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**Poverty Reductionism: The Exclusion of History, Politics,  
and Global Factors from Mainstream Poverty Analysis**

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**Abstract**

Poverty reduction efforts continue to be dominated by top-down strategies based on the notion of the rich *saving* the poor. This paper argues that such an approach is derived from the exclusion of history from mainstream poverty analysis undertaken by international organisations and development economists. Instead a *mistaken* assumption about the history of world poverty is used – that prior to the industrial revolution the world was universally poor. This assumption has three consequences for understanding causes of poverty; firstly, it enables poverty to equate to the absence of economic growth; secondly, unequal power is overlooked; and thirdly, political and global factors related to unequal power are considered insignificant. Subsequently, the role of the rich in causing poverty is ignored. These arguments are demonstrated by analysing the Poverty Reduction Strategy Papers and Poverty Assessments of 20 countries. The article questions whether strategies designed by the rich, based on this partial analysis, can actually eradicate poverty, or whether they serve to reinforce the unequal power that often creates poverty.

## Introduction

The Millennium Development Goals (MDGs) have been hailed as ‘the most broadly supported comprehensive and specific poverty reduction targets the world has ever established’.<sup>1</sup> The eight goals were agreed by the heads of states of 189 countries in 2000. The first seven goals focus on achieving human poverty and broader development targets, while the eighth MDG describes how the preceding goals will be achieved, namely through developing ‘a global partnership for development’. The United Nations Development Programme (UNDP) explains that this partnership ‘puts the responsibilities squarely on both sides: requiring bold reforms from poor countries and obliging donor countries to step forward and support those efforts’.<sup>2</sup> The MDGs are very much a top-down initiative in which the rich – in the form of international organisations, the governments of rich countries, and the governments and elites of developing nations – will come to the aid of those living in poverty. However, as Patrick Bond has pointed out, such an approach takes for granted that the rich are the solution and not part of the problem of poverty.<sup>3</sup>

In this paper, I argue that the notion of the rich *saving* the poor is made possible by excluding history from the mainstream poverty analysis undertaken by international organisations (such as the World Bank and IMF) and by leading development economists who dominate debates on poverty reduction with claims of being able to ‘prescribe a course of treatment’ to end poverty.<sup>4</sup> Instead of examining historical processes, mainstream poverty analysis is based upon a mistaken assumption about the history of world poverty, which asserts that prior to the industrial revolution around 200 years ago, the whole world was universally poor and had always been poor. I argue there are three major consequences of this assumption of ‘*original poverty*’ on how the causes of poverty are viewed, which in turn shapes the strategies designed to reduce poverty. The first is that when poverty is taken to be original and universal, the multidimensional issue of poverty is reduced to being synonymous with the absence of economic growth – and growth becomes the primary focus of poverty reduction. The second consequence is that issues of *power* are ignored in mainstream poverty analysis. This article argues that unequal power has been a principal cause of poverty, and that the struggle for power and control of resources has led to some becoming rich, while forcing many others into poverty. The third result of assuming the world has until recently been universally poor and the subsequent oversight of

unequal power, is that national politics and global relations that are directly linked to power, are also ignored as underlying causes of poverty, and are seen as relevant only in terms of supporting economic growth.

These three results have huge significance for the causes of poverty provided in mainstream analysis. The most frequent explanations of poverty tend to emphasise *endogenous* factors only, while political, global, and historical factors are largely overlooked. This paper argues that such factors are fundamental for an understanding of the current world poverty. By disregarding these issues, development focuses on depoliticised technocratic growth strategies, which ignore the possibility of a conflict of interest existing between the rich and poor, and enable poverty reduction to be considered an endeavour undertaken by the rich on behalf of the poor. However, poverty is not simply the absence of growth; it is also related to unequal power and conflicting interests, which resonate in national politics and global ties. The only way to disregard such factors is by ignoring history. This, I argue, is what has taken place in mainstream poverty analysis, and in doing so poverty reduction strategies have served to reinforce the unequal power relations that often lie at the heart of poverty.

To demonstrate these arguments, the Poverty Reduction Strategy Papers (PRSPs) and Poverty Assessments (PAs) of 20 countries are analysed. These documents represent the poverty analysis that forms the basis of top-down development strategies. They are found to contain little historical analysis, with less than 25 per cent of the documents reviewed discussing the country's history – and only 5 per cent doing so in the context of poverty. The analysis of causes of poverty is also limited, with over 50 per cent of PRSPs and PAs failing to refer to causes of poverty, and instead focusing on the absence of growth. Furthermore, in the PRSPs and PAs which do discuss causes, this is generally limited to apolitical localised issues, as 80 per cent of the PRSPs and PAs fail to refer to historical, political, or global factors as explanations of poverty.

The PRSPs and PAs predominantly focus on promoting economic growth on the basis of technocratic strategies. Issues of power and competing interests are largely ignored or taken out of the country context; hence, poverty is depoliticised and treated as a failure to implement the policies necessary for economic growth to occur. However,

the policies for growth advocated in the PRSPs and PAS have often been strongly opposed by the poor, largely because they reinforce unequal power relations. Therefore, while the PRSPs and PAs contain little political analysis, this article argues that they are highly political in nature, often working against the poor rather than for or with them. This raises questions as to whether strategies designed by the rich for the poor can actually eradicate poverty.

### **Poverty in Historical Context**

An understanding of history is essential to adequately analyse poverty and produce strategies to reduce it. As the World Bank explains, ‘acknowledging history and social and political institutions is crucial to avoid policy mistakes’ and further, ‘to propose policies without understanding history, or the specific context for developing these policies, often leads to failure’.<sup>5</sup> However, policies for reducing poverty *have* taken place without understanding history; instead mainstream analysis has been based upon a fundamentally flawed assumption about the history of world poverty.

