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# Understanding Poverty in Vietnam and the Philippines

## Concepts and Context

Edited by

**Rodolphe De Koninck**

**Jules Lamarre**

**Bruno Gendron**

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**LOCALIZED POVERTY REDUCTION IN VIETNAM (LPRV) PROJECT**



La Chaire de recherche du Canada en études asiatiques  
Canada Chair of Asian Research



Département de  
géographie

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Funded by the Canadian International Development Agency (CIDA)

**Canada Chair of Asian Research, Université de Montréal, Canada**

and

**Département de géographie, Université Laval, Canada**

© September 2003



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## Foreword

Essentially funded by the Canadian International Development Agency, the Localized Poverty Reduction in Vietnam (LPRV) project has involved, since August 1998, collaboration between, primarily, six Vietnamese academic institutions and two Canadian Universities. These were, on the Vietnamese side: the National Centre for Social Sciences and Humanities (NCSSH) and the five universities of Thai Nguyen, Vinh, Hue, Dalat and Ho Chi Minh City; on the Canadian side; the University of British Columbia, in Vancouver, and Université Laval in Quebec City. Several other institutions were involved, from both countries as well as from Vietnam's neighbouring ones.

The LPRV project was, primarily, a training venture with very little research per se being involved. Ideally, a proper training programme should be able to include and benefit from research. For these reasons, Laval University's representatives have insisted, throughout the duration of the LPRV project, on the need for research or, at least, for some amount of reflection on conceptual issues and for some amount of practical, down to earth, poverty-related, empirical research. It is believed that these provide indispensable foundations to proper policy definitions and related training.

The present collection of papers represents a modest contribution in that direction. The authors of the first four papers, i. e. the undersigned, Jules Lamarre, Marc Miller and Leonora Angeles were directly involved in the project. Dang Dinh Trung and Vo Thanh Son, who signed the other two papers, were not. However, in the context of a research project funded by the International Development Research Centre (IDRC), they recently completed, respectively, an MA thesis at the National University of Singapore (NUS) and a PhD one at Laval University. Both their research topics dealt with poverty issues, particularly among Highland minorities, hence the relevance of their contribution to this collection of essays. As for Jules Lamarre, whose concerns with poverty issues, both theoretical and practical, are exemplary, he could not resist submitting yet another essay, in French this time. It has been included as an annex. Bruno Gendron's input was crucial during the final stages of the endeavour.

The production of this volume has been handled by the Laval team of the LPRV project and the Canada Chair of Asian Research, held by the undersigned at the University of Montreal since July 2002. Thanks are therefore due not only to CIDA, but also to IDRC, SSHRC, which supports the Chair, NUS, Université Laval and Université de Montreal.

**Rodolphe De Koninck**

Montréal, 18 September 2003

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## **ARTICLES**





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# **The analysis of micro-macro interactions and policy alternatives : A question of scales<sup>1</sup>**

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## **IMPORTANCE OF THE ISSUE IN ASIA**

The Mekong river basin is faced with a large number of natural resource management problems, at all scales, whether that of the entire basin or those of its major tributaries, such as the Sap river, better known as the Tonle Sap, in Cambodia, or that of specific lowland or upland communes. This being said, as large river basins go, the Mekong basin is not unique.

But, given: 1) the types of climate that prevail within the region; 2) the topography, morphology and overall land use of the basin itself, hence 3) the nature of the river's course and its highly fluctuating flow, hence, also, 4) the imperium it exerts over its flood plains; 5) the nature of the developing tropical countries and regions it traverses, which are highly dependent on agriculture, including inundated and irrigated rice agriculture; 6) the overall dependence of the said countries on all the resources and « services » provided by the Mekong river and its tributaries, including hydro-electricity; 7) the high population density of the shores of its lower reaches and the cultural diversity of the peoples living within the entire basin, given all of these characteristics, the Mekong river basin does provide a first rate example of a region where micro-macro interactions are very active. Hence the existence of the Mekong River Commission and the increasingly problematic nature of its handling of environmental issues, including those of an international nature.

A good example of the type of interactions that occur locally but must be handled internationally was recently provided in the *Mekong Update*. It concerns the Tonle Se San, a tributary of the Mekong, which flows from the Central highlands of Vietnam into the Cambodian province of Ratanakiri, where severe unexpected flooding occurred in 1996. «Cambodian government officials believe the operation of the Yali Falls hydro-electric dam in Vietnam, completed in 1995,

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<sup>1</sup> This is a revised version of a paper initially presented at IDRC's 2<sup>nd</sup> International Community-Based Natural Resource Management (CBNRM) Workshop, held from 16 to 20 October 2000, in Guiyang, Guizhou Province, China.

has caused the flooding, but cannot establish an effective flood warning system for villagers or compensation for flood victims due to cross-border miscommunication. The Cambodian government has called on the Mekong River Commission... to look into the situation ». <sup>2</sup>

In fact, cases where proper monitoring and management of micro-macro interactions becomes a challenge for policy are numerous all across Asia. This may be perceptible at several geographical scales, within river basins like those of the Mekong and the Chang Jiang in China, in large national development ventures, such as the recently closed down transmigrasi programme in Indonesia and its impact on inter-ethnic as well as environmental issues across the country, or even in the Malaysian attempts at integrating nationally the two Borneo states of Sabah and Sarawak, etc.

### **WHAT DO WE KNOW ABOUT THE ISSUE?**

1) The nature of the relationships between on the one hand local processes, even micro-level processes such as soil erosion, and, on the other, regional, national even global processes are crucial.

2) Nowadays, it would be difficult to come across a so-called development expert unaware of the fact that there exists, literally, a chain of causalities behind micro-level processes such as soil erosion and that these causalities are operational at several scales. Such is the case, for example, with the relation between the unusual erosion that has occurred over recent years along the coffee-covered slopes of several communes located in the basin of the Upper Srepok river (a tributary of the Mekong) in Dac Lac province in the Central Highlands of Vietnam, and, the preceding rise in the world market price of coffee. Of course, the two processes are linked by a succession of factors, involving, on the one hand, decision-making at several levels – whether those of the nation, province, district and commune - as well as by individual pioneering settlers and, on the other, natural processes such as climatic changes, at several geographical scales, these changes being attributable, at least in part, to land use changes, themselves at least partly induced by the rising price of coffee or its drop...

3) Concerning soil erosion and the various environmental problems that occur upstream and downstream of it, so to speak, lies the fundamental issue of deforestation or, to euphemize, forest replacement. Trying to measure, assess, understand and explain, control and reduce deforestation, or at least coordinate it – yes, yes, coordinate – , implies a constant back and forth assessment of the fundamental factors, such as poverty, as well as instrumental ones, such as agricultural expansion, that interact and lead to deforestation.

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<sup>2</sup> Mekong Update, 3 (2), April 2000, p. 2

4) Here, among the key phenomena one can list : poverty, population density and rate of growth, national economy and agricultural exports, commodity prices, state territorial control and ethnic policy, migration policies and patterns, national development policies, culture and cultural policies, political systems and power relations..., all of which are operational at different geographical scales, or at least more evidently operational at different scales, involving, let us not forget it, that of neighboring countries and even the world.

5) To try and understand the dynamic articulation between factors interacting at different scales, it is necessary to move up and down the scale of observation itself, to increase and, in turn, reduce the altitude of the point of observation, of the lookout, in order to view and assess the whole picture before coming down to the micro-level one – an eroded slope, for example, or a failed crop - and then to rise high up again, at the flying altitude of an airplane, or even of a satellite.

6) This may look like an unduly complicated or at least unduly difficult approach to the « management of natural resources » or to the fight against poverty. Yet, it is one that seems indispensable, particularly in the context of increasing globalization and of the rush, literally, among most of the so-called developing countries, to globalize their own challenges through foreign investment, rapid technological progress, world trade, advice from international agencies, etc.

7) Yet, also, there is increasing evidence from the field, precisely, that there is little point in trying to understand micro-level processes, such as the erosion of a coffee-covered slope in the Upper Srepok river basin of Dac Lac province, without looking at most of the above-mentioned processes and issues. Inversely, assessing national development policies – such as the agricultural commodity export policy of the Vietnamese government – without looking into its micro-level implications, such as the erosion of a coffee-covered slope in the Upper Srepok basin of Dac Lac province..., and at all of its meso-level implications, such as, possibly, the devastating floods that hit the coastal provinces of Central Vietnam in November 1999, is likely to yield very shallow results.

## **A FUNDAMENTAL QUESTION**

Should a research project, dealing with Community-Based Natural Resource Management, manage, precisely, to take into account the assessment of all scales of interaction? If yes, how?

## **CONTRIBUTIONS TO AN ANSWER**

**First :** It is crucial that researchers should be aware of the issue. In other words, they should be aware that once the specific local cause behind a specific local problem has been identified, the search for a remedy, for a solution to this problem may involve an intervention at another level in the chain of interacting factors or causes. Researchers should therefore make efforts to identify, specifically, what are the key linkages between the scale at which they are

working (such as an eroded slope) and the immediate intermediary scale, such as that of a newly planted coffee-growing river basin.

**Second :** This immediate other level, the one where intervention appears indispensable, may be geographical (upstream, for example) or administrative / institutional (commune, district, province, national, for example), or both. Is is therefore essential that the actual researcher or his team make accessible, particularly to those who are active at those other levels, the results of their localized research.

**Third :** To ensure that the results of localized research are circulated meaningfully, localized research should be carried out in conjunction with meso-level research. This means, for example, that while looking for the causes of micro-level climate changes, a researcher must also take into account changes and factors which are operational at other scales, such as that of a river basin or a region. He may then conclude that his recommendation must be addressed to those who are capable of intervening at the district or provincial level; and that they must also be circulated at the local level, that of the people whose very livelihood depends on day-to-day community-based natural resource management.

**Fourth :** In other words, interactions between researchers, stakeholders and policy makers must reproduce interaction between the levels at which reality operates. Only then will it be possible to identify the proper level or levels of intervention, which are almost always likely to have some degree of specificity (place, time, culture...).

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# An organizational approach to poverty<sup>1</sup>

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*Poverty must be one of those few areas where the medicine is prescribed before the malady is known.*

Else Oyen, 1996

## INTRODUCTION

It is quite difficult to define the nature of poverty. For example, the perception poor people have of themselves changes through time. Today's society remains deeply divided about the attitude to adopt concerning the poor. Should they be considered as mere victims of an unfair economic system or, just the contrary, as thieves benefiting from the generosity of the system?

In ancient Western society, being poor was not considered a painful situation, the majority of people being poor. On the contrary, rich people, being few, were having trouble proving their good faith. This had to do with the values of abstinence and charity conveyed by various religions (Galbraith, 1978). Nowadays, poverty inspires feelings of humiliation, anger, rejection and powerlessness in the poor, in particular because they consider themselves unable to provide the essential needs of their families. This is revealed by recent surveys carried out by the World Bank among poor people in 47 countries (Narayan et al., 1999: 6).

Western society is currently experiencing more ambivalent perceptions of the poor and poverty. Some regard the poor as potential defrauders, i.e. profiteers of the generosity of wealthy persons or, worse, social programs, whereas other people see them as victims of economic and cultural systems preventing them from benefiting fully from the advantages to which more fortunate people have access (Gans, 1995). But on the whole, modern society considers them as groups

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<sup>1</sup> This article has already appeared in French: Lamarre, Jules et Miller, Marc (2000) L'approche organisationnelle de la pauvreté. *Travail, Capital et Société*, 33(1): 76-106. The authors wish to thank Rodolphe De Koninck for his help with the translation.

to be taken care of, either because they really need help or because the rich need to be protected from them. So public authorities have to fight against poverty for a series of reasons starting from the most sincere compassion up to the fear of profiteers or worse, popular revolts.

Under such circumstances public authorities must develop efficient methods to fight poverty if only because they face elections on a regular basis. Until the end of the seventies, researchers involved in the field of poverty reduction were concentrating on factors presumed to be responsible for poverty. This research was mostly based on surveys. Poverty was considered to be caused by a malfunction of the economic system which could be fixed. Later on, after O. Lewis' concept of "culture of poverty" (1968), poverty became considered endowed with a systemic character. Thus, poverty was seen as mediated by a culture that had to be broken down for people to get rid of its influence. After compensatory type interventions -- giving equal access to education, for example -- it became obvious that nothing could be achieved on a permanent basis without the collaboration of the poor themselves. From then on, it was considered that the poor had to make themselves all the necessary efforts to improve their own economic situation.

Researchers then started to use more qualitative methods of investigation based, for example, on semi-structured interviews, direct or participatory observation, and so on. The intention was to see, through the eyes of the poor themselves, how they perceived their own situation. However, researchers continued to perform exhaustive analysis of census data and living standard surveys because they still provided priceless information on the nature of poverty. Authors like Williams (1999) and Yapa (1998) claim, however, that the fight against poverty still takes place on exclusively economic grounds where there is no place for social aspects of poverty. This is despite the fact that other researchers do put new emphasis on the need to understand the experience of being poor in order to better define poverty. According to Williams as well as Yapa, trying to help the poor help themselves still boils down to a problem of needs to be fulfilled; either by some sort of income redistribution or by interventions intended to increase the productivity of work. However, we rather think that mechanisms responsible for poverty operate first and foremost within social structures.

A more fruitful avenue would be to reorient poverty research to analyze social mechanisms governing everyday life, since it is these which allow people to take control of their environment. After Kodras (1997: 69), we believe that within each community, social, cultural and economic forces combine in a specific way responsible for original modes of territorial appropriation. Concurrently, different systems of social relations specific to each community are influenced by economic and social transformations taking place at a more global geographical scale -- an economic crisis, for example. These transformations interfere with local social organization in one way or another, therefore putting pressure on the system of power relations which determines the local social positioning of individuals and their chances of economic success. However, poverty is a

component of these social structures whose forms depend on complex local social dynamics to be identified. How can we do that?

Initially, we intend to show why current approaches to poverty, whether qualitative or quantitative, always fall short because they ignore its fundamental social dimension. Rather, we propose to use an organisational approach that studies how a particular system of local power relations shapes a social organisation enabling in turn this system to stay in place.

## **THE NATURE OF POVERTY**

Over centuries, poverty was perceived as the condition of those lacking essential needs. According to Christian tradition, poor people could not be held responsible for their situation: it was up to the wealthy to provide some help there fore securing for themselves a place in heaven (Galbraith, 1978). However, according to Destremau (1998a: 29), the identification of the really poor, began during the IV<sup>th</sup> Byzantine century. A new moral discourse on poverty took shape, leading to a distinction between people deserving some assistance and others considered as defrauders. The latter were considered able to provide for themselves and, hence, undeserving of the assistance granted to real poor people. According to this discourse, poverty could not be solved, it could only be relieved.

Later on, during the XIX<sup>th</sup> century, organisations dedicated to charity were still animated by Christian principles as much as by a moral vision of society. Their advocates were still making distinctions between " true " and " false " poor. It was believed that through scientific methods, the really poor could be identified and scarce resources redirected towards them.

A categorization of poor people was under way, society being determined to help them, even against their will. Nowadays, the poor are considered as those unable to cope with events over which they have no control because of their own "deficiencies", or because of their " culture of poverty ". According to this perception, however, poor people cannot be held responsible for their own situation. Because of their so-called inaptitude specialists of all kinds feel compelled to take them in charge and protect them against external events or against themselves. Thus, poverty is seen as something to be controlled through a set of specific interventions. This functionalist approach to poverty reduction is based on a definition of poverty which equates it with a simple lack of something to be identified. But deciding who is poor or not highlights the political dimension of all this operation (Foucault, 1975; Oyen, 1996: 10). From now on, being poor can be stigmatized as being abnormal, all the others being rewarded.

The sequences can therefore be summarized as follows. 1) Until the nineteen eighties, it was considered that the poor had to be helped in order for them to acquire equal chances of success in life. From this perspective, implementing compensatory measures seemed the only possible means of fighting poverty. 2)

Subsequently, however, poverty was no longer viewed as a localized problem only. It seemed to be produced by some sort of a system preventing people from escaping by their own means. Reprehensible habits of theirs were considered as harmful, playing a significant role in maintaining them in a precarious situation. Consequently, it was no longer possible to conceive of fighting poverty from the outside alone. The collaboration of those involved had to be obtained in order to break the vicious circle that they were caught in.

#### AN ALLEGED NEW POINT OF VIEW

Before the 1980s, specialists helped the poor by creating policies of equal chances for all. The major causes of poverty were perceived as inherent to a faulty malfunctioning of society which one could correct by means of specific interventions. The economic system became the privileged focus of interventions aiming at rebalancing the whole. Thereafter, however, poor people appeared rather as undue victims of a cultural system locking them up, a plight to which they themselves contributed. The specialists would henceforth help the poor by seeking to understand how the system in question was operating and what was the role of the poor in it. This time, the major causes of poverty were to be found within society, as before, but also in the individuals themselves. From there on, interest in poor people grew during the 1970s, when research was developed about communities and neighbourhoods, as well as about groups and their dynamic. In Quebec City, for example, various studies carried out at the beginning of 1970s demonstrated the importance for the poor communities to organize themselves in order to claim their rights (EZOP-Quebec, 1972; Cliche and Naud, 1975). The fight against poverty had to start from the bottom with the assistance of community organizers, a new generation of specialists trained in the universities; these tried to make communities aware of their own critical situation. This was part of a North-American movement of awakening.

The fight against poverty moved from one ground to another. However, the primarily functionalist viewpoints remained practically unchanged: it is by modifying the operating conditions of the group that one hopes to solve the problem of poverty. But poor people are still regarded as being unable to satisfy their essential needs by themselves. Strictly defined in terms of lacks, poverty need to be resolved through the economic sphere. However, several authors question this narrow vision of poverty, putting emphasising on the fact that power relations can very well be the cause of poverty. The mechanics of poverty are thus more complex than it appears.

These researchers distinguish between subjective and objective poverties. According to Salama (1998), being poor, from a subjective point of view, is to find oneself in a situation of not being able to fulfil duties considered as normal inside a given cultural group (to nourish his/her children, to conceive projects whilst believing in one's ability to accomplish them, etc.). In such a situation, escape, in all its forms, proves to be the only means of attenuating the shock of rejection by the group. According to this definition of poverty, a person rejected



by his own group is a poor person. Poverty is thus considered as a social phenomenon, not only the result of specific failings preventing someone from having an adequate sufficient income. According to this vision of poverty, even when she is still able to fulfil her physical needs, a person that is socially excluded considers herself to be poor... However, she is not eligible for monetary assistance.

In addition, still according to Salama (1998), a person considered as poor because of an insufficient income, but still able to fulfil her social duties, does not herself have the impression of being poor. Poverty, as Salama defines it, has a fundamental social component.

Following this definition of poverty, any distinction between poor and non poor people which is based on sole monetary grounds becomes a relative one since, among people able to satisfy their essential needs, there are those which still suffer by being rejected by the group.

#### A LOSING FIGHT?

Currently, there are two principal competing methods to fight poverty. On the one hand, according to the World Bank, only economic growth can eliminate poverty. This approach identifies poverty as the incapacity of households to access goods considered essential to live in a given place within a particular culture. Such obstacles have to be eliminated by intervention from the top, just as before the discovery of the supposed systemic character of poverty. Since the late 1980s, however, the World Bank's macro-economic approach has been called into question by the proponents of the participatory approach.

These are against interventionism, because, according to them, it does not take into account the social dimension of the phenomenon; interventionists try to remedy the problem of the poor without the latter's participation, i.e. without taking into account the experience of poverty the way it is lived by poor people themselves. The participative approach suggests, on the contrary, that the poor are the ones most able to find adequate solutions to their problems. To listen to them is a demonstration of respect, because it takes into account their life experience instead of imposing on them an a priori definition of poverty.

We consider that this participatory approach differs from the previous one in appearances only. It advocates a superficial reshuffling of interactions within a group but no questioning of existing power relations. Neither the interventionist approach, nor the so-called "facilitating" one take into account socially built relations which can generate poverty (Kodras, 1997; Salama, 1998; Yappa, 1998). Whatever their claims, neither can empower the poor to break the old ways of doing things which had maintained them into their state of need.

## **THE WORLD BANK AND POVERTY REDUCTION**

Since 1990, the World Bank made poverty reduction in the world its principal objective (World Bank, 1993). For that purpose, the organization developed indicators based on the income level of households. These indicators enable it to evaluate the extent of poverty everywhere in the world and to establish comparisons. Then it intervenes with the purposed intention to reduce poverty through programs prepared in collaboration with the relevant local authorities. These programs are aimed at economic growth, the Bank counting on it to overcome poverty (World Bank, 1996).

The principal indicator used by the World Bank relates to the level of consumption for which two thresholds are established: the poverty line and the survival threshold (Salama, 1998). The poverty line corresponds to the level of income a household must reach in order to obtain food and certain goods and services enabling it both to be nourished and to take part in the life of its community. It is following investigations on spending patterns of the households that one determines which goods and services must be consumed to satisfy these requirements. As for the threshold of indigence, it corresponds to the amount of money necessary to obtain the minimum quantity of food to stay alive. Under these conditions, the survival and poverty lines identified in monetary terms will vary in accordance with the spending patterns which change from one culture to another, as well as prices of food determined by the local markets. The World Bank evaluates the local level of poverty by dividing the number of poor people, i.e. those whose level of income is below the poverty line, by the total population. The result of this calculation gives the incidence rate of poverty.

The work of the World Bank is based, however, on certain unacceptable premises (Shaffer, 1996). It considers that goods and services bought by a poor household are always distributed equitably, without any discrimination between its members, in spite of the undeniable existence of relations of power among any household, poor or not. However, poverty within a household is certainly not experienced in the same way by a woman, a man, a child, or, an old person.

As shown by several authors, individuals do not share equivalent capacities to deal with various crises (famine, economic crisis, etc). These suggest focusing the discussion on the concept of vulnerability, rather than on the problems of levels of incomes. Such vulnerability is related to differential capacities to access resources necessary for survival (Sen, 1981, 1992; Watts and Bohle, 1993). A. Sen (1981: 45; 1999: 157-159) summarized the issue by proposing that rights of access to vital resources should be recognized democratically. This led Gore (1993) to point out that Sen does not sufficiently take into account the fact that the acquisition of formal rights cannot by itself guarantee access to vital resources, because power relations come into play (Williams, 1999: 194). In this regard, Watts and Bohle (1993) stress that to hold and preserve rights, power is necessary and that it is advisable to empower people in these circumstances. This resembles the recommendations of the advocates of the participative approach.

## **PARTICIPATORY APPROACH: A TRUE ALTERNATIVE?**

Chambers (1994: 1995) is among those who, with greater authority, suggest the use of the participative approach in the field of poverty reduction everywhere in the world. He assumes that the actors in place, namely the members of the various interested communities involved in the fight against poverty, are best placed to define the poverty in which they live and therefore to discover more suitable solutions to fight it. According to Chambers (1994), researchers working in the field of poverty reduction were not paying sufficient attention to the life experiences of the stakeholders. The participative approach thus replaced survey questionnaires, considered skewed and inadequate, by apparently more ethnographic methods of gathering information. This fell in line with the aim of giving poor people the right to speak.

It was considered that by collective deliberation on the causes of their own situation the poor learn by practice, by doing, how to work together to fight it. For the poor people of a community, the task consists in identifying what are the principal characteristics of the typical poor person; what are the assets to be exploited locally and accelerate local economic development, etc. (sets of roles, social cartography, diagrams of participation, location of the utility services and others, etc; see Narayan, 1996, like Thomas-Slayer et al., 1995).

For those promoting the participatory approach, the objective consists in "passing the torch" from the so-called experts to a community. It is necessary to put poor people in such a position that they reconsider their own situation to make something out of it with the help of "facilitators", hoping that these efforts yield sustainable results of self-development. So the old style community organizers are transformed into facilitators seeking to accompany rather than tell people what to do (Narayan, et al., 1999: 15-16). The participatory approach values highly the unprecedented character of the poverty reduction solutions that a community can experiment by itself which could be proposed.

These facilitators perceive themselves as persons whose job consists in only suggesting local people how to use certain techniques of collective exchanges and information gathering. Ideally, one expects them to withdraw from the process discreetly, after a while, in order to let local people take full responsibility for the development process. In this way, everyone is involved in the famous "Learning by Doing". When data collection is completed, once the time has come the community members contribute to the analysis of the situation, jointly with the experts from outside. According to Chambers (1994), this transfer of responsibilities gives the local community a chance to live a true empowerment experience leading them to take charge of their future.

The participatory approach generates definitions of poverty which taking into account poor people's own perception of poverty. Such definitions can only provide a more accurate profile of poor people. These lists of attributes do not contribute to a better understanding of the fundamental causes of poverty (Yapa,

1998). The " facts " collected using participatory techniques remain a construct, just as the one shaped from the surveys of income/consumption carried out by the World Bank. A construct cannot unearth the mechanisms behind poverty. By not taking into account the existence and the dynamics of power relations in a community, the participatory approach misses the point.

Chambers (1994: 1266) himself identified two limits to the use of participatory approach which appear crucial to us. Firstly, a problem occurs when empowerment conferred during the process does not benefit the right people, thus reinforcing the uneven distribution of power within the community. Secondly, Chambers rightfully questions who will benefit from all the information collected within the studied communities through participatory methods.

#### PUTTING PEOPLE AT WORK TO MAKE POVERTY DISAPPEAR?

As an instrument to fight poverty, the participatory approach does not constitute a viable alternative to the interventionist way championed by the World Bank because it is as narrowly functionalist and too superficial. In both cases, it is assumed that putting people at work will automatically make poverty disappear.

According to the interventionist approach, experts are supposed to know what is good for poor people as they rely on the implementation of compensatory type programmes to make poverty disappear. They assume that these programmes can improve the living standards of the poor. This reasoning makes it possible for the World Bank to claim that the elimination of poverty will necessarily take place through economic growth. To generate economic growth in a poor country, the World Bank first supports labour intensive activities, such as infrastructure works that will make markets more accessible and quickly generate employment. Secondly, it invests in the development of human capital, helping to maintain children in good health and supporting access to primary education. This is especially crucial for girls, because later they will promote school perseverance among their own children. Thirdly, the Bank insists that safety nets be provided to protect the weakest in a quickly changing economic context (World Bank, 1996).

However, certain authors assert that, nowadays, economic growth itself can no longer constitute an effective means of creating jobs neither in poor nor rich countries (Bélanger et al. 1994). Indeed, the funds generated by economic growth in rich countries tend to be reinvested in machinery and computers, in order to increase productivity. Consequently not only does total employment always tend to decrease in large firms, but, given the need for an increase in labour flexibility, a large number of remaining jobs undergo a deskilling process. Under these conditions, some employees are trained in such a way that the same person can occupy various functions over a given period of time. This process, while breaking the monotony of work, permits the employers to counter absenteeism by making workers interchangeable. In addition, this structure forces workers to

perform harder since the work of one depends on that of the other, with any weaknesses becoming highly visible. Lastly, the interchangeable worker cannot negotiate a rise of salary on the basis of an exclusive competence which does not exist anymore. Although the rates of unemployment are at their minimum, especially in North America, they can be explained, at least in part, by a considerable increase in the number of precarious and poorly remunerated jobs created since the 1980s. The expression " McDonaldization of employment " is highly appropriate to describe a phenomenon which occurs in the developed economies and which makes it possible to preserve officially high rates of employment while hiding a growing impoverishment of large segments of the population (Benies, 1998). If economic growth cannot help to reduce poverty in developed countries, and particularly if it cannot create empowerment of the weak, how can it do it in poorer countries?

