitment to adopt a specifically pro-poor focus in its national planning.

Participatory components are already being included in a number of World Bank-financed projects. Bank support has also been pledged for innovative approaches to poverty reduction programs such as the international Grameen Trust and Pakistan's NRSP. The Bank's South Asia Region intends to follow up the workshop with additional work on several of the issues identified by participants as requiring further analysis. For example, the circumstances under which participation can be effective, the roles of donors, nongovernmental organizations, and governments, and the feasibility of scaling up small programs are all topics on which useful insights can be gained through systematic study of existing programs. These studies will be carried out with a view to identifying the operating principles and external conditions that are necessary for successful expansion and replication of ongoing programs. We will draw on what is learned from these studies in designing future projects.

I am pleased to have had the opportunity to join with SAARC in the planning and implementation of the workshop. This collaboration has been a valuable learning experience, and we hope that it will be followed by other cooperative endeavors.

D. Joseph Wood
Vice President, South Asia Region
The World Bank

Acknowledgments

The World Bank and SAARC would like to thank the former commissioners of the Independent South Asian Commission on Poverty Alleviation for their assistance. In particular, Ponna Wignaraja, vice-chairman and coordinator of the Commission, made significant contributions to the conceptualization, planning and organization of the workshop. For their participation in the workshop, gratitude is also extended to the following international and nongovernmental organizations: the United Nations Children's Fund (UNICEF); the United Nations Development Programme (UNDP); the International Food and Agriculture Organization (IFAD); the Asian Development Bank (ADB); the International Monetary Fund (IMF); the Grameen Bank; and the Aga Khan Foundation.

Summary of Proceedings

On October 12–15, 1993, the World Bank and the South Asian Association for Regional Cooperation (SAARC) held in Annapolis, Maryland, an informal workshop on the topic Poverty Reduction in South Asia: Promoting Participation of the Poor. The concept of the workshop grew out of a mutual interest in the potential value of community-based programs and local participation as components of broader poverty reduction strategies.

South Asia can boast of having led the world in the development of community-based organizations; it has a rich tradition of grassroots participation dating back at least to the Independence movement. Since then, a number of well-known nongovernmental organizations (NGOs) and government-sponsored organizations in the region have applied the local participation model to the problem of persistent rural poverty. Bangladesh has been the home of three of the best-known programs of this type: the Comilla model of linked farmers' cooperatives, the Grameen Bank's targeted credit program, and the integrated development approach of the Bangladesh Rural Advancement Committee (BRAC). Pakistan's Aga Khan Rural Support Program and India's Self-Employed Women's Association (SEWA) are known throughout the world as programs that have withstood the test of time and might serve as possible models for programs in other settings. South Asia is the home of a host of less-known but equally successful smaller programs.

This rich history of creative experimentation with participatory approaches to poverty reduction has set the stage for what could be a new dialogue between the donor community and development specialists in the South Asia region. The World Bank has been in the process of broadening its poverty reduction focus to include innovative approaches to the problem of widespread poverty, both in South Asia and in other regions. The Bank has been assisting member governments to design structural reforms and policies for adjustment and growth, and, with the assistance of the Bank and other donors, South Asian governments have begun to implement broad reform programs in both the public and private arenas. Persistent and endemic poverty on the scale found in South Asia may demand complementary measures that, in addition to easing the transition to more efficient and out-

ward-looking market-based economies, also establish sustainable links between the very poor and the larger economic system with its mainstream public and private institutions.

The concepts of broad local participation, social mobilization, and community organization have seized the interest of the Bank as a possible means of broadening the focus and improving the effectiveness of poverty programs at the field level. Many World Bank-supported projects currently include participatory components, and lessons are beginning to emerge from the Bank's experience with them. The time was right, therefore, to take stock and compare notes with a group of South Asia development practitioners who have been active in planning, analyzing, and implementing such programs in their region. This interest gained momentum in the region and in the World Bank after the publication of a report by the Independent South Asian Commission on Poverty Alleviation (ISACPA) entitled *Meeting the Challenge*. The report was commissioned by the seven members of SAARC (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) at the 1991 Colombo Summit, with the goal of identifying the shortcomings of the poverty alleviation strategies of the past, documenting successful social mobilization initiatives, and making recommendations for a coherent future strategy for the countries of the region (see box 1).

The emergence of *Meeting the Challenge*, the first report of its kind from the region, stimulated World Bank interest in reviewing poverty reduction work in South Asia being carried out by governments, NGOs, multilateral organizations, and donors. On behalf of SAARC, Secretary-General Ibrahim Hussain Zaki responded with interest to the idea of holding a workshop on this topic. Both organizations accordingly collaborated in the planning and design of a three-day informal workshop on poverty reduction strategies with special emphasis on participatory approaches. The goal of the workshop was to initiate a dialogue between the region and the donors that could lead to more effective collaboration in the fight against poverty.

Workshop participants included Secretary-General Zaki; former members of ISACPA from each of the SAARC member countries; representatives from the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the Asian Development Bank (ADB), the International Fund for Agricultural Development (IFAD), and the International Monetary Fund (IMF); representatives of two NGOs, the Grameen Bank and the Aga Khan Rural Support Program (AKRSP); and World Bank staff members. Resource persons from the region and from other countries attended, and a number of participants were invited to give presentations. The structure of the workshop permitted extensive discussion at the end of each of the seven sessions so that the views and experiences of participants could be

Box 1. Excerpts from the SAARC Declaration on Poverty Reduction in South Asia

At the Seventh Summit Meeting of the SAARC countries in Dhaka, Bangladesh, in 1993, the heads of state of the seven member nations issued the Dhaka Declaration, which welcomed the report of the Independent South Asian Commission on Poverty Alleviation (ISACPA) and reiterated members' commitment to "empowering the poor for enhanced growth, consistent with human development and equity." Member governments adopted the goal of alleviating poverty by the year 2002 through an action agenda emphasizing the following components:

- Social mobilization that builds and empowers organizations of the poor
- Decentralized agricultural development focused on household food security and basic nutritional needs
- Decentralized, small-scale, labor-intensive industrialization using appropriate technology
- Human development, including universal primary education, primary health care, enhancement of women's social roles, protection of children, and shelter for the poor
- Financial resources to support the above efforts.

The national leaders stressed the "critical link between the success of national efforts aimed at poverty alleviation and external factors affecting growth and development." They called on "all major actors in the world economic scene, particularly the industrialized countries and multilateral and regional financial institutions and nongovernmental organizations, to create an enabling international atmosphere that is supportive of poverty alleviation programmes in South Asia." To follow up, each government agreed to develop a pro-poor development plan and to share at the next SAARC summit information on the progress achieved.

heard. The working groups and the concluding plenary session were devoted to identifying the findings and conclusions emerging from the workshop (see appendix A; see appendix B for a list of participants).

The objectives of the workshop were to establish areas of common agreement on what is currently understood about the causes of poverty and the most effective approaches to poverty reduction; to identify unresolved issues requiring further research and analysis; and to suggest the next steps toward developing effective strategies for governments, NGOs, and donors in the region. Five prominent themes recurred throughout the workshop's presentations and the discussions:

- The need for broadly based growth
- Investing in people

- The role of participation
- The need for collaboration
- The need for institutional reform

The following is an overview of workshop proceedings, with particular focus on these emerging themes.

