



The U.N.'s Empty Plan for Poverty

by Roy Prosterman



NEW REPORT BY the United Nations Millennium Project, *Investing in Development*, and subtitled as a *Practical Plan*

to Meet the Millennium Development Goals, is a hefty 329 pages long. Those goals, adopted at an extraordinary U.N. Summit in 2000, include as their first two targets the reduction of both extreme poverty and hunger on our planet by half or more by 2015 (with 1990 as a baseline).

Some would argue that those goals are already too modest: allowing a quarter century to achieve 50% reductions. Even so, the new report concludes that “the world is falling short of the Goals,” and offers a series of “overarching reasons why the Goals are not being achieved.” Unfortunately, we might add to the report’s rather abstract discussion of the reasons (e.g., “poor governance”) another that is more concrete: that a committee of more than 250 experts has now produced a report

that almost willfully ignores elements critical to any program that might plausibly enable large numbers of poor people to move out of poverty and hunger. Some of the most important of the ignored elements can be readily gleaned from Asia’s, and especially East Asia’s, past development experience.

The report offers scores of recommendations for its “Practical Plan” to meet the Millennium Goals, in areas that include health, education, infrastructure and governance, together with increased resources to pay for their implementation. Although the presentation here creates considerable problems of focus and prioritization, nearly all the recommendations, including those for increased foreign assistance, are worthy of consideration. Many

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are indeed essential. But the whole structure created by this phalanx of experts resembles a Boeing 777 on the assembly line still missing its engines. The missing engines are in the critical area we might call “asset endowment”—or financial and physical capital—which, somehow, the report has almost completely ignored.

Indeed, the U.N. itself—one hand effectively not knowing what the other is doing—has separately and prominently called for some of what is missing from this document. It has declared 2005 the “International Year of Microcredit,” underlining the need for getting credit for productive investments into the hands of the poor. But apart from a brief reference to successes in Bangladesh by the Grameen Bank, the report virtually ignores the poor’s access to credit.

Even more noteworthy is its treatment of the principal asset that is missing for one of the largest groups of the world’s poorest people: land. The report declares that: “Many of the poor and hungry, especially in Asia, are the rural landless.” (In countries like India, we know that such landlessness is the best predictor of poverty. Indeed, it is more closely associated with poverty than either caste or illiteracy.) But the only recommendations offered for the rural landless have nothing whatsoever to do with land. Instead, they involve nonagricultural “skills training” and enhancement of “government labor agencies.” As proffered solutions to landlessness, these seem about on a par with Marie Antoinette’s “let them eat cake.”

Astonishingly, there are no references to the land (or credit) needs of the rural

poor in the report’s extended country-by-country discussion of what program interventions are required. (By stark contrast, the broadly bipartisan House Committee report accompanying the recent U.S. Millennium Challenge Act, legislation intended to provide incremental American aid towards meeting the Millennium Development Goals, states: “The Committee believes that ownership by the poor of a plot of land, at least sufficient to erect basic shelter and have a garden producing food and income, is of fundamental importance for empowerment, livelihood, social stability, and the creation of wealth.”)

One might expect that at least some of the consulted experts would have pointed out the important roles that land reforms (and microcredit) have played in reducing poverty and hunger in numerous country settings, especially in Asia. Certainly the role of successful land-to-the-tillers programs in helping lay the basis for grassroots development in post-war Japan, South Korea, and Taiwan has been extensively studied. One might now add the successful household tenure systems that followed break-up of the collective farms in mainland China and Vietnam. In all of these settings, agricultural production and value-added greatly increased and extreme rural poverty and hunger were rapidly reduced.

One might have hoped that some members of the expert group would have pointed out that, today, in each of the three most populous developing countries—China, India, and Indonesia—there are important new “second generation” efforts to recognize and address the importance of land

The important roles that land reforms and microcredit play are ignored.

rights in reducing and ultimately eradicating the substantial remaining rural poverty. Each of these Asian colossi has major initiatives, either underway or in immediate prospect, to connect many of the very poor with a piece of productive land and to give them security on the land. Those three countries together account for nearly half of the world's poor and about 3.4 million deaths of children under 5 each year:

✿ *China* The initial break-up of the collectives in the early 1980s gave farmers individual land parcels, and represented a huge improvement over collective farming. But the reform left farmers with rights to that land that were totally insecure, and subject to ongoing reallocations by the local cadres. Under 1998 and 2002 laws the situation is now changing, with about two-fifths of villages having successfully allocated secure, documented 30-year rights to farmers. Judging by the earlier Asian experiences in providing rights to farmers that are both individual and secure, farm investment and value-added in China's agriculture should soar, and rural poverty should sharply decline, as the reform is implemented fully.

✿ *India* The new government has recognized the persisting linkage between landlessness and rural poverty and is in the early stages of promoting distribution of small house-and-garden plots to the landless. One consistent research finding that should help craft the next generation of land reforms has been that even a very

small endowment of land can be hugely beneficial to the rural poor. On a tenth of an acre or less, remarkable improvements in family nutrition and income are occurring. A great benefit of this approach is that the total amount of land needed is extremely modest, hence such land can be acquired through voluntary transactions on the open market, without coercion, and land-allocation programs that can reach the bulk of the rural poor in contemporary developing-country settings become both affordable and politically more feasible.

✿ *Indonesia* President Susilo Bambang Yudhoyono emphasized the fight against poverty in his inaugural address, and new rules allowing distribution of similar house-and-garden plots, as well as small field plots, to the landless poor are awaiting final adoption. Again, research in the Indonesian setting confirms the large contribution that "asset endowment" via such small plots can make towards reducing rural hunger and poverty.

Sixty years of accumulated development experience has taught us that sustainability, self-sufficiency and a sense of self-worth all demand that the poor have at least a minimum endowment of productive assets like microcapital and land. To conceive a "Practical Plan" for sharply reducing global poverty and hunger, let alone ending them, without the inclusion of such assets is an exercise in self-delusion. Undone by its omissions, this is a plan not yet ready to fly. ■