The participatory approach also seeks to put people at work locally and to make local production more effective through an increase in productivity. This is a striking reminder of the kind of exercise, carried out by large Western firms during the 1970s to compete with Japanese ones. The idea is to empower employees in order for them to benefit from ensuing increased productivity. This race to empowerment in firms never gave lasting results, though. In short, neither economic growth nor empowerment of the communities, pursued for itself, can produce the anticipated results, i.e. to reduce the poverty that they do not attack at the root. At most these approaches make it possible to buy time by occupying people with other things than what is really essential.

## **THE ORGANIZATIONAL APPROACH AND THE ESSENCE OF POVERTY**

Participatory and interventionist approaches do not address the social dimension of poverty. This appears most unfortunate, considering that each social order possesses, to some extent, a life of its own which determines locally the chances of individual prosperity (Kodras, 1997: 68). Participatory and interventionist approaches assume, in a deterministic way, that simply modifying ways of doing things can generate prosperity without taking account of the fact that a prevailing local social order will simply integrate, digest so to speak, the interventions. Obviously, the way a given local social order will react is very difficult to predict if we don't know about its specificity.

Since the 1970s, this last phenomenon has been studied in-depth in the context of business firms. For over 30 years, business firms have been confronted with problems similar to those now faced in the field of localized poverty reduction. It should be known that, in that context, interventionist and facilitating approaches gave mitigated results. That is why Crozier and Friedberg (1977) developed a way of studying the factors that structure a power relations system in a firm which in turn controls its entire functioning. In their eyes, it appeared essential to understand the way a firm operates before seeking to modify its functioning (Crozier and Friedberg, 1977). More recently, Friedberg (1994; 1997) suggested

extending the use of this framework of analysis, the organizational analysis, to study the way organizations of all kinds are functioning. The local community, as a group, corresponds to an organization. From this perspective, any group of individuals intending to join efforts to achieve precise goals have to find common grounds for collaboration. This process is central. This is where power relations are at play.

The organizational method makes it possible to understand how and why a social order takes shape locally and to understand why certain programmes designed to transform it, to reduce poverty for example, can give good results here and bad ones there. This is due to the way they interact with particular local social orders.

#### THE MANAGEMENT PROBLEM OF THE FIRM

During the 1970s, the efficiency of the participatory approach that we now seek to use in the field of international development has been proven catastrophic for the management of business firms.

Before the 1970s, workers in a firm were seen as driving belts or specialized elements of an integrated functional system meant to produce efficiently. According to this mechanical vision, the operation of an organization had to first be conceived on a drawing table by specialists. The firms of this fordist era were increasing profits mainly by task reconfigurations and improvements in the production processes. Instead, in the taylorist context, members of an organization were expected to play some preset roles in order to achieve production targets. The shape of the organization chart, it was believed, really determined its operation. Humans were seen as mere elements of a bigger machine.

This mechanical vision of formal organization, and the roles of humans in it, were severely questioned during the 1970s. Following their Asian counterparts management theorists in Western countries started to consider the intrinsic value of the workers as people. It was time to establish dialogue between the members of an organization, enthusiasm, complicity, sharing in short, to obtain the commitment and loyalty of the employees. They strived, in an extremely different cultural context, to reproduce the Japanese model. Henceforth, it was considered that workers could help increase profits of the firm better than any drawing board (Aktouf, 1992).

Over the years numerous programme changes were designed and applied to empower the workers (Tardif, 1997). A certain number of management techniques were tested among which transfer of power from higher to lower levels of the organization; the reconfiguration of tasks by dialogue; formation of autonomous work teams; diffusion of information (the "open books" policy); creation of programmes aimed at the enrichment of tasks; setting of production targets with the workers; management by objectives; consideration of workers

families, etc. The opinion of workers mattered to the firm; they took part in the decision-making process and were involved like never before. After all, weren't they those who knew best (Bowen and Lawler, 1995; Kanungo, 1992; Vogt and Murrell, 1990)? The objective was to give them enough empowerment so they could work without any supervision.

Aktouf (1992: 410) pointed out that only flexible and obedient individuals could put up with all these new techniques of change repeatedly proposed to them and which created a functionalism as narrow as the one of the drawing board managers wanted to eliminate. Indeed, if before, one sought to obtain the obedience of employees by clearly defining their tasks, the management was now modifying the work environment in such a way as to "create" autonomous workers! According to Aktouf (1992), all this was still inspired by a simplistic and deterministic vision of human behaviour.

Over the last twenty years, according to Argyris (1998) and Hardy and Leiba-O'Sullivan (1998), no programme change intended to empower workers in an organization has given lasting results. This led Argyris (1998) to compare empowerment with the "new clothes of the emperor". Everyone celebrates their elegance in public but, in private, all wonder why they cannot see them. More basically, however, the attempt probably failed because it was not taking sufficient account of the way in which a power relation system is woven locally and how it reacts to external pressures.

## **A DIFFERENT POINT OF VIEW: THE ORGANIZATIONAL ANALYSIS**

The organizational analysis was developed in reaction to the deterministic conventional manner of conceiving an organization (Crozier and Friedberg, 1977). According to these authors, the operation of a firm could only be understood by considering how individuals were responding to their working conditions according to their status inside a specific power relation system. The organizational analysis, after Crozier and Friedberg (1977) and Friedberg (1997), is based on a different understanding of human behaviour.

Nowadays, while management still persists in considering the individual as a mere production factor, as a human resource, organizational analysis, on the contrary regards him as being basically free, able to make choices -- even in the most constraining contexts such as an asylum or a prison, for example --, but possessing only a limited rationality because he generally makes his decisions on the spur of the moment (Bernoux, 1985). When he occupies a function in an organization, he behaves for reasons of his own. Thus, the individual collaborates in a joint venture but always in his own way, i.e. by always pursuing personal goals at the same time. For example, one can use an organization to improve one's status as quickly as possible. One may also like his work and always do more than required. A firm does not have any control over these types of individual behaviour, even if they have tremendous consequences. In the end,

any worker always retains some degree of freedom, enabling him to approach his task the way he chooses. His behaviour is basically political since, gradually, his freedom becomes a constraint for all other members of the organization. The limits of personal freedoms, when they touch each other, become object of negotiations. The recognition of this principle basically distinguishes this organizational approach from a functionalist or mechanical one.

Whereas the mechanical approach seeks to manage the individual so that he becomes literally a proxy to his function, the organizational approach, after Crozier et Friedberg (1977), recognizes that the individuals always go their own way in any organization. But, because they all act simultaneously, somehow, somewhere, they have to find common grounds. In other words, the flow chart of an organization, identifying individual responsibilities, does not reveal its real operating mode (Mintzberg and Van Der Heyden, 1999). To learn about how an organization really works, we have to know how people use the freedom they possess to negotiate the terms of their cooperation to the common objective, thus solving the problems posed by daily operations. But people will manage to salvage a degree of freedom enabling them to pursue personal goals. It is the articulation of all these power plays which determines the operation of the organization and the origin of the local social order.

Specialists of this type of organizational analysis use the game metaphor to represent the way any organization operates, regarding it as a playground where players join their efforts in order to win. To do so, they must operate in a common task and "play their positions" in their own way. By doing so, they express their freedom, a source of empowerment, inside a constraining framework (Certeau, 1980; Fischer, 1997). Indeed, the constraining framework determines the rules of the game, which, once known by everyone, are then adapted and reinterpreted. Doing that, they create spaces of personal freedom for themselves, the dimensions of which depend on the capacities of negotiation possessed by each individual. These capacities are a function of the individual's assets, and his ability to use them at the proper time. This is the reason why any organization must regularly modify its rules of operation in order to restrict the appropriation of the rules by the "players". In the playground, individual power becomes a currency of exchange to increase or protect individual spaces of freedom.

#### THE CONCRETE ACTION SYSTEM

Since people must combine efforts in order to achieve common goals inside constraining environments, a division of tasks is carried out. The object of organizational analysis is to understand how co-operation between individuals, always the result of ceaseless negotiations, is achieved.

Compromises resulting from negotiations, with everyone trying to gain some personal profit, are at the origin of a complex system of power relations between the members of any organization. It determines what Crozier and Friedberg



(1977) and Friedberg (1997) call the concrete action system of an organization, comparable to a social order. In return, such a system regulates interpersonal exchanges by establishing conventions that everyone learns to observe.

It comprises a set of abstract rules, a so-called "firm culture", which determines the real operating mode of any organization or community. So, to understand how an organization really works, or any community for that matter, it is necessary to describe and understand the concrete action system which animates it. Such a system is necessarily contingent. This is why, except in theory, two similar firms, two hockey teams, two local communities, two departments of geography, two departments of a same hospital never operate the same way. By studying the concrete action systems controlling them, it is possible to discover what makes the difference. The interventionist as well as the participatory approaches persist in ignoring this essential step.

A group possesses its own life which is not determined only by external constraints imposed upon it, but also by power plays involving members of the group. From this point of view, although external constraints certainly influence the operation of a group or organization, their effect is not immediately foreseeable because they are always mediated by an internal system of power relations. External constraints are in fact always integrated as elements of strategies by members of the group. To understand how a group faces changes imposed from the outside, it is necessary to have proper knowledge of the concrete action system that controls its functioning and with which the calls for change interfere.

A concrete action system is a structure, the existence of which is only apparent through the observable regulating effects it produces on the operation of the organization. It is a set of articulation of games awaiting to be described.

#### **FIGHT AGAINST POVERTY AND PROGRAMS OF CHANGE**

The participatory approach, at least the way it is practiced today, looks like a recipe which will produce empowerment for the sake of it, without taking into account the role that the local social order plays in the construction of poverty.

Change in an organization, whether a formal organization like a firm or a community, must not only be induced, but also maintained. The facilitating attitude which seeks to introduce the participatory approach into the field of socio-economic development can in no way cause a change of culture, nor induce a durable reshuffle of a concrete action system, significant enough to eliminate poverty. In a more realistic way, the study of a local concrete action system must, according to the organizational approach, first be carried out to determine how a community organization reacts to outside pressures.

To see how power plays inside a group maintain people in poverty, it is useful to revert to a multiple-stage process (Friedberg, 1997: 304 and following). Firstly, it

is necessary to describe the power relations system that prevails in a local community to apprehend it correctly and then interpret its operating mode. Information gathering can be carried out using different techniques such as direct observation, participant observation, semi-structured interviews, etc. Secondly, it is necessary to confront the actors in order to observe the system in action, and to allow for a better understanding of the local dynamics. Of course, susceptibilities must be spared so that the research does not end abruptly. It is by trial and error that the researcher will be able to understand how the political life of a group is organized, i.e. who holds which role and how individual assets are used. This leads, thirdly, to a indication of how change must be induced and, eventually, directed (Friedberg, 1997: 345).

Facilitators should never withdraw once a collective work of reflection about the situation of a community has been initiated. Their knowledge of a local concrete action system should be used to promote discussions on important issues: the reorganization of power ratios and its consequence on the most vulnerable people. The objective thus consists in finding realistic solutions to local problems and making it possible to relieve poverty, for example, while making people aware of its mainly social nature.

## **CONCLUSION**

Along with authors such as (Fontan, 1997; Kodras, 1997; Salama, 1998; Seabrook, 1991; 1997; Tremblay and Klein, 1997; Williams, 1999; Yapa, 1998), we stated that poverty, such as defined by public authorities and major poverty fighting organizations, is economic in nature. However, this does not take sufficient account of the basically social and political aspect of the phenomenon. By foreseeing poverty exclusively as a lack of money, it is certainly possible to solve the most pressing problems. But the effect of this type of intervention is only temporary, because it does not recognize the crucial role of power relations as perpetuating factors of poverty.

It is not an easy task to study how a power relation system structures itself at the local level. Such a study may even prove to be infeasible in many communities because of the threatening character of the process. The fact remains, the organizational approach invoked here does help understand how poverty can be produced locally. It can also provide a standpoint from which programmes used to fight poverty can be evaluated and improved.

## **ACKNOWLEDGEMENTS**

The authors wish to thank Professor Rodolphe De Koninck for his substantial input, as well as the members of the Southeast Asia Group with which, over the years, they discussed the problem of poverty. SSHRC, IDRC and CIDA financially supported the work of the Group. This text was essentially written as part of the project entitled "Localized Poverty Reduction in Vietnam".

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# From a multidimensional to a socio-political definition of poverty<sup>1</sup>

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*Comparés aux Rwandais, les sans-travail  
parisiens sont des nantis, ils n'en sont pas moins  
des exclus.*

A. Memmi, 2000, p. 56

## INTRODUCTION

Defining poverty is a political process. Any definition of poverty depends upon the way someone or some group of people perceives it to be. The World Bank, as well as all the major international financial institutions involved in poverty reduction, now use a new multidimensional definition for poverty. Instead of considering poverty to be only the result of a lack of money, it is considered to be caused by specific combinations of factors in each place. But we believe that their multidimensional definition presents some serious weaknesses. Especially, it does not take into account the socio-political foundations of poverty even if they claim to do so. Their definition allows for the World Bank to state that economic growth is still the best way for poor countries to undergo the economic development which can finance their poverty reduction plans. However, we assert that economic growth alone cannot suffice for that.

This text comprises four sections. In the first, we discuss what is involved when trying to define poverty and show how, and why, the World Bank's definition of poverty has evolved over the last decades. We stress the fact that the World Bank now considers the socio-political dimensions of poverty should not be ignored. In the second section, we describe how the World Bank leads the fight over poverty by trying to install the poor countries themselves behind the wheel of economic development. By doing so, the World Bank grants the principal role to the State and almost steps back from the stage itself, keeping an accompanying role only, while civil societies to commit themselves in the development process,

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<sup>1</sup> This article was originally written in French. The author wishes to thank Rodolphe De Koninck for his help with the translation.

an authentic development being now considered participatory. But, for the moment, that doesn't work.

Thirdly, we assert that the recommended opening of borders to liberalize trade and capital exchanges cannot substitute for any sound national development strategy to obtain economic growth. However, it appears that poor countries lack the means and the power to set up such national strategies like the successful East Asian countries, have done in the past whose examples they are asked to follow.

Lastly, we will challenge the vision of globalization put forward by the World Bank stating that it justifies the use of its limited multidimensional definition of poverty. Then we propose another definition of poverty that we consider more suitable because it takes into account the fundamental socio-political dimension of poverty.

### **SEVERAL DEFINITIONS OF POVERTY**

Any policy on poverty needs to be articulated around a definition of poverty which allows an evaluation of the number of poor. Then, it must be characterized according to sub categories and, also, available means of intervention. All the time, the available means of intervention and their specific mode of application will determine which criteria to use in order to recognize the poor (Oyen, 1996). This means that there cannot be only one definition of poverty but several competing ones, some doing better than others.

There are several motives invoked in the fight against poverty and these depend upon the perceptions one has about poverty (Destremau and Salama, 2002). So an individual; a research worker; a charity organization; the World Bank; the United Nations Development Program (UNDP); the various national governments, to give a few examples, do not tackle poverty in the same way. Nevertheless, whatever points of view they have, poverty is generally defined in terms of "lack": lack of money, lack of power or capacities, lack of freedoms, or deprivations of all kinds.

For example, even the way the World Bank defines poverty has changed over the last decades. During the 1950s and 1960s, this organization was convinced that investing in the physical infrastructures in poor countries could suffice to stimulate their economic development and to create individual and collective wealth. But because of deceiving results, during the 1970s, investment was made instead, into the human capital of the poor countries, which means in education and health care services. After the physical capital, now the human capital was considered worthy of promotion. In those years, development of the poor countries was orchestrated from the rich ones. Basically, it was hoped that poor people would just follow the directives given to them by the international financial institutions (IFIs), like the World Bank, to escape from poverty.



During the 1980s, the World Bank tried to help poor countries to increase their capabilities to better manage their own economies. At that time, it was considered that the State had to withdraw from the national economic life of countries, even rich ones, because the alternative was considered too inefficient, distorting the price system and inhibiting the good functioning of markets. At the World Bank, the watchword was “the least government possible”. Also, the World Bank considered that poor countries had to liberalize their commercial and capital markets for their comparative advantages, especially the lower cost of their labor force, to become attractive for foreign capital. Therefore, economic growth could bear on some solid ground and contribute to the specialization of the world economy, in the long run. But, very quickly, other obstacles would block the way. The opening of markets cannot make any difference if not supported by sound institutions. Contracts have to be drawn up and their execution enforced, if necessary. No foreign capital would land in a country where it couldn’t find the necessary institutions to protect it and enable its efficient use. If the foreign capital could be considered as the necessary condition for the economic growth of poor countries, a sound institutional environment could be seen as the necessary prerequisite for it to happen. Consequently, the simple opening of borders to international commerce could not fulfil its promises.

This is the reason why, during the 1990s, the World Bank decided to entrust the state to build institutional environments which would guarantee the good functioning of markets (World Bank, 2000; 2001a). Of course, no one was willing to see a state becoming an economic entrepreneur again. There was a clear consensus on that matter. But the state could act as a facilitator for the good functioning of markets. Also, none of all this would work without the implication of the civil societies which would have to fully support these initiatives. In such circumstances, major changes are inescapable. For example, with the influx of foreign capital in a poor country, jobs will be lost, initially because it will contribute to launching a process of economic restructuring. But those populations had to understand that this could not last forever and, that with time, more secure jobs will be created in sectors benefiting from higher rates of productivity. In the long run economic growth would bring the prosperity they were all waiting for to happen. From now on, the poor countries would have to take control themselves of the governing of their own development, the IFIs only helping them to do so.

Even during the 1990s, however, poverty was still directly associated with the lack of money only. A person was considered as poor when he or she had a low revenue. To limit the damages caused by poverty, logically, the only possible solution for poverty alleviation was to find ways for the revenues of the poor to be increased. Since then, the World Bank has widened its own definition of poverty, which it considered as being too restrictive (World Bank, 2000). New dimensions of poverty, political and social dimensions, had to be taken into account. Amartya Sen (1999), notably, had shown that the lack of money could not be the only cause of poverty. For this author (Sen, 1999), poverty is better described as the “lacking” capacities for the individual. Thus Sen proposed to

evaluate the relative level of wealth of individuals in terms of the liberties of which they could take advantage where they were living. According to Sen (1999: 18), each person should have access to liberties allowing him to make choices and to live the life he chooses, either in a rich or in a poor country. From this standpoint, trying to increase the number of individual liberties becomes, at once an end in itself and a means to fight poverty. In this context, individual income would be only one instrument among others allowing people to increase their own capacities (Ibid.: 89).

Major international organizations dedicated to poverty reduction, like the UNDP and the World Bank, now consider poverty to be a multidimensional issue. This approach builds on the hypothesis according to which individual poverty is caused, not by the lack of money as such, but by sets of multiple causes, or multiple lacks, as well as the specific combinations that occurs in particular places (UNDP, 2000; World Bank, 2000: 31-41; 2001a). These sets of causes would restrict individual liberties, to use Sen's terminology (1999). Consequently, plans to fight against poverty are considered of having to be designed specifically for each poor country in a participative manner, each pattern of poverty causes being perceived as unique. For example, the lack of education, or the weakness of the health care services, can be responsible for poverty everywhere but always according to various degrees and different combinations.

Recently, though, the wheels of development are pointing in a new direction. Henceforth, the aim of development consists of investing in the reduction of poverty which is considered to be as the outcome of sets of systemic failures in each country. Nevertheless, the efforts to discover the specific set of causes of poverty in each country and to prepare the appropriate solution to it depend on the poor countries themselves. According to the IFIs, these countries are the most qualified for that job. But, basically, the universal remedy to poverty reduction seems to remain economic growth which, it is assumed, would secure what is needed to finance the application of all the national poverty reduction's plans.

In this context, the job is quite extensive. This is the reason why the World Bank has perfected a system of rules to frame the national efforts towards development and poverty alleviation. The poor countries have to accept this system of rules to remain eligible to receive some help from the IFIs. In fact, they don't have the choice: they must comply. At the national level, they have to create a set of institutions to supervise the efficient functioning of markets, which, then, have to tap the local comparative advantages. Finally, it is expected that the opening of borders to trade and investment will do the rest.

However, this new approach to development and poverty reduction advocated by the IFIs does not allow the social dimension of poverty to be tackled. Poverty, as a condition, is the result of social exclusion, either in rich or poor countries. A person can suffer from social exclusion because of a low revenue or can sink into material poverty because of social exclusion. Social representations are responsible for social exclusion (Destremau and Salama, 2002; Memmi, 2000). It seems that the multidimensional definition of poverty adopted and popularized

by the IFIs treats poverty, still, as if its nature was basically economic (Destremau and Salama, 2002: 117). This seems to be the reason why economic growth is pursued for itself. But, we believe that economic growth alone is not sufficient to help the poor to really get out of poverty.

## **A NEW VISION FOR DEVELOPMENT AND TO FIGHT POVERTY**

In 1997, the World Bank proposed to adopt a new integrated approach to international development, the Comprehensive Development Framework (CDF) (Wolfenshon, 1997; World Bank, 2001b). Until that time, the World Bank was interventionist, telling poor countries what to do to get rid of poverty. To receive some help and benefit from development, the poor countries just had to have the right attitude. But, because of the many failures encountered in this domain over the years, which conditions were too often said to have deteriorated since receiving help (Stiglitz, 2002), the World Bank decided to pass on the torch to the poor countries putting its thrust on them governing their own development. Consequently, in 1999, the World Bank adopted a new role in development, the more modest one of facilitator (Wolfenshon, 1997: 7, 1999).

On the one hand, the poor countries would take the driver's seat in development and poverty reduction. On the other hand, the civil populations would be invited to commit themselves to this new task, supporting the changes that would certainly arise under the circumstances. This novel attitude adopted by the IFIs was the outcome of deep thinking. Old ways of doing things had to be questioned in the light of some astonishing economic successes which had occurred in several East Asian countries in the fields of development and poverty alleviation, since the 1950s. Nevertheless, the participation of the civil societies, which it is hoped would play a key role in development, has not yet shown up.

## **TOWARDS A MORE INTERVENTIONIST STATE**

During the 1980s, the World Bank and the International Monetary Funds (IMF) had to intervene to put the Mexican economy back on tracks following what has been called the Mexican Peso's crisis. This rescue operation made jointly by these organizations was designed to revive the market forces which were considered at that time as the only realistic means to restart a national economic engine. Concretely, that meant the opening of borders to trade and capital exchanges, the control of prices and wages, the cutting in State expenses, an increase in income taxes, etc. A shock therapy had to be given first. 20 years ago, no one would have trusted any other means to stimulate economic growth. Later, the expression of « Washington Consensus » was coined to designate this type of operation performed by these two Washington based organizations (Williamson, 1990; 2000). Although perfected in a very specific cultural context, the latino-american one, over the following years, this type of intervention would be applied anywhere without taking account of the cultural aspect of places (Stiglitz, 2002:

42), the consequences of which would be considered disastrous by several critics (SAPRIN, 2002).

At that time, and on the other side of the world, the « Asian miracle » was happening. Since the beginning of the 1950s, several Asian countries had been benefiting from a sustained economic growth at a level never matched to date by any industrialized country (World Bank, 1993a). But the facts had to be faced: this economic success had been fueled by several forms of intervention contrary to those considered acceptable to the Washington Consensus. Such a situation was to force the specialists of the World Bank to question their own work in development.

The factors responsible for the remarkable economic growth which benefited several East Asian countries such as, Hong Kong, Indonesia, Japan, Malaysia, South Korea, Singapore, Taiwan, and Thailand since the 1950s were examined with the use of a magnifying glass by the World Bank, of course (World Bank, 1993). In fact, between 1965 and 1990, the 23 economies of East Asia experienced a sustained economic growth which was superior to those of all other regions of the globe over the same period. Obviously, the time had come to isolate the components of such a success in order to replicate, if possible, the formula in other areas of the world less favored by economic development. Quickly, it became obvious that the active role played by the state in the economy could explain a good part of this miracle.

According to Joseph Stiglitz (1998; 1999; 2001a), former chief-economist at the World Bank, the Asian miracle would have led to a fundamental questioning of the markets' intrinsic capacities to allocate economic resources efficiently and to generate economic growth without the active presence of the state. Even the major financial crisis that would shake a part of Asia after 1997, would only reinforce the World Bank in its desire to reevaluate its own role in development (Wolfensohn, 1999; 2000). The fact is that this crisis happened after some Asian countries had accepted, under international pressure, notably American, the free circulation of capital (Stiglitz, 2001a). So the causes of the crisis were well known, and thus, had to be considered cautiously in the future. The time had come to reconsider the role of state in development and to pass to a more friendly Washington Post-Consensus.

It was now apparent to people that not only would an active presence of national governments in the economy be necessary to supervise the functioning of the markets, but it could also help to bring up a more equitable, democratic and sustainable development. But the true novelty would certainly be the role that, from now on, the World Bank would entrust to the civil societies, the one of the true engine of economic growth of the poor countries.

#### A DEVELOPMENT BASED ON PARTICIPATION

According to Stiglitz (1999: 10), for development to take root in a poor country and help it to prosper, its entire population should commit itself to the task, otherwise economic development would stay out of reach. From now on, economic development had to be participatory.

Economic development implies a transition from an economic situation considered as being bad towards another one judged more advantageous. The gains realized over the time would certainly be the result of some work done accordingly. But, all changes launched from outside a poor country, by any international organization for example, have a good chance of being rejected. For a population to really accept some necessary changes, even difficult ones, the best way to proceed seems to involve getting those populations to initiate the changes by themselves, when they are well aware of their consequences.

However, before acting collectively, it is necessary for people to be able, to some extent, to foresee the gains that their collaboration in a common endeavour could bring to them in return, on an individual basis. In the case of a positive evaluation, they would be ready to take some calculated risks and would do whatever necessary for the new situation to become part of their everyday life's individual strategies (Friedberg, 1997). Let us point out that making efforts in common on the scale of entire countries for the purpose of development contributes to the acquisition of an immense amount of social capital. In fact, such a vast exercise in learning by doing necessarily increases the national capacities in this domain. In the long run, one can hope that such capacities generate a sustainable development. Then, the development will become fundamentally social. Thus, at the same time, development must be considered as the consequence and as the driving force of what Stiglitz calls a consensus-building process which operates at the scale of the civil society (Stiglitz, 1999: 16). Consequently, this brings Stiglitz (1999: 20) to support the idea that, in all societies, the development of participative processes should be pursued for itself.

The adoption by the World Bank of this participatory approach to development encouraged it to modify the interventionist relations it had maintained with the poor countries until recently. Now the World Bank is using the Comprehensive Development Framework which is considered to be a tool to supervise and evaluate the efforts invested in development by the developing countries. In theory, using the CDF approach the IFIs take the role of facilitators to help the poor countries to develop, especially in setting up conditions favoring the efficient functioning of the markets, creators of jobs and wealth.