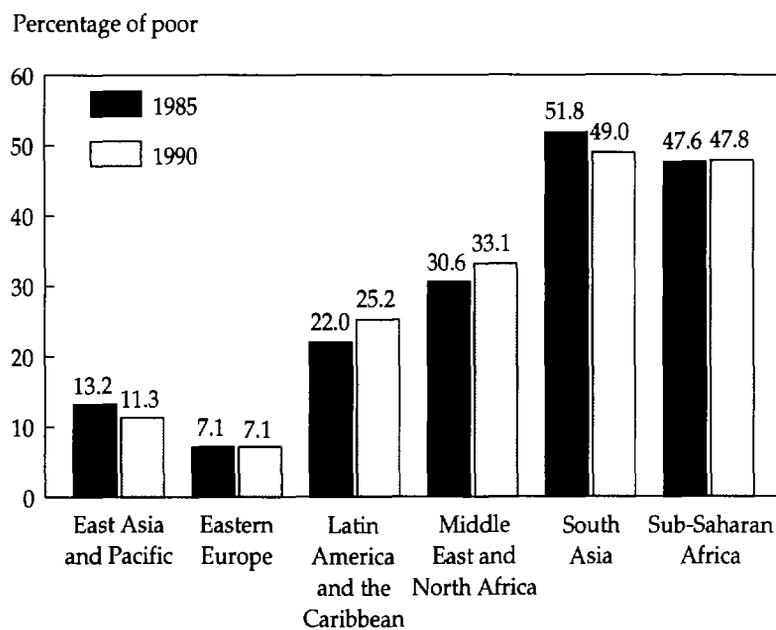
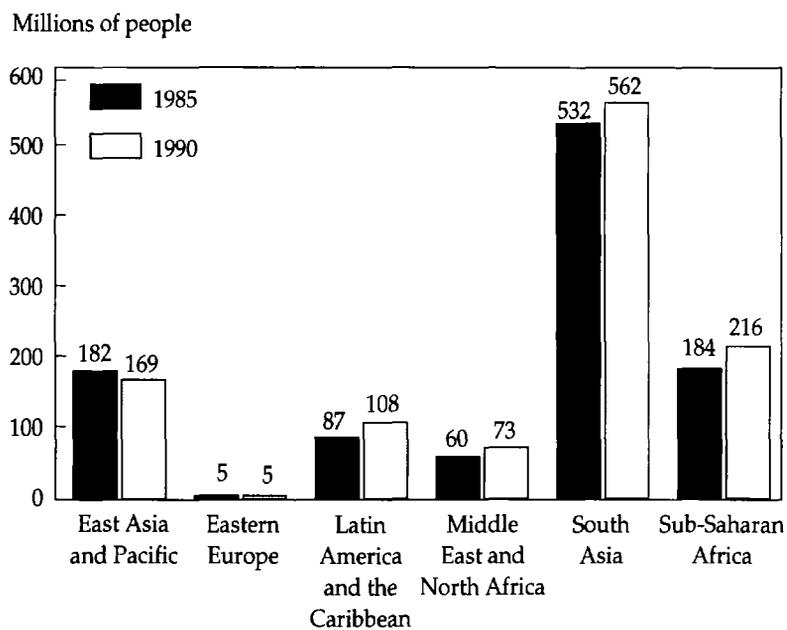
Theme 1. The Need for Broadly Based Growth

Broadly based economic growth is necessary but not sufficient as a poverty reduction strategy for South Asia.

There was clear recognition among the workshop's participants that although levels of poverty are declining, the absolute numbers of the poor are growing in nearly all the countries of the region. In this respect, South Asia compares poorly with many other regions (figure 1). Poverty levels continue to be unacceptably high, and performance on social indicators such as literacy levels, infant, child and maternal mortality rates, and access to family planning services has been disappointing in most SAARC countries (table 1). The participants voiced a strong sense of the urgency of the poverty problem. Many of those from South Asia expressed concern about the future political stability of their countries if the poverty issue is not dealt with in the decade to come.

What are the requirements of a poverty reduction strategy that can solve a problem of this magnitude? No country has managed to reduce poverty without strong economic growth. Participants from all countries and organizations saw growth as desirable and necessary. There was overall agreement that growth must be high quality—broadly based, labor-intensive, and sustainable—if it is to have an impact on poverty.

There was extensive discussion and some debate concerning the best means of reducing poverty through sustained growth. It was clear to all that macroeconomic and sectoral policies which foster high-quality growth are essential. Until recently, the macroeconomic, sectoral, and trade policies followed by most countries in the region tended to hinder the growth of employment opportunities for the poor. Returns to nonlabor assets were suppressed by policies that worked against agriculture and the informal sector—key sources of employment and income for the poor. Public sector enterprises have been inefficient and have absorbed a significant share of public resources without generating sufficient employment or providing adequate services. To correct past policy shortcomings, most countries of the region have begun to pursue a broad program of reforms that should, if sustained over time, accelerate growth in a sustainable fashion and expand earning opportunities for the poor.

Figure 1. Poverty in the Developing World, 1985 and 1990

Source: Chen, Datt, and Ravallion 1993.

Table 1. Social Indicators, South Asia, Selected Years

<i>Indicator</i>	<i>Bangladesh</i>	<i>India</i>	<i>Nepal</i>	<i>Pakistan</i>	<i>Sri Lanka</i>
<i>Health</i>					
Infant mortality rate (per thousand live births)					
1975	138	130	149	134	44
1980	132	116	142	124	34
1985	117	101	122	110	25
1990	105	91	103	99	19
Life expectancy at birth (years)					
1975	46	52	45	50	66
1980	48	54	47	53	68
1985	50	57	50	56	70
1990	52	59	52	58	71
Total fertility rate (births per woman)					
1975	7	5	7	7	4
1980	6	5	6	7	3
1985	5	4	6	7	3
1990	5	4	6	6	3
<i>Education</i>					
Gross primary enrollment rate (percentage of school-age population)					
Male					
1985	70	111	110	61	104
1990	78	109	—	59	108
Female					
1985	50	80	51	34	101
1990	68	83	—	31	105
Female literacy rate (percentage of females age 15 and older)					
1985	19	29	11	18	81
1990	22	34	13	21	84

— Not available.

Source: World Bank data.

The Example of East Asia

The “East Asian miracle” in countries such as Indonesia, the Republic of Korea, Malaysia, and Thailand is an example of how policies that promoted shared growth—growth in combination with investments in human resources—led to dramatic decreases in poverty levels. In East Asia overall, approximately one-third of the population fell below the poverty line in 1970, but by 1990 only one-tenth of the population was

below the line. East Asian economies grew very rapidly during that period. It was suggested that the governments of South Asia look closely at this example for lessons that might be applied in their own countries.

Not all South Asian participants agreed that East Asia was an appropriate model for their countries. Some felt that circumstances in South Asia were too unlike those in East Asia for any useful insights to be gained from the comparison. Initial conditions were very different. For example, most East Asian countries began with relatively equal land distribution, either longstanding or as a result of land reforms. Some participants pointed out that many East Asian countries have systems of governance that are not shared by the more democratically oriented South Asian countries. In the view of those participants, South Asian countries must find a development path of their own that is consistent with their democratic political institutions. It was noted, however, that human resource development is central to poverty reduction strategies in both East and South Asia, and there was broad agreement on the importance of investments in education, primary health care, and family planning.

Although consensus was not reached on this issue, many were attracted to the hypothesis that active participation by the poor in community-based organizations may be a way to compensate for many of South Asia's disadvantages—such as low literacy rates and inequitable distribution of land and local political power—in relation to East Asia. Group membership, particularly when the group is linked with a broader network through NGOs or other partner organizations, can be a channel for information on markets and services that is often unavailable to illiterate or semiliterate people. The effects of local power inequalities can also be mitigated by group membership, since the poor can together better resist attempts by local elites to monopolize access to services and resources. In addition, local users' groups can force public services to be more efficient and more responsive to clients' needs.

The Role of Economic Reform

There was general agreement that market distortions caused by government regulations, poorly planned public spending, and other errors of the past must be corrected. But whereas some participants were convinced that a strong program of market-oriented reforms was sufficient to bring about poverty reduction, others were concerned that adjustment and structural reforms, if undertaken too swiftly and without compensating measures, could damage the precarious economic position of the lowest economic strata. One feasible solution would be for governments to endeavor to design and sequence reform programs so as to minimize adverse impacts on the poor.