#### *The Myth of ‘Original Poverty’*

When analysing poverty and discussing issues related to its reduction, it is first necessary to consider what is meant by poverty. In the past, an understanding of poverty has been limited to income levels and basic needs, but there is now a general consensus that poverty is much broader than this. Poverty is now commonly approached in terms of *human freedoms*. This shift away from a strictly monetary or commodity-based approach, to one which emphasises human freedoms, has in large part been brought about by the seminal work of Amartya Sen. By focusing on people’s *functional capabilities* – that is their ability to enjoy substantive freedoms or opportunities – Sen argues for an approach in which poverty is ‘seen as the deprivation of basic capabilities rather than the lowness of incomes’.<sup>6</sup> In this paper, poverty is defined as the deprivation of basic freedoms due to inadequate resources or a lack of access to necessary resources.

Mainstream poverty analysis has been established on the mistaken assumption that poverty is the original and universal condition of the world. Proponents of this view argue that while some countries have recently escaped this state of poverty, a large number remain as they started – *poor*. This claim is made by Jeffrey Sachs, the

Director of the UN Millennium Project, who argues that until around 200 years ago ‘just about everybody was poor, with the exception of a small minority of rulers and large landowners’.<sup>7</sup> Sachs explains that ‘the move from universal poverty to varying degrees of prosperity has happened rapidly in the span of human history’ and can be explained by the onset of the industrial revolution in Western Europe.<sup>8</sup> This notion of *original poverty* is supported by William Easterly who claims ‘when those of us from rich countries look at poor countries today, we see our own past poverty. We are all descendants of poverty’.<sup>9</sup>

The assumption that poverty was the starting point of humankind is false. If one takes a brief glimpse at the actual history of the world, there is no support for this view. There is little to suggest that the Inca and Mayan civilisations in the Americas, or the Native North American tribes were entrenched in *universal* poverty.<sup>10</sup> In India, as far back as the Harappan civilisation that existed from around 3000-1700 BC, there are examples of structured town planning with sewage systems, brick buildings, and public baths.<sup>11</sup> In Africa, the Ancient Egyptians, the ‘mercantilist’ Swahili, and the West African Kingdoms were not destitute societies.<sup>12</sup> On the contrary, by the eleventh century, West African Kingdoms ‘shone especially in their trading enterprise, their farming wealth, and their arts of sculpture in terra-cotta and bronze’.<sup>13</sup> In Europe too, if one considers Ancient Greece and Rome, the notion of the pre-industrial world being one of *complete poverty* is again brought to question. This is not to say poverty was not present in all of these societies; however, they were not *universally* poor. The fallacy of equating pre-industrial societies with universal poverty can be seen even today, with indigenous tribes of the Amazon rainforest, who live as they have done for thousands of years through hunting, gathering fruits, and horticulture, without modern technology or aid. Increasingly, the main threat they face is from extractive industries that encroach on their land.<sup>14</sup> These tribes are not fighting *for* access to technology to lift themselves out of poverty; they are fighting to protect their way of life *against* it – and against those who seek to force them off their land, and subsequently, *into* poverty. It is only possible to see poverty as being an original and universal state if the definition of poverty used is limited to a minimum income or technology level. However, such a definition is widely acknowledged to miss the core of what poverty actually is. As such, the view of complete poverty prior to the industrial revolution confuses underdevelopment with what Andre Gunder Frank has

labelled '*undevelopment*'.<sup>15</sup> Before the industrial revolution, resources may not have been fully exhausted to enable maximum growth; however, they were used by many people in the world to the extent necessary to guarantee the freedoms that people valued.

### **Framing Poverty Analysis**

The consequences of an ahistorical analysis based on the assumption of 'original poverty' can be observed in the manner in which poverty is framed. There are three specific outcomes of the assumption: firstly, poverty is reduced to being viewed purely as the absence of growth; secondly, unequal power and the struggle for control of resources are disregarded as explanations; and thirdly, historical, political, and global factors in which unequal power is resonated come to be excluded from mainstream poverty analysis.

The major corollary of assuming that the world started in a state of poverty is that those regions which are particularly poor are mistakenly assumed to have *always* been poor. This enables current poverty to be framed as an absence of economic growth, which has meant a shift from analysing causes of poverty to understanding reasons for the lack of growth.<sup>16</sup> Subsequently, rather than examining the impoverishment of countries and people, poverty analysis focuses on why some regions have 'failed to take-off' and why so many people have been 'left behind'. However, as Vandana Shiva points out, 'the poor are not those who were left behind, they are the ones who were pushed out and excluded from access to their own wealth and resources'.<sup>17</sup> Those with power have been able to deny others access to resources and profit from the wealth generated from these resources, which in turn, allows them to reinforce their power. Poverty, therefore, is intertwined with the struggle for power. This is evident in the many countries that are rich in natural resources but have poor populations, such as Nigeria and Haiti, because access to these resources is restricted to a small powerful elite. In many instances, the struggle for power that has enriched some is the same process that has impoverished many others.

International development has tended to ignore this issue, through assuming poverty to be original, and therefore *endogenous* to a region, rather than being largely created through external processes. When poverty is considered original, global issues centred

on power in the international system, and politics (defined as ‘the striving for a share of power or for influence over the allocation of power’) can be disregarded as causes of poverty.<sup>18</sup> Instead, global interactions and politics are seen only in terms of creating conditions for economic growth to take place. Subsequently, the possibility that reducing poverty represents a conflict of interests between the rich and poor in terms of power is neglected. This flawed approach allows Jeffrey Sachs to dismiss the claim that ‘the rich have gotten rich because the poor have gotten poor’ on the basis that all regions have experienced some growth, and that ‘economic development is not a zero-sum game’.<sup>19</sup> However, while growth or ‘development’ may not be a zero-sum game, *power* in a closed system is. Power, in this context, refers to the notion of power as ‘decision-making’, which is ‘associated with *domination or power over*’.<sup>20</sup>

Ignoring issues of power enables the possibility of competing interests between rich and poor to be excluded from mainstream poverty analysis. As a result, international development strategies can focus on how rich countries, international organisations, and elites in developing countries, can rescue the poor from extreme deprivation, failing to consider the possibility that the rich may be the problem and not the solution for the poor. Excluding history from poverty analysis, and the subsequent framing of poverty this has allowed, is most significant when considering causes of poverty, which form the basis of strategies to reduce poverty. Mainstream poverty analysis emphasises endogenous factors as causes of poverty, while historical, global, and political causes tend to be overlooked.