Since 1999, the World Bank now links its granting of financial help to poor countries to the production of their national plans for poverty reduction, the Poverty Reduction Strategy Papers (PRSP). These plans have then to be evaluated by the World Bank and the IMF. In doing so, the World Bank puts the poor countries in such a position that they have to initiate some major

cooperation exercises at home so that they can increase their national capacities in development. Secondly, at the same time, the poor countries have to clearly present their national strategies for poverty reduction for the years to come, and have also to demonstrate their relevance (Ibid.: 26).

To date, these PRSPs constitute disappointing exercises. They show, notably, that the participation of the national populations in the preparation of the PRSP does not play the key role it was expected to, far from it.

#### THE QUEST FOR RESULTS

Until now, the application of this new paradigm of the World Bank has given unsatisfactory results. The poor countries have begun the completion of their PRSPs in a hurry, because this was a compulsory task for them to remain eligible for the IFIs help. However, the poor countries were not all of a comparable strength on the starting line. Let us note that on March 15<sup>th</sup> 2002, ten poor countries had completed a full PRSP, of which three had already submitted a report showing the progress accomplished after the first year of application of their Poverty Reduction Strategies (PRS). At the same time, 42 countries had submitted an interim PRSP, and seven others had sent to the World Bank a document detailing the progress towards completion of their PRSP (World Bank and IMF, 2002: 5).

As early as 2000, the World Bank undertook the evaluation of the already submitted PRSPs, whether final versions or interim (obligatory) ones. This organization also wanted the international community to be part of this evaluation process. For this purpose, all the PRSPs have been made available on the Internet site of the World Bank (World Bank, 2001d). Essentially, the World Bank wished the international community to evaluate the extent to which the preparation of the PRSPs was a participatory exercise which had involved the civil societies of the poor countries. Finally, in March 2002, the World Bank made public its evaluation of the PRSP, submitted. This had been made jointly with the IMF, and took account of the evaluations coming from the international community (World Bank and IMF, 2002). The report argues that the PRS approach, which seems to have been unanimously accepted by the international community, remains quite challenging for the poorest countries that cannot mobilize the resources needed to prepare a PRSP.

At first, it was necessary to proceed as quickly as possible, it seems. Hence, the necessary documentation for the production of the PRSPs has been made available in English only, and the instruction book contained more than 1 000 pages (Guttal, 2000). Missions had to be organized by the World Bank to help certain poor countries start the task. In their report, the World Bank and the IMF suggest that the poorest countries use best practices in this domain, for this task to become easier for them in the future. But, these organizations admitted that it was necessary to be realistic. A consultation work of such a scope requires time in order to be done correctly and, on top of that, large amounts of effort have to

be dedicated to the application of the recommendations of the PRSP. It is expected that these policies would induce a reduction of poverty in the medium and long term. (World Bank and IMF, 2002: 28).

Concerning the central question as to whether or not the submitted PRSPs were actually the outcomes of extended national consultations, the joint report of the World Bank and IMF states that the exercise certainly allowed for an improvement in the exchanges between the various participants in each country. Nevertheless, the report underlines that often specific groups were not able to be heard, notably organizations of the civil society opposed to the national governments, local leaders, workers' unions, women's groups, etc. The report limits itself to insisting on the importance of doing whatever is possible in the future to increase the level of people's participation in the completion of PRSPs (Ibid.: 9-10).

The external evaluators show themselves to be a lot more incisive on this question. According to their views, the submitted PRSPs will always give the same answers to the same questions (Craig and Carry, 2001), and they would have been prepared too quickly (Whaites, 2000: 8). In several poor countries, the participatory exercises wouldn't have taken place, or would have been superficial, or would have looked like simple consultation meetings (Christian Aid, 2001). Elsewhere, some poor countries would have considered participation, not as an important element in the conception of a valid PRSP, but as a requirement from the donors they couldn't refuse (BMZ, 2001: 3). According to some of Christian Aid's partners, in several poor countries local populations wouldn't have heard about the existence of the PRSPs, and their governments would have just completed them alone. Sometimes some documentation would have circulated about the PRSPs among the civil populations, but in the English language only (Christian Aid, 2001). Finally, several poor countries never knew exactly what was the purpose of completing such PRSPs, because of a lack of information (DFID, 2001: 3).

But the most devastating criticisms originating from the external evaluators concerned the principle of the CDF approach that, neither the World Bank, nor the IMF, would have stuck to. How, for example, could a poor country feel comfortable preparing its PRSP on its own terms when it is well known that it is Washington D.C. which will decide, in the end, to accept it or to reject it (Eurodad, 2001a: 2)? Besides, several organizations still use the expression 'one size fits all' to characterize the new approach of the IFIs in development, which continue to issue directives as before despite the new rhetoric. Whaites (2000), in particular, points out that in their PRSPs the poor countries have to commit themselves to the liberalization of their markets as quickly as possible, even if the rich countries do not have to do the same, especially in the domains of the textiles and agricultural products, where the poor countries undeniably possess some comparative advantages (p. 21). This brings Whaites to consider the PRS approach as a way which reconciles the old ideology of the World Bank and the IMF precisely, the one that supported its former structural adjustment programs,

with participatory, poverty reduction, and human development new ideas (Ibid.: 26).

In other words, the passage to what Stiglitz (1999) calls a consensus-building, which would lead to true social development, doesn't have many chances to occur, in poor societies when they cannot fully commit themselves to the cause of their own development. There would still be only one form of acceptable participation, according to the CDF approach, which is the one that sustains the reinforcement of the national institutional capacities to supervise the efficient functioning of the markets in the context of an always ever larger liberalization favoring an increase of commercial and capital movements. But, first, economic growth cannot depend solely on the liberalization of markets towards which everybody should be working, according to the IFIs (Stiglitz, 2002). Secondly, even if the economic growth would occur in the poor countries, it cannot be taken for granted that it will reduce poverty, because it could increase inequality based on revenues. And, it certainly cannot do anything about socially induced poverty.

### **AN INSUFFICIENT APPROACH**

The imposition of the PRS approach on poor countries cannot help them control their own development because it is too constraining. Stiglitz is probably right when he asserts that the civil societies must commit themselves to the cause of development making it theirs. But the PRS approach, in its current form, impedes these civil societies from managing any real national initiative in development. Now, it seems that they have to live under a new form of Washington Consensus package. Hellinger and Fehling (2001: 1) see this as a new form of interventionism that constitutes an unprecedented take over of sovereign countries. Rodrik (2001A; 2001b) writes that this interventionism changes the rules of the game everywhere in such a crude way that, while saying they are managing a level playing field, the IFIs, instead, impose a straitjacket on the poor of the world (Stiglitz, 2002: 279). As long as it is impossible to establish the necessary conditions for the participation of civil societies in real development, the chances of obtaining poverty reduction in poor countries, with or without the PRS approach, will remain weak.

First, the new approach of the World Bank in development is based on the hypothesis that is possible for poor countries to take the road that allowed the countries of the Asian miracle to prosper. Therefore, poor countries would have to perfect national strategies to do so. But, poor countries just cannot manage their economies the way East Asian countries were doing it after the 1950s. In 2003, the IFIs themselves would never allow it. Secondly, the integration of poor countries into the international economy based on the liberalization of the movements of goods and of capital cannot solely bring them economic growth without being supported by sound national development strategies. Thirdly, even if the economic growth could become real and sustainable in poor



countries, in a context of globalization, then a mechanical process would engage which will reinforce inequality, so the situation of the poor could just worsen.

#### THE ASIAN MIRACLE

All the efforts aiming at the acceleration of the integration of the poor countries into the global economy are based on a fundamental premise. It is considered possible for today's poor countries to follow the past example of successful Asian countries and become rich. For example, since the early 1990s, South Korea is a member of the Organization for Economic Cooperation and Development (OECD), an organization which is an assembly of the rich countries. But the Asian miracle cannot be replicated: too many things have changed since the 1950s and 1960s. First, one has to remember that, during the 1950s and 1960s, the rich countries were usually trading between themselves only and that the international trading system was not highly regulated, compared to what it is now. Secondly, countries like South Korea, Taiwan, Hong Kong and Singapore never had to open their borders to facilitate the exchange of goods. Therefore, these countries had been able to protect themselves against international competition. Then, during the 1980s only, they gradually gave access to their markets, after their growth process had been considered strong enough. These days, the capacity to apply this kind of politics does not belong to the national level anymore, but rather to the international one.

Thirdly, still in those years, the firms of these countries benefited from subsidies and tax reductions; huge State firms were created; subsidies were granted for exportation. For example, in South Korea, the main type of support offered to major industrial groups consisted of loans granted by nationalized banks at negative real interest rates; and so on (Krugman, 2000: 56; Rodrik, 2001b: 19). Practically, this means that it was then possible for Asian countries to manage a set of real national policies aiming at development. Today, such behavior on the part of the poor countries would just trigger the anger of all the IFIs (Ibid.).

At the present time, the directives imposed by the IFIs, which have to be observed by the poor countries under threat of sanctions, consist of setting up conditions favoring the influx of foreign capital. This foreign capital is supposed to be followed by economic growth and poverty reduction, according to the IFIs. And it seems that the poor countries have to obey the IFIs at any cost, even to the detriment of their national agendas (Stiglitz, 2001b). But the Asian miracle's countries never needed any foreign capital to fuel their economic take-off: they could draw on national rates of savings far superior to what one could find in any developed country. Thus, they were in a position to finance their own development themselves. Indeed, the countries of the Asian miracle never needed the help of the IFI to develop.

Besides, the involvement of the civilian populations in the cause of development must take the form of a total support of the creation of a set of institutions supervising the influx of foreign capital (World Bank, 2001A: 1). In practice, the

governments of the poor countries are requested to decentralize their administrations in order to channel this participation of the poor, putting in place appropriate mechanisms (World Bank, 2000: 9). Thus, people must become part of a game whose rules are decided at the international level (Stiglitz, 2002: 279). Nevertheless the World Bank argues that, under these circumstances, empowered civil populations, committed to economic development, will be in a position for their needs to be known and answered. Hence appropriate strategies could be designed to satisfy their local requirements (Ibid. : 12). The fact is that civil societies can only modify the rules of the game at the margins. Consequently, civil societies are allowed to participate in the development process, one that has been produced on another geographical level, the international one.

#### OPENING THE MARKETS TO OBTAIN ECONOMIC GROWTH

Rodrik (2001a; 2001b) asserts that the opening of markets cannot substitute for the making of national strategies for development and poverty reduction. At the present time, the IFIs insist that poor countries do whatever is possible to integrate into the world economy. The key to their success would be the opening of their markets to goods and capital movements, even if the latter one can be extremely detrimental to them (Stiglitz, 2002: 99-100). One generally assumes that such an opening would literally guarantee the acceleration of economic growth (World Bank, 2002). But, for Rodrick (2001a, 2001b), this is not enough.

According to a study made by Rodrik and Rodriguez (Rodrik, 2001; Stiglitz, 2001b), there exists no empirical evidence to support the existence of a relationship between an increase of the liberalization of markets and any economic growth. Therefore, it would be false to claim that the opening of the borders can generate economic growth on its own: in this case, it would be like taking a means for an end. On the other hand, the liberalization of markets should become part of a larger plan to obtain development and poverty reduction (Stiglitz, 2002: 101-110). The problem, according to Rodrik (2001a; 2001b), is the fact that with the PRS approach, the pursuit of economic integration becomes an end in itself and gives the impression that poor countries are really doing something for poverty reduction, when they should, instead, be preparing a strong national strategy (Rodrick, 2001a). Maybe the truth is that they cannot prepare such strategies anymore, because of a lack of means and power.

#### CAN ECONOMIC GROWTH REDUCE POVERTY?

Opening the markets to integrate the world economy will not necessarily produce any economic growth, as we have just seen. But, even if economic growth could become strong and sustainable in poor countries, there are real possibilities that the growth will make no contribution to reducing poverty. On the contrary, it could eventually increase the economic inequality to unprecedented levels. In fact, according to a scenario of Giraud (2000), despite

the economic growth which could accompany the globalization process, it seems that absolute poverty can remain at its present level for decades to come, with or without the coming of foreign capital.

According to Giraud (2000: 104), in a context of the globalization of markets, a mechanical process is triggered when commercial exchanges accelerate between rich countries and countries with low salaries which could cancel all the efforts made to fight mass poverty. Here is how it works. During the 1960s, the new industrialized countries (South Korea, Taiwan, Singapore, Hong Kong) began their economic boom and, with time, arrived in a position where they could produce and export goods whose quality was even superior to comparable goods produced by industrialized countries. And the levels of those industrializing countries' salaries began to appreciate. This could only please the rich countries. Soon, one believed, the new industrialized countries would assuredly lose their best comparative advantage, which was their low salaries. This would certainly help the rich countries to get rid of that competition. Then, everything could return to normal.

However, in the 1980s, a true international capital market was generated with the participation of new countries, adding billions of peoples, such as China, India, Brazil, Mexico, the countries of the former Soviet Union and the countries of Eastern Europe. Previously, all these countries had had an introverted economic existence. Of course, they were countries with low salaries but they also possessed sometimes superior technical capacities. Now ready to fully participate in the international economic game, certain of these countries would massively attract foreign investments that could doubly benefit from their low salaries, as well as their superior technical capacities.

Still according to Giraud (Ibid. : 107), despite a modern sector that quickly develops in these countries which may be poor, but with highly developed technical capacities (i.e.: China, India), a major part of their immense populations will remain rural and very poor over the coming decades, which should maintain the industrial salaries at low level. And when these begin to increase, then at that very moment, Africa will take its turn as a serious candidate for industrialization with a foreseen population of two billion peoples.

If one accepts this scenario of Giraud, it is to be feared that the destruction of jobs in rich countries will increase forever because of the competition from countries with low salaries. The wealth gap between rich and poor countries will enlarge inexorably. But, also, all things being equal, we have to consider the possibility that the immense majority of the poor population of the world, despite the certain advances of globalization, will continue to play the role of a reserve army, used to maintain industrial world-wide salaries at a minimum level, therefore preventing a notable improvement in the average living conditions in the poor countries. Giraud concludes from this that globalization will doubtless help in the long run to diminish the inequalities between territories, but will increase it within each countries, be they considered rich or poor.

The IFIs chose to adopt a multidimensional definition of poverty. According to them, an increase of income for poor people brought by economic growth should allow for the acquisition of the necessary capacities to eliminate all forms of deprivations. Nevertheless, as we have just seen, it became practically impossible for the poor countries to democratically adopt any consistent sets of economic development strategies of their own. Besides, one hopes that the poor countries will bank on the coming of foreign capital to finance their development. But it is obvious that the countries of the Asian miracle never needed any foreign capital to do so. Finally, the economic growth would not possibly be the main solution to the reduction of poverty for, in the future, it could well generate inequality to a degree unsuspected until now.

To correct the situation, some observers are convinced that the way the IFIs operates should be revised for them to become more democratic. Actually, Helleiner (2000), Stiglitz (2002), and others believe that these organizations should become more sensitive to poor people, and not just to the rich countries. Nevertheless, it seems to us that one can profitably work on a totally different front.

## **TOWARDS A SOCIOPOLITICAL VISION OF POVERTY**

Poverty as a social state depends on the image that all societies possess about people they consider as poor (Elias, 1997; Swanson, 2001). Poverty, according to this point of view, is not just the problem of individuals alone but rather is generated by the communities those “poor people” belong to. The multidimensional approach to poverty proposed by the World Bank is powerless to reach and fight against social poverty. Therefore, we propose to complete the multidimensional definition of poverty by a more sociopolitical one.

### **AN INSUFFICIENT REPRESENTATION OF GLOBALIZATION PROCESS AND POVERTY**

Coleman (2002) has analyzed two major publications from the World Bank (Burki and Perry, 1997; World Bank, 2000) to understand how this organization characterizes the space in which globalization operates. This space is made of three geographical scales forming a hierarchical scalar system. First, flows of goods and capital deploy at the international scale, the most important one. This is where the globalization process operates from. Secondly, at an intermediary scale, the Nation States presented as ideal types draw a map of the world relieved of all its sociopolitical and cultural density (Coleman, 2002: 511). Finally, at a third and lower level, one finds the everyday life considered manageable by the Nation States. This is the place where conditions have to be staged for the coming of the foreign capital (Ibid. : 496).

If Coleman is true, such a mechanical representation of the functioning of the globalization process does not consider the manner in which social relations interfere both with the process of globalization and with the one creating

poverty. In fact, according to the World Bank's CDF approach, it seems that it would be possible to arrange things at the local level in such a way to attract the foreign capital which could fuel the economic growth and poverty reduction. Poverty would be the result of different patterns of causes varying from one country to another so they should be addressed by specific plans designed accordingly and financed by the economic growth. But the multidimensional definition of poverty used by the World Bank only considers the economical aspects of poverty, which revolves around the lack of money only.

For example, Craig and Porter (2001) showed how the World Bank avoids the delicate question of social relations nevertheless omnipresent in the production of poverty. While observing the manner according to which the efforts to fight poverty has evolved in recent years in developing countries, these authors (Craig and Porter, 2001) have noticed the presence of two contradictory tendencies. On the one side, they note that the World Bank, of course, wants itself to be as sensitive as possible to the social and political dimensions of poverty, and to the use of participatory methods to put them into perspective. But, on the other side, the "needs" of the poor, even when identified using these participatory methods, become embedded into budget systems that, with the years, always get more and more complex. In these budget systems, the "needs" of the poor always become expressed in terms of the goods and services which they lack. This budget operation makes disappear the role played by social relations in the making of poverty. So poverty boils down again to a simple problem of resource allocation, a social gap to be filled with a better distribution of goods and services to the poorest populations.

In their paper, Craig and Porter (2001: 7, 14) illustrate with the Ugandan case how the new social and political dimensions of poverty end up disappearing between budget lines. For example, in these accountant systems, "lack of power", in one column, can correspond to "lack of education", in another, the building of schools becomes a tool to empower the poor. But this has so little to see. This allows the World Bank to reduce poverty to an economic problem which can be solved financially, even if the World Bank itself claims not to believe this (World Bank, 2000, chap. 2). At the same occasion, with all its authority, the World Bank contributes to establishing an instrumental vision of the functioning of the world, thus promoting a highly questionable geopolitical order (Agnew and Corbridge, 1998: 47-49). In fact, it seems that the IFIs do not wish to resemble organizations that have been overtaken by events. They would immediately lose all the influence they have on the poor countries to be despair of all their creditors from the rich ones (Stiglitz, 2002).

There exist more realistic ways to consider how the globalization process works in space, which can help us foresee that it cannot be the solution for poverty reduction. According to Harvey (2000), human activities with their economic, social, cultural and political dimensions deploy simultaneously at all geographical scales from where they fuel the globalization process. This process cannot be an independent one, a kind of transcendent reality. Moreover, the contingency always plays a major role in human affairs and has to be taken into

account (Ibid.: 33, 78). In a context of globalization, geography matters at all scales. For example, the activity of the capitalist entrepreneurs induce major transformations of the landscape. In fact, since 1965 industrialization has known several setbacks and the relocation of manufacturing activities had substantial consequences on employment everywhere. More recently, the economic power has moved from the United States towards the Pacific Rim and East Asia, before beginning to come back to North America (Ibid. : 78). In one generation, also, cities and metropolitan regions were completely restructured.

For Veltz (2000: 59-60), networks of cities and regions where, at a given moment, there exists strong possibilities of profits, articulate the investment according to local modalities. And this contributes to the structuring of the new geography of a globalizing world. The capitalist entrepreneurs are looking for the most dynamic economic zones, principally in developed countries and in some developing countries, but only where they can maximize their returns on investments. At the present time, these are essentially huge cities that attract the world economic activities, like Tokyo, whose economic activity compares to that of the United Kingdom (Ibid. : 60). This brings Veltz (Ibid. : 60-61) to speak of the constitution of a new inter-metropolitan economy, an archipelago economy powerfully articulated (Swyngedouw, 2000: 546). From now on, these centres would no longer play the role of economic engines of their own hinterlands which they, in fact would like to get rid of. Therefore, in reality, the globalization process would be at the origin of a development more unequal than ever, from a geographical standpoint, because of the local realities with which globalization continually has to deal with and make compromises. Thus, we are very far, right now, from a globalization that is always under control that would divide up the world investment in a uniform manner over the world map, as the World Bank would like us to believe (World Bank, 2002). If globalization just cannot work well, why should we count on it to fight poverty?

#### POVERTY AS A SOCIAL PROCESS

Poverty possesses social and political dimensions that have to be considered when fighting poverty. According to Simmel (1998), someone is poor, in a relative manner, when, in his own social class or community, he or she cannot satisfy the needs considered normal there. When this occurs, when someone cannot match that social demand, that person must deceive with appearances in order not to be socially excluded. Such a person is poor but without being considered belonging to the social category of poor people. A person becomes socially poor once he or she needs assistance, public or private, to stay alive. At that stage, a person is considered formally downgraded, loses parts of his or her citizenship, and can be legitimately treated as an object or an animal (Ibid.: 91, 96). People can tell him or her what to do, and that person cannot refuse to obey without taking the risk of being cut off from help. An individual living alone that is able to survive without having to ask for such “help”, despite a state of extreme deprivation, would be in a better situation than the one obliged to ask

for it because he or she may have children and a spouse to take care of, for example.

The main problem for socially poor people is the fact that they never belong to a group that is, at the same time, homogenous and well-knit. They are poor because of unexpected situations. They have lost their jobs, they had to divorce, they got a disease, etc. (Swanson, 2001: 9-28). Or, even, they could have studied for too long in a field where there is no job anymore. Therefore, they form a varied group of people that do not know each other and cannot meet easily. But in becoming assisted, they belong *de facto* to a group characterized by poverty. They are poor, not firstly because of themselves, but because of a social attitude which condemns them to be poor (Simmel, 1998: 98). They aren't guilty of anything.

Indeed, the socially poor people become excluded under the pretext that they are of less human value than the more affluent ones. So they become living example of social failure (Elias, 1997: 29-30). Then, piece by piece, they finish by being convinced of their social inferiority. At that point, their chances of getting out of poverty are vanishing and, also, they no longer represent a danger for society anymore. Their lack of cohesion as a group prevents them from forming a true class of poor, able to stand up and demand respect. They live their poverty individually and are individually condemned by society. According to Swanson (2002), those who are being the toughest on the poor are the people who are themselves the most threatened to sink into social poverty (Ibid.: 11).

The denigration of the poor is caused by the fear of the wealthy that their way of life will disappear, because it is the tangible proof of their superiority. That helps to explain why the more affluent try to aid the poor on an individual basis, not to get them out of misery but to maintain them in it, and keep them divided. Attack is always the best defense for the wealthy. Socially, the poor has to be disempowered (Ibid.).

## **CONCLUSION**

Social poverty, according to the point of view expressed in this paper, is a social construction and has to be considered that way first. Poverty cannot be explained only by lacks, or sets of lacks, then cured by economic growth only, which just cannot do the job. So globalization is not the solution to poverty. Globalization cannot do anything to reduce poverty when it is considered as a social construct produced at the community level. So, when Stiglitz (2002), demands repeatedly that poor countries set up, as quickly as possible, plenty of social security nets to help the poor, he is wrong. Doing this is just like doing nothing.

If poverty is to be considered first as a social construct, then the solution to it has to come from the social group itself. We agree with Stiglitz (1999) when he writes that participatory practices have to be pursued as an end of itself, because they can help empowering the poor. At the community level, the use of participatory

methods can certainly help to understand how power relations intertwine in a way to produce poverty. Then the group can begin to deal with it.



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## **LIST OF ABBREVIATIONS**

CDF : Comprehensive Development Framework

FMI : Fonds monétaire international

IFI : Grandes institutions financières internationales (Banque mondiale, Fonds monétaire international, Organisation mondiale du commerce).

PRS : Poverty Reduction Strategy

PRSP : Poverty Reduction Strategy Papers



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# **Women, bureaucracy and the governance of poverty in Southeast Asia: Gender planning and participatory governance in poverty reduction programs in the Philippines and Vietnam**

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## **INTRODUCTION**

This research is interested in the theoretical and strategic implications of integrating gender analysis into participatory governance mechanisms as a vital component of poverty alleviation, beyond the simple mobilisation of women as “beneficiaries of aid”. The centrality of gender, participation and governance issues in sustainable poverty reduction have long been recognized by some international development agencies such as the World Bank and the United Nations Development Programme (UNDP). However, these issues still tend to be treated separately, and it was only in recent years that some attempts have been made, particularly on the part of UNDP Management Development and Governance Division, to connect gender, poverty, and governance issues as its contribution to the Beijing +5 initiatives. As Sally Baden notes, “The current literature on governance tends to conflate goals, and assume positive links between, on the one hand, governance and poverty reduction and, on the other, between poverty reduction and gender disadvantage” (Baden, 1999: 27).

The social relations of gender have been pointed out to mediate the differential experience and impacts of poverty on women and men’s lives. Gender and poverty linkages have been re-examined in light of the so-called “feminisation of poverty” trend. According to Cagatay (1999), the “feminisation of poverty” could imply any of the following trends. First, that there are a greater number of women who are poorer than men. Second, that the severity or degree of poverty experienced by women is worse than men’s. Third, that there is an increasing trend of more women falling below the poverty line because of increased number of female heads of households, etc.

Governance and gender linkages have also been articulated mainly, in urban poverty reduction, particularly in the effective delivery of social services and mechanisms of urban administration. Meanwhile, participatory research and development tools identified with Participatory Rural Appraisal (PRA), have been used in poverty assessments to aid poverty reduction efforts. Governance

and participation linkages are clearly made in attempts to conceptualise “participatory governance” as “the missing link in poverty reduction” (Schneider, 1997), as well as in the use of participatory development tools in organizational capacity-building and improvement of local governance. Gender issues however tend to be glossed over in participatory development initiatives when trainers and project planners ignore the social differences and inequalities arising from gender, class, ethnicity, and other factors (Guijt and Kaul, 1997; Angeles, 2000b). Participatory governance, as understood here, goes beyond the framework of accountability, as it also refers to the transformation of relationships between rulers and the ruled in ways that recognise and respect women’s choices and autonomy, and that include more accountable, participatory-based, and egalitarian political practices.

The relationship between gender planning, governance, and poverty reduction efforts in Southeast Asian states is explored in this study, using Vietnam and the Philippines as case studies for the period 1986 to 1998. It examines a relatively unexplored question on women and change in comparative Southeast Asian studies: How do state bureaucracies that operate in different political, and ideological environment integrate women and gender considerations in their official plans and programs for poverty reduction? In turn, how do women relate to bureaucratic politics when state bureaucracies do (or do not) target them as beneficiaries of poverty reduction policies and programs? This paper mainly outlines some of the general issues and comparative insights at the level of national state bureaucracies emerging from a much larger research that explores more systematically the differences and similarities in the way state bureaucracies in Vietnam and the Philippines implement poverty reduction programs and plans. This paper focuses mainly on the processes, strategies and substantive outcomes of integrating gender considerations in poverty alleviation plans within the bureaucracy at the national and provincial levels. Hence, it does not present detailed data on the interplay between state bureaucratic politics and processes, policies and policy context, on the one hand, and gender-aware planning and women’s responses, on the other at the village or community level, and women’s organisations.