Most participants agreed that safety nets should be in place to forestall the consequences of natural disasters, loss of a breadwinner, and other causes of serious economic deprivation. It was pointed out, however, that the safety net concept was designed to assist exceptional cases, such as the orphaned, the handicapped, and the transitional poor. Safety nets were never envisioned as being adequate to situations in which 40 to 50 percent of the population is below the poverty line, as in some countries of South Asia. Poverty reduction cannot be achieved painlessly or overnight. Yet, with the right priorities and better government expenditure programs, much could be achieved in one generation, as East Asia has demonstrated.

Reflecting the conclusions of the ISACPA report, some participants proposed that in addition to adjustment and reforms, the growth strategy include a complementary "prong" for the poor, aimed at lifting these large numbers out of poverty. Many felt that this strategy should emphasize participatory and community-based approaches to anti-poverty programs. It was suggested that the poor have an unrealized potential for accumulation and that if this potential could be tapped, the poor could add measurably to the country's growth. By implication, aggregate growth will be slower if the growth potential of the poor is not tapped. The key to making the labor of the poor more productive, according to this view, is to create organizations of the poor that can undertake development initiatives at the local level. Community-based participation of this type is a critical component of a "pro-poor" development strategy. It was proposed that, at least for South Asia, social mobilization of the poor may be the missing element that could complete what is sometimes referred to as the World Bank's "two-and-one-half-prong strategy" of growth, human resource development, and safety nets.

Summary

Although there was agreement on the importance of broadly based growth in sustained poverty reduction, there was debate on how best to design a comprehensive pro-poor growth strategy. All participants agreed that adjustment and reform are necessary components of such a strategy. Broad consensus was reached on the importance of human resource development and on the need for targeted programs and safety nets (see Theme 2, below). There was debate, however, over whether the "open economy-structural adjustment" approach would automatically lead to a process of growth and accumulation for the poor. In addition to reforms, a complementary effort for the poor was proposed in which community mobilization and grass-roots development would feature prominently.

Theme 2. Investing in People

Investments in people are crucial for poverty-reducing, sustainable, broadly based growth.

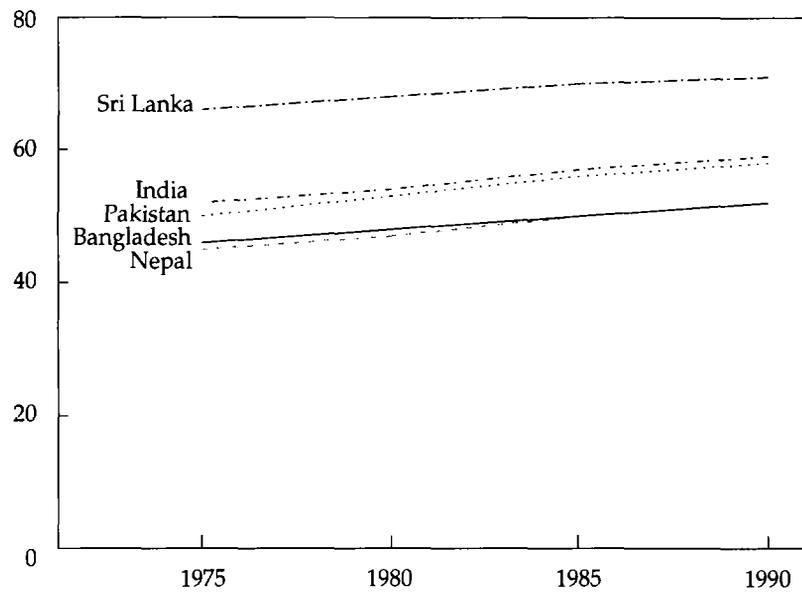
Poverty is not merely a problem of low incomes; rather, it is a multi-dimensional problem that includes low access to opportunities for developing human capital and to education, health, family planning, and nutrition. The effects of poverty can be seen in social indicators: high infant mortality and high premature female mortality, high morbidity, high fertility, low literacy rates, low primary school enrollments, and malnutrition (figures 2 and 3). Education, basic health care, and family planning services are crucial for generating and sustaining economic growth. Deprivation in these areas reinforces the vicious circle created by low incomes, landlessness, and under- or unemployment. A strong consensus was reached on the subject of human resource development.

Although it is clear that growth provides revenues and resources that can be invested in human capital development, it is also likely that such investments are a prerequisite for high-quality growth that provides opportunities to the poor. Participants were virtually unanimous in the conviction that the poor are not likely to be able to participate fully and sustainably in growth without significant investments in their human resource base. However, there is typically a long gestation period before the returns to investments in human resources are realized, and the up-front investment costs (measured in time and money) are considerable. Children who are well fed and educated today are far more likely to become productive, healthy individuals ten to twenty years hence, but meanwhile households must struggle to support themselves and their children, often under difficult economic circumstances. In a crisis, families may sacrifice long-term gains such as children's education for the sake of immediate needs. Interventions aimed at improving literacy levels may therefore need to include incentives to families that will motivate them to keep children, particularly girls, in school.

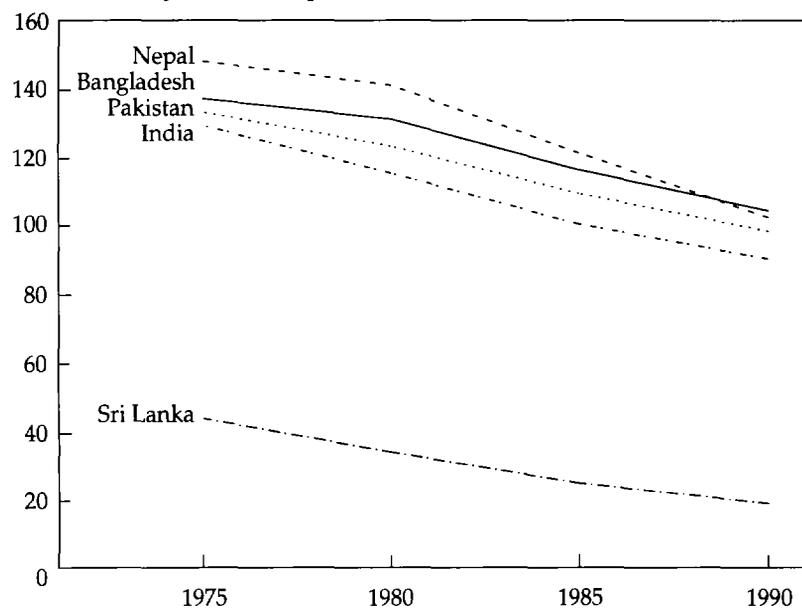
Providing resources to educate and provide services for South Asia's growing population will be a significant challenge for governments in the years to come. It was observed that even if poverty eradication were not an important goal in the region, economic growth and increased public spending would be required just to maintain current levels of services and infrastructure because the population is expanding rapidly. Rapid population growth is linked, as both cause and effect, to low levels of human resource development, particularly for girls and women. (Figure 4 shows current fertility rates in the region.) One possible outcome is that the supply of unskilled labor may grow

Figure 2. Health Indicators, South Asia, Selected Years

Life expectancy at birth (years)



Infant mortality rate (deaths per thousand live births)

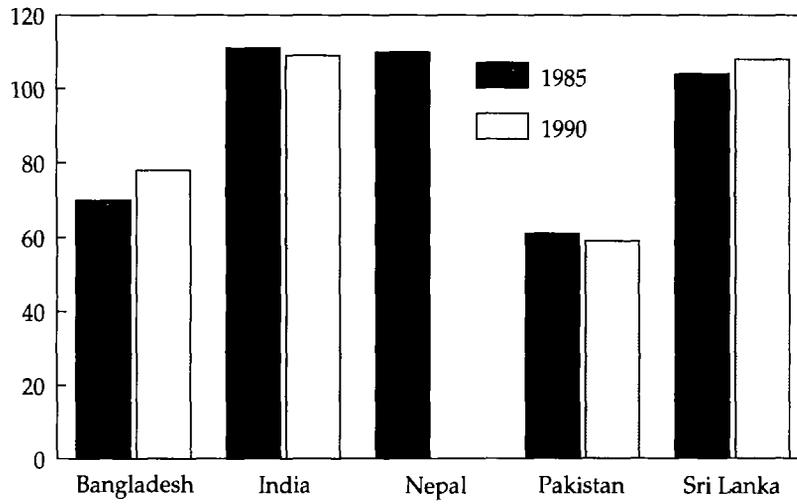


Source: World Bank data.