## **Causes of Poverty**

### *Commonly Provided Explanations of Poverty*

Poverty is multidimensional in nature, and its causes tend to be numerous and overlapping. However, a number of explanations dominate mainstream poverty analysis. In recent times, the notion that poverty itself can be a cause, whereby some countries are unable to break free from a ‘poverty trap’, has received much attention.<sup>21</sup> The physical geography of regions is also highlighted, particularly the impact it can have on transportation costs and the prevalence of diseases.<sup>22</sup> A further frequently stated explanation of poverty is widespread corruption in developing countries.<sup>23</sup> Other reasons provided relate to population growth and culture.<sup>24</sup> There is

empirical evidence both for and to refute all of these explanations, as well as convincing counter-arguments and examples.<sup>25</sup>

These explanations, with the possible exception of population growth, rest on the notion of ‘original poverty’, and hence, they focus on causes for an absence of economic growth rather than poverty. The explanation of poverty traps presumes these countries began in poverty, or else the focus would be on what causes countries to become ensnared, rather than the poverty trap itself. Similarly, focusing on corruption and other ‘governance’ issues, while ignoring their underlying causes, implies corruption is inherent in certain societies, preventing growth. All of these explanations may be important in specific cases; however by ignoring historical analysis, many other factors that enable a greater understanding of poverty are excluded. As I have explained, the most significant omission is related to historical, political, and global causes of poverty, which in addition can shed greater light on issues such as corruption and poverty traps.

#### *Historical, Political, and Global Factors*

Poverty has, in large part, been caused by unequal power relations, which shape national politics and global relations. In terms of politics, one only has to look at different groups in many countries that have been excluded from politics and are also the poorest. For example, in India the poorest groups are often indigenous *adi vasis* or lower castes. Similarly, the political process in Latin America has been designed to favour those of European origins at the expense of indigenous groups, who are commonly denied access to resources. In addition, Amartya Sen has demonstrated that famine – a single but extreme dimension of poverty – is not simply a result of insufficient food, but of unequal distribution related to the system of power in place.<sup>26</sup>

However, for a full understanding of the manner in which unequal power has forced many into poverty, it is necessary to consider both national politics and global interactions. To do so, one must consider the history of global relations and poverty. The impoverishment of entire regions, which can currently be observed, occurred with the onset of colonialism, when the world was transformed into a ‘capitalist world-economy’.<sup>27</sup> Therefore, to understand current poverty, it is necessary to have an understanding of this period and its legacy on current global relations, national

politics and poverty. It is important to note that in arguing the widespread poverty observed today has its roots in the colonial era, I am *not* making the claim that poverty did not exist prior to this period. However, the globalised nature of poverty, in which certain regions of the world have seen widespread poverty in the twentieth century, can certainly be traced back to the colonial imposition of power and control of resources in these regions. While a detailed discussion of the colonial era and its legacies is beyond the scope of this paper, I will highlight some of the major features that impact current poverty. The most significant legacy of the colonial period has been the inequality of power in the world, which continues to enable rich countries to shape the rules of trade and global institutions to serve their own interests to the detriment of the poor.

The process of colonisation took place in two phases, the period between the 1490s until the early 1800s, and the period after the industrial revolution until the latter half of the twentieth century. The first period consisted largely of Europeans taking gold, spices, and slaves from South America, Asia and Africa – as well as capturing existing trade routes.<sup>28</sup> Some have argued that this transfer of wealth not only stripped these countries of their resources, but also provided the investment necessary in Europe for the industrial revolution to take place.<sup>29</sup> The second phase, which followed the industrial revolution, in many cases meant the forced removal of indigenous people from access to resources, as the colonial powers transformed the existing systems in these regions into extraction economies and incorporated them into a capitalist world system. This system created an international division of labour, in which colonised countries supplied the raw goods required by Europe for the production of manufactured goods. In the case of India, this meant forced deindustrialisation as a result of British rule, whereby India went from producing 24.5 per cent of the world's manufactured goods in 1750 to only 1.4 per cent in 1913.<sup>30</sup> Following independence from European rule, some former colonies (mainly Asian) have managed to shift their economies away from a dependence on exporting raw goods; however, the majority have not. The current global trade system, therefore, is a legacy of the colonial era.<sup>31</sup> This dependence on exporting primary goods means that many of the previously colonised countries have faced declining terms of trade and greater vulnerability to shocks in the global markets – a major cause of poverty in these countries. An example of this is Zambia where, following British rule, the

country was dependent on crude copper, which made up 90-95 per cent of its exports in the early 1960s.<sup>32</sup> When world copper prices fell in 1971 the country suffered a large balance-of-payments deficit, and fell into severe poverty.<sup>33</sup>

Existing global inequality combined with the current world trade system (both legacies of colonialism) has meant that trade rules work against poor countries. By forcing developing countries to open their markets to large foreign firms, while at the same time denying free access to developing world producers to their own markets, rich countries have impoverished millions. Removing trade barriers in developing countries runs contrary to the tactical protectionism used by rich countries in their own development, representing what Ha-Joon Chang has called ‘kicking away the ladder’.<sup>34</sup> In many countries around the world, the HIV/AIDS pandemic has drastically reduced life expectancy, and resulted in millions being forced into poverty. However, antiretroviral treatment is unavailable to them because of the international patent rules that prevent generic drug production and allow large pharmaceutical companies to charge excessively high prices.<sup>35</sup> International inequality and global price shocks for primary goods have also resulted in many developing countries facing huge external debt burdens, which limit their capacity to spend on public services for their population – pushing many into poverty. Often the initial loans that have spiralled into these vast debts were made to authoritarian regimes (frequently supported by rich countries) and used to oppress those now having to repay them, strongly challenging the legitimacy of such debts.<sup>36</sup>