### **GENDER, POVERTY, AND MARKET REFORMS IN VIETNAM AND THE PHILIPPINES: 1986-1999**

Women’s empowerment and well-being in most developing countries in the South are affected by rapid political and economic changes taking place at local, national, and global levels. Both the Philippines and Vietnam have experienced high economic growth rates in the 1990s (See Table 1), partly owing to the influx of portfolio foreign investments and venture capital from the East Asian NICs (newly industrialising countries). Hence, current state-initiated efforts for gender planning and the concomitant responses of NGOs and women’s groups must be understood in the context of the current processes of economic liberalisation (marketisation), pressures towards political liberalisation (democratisation), and increased awareness of women’s and gender issues (gender mainstreaming) on



the part of government and civil society forces. They must also be analysed in the context of how both gender mainstreaming and poverty reduction have become part of the dominant discourse within the international development , from the World Bank to USAID and other development ministries of OECD countries.

The end of the Cold War in 1989, and the widespread opposition to the harsh impact of structural adjustment programmes on the poor, particularly poor women, have set the stage for shifts in international development discourses and interventions. There have been an increased emphasis by international agencies, NGOs, including women's organizations, on capacity-building, participation, social capital, good governance, gender mainstreaming in public management, and wider capacity development to accompany the wider goal of social development. International development agencies have begun to realize that too much emphasis on financial restructuring has led to the lack of emphasis on building local institutions and capacity for development. Hence, they have shifted their emphasis on "capacity development" in their programs and projects based on increased North-South dialogues and partnerships (Angeles and Gurstein, 2000). Both the Vietnamese and Philippine governments have therefore aligned their national development plans with these dominant discourses. In the Philippines in particular, the comprehensive national plans under the Aquino and Ramos governments have been informed by the latest development buzzwords on environmentally sustainable development, human social development, gender equity and empowerment, and capacity building (Bautista, Angeles and Dionisio, 2000). These discursive buzzwords are interpreted and operationalised in programs and service delivery that occur in the context of the devolution and decentralization of powers. This has occurred more swiftly in the Philippines than in Vietnam with the framing of the 1991 Local Government Code.

The Philippines and Vietnam represent two interesting cases with differing policy contexts, political-ideological environments, bureaucratic cultures, and levels of economic industrialisation. Thus, they offer contrasting insights on the intersection between gender and state bureaucratic politics, especially in the period after 1986. The Philippines has, since 1986, undergone a formal liberal democratic transition from authoritarian rule, marked by a liberal economic policy regime under a weak but patrimonial state. This political transition started under a woman president (Aquino) whose candidacy was given widespread support by popular women's groups. Her administration, and her successors, emphasised mainstreaming women's concerns in development plans. This was accomplished through government line agencies and the reorganised National Commission on the Role of Filipino Women (NCRFW) that brought feminist activists and advocates into government service. Likewise, since the consolidation of socialism in Vietnam, chapters of the Women's Union have been established at every level of government, and the National Committee for the Advancement of Women (NCAW) was given much broader scope and powers (Hainsworth and Nguyen, 1997).

**Table 1. Comparative Growth Rates\* of Selected Countries in Southeast Asia**

	Real GDP	Growth rate	Growth rate	Growth rate
	Per capita 1995**	1980-1995	1990-1995	1999****
<b>Singapore</b>	23350	6.5	7.4	6.7
<b>Malaysia</b>	9458	4.2	6.0	4.1
<b>Thailand</b>	6723	6.4	6.8	3.5
<b>Vietnam</b>	1308	4.7***	5.8	4.5
<b>Philippines</b>	2475	-0.4	0.1	3.6

\* Average annual rates in real GDP per capita from the national accounts expressed in local currency

\*\* Purchasing power parity in \$

\*\*\* The figures are for 1986-1995.

\*\*\*\* The 1999 figures for Singapore, Malaysia, Thailand and the Philippines were taken from Asiaweek, October 29, 1999; the figure for Vietnam was cited in Can. Thach et; al. *Donor-Initiated Research Capacity in Vietnam*.

Source: Bautista, Angeles and Dionisio (2000: 1) citing Ahuja, Vinod et. al. *Everyone's Miracle. Revisiting Poverty and Inequality in East Asia*. World Bank. Washington DC as cited in Lim (1999).

Vietnam, like the Philippines, is aspiring to become a newly industrialized country through market reforms started in 1986 under *doi moi* (change or renovation), guided by socialist state ideology. The pace of such reforms have been much slower in Vietnam compared to the Philippines, due to the dominance of more conservative elements within the Vietnamese Communist Party and National Parliament compared to the pro-reform group. Nevertheless, Vietnamese people in both the urban and rural areas have been experiencing both the harsh and the positive effects of market reforms, from the influx of foreign investments, de-collectivisation of agricultural production, increased use of cost-recovery schemes such as user fees, and privatisation of some state companies.

Market reforms in both countries have been accompanied by rapid increase in relative poverty, and deterioration of social services (Irvin, 1991; Mallon and Irvin, 1997; Boyce 1993; Balicasan, et. al., 1993). Trade liberalisation, privatisation, currency devaluation, cutbacks in social services and tax reforms that accompany market reforms are intended to "get the prices right" and to further open up the economy. These trends associated with structural adjustment and global restructuring, have been found to disproportionately affect women, the poor, and other disadvantaged groups. It has been documented in several studies in developing countries (e.g, Afshar and Dennis, 1992; Afshar, 1991; 1992; etc.) that, in the aftermath of economic restructuring, women tend to have higher rates of

unemployment and poverty than men. Women's unpaid household work, farm labour and informal sector work intensify as male-female wage and salary differentials widen. Increased rates of anaemia among adult and pregnant women are noted along with the deterioration of girls' health and education levels. More women especially from the poorer classes experience greater stress in making ends meet and keeping the family together, while others experience domestic violence in the midst of poverty, insecurity, and social frustrations. More women family members become single household heads as domestic or household structures change, especially due to divorce, male abandonment or migration. Parallel studies in Vietnam and the Philippines also indicate that the effects of market reforms or structural adjustment are harsher on women and children. These have created more poverty, austerity, and added demands and burdens on women, especially in poor rural households (Floro 1993; Barry, Van Anh and Hung, 1997; Binh and Lan, 1996).

### **GENDER PLANNING AND POVERTY REDUCTION IN THE PHILIPPINES AND VIETNAM**

Successive governments in the Philippines and the socialist government in Vietnam have given attention to poverty reduction as the centrepiece of their respective official development planning, e.g. the 1987-1992 and 1992-1998 Medium-Term Development Plans of the Philippines National Economic Development Administration and Vietnam's Hunger Eradication and Poverty Reduction Program (HEPR). The role of women in poverty reduction has been given special mention within official development plans. However, it is not clear how such roles would be enhanced under restructuring as national government bureaucracies do not appear to have fully considered both in their plans and program delivery the gaps and contradictions between larger market reforms and the goals of economic efficiency and social equality. The assumption that market-oriented strategies work best for women goes along with the view that women (and other marginal social groups such as disabled peoples and ethnic minorities) are not as productive and fully integrated into the market economy. This explains the popularity and dominance of the Women in Development (WID) framework in most poverty alleviation and development plans, despite the official shift from "women" to "gender" in development planning focus since the late 1980s. The shift has been a response to the limitations of the earlier Women-In-Development (WID) framework's attempt to integrate women in development processes. However, there remains a stubborn conflation of women and gender, a persistent exclusion of the consideration of men, male identities, and masculinities in gender and development discussions, as well as difficulties experienced by front-line government workers in operationalising gender in their community-based programs and projects (Angeles 2000a, 2000b, 2000c).

Although both countries have created an open environment for international cooperation and put increased emphasis on mainstreaming women's concerns in official development plans, they differ in terms of their bureaucratic operations and relationships between their governments, civil society and international

NGO community. This stance of national governments towards women's issues began, in the case of the Philippines, as a response to the United Nations' International Women's Decade (Liamzon and Salinas 1985). In the case of Vietnam, it was a political imperative of the orthodox Marxist approach to addressing the "woman question" within the context of class and national liberation from French and American colonialism (Eisen 1984, Molyneux 1981, Truong 1996). The understanding of the gender dimension of poverty reduction therefore must begin from the analysis of how poverty reduction has been influenced by both nationalist discourses and international development agenda, particularly in how poverty reduction and gender inequalities have been tackled in national development programs.

### **INCOME-BASED AND OUTCOME-BASED MEASURES OF POVERTY**

Both the Philippines and Vietnam have elaborate ways of defining and measuring poverty based on dominant economic and income-based measures of relative deprivation and need. Income-based measures such as the construction of poverty lines and official poverty thresholds are commonly used in both countries. Poverty lines could measure poverty incidence (head count of the number of poor people or poor families and households), depth (poverty gap: average distance below the poverty line as a proportion of the line) and severity (Distribution-sensitive measure is the weighted average of the squared distance of the incomes of the poor from the poverty line as a proportion of the line). For example, the Philippine government's official approach to poverty line identification begins with the construction of representative food menus for rural and urban areas of each region, prepared by the Food and Nutrition Research Institute which considers local consumption patterns and a minimum nutritional calorie requirement of 2,000 kilocalories per person per day, with 80-100% of recommended daily allowance for vitamins and minerals. In Vietnam, the poverty line is measured by the amount of monthly rice consumption (or rice equivalent), which roughly translates into the caloric daily requirements of an average person. As another income-based poverty measure, both Vietnam and the Philippines also utilise for international comparative purposes the World Bank's \$1 per day person (at 1985 purchasing power parity). This is the income needed for a family of five to be considered no longer poor. A \$1 US per day income roughly translates into 6,000 pesos per month, with median monthly food expenses at 3,000 pesos. In Vietnam, the same measurement is roughly equivalent to 520,000 Vietnamese dong monthly income for a family of five.

There are serious comparability and consistency problems in the use of official poverty lines, leading analysts in the Philippines to develop the Fixed Level of Living Lines (FLOL). The poverty lines obtained are often not consistent and comparable across regions since the menus for one year may be based on the Food Consumption Survey done in previous years, and estimates of food thresholds for richer regions tend to be higher than for poorer regions. Thus, Balisacan proposed the use of an indicator of household economic welfare

(loosely referred to as living standard) based on “cost of basic needs” approach. The indicator is derived from first obtaining a national reference food bundle which satisfies the minimum requirement of 2,000 kilocalories per person per day. The bundle costs may be adjusted to account for regional cost-of-living differences. Then the non-food component may be estimated from the consumption patterns of households where the total incomes or expenditures are just enough to meet the food threshold. (Balisacan, 1999: 98). The poverty figures for the Philippines along FLOL and the official poverty line are compared in Table 2. The government’s official measures show that 37.4% of the population was below the poverty line when the 1997 Asian financial crisis occurred. This was lower than the 40.6% figure in 1994 but it is still high compared to other countries in the region, with the exception of Vietnam which registered 50% of the population below the poverty line in 1994. The depth of poverty or average income shortfall of the population was 12.5% of the poverty line while the weight or severity of poverty was 6% of the line in 1997. As macro-based measures both, the official poverty line and FLOL, are unable to capture gender-based income and consumption differentials which are taken into account in other outcome-based measures of poverty and well-being.

Outcome-based measures of poverty and well-being are also used internationally and in many countries, including the Southeast Asian Region. There is the Human Development Index (HDI) which is a more comprehensive measure that focuses on non-income indicators. It is a composite index reflecting three basic outcomes: health as proxied by life expectancy; knowledge as proxied by functional literacy, and standard of living as measured by real per capita income (UNDP, 1999). The HDI ratios range from 0 to 1 with 1 indicating the perfect condition. The Human Poverty Index (HPI) is the obverse of the HDI which provides a multidimensional composite index of deprivations in health, knowledge, economic provisions and social inclusion. The index measures short life (proxied by people expected to die before age 40), lack of education (proxied by percentage of illiterate adults), and lack of access to public and private resources (proxied by the percentage of people without access to health services and safe water and percentage of underweight children under 5). The Capability Poverty Measure (CPM) focuses on people’s lack of capabilities. It is a simple average of three basic indicators that reflect the percentage of the population with capability shortfalls in three basic aspects. These are living a healthy, well-nourished life (indicated by the percentage of underweight children under 5; having the capability of safe and healthy reproduction (the percentage of births unattended by health personnel) and being literate and knowledgeable (percentage of women age 15 and over who are illiterate).

The integration of gender-relevant indicators in both the HDI and HPI has been done with the creation of the Gender-related Development Index (GDI). The GDI is the HDI adjusted for gender inequality, which compares male and female literacy, educational, health, and income levels. The Gender Empowerment Measure (GEM) indicates the participation of women in economic and political life, including the number of women in key national government, legislative, and executive positions. Table 3 shows the relative status of the Philippines and

Vietnam in Southeast Asia using HDI and GDI indicators. Vietnam and the Philippines fared quite well in terms of human development and gender-related indicators despite their lower GDP. The Philippines scored particularly high because of its .90 ratio for education. This score however does not reflect the quality of education in the country, as well as regional and geographic differences in educational quality and access.

**Table 2. Poverty Incidence, Depth and Severity by Income-Based Measure in the Philippines, Comparative Figures for 1994 and 1997**

	1994			1997		
	Incidence	Depth	Severity	Incidence	Depth	Severity
<b>FLOL</b>	32.2	8.7	3.4	25.0	6.4	2.3
<b>Official Poverty Line</b>	40.6	13.5	6.1	37.4	12.5	5.6

Source: Extracted from Table 1 of Balisacan (1999), cited in Bautista, Angeles and Dionisio (2000).

Another outcome-based measure is the Minimum Basic Needs (MBN) which integrates non-income indicators into the formula. Using the Minimum Basic Needs (MBN) framework, the government has identified 33 MBN requirements grouped under 3 three categories: survival, security, and enabling needs. The delivery of “quality social services” would use structures and mechanisms such as women’s centres, day care centers, schools and scholarships, and women’s associations and cooperatives. Disadvantaged women that cut across all sectors are highlighted as one of the “target groups” for SRA. The MBN score is based on whether the family has income above a subsistence level; access to potable water, has a sanitary toilet, employed household heads and members above 18, members involved in at least one people’s organization, children between 3 and 5 years old who are in daycare facilities, housing that can last for at least five years; no severe or moderately underweight children under 5 years old and couples practicing family planning (Bautista, 1990: 36).

The Ramos administration’s integrated anti-poverty program, dubbed as the Social Reform Agenda (SRA), depended on nationwide consultation with grassroots organizations and NGOs, some of which were drawn into the leadership of Social Reform Council (SRC). This consultation was facilitated by the SRA’s broad political support base, and the participatory mechanisms, though limited in many ways, created by the Local Government Code. The SRA has all the current buzzwords in its three components: “access to quality basic services (imperatives to survival); sustainable development of productivity resources, and access to economic opportunities (means to work and earn a living); and institution-building and participation in governance (towards self-governance)”. The MBN was developed as an outcome-based poverty measure during the Ramos administration as part of its implementation of the Social

Reform Agenda or SRA. The MBN is an integral part of a Community Based Indicators Monitoring System that has been installed in 5<sup>th</sup> and 6<sup>th</sup> class municipalities in pilot provinces. The MBN under SRA was adopted in at least 1154 poor *Barangays* in 432 municipalities in 77 provinces (Bautista, 1999: 75). Initial confusion regarding the indicators resulted in efforts to refine the measures as well as implementation of the monitoring system.

**Table 3. Human Development and Gender-related Ratios for Selected Southeast Asian Countries (1997)**

	<b>Gross Domestic Product Ratio</b>	<b>Human Development Index Ratio</b>	<b>Gender-related Index Ratio</b>
<b>Thailand</b>	.70	.75	.75
<b>Philippines</b>	.59	.74	.74
<b>Vietnam</b>	.47	.66	.66
<b>Indonesia</b>	.59	.68	.67
<b>Singapore</b>	.94	.88	.88
<b>Malaysia</b>	.73	.77	.77

Source: 1999 UNDP Report, cited in Bautista, Angeles, and Dionisio (2000).

## **THE POLITICS OF GENDER AND POVERTY REDUCTION**

Gender mainstreaming has now been accepted as part of the official imperatives of government agencies in Southeast Asia. Efforts in gender mainstreaming however remain uneven largely due to the relative weak political clout and limited resources of national women's ministries in influencing the bureaucracy and policy directions. The NCRFW in the Philippines and NCAW in Vietnam are only policy recommending bodies, with neither executive nor legislative powers. Much of their activities are focused on national policy advocacy, lobbying and doing gender training for government and non-government front-line workers. Hence, there still seems to be a lack of cross-fertilization between gender development planning and poverty reduction. While not all gender issues are poverty-related issues, and vice-versa, gender and poverty issues tend to be treated separately as mainstream poverty reduction plans and programs often make mention of gender and women's contributions only as another "input" to be added. The succeeding discussion outlines some of the main political and bureaucratic factors that have shaped gender mainstreaming in poverty reduction in the two countries under study.

Vietnam's experiences with gender mainstreaming are circumscribed by the solid legal foundations for gender equality under Vietnamese laws since socialist reconstruction, and official recognition of the Women's Union as a quasi-state, quasi-NGO mass organization working for women's empowerment. However,

these legal foundations are subject to interpretation, negotiation, and contestation based on deeply rooted adherence to Confucian value system which accords a subordinate position to women. This value system is also open to contestation, negotiation, and hybridity, as it interacts with the increased marketisation of the economy and social relations, and informal institutions that emerge outside the parameters of legal and bureaucratic frameworks. The Vietnamese National Parliament, for example, has a high percentage of women at 26% in 1997 and easily one of the highest in the world. The relative influence of women parliamentarians in critical policy areas such as the national budget and finance, defense and fiscal policy, and their marginalisation from key cabinet and parliamentary committee positions are also open to questions. What is rather odd in the Vietnamese case compared to other Southern developing countries (but perhaps not to former Eastern European countries) where female political representation looks like a pyramid – the number of women thin out as you get to the top -- , is that there are fewer women in provincial and district governments and local commune-level People's Committees than at the national level. Such trend could be explained either in terms of the greater room for political maneuverability at the local level, or in terms of much well-entrenched cultural value on sex-role complementarity at the family and community levels, manifested in women playing less active roles in community political affairs.

The Hunger Eradication and Poverty Reduction (HEPR) program is perhaps the most comprehensive attempt of the Vietnamese government to tackle poverty. In the official letter of the program, there is very little mention of women and gender considerations as the program details tend to assume gender parity and/or gender neutrality in the course of poverty reduction efforts. The implementation of HEPR is also very sporadic and uneven, and highly dependent on the political will, initiative and interests of provincial and district officials in accessing national and international funding to support the program. The limited availability of external development funds, as well as international disaffection with the “hidden costs” (corruption, bureaucratic failures, political risks, etc) in doing business and development work in Vietnam have also contributed to the slow pace of implementation of HEPR.

A more comprehensive analysis of poverty reduction in Vietnam would have to go beyond the analysis of HEPR, and discuss the operations of the implementing line government agencies such as the MOLISSA (Ministry of Labour, Invalids and Social Services Administration), the MARD (Ministry of Agriculture and Rural Development), Ministry of Resettlement, the Ministry of Education and Training (MOET), and the MPI (Ministry of Planning and Investments), among others. These ministries' operations will have to be discussed along with agencies such as the Bank for the Poor and quasi-state mass organizations such as the Women's Union, Farmers' Union, Home Gardens' Association, and War Veterans Association. Perhaps the Vietnamese Women's Union is the most important quasi-state mass organization (some reports call it an NGO) that is playing a critical role in the improvement of women's status in Vietnam and in poverty reduction.



The reach of the Women's Union is impressive. It has chapters at the national, provincial, district and commune levels, with representatives sitting on the People's Committee at every level of government. While Women's Union chapters often boast of huge membership, ranging from 200 to 2,000 paying members at every commune, many chapters are in dire need of revitalization. Although there are a few "showcase chapters" that have been very effective in implementing successful programs and projects at the community levels, in most cases, only a few key members are active and fully informed of ongoing activities of the organization. In places where there have been opportunities to access international and national development funds, the Women's Union leadership and key active members are often tied in strong familial or kinship and crony relations with the local, district, or provincial leaders. The typical poverty reduction projects of the Women's Union are reminiscent of the WID approach to women's welfare, such as micro-credit, micro-enterprise, literacy, health and hygiene, and family planning education. In most cases, these projects meet breaking points at which they are either terminated or remain unsustainable. There are also problems in replicating their success and scaling up their operations.

Likewise, a thorough analysis of bureaucratic spaces where women and poverty programs exist would require an examination of the government's overall framework on poverty reduction, such as the Social Reform Agenda (SRA) of the Ramos administration, and all government line agencies responsible for social service delivery, such as the Department of Social Welfare and Development (DSWD), Department of Agriculture (DA), Department of Health (DOH), Department of Agrarian Reform (DAR); Department of Labour and Employment (DOLE), and Department of Education, Sports and Culture (DECS). Some poverty-related programs in these agencies are carried out in cooperation with other agencies such as the Department of Trade and Industry (DTI), Department of Public Works and Highways (DPWH), Department of Environment and Natural Resources (DENR); Department of Science and Technology (DOST), Department of Finance (DOF); and the Department of Interior and Local Government (DILG). Such an analysis, however, is beyond the scope of this paper, which only aims to provide a broad sketch of issues emerging from preliminary research findings.

The Philippines efforts to integrate women's issues and gender considerations took off after the demise of the Marcos dictatorship in 1986 and the democratisation process started under the Aquino government. Under the leadership of the NCRFW in the late 1980s and early 1990s, feminist activists and academics trained in the politics of the women's movement collaborated on the mainstreaming of gender concerns within the civilian bureaucracy, especially the executive and legislature. These efforts has resulted in a number of important documents that have potential impact on the government's poverty alleviation agenda: the *Philippine Plan for the Development of Women*, 1990 to 1995, and the 30-year *Philippine Plan for Gender-Responsive Development* (PPGD), 1995-2025, which guide government agencies in responding to Gender and Development (GAD) issues. These documents embody the Philippine government's international

commitment to the implementation of the Beijing Platform of Action (BPA) and the UN Convention on the Elimination of the All Forms of Discrimination Against Women (CEDAW). The NCRFW was given support by various international development agencies such as CIDA, UNIFEM, UNFPA, etc. in its internal capacity-building and policy advocacy work. Gender mainstreaming has thus officially become an important agenda of the national and local governments.

On the last year of the Aquino administration, RA 7192 or the “Women in Development and Nation Building Law” was passed and was given added impetus by the Ramos administration with the signing of Executive Order 273 which approved and adopted the PPGD. EO 273 directs all government agencies at the national, regional and local levels to implement the policies, programs, projects and strategies outlined in the PPGD; incorporate gender concerns in their respective annual plans and inputs to national development plans, otherwise known as the GAD Plan; and include GAD in their annual budget proposals and financial and work plans, otherwise known as the GAD budget. The GAD budget may be used in the areas of gender-responsive advocacy and training to equip development workers with skills required for gender mainstreaming; program planning to ensure that gender-responsive plans are drafted and implemented; development of a gender-responsive data and information system; and setting up of institutional mechanisms such as GAD Focal Points, Technical Working Groups, and Trainors’ Pool to ensure that GAD concerns are recognized and addressed.

In the first year of the GAD budget implementation, the 1995 General Appropriations Act allowed agencies to determine how much of their annual budget should be allotted to the GAD plan, but few agencies came up with their GAD budget. To ensure that all agencies would comply, the 1998 General Appropriations Act and the Local Budget Memorandum directed all national and local government units and other agencies to set aside a minimum of 5% out of their 1998 appropriations for programs, projects and activities in accordance with the Women in Development and Nation Building Law. RA 7192 also directs agencies and LGUs to use up to 30% of their official development assistance for GAD on top of the 5% GAD budget provided for under the 1998 Appropriations Act. The GAD budget may be taken from the agencies’ regular budget, and its special project fund and from the Priority Program/ Project Fund to undertake new “GAD investments” such as baseline research to identify gender issues; counterpart Philippine government fund for foreign funded GAD projects; and expansion of GAD advocacy and technical assistance down to the local levels. Philippine women’s NGOs, on the other hand, straddled between the continuing emphasis on women’s organizing, gender sensitivity training, gender advocacy within and outside government, and the integration of gender concerns within government programs

Government service delivery in both the Philippines and Vietnam is often hampered by the lack of coordination, and inability to tap into the ongoing initiatives of women’s organizations, particularly the growing NGO community.

Such problems are most acute in the case of the Philippines, where the personality-oriented political culture works against continuity in bureaucratic programs and service delivery. For example, the continued implementation of the Comprehensive and Integrated Delivery of Social Services (CIDSS) program, under SRA is threatened by the lack of political will on the part of the Estrada administration to continue the programs identified with former President Ramos. Thus instead of simply strengthening the SRA implementation, the government of President Estrada came up with its own poverty alleviation strategy through the *Lingap Para sa Mahihirap* Fund and the identification of the 100 poorest families in every municipality for targeting purposes.

The Philippine government also created a policy advisory body called the National Anti-Poverty Commission (NAPC), which from the onset has been saddled with controversy around the issue of partnership between the government and civil society organizations in the Commission. Many NGOs and people's organizations who were supportive of the Aquino and Ramos administrations and those identified with the national democratic movement are conspicuously absent from the composition of NAPC and its supporters. The Commission also lacks the necessary resources, human and material, as well as the political powers and credibility needed to make it not just a policy advisor-overseer but also a permanent implementing agency. On the positive side, the elected Vice-Commissioner for non-government sector of NAPC, Princess Nemenzo, is a well-known feminist advocate who is active in the women's movement. There is also increased interest in the integration of gender concerns in poverty reduction efforts among the women members of NAPC, the women's organizations, and broad coalition networks within the Commission, which could lead to the introduction of a gender framework within the government's poverty alleviation plan.

Vietnam is in a way fortunate to be able to avoid the pitfalls of a weak liberal democratic state and a political culture that is fixated in legal battles and personality-oriented electoral exercises. Vietnam is often characterised rather inaccurately as having as a strong, over-bearing, over-centralised state with a bloated bureaucracy that values hierarchy, authority lines, and top-down planning. However, the State's effective control has continuously been challenged and/or supplemented by local informal institutions especially in areas of social and economic life where the state has abdicated its responsibility, as in social safety net provision, disaster relief and rehabilitation, and job creation. This explains why the state, despite its characterisation as strong, has not been able to utilize its power in expanding the national revenue base, particularly those emerging from the informal economy and business sectors, in order to fund its job creation schemes and social programmes. This also explains why despite the overall seriousness of the Vietnamese State in responding to the needs of peasants and workers, we are seeing examples of collective action among their ranks which challenge the lack of consultative mechanisms and processes in the course of implementing urban and rural infrastructure development projects.