Figure 3. Primary Gross Enrollement Ratios, South Asia, 1985 and 1990

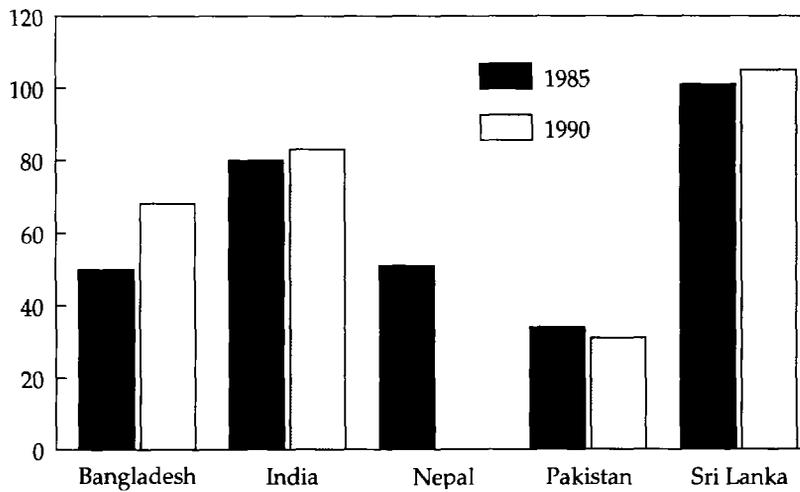
Males

Percentage of school-age population

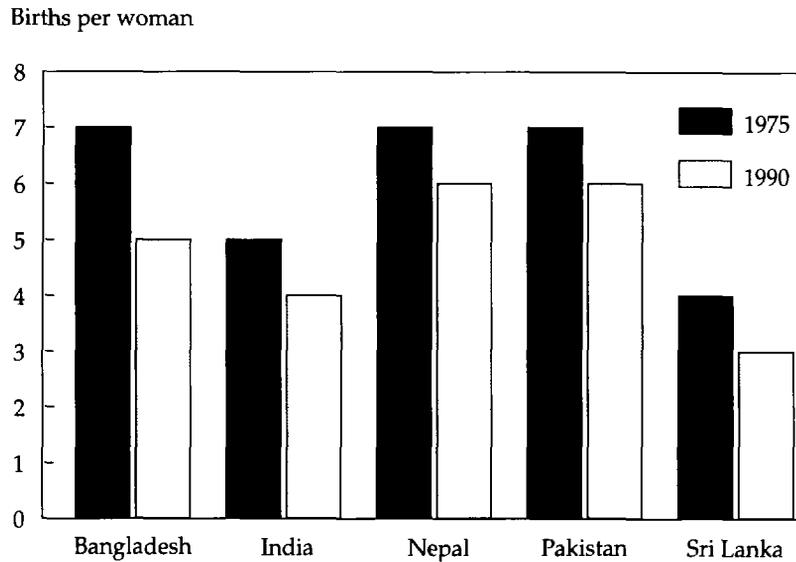


Females

Percentage of school-age population



Source: World Bank data.

Figure 4. Total Fertility Rate, South Asia, 1975 and 1990

Source: World Bank data.

beyond the capacity of the agricultural sector to provide employment. Without strong support for educational, health, and family planning services, it may be difficult to curtail the increase in unemployment that could result.

Gender Concerns

Although none of the workshop's presentations focused exclusively on gender equality, the issue was raised repeatedly in discussions under the rubric of human resource development. The appropriateness of targeted programs for women was questioned at one point during the workshop. Since South Asian women nearly always reside in family groups, it was suggested that credit and other targeted programs should be aimed at the family rather than its individual members.

Other participants countered that, since studies suggest the existence of inequalities of access to food, medical care, family planning methods, and other essentials within the family in some countries, assistance to the family does not ensure that all members will benefit equally. Enhancing women's economic contribution to the family, through credit, assistance to microenterprises and horticulture and other interventions targeted to them, can improve their status within

the home, help to cushion the shock of unexpected events such as widowhood or desertion, and add to the net accumulation of household assets. In addition, it is widely acknowledged that raising women's literacy levels through universal primary education is an effective means of slowing population growth. Participants agreed that investments in education, with special attention to education for girls, are among the most critical requirements for sustainable development in the region.

Summary

Investments in human resource development are a critical prerequisite to poverty reduction and to the full participation of the poor in the growth process (see the discussion in box 2). Education is particularly important to a productive life, but because educational payoffs are long-term and daily needs are pressing, incentives to families may be

Box 2. Use of Participatory Approaches in Poverty Assessments

Participatory poverty assessments have been carried out with World Bank support in Ghana, Guatemala, and several other countries. In the South Asia region, Bank staff members involved in the Pakistan and India Poverty Assessments have begun to explore ways of including the views and opinions of the poor in assessing the conditions that cause persistent poverty and low levels of human resource development.

In Pakistan economic growth has significantly outdistanced improvements in child survival, literacy, and fertility reduction. The condition of girls and women has not improved as much as expected, especially among the poor. The reasons for the gap between growth and quality of life indicators are not fully understood. The Pakistan Poverty Assessment will examine this problem through a number of methods, including focus group discussions and semistructured interviews carried out in disadvantaged areas. In this component, members of poor households will be asked to comment on the availability and suitability of existing educational, health, and family planning services in their neighborhoods and to describe their own health and educational needs and preferences. Reasons for failing to enroll children, especially girls, in school will be discussed, and constraints on greater educational attainment will be identified from the point of view of the informants. The goal of this exercise is to recommend interventions, whether in the form of adjustments to existing facilities and services, public awareness promotion campaigns, or support for new sources and modes of service delivery, that appear feasible, desirable, and cost-effective in view of the information provided by members of poor families.

required if school attendance levels, particularly of girls, are to be significantly improved. Population growth must slow if countries are to keep up with the demand for public services. Investments in health, family planning, and female education and other measures that enhance the status of women are known to be instrumental in slowing population growth. Enhancing women's economic contribution through education and programs targeted to them will benefit family units as well as improve the well-being of women as individuals.

Theme 3. The Role of Participation

Participation may be an important missing element in poverty reduction programs for South Asia.

In the past decade, the international development community has begun to explore the potential of community-level participation and social mobilization as approaches to ensuring that the poor are included in the benefits of economic growth. Although participatory approaches to reducing poverty are not equally successful in all settings, they have shown promising results in nearly all the countries of South Asia. Among the participants who gave presentations were representatives of two NGOs—the Grameen Bank and the Aga Khan Rural Support Project—which have demonstrated that participation can be instrumental in improving the lives of the poor. These and other well-known success stories were discussed extensively as examples of programs that may yield insights into the requirements for effective use of the participatory approach (see also box 3).

When Does Participation Work?

Participatory and social mobilization projects, particularly those that require the organization of the poor into groups for specific development-related tasks, are more successful under some circumstances than others. In the Bank's experience, participatory projects that are focused on infrastructure (particularly irrigation and water systems) or local resources (particularly forests) have had the greatest success, suggesting that participation works when there is a shared asset or other material incentive for spending time in group activities. Organization of the poor into resource users' groups is more likely to be sustainable when these groups have decisionmaking authority, economic responsibility, and financial autonomy. The willingness of participants to contribute cash or labor to a joint enterprise is both an indication of their commitment to the project and a force for group cohesion. Community organization is more sustainable when the organized groups are small, although coordination of these groups at higher levels does not appear

Box 3. Participation in Poverty Reduction Projects Supported by the World Bank

Beneficiaries of World Bank-supported projects in South Asia and communities affected by them are increasingly being included in design and implementation. Users' groups have improved and managed water systems in the Nepal Bhariawa-Lumbini Groundwater II Project, the Sri Lanka Water Supply and Sanitation Project, and the Pakistan Command Water Management Project. Other groups have been organized to maintain and protect forests in Bangladesh (Bangladesh Forestry Project), India (West Bengal Forestry Project), and Nepal (Hill Community Forestry Project). In addition, the World Bank provides support to savings, credit, and income-generating interventions, primarily as a component of larger projects. Participatory approaches have been incorporated into human resource development projects, such as the Punjab Middle Schooling Project in Pakistan and the India Family Welfare (Urban Slums) Project.