Global and political issues, such as these, are widely recognised and debated. However, they are generally framed as barriers to growth rather than underlying causes of poverty. Similarly, rather than acknowledged as ways in which the rich have caused the poverty of many, they are presented as areas in which the rich can help the poor. The UNDP frames changing the discriminatory trade system as ‘expanding market access to *help* countries diversify and expand trade’.<sup>37</sup> The emphasis on the debt crises is not challenging their legitimacy, but rather that more needs to be done ‘to ensure that countries’ debt burdens are really sustainable’.<sup>38</sup>

There are a number of other global and political issues that have largely been ignored in mainstream poverty analysis; in particular, the effects that the global system has on

national politics, which are rooted in historical events. The political philosopher, Thomas Pogge, has emphasised the manner in which the existing global system recognises and legitimises the authority of ‘any group controlling a preponderance of the means of coercion within a country’ regardless of ‘how this group came to power, of how it exercises power, and of the extent to which it may be supported or opposed by the populations it rules’.<sup>39</sup> The global system allows this group to borrow in the country’s name (‘international borrowing privilege’) and to sell the country’s natural resources (‘international resource privilege’).<sup>40</sup> This situation is exacerbated when a historical dimension is included, particularly in the case of Africa. A feature of colonial rule was the use of ‘divide and rule’ policies to strengthen European rule, which increased tensions between ethnic groups. In Africa, this was amplified by the manner in which the continent was carved up by the European powers, whereby territorial boundaries imposed in 1885, provided little or no consideration to the existing distribution of ethno-cultural groups. Therefore, the major legacies of colonialism for Africa – the dependence on exporting primary goods, the arbitrary national borders, the use of ‘divide and rule’ policies, and the power vacuum left in the wake of decolonisation – combined with a global system conferring international borrowing privilege and international resource privilege on whichever group can obtain power, in large part explain why there have been so many economically devastating civil wars. This environment, which encourages struggles for power to control resources, is also an underlying factor for the prevalence of corruption across the continent. Furthermore, it plays an important role in explaining why there have been so many authoritarian regimes in the continent following independence from European rule.<sup>41</sup> While it is acknowledged that much of the widespread poverty that exists across the continent is a product of these conflicts and corrupt dictatorships, the role of the unequal global system and the colonial period are often disregarded. Instead, crude cultural stereotypes dominate the explanations for conflict, corruption, and dictatorship in Africa. The fact that Africa has not had as much time to develop national institutions as European countries is overlooked. In Europe, countries have been able to develop national institutions over hundreds of years – with many civil wars taking place in this process, while in Africa countries have had 50 years to do so within colonially created borders.

Another issue that also receives insufficient attention in poverty analysis is examining why inequality is so much higher in poorer countries than in rich countries. Again there are a myriad of factors involved, but the historical, global, and political have largely been ignored. In Europe, political reforms that reduced unequal power through extending voting rights, took place in nineteenth century, as ‘strategic decisions by the political elite to prevent widespread social unrest and revolution’.<sup>42</sup> Similarly, economic reforms, which reduced economic inequality, were introduced to counter the threat of revolution and social conflict. In Europe, this led to a welfare system being set-up in many countries, while in the USA this led to the ‘New Deal’.<sup>43</sup> There is little to suggest that such reforms were inherent in their cultures, or that they would have been implemented without the threat of violence and revolution. If the masses had revolted, there was little that the political elites in Europe could have done to protect themselves – as the French Revolution demonstrates.

However, in the developing world, the political elites can and have protected themselves from such a threat through the support provided by the governments of rich countries. There are countless examples of Western support for corrupt military regimes that have oppressed and impoverished large segments of the population. Latin American military dictatorships, such as Pinochet’s in Chile, have often been supported by the USA. In Africa too, the West has frequently supported oppressive tyrants, such as Mobutu in Zaire. Furthermore, progressive democratically elected leaders, such as Patrice Lumumba in the Congo and Salvador Allende in Chile, have been overthrown with the support of governments in rich countries. These actions, though widely recognised and condemned, are considered irrelevant for current poverty analysis. However, by providing support to such regimes – either directly or through providing arms – the governments of the West have promoted political and economic inequality in the developing world, which have had enduring consequences for poverty.

When historical, global, and political factors are incorporated into poverty analysis it becomes clear that the picture is far more complex than the reduced representation often provided. It raises questions of the capability for purely technocratic approaches to poverty reduction to be effective. Poverty is not simply about the absence of economic growth; it is also about inequalities of power, and the competing and

conflicting interests that often exist between the rich and poor. The only way to disregard these issues, and the related global and political factors, is by ignoring history. This is exactly what has taken place in mainstream poverty analysis and policymaking. While the harm inflicted during the colonial period is acknowledged by many, the relevance for current poverty analysis is dismissed on the basis of assuming ‘original poverty’ and, particularly in the case of Africa, by arguing that ‘other regions of the world that are now growing rapidly also experienced severe damage from decades or centuries of colonial rule and postcolonial meddling’.<sup>44</sup> However, such an argument ignores both the pre-colonial histories of countries and the different systems of colonial rule, which have impacted regions differently.

To demonstrate this ‘poverty reductionism’ and the exclusion of history, politics, and global factors from mainstream poverty analysis, I will examine the treatment of history and causes of poverty in the PRSPs and PAs of 20 developing countries. The analysis of poverty in these documents forms the basis of the top-down development strategy embodied by the MDGs.