There are no systematic yet on how the Local Government Code in the Philippines and the Local Government Code and Grassroots Democracy Decree in Vietnam have affected women's political representation and their engagement in local and national level poverty reduction programs. Preliminary observations however show that women's representation in local government units and other decision-making bodies under the Local Government Code in the Philippines are already limited. And even if its provisions are well-used by women's organizations, mere female representation is not a guarantee that women representatives are capable of addressing gender problems, and the political, cultural and social constraints in doing so. Likewise, it is not realistic to expect that gender relations are improving, or that women's empowerment is occurring, just because women are targeted as participants or beneficiaries of poverty alleviation projects and programs, or just because women planners and executives are the ones who design and implement them. This is most clear in the Vietnamese case where increased female political representation at the parliamentary level has not been accompanied by similar trends at the local level, or by any significant policy changes to improve gender-related conditions and programs.

Another critical area where both the Vietnamese and Philippine governments have largely failed is in improving the plight of minority peoples. This tends to be a blind spot for the state leadership in both countries, which are dominated by dominant ethnic, religious, and linguistic groups. This explains why the poor among ethnic minorities, especially of women and girls in the rural areas fare worst than the poor in dominant majority groups in both rural and urban areas.

### **CONFLATION OF WID AND GAD**

In both Vietnam and the Philippines, Gender and Development or GAD planning is still often confused with Women in Development (WID) interventions. The conflation of women and gender, and WID and GAD, is clearly demonstrated in the way the Vietnamese Women's Union and the Philippine Department of Social Welfare and Development (DSWD) has carried out women's programs subsumed as gender-sensitive interventions. Like the Women's Union in Vietnam, the DSWD is perhaps the best well-known government agency in the Philippines for having strong women's programs in its poverty alleviation efforts. In its range of programs and services, the women-focused ones are those under the Women Welfare Program, i.e. Social Communication Skills Development, Maternal and Child Care, Self-Enhancement Skills Development, Community Participation Skills Development, Practical Skills Capability Building for Disadvantaged Women and Special Project for Women in Especially Difficult Circumstances. Both the DSWD and Women's Union projects are earmarked as programs for women only, and these are the very same programs that are understood as gender-related and leading to gender empowerment. There is however, little attempt to integrate a gender framework which necessitates the creative integration and problematization of men and masculinities into mainstream programs on family welfare, credit

provision, job creation, community capacity-building, and disaster relief and rehabilitation.

The Philippine government's centrepiece livelihood program for women is still the Productivity Skills Capability Building for Disadvantaged Women (PSCB) which mainly train women in traditional female skills such as sewing craft, toy craft, food preparation and preservation, and baking. This program, as well as many of the Women's Union's micro-credit and income-generating projects, tends to reinforce the domestication of women, and the view that women are only secondary breadwinners. These income-generating activities designed primarily for women are likely to be unsustainable, given the saturated market, intense competition, low profit margins, and lack of access to credit. They also tend to overlook the workload implications for women who have many domestic and community-related responsibilities. The *role of women and households as social safety net providers* ought to be supported by appropriate policy and bureaucratic interventions that complement and strengthen, rather than substitute and undermine, people's own initiatives (Moser and McIlwaine, 1997: 13). Policies that discourage people's informal sector activities, such as laws against street vending and home-based businesses, must be reviewed and balanced against the need to create strong regulatory environments, while providing and enabling policy environment for the poor to help themselves.

This conflation of WID and GAD is confounded by the great difficulty among front-line government workers, implementers and planners, as well as feminist NGO advocates, in shifting from the original women-focused interventions under the Women-in-Development (WID) to the Gender-and-Development (GAD) frameworks that focuses on gender equity and empowerment principles. Hence, many projects that simply target women as beneficiaries and/or participants for the sake of project efficiency and cost-saving measures, are uncritically accepted as a form of GAD intervention. The conflation of women and gender, and the treatment of WID as GAD, create problems in getting the support of both male and female elected city officials who approve budgetary allocations. In the Philippines, for example, the allocation of the GAD budget in many cities and municipalities is threatened by the lack of support by local politicians, and the parallel weakness on the part of city-based women's NGOs and other advocacy groups to lobby and get public support. GAD plans, projects and budgets are still generally understood by the public, government elected officials and civil servants, NGOs, and women's organizations, as mainly targeting and benefiting women, and not addressing gender relations and equity issues.

## **CONCLUSIONS**

This study has examined the relationship between gender planning, governance, and poverty reduction efforts in the Philippines and Vietnam which have differing policy contexts, political ideological environment, bureaucratic culture, levels of economic growth and industrialisation, and activities of women's

organisations and NGOs. It provides contrasting insights on the integration of gender in state bureaucratic politics in the framing of poverty alleviation plans.

There are at least four general conclusions emerging from the above discussion. First is, the implementation of gender-aware programs related to poverty reduction is still scattered, sporadic, and piecemeal, despite some deep and subtle differences in their levels of gender mainstreaming within government bureaucracies. Government line agencies in both Vietnam and the Philippines have yet to develop a clear and comprehensive framework for understanding and addressing the close linkages between gender and poverty concerns. In the absence of such framework, government agencies with more established turf and weight to pull could enjoy additional funding allotment for general and Gender and Development (GAD) related programs compared to women's ministries and mass organizations or NGOs. However, these government agencies tend to only continue what they have been traditionally doing without infusing an integrated and holistic social approach, and a more profound analysis of gender and poverty issues in their programs.

Second, the absence of a clear and comprehensive framework for the analysis of gender and poverty linkages is reinforced by the rather compartmentalized and fragmented approach of government line agencies to addressing women and gender concerns.

Third, the integration of women into poverty alleviation projects and programs that see them primarily as mothers, homemakers, and dependents of men has resulted in their domestication and so-called "housewifification", which prevent them from challenging the distribution of power and decision-making within their households and communities.

Lastly, female embodiment, participation, and representation in state agencies do not necessarily lead to the attainment of feminist goals or to the adequate handling of gender issues, which consider women's and men's concerns, and other factors of social differentiation such as disability, ethnicity, age, and sexual orientation. The representation of women in government bodies, their participation as beneficiaries and managers of poverty alleviation projects, and their role as government service providers are good, and sometimes effective means to attain women's empowerment. However, they are neither feminist ends in themselves, nor necessarily expected to lead to feminist outcomes.

To be truly effective, social policies and programs must incorporate feminist visions and goals that recognize gender inequalities and aim towards transformative change and social justice. At the same time, male and female civil servants and service providers at all levels of the bureaucracy need to understand more clearly the values and principles of gender equity and empowerment and how they can effectively bring these into their service work, advocacy roles, and work environment. They also need to ensure that such values, principles and goals are clearly understood by the local people, women and men, in the communities that they serve.

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# **Coffee production, social stratification and poverty in a Vietnamese Central Highland community<sup>1</sup>**

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## **INTRODUCTION**

Over the past decades Vietnam has shifted its economy “from plan to market”. Although the country still remains predominantly agricultural, the transition to a market economy has stimulated considerable growth in the national economy as a whole and in the agricultural sector in particular. With market development, export-oriented commodity production has thrived across lowland and upland areas alike, making Vietnam one of the world’s largest rice and coffee exporters. Given the low level of economic development and weak market institutions, however, many people in rural areas still suffer from poverty. In some areas people seem to respond slowly to market incentives, while others respond too quickly, facing unanticipated costs and vulnerability to external forces.

In the Vietnamese Central Highlands, over the past few years commodity production such as coffee and pepper has expanded intensively in response to favorable global market prices. The indigenous communities in the region, who previously followed their traditional lifestyle relying mainly on subsistence production, have also shifted to commodity production. At the same time, Vietnamese planners have tried to encourage them to adopt fixed cultivation by involving them in cash crops. According to the planners’ perspective, involving highlanders in cash crops will both improve their living standard and prevent “destructive” shifting cultivation. However, given the context of rapid depletion of natural resources, high demographic pressure from migrants on land and forest that highlanders have relied on for centuries and an inadequate social safety net, it is uncertain that their livelihood will be significantly improved. Moreover, cash crops can promise a higher money return, but bring the communities unanticipated costs such as the hazard of market fluctuation, loss of self-sufficiency, erosion of mutual assistance, and social stratification.

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<sup>1</sup> This article is drawn from the author’s MA thesis presented at the National University of Singapore in 2002, under the supervision of Adam Fforde. During his studies, the author benefited from the financial support of NUS and the International Development Research Center (IDRC).

In adopting a case study of one Vietnamese Central Highland community, this paper will examine how the commercialisation of agriculture or commodity production affects the community economically and socially. In particular, it considers ways in which commodity production in the context of external and internal change has affected the traditional structure of the village in terms of property ownership, self-sufficiency and social stratification. What are the consequences or costs that were often unseen to the planners?

### **EFFECTS OF COMMERCIALISATION ON A RURAL COMMUNITY**

Previous literature on the effects of commercialisation on rural communities has demonstrated a strong belief that commercialisation tends to destroy traditional relations, such as mutual assistance and income sharing and therefore results in greater inequality and misery (Hayami, 1993: 5). The classical Marxist writings like those of Marx, Engels, and Lenin predict that capitalist penetration into agrarian communities leads to the disintegration of pre-capitalist forms of production, polarizing these communities into the classes of capitalist farmers and landless labourers (Goodman and Redclift, 1981: 3-5). Moral economists like Scott believe that the growth of capitalist development and commercialisation of agriculture complicates the subsistence security of peasants (Scott, 1976: 57). Peasants will be stripped of the subsistence security protection that traditional community institutions can guarantee (Hayami, 1993: 5). In contrast to the moral economists' view, political economists like Popkin argue that market development can benefit rather than harm peasant welfare through breaking the constraints or coercions that traditional institutions impose on them (Popkin, 1979: 37). Meanwhile, Grossman (1984) suggest a cultural ecologist perspective to examine the effect of commercialisation and commodity production on agrarian communities. He argues that commercialisation can lead to the deterioration of peasant welfare due not only to the breakdown of traditional institutions but also to environmental degradation. Grossman argues that in developing countries, the planners' and governments' goals are fulfilled when rural market involvement increases because they believe that the expansion of rural commodity production will substantially benefit both the nation and local population. However, he believes that commercialisation can generate conflicts between new patterns of production and social relationships and previously established patterns which reduce the viability and resilience of rural communities and make them more vulnerable to economic and environment changes (Grossman, 1984: 5-6).

Although there are differences in explanation of the effects of commercialisation on rural communities, these scholars agree that the commercialisation of agriculture and market development bring socio-economic changes. It leads to the breakdown or weakening of traditional economic and social patterns and social institutions that were previously established.

In order to seek empirical evidence of how rural communities have been shaped economically and socially by market development and the commercialisation of

their agriculture, I adopted a case study: the village of Buon Brieng A in the Central Highlands province of Dak Lak. I conducted two rounds of fieldwork, during July 2000 and from December 2000 to April 2001. Participant observation and informal interviews were the two main tools for my data collection. Besides visiting and interviewing a number of households, I collected considerable information by chatting with people in various environments: in the working fields or forest, during rituals and at informal “drinking sessions”. Chatting or informal interviews with officials at different levels and the use of their secondary data were also important components to my research.

#### BUON BRIENG A: A CASE STUDY

Buon Brieng A is an Ede (Rhade) village. (The Ede are one of the largest indigenous ethnic minorities in the Central Highlands; their language belongs to the Malayo-Polynesian family). The village is located in the remote commune of Ea Nam, 80 km from the provincial capital of Buon Ma Thuot. In 2000, Buon Brieng A comprised 92 Ede households with 580 people. Its transport system remains poor but has been connected to regional transport networks. Although the village seems to retain many characteristics of traditional society such as village boundaries, house styles, language and rituals, it has undergone considerable socio-economic change, having been largely opened up to the larger society. It is now covered with coffee plants and houses of migrants (Kinh or ethnic Vietnamese and Muong)<sup>2</sup> instead of natural forest. Some migrant houses have been established inside the village to do business with the Ede. Most of the Ede households have adopted coffee production, which accounts for a large proportion of their activities and income. Meanwhile subsistence production maintains an important role in their farming system, and the poor still rely on gathering in the forest for their daily needs.

Before looking in detail at the socio-economic changes of Buon Brieng A, it is worth examining in general Ede society before and after reunification.

### **SOCIO-ECONOMIC OVERVIEW OF THE CENTRAL HIGHLANDS AND THE EDE BEFORE AND AFTER REUNIFICATION (1975)**

#### TRADITIONAL EDE SOCIETY BEFORE REUNIFICATION

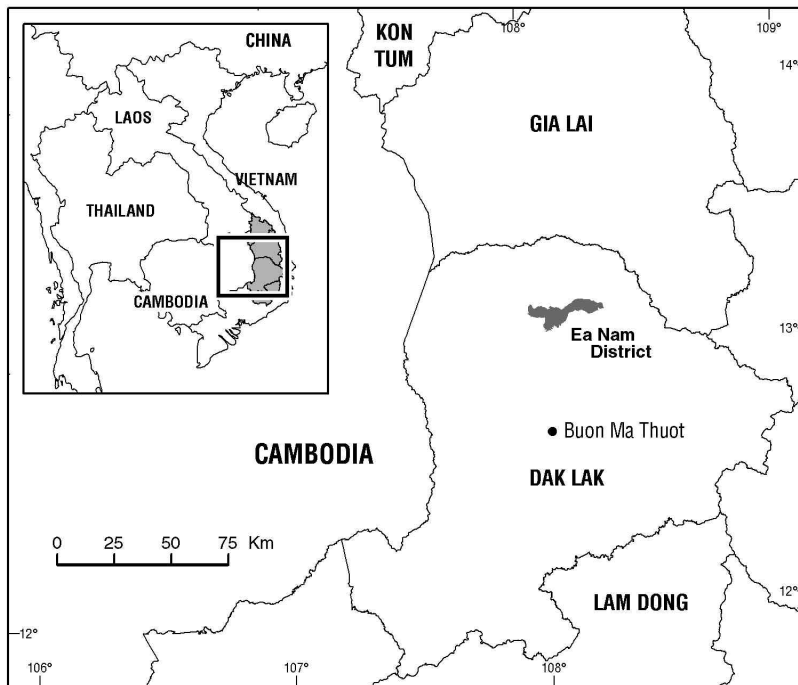
The Ede are one of the indigenous groups in the Central highlands, whose kinship system is matrilineal: children take the mother's family name. Traditionally, the Ede enjoyed a considerable degree of autonomy economically and socially *vis-à-vis* the Vietnamese. Traditional Ede society had little or no supra-village, being organized around the basic elements of family, longhouse, and village in descending order of importance (Schrock *et al.*, 1966: 666). The

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<sup>2</sup> The Kinh are the predominantly lowland ethnic Vietnamese majority. The Muong are a northern minority whose language is close to Vietnamese.

longhouse (*gap diue*) was the most important corporate kin group, consisting of one or more extended families (*go ese*) in the same lineage. The length of the longhouse was determined by the number of extended or nuclear families (*sa phung ung mo*) in residence (Vu Dinh Loi, 1985; Hickey, 1982). The members of a particular longhouse often worked in the same fields as well as sharing food. Gongs, jars, cattle and rice, along with the longhouse were considered as lineage property, the title to which was held by the senior female (*khoa buon*). However, the head of longhouse was a male, often that woman's husband (Schrock *et al.*, 1966).

**Figure 1. Location of Ea Nam district**



Traditionally, the village was the most important economic and political unit, under the leadership of its chief (*khoa buon*) who was responsible for handling social, economic, religious, legal, and military matters. His authority often did not extend beyond his village. Though a powerful chief could gain ascendancy over some neighbouring villages for a time, after his death the latter would regain their autonomy (Hickey, 1982: 37). Besides the village chief, another important figure in the village was the *polan*, a land guardian or proprietor of the land who was normally the eldest female of a certain clan. Traditional Ede land tenure was based on communal ownership; a village's land included cultivated and uncultivated land, forest and streams, which were considered as ancestral property and belonged to the *polan*. A village's members had usufruct rights but not ownership of land. Customary law did not allow any villager to sell or transfer his/her land to outsiders (Bui Minh Dao, 2000: 106-7). The *polan* was



responsible for making the boundaries, deciding who could farm and use timber, and punishing those who violated the religious prescriptions related to the land (Hickey, 1982: 39).

Economically, the Ede survived through successful exploitation of their physical surroundings, with a wealth of knowledge about the weather, soils, flora and fauna. Although they were involved in trading among themselves and with outsiders, their main economic activities were subsistence production of swidden rice, supplemented by hunting, fishing and gathering (Hickey, 1982: 28). Swidden farming required the Ede to live near the forest, which provided them with a large area for cultivation. Their agriculture was characterized by alternation between cultivating the fields and leaving them fallow for a period of 12 to 15 years, depending on the amount of land available and quality of the soil (Schrock *et al.*, 1966). The Ede also grew many secondary crops in the kitchen gardens and rice fields. Chickens, pigs and goats were left to forage around the farmstead. Buffalo, cows and elephants were raised (Hickey, 1993: xix). It is worth noting that cattle, gongs and jars were considered signs of wealth. In addition to farming, historical records show that highlanders were also involved in trading among themselves and with the outsiders. The items they exchanged included a number of products gathered in the forest and even slaves (Hickey, 1982).

Traditional Ede society was also characterized by close social relations, particularly among kin. Mutual assistance was manifest in many aspects of their society. Labour exchange (*bi ring*) was usually organized to perform tasks that required large amounts of labour. Social institutions such as reciprocity and forced generosity functioned well enough to help unfortunate villagers survive in times of shortage. However, traditional Ede society did not remain static but underwent change over time due mainly to external forces. With French colonisation, the isolation of the Central Highlands began to diminish rapidly in the 20<sup>th</sup> century. Under the French, the village chief became the liaison between the village and the colonial authorities, burdened with collecting taxes and organizing *corvée* labour. The *polan* system also began to weaken as a result of French rule. Despite efforts by Léopold Sabatier, a French civil servant, to protect Ede land claims in the 1920s, the administration had less respect for them. Between 1940 and 1950 it was evident that some villagers were clearing new swidden without consent of the *polan* (Hickey, 1993: 30). Under Ngo Dinh Diem's government (1954-1963), implementation of national law over customary law and the 1957 Land Development Program to some extent affected foundations of traditional highland society. During the successive Indochina wars, Ede society like other groups was seriously affected. An estimated one-third of highland population died in the war, and around 85 percent of their villages were displaced (Hickey, 1988: 206). However, the Ede also showed their ability to adapt well to a new situation. During the period 1950-1975, cash crops were adopted into the Ede villages located near the towns and along main roads. (Bui Minh Dao *et al.*, 2000: 168-90). In 1967, a few Ede began to engage in the transport business and open rice mills.

Despite socio-economic change during colonial rule, until reunification (1975) traditional Ede society retained many of its characteristics such as the land tenure system and customary law practices. Moreover, most of the forest and land in the region was basically under the traditional management of highland communities (Bui Minh Dao *et al.*, 2000: 72).

#### ECONOMIC AND SOCIAL CHANGES IN THE REGION AFTER REUNIFICATION

Located in the southern part of the Annamite Cordillera, the Central Highlands region consists of four provinces: Dak Lak, Lam Dong, Gia Lai, and Kon Tum. With a total area of 5.6 million ha, accounting for one-sixth of the country's territory, and largely covered by forest (3.3 million ha in 1975), the Central Highlands have long been considered by the Vietnamese government to have great potential for agriculture and forestry. Moreover, the region has been viewed as an under-populated and unexploited area, while its indigenous inhabitants engaged in shifting cultivation by slash-and burn methods have been considered "backward" and "destructive" to the forest. Thus the Central Highlands have been seen as an essential strategic area for relocating people from densely-populated areas to exploit its economic potential, help the indigenous people "advance", and ensure national and regional security as well.

Since reunification, the Vietnamese government has implemented policies to open up the region and build up so-called "New Economic Zones" (NEZs) by establishing state farms and forestry enterprises, migrant cooperatives and new settlements. During the 1980s hundreds of state farms, forestry enterprises and cooperatives were established, controlling most of the land and forest in the region. Along with the migration policy, a Fixed Cultivation and Sedentarisation Program (FCSP) was initiated soon after reunification. The purpose of this policy was to create "favourable conditions" for ethnic minorities to reorganize their production and their society, so that they would give up shifting cultivation and "nomadic" lives and settle in fixed sites. This policy has also helped to made it easier for administrators to send organized migrants to specific areas (DCDC, 2000, Bui Minh Dao *et al.*, 2000: 82).

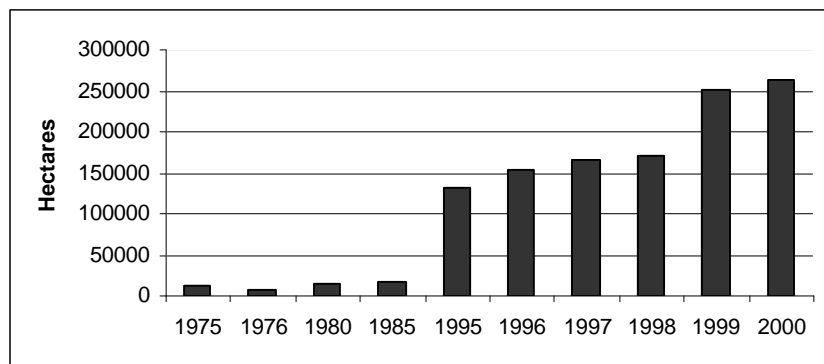
FCSP policy has been considered essential by the Vietnamese government in the socio-economic development of ethnic minorities. Between 1976 and 1990, FCSP focused on getting ethnic minorities to participate in cooperatives or state farms and forestry enterprises. Its objective was to form new so-called socialist production relationships so that, step-by-step, the "backward" institutions of highlanders would be abolished. As a result, a majority of highlanders were brought into these structures before 1990. FCSP also focused on separating the traditional longhouses of highlanders, which consisted of many nuclear families, into "short" houses, and helping these families to build up permanent fields with wet rice, fruit and cash crops. In Dak Lak, this movement was launched in 1985, and by 1989, 70% of the indigenous people were involved (Bui Minh Dao *et al.*, 2000: 92).

After the economic reform known as *Doi moi* (1986) and with the abolition of the state subsidy system, cooperatives died off and were dismantled. State farms and forestry enterprises were subject to staff cutbacks or else were also dismantled. As result, the majority of highlander workers were dismissed; many of them lost land which had once been theirs because much of it now belonged to the enterprises. Meanwhile with market development, the Central Highlands have emerged as a zone of export-oriented cash crops such as coffee and pepper, creating new opportunities and challenges for indigenous people. The attraction of cash crops, especially coffee, triggered a massive influx of spontaneous migrants from all parts of the country. From a population of about 1 million in 1975, of which half were indigenous people, the population of the Central Highlands reached 3.6 million in 1998. Indigenous people now accounted for less than 35% of the total (Bui Minh Dao *et al.*, 2000: 10). Demographic pressure by migrants on land and forest was huge, and led to deforestation and land encroachment. Large tracts of forest were cut down for commercial crops, especially coffee (see tables 1 and 2, and figure 1). Migrants, both organized and spontaneous, came to occupy land or buy it at cheap prices from indigenous minorities. Some did not know or ignored the traditional land tenure system, so they occupied the fallow land that indigenous people used for their subsistence production (Bui Minh Dao *et al.*, 2000: 107). Meanwhile market networks began to penetrate into the villages, even remote areas, through merchants and trade agencies, supplying external goods to the highlanders and generating demand for their produce. Coffee production also seemed to attract highlanders, even those who lived in remote villages. A shift to coffee production has brought considerable socio-economic change in their society, as will be shown in the following case study of Buon Brieng A.

**Table 1. Coffee Expansion in Dak Lak from 1975 to 2000**

	1975	1976	1980	1985	1995	1996	1997	1998	1999	2000
<b>Area (ha)</b>	11,563	6,224	13,974	15,899	131,120	153,050	165,000	169,620	250,830	264,074

**Figure 1. Coffee Area in Dak Lak from 1975 to 2000**



Source: Bui Thi Xuan (1998); PVQH & PTNNMT (2001).

**Table 2. Changes in Dak Lak's Forest Area during 1982-1999 (ha)**

	1982	1992	1995	2000
Area of natural forest	1,259,427.0	1,231,898.0	1,194,990.0	1,008,265.2
Area of planted forest	0.0	14,470.0	17,743.0	9,689.9
<b>TOTAL</b>	<b>1,259,427.0</b>	<b>1,246,368.0</b>	<b>1,212,733.0</b>	<b>1,017,955.1</b>

Source: PVQH & PTNNMT, February 2001.

## OPENING UP THE VILLAGE

After reunification in 1975, Buon Brieng A came under new administration. Soon after that it was encouraged to take part in a large-scale production unit (*tap doan san xuat*), a kind of cooperative, run by Ea Khal commune. Villagers worked collectively on assigned tasks such as clearing forest for rice production and planting pine trees. Though working for the cooperative, villagers still had free time to go hunting and gather food in the forest, enjoying a high level of subsistence. When the cooperative was disbanded in 1984, the villagers were encouraged to join the Thuan Man forestry enterprise because the forest where the Ede in Buon Brieng A lived belonged to that enterprise. The latter gradually replaced the commune in controlling the village and preventing shifting cultivation under FCSP policy. Working for Thuan Man, villagers' obligations were to plant, care for and protect a given area of forest; in turn they were supplied with food and other necessities. Although land was concentrated in the hands of the enterprise, the village still had the right to cultivate a "given area", considered as their ancestral land. Villagers claimed that their livelihood mainly relied on their own subsistence supplemented by hunting and gathering rather

than on Thuan Man's subsidies. They also recalled that during that time considerable forest areas still remained so their subsistence production was sufficient. One of the Kinh who came to do business with the Ede recalled:

*I came to open my stall in Buon Brieng A in 1987. There were no Kinh living there. Ede still lived mainly in the longhouses. There was so much rice, corn, pumpkin, and cucumbers, of which I could buy tonnes a day. I also traded buffalos, cows, pigs and chickens. I could buy three or four buffalos or cows a day because there were so many and they also liked to sell because at that time they worked for Thuan Man, so they did not have time to take care of them.*

(Field interview, 2001)

Apart from organizing village labour, during the period of 1986-1989 Thuan Man tried to implement the FCSP policy. The enterprise encouraged villagers to separate the traditional longhouse into "short" houses although it was not very successful. It also tried to ask villagers to abandon some "backward" habits considered harmful to their economy and health. The enterprise also mobilized them to plant cash crops such as coffee and fruits by delivering seeds, fertilizers and know-how. But most villagers felt that they were forced to adopt such trees rather than having an incentive to do so. In 1990 Thuan Man was restructured and dismissed the villagers from its employment. The villagers then regained autonomy in using their own factors of production. The village now was under the administration of Ea Nam commune that was formed around 1986.