Not all of these projects have been fully successful in involving project beneficiaries in planning and implementation, and a number of constraints have been encountered as projects unfolded. Local officials have not always been cooperative, the commitment of community members has not always proved sustainable, and the time and cost requirements have sometimes been greater than expected. Nevertheless, interest in using this approach continues to grow within the World Bank, and participation has been effective in some cases.

to harm sustainability and may even promote it. The groups are more likely to take hold when they are homogeneous in composition, when they are organized according to culturally familiar and appropriate models, and when they are based on the use of common property or facilities.

Some participants argued that there has been a tendency in many countries of South Asia to rely excessively on governments and public sector programs to solve problems and that there is now an analogous tendency to look to community mobilization to handle any problem that government cannot. In their view, some problems can be solved more efficiently by relying on markets, given a suitable enabling environment. As an example of an appropriate division of labor between community organizations and markets, one presentation noted the experience of Bank-supported projects with tubewells in the region. Users' groups are appropriate for managing and operating deep tubewells, which irrigate large areas and serve many farmers. By contrast,

individual farmers have a motivation to sink and maintain shallow tubewells, which are inexpensive and irrigate much smaller areas; private markets function effectively and coordination with neighbors is unnecessary.

As the next stage in assessing the merits of the participatory approach, governments, NGOs, and donors should examine the feasibility of replicating and scaling up successful participatory programs. Unless the programs can be expanded to the national or at least the state level, they will remain experiments, and their impact on aggregate poverty levels will be insignificant. A caveat mentioned in both presentations and discussions was that even if local participatory programs are thoughtfully designed and well implemented, they cannot be expected to have a measurable impact on poverty unless they are complemented by appropriate macroeconomic policies. Growth-promoting macroeconomic strategies, combined with investments in people, make up the context that can provide the conditions for success in reducing poverty through social mobilization of the poor.

Institutions for the Poor?

Some participants questioned whether separate organizations or institutions should be created for the poor. An alternative approach that establishes connections between individual poor people and mainstream institutions (such as commercial banks) might be more sustainable and cost-effective. Some participatory programs have attempted to capture the best of both approaches by organizing cooperative savings, borrowers', or production groups in the initial stages of project implementation but establishing links between beneficiaries and mainstream commercial or government institutions after a certain momentum has been achieved. For example, some programs encourage beneficiaries to establish bank accounts in commercial banks once their savings through village-based savings or income-generating associations have reached a significant level.

The possibility that wealthy local elites may seize control of poor people's organizations and divert donor or government inputs for their own use was mentioned as an obstacle to be overcome. Participation and local control do not guarantee that the poorest members of participating communities will be the ones to benefit. Controlling leakage of benefits to the nonpoor is a problem with most poverty-reduction programs, whether they are participatory or not. One objective of participation as a component of program design, however, is to permit community members themselves to police and deter attempts at misappropriation.

Participants from NGOs community suggested that these and other potential implementation problems could be controlled if a sensitive support network were developed to mobilize, train, and monitor project beneficiaries at the local level. These functions are being performed by NGOs that act as intermediaries between small local communities and larger entities—governments and international agencies—that find it difficult to make direct contact with the poor. Intermediary organizations can serve governments and donors as conduits of information about the poor and the conditions under which they live. They can serve the poor by ensuring that poor people's interests are considered in the design of projects, by providing training in skills and organization, and by voicing the concerns of the poor to development and funding agencies. Because these organizations often work at the community level, they are in a position to notice and call attention to local misuse or misallocation of funds that were supposed to be allocated to the poor.

Scaling Up and Replicating Programs

Questions surrounding the scaling up and replicability of participatory programs, most of which are still small in scale, were frequently raised during the discussion. The organizations currently carrying out the programs often lack enough resources and trained staff to undertake the massive efforts that would be required to reduce poverty at the national level, even if the techniques required for meaningful expansion were better understood. Governments, which have greater resources and organizational capability, are often too hierarchically and bureaucratically organized to adapt easily to a more decentralized and flexible participatory model. It is far from clear what is the best way to marry the resources and scope of government with the intensive, flexible, and locally based approach of NGOs in order to develop a national network of participatory development programs. One promising approach is to utilize NGOs as intermediaries between programs and the poor. Relevant experiments are either in existence or being planned in Pakistan and Sri Lanka.

A related question is whether a community-based program that has proved successful in one country or district can be deployed in other environments with equal success. A program that has successfully organized farmers to construct and maintain irrigation systems may or may not be adaptable to an urban slum setting. Because of differences among countries (or even within countries such as Nepal or India) in social conditions, literacy levels, and settlement patterns, a program design that is effective and acceptable in its original location may be

ineffective in or rejected by the members of a distant community. Currently, efforts to replicate established community-based programs such as the Grameen Bank are being planned or are underway in various regions throughout the world. The results of those trials may help to answer questions regarding replicability.

Group-Based Lending

Among the many unresolved questions on this issue is whether group-based lending can be a model for improving the access of the poor to sources of credit. A number of NGO programs in the region have used the joint liability and group lending principles successfully in extending credit to the poor. Not all such programs have proved successful or sustainable, however, and the internal and external conditions required for success are still unclear.

The failure of some group-based and targeted credit programs to recover loans is partly a result of the lack of incentives to repay. In addition, a misguided use of subsidies in many unsuccessful programs has encouraged borrowers to view their loans as grants. Social intermediation or technical assistance could improve the performance of these programs. In one rural development program, however, lack of access to credit was not found to be a major factor limiting rural accumulation. Many rural households can generate their own capital through savings but have no clear avenues for productive investment.

Participation: A Means or an End?

The discussion revealed a basic difference of opinion on the ultimate role of participatory approaches in poverty reduction. One view is that social mobilization and local participation are a means to an end; they are useful only insofar as they increase incomes, create infrastructure, or serve some other clear development function. Implied in this position is the supposition that if some other approach were demonstrably more productive of income and other measurable benefits, social mobilization would be seen as the less desirable investment option. The other view is that social mobilization and participation of the poor in development programs are not only means to an end but are also ends in themselves. Beyond their actual utility in improving program effectiveness, in this view, participation and organization of poor communities serve an additional empowerment function, enhancing the dignity and self-determination of the poor and enabling them to present a united front against attempts at exploitation by the wealthy and powerful.

Summary

Community mobilization and participatory approaches have shown some promising results in South Asia, but they are not a panacea and are more successful under some circumstances than others. Experience demonstrates that organizations of the poor are most effective when there is a material incentive to continue participating, when groups are smaller rather than larger, when groups are homogenous, and when the approach is complemented by appropriate macroeconomic policies at the national level. There is debate on issues such as the value of separate institutions for the poor, group-based lending, and whether social mobilization is worthwhile as an end in itself apart from its income-generating or productive functions. There are also questions about how successful programs can be scaled up or replicated; relevant experiments are being carried out in the region.

Theme 4. The Need for Collaboration

Effective use of participation requires collaboration by governments, NGOs, donors and organizations of the poor.