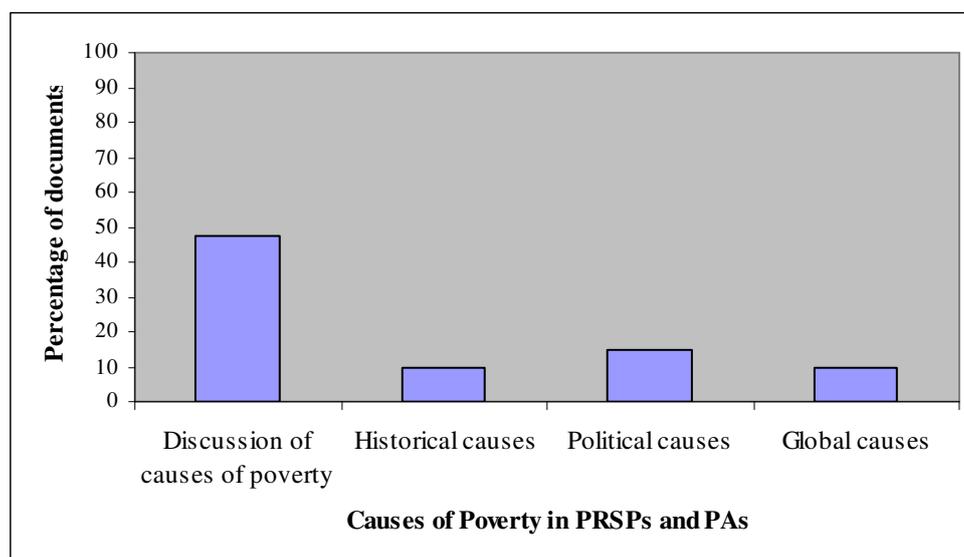
### **Analysis of Poverty Reduction Strategy Papers and Poverty Assessments**

The PRSPs are considered nationally owned strategies, designed by the government of the country with the assistance of the World Bank and IMF. The UNDP explains that the PRSPs ‘will likely be the most appropriate instrument’ for developing the ‘global partnership’ espoused in the eighth MDG.<sup>45</sup> The PAs are conducted by the World Bank ‘designed to assess the extent and causes of poverty in a given country and to propose a strategy to ameliorate its effects’.<sup>46</sup> Hence, the PRSPs and PAs represent the poverty analysis that forms the basis for strategies designed by the international institutions, rich country governments, and governments of poor countries. A sample of 20 countries from the total 66 with PRSPs was selected. Of these, 10 are from Sub-Saharan Africa, three from Latin America and the Caribbean, three from South Asia, two from East Asia, and two from Europe and Central Asia.<sup>47</sup> The content of the 40 documents are analysed for their treatment of the history of poverty in a country; the explanations of poverty that are provided – and whether they incorporate historical, political, and global factors; and finally, the general policy recommendations of the PRSPs and PAs.

## Results

Overall, the PRSPs and PAs are weak in their analysis of causes of poverty, country history, politics, and global issues. The focus of the documents is predominantly on economic growth and providing ‘a supportive macro-economic environment’.<sup>48</sup>

Analysis of history is very limited, with less than a quarter of the 40 reports reviewed containing some discussion of the country’s history – and only two of the documents doing so in the context of its current poverty. The issue of colonialism and its legacies is not discussed in any of the reports. The papers that do discuss history tend to focus on providing some background information, rather than analysing history in the context of the country’s poverty.



As the chart above demonstrates, discussion of causes of poverty is also limited. Over 50 per cent fail to refer to causes, but instead provide profiles of the poor or explanations for the absence of growth. Even among the reports that look at causes, the focus is on ‘determinants’, proximate causes, causes of ‘recent poverty increases’, or causes of ‘continued’ poverty, rather than underlying factors. An example is the Kenyan PA, which refers to causes of ‘*continued* poverty’. The report’s emphasis on *continued* poverty, which implies the poverty has always existed, contradicts statements provided by poor Kenyans in the same document. Of the two poor people interviewed, the first explains, ‘ten years ago we were rich, you could see it in the local markets...today there is nothing to sell, there are no markets any more.’ The second person also claims that ‘fifteen years ago we had animals, grainery and land. Today the animals are gone, the grainaries are empty, the land is subdivided and our clothes are in tatters’.<sup>49</sup>

Even when documents do consider explanations for poverty, the focus is on apolitical localised issues, with 80 per cent of documents making *no* mention of historical, political or global factors. As the chart above shows, only 15 per cent of documents discuss issues of a political nature that have contributed to poverty – and these are in general related to recent or ongoing conflicts. Historical causes of poverty are largely ignored, with only 10 per cent of the reports referring to such issues. It is worth noting that the only document referring to local, global, political, and historical causes (the Sierra Leone PRSP) was one of the two documents to include a detailed analysis of the country's history relevant to its current poverty.<sup>50</sup>

Global issues are also dealt with in much the same way. Only 10 per cent of documents include references to global factors as causing poverty, however, the majority of these focus only on international shocks, for example the Bolivian PA. In general global issues related to poverty, such as protectionist measures used by rich countries that prevent developing country producers from accessing markets, receive little attention. The majority of the documents make no reference to the World Trade Organisation (WTO) or the currently stalled Doha round of trade negotiations. Even when these issues are brought up, which is in less than a quarter of documents, they are usually single line statements, rather than detailed analysis. Only one report, the Bangladesh PRSP, emphasises the need 'to have a very strong trade team in Geneva to defend the trade interests of the country in the WTO'.<sup>51</sup> When debt issues are discussed, not a single document attempts to analyse how these crippling debts had been incurred, and hence, the issue of legitimacy does not arise.