Since 1990, the village has increasingly been opened up to the large society, experiencing demographic and environmental change. The village experienced a loss of forest mainly caused by a mass of coffee-growing migrants from the lowlands and northern highlands. In particular, when coffee prices reached highs in 1993-1994, many people - farmers, non-farmers, even officials from the rest of the country - came to find land to plant coffee. Coffee expansion by migrants and even by enterprises has caused a loss of forest and other natural resources which the Ede used for their subsistence production for centuries. There are no quantitative figures to show how many hectares of forest and lands have been lost, but it is obvious that the Ede's living space has shrunk considerably compared to the past. At the same time, the village has also experienced an increase in the number of merchants coming to trade with the Ede. Some of these merchants remained in the village to do business. All of these factors contribute to the shift from subsistence to coffee production in Buon Brieng A.

#### SHIFTING TO COFFEE PRODUCTION

Although Thuan Man had encouraged villagers to adopt coffee, most of them were reluctant to do so not only because the prices and profits were low but also because coffee was an "exotic" and "inedible" crop that they had never planted or consumed. Coffee is a long-term crop that requires adequate investment in terms of labour, fertilizers, pesticides, water supply and know-how. Villagers

preferred to follow their tradition by growing swidden rice that could give them “something to eat”. However, it is quite interesting that some Ede “pioneers” began to adopt coffee early on, even before *Doi Moi* (1986) and the FCSP policy introduced it to the village. These pioneers tried to experiment with coffee through the “trial and error” process. Mr. Ma Di recalled:

*I began to plant coffee in 1984, but I did not know the technique well. When I saw some people in Buon Ho plant it, I followed their example. I thought that if they could plant coffee, so could I. At that time, I reclaimed 5 sao [0.5 hectare] of forest on the banks of a stream to plant 50 coffee trees on a trial basis. One tree was 0.5 meters away from another; according to the technique, they should be one meter. Also I dug holes as wide as children dig them to catch crickets. According to the technique, they must be 60-60-60 centimetres [width, length, and depth]. As result, some of them died, others did not bear fruit. Then, I went to visit some places to learn from the Kinh. I started to plant coffee again in 1987. And I planted coffee on a large scale from 1993-1996 when coffee prices were high. Now I have more than 2 hectares of coffee, excluding one hectare given to my daughters.*

(Field interview, 2001)

The situation changed when coffee prices peaked in the early 1990s. A wave of migrants rushed to find land to plant coffee that made the Ede aware of the significance not only of coffee but also of land. The rise in coffee prices also brought the pioneers great wealth, which attracted their neighbours to follow their examples. Villagers recalled that during that time many villagers rushed to plant coffee, trying to find good plots of land. Some gave up growing rice to plant coffee on some of their swidden fields. Some elders who were previously against coffee cultivation changed their stance and adopted coffee trees in their fields. According to Ea Nam statistics (Table 3), the number of households in Buon Brieng A planting coffee rose greatly during 1993-1995, reaching 83 out of a total 92 households in 1995. By 1999 almost every household had coffee fields covering an average area of 1.32 hectares. Meanwhile, the area of land used for swidden rice shrank greatly in both absolute and relative terms (Table 4). One can imagine that with only 54.2 hectares for the whole village or 0.6 hectares for each household reserved for subsistence production, villagers could not ensure their livelihood if they relied on subsistence alone. By 2000-2001 coffee represented a large proportion of their cultivation in terms of land, labour and income, which made for a major shift of their economy from one based on swidden rice to one based on coffee.

**Table 3: Coffee Expansion In Buon Brieng A**

Year	Households planting coffee	The area of coffee fields (ha)	Average area per household (ha)
1990	12	4.9	0.41
1991	14	5.7	0.41
1992	16	6.45	0.40
1993	32	13.35	0.42
1994	73	32.35	0.44
1995	83	70.55	0.85
1999	90	119.1	1.32

Source: Ea Nam statistics 1999 and 1995 tax books.

**Table 4: Structure Of Land Use In 1994, 1999**

	Total area of farming land		Structure of land use					
			Land area for swidden rice			Land area for coffee production		
	Total (ha)	Average land area per household (ha)	Total (ha)	Percent of the total (%)	Average (ha)	Total (ha)	Percent of the total (%)	Average (ha)
1994	349.1	3.8	316.7	90.7%	3.4	32.4	9.3%	0.3
1999	173.3	1.9	54.2	31.3%	0.6	119.1	68.7%	1.3

Source: Ea Nam statistics 1999 and 1994 tax books.

Coffee production had brought considerable change to Buon Brieng A. The process of coffee adoption was closely linked to the degradation of natural resources and deforestation caused mainly by external forces. At the same time, villagers began to experience a substantial decrease in the quantity of food obtained by swidden rice production, gathering and fishing. While becoming a way for villagers to earn a living, coffee production also led to change in the traditional social and economic patterns. The following sections will discuss how coffee production led to socio-economic transformation of traditional Ede structures in terms of property ownership, mutual assistance practice, self-sufficiency, and social stratification.

## CHANGES IN PROPERTY OWNERSHIP

This section will discuss how commodity production has changed the fundamental elements of the traditional Ede community such as land tenure and longhouse families. Traditional Ede society considered land and longhouse possessions as communal and lineage property respectively.

### FROM COMMUNAL LAND OWNERSHIP TO INDIVIDUAL LAND USE RIGHTS

Having spent their lives in a society based on subsistence production with large areas of land supplied by natural forest, the Ede had never had to worry about shortages of land. Their culture and their traditional institutions did not consider land as a commodity that could be purchased in the market. Traditional institutions stipulated that land belonged to the community, with a *polan* to guard and protect it. Villagers had usufruct rights but did not have ownership. Some villagers recalled that formerly, if they reclaimed new forest to grow rice, after planting rice for some years, they fallowed the land to reforest, and then they could not successively cultivate this plot but left it for others. They could return to grow rice in this plot again when others had left it fallow. The reason for this lay with traditional customary law. Villagers were afraid that if they kept on cultivating the same plot, their family would have troubles such as sickness or financial ruin. This made villagers reluctant to occupy the land for a long time, which would have made it their own property. Moreover, shifting cultivation required good soil, and while land was sufficient, villagers had more alternatives for good land rather than keeping to the same plot. Thus, for a long time, traditional Ede society did not establish a form of household-based land ownership, while communal ownership contained religious elements rather than overtly economic and political aspects.<sup>3</sup>

When the villagers worked for Thuan Man, all their village land belonged to that enterprise. Communal ownership of land was replaced by state ownership. At that time, villagers did not pay much attention to land tenure because traditional institutions still influenced their behaviour and the market price of land was relatively low. That was why before 1990 it was easy for the Kinh to ask for Ede land and give little or no compensation.

As of 1990, Ede households became independent economic units recognized by local authorities under Resolution No. 10 (dated 1988). However, there was no

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<sup>3</sup> For example, the *polan* did not have the right to appropriate surplus produced on community land. His duty was to make sacrifices to land spirits (*yang lan*), and prevent any wrongdoings such as incest that could bring ruin to his village.



allocation of land or granting of land use rights to households until 1993<sup>4</sup>. Referring to land tenure, one commune staff member said:

*Ede land tenure is complicated. Most land they cleared for themselves. The commune cannot manage it. When we ask them to register land, they often hide the actual amount of land. Some still have land in other communes. We just granted Red Books to them in 1993 but not for large areas.*

(Field notes, 2001)

Beside state policy on land, it was said that coffee-growing migrants' pressure on land and coffee production had brought a shift in perceptions of land tenure among the Ede in Buôn Briêng A. When coffee prices rose, migrants rushed to find land by squatting or buying land from the Ede. This led to high pressure on land, which in turn made villagers aware of its market value. High demand for land pushed up land prices. Villagers tried to claim land they were farming or had farmed and even the forest as their own. There were some disputes among Ede households because they alternated use of the same plots. However, at the beginning there was still sufficient land, so disputes were not severe and could generally be dealt with by negotiation within the village. During my fieldwork (December 2000 to April 2001), there were still two disputes over land among villagers, but eventually they were resolved by negotiation between the lineages of the two households involved.

When coffee crops were adopted into their cultivation system, which required long-term planting, household land use rights became important to secure the fruits of their labour. Some villagers asserted that the places where they planted coffee trees after growing rice belonged to their own land, a claim that was finally accepted by all the village members. In addition, the government also encouraged peasant households to have long-term use of land. In 1993 some villagers were granted a "Red Book" that authorized long-term use rights for households<sup>5</sup>. However, large portions of land were not covered by Red Books, but had been institutionalised by all the village members.

Thus commodity production in the context of high demographic pressure on land, along with the land law had led to a shift of land tenure from communal to household ownership. Traditional land tenure had now died off. There was still a *polan* who lived in Buôn Briêng B and played a symbolic power in worshipping *Yang land* (land spirit) once a year. Her real power as land guardian disappeared; instead, each household had a certain degree of autonomy over its own land, though ownership rights belonged to the government.

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<sup>4</sup> In 1993, a new Land Law was released, referring to extending the lease period and granting farm households possessing land the so-called "five rights": transfer, exchange, lease, inheritance and mortgage.

<sup>5</sup> The Red Book is the official document bestowed by district authorities granting its holder land use rights.

## FROM LONGHOUSE TO SHORT-HOUSE

The transformation of the Ede economy from swidden rice to coffee production has shaped not only the socio-economic relations among households or villagers but also intra-longhouse economic relations. In the past, the village consisted of longhouses in which many households or extended families related through the female line lived together, but now it consists of many nuclear households living in “short-houses”.<sup>6</sup> Although there are still a few longhouses with more than one family living together, economic relations among them have significantly changed from a corporate basis to relative economic independence.

Separating longhouses into nuclear households was one of the targets of the FCSP program, intended to break down “traditional barriers” to improving the Ede economy. However, this program encountered resistance from the elderly, who refused to separate or did not allow their children to do so, largely because they feared that nobody would take care of them when the larger household was broken up. In the early stage of implementation of FCSP, in 1985, some longhouses separated into “shorter houses”; however, most of them belonged to families of cadres or Youth Union members who were encouraged by local authorities to be an example for others to follow. Ma Ken, from this group, admitted that he separated from his longhouse to establish a family because he was a commune cadre; he did so in order that others would follow. Although some young men were willing to accept the house separation policy of FCSP, the elderly and young women did not. Ma Ar, from the Youth Union, recalled that when his family was encouraged by FCSP to separate from the longhouse, his wife did not agree and asked him not to separate because she was afraid to live apart from her parents. Although there was resistance towards the house separation, some longhouses were separated by the intervention of the FCSP program.

The situation changed once a large number of nuclear households in the village had voluntarily separated from the longhouses. Some asserted that living in longhouses was only suitable for rice production, hunting, and gathering but not for coffee, which required intensive investment of capital and labour. Mi Mai, a young woman, explained why her family separated from the longhouse:

*Formerly, we produced rice so we liked to work and share together. Now we plant coffee so we like to stay apart to earn a living. Living together is fun but we do not have enough land. In addition, some members are very lazy, while the others are industrious. Some know how to plant coffee while others do not. Some are clean and tidy, while the others are not. It's better for us to separate.*

(Field interview, 2001)

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<sup>6</sup> I use the term “short-house” because the houses of nuclear households are much smaller than the traditional typical longhouse.

In fact, this explanation only partially illustrates the complicated reality of the transformation of economic relations within the traditional longhouses. When the village's economy shifted from subsistence to cash crop production, economic relations among the families within longhouses changed significantly. In the past, all members, especially extended families in the longhouse often worked the same fields and shared food together. Land was considered to belong to the senior female member of the longhouse, responsible for overseeing and managing the longhouse's property. In other words, she was the owner of all property belonging to the longhouse. She also had traditional knowledge about agriculture and religion passed on from her predecessor so she played an important role in managing the longhouse economy. However, in the "new" economy with coffee adoption, young members who often interacted with outsiders became key points to gain technology, farming know-how, market and access to loans. Thus, there was disagreement in economic decision-making among members of the longhouse. Some of them, often the young ones, preferred to plant coffee, while the others did not. And when they had their own coffee plot into which they invested labour and capital, they liked to secure the harvest by claiming it as their own property. Moreover, with the adoption of coffee production, there was no longer adequate land for rice production as in the past. At the same time, villagers began to experience a reduction in the quantity of food obtained by hunting and gathering. Most households survived by relying on outside food bought from the market. These all made nuclear families inside the longhouse become independent of economic decision-making in production and consumption rather than relying on the decision of the senior female.

In addition, with the 1993 Land Law, there was a problem in defining a "household"; the law considered extended families living in the longhouse as a single household, so the Land Use Certificates (Red Books) granted for land only bore the name of the senior man (husband of the senior female)<sup>7</sup>. Moreover, this longhouse was subject to limits on the amount of land granted to each household regardless of how many nuclear families or people it held. To secure its coffee fields and break up the land limit on the longhouse, each nuclear family had to move out of the traditional longhouse to establish a new home. That was why new couples now liked to separate from their parents to build their own houses. During the time of living temporarily with the wife's parents, the couple tried to plant coffee as their own property or expand their land if possible. Finally they separated from the longhouse to get a Red Book to secure their own coffee fields and land.

It should be pointed out that although some new couples still lived in their parents' house, most of them were independent in earning a living. One man, Y Hoa, said that he and his wife still stayed with his parents-in-law but worked separately. There were three families in the house, including his family, his

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<sup>7</sup> Although Ede society was matrilineal and viewed the wife as the householder, government policy preferred to consider the husband as the head of household.

sister-in-law's family and his parents-in-law. Each family had its own coffee fields and worked relatively independently. He did not have a Red Book yet. He asserted that he would separate from his parents-in-law's house and get a Red Book for his own fields when he had enough capital and land to build his own house.

Thus, a constellation of several factors such as coffee production, land scarcity, and the Land Law affected economic relations among families within longhouses. Under such conditions, each family within the longhouses became more independent economically, which helped them to secure their economy or livelihood. The socio-economic structure of the longhouse appeared to be unsuitable for the "new economy" when coffee production was adopted. There was a growing trend from the traditional extended family toward a nuclear family structure, which threatened the fundamental socio-economic structure of Ede society.

### **BEYOND THE VILLAGE SAFETY NET**

In traditional Ede society, reciprocity and mutual assistance were manifest in many aspects of their socio-economic activities, which formed a social safety net to help its villagers to survive in the time of dearth. Coffee adoption was associated with market penetration into the village, and these institutions were subject to change. This section will examine how the Ede lost their village safety net and became dependant on external forces.

#### **RECIPROCITY AND MUTUAL ASSISTANCE**

Relations of mutual assistance and reciprocity have long been established as part of Ede culture throughout the evolution of their community. In the past, such ties played an important role in subsistence production as well as in warfare. They consolidated and guaranteed the survival of the community, as well as that of its individual members. Some recall that when one household was unable to harvest due to unfavourable weather or serious illness, the community had the responsibility to help that family to survive.

But the situation changed with the penetration of market relations. Villagers were now reluctant to share their food except on occasions of sacrifices or offerings. Mutual assistance was often based on balanced reciprocity rather than "forced" generosity. The rich normally only helped others if the help did not harm them financially. For example, some rich households lent their water-pump or tractor without charge to their relatives and neighbours when they themselves did not need the machinery, but did not give them land or food in times of difficulty as in the past. Now villagers kept land for their own production; they did not want to share it with others, even their siblings. As Y Ninh, a villager, said:

*Formerly whoever asked for land, whether relatives or friends, we gave it to them immediately for nothing. Now we do not give anyone even a little.*

(Field interview, 2000)

Similarly, there was a lack of “generous” food sharing as in the past. Now if the poor received rice from the rich, they had to pay it back by a corresponding amount of labour, according to the going rate for labour in the village. So mutual assistance between the poor and rich had come to be based on market relations rather than generous reciprocity. Mi Mai, from a wealthier household, admitted that she often hired poor labourers, paying VND 10,000 for a day of work. Many villagers came to ask her for work. According to Mi Mai, villagers only worked for labour exchange or for money. They did not work for free except those who worked for their parents for “only one or two days”.

Although there were a shift in labour organisation in the village from the traditional structure based largely on communal exchange labour, so-called *bi ring*<sup>8</sup>, to another based on individual household labour, villagers still kept this structure in certain seasons when a great deal of work was required to perform household tasks such as clearing forest, weeding and harvesting coffee. However, *bi ring* was now also a form of overt balanced reciprocity; the group worked for each member in turn in order to pay back labour that they owed one another. Villagers said that when someone owed labour, he had to pay it back over a period of months or a season or a year or even many years. He could delay but could not deny the labour payment.

Money could also be borrowed and lent without interest among the villagers. However, a villager was reluctant to lend a large amount of money to his neighbour. The lender often lent his money to those who were his close relatives or who were really in urgent need. Some villagers liked to borrow money or coffee beans from their relatives because there was neither interest nor a time limit, unlike loans or credit from the bank and trading agencies. In contrast, those who had money or coffee beans often tried to hide these from their relatives, preferring to keep them or to reinvest in their production, rather than lend them without interest. According to Ma Duyen, when he harvested coffee cherries, he dried and processed them and then he had the Hoang Lan trade agent store them. The year before, he stored 3 tonnes of coffee beans there; this year (2001) he stored 2,8 tonnes. He explained that storing coffee with an agent had two advantages. First, it helped him avoid having to take care of the coffee and he could decide to sell it anytime by informing the agent.<sup>9</sup> Second, it helped to keep

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<sup>8</sup> *Bi ring* is a form of traditional labour exchange organisation that is formed voluntarily by its members. This organisation is dissolved voluntarily when there is no work to do.

<sup>9</sup> In fact, storing coffee beans at an agent’s warehouse was a way of selling coffee in advance with flexible prices. The agent just recorded the weight of these coffee beans. The coffee owner sold it by informing the agent of the amount of coffee beans, and the agent then paid him according to current coffee prices.

his relatives and neighbours from borrowing coffee beans. He assumed that if he kept the beans at home, relatives would come and borrow them and he found it difficult to refuse. However, Ma Duyệt considered himself more generous than other villagers because he let many households use his pool, which cost him VND 4,000,000 to dig, to water their coffee plants without charge. He said:

*It is hard to get money from our villagers. I help them with this thing, and then they help me with other things. You know, yesterday when I made a sacrifice, many villagers came and contributed many jars of wine. I contributed one jar but they contributed 19 jars.*

(Field interview, 2001)

Although sharing food during sacrifices was still common in their culture, it also bore many characteristics of balanced reciprocity. If someone was invited to a sacrifice, he would pay back by inviting the inviter when he had a sacrifice in turn. Ma Quen asserted that making sacrifices was also like doing *bi ring*. One day someone made a sacrifice and invited others. And then another day others would offer a sacrifice to pay back. The poor often declined to attend some sacrifices unless they were held by their close relatives because they were afraid of not being able to pay back the debt later.

The adoption of coffee together with government policies has recently caused villagers to abandon many sacrifices and reduce the scale of feasting. Coffee is a “foreign” crop that was planted without any sacrifices to spirits. Villagers have only maintained some sacrifices to traditional spirits in traditional agricultural activities. Although the number and quality of sacrifices have been reduced significantly, these still make up a considerable portion of their expenditures. Villagers argue that they have to make sacrifices because if they do not, their children will forget their roots. But if they keep all kinds of sacrifices, they could not afford it. Living in a situation where they feel short of food and capital, most villagers are not willing to follow all that traditional society had done in the past. Instead, they keep some to follow their tradition while reserving capital for their own economy. Nobody likes to spend everything he has for sacrifices.

Some wealthier households have significantly reduced the number of annual offerings. Ma Di gave up many sacrifices he considers unnecessary; he only offers them on the birthdays of his family members. Mi Mai admits that she does not make sacrifices when her family members are sick or when she grows rice; she prefers to sell chickens or pigs to buy medicine rather than offer a sacrifice for healing. Hence, there are few occasions for their close relatives to share food.

#### FROM AUTARKY TO EXTERNAL DEPENDENCE

Traditionally, thanks to abundant land and natural resources and abundant land, the Ede enjoyed a high degree of subsistence, even during the time of working for Thuan Man. A rapid shift to commodity production and depletion of natural

resources raised the risk of unanticipated costs for the Ede in terms of sustainability and self-sufficiency. When coffee prices rose, most villagers liked to expand their own coffee fields at the expense of swidden fields. In the meantime, large tracts of land were sold to or occupied by outsiders (individuals and enterprise). Now villagers experienced a shortage of the land necessary to maintain a sustainable rotational shifting cultivation system. The land available for swidden rice now was far below that needed to produce sufficient food. Villagers said that by then (2001) most of them were short of rice for more than half a year. In the village, one better-off man who still has six hectares for subsistence production commented that he had not been able to produce enough for home consumption because the land was exhausted. Meanwhile natural resources were also exhausted due to deforestation and indiscriminate and excessive exploitation of resources such as water, wild animals and fish by outsiders. Consider these comments by villagers:

*Formerly, there were a lot of vegetables and fruits in the forest. In April we often went to get honey to exchange for other goods. Now every thing disappeared because there are so many people.*

*Formerly, the stream had so many fish; we caught a lot in a short period of time. Now, some streams have no water. Others still have water but few fish because people use electricity to kill them.*

*Wild animals now are gone because there is no forest. Formerly, even in 1996 in the evening, I went out around the village for only 500 metres, and I could hear one barking-deer in a few minutes. Now I go all night but do not find anything.*

(Field interview, 2001)

These illustrate the fact that the villagers lost significant food resources from the forest, which in turn badly affected their subsistence. With deterioration in subsistence, coffee has become the main source of income over the past few years. When coffee prices were high, coffee was a source of cash for villagers to fulfil their needs for food and production expenses. Even the poor who did not have coffee or whose plants had not borne fruit yet found it easy to obtain money by working for or borrowing from wealthier neighbours. In addition, according to villagers, in the beginning of coffee expansion, land or subsistence was sufficient so that when facing the financial need, some villagers who had no income from coffee fields could sell off land, produce or cattle for this purpose.

Recently the situation changed when coffee prices dropped drastically, associated with deterioration of subsistence and a shortage of land. Villagers, even the wealthier ones, faced financial difficulties in meeting both food needs and production investment requirements because the profits from coffee were much smaller. As a result, the villagers have been increasingly dependent on outsiders to cope with daily need. Some wealthier villagers who often had coffee fields bearing fruit and their Red Book could access loans and credit from trading

agents and government bank due to their good social network and collateral. However, when coffee prices dropped, these organisations became cautious, only giving loans to those who had the capacity to repay. Meanwhile most of the poor villagers found it difficult to get such credit; and they were even reluctant to do so because they were afraid of not being able to pay it back. In addition, poor households now faced difficulty in finding employment from their neighbours. So lacking money to purchase necessities was a common problem for poor Ede households. As discussed in the previous section, because mutual assistance among villagers had become weakened, the poor could not rely on help from relatives and neighbours to obtain that food. Moreover, there were no sources of financial help readily available among the villagers because most households often faced financial difficulty in their livelihood or production. Some households, especially the poorest, came to rely on the stalls for their survival. Although the relations between villagers and the stalls were market-based, these relations were vital for both. While villagers tried to secure their livelihood, the stall merchants pursued profit. Due to the breakdown of self-subsistence and the weakening of mutual assistance in the village, villagers, especially the poor, had to rely on the stalls to secure their living and production activities. However, when coffee prices dropped sharply, although poor households restricted their consumption, they found it difficult to buy food on credit because the merchants only favoured those who had the ability to repay.

Villagers also mentioned that there were sources of low-interest or interest-free government loans granted to the poor through the FCSP program. Loans from the 120 HDBT program were given to the poor with the aim of generating jobs along with CT 327 loans with the aim of “regreening barren land and denuded hills”. Other loans also were granted to the poor with the aim of “eliminating hunger and reducing poverty”. However, villagers commented that few of them got these loans and that those who did were not really the poorest in the village. Mr Tam, a commune officer, remarked that the forestry enterprise, not the commune, was in charge of granting these loans. There were many sources of loan capital released by the government but the villagers received little. In fact, the enterprise just “went through the motions”. He also mentioned that some poor people received the loans and used them to buy food instead of investing in production so the enterprise was cautious about lending to them.

During my fieldwork, some poor households faced financial crises in maintaining their coffee fields and their livelihood, so they tried to get a Red Book regardless of its cost. Asked why he had to get loans from agricultural banks, Ma Dung, from a group of those who were preparing to get a Red Book said:

*If we do not have money, our coffee trees will wither and die soon. We cannot borrow money from agencies because they do not allow it. They have so much outstanding credit. We try to get loans from the bank. No matter how expensive they are, we have to do so.*

(Field interview, 2001)



There were also some poor households who had been promised by the FCSP program that they would receive interest-free loans and were waiting for the loans to be released soon. One woman complained that she had to sell a young pig to afford the photograph for the application. She had been waiting for a loan for months. She wondered whether or not the loans would be granted. She really needed money soon to deal with her financial problem. As a result, some poor households had to rely on searching for food in the streams or forest for their daily needs. Some villagers claimed that they had to illegally clear forest for rice production in the hope of “having something to eat” in future. Some of the poor fell into a vicious circle of debt and poverty, struggling to pay off the old debt they previously owed to stalls.

Thus, in the initial period of coffee production when prices were high, subsistence production was still sufficient and land was abundant, villagers could self-finance through the proceeds from the coffee production, or through the sale of land, animals, other produce or through wage labour. The drop in coffee prices in the broader context of depletion of natural resources and erosion of mutual help made villagers more dependant on, and vulnerable to external forces. Thus the rapid shift to commodity production has made the Ede lose the high level of economic autarky that they had enjoyed in the past. Commodity production has also generated unanticipated costs such as social differentiation, discussed in the following section.

## **SOCIAL STRATIFICATION**

Traditionally, Ede society was characterized by a high degree of stability and relatively homogenous households. Although there were poor and rich in the village, social differentiation was not drastic. Now, however, there are significant differences in wealth among the households, and the poor make up a large proportion of the population. Some villagers have cement houses, furnished with valuable things, such as tractors, motorbikes, and television sets, while others still live in shabby traditional houses without valuable furnishings. There are also differences in means of production among the villagers. While some villagers still have many fields for both coffee and subsistence production, others face a severe shortage of land for the latter purpose.

There is now a striking contrast in landholdings between the poor and wealthy (Table 5). While the wealthier still possessed large amounts of both subsistence and coffee land, the poor lacked both. Most of these poor households had a small area of rice land and a few coffee plants that had not borne fruit yet. However, there were no landless households who were entirely dependent on wage labour. When the village encountered opportunities and challenges brought by external forces, its social structure changed due to differences in adaptation of individual families to those forces. There were no strong institutions serving to level these differences and their consequences. Hence, under great pressure from forces such as government policies, market penetration, environmental degradation, and fluctuation of coffee prices, some Ede villagers who had adapted better to

these forces became better-off, while others who lacked the ability to do so became poorer.