What is the proper role of the many actors on the development scene in working with the poor to reduce poverty? Many participants (some of whom were working in the public sectors of their respective countries) felt strongly that governments should take the lead in developing poverty reduction strategies and that they should be discouraged from abdicating their responsibilities toward the poor in favor of other actors such as NGOs and donors. In addition, governments should take the opportunity to learn from successful NGO strategies and be willing to incorporate some of these strategies into their own programs. But fostering excessive dependency on paternalistic governmental programs and initiatives is seen as an error of the past that must be corrected if rapid growth is to be achieved. To counter this dependency orientation, new approaches to developing local capacity and establishing self-reliance should be designed. A portion of the workshop was devoted to defining the roles of the various actors—central governments, local governments, donors, NGOs, and organizations of the poor—in this process.

Roles and Functions of NGOs

“Nongovernmental organizations” is a broad category that includes numerous organizations of varying sizes and capacities that may serve many different functions. Many NGOs are service delivery mecha-

nisms, providing medical treatment, food, nutritional supplements, agricultural inputs credit, and the like directly to those whose needs are not being met by government or commercial sources. Some NGOs work with local government to ensure accountability and high-quality services. A number are beginning to act as advocates for the poor in situations of unequal political and economic power, giving the poor a voice and helping them to claim their share of services from the public sector. Of particular interest to this workshop was the function many NGOs perform in organizing communities and community groups to articulate and accomplish their own goals. Obviously, these roles and functions are not mutually exclusive, and an organization can play two or more roles simultaneously.

Government-NGO Collaboration

NGOs have been particularly important in the implementation of development strategies that involve a participatory component. Working on a smaller scale than do governments, they can tailor programs to specific local conditions and have often proved well equipped to handle sensitive gender and environmental concerns. NGOs can also act as laboratories for testing innovative approaches in pilot projects to establish whether or not they are worthy of large-scale investment. The NGO community must realize, however, that it may not possess the resources and staff to have a national-level impact unless it works in cooperation with other actors, particularly governments. Many NGOs are already beginning to collaborate with governments and donors on finding ways to use successful elements of NGO programs in government programs. An example is Pakistan's effort to incorporate the approach used by the Aga Khan Rural Support Program into a National Rural Support Program (NRSP).

Governments have an important role to play in creating a suitable enabling environment for the effective functioning of NGOs. Policies to establish this environment might include components that promote donations to NGOs by permitting tax-free contributions from both nationals and foreign donors or that forge cooperative links between NGOs and units within line ministries.

A democratic political environment is one of the critical factors that support the formation and functioning of NGOs. Many SAARC countries with small or inactive NGO communities did not have democratically elected governments until recently. Under nondemocratic regimes, NGOs are often seen as potential threats to centralized control, and their leaders may be shut out of the development process. Now that every country of the region has a democratic leadership, the climate is right for the emergence of a strong complementary working relationship

between governments and NGOs. In some South Asian countries, a productive government-NGO relationship has prevailed for a number of years, and reports from these countries were included among the workshop presentations.

Donor-NGO Collaboration

Views differ concerning the appropriate relationship between international donors and NGOs. Some argue that donors should establish mechanisms for working directly with NGOs and providing funding to them without involving governments in every transaction. To operate in this way could free donor-supported programs from crippling bureaucratic requirements and control by uncooperative local officials.

An opposing view is that direct funding to NGOs could exacerbate the frequently tense relations between governments and NGOs. Unlike democratically elected governments, neither donors nor NGOs are the legal representatives of the people, and both should respect the prerogatives and priorities of those governments. Questions can be raised concerning the broader political role of NGOs in their countries of operation. Some would applaud the current policy orientation of NGOs that seek to function as advocates of the poor. Others feel that NGOs may be seeking wider political influence for themselves and that it may be difficult to distinguish between those that are altruistically motivated and those that are motivated by self-interest.

Government-Donor Collaboration

Donors can assist governments in carrying out their overall poverty reduction strategy, and they can facilitate the government-NGO relationship, perhaps by working to establish special funding mechanisms for joint initiatives. There is some controversy about whether it is appropriate for donors to use funding mechanisms to encourage governments to adopt more participatory strategies.

It was also noted that donors must begin to coordinate their efforts to avoid duplication and to complement one another's programs. The World Bank, although the largest of the donor organizations, is not the key player in every development arena. Donors are heterogeneous and have different strengths and weaknesses. It is important that the donor coordination process include a careful analysis of each agency's areas of comparative advantage so that redundancies can be avoided and complementarities can be strengthened. The broad representation from the multilateral donor community at the workshop was seen as an example of the type of information sharing and discussion that could lead to productive collaboration in the future.

Who Should Work Directly with the Poor?

The role of organizations of the poor was explored with great interest. Among the participants who saw such organizations as an essential component of poverty reduction strategies for the region, there was some discussion of which actors were best suited to the task of planning and organizing local groups. Some thought that NGOs were best equipped to undertake the organization of community groups in pursuit of development objectives, but the potential of community organizations based on indigenous models to act independently of NGOs was also recognized.

Some participants questioned the sustainability of local organizations established with donor support through NGOs without the involvement of local government structures or indigenous organizations. Experience has shown that after external funds cease to flow, many NGO-organized community groups vanish for lack of support, despite a practical need for their continued existence. World Bank experience suggests that sustained participation could be fostered if the projects in question included built-in incentives (such as an irrigation system or natural resource, the benefits of which could be shared) or if locally familiar or indigenous organizational structures were utilized.

Summary

If they coordinate their efforts, governments, NGOs, donors, and local organizations can achieve a larger poverty reduction impact than if they acted alone. To do so, they must define their respective roles clearly. Governments should establish an enabling environment for NGO activities, and NGOs must be willing to share their insights and techniques with one another and with government agencies and organizations. Governments, NGOs, and donors should recognize the potential contribution of indigenous community organizations. Donors should work among themselves to identify their own areas of comparative advantage. They should encourage governments to experiment with innovative approaches to poverty reduction and to create an enabling environment that will allow effective NGOs to make their own contributions. Donors should deal sensitively with the question of governmental prerogatives when working directly with NGOs.

Theme 5. The Need for Institutional Reform

Institutional reforms are needed to implement participatory poverty programs.

Participants agreed that governments should be the lead players in poverty reduction strategies, but they also saw a need for institutional changes if governments are to become more effective in promoting

development at the local level. Although training and capacity building should be improved generally, skills-building is particularly critical at the level of local government organizations, where services are actually delivered. In addition to building technical and management skills, local officials and government workers should be trained to interact with service users and communities in a sensitive and supportive way. Entrenched hierarchical attitudes have meant that local government bureaucrats have been stumbling blocks for beneficiary participation in some participatory projects. It may be necessary to provide in-service training to local bureaucrats to sensitize them to participatory approaches.

Locating Responsibility at the Local Level

Many participants supported a movement of fiscal and administrative responsibility to local levels of government, including a significant transfer of resources and decisionmaking authority for the fight against poverty. Locating funds and decisionmaking responsibility at the local level would permit quick and appropriate responses to changes in local conditions, simplify the process of seeking and utilizing feedback from service recipients in the design or modification of government services, and encourage the siting of government services where they are most likely to be utilized. User satisfaction could be increased if local government were able to respond directly to needs, characteristics, and requests specific to the particular district or municipality.

Decentralization of fiscal responsibility to the local level would require either that districts and municipalities have their own revenue sources or that they receive revenue-sharing or matching grants from the state or federal government. To maximize the poverty-reducing impact of decentralization, revenue-sharing mechanisms could be weighted to favor poor and disadvantaged areas, and special allocations could be set aside for small poverty-alleviation projects to be carried out by communities using community labor, materials, or both.

Not all participants agreed that local government was the most appropriate locus of control over development funds and activities. Concern was expressed that local government agencies may lack the skills and capacity to carry out essential functions and that it is difficult to monitor their activities and establish accountability. Some participants observed that in many areas the local government structure is not "pro-poor" because it is under the control of large landowners or other powerful elites. A local government that is in the hands of large landholding families may be less a force for change than an obstacle, since it is disposed to resist any threat to the economic status quo in its area. Whether local elites have any positive role to play in local development was an issue that was raised briefly in this connection. One

participant pointed out that in some important domains, such as control of communicable diseases, the interests of the poor are not separate from or opposed to those of the wealthy. In such a context of shared interests, local elites could provide valuable leadership to the community as a whole.