Political analysis is also weak within the documents. When political issues and the subject of power are discussed, they are generally referred to in an abstract manner, void of country-specific analysis, and often focusing on the need for *empowerment*. In many cases, though, it is political power that has forced people into poverty, and hence such issues are central to reducing poverty. However, the reports generally suggest that issues of political tension should be avoided, as the Nigerian PA demonstrates, explaining that well-targeted transfers for the poor 'may not be a viable option if the regional or ethnic distribution of resources is a source of political tension'.<sup>52</sup> Therefore, the PRSPs essentially attempt to create 'politically correct'

strategies to eradicate poverty, despite incorrect politics often being the problem. Rather than analyse conflicting interests and resulting political tensions, and how they impact poverty, such issues are ignored. Instead the focus is shifted to looking at how ‘good governance’, a component of almost all of the reports, can stimulate growth. Governance is, in effect, a depoliticised issue regarding policy implementation and corruption of governments. This supports the assertion that ‘discussions about development are conducted on the basis of policies rather than politics’.<sup>53</sup>

In addition to governance, another theme that is present in almost all PRSPs and PAs is the insistence on implementing *structural adjustment policies* to support growth. These policies, that focus on market liberalisation, privatisation, and reducing government spending, have come to be known as ‘the Washington Consensus’ or in much of the developing world as ‘neoliberal’ policies. The impact of these policies has been widely discussed, and it has been argued that they have increased poverty in many countries, particularly because the World Bank and IMF insisted such policies be implemented rapidly.<sup>54</sup> It is worth pointing out that the 10-15 year period that those interviewed for the Kenya PA claimed they had gone from ‘rich’ to ‘poor’, the government quickly implemented structural adjustment policies. In the limited cases where such neoliberal policies were hailed as successes, the policies were implemented slowly and tactically, not in the hasty and absolute manner advocated. However, these countries also suffered from the global shocks created by the policies. A significant outcome of neoliberal policies has been to increase inequality at the national and international level. Hence, they have tended to increase the wealth of rich countries and elites in poor countries, while pushing many into poverty. This raises questions as to why 90 per cent of the documents display a strong pro-neoliberal stance. Furthermore, of the 29 reports that provide some detailed discussion of these policies, 52 per cent do so *without referring to any possible negative effects*. In doing so, they demonstrate an ideology-based belief in the power of markets that has been described as ‘market fundamentalism’.<sup>55</sup>

#### *The Politics of Poverty Analysis*

Although the PRSPs and PAs fail to adequately analyse the politics of a country, they are still highly political in nature. By advocating neoliberal policies to such a degree, and providing support on the basis of implementing such policies, the World Bank

and IMF influence politics in developing countries. These policies have had a strong political consequence, often in the form of social unrest, and in general, it has been the poor who are most opposed to these policies. Consequently, through the PRSPs and PAs, the World Bank and IMF actively work against the poor – and they are in essence political documents.

An example of this is the Bolivian Poverty Assessment published at the end of 2005, shortly before the Bolivian Presidential elections. In the past, Bolivia has been upheld as an example for its commitment to following neoliberal reforms, and the country's poverty assessment (similar to the majority of the documents reviewed) retains this strong pro-neoliberal emphasis. The document is one of only 10 which point to global factors in causing poverty, however, this is done only in the context of recent 'negative shocks' in the international system being a factor for the 'continuing high levels of poverty and inequality'.<sup>56</sup> Furthermore, these negative global shocks are seen as reasons for the economy decelerating, despite Bolivia adopting 'numerous market reforms to increase private sector participation, align prices with market forces and increase integration in the global economy'.<sup>57</sup> However, the global shocks that it points towards – the Russian financial crisis in 1998, the currency devaluation crises in Argentina and Brazil, the reversal of capital inflows into Bolivia – are directly linked to the manner in which these neoliberal policies were implemented in Bolivia and other countries around the world.<sup>58</sup> This link, though, is not made in the report. The document also stands out for being one of very few to mention the name of the incumbent President in the main analysis, which it does twice – both times in a positive light – increasing its political nature.<sup>59</sup> The report also emphasises that *redistribution* is an insufficient means to achieving poverty reduction, and that in the long-term, redistribution 'may have a negative impact on growth' which will 'hinder poverty reduction'.<sup>60</sup> The Bolivian Presidential elections, which the report was published shortly prior to, was won by Evo Morales, an indigenous candidate representing the poor of Bolivia, who ran on an *anti-neoliberal* platform, advocating *redistribution* – particularly of revenue from the country's gas sales. Therefore, the Bolivian PA is a document that politically opposed the campaign of Evo Morales. By advocating policies that have increased inequality, and opposing the shift of power to the poor, the document effectively serves to reinforce the existing unequal power relations, which has been an underlying cause of poverty in Bolivia.

## Conclusion

The PRSPs and PAs are representative of top-down international development efforts to reduce poverty. Through excluding history from their analysis of poverty, the predominant focus of these reports is to promote economic growth with highly technocratic strategies. However, as Paul Farmer explains, such an approach does ‘not really labor to transform the social conditions of the wretched of the earth’ instead technocratic strategies are ‘tantamount to managing social inequality, to keeping the problem under control’.<sup>61</sup> It is this social inequality that is the cause of the problem. In seeking to avoid or to manage it, the PRSPs and PAs – or more specifically, those who promote them – are contributing to the problem. It is through doing so that economic growth has become the overarching concern of development, justifying the neoliberal policies that are generally opposed by the poor. Poverty is far more than just the absence of growth. It is also the impoverishment resulting from unequal power that exists both globally and nationally. The Washington Consensus policies serve to reinforce unequal relations – often increasing poverty. Furthermore, by promoting policies opposed by the poor, in reports such as the PRSPs and PAs, top-down strategies often work counter to the struggle for power of the poor. These social struggles – considered insignificant or inconvenient for top-down poverty strategies – are in many cases fundamental in the fight to eradicate poverty.