**Table 5. The contrast in landholdings between the poorest and the wealthiest in the village**

Household	Area of swidden rice (ha)	Notes	Area of coffee fields (ha)	Notes	Reason for less land
<b>THE POOREST HOUSEHOLDS' LANDHOLDINGS</b>					
<b>1</b>	0.3	A bad soil	0.5	Coffee planted but not used yet	Sale of land to the Kinh
<b>2</b>	0.5	A sandy soil	0.2	Coffee planted but not used yet	Small amount of land inherited
<b>3</b>	0.3		No coffee	Sale of coffee fields	Sale of land to the Kinh and other Ede
<b>4</b>	No official land	"Illegal" land	No coffee	Sale of coffee	Sale of land to the Kinh
<b>5</b>	0.5	Far from the house	0.3	Coffee planted but not used yet	Sale of land to An Thu?n
<b>6</b>	0.3		0.2	The second harvest	Sale of land to the Kinh and An Thu?n
<b>7</b>	0.2		0.5	Cooperating with Thuan Man	Sale of land to Kinh and An Thu?n
<b>8</b>	No official land	"Illegal" land	0.2	Coffee planted but not used yet	Small amount of land inherited
<b>9</b>	0.4	Far from the house	0.2	Coffee planted but not used yet	Sale of land to the Kinh and An Thu?n
<b>THE WEALTHIEST HOUSEHOLDS' LANDHOLDINGS</b>					
<b>1</b>	2		2	Bearing fruit	
<b>2</b>	2.5		3	Bearing fruit	
<b>3</b>	6		4	Most of them bearing fruit	

Source: Interview, March 2001.

In reality, the loss of Ede land was a more complicated process. It is said that when spontaneous migrants were numerous, the security of land tenure was uncertain. Some migrants did not recognize the Ede rights over fallow land, which might lead to occupation of that land. Some Ede had fields relatively far

from their village; they often could not secure their land. After a few years of growing rice or corn, they often sold it at a cheap price because they were afraid that once it was left fallow, spontaneous migrants would occupy it. Thus, land sales partly resulted from a lack of institutions to authorize the long-term use rights. So when the village claimed a plot, they made sure by selling it for money that nobody could dispute the ownership. In 1993, in the implementation of the land law, Thuan Man enterprise cooperating with Ea Nam granted Red Book to Ede households who had cultivated their land for a long time. However, the amount of land covered by this procedure was small compared to the total amount available.

In addition, coffee adoption that required intensive investment and know-how had created new challenges for villagers. Those who adopted coffee comparatively earlier could fulfill their daily needs with its profits; those who began to plant coffee late or were unable to plant successfully at all, while their subsistence production also deteriorated, encountered financial difficulties in fulfilling their daily needs. They therefore filled the financial gap by selling off means of production such as land and cattle. As a result, most poor households ended up with no cattle, while their landholdings were small and bad or infertile in quality because they had sold good land to others, which in turn had caused their economic status to deteriorate further. In addition, some young households (separate from these poor households) also faced a shortage of land because the amount of land inherited from their parents was small. Meanwhile the possibility of finding new good land for them was not easy and that new land was considered illegal by local authorities.

The difference between the rich and poor is seen not only in terms of their possessions but also in the way they manage their economy. While the poor were mainly concerned with their food or subsistence production, the rich focused on cash crops and reinvesting and expanding their economy. There were differences in farming skills and capital, which had led to differences in productivity between the rich and the poor. Ma Di, from one of the rich households, compared his coffee productivity with his neighbour:

*I have one coffee field with 800 plants. Last year I harvested an amount of 3 tonnes [coffee beans]. Meanwhile, my neighbour has 1,500 coffee plants (1.5 hectares), but last year he got 1 tonne of coffee beans so his is less than mine by 2 tonnes. This is because he did not know how to prune the branches and to fertilize sufficiently. However, some people are even worse off than him.*

(Field interview, 2001)

In trading or exchanging produce, there were also differences in strategies between rich and poor. Poor households often exchanged their produce for other necessities on a daily basis, while the better-off households often stored and sold them in large quantities. Thus the more affluent could accumulate their capital and reinvest in production, while the poor struggled to meet their daily needs

and pay back old debts. It was not easy to break the cycle of poverty because they lacked the means of production to improve their economic status.

As discussed above, the introduction of coffee production and market relations weakened established mechanisms of mutual assistance and reciprocity. Now economic relations among villagers came to be based on relatively balanced reciprocity, so there were no strong existing social institutions serving to level differences in wealth. There was no evidence of transferring land or other means of production from the rich to the poor. Sharing food during sacrifices was not a good way for the poor to fulfil or supplement their needs. They lived mainly off their own production rather than on aid from the rich. Although market relations were not established perfectly, economic relations among households were based on relatively balanced reciprocity, which had not helped to reduce the gap in wealth.

Thus the process of social differentiation had taken place due not only to the differences in adaptation but also to uncontrollable external forces, in which coffee production played an important role by dividing villagers into wealthier and poorer members. As a result, a certain degree of social stratification had evolved in Buon Brieng A. Poor households had lost large amounts of land, their main means of production; they had had to work for the wealthier for their livelihood. Yet, although there were differences in possessions and holdings among villagers, there was no clear tendency toward land concentration from the poor to the rich. Most land sales had taken place between the Ede and outsiders rather than among themselves, which in turn weakened their economy in general.

## **CONCLUSION**

Since reunification, the Central Highlands have undergone rapid socio-economic and environment change that threaten the breakdown of the fundamental elements of the traditional structure of highlander community. Indigenous people (highlanders) who used to constitute the majority of population have become a minority. The shift from subsistence to commodity production in the broader context of depletion of natural resources and market penetration was not purely a matter of technical substitution or crop replacement. Commodity production has profoundly re-shaped many economic and social aspects of highlander society.

In the case of Buon Brieng A, coffee adoption in the context of deforestation and land shortage mainly caused by outsiders has contributed to changing the traditional patterns in the village as a whole and inside the households in particular. From being a stable and relatively homogeneous society, Buon Brieng A underwent profound changes in social and family structure, whereby the village was differentiated into poor and rich and nuclear families tended to be predominant. Coffee production promoted the development of market relations and individual ownership, which accompanied a deterioration in mutual help

and reciprocity and solidarity in the village. Traditional institutions, which had served to level differences in wealth among the villagers, were weakened. More importantly, the rapid shift to, and primary reliance on, coffee production made the whole village lose its relative autarky and become dependent on and vulnerable to external forces. Without an adequate social and safety net from either village or the government, a drop in coffee prices caused villagers, specially the poor, to face serious economic crisis. Now the village no longer enjoyed abundant supplies of subsistence goods and relative economic autonomy. The deterioration of subsistence production and exhaustion of the forest put them in the situation of depending on outsiders for survival and livelihood.

This problem raises issues about the Vietnamese government's policy of socio-economic development for the Central Highlands and ethnic minorities. One serious problem that the Central highlands and highlanders are facing is a serious environmental degradation caused by migrants such as deforestation and depletion of natural resources that highlanders use as means of livelihood and subsistence security in the time of dearth. Meanwhile migrants both spontaneous and organized (though the latter movement has slowed down) continue to flow to the region, complicating the existing problem. This will make the forest continue to disappear if the government does not take further measures to curb the problem. Continuing demographic pressure and environmental degradation will bring many unanticipated costs for the region as a whole and highlanders in particular.

Any policy which focuses on encouraging highlanders to turn to commodity production but without recognizing the important role of subsistence production to guard against the hazards of market fluctuation will not necessarily improve their standard of living, specially for the poor. Another element that needs to be taken into consideration is the highlanders' culture. A rapid shift to commodity production will threaten their traditional society with erosion of the solidarity and mutual assistance that previously helped them to cope with risk and natural disaster for centuries.

At the end of October 2001, a government decision granted an outlay of VND 35,000 billion (\$2.36 billion US) to restructure the economy of the Central Highlands over the next five years (2001-2006), favouring the industrial, construction and service sectors at the expense of agriculture and forestry in terms of their proportion of GDP. The government decision also mentioned that "intensive farming" would be applied to export products (commodity production), with special attention to production costs and product quality and replacing parts of the so-called "uneconomic" coffee fields with other cash crops. More importantly, it stated, "economic expansion must be closely linked to the struggle against hunger and poverty, especially in areas of economic difficulties and ethnic minorities" (Vietnam News, 21 November 2001).

It has been argued here that subsistence production continues to play an important role in ensuring economic security for the highlanders, especially for

the poor. Although coffee trees seem to be better alternatives economically and ecologically and have come to dominate the limited amount of “officially” available land, almost all poor villagers still rely on rice production on “illegal fields” and food gathering for their survival. And they engage less in commodity production than their wealthier neighbours. So any effort by the government to replace part of the existing coffee with other cash crops and to develop the industrial sector and infrastructure to facilitate commodity production without paying attention to subsistence production will have negative implications. Such policies will benefit the wealthy rather than the poor while their objectives aim at reducing the latter’s poverty. This may also widen the existing social differences between the poor and the rich.

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# **Poverty and utilization of natural resources: A case study in the northern uplands of Vietnam**

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## **INTRODUCTION**

This paper discusses the situation of poverty in Vietnam in general and in the mountainous region, in particular, focusing on the effects of both the changing socio-economic conditions affecting poverty and the effectiveness of recent public policies to fight it. This paper also deals with the resource allocation problem and how to fulfil the needs of ethnic minorities of Vietnam. This will permit to assess the degree of success in poverty reduction in Vietnam<sup>1</sup>.

## **OVERVIEW OF THE POVERTY SITUATION IN VIETNAM**

### **DEFINITION OF POVERTY**

In Vietnam, the General Statistical Office (GSO) and the Ministry of Agriculture and Rural Development (MADR) are the governmental bodies in charge of data collection on poverty. Some surveys are also carried out by international agencies like the UNDP, the World Bank and the Swedish International Development Agency (SIDA). Consequently, the objectives of the surveys, as well as their scope, differ according to the organizations involved. However, all these intend to obtain factual knowledge that can help to design better policies and improve the living conditions of Vietnamese people <sup>2</sup>.

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<sup>1</sup> The present study is based on the doctoral research of the author, completed at Université Laval in October 2001 under the supervision of Rodolphe De Koninck. The thesis was entitled "*La production vivrière et la déforestation dans une région de montagnes du Vietnam: Le cas du district de Na Hang dans la province du Tuyen Quang*". During his studies, the author benefited from the financial support of the International Development Research Center (IDRC).

<sup>2</sup> From 1958 to 1980, the General Statistical Office (GSO) carried out two annual surveys on the living standard of households (World Bank, 1995: 130), namely "Survey on Income and Expenditures of Cadre Families" and "Survey on Income and Expenditures of Farming Households", covering between 4,000 to 8,000 households. Since 1977, other surveys, named "Survey on the Housing and Households Goods", were also implemented by the GSO every two or three years. They were meant to determine the structures of houses and their fortunes. They covered 15 provinces and about 35,000 households. The GSO's Large-scale Poverty Monitoring Survey (PMS) completed at the end of 1993,

A distinction exists between what is called absolute and relative poverty. According to Hainsworth (1999: 1), a household lives in absolute poverty when its members lack food during periods of the year. As for the concept of relative poverty, it refers to the lack of what is needed to live what is considered a normal life in a given culture or place. This means that relative poverty varies from one place to another and between social groups because of social and cultural differences.

The concept of poverty line has been used extensively in order to distinguish between the poor and the non-poor. In Vietnam, four different poverty lines have been defined (Hainsworth, 1999: 2, box 1.1) (Table 1). The first is the *Hungry (food) Poverty Line*, used by the Ministry of Labor, Invalids and Society (MOLISA). According to this line, a household is considered poor when it doesn't have access to 25 kg of paddy rice per person per month in the plains and midlands, and 15 kg in the mountainous regions. The second poverty line is called the *Very Poor Poverty Line* and is used by the General Statistical Office (GSO). In this case, a household is considered poor when it doesn't possess the amount of money required to buy a daily consumption of 2,100 calories by person. According to the GSO, a household is considered poor when it doesn't get a monthly income of 50,000 VN dong by person (price of 1993). And with less than 30,000 VN dong per month and per person, the GSO considers a family to be very poor. The third poverty line is called *the Basic Needs Poverty Line* and is utilized by the World Bank. For this agency, a household is considered poor if it cannot consume 2,100 calories per person daily and have access to some services like education and health care services, etc. According to this last poverty line, a person is considered poor when he or she doesn't get an annual income of 1.1 millions VN dong.

Finally, the World Bank and the GSO have recently defined a new Poverty Line, distinguishing between the Food Poverty Line, which identifies the money needed to buy a volume of food equivalent to 2,100 calories by person per day, and the Overall Poverty Line which comprises the expenses needed for the consumption of 2,100 calories by person per day (i.e. Food Poverty Line) *as well as* for non-food needs, like education and health care services (Anonymous, 1999). The Overall Poverty Line, proposed by the World Bank and the GSO, is based on the estimations for the Basic Needs Poverty Line, used by the World Bank since 1993 (World Bank, 1995; Anonym, 1999).

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covered 91,732 households with the aim to understand the poverty situation among regions of the country during the period of transition of the central economy to a market-oriented one. At the same time (in 1992), the Ministry of the agriculture and food industry (now the Ministry of the Agriculture and Rural Development - MADR) carried out a survey on the economy of more than 3 000 farming households in 17 provinces (Nguyen Van Tiem, 1993) in order to distinguish the rich and poor rural families. Particularly, the Vietnam Living Standard Survey (VLSS), was implemented by GSO with the financial support from UNDP and SIDA, in 1993 and 1998.

**Table 1. Definitions of Poverty Line.**

Organization	Time of utilization	Name of Poverty Line	Basis of estimation	Surveys or study
<b>MADR/MOLIS A</b>	1992	Hungriness	Income of less than 13 kg paddy/month/person	Economy of rural households in 1992
<b>GSO</b>	1993	Very Poor	Food consumption of 2,100 calories/day/person	PMS in 1993
<b>World Bank</b>	1993	Basic Needs	Food consumption of 2,100 calories/day/person and consideration of needs	VLSS93
<b>GSO and World Bank</b>	1993 1998	Food Poverty and Overall Poverty	Food consumption of 2,100 calories/day/person; consumption alimentary and non-food needs	VLSS93 and VLSS98

Source: Nguyen Van Tiem, 1993; World Bank, 1995; Anonymous, 1999.

The poverty line is a dynamic concept whose content changes through time and space according to different levels of socio-economic development and changing socio-cultural factors. For example, even MOLISA has used different poverty lines<sup>3</sup> over three periods of times: 1993-1995, 1996-2000 and since 2001 (Ethnic committee, 2002:92). For this last period, the value of the poverty line has been increased by 1.5 times to account for an improvement of the country's living conditions caused by a Vietnam's GDP multiplied by 1.97 (ibid: 93). According to this last definition, in 2001, there were 2.8 millions poor households in Vietnam, i. e. 17.2% of its population.

According to the Ethnic Committee (2002): 1) poverty in Vietnam is concentrated in rural and mountainous areas, where household income is low and fluctuating and where the availability of natural resources and the level of economic development are low; 2) ethnic minority groups are generally victims of poverty.

#### CHARACTERISTICS OF POVERTY

At the national level, evaluation of poverty differs from one assessing agency to the other. In 1992-1993, GSO and MOLISA considered that 20% and 22.3% respectively of Vietnamese households were poor. But, for the same year, according to the World Bank, it was the case for 50.9% of households (Table 2).

<sup>3</sup> For the period 2001-2005, a household is classified as poor if its monthly income per person is less than 150.000 VND in urban areas, 100.000 VND in rural areas and 80.000 VND, in mountainous areas (Ethnic Committee, 2002 : 93)

Later, on the basis of a slightly different Poverty Line, GSO and the World Bank estimated the incidence of poverty to be 58%. Overall, all these evaluations establish that the poorest regions of Vietnam are the Northern Uplands, the North Central and the South Central Coasts.

**Table 2. Incidence of poverty by region in 1993, following different criteria**

Regions	Hunger Poverty Line (MOLISA) <20kg of paddy/month/person in the plains and the lower hill areas and < 15kg of paddy /month/person in the Highlands	Poverty Line (GSO) 840,000d in urban and 600,000d rural areas	Basic Needs Poverty Line (World Bank)	Overall Poverty Line (World Bank and GSO)
	(%)	(%)	(%)	(%)
<b>Northern Uplands</b>	28.8	25	59	79
<b>Red River Delta</b>	26.4	14	50	63
<b>North Central Coast</b>	34.7	25	71	75
<b>South Central Coast</b>	15.9	18	49	50
<b>Central Plateaux</b>	19.6	30	50	70
<b>South East</b>	18.5	11	33	33
<b>Mekong River Delta</b>	14.0	18	48	47
<b>Vietnam</b>	22.3	20	51	58

Sources: Hainsworth, 1999; World Bank, 1995; Anonymous, 1999.

Surveys show considerable differences in the distribution of poverty between rural and urban areas. In 1993, according to the GSO and the World Bank (Anon, 1999: 11), the incidence of poverty was higher in rural than in urban areas, i.e. 66% and 45% respectively. Furthermore, about 90% of poor households were concentrated in rural areas where about 80% of the population lives. Efforts towards the elimination of poverty must therefore be concentrated in the rural areas.

At the national level, the Northern Uplands and the Highlands remain the poorest regions. Residents of these mountainous areas generally suffer from poverty more than those inhabiting the more populated lowlands. In the Highlands, the population has to cope with, among other things, limited infrastructure and services. Consequently, poverty in Vietnam must also be evaluated in terms of the lack of infrastructure, whether it concerns electricity, roads, schools or clinic, in that order.

Presently, although the Kinh are fast encroaching into the Highlands, the majority of the population is still accounted for by ethnic minority groups, most of which still practice some form or other of shifting cultivation. Unlike the Kinh

(Vietnamese), the ethnic minorities of this region are dispersed and live far from national roads and populated centers. Therefore, they have less access to economic development opportunities. Furthermore, they have to face difficult natural conditions in order to survive due their way of life based on shifting cultivation. According to the survey of PMS, the incidence of poverty is 39% among the Kinh, 58% among the Tay, 89% among the Dao, and 100% among the H'mong (Le Duy Phong and Hoang Van Hoa, 1999: 66). In 1993, the average incidence of poverty for the entire region stood at 86% (Anonym, 1999).

According to studies prepared by the UNDP, the GSO and the World Bank (UNDP, 1997; Anon, 1999), the main causes of poverty in Vietnam are 1/ isolation (geographical, linguistic, social, intellectual and economic); 2/ the inability to cope with excessive risks (natural disasters, death, illness, bad harvests, unforeseen pregnancy); 3/ the lack of access to available resources (especially land, credit, technology and information); 4/ inadequate participation in the governmental programmes; and 5/ lack of sustainability (financial and environmental).

#### EVOLUTION OF POVERTY IN VIETNAM

According to studies prepared by the Vietnamese government and international organizations, over the last five years, poverty in Vietnam has been reduced from 58%, in 1993, to 37% in 1998 (Anonym, 1999). These results, however, are very unreliable, considering the very limited size of the sample population covered by these studies<sup>4</sup>.

In any case, according to these sources, in urban areas, the incidence of poverty apparently evolved from 25% to 9% and, in rural areas, from 66% to 45%. All the geographical regions observed a reduction of poverty. Among them, the Red River Delta and the North Central Coast achieved the strongest success in the struggle against poverty where it decreased by 34% and 27%, respectively (Table 3).

Among ethnic groups, the Kinh majority suffered the least from poverty and has improved its situation the most between 1993 and 1998 (Table 4). All the other ethnic minority groups suffer from a high incidence of poverty but they also improved their standard of living over the same period of time, although to a lesser degree. The Tay, Thai and Nung, for example, who mainly live in the valleys of the mountainous areas, benefit from a relatively good access to national roads and populated centres. They were more successful at improving their economic conditions when compared to the H'mong and Dao living in scattered locations within the mountainous areas. These are the poorest of all ethnic minority groups in Vietnam.

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<sup>4</sup> VLSS surveys among a limited and ill defined sample of about 6.000 households .

**Table 3. Evolution of incidence of poverty in 1993 and 1998 by region (%)**

	<b>1993</b>	<b>1998</b>	<b>Rate of change between 1993 - 1998*</b>
<b>Northern uplands</b>	79	59	- 20
<b>Red River Delta</b>	63	29	- 34
<b>North Central Coast</b>	75	48	- 27
<b>South Central Coast</b>	50	35	- 15
<b>Central Plateaux</b>	70	52	- 18
<b>South East</b>	33	8	- 25
<b>Mekong River Delta</b>	47	37	- 10
<b>Vietnam</b>	58	7	- 21

Note: \* The sign negative (-) means the decrease in rate of the incidence of poverty.

Source : Anonym, 1999 : 15.

A word of caution : these results are based on VLSS surveys carried out among a limited and ill defined national sample of about 6.000 households.

**Table 4. Evolution of incidence of poverty by ethnic group (%)**

<b>Ethnic group</b>	<b>Poverty in 1993 (%)</b>	<b>Poverty in 1998 (%)</b>	<b>Rate of change in period 1993-1998*</b>
<b>Kinh (Vietnamese)</b>	55.1	31.7	- 23.4
<b>Tay</b>	81.3	63.8	- 17.5
<b>Thai</b>	82.3	71.1	- 11.2
<b>Nung</b>	91.8	72.0	- 19.8
<b>H'Mong</b>	100.0	91.8	8.2
<b>Dao</b>	88.5	100.0	11.5

Note: \*The sign negative (-) means a decrease on rate of poverty incidence.

Source : Glewwe et al., 2000 : 39.

A word of caution : these results are based on VLSS surveys carried out among a limited and ill defined national sample of about 6.000 households.

Rural poverty in the Highlands is closely related to food production. Those groups who live in the lowlands or plains are usually more prosperous as farmers than those living on steep slopes and practicing, by tradition, shifting cultivation. Furthermore, the latter have less access to adequate infrastructure, such as irrigation works and roads, and other socio-economic amenities, such as



education and health care services. This explains why their production of food is too low (Table 5).

**Table 5. Vietnam. Per capita food production among some ethnic groups in the Northern Uplands in 1997**

<b>Ethnic group</b>	<b>Food production (kg/person/year)</b>	<b>of which rice (kg)</b>
<b>Kinh</b>	287	210
<b>Tay</b>	212	125
<b>Nung</b>	205	120
<b>Thai</b>	170	97
<b>H'mong</b>	135	55

Source : Le Duy Phong et Hoang Van Hoa, 1999:147.

Over the last decade, Vietnam apparently achieved some successful results in poverty reduction. Several international organizations, like the UNDP and the World Bank, emphasized Vietnam's efforts in poverty reduction (Anon, 1999; UNDP Vietnam, 1997, 1999; Glewwe *et. al.*, 2000). According to the 2000 UNDP's Report on Human Development, Vietnam ranked 47<sup>th</sup> among 174 developing countries on the human poverty index. In order to reduce poverty, the Vietnamese government took the following initiatives.

1. Since 1968, a sedentarisation programme has been implemented for the ethnic minorities, to help them increase their food production. For that purpose, in 2000, 4.8 millions \$CAN were assigned to the Northern Uplands (Nhan Dan, 3 February 2000).
2. Programme No 135 provided 70 millions \$CAN to help the poorest communes of Vietnam.
3. In 1998-1999, the Government also initiated a 25.5 millions \$CAN programme to subsidize the purchase price for vital goods in mountainous provinces (Nhan Dan, 6 July 2000).

Finally, with Doi Moi (renovation), considerable economical growth contributed to an increase in the living standards of the Vietnamese population as a whole. This increase among rural households' income contributed to reduce the overall incidence of poverty in Vietnam.

## **SOCIO-ECONOMIC CONDITIONS IN VIETNAM**

### **POLITICAL AND HISTORICAL CONTEXT**

Prior to 1975, and for over a century, Vietnam had been a French colony and the theatre of several armed conflicts. In 1930, the establishment of the Communist Party of Indochina, predecessor of the present Communist Party of Vietnam, was an important step in the country's history. Fifteen years after its foundation, the Party led the struggle for independence against the French colonialists, then the Japanese fascists. Finally these wars gave birth to the Democratic Republic of Vietnam.

When the French colonialists came back to occupy Vietnam, the Vietnamese people entered into a nine year resistance war. It ended in 1954, with the Dien Bien Phu victory, which liberated Vietnam from the French domination. The liberated North adopted the way of socialism while the South adopted a capitalistic regime supported by the United States. To unify the entire country, the Vietnamese people had to struggle for another 20 years, this time against the Americans and their South-Vietnamese administration. The final victory took place in 1975.

The liberation of the South and the unification of the country in 1975 brought Vietnam into an era of reconstruction and economical development. The Fourth Congress of the Communist Party of Vietnam (12/1976) confirmed the adoption of socialism for Vietnam, and the pursuit of the following objectives: socialist industrialization based on heavy industry; the relocation of millions of people in New Economic Zones in order to develop marginal regions; and, finally, the collectivisation of all agricultural lands<sup>5</sup> in the country (Tran Ba De, 1998: 32).

In spite of encouraging results, such as the unification of state institutions and of the economy, the nationalization of trade and industry in the South, as well as the collectivisation of agriculture, the Vietnamese economy faced a decline of industrial and agricultural production, a shortage of food and a reduction of living standards. After fifteen years of agricultural collectivisation in the North, the same system was applied too hastily and rigidly in the South without any account having been taken of its own socio-economic characteristics. Also, some mistakes first committed in the North were repeated. Consequently, a serious crisis crippled the entire country's agriculture.

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<sup>5</sup> It is important to note that the terms 'agricultural cooperativisation' (hîp t<sub>c</sub> hĩa n«ng nghiÖp) and 'agricultural collectivisation' (tÊp thÖ hĩa n«ng nghiÖp), are used in many works as synonyms. They have to be differentiated. The first, having a more general sense than the second, corresponds to '... a mode of agricultural production under the form of cooperatives when the production is socialised...' (Pham Nhu Cuong, 1991b: 23) whereas the second refers to '... the direct and complete collectivisation of means of agricultural production ...' (Pham Nhu Cuong, 1991a: 6). In Vietnam, '... the agricultural cooperativisation is essentially the agricultural collectivisation...' (Pham Nhu Cuong, 1991b: 11). Therefore, in this study, the term used will be 'agricultural collectivisation'.

During this period, the national economy experienced an important crisis; and life became precarious for the majority of the population. This dramatic situation prompted the government to apply a set of new policies

In 1986, in order to correct "(...) the mistakes resulting from the application of the main policies (...)" (CPV, 1987: 26), the Sixth Congress of the CPV marked the beginning of a period of reconstruction called *Doi Moi*. The principal objectives were to: 1) liberalize the entire economy, 2) develop the three sectors of the economy, i.e. state, private and family, and 3) abolish the monopoly the state previously had on trade, particularly of food products.

The *Doi Moi* put an end to the economic crisis<sup>6</sup>, establishing macro-economic stability, initiating economic growth, an influx of foreign investments, and, finally, an increase in agricultural production and exports, notably of foodstuff<sup>7</sup>. Gradually, Vietnam strengthened its international cooperation and improved bilateral relations with all countries. Additional economic programmes strengthened the market-oriented economy, while diversifying economic activities and improving the population's living conditions.

#### IMPORTANT SOCIO-ECONOMIC POLICIES AFFECTING RURAL DEVELOPMENT

Once independence had been forcefully gained from France in 1954, the North of Vietnam adopted a socialist economy. This involved a series of macroeconomic policies that influenced the socio-economic development of the mountainous regions. Several of these, such as agricultural collectivisation, population resettlement and reforestation programmes, will now be reviewed because of their impacts on the exploitation of natural resources and on poverty.