The threat of expropriation of control by wealthy local elites has been cited as a factor contributing to the reluctance of central governments to devolve power and funds to local governments. Sometimes, too, central and state governments themselves have comfortable working relations with local elites and may not be receptive to the suggestion that influential and relatively well educated families be bypassed by government programs aimed at the poor in their districts.

Summary

Local governments are well positioned to play an active role in community-based and participatory development efforts. Their potential will not be realized, however, unless the division of governmental responsibilities is clear, unless local governments are motivated to be accountable to local constituents, and unless central and state governments are willing to share decisionmaking power and funding with local government structures (see box 4). Central governments have fre-

Box 4. Elements in Successful Decentralization

According to a recent World Bank report, evidence from many countries suggests that for decentralization to succeed:

- The division of functional responsibilities between levels of government must be clear.
- Sources of revenue that correspond to these responsibilities must be authorized.
- There must be a system of accountability that includes both central government regulation and incentives for responsiveness to local constituents.

Regulation by the central government is important when local governments are carrying out central government functions and when local activities can affect national policies. In functions with purely local effects, local government structures should be accountable to local municipalities and communities. Accountability of this kind may not be achieved, however, unless incentives have been built into the system. Even local elections can be an instrument of accountability if election rules are designed appropriately.

quently resisted such a move, in part because of fears that local governments may lack capacity, that their activities will be difficult to monitor, and that they may be controlled by wealthy elites who do not share in the quest for a more equitable distribution of services and benefits. In a few domains, however, local elites may have overlapping interests with the poor, and in these arenas they may be able to provide leadership.

Where Do We Go from Here? Recommended Next Steps

- In support of SAARC's Dhaka Declaration in 1993, the next step suggested for member governments is to develop comprehensive poverty reduction strategies, with specific proposals for policies and programs, for their respective countries.
- The importance of broadly based growth and increased investment in people should be recognized, and the policy steps needed to promote these goals should be taken.
- Effective participatory and social mobilization approaches should complement these strategies wherever they can be effective.
- Depending on the country in question, sharing of decisionmaking authority over poverty initiatives with local governmental structures may need to be a component of these strategies. It is imperative, however, that the division of functional responsibilities be made clear, that revenue sources corresponding to these responsibilities be authorized, and that local governments be accountable to both the central government and local constituents.
- Governments should carry out an appraisal of the effectiveness of NGO programs in their own countries. They should identify cases in which NGOs have been successful in using participatory approaches to enhance program impact and should develop plans for utilizing these approaches to improve the effectiveness of their own programs (with facilitation by NGOs in some cases).
- Development agencies should, if so requested, work with governments in developing and carrying out feasible strategies. They should coordinate their efforts, each providing support and technical assistance in accordance with its own area of comparative advantage.
- Development agencies should be prepared to initiate and support innovative experimental approaches linked to participation and social mobilization, including some that place the planning, implementation, and maintenance of interventions in the hands of those who will be affected by the project. The results of the projects should be closely monitored and evaluated so that the conditions necessary for success can be identified.

Box 5. An Indication of Future Directions: The Grameen Trust

Initiatives to incorporate participation of the poor in poverty reduction efforts are being included in many World Bank-supported projects. An example particularly relevant to the themes of the workshop is the World Bank's \$2 million grant to the Grameen Trust. The grant was announced by World Bank president Lewis T. Preston in November 1993 at the international conference on Overcoming Global Hunger, hosted by the World Bank.

The Grameen Trust is a nonprofit company established in Bangladesh for the replication of projects using the Grameen Bank approach throughout the developing world. It is seeking \$100 million from international donors for a five-year program that will expand current work in initiating Grameen-type pilot projects, scaling up successful projects, training replicators and field staff from a number of countries, publishing training materials, and monitoring and evaluating the results of these initiatives. If donors respond as requested, the trust will be able to test the hypothesis that the Grameen Bank approach, when adapted to local conditions and implemented by appropriately trained staff, can be replicated successfully in developing countries with a wide range of economic, demographic, environmental, and cultural characteristics.

- Where innovative projects have already been found to be successful, agencies should support efforts to test the feasibility of upscaling or replicating them in similar and dissimilar environments. A continuing effort to identify the circumstances and factors necessary for successful scaling up and replication could be undertaken by governments, NGOs, and donors. (See the discussion in box 5.)

Appendix A. Findings and Conclusions, Plenary Session

Areas of Agreement

1. Poverty in South Asia is very high by any measure and affects women and children with particular severity. Unless credible and sustainable country-based programs for reducing poverty within a reasonably short time are adopted, the stability of the socio-political-economic system will be exposed to a great deal of risk.

2. Poverty is multidimensional: the poor not only lack enough income to meet their basic needs but are also deprived in other ways—social, economic, and political.

3. The indirect effects of macroeconomic, sectoral, and trade policies in limiting the growth of employment opportunities, as well as returns to the nonlabor assets of the poor, have been substantial in South Asia.

4. The primary thrust of any effective poverty reduction strategy is to enable the poor to climb out of poverty and stay out of poverty. In the longer term, public assistance should be necessary only for the transitory poor (those affected by natural disasters or unexpected shocks to income) and the chronic poor (such as the elderly, the handicapped, and orphans). Chronic poverty is only weakly related to economic processes.

5. Growth is necessary for sustainable poverty reduction. However, the *quality* of growth is a crucial ingredient: it must be broadly based and labor-intensive, and incentives must be in place that encourage efficiency and reward competitive activities.

6. Investments in people—in health, education, and family planning—must accompany growth if it is to lead to sustained poverty reduction.

7. Along with high-quality growth and investment in people, targeted programs for the poor are needed. These programs must be efficient (delivered at reasonable cost and well targeted) and use effective and innovative delivery mechanisms, creatively combining market mechanisms, government programs, and NGO activities and strengthening community participation and relevant community institutions in pursuit of the programs' objectives.

8. Participation of the poor in the design and delivery of basic services, as well as in specific, targeted programs, is crucial. There is abundant evidence of successful and effective participation of the poor in South Asia. Even so, much work needs to be done to analyze empirically the circumstances under which participation is most effective and when it is not and how successful schemes can be scaled up or replicated.

Areas Requiring Further Analysis

1. On the quantitative analysis of poverty strategies:

- What are the relative contributions of broadly based, labor-intensive growth (the right kind of growth) and investments in human resources in reducing poverty in South Asia?
- Does growth bring about higher investment in human resources, or are greater investments in human resources a necessary precondition for growth?
- What is the scope for increasing savings and domestic investment through improved social mobilization?
- How does placing different weights on growth, human resource development, targeted programs, and participation affect the time horizons required for meeting poverty reduction targets?

2. On institutions and poverty reduction in South Asia:

- What have been the roles of various institutions in South Asia in the region's relatively low growth and low investments in human resources?
- Are social mobilization and greater participation of the poor the missing ingredients in poverty reduction?

3. When does participation work?

- Under what economic, social, and political circumstances has participation been effective?
- In light of resource constraints and the need to set priorities in poverty reduction strategies for South Asia, should participation be viewed more as a means or as an end in itself in poverty reduction efforts? (For example, should participation be encouraged because it is effective in helping to reduce poverty or also because it gives people a sense of dignity and self-worth—that is, because it is empowering?)
- Is there something unique to South Asia that permits the large-scale use of participatory approaches?

4. On the roles of governments, NGOs, and groups of the poor:

- What does an analysis of both successful and less successful participatory programs tell us about when and how governments, NGOs, and locally based groups of the poor can be combined effectively?
- What are the community-related institution-building prerequisites for successful participation?

NGOs comprise a wide spectrum of organizations that vary in their objectives, size, scope (local, national, or international), and effectiveness. What typology of NGOs would allow us to identify their potential roles in poverty reduction?