Recent events in Bolivia demonstrate the social struggle that is often involved in the fight against poverty, and the conflict of interests that can exist. The election of Evo Morales followed years of grassroots social struggles and demonstrations against the neoliberal policies, US-backed coca eradication and unequal distribution of profits made from the country’s gas reserves. These protests led to the resignation of President Sanchez de Lozada in 2003, after which ‘identity documents became easier to obtain and candidates were allowed to run independently of traditional political parties’ culminating in Evo Morales becoming the first indigenous President in the continent.<sup>62</sup> Following his election, the issue of redistributing gas revenues to benefit the poor indigenous majority has been met with fierce opposition from the rich – and has led to threats of secession by wealthier regions, which the Bolivian Government claims were supported by the US.<sup>63</sup> Yet, despite this, there has been progress in reducing *human poverty*, with the country declaring itself ‘illiteracy free’ in late 2008.

Such social struggles to reduce poverty from the bottom up are largely ignored in international development, which instead promotes top-down strategies based on the supposed generosity of the rich and the obedience of the poor. However, as Paulo Freire has pointed out, ‘in order to have the continued opportunity to express their “generosity”, the oppressors must perpetuate injustice as well.’<sup>64</sup> The injustice that is perpetuated takes place through reinforcing unequal power globally and nationally – an issue highlighted throughout this paper. As the PRSPs and PAs demonstrate, issues of power tend to receive superficial attention, while poverty analysis focuses on macroeconomic theory and growth.

This is the significant failing of top-down poverty reduction strategies; their analysis of poverty is based upon the assumption of ‘original poverty’, which allows the complex multidimensional issue of poverty to become reduced to an absence of economic growth. As a result, these top-down strategies centre on the application of orthodox (neoliberal) economic theory to promote growth. Hence, instead of a narrow economic theory being broadened and developed to provide greater understanding of poverty, it is the analysis of poverty that has been reduced to meet the limitations of economic theory. Therefore, a shift away from an orthodox economics perspective is required, to a political-economy approach to poverty that incorporates historical, political, and global factors, among others. In doing so, we may find that rather than focusing on how the rich can *save* the poor, we look at how the rich can *stop harming* the poor – or perhaps more pertinently, what the poor can do to *resist* the harms inflicted by the rich.

## Notes:

<sup>1</sup> United Nations Millennium Project, *Investing in Development*, UK: Earthscan for UNDP, 2005, p. 2.

<sup>2</sup> United Nations Development Programme (UNDP), *Human Development Report 2003: Millennium Development Goals: a Compact among Nations to End Poverty*, Oxford University Press, 2003, pp. v-2.

<sup>3</sup> P Bond, 'Global Governance Campaigning and MDGs: From Top-down to Bottom-up Anti-poverty Work', in *Third World Quarterly*, 27(2), 2006, pp. 339-354.

<sup>4</sup> J Sachs, *The End of Poverty*, Penguin Books, 2005, p. 75.

<sup>5</sup> World Bank, *World Development Report 2006: Equity and Development*, the World Bank and Oxford University Press, 2006, p. 23.

<sup>6</sup> A Sen, *Development as Freedom*, Oxford University Press, 1999, p. 87.

<sup>7</sup> J Sachs, *The End of Poverty*, p. 23.

<sup>8</sup> *Ibid.*

<sup>9</sup> W Easterly, *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*, Cambridge: MIT Press, 2002, p. 19.

<sup>10</sup> See D Stannard, *American Holocaust: Columbus and the Conquest of the New World*, Oxford University Press, 1992, pp. 3-54.

<sup>11</sup> J Keay, *India a History*, London: HarperCollins Publishers, 2000, pp. 1-18.

<sup>12</sup> J Middleton, *The World of the Swahili: an African Mercantile Civilization*, Yale University Press, 1992.

<sup>13</sup> B Davidson, *The Search for Africa: a History in the Making*, Oxford: James Currey, 2002, p. 28.

<sup>14</sup> For examples, see E Carusp, M Colchester, F MacKay, N Hildyard and G Nettleton, 'Synthesis Report: Indigenous Peoples, Extractive Industries and the World Bank' in *Extracting Promises: Indigenous Peoples, Extractive Industries and the World Bank*, M Colchester, AL Tamayo, R Rovillos, E Caruso (eds), UK: Tebtebba Foundation and Forest Peoples Programme, 2003.

<sup>15</sup> AG Frank, 'The Development of Underdevelopment' in *Latin America: Underdevelopment of Revolution*, AG Frank, London: Monthly Press Review, 1969, p. 4.

<sup>16</sup> See J Sachs, *The End of Poverty*, p. 56; W Easterly, *The Elusive Quest for Growth*, pp. 1-15

<sup>17</sup> V Shiva, *How to End Poverty: Making Poverty History and the History of Poverty*, Zmagazine, 10 May 2005.

<sup>18</sup> M Weber, 'Politics as a Vocation', in *From Max Weber: Essays in Sociology*, HH Girth and C Wright Mills (eds), London: Routledge, 1997, p. 78.

<sup>19</sup> J Sachs, *The End of Poverty*, p. 31.

<sup>20</sup> C Hay, *Political Analysis: A Critical Introduction*, Palgrave, 2002, pp. 172-173.

<sup>21</sup> See J Sachs, *The End of Poverty*, pp. 56-57; UNDP, *Human Development Report 2003*, pp. 76-78.

<sup>22</sup> See *ibid.*, pp. 71-74.

<sup>23</sup> See W Easterly, *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good*, Penguin Books, 2006, pp. 42-44.

<sup>24</sup> For population growth see J Sachs, *The End of Poverty*, pp. 64-66, and for culture see SP Huntington, 'Foreword: Culture Counts' in *Culture Matters: How Values Shape Human Progress*, LE Harrison and SP Huntington (eds), New York: Basic Books, 2000, pp. xiii-xvi.