##### **Agricultural collectivisation**

After 1959, agricultural collectivisation influenced the socio-economic development of the North, and, following the unification of the country, that of the South. This collectivisation reached all the rural areas where the majority (80%) of the population lived<sup>8</sup>. Consequently, the successes and failures of the programme had considerable consequences on rural development and also on the exploitation of natural resources.

During more than 40 years, the strong efforts put into the collectivisation of Vietnamese agriculture generated clear successes but also bitter failures. The collectivisation facilitated the construction of rural infrastructures like roads,

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<sup>6</sup> From 1986 to 1989, the rate of inflation passed from 487% to less than 75% (Riedel et Comer, 1997).

<sup>7</sup> Vietnam, importer of about 0,5 millions tons of food in 1986, became a world major exporter of 1.3 million tons of rice in 1989 (FAOSTAT, 2000).

<sup>8</sup> The rural population constitutes about 90% of total population in 1945 and 78 % in 1999.

electricity, schools and clinics. The creation of cooperatives favoured the expansion of cultivated lands, the building of irrigation systems, increased reliance on agricultural machinery, etc. The principles of equality within the cooperatives also insured social stability in rural areas of the North.

However, as illustrated by several studies, agricultural collectivisation also met with failures in Vietnam (Pham Nhu Cuong, 1991b; The Cao Doan, 1991; Nguyen Huy, 1991, Chi Va Lam and *et al* 1992). From social and political points of view, the theory and practice of agricultural collectivisation had not taken into account the socio-economic characteristics of the countryside (Chi Van Lam *et al.*, 1992:68). Furthermore, the collectivisation process, particularly the collective ownership of means of production, was inadequate to improve productivity<sup>9</sup>, (*Ibid*, 1992: 69). The old model of the cooperative hindered the role of peasant households in rural economic life, whereas today, the household economy constitutes a motor of development.

From an economic point of view, collectivisation proved to be inefficient in terms of ownership of the means of production, as well as management of, production and distribution of products. The complete collectivisation of means of production – an important process in the creation of the cooperatives – separated the peasants from the production process. The mechanical division of agricultural production into several "stages" and the establishment of many intermediaries in productive management detached the peasants from the final products. Often, production remained weak because of the elimination of incentives.

### **Sedentarisation programme**

Adopted in 1968, the sedentarisation programme has been designed to reduce the practice of shifting cultivation by several ethnic minorities and to raise their living standard. This programme extended over three periods of time. The first, going from 1968 to 1970, was a preparatory one that took place in the villages of the Dao and H'mong. These people were the most active shifting cultivators. The second period, from 1971 to 1990, has seen the establishment of new centres of dwellings for the shifting cultivators, the reclamation of new agricultural lands and the construction of infrastructures, such as roads and irrigation systems. Finally, since 1991 a market-oriented economy has developed, following the application of the Doi MOI reform at the scale of the country.

In spite of all the efforts devoted to the sedentarisation of populations, the elimination of shifting cultivation is still an important challenge. According to a recent estimation (Quyet Thang, 2000), about 200 000 households in Vietnam (i.e. 1.2 millions peoples) participate to the sedentarisation programme. Over the

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<sup>9</sup> The radical elimination of private property, the predominance of collective property and the rapid and complete transition of a household production to a collective one demonstrated an inadaptation of collectivisation to socio-economic reality.

years, this programme has been associated with other socio-economic projects in the context of the country's economic growth, on the one hand, and with an efficient family planning programme to reduce the rate of demographic growth among the ethnic minority groups, on the other.

### **Migration programme and new economic zones**

Since 1960, in the North, and 1975 for the whole country, the Vietnamese government has put in place several migration programmes and established New Economic Zones. The principal objectives were to reduce the demographic pressure in the highly populated regions, rationalize the distribution of human and natural resources, expand agriculture, and, finally, improve population distribution for national security purposes. From 1960 to 1997, about six million people<sup>10</sup> were displaced, and 1.7 million hectares of land were reclaimed for agricultural purpose (Do Van Hoa and Trinh Khac Tham, 1999: 6).

Since 1988, a new phenomenon of massive displacement, known as spontaneous migration<sup>11</sup>, has become common. People are moving essentially from the poor mountainous provinces of the North towards the Central plateaux considered richer in land and forest. Between 1988 and 1996, according to Do Van Hoa and Trinh Khac Tham (1999: 9), the number of spontaneous migrants having moved from the provinces of the North to these two regions reached 100,000 and 97,000, respectively, whereas during the same period, 74,000 persons (*ibid.*: 9) were displaced within the provinces of the Northern Uplands and regions along the Vietnam-Laos borders.

These policies contributed to a certain level of economic development for local people but they have also caused multiple difficulties in terms of conservation and utilization of natural resources, as well as poverty in the region.

### **Programmes concerning the utilization of natural resources**

Over the past 40 years, the Vietnamese government has paid special attention to environmental issues and carried out many programmes concerning reforestation as parts of different projects supported both by domestic and international organizations (Vo Thanh Son, 2001: 35). Recently, aforestation, regeneration, and utilization of forest resources have been implemented by national programmes, such as programme 327 – on five million hectares of forest. Forestlands have also been allocated to households for production and conservation purposes. For the 1960-1997 period, according to MOSTE (1998), about 1.4 millions hectares of forest have been planted, i.e. 48,000 ha per year. Thanks to forestland allocation, local people can collect products from the forest gardens.

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<sup>10</sup> Guest (1998:4) mentioned about 4,75 millions of migrants during the period 1975 - 1995.

<sup>11</sup> After 1986, spontaneous migration may have been accelerated by the more favourable conditions assured by the socio-economic reform, Doi Moi.

## **INTERDEPENDENCE BETWEEN NATURAL RESOURCE UTILISATION AND POVERTY REDUCTION : NA HANG DISTRICT, TUYEN QUANG PROVINCE**

### **NATURAL CONDITIONS**

Na Hang district is situated in the north of Tuyen Quang province and shares borders with Bac Me district (Ha Giang province) and Bao Lac district (Cao Bang province), in the north, with Chiem Hoa district (Tuyen Quang province), in the south, with Cho Don district (Bac Kan province), in the east, and with Bac Quang district (Ha Giang province), in the west (Figure 1). It occupies about 148,000 ha and is the largest district of the province (Cuc Thong ke Tuyen Quang, 1995).

The mountainous landscape is characterized by steep slopes and fluvial valleys. The arc-like topographic structure is essentially made of limestone rocks. This convex arc is known as the Arc of the Gam River (The Ba Thao, 1997; Nguyen Trong Dieu, 1992). The limestone is mostly found in the south and the west of the district. The elevation of this region varies from 50 to nearly 1,400 meters in the Thuong Yen mountain (Thuong Yen commune). Two thirds of the district are located on slopes steeper than 45° (Bui Quang Toan, 1994). The landscape is organized downwards along a north-south axis.

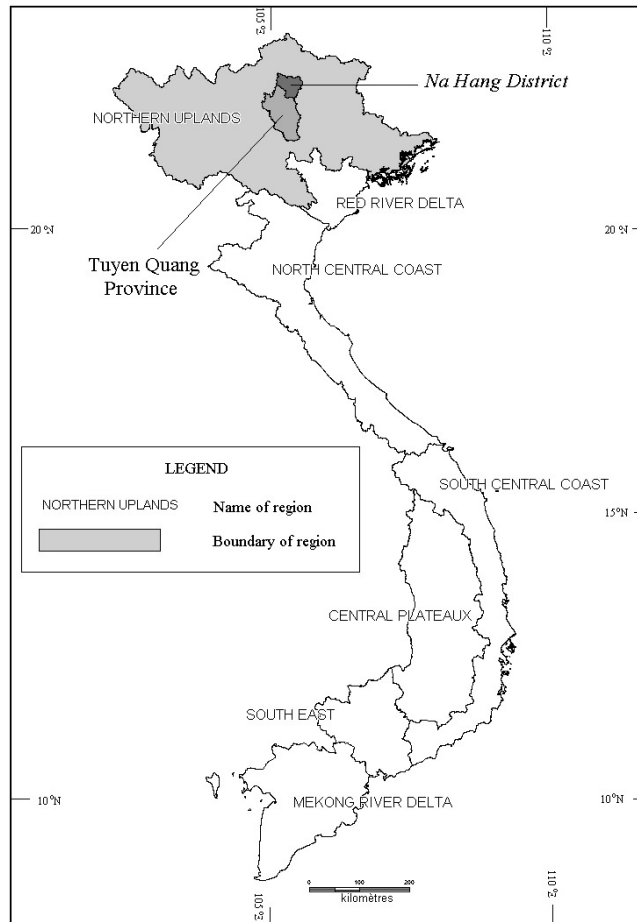
The characteristic climate of Na Hang district is subtropical. The rainy season, hot and humid, extends from April to September, whereas the dry one, which lasts from October to March, is much colder, sometimes with white frost. The annual average temperature is 23°C, with a monthly maximum of 28°C, and a minimum close to 15°C (Cuc Thong ke Tuyen Quang, 1995). Annual average precipitations are of about 1,600 mm., May to August are the most humid months, receiving about 75% of total rainfall.

Na Hang district comprises the watersheds of two major rivers: the Gam and the Nang. The River Gam, with its source in China, crosses the district along a north-south axis whereas the Nang River takes its source in the Ba Be lake in the neighbouring province of Bac. It adjoins the Gam River at the foot of the Bac Ta mountain, south of the district. These two rivers serve as the main ways of communication between Na Hang district and the provincial town of Tuyen Quang. All the forest products, including logs, bamboos and raw materials for the pulp and paper industry, are transported downstream. Two secondary rivers, the Ngoi Trang and the Bac Nam, flow into the Gam river. During the rainy season, only the Ngoi Trang can serve to transport forest products. Besides, there are numerous small streams of medium and small sizes. Because of the reduction of the vegetation cover in the upstream basin, over recent years, floods have occurred in the region.

The Na Hang district is rich in forest and biodiversity. During the French era, nearly all of Na Hang was covered by tropical forest. During the war, the district's forest was heavily degraded due to overexploitation, shifting and

excessive collection of firewood. The Na Hang natural reserve has been established in 1993 in order to protect the rich tropical forests, which contain several endangered species. Thanks to appropriate policies, it seems that the forest cover is now steadily regenerating.

**Figure 1. Location of Na Hang district**



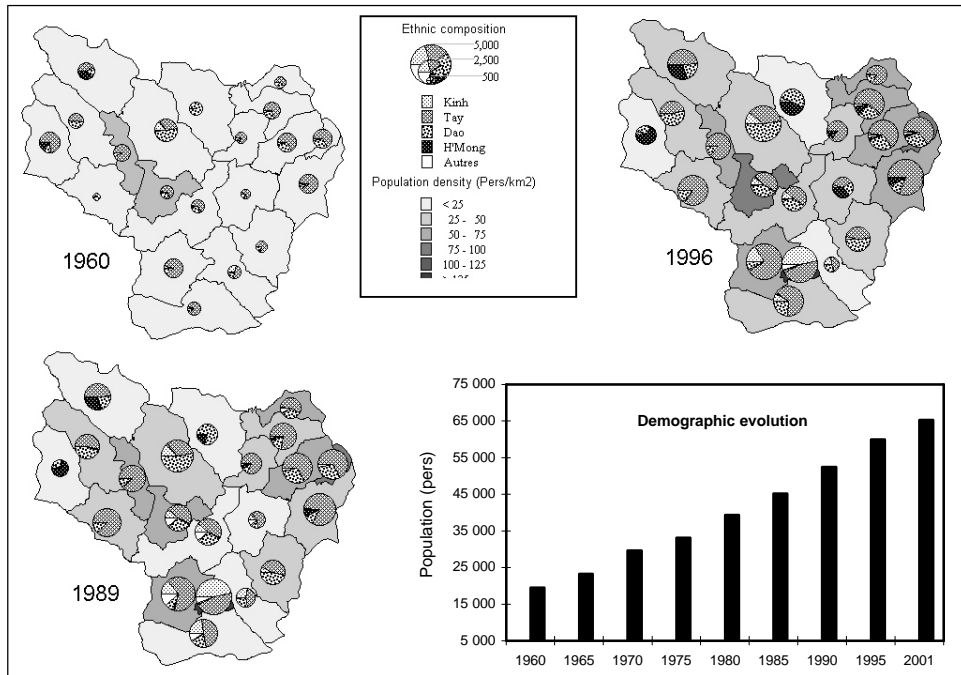
## DEMOGRAPHY AND DEMOGRAPHIC POLICIES

### Population and ethnic groups

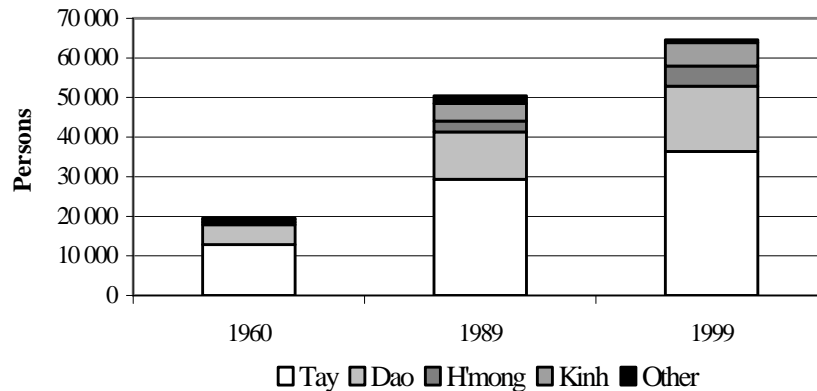
For a long time, many ethnic groups have lived and cultivated land in the Northern Uplands region. In Na Hang district, four ethnic groups – the Tay, Dao, H'Mong and Kinh – make up about 99% of the population (Figure 2). From 1960 to 1999 population density almost tripled, from 15 persons/km<sup>2</sup> to 43 persons/km<sup>2</sup>. Growth rates vary according to the ethnic groups. For the past 40

years, Kinh and H'mong populations have increased the most in the district. Since the 1960s, and mostly because of migration programmes, the Kinh came to establish New Economic Zones and set up new forest enterprises (Vo Thanh Son, 2001). On the other hand, when the H'mong have seen their number increase, they have spread to other communes to the east and south-east to find more appropriate living conditions and to practice shifting cultivation (Nguyen Anh Ngoc, 1989; Khong Dien, 1995). Tay people, the main ethnic group in the area, have always been present in all the district's communes (Figure 3).

**Figure 2. Na Hang. Demography and ethnic groups**



**Figure 3. Na Hang. Ethnic composition**





Situated in the north of Tuyen Quang province, the Na Hang district possesses particular demographic and ethnic characteristics. First, its population is rather small compared to the populations of other neighbouring districts. In 1999, Na Hang's population density stood at 43 persons/ km<sup>2</sup>, while the province's owned density reached 120 people/ km<sup>2</sup>. The rough terrain and poorer quality infrastructure, particularly the road system partially explain this discrepancy. The Tay people, the most populous ethnic group, usually live in valleys where paddies are available. When the paddies cannot produce enough food to meet their needs, they tend to practice shifting cultivation on sloping lands. For their part, the Dao and the H'mong live mostly at higher altitudes, between 500 and 800 meters. They are those relying the most on shifting cultivation. However, when topographic and hydrologic conditions are favourable, the H'mong also cultivate paddies in terrace, using appropriate techniques. The Tay concentrate in villages located in the valleys whereas the Dao and the H'mong live in dwellings more or less dispersed and isolated. Therefore, the Tay have better access to the network of communication and to the social services.

Until 1996, seven ethnic groups of more than 100 persons each were present in the Na Hang district. However, only four ethnic groups (the Tay, the Dao, the H'mong and the Kinh) form about 99% of the population. The Tay were probably present in the area before the other ethnic groups. They still constitute the majority of the population, accounting for 66% of total population, in 1960, and 59% in 1996. The Dao people come with 23% and 26%, respectively, for the same years. In spite of a modest proportion of only 8%, in 1996, the H'mong population has increased over the last ten years. The proportion of Kinh has risen from 3%, in 1960, to 10% in 1991 (Cuc Thong ke Tuyen Quang, 1992).

### **Major policies influencing socio-economic life in rural regions**

#### *Agricultural collectivisation*

In the rural and mountainous areas of Na Hang district, socio-economic policies have strongly influenced the exploitation of natural resources and the livelihood of local people. One of the most important policies has been the collectivisation of agricultural lands. On the one hand, agricultural cooperatives implemented all the socio-economic policies adopted by the government. On the other hand, they adapted these policies to the particular circumstances of each locality. Thus, learning about the history of this campaign, as well as its success and failures, could help understand the causes of the degradation of natural resources and, in turn, its influence on rural poverty.

Beginning in the early 1960s, this campaign has rapidly developed, attracting about 96% of the district's households in 1968 who joined the agricultural cooperatives (Bao cao UBND Na Hang, 1968). The rapid development of these cooperatives exceeded the management capacity of their leaders. Shifting cultivation remained common, because this cultivation technique was simple and knowledge local ethnic minorities had about agricultural techniques was limited. Therefore, the successes and failures of the cooperatives have heavily

influenced the livelihood of the local population. The management efficiency of the cooperatives was weak, food production had declined and, finally, the living standards of the cooperatives' members was too low, mostly because the cooperatives could not supply enough food. Consequently, the agricultural cooperatives' members were not interested in the collective economy and had a tendency to return illegally to the practice of shifting cultivation on sloping lands (Bao cao UBND Na Hang, 1979). Also, these activities put more pressure on the exploitation of forestland, and on other limited resources in the district.

After the adoption of Directive 100 (1981), the management capacity of agricultural cooperatives improved slightly and food production increased anew after a long period of stagnancy. The effectiveness of small cooperatives and the fact their members were granted more autonomy in production generated some successes. Resolution No 10 (1986) confirmed the households' production autonomy. Since the early 1990s, the cooperatives only play the role of service suppliers for the households: pest control, irrigation management, etc.

#### *Population migration*

For a long time, and for a number reasons, people from different ethnic communities immigrated to Tuyen Quang province, in general, and to Na Hang district, in particular. Kinh people, for example, went to Na Hang district mostly because they were involved in the establishment of New Economic Zones. They were setting up agricultural and forest enterprises. Consequently, over the last decades, the population of the district increased rapidly because of both, natural growth and immigration (Table 6).

**Table 6. Tuyen Quang. Average annual rate of demographic growth by period (% per year)**

District	1943-1960	1960-1975	1975-1982	1982-1995
Na Hang	8,5	4,5	4,0	3,2
Province	5,0	7,9	4,7	3,7

Source : Cuc Thong ke Tuyen Quang, 1967, 1968, 1976, 1995. Cuc Thong ke Ha Tuyen, 1982, 1985, 1987.

Between 1945 and 1954, Tuyen Quang province served as a revolutionary base for the Vietnamese people against the French colonialists. Rich in natural resources, the province attracted about 700 Kinh people a year who cleared the forest for agricultural land. After 1960, the authorities adopted policies to promote the economic development of mountainous regions. Migration policies were implemented to prompt people from the Red River Delta to migrate to the Midlands and Highlands provinces where they could participate in the New Economic Zone's programmes. It seems that, during the 1960-1975 period, a yearly average of 5,000 people migrated into the region (Vo Thanh Son, 2001 : 120). However, it seems that in the following years, the flow was gradually

inverted To such an extent, that between 1980 and 1993, more people left the province than migrated to it (Table 7). The flow of outmigrants was oriented mostly towards the Central plateaus and the South-East (Vo Thanh Son, 2001: 121). These were mostly H'mongs, Tays and Nungs (Nguyen Anh Ngoc, 1989; Khong Dien, 1995: 196).

**Table 7. Na Hang. Migrants**

	<b>1943-1954</b>	<b>1955-1973</b>	<b>1974-1979</b>	<b>1980-1993</b>
<b>Migrants</b>	985	685	128	- 2,150
<b>Including workers</b>	328	342	51	- 860

Source : Tong cuc Thong ke, 1994.

The explanation seems to be the following Before the 1980s, representatives of ethnic minority groups from the provinces of the North moved into the region, as they were trying to avoid the consequences of a border conflict with China. During the 1980s, many of them began to leave the district heading south, to the Central Highlands, while Kinh people began to return to the provinces of the Red River Delta attracted by government programmes.

#### *Sedentarisation programme*

In 1968, following the adoption of Resolution 38/CP, the Na Hang district initiated a sedentarisation programme for the ethnic minority groups practicing shifting cultivation. The implementation of this programme faced several difficulties because of the remoteness and the dispersion of the population, poverty and shortage of food. The ethnic minority groups had to practice shifting cultivation for survival because of the lack of land for agriculture, particularly paddies. Agricultural cooperatives were in charge of the resettlement process for the limitation of shifting cultivation. But these cooperatives have been unable to satisfy the needs of the ethnic community groups in terms of means of production for the construction of infrastructures and the production of food. The people targeted by the sedentarisation programme were shifting cultivators from several minority groups, mainly Dao, H'mong and some Tay. In 1969, a pilot project was implemented in Na Hang district to settle about 200 Dao households<sup>12</sup> and was eventually expanded to the whole province for about 4,400 households (26,400 persons) from 50 communes where shifting cultivation was practiced (UBND Ha Tuyen, 1977).

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<sup>12</sup> In the context of the sedentarisation programme, this pilot project was carried out in Duc Xuan, commune in the north of Na Hang district and concerned 209 Dao households (1,558 persons) belonging to 6 agricultural cooperatives (UBND Ha Tuyen, 1977). The experience acquired from the successes and failures of this pilot project was used to implement other sedentarisation projects in the province.

The most vital need of the newcomers was agricultural land. But the reclamation process necessary to secure agricultural land seemed to be complex, mainly because of the topographic conditions. According to the leader of the district (Pham Van Long, 1994), after twenty years of sedentarisation in Na Hang district, the efficiency of the programme appeared weak, as a third of sedentarised households still continued to practice shifting cultivation. In 1993, according to the provincial sedentarisation committee's chairman (Hoang Quoc Uy, 1994), in the 36 communes of the province, 29,021 sedentarised persons had still cultivated 75% of their land using the slash-and-burn technique, and 25% in paddies. As many as 2,100 persons, i.e. 7% of the total population, still relied solely on shifting cultivation.

It is important to note that the implementation of the sedentarisation programme closely relates to the previous agricultural collectivisation programme. The successes and failures of the latter consequently influenced the sedentarisation programme, because agricultural cooperatives were in charge of the settlement of shifting cultivators. Furthermore, the scale and the speed of implementation of the sedentarisation programme for particular ethnic minority groups were similar to those of agricultural collectivisation. The large-scale implementation<sup>13</sup> of the sedentarization programme, in terms of number of affected people, has not been very efficient. People had to continue to practice shifting cultivation in order to get food, because of the limited capacities of the cooperatives.

Currently, the sedentarisation programme seems to be applied in better-planned resettlement zones and is usually linked to poverty reduction projects for ethnic minority groups. Programme 135 has been launched to aid the poorest communes in Vietnam. For example, from 1996 to 2000 the Ministry of Agriculture and Rural Development of Vietnam implemented 645 sedentarisation projects concerning 186,000 households (i.e. 1.3 million persons) in the country (Quyet Thang, 2000). For Na Hang district, Programme 135 assisted all communes with the spending of 700 millions VND per year (equivalent to about 70,000 \$ Can) in order to improve infrastructures, such as systems of irrigation, inter-village roads and the construction of schools and clinics. By resettling, former shifting cultivators can therefore improve their living conditions.

#### *Forest land allocation*

In Vietnam, by convention, forest lands are divided into three groups: productive forest, protected forest, and special forest. The first group is controlled by forest enterprises; the second by the local authorities; whereas the last belongs to the

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<sup>13</sup> For the 1969-1971 period, about 13,300 people were sedentarised in the province of Tuyen Quang (Bao Tuyen Quang, 19/ 4/ 1972, No 384) whereas in 1994, the province in general completed the sedentarisation program with about 25,000 person (UBND Tuyen Quang, 1994). At the national scale, the 1970-1979 period is characterized by the fastest and most extensive sedentarisation (Be Viet Dang, 1995: 146).

national parks and natural reserves. Before the 1980s, in Na Hang district, productive forests were mainly distributed among forest enterprises and agricultural cooperatives specialized in forest activities (Chi cuc Kiem lam Ha Tuyen, 1990). These organizations had the right to exploit forests products and carry out activities of reforestation, while observing regulations on forest protection. However, in reality, because of the perceived abundance of forests, enterprises and cooperatives usually overexploited them when they were easily accessible. Consequently, the region has suffered from serious deforestation.

At the beginning of the 1980s, Vietnamese authorities recognized that there was a problem concerning forests management. Therefore, by November 6, 1982, the Council of Ministers adopted decision 184/ HDBT initiating the access to forest lands for peasant households. This decision was taken to encourage individuals to protect and rehabilitate the forest. Between 1982 and 1990, Na Hang district began to allocate parts of its productive forest lands peasant households (Chi cuc Kiem lam Ha Tuyen, 1990). These forests, also known as *forest gardens*, sometimes comprise lands covered with sparse vegetation and bare lands usually located relatively close to the dwellings. After having used the Nang Kha commune as a pilot site to implement this forestland allocation programme, the district set up forest gardens in all its communes. About 3,800 hectares of forestlands, of which about 500 hectares of forest, were distributed among more than 5,300 households of the district, i.e. 0.7 hectares per household (Table 8). By 1993, some 12,700 ha were managed by households, i.e. 3.4 times more than in 1983 while forests managed by enterprises dropped from 26,908 ha to 9,273 ha, between 1983 and 1993.

**Table 8. Allocation of forest lands in Na Hang district.**

Year	Total forest land (ha)	Managed by forest enterprises (ha)	Managed by households (ha)	Managed by local authorities (ha)
1983	121,426	26,908	3,787	90,730
1993	120,704	9,273	12,674	94,755

Source : UBND Na Hang, 6/6/1983; Phong Thong ke UBND Na Hang, 3/12/1993.

Since 1993, households have had a tendency to exploit more intensively their allocated forest gardens because local authorities are imposing strict policies on access to the remaining unallocated natural forest. Most products, such as wood for construction and firewood, have to be extracted from gardens. Thus, local people have to plant trees in their forest gardens in order to meet their domestic needs.

### *Reforestation and programme 327*

The first reforestation activities in Na Hang district were completed by the end of the 1960s. Reforestation was achieved mainly by forest enterprises and cooperatives specialized in reforestation, and also by peasant households. The first two planted trees on bare lands, slopes of mountains, and along rivers in order to supply raw material for paper mills, and protect the environment. The households afforested relatively small and dispersed areas in *forest gardens* to satisfy their daily need of wood. Programme 327 has been implemented since 1995-1996<sup>14</sup> to finance the restoration of the district's bare lands (Table 9).

**Table 9. Na Hang. Reforested areas in 1978, 1987 et 1995**

Year	1978	1987	1995
Areas (ha)	578	1193*	2674

\* Areas under the management of two forest enterprises.

Source: UBND Ha Tuyen, 1978; Cuc Dia chinh