5. On the role of donors:

- In what ways can the donor community participate in the design and implementation of poverty reduction strategies at the country level? (Note that, like NGOs, donors are highly heterogeneous.)
- How can donor efforts be designed to best complement the poverty reduction efforts of governments, NGOs, and groups of the poor?

6. On participation and decentralization:

- What are the links between local participation and local elites? Do local elites have any role to play? How can conflicts be resolved?
- What is the role of financial decentralization in ensuring that participation is effective?

7. On institutions and poverty reduction in East Asia:

- What was the role of institutions in fostering a political economy framework in East Asia within which quality growth, investments in human resources, and redistribution of assets combined to produce shared growth?
- Did social mobilization (in the sense in which it is being discussed for South Asia) play a role?
- What other differences in the two regions could explain different rates of success in reducing poverty?

8. On effective delivery of rural credit:

- Under what conditions should separate channels of credit (that is, separate financial institutions) be established for the poor? Under what conditions does social intermediation help the poor overcome barriers to access to existing sources of credit (government programs and commercial banks)?
- Is group-based lending the only appropriate method for developing a sustainable rural credit program in South Asia? Would

directed, incentive-based programs (similar to those currently used in rural areas of Indonesia) work as well? Under what conditions?

Possible Next Steps

1. Each SAARC country needs to develop a specific poverty reduction strategy, specifying proposed policies and programs and identifying a role for coordinated donor assistance in implementing the strategy. The strategies should be developed through a consultative process involving relevant actors and should recognize the importance of pro-poor (labor-intensive, broadly based, and sustainable) growth and the steps required to promote such a growth path. The strategies should clarify what actions will be taken to expand investments in human resources in an equitable and efficient way and how efficient, sustainable targeted programs could be developed or restructured. Effective participatory and social mobilization approaches should be developed.

2. Although governments will continue to play a strategic role in formulating and implementing strategies for reducing poverty, the effectiveness of this role needs to be improved through greater devolution of authority and responsibility, transparency of policymaking, and accountability. In particular, this will require reform of the public administration and reorientation of the bureaucracy.

3. South Asian governments should look for ways to improve the enabling environment for growth and development of NGOs and of social mobilization and participatory schemes. This will also call for devolving more responsibilities to local government institutions and strengthening their capacities. Coordinated external assistance may be needed.

4. More innovation and risk-taking should be considered in experimenting with new programs and projects that make use of social mobilization, which involves governments at all levels, NGOs, and other partners, and of participatory, community-based approaches. Results should be monitored carefully.

5. Additional mechanisms for funding programs or projects that improve collaboration between government and NGOs in implementing social mobilization schemes should be explored (for example, through aid group meetings). Again, results should be carefully monitored.

6. There is a need for more experimentation with project components that support (a) training (particularly on-the-job training) of community members by successful NGOs; (b) development of institutional capacity to increase participation and mobilization of the poor; and (c) reorientation of NGOs, local bureaucracies, and other development agencies.

7. Countries should develop responsive information and monitoring systems that are participatory, that use both qualitative and quantita-

tive methods, and that monitor not only inputs and processes but also outcomes (for example, the effectiveness of particular interventions in reducing poverty).

8. Funding and technical support should be provided for research and further analytic work on important unanswered questions and new questions. The most pressing short-term questions need to be identified.

Appendix B. List of Participants

Gautam Adhikari	Consultant, South Asia Region, The World Bank
Sadiq Ahmed	Lead Economist, Country Department 3, South Asia Region, The World Bank
S. Maqsood Ali	Sadharanbima Corporation, Dhaka
John Clark	International Relations Officer (NGOs), Operations Policy Department, The World Bank
Nancy Benjamin	Economist, Central Asia Department, International Monetary Fund
Lynn Bennet	Senior Anthropologist, Asia Technical Department, The World Bank
Carter Brandon	Consultant (Economist), Asia Technical Department, The World Bank
Abdul Sattar Moosa Didi	State Dignitary, Republic of Maldives
Lionel Demery	Senior Economist, Education and Social Policy Department, The World Bank
Robert S. Drysdale	Senior Operations Adviser, South Asia Region, The World Bank
Ann Duncan	Senior Economist, Country Department 3, South Asia Region, The World Bank
Salem Gafsi	Senior Operations Officer, Country Department 3, South Asia Region, The World Bank
Godfrey Gunatilleke	Executive Vice Chairman, Marga Institute, Colombo
Ann Hamilton	Director, Country Department 1, South Asia Region, The World Bank
S.R. Hashim	Office of the Principal Adviser, Planning Commission, New Delhi
Jeffrey Hammer	Principal Economist, East Asia Region, The World Bank
Paul Isenman	Director, Country Department 3, South Asia Region, The World Bank
Bimal Jalan	Executive Director (Bangladesh, Bhutan, India, and Sri Lanka), The World Bank

Henning Karcher	Chief, West and South Asia Divisions, Regional Bureau for Asia and the Pacific, United Nations Development Programme (UNDP)
Martin Karcher	Division Chief, Country Department 1, South Asia Region, The World Bank
Shoaib Sultan Khan	Senior Adviser, Rural Development, Aga Khan Foundation, Islamabad
Shahid Khandker	Economist, Education and Social Policy Department, The World Bank
Karl Eric Knutsson	Regional Director for South Asia, United Nations Children's Fund (UNICEF), Kathmandu
Valerie Kozel	Economist, Office of the Vice President, South Asia Region, The World Bank
Thomas Matthai	Assistant to Regional Director for South Asia, United Nations Children's Fund (UNICEF), Kathmandu
John Mitchell	Senior Public Information Officer, External Affairs, The World Bank
Gobind T. Nankani	Chief Economist, South Asia Region, The World Bank
Deepa Narayan	Social Scientist, Environment Department, The World Bank
Sangay Ngedup	Director General, Health, Royal Government of Bhutan, Office of the Superintendent, General Hospital Thimphu-Bhutan
Barbara Parker	Consultant (Anthropologist), South Asia Region, The World Bank
M. S. Rao	Manager, Social Dimensions Unit, Asian Development Bank, Manila
Daniel Ritchie	Director, Asia Technical Department, The World Bank
Shiv N. Saigal	Director, Asia Division, International Fund for Agricultural Development (IFAD), Rome
Sven Sandstrom	Managing Director, The World Bank
Binayak Sen	Consultant, Operations Evaluation Department, The World Bank
M. Khalid Shams	Grameen Bank, Bangladesh
Kamal Uddin Siddiqui	Prime Minister's Office, Dhaka
T. N. Srinivasan	Department of Economics, Yale University, New Haven, Connecticut
Paul Streeten	Independent consultant, United States
Lyn Squire	Director, Policy Research Department, Middle East

	and North Africa Region, The World Bank
R. Sudarshan	United Nations Development Programme (UNDP), New Delhi
S. K. Upadhyay	Member, National Planning Commission, Kath- mandu
K. R. Venugopal	Special Secretary, Prime Minister's Office, New Delhi
Heinz Vergin	Director, Country Department 2, South Asia Re- gion, The World Bank
Ponna Wignaraja	Adviser, United Nations University, Colombo
D. Joseph Wood	Vice President, South Asia Region, The World Bank
Ibrahim Husain Zaki	Secretary General, SAARC, Kathmandu



The World Bank

Headquarters

1818 H Street, N.W.
Washington, D.C. 20433, U.S.A.

Telephone: (202) 477-1234

Facsimile: (202) 477-6391

Telex: WUI 64145 WORLDBANK
RCA 248423 WORLDBK

Cable Address: INTBAFRAD
WASHINGTONDC

European Office

66, avenue d'Iéna
75116 Paris, France

Telephone: (1) 40.69.30.00

Facsimile: (1) 40.69.30.66

Telex: 640651

Tokyo Office

Kokusai Building
1-1 Marunouchi 3-chome
Chiyoda-ku, Tokyo 100, Japan

Telephone: (3) 3214-5001

Facsimile: (3) 3214-3657

Telex: 26838



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