- <sup>25</sup> For poverty traps see W Easterly, *The White Man's Burden*, pp. 37-55. For physical geography see W Easterly and R Levine, 'Tropics, Germs, and Crops: How Endowments Influence Economic Development', *Journal of Monetary Economics*, 50(1), 2003, pp 3-39. For corruption see J Sachs, *The End of Poverty*, pp. 311-315. For population growth see, W Easterly, *The Elusive Quest for Growth*, pp. 87-98. For culture see J Sachs, *The End of Poverty*, pp. 315-318.
- <sup>26</sup> A Sen, *Poverty and Famines: An Essay on Entitlement and Deprivation*, Oxford University Press, 1981.
- <sup>27</sup> I Wallerstein, *World-Systems Analysis: An Introduction*, Duke University Press, 2004, p. 23.
- <sup>28</sup> See A Hoogvelt, *Globalization and the Post-Colonial World: The New Political Economy of Development* (2<sup>nd</sup> edition), Hampshire: Palgrave, 2001, p. 17.
- <sup>29</sup> See AG Frank, 'Sociology of Development and the Development of Sociology', in *Latin America: Underdevelopment of Revolution*, p. 46.
- <sup>30</sup> SM Beaudoin, *Poverty in World History*, London: Routledge, 2007, p. 69.
- <sup>31</sup> See A Hoogvelt, *Globalization and the Post-Colonial World: The New Political Economy of Development*, pp. 30-31.
- <sup>32</sup> A Seidman, 'The Distorted Growth of Import-Substitution Industry: The Zambian Case', *The Journal of Modern African Studies*, 12(4), 1974, p. 601-631.
- <sup>33</sup> *Ibid.*
- <sup>34</sup> Ha-Joon Chang, *Kicking Away the Ladder: Development Strategy in Historic Perspective*, London: Anthem Press, 2003.
- <sup>35</sup> See T Pogge, *World Poverty and Human Rights* (2<sup>nd</sup> edition), Cambridge: Polity Press, 2008, pp. 222-230.
- <sup>36</sup> See N Hertz, *I.O.U: The Debt Threat and Why We Must Diffuse It*, London: Fourth Estate, 2004, pp. 25-79.
- <sup>37</sup> UNDP, *Human Development Report 2003*, p.12.
- <sup>38</sup> *Ibid.*
- <sup>39</sup> T Pogge, *World Poverty and Human Rights*, p. 118.
- <sup>40</sup> *Ibid.*, p. 119.
- <sup>41</sup> *Ibid.*, p. 120.
- <sup>42</sup> D Acemoglu and JA Robinson, 'Why did the West Extend the Franchise? Democracy, Inequality, and Growth in Historical Perspective', *The Quarterly Journal of Economics*, 115(4), 2000, p. 1167.
- <sup>43</sup> See E Hobsbawm, *Age of Extremes: The Short Twentieth Century 1914-1991*, London: Abacus, 1995, pp. 95-96.
- <sup>44</sup> J Sachs, *The End of Poverty*, p. 191.
- <sup>45</sup> UNDP, *Human Development Report 2003*, p. v.
- <sup>46</sup> World Bank, *Guidance on Poverty Assessments*, at [http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPA/0,,contentMDK:20202212~menuPK:435735~pagePK:148956~piPK:216618~theSitePK:430367~isCURL:Y~DIR\\_PATH:WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPA/00.html](http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPA/0,,contentMDK:20202212~menuPK:435735~pagePK:148956~piPK:216618~theSitePK:430367~isCURL:Y~DIR_PATH:WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPA/00.html)
- <sup>47</sup> The 20 countries with the date of publication of the PRSP, followed by the date of publication of the PA are: Bangladesh (2005; 2002), Benin (2008; 2003), Bolivia (2001; 2005), Bosnia and Herzegovina (2005; 2003), Ethiopia (2002; 2005), Ghana (2006; 1995), Haiti (2008; 1998), Kenya (2005; 1995), Lao (2008; 2006), Nepal (2003; 2006), Nicaragua (2005; 2003), Nigeria (2005; 1996), Rwanda (2008; 1998), Senegal (2007; 1995), Sierra Leone (2005; 1993), Sri Lanka (2002; 2006), Tajikistan

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- (2002; 2005), Tanzania (2006; 1996), Uganda (2005; 2005), Vietnam (2004; 2004). The PRSPs are available on the IMF website, <http://www.imf.org/external/NP/prsp/prsp.asp>, and the PAs are available on the World Bank website, <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPA/0,,contentMDK:20210352~menuPK:435735~pagePK:148956~piPK:216618~theSitePK:430367,00.html>.
- <sup>48</sup> See Sri Lanka PRSP.
- <sup>49</sup> Kenya PA, p. 10.
- <sup>50</sup> Sierra Leone PRSP.
- <sup>51</sup> Bangladesh PRSP, p. 87.
- <sup>52</sup> Nigeria PA, p. 117.
- <sup>53</sup> D Green, *From Poverty to Power: How Active Citizens and Effective States Can Change the World*, Oxfam International, 2008, p. 13.
- <sup>54</sup> For a detailed analysis of these policies and their impacts see J Stiglitz, *Globalization and Its Discontents*, Penguin Books, 2002.
- <sup>55</sup> *Ibid*, p. 36.
- <sup>56</sup> Bolivia PA, p. i.
- <sup>57</sup> *Ibid*, pp. 13-14.
- <sup>58</sup> See J Stiglitz, *Globalization and its Discontents*.
- <sup>59</sup> The document refers to Carlos Mesa who was President at the time the report was written, however, he resigned on 6 June 2005, six months before the publication of the PA.
- <sup>60</sup> Bolivia PA, pp. 64-66.
- <sup>61</sup> P Farmer, *Pathologies of Power: Health, Human Rights, and the New War on the Poor*, London: University of California Press, 2005, p. 140.
- <sup>62</sup> D Green, *From Poverty to Power*, p. 32.
- <sup>63</sup> 'Bolivia Tells US Envoy to Leave', *BBC News*, 11 September 2008, <http://news.bbc.co.uk/1/hi/world/americas/7609487.stm>
- <sup>64</sup> P Freire, *The Pedagogy of the Oppressed* (revised edition), London: Penguin Books, 1996, p. 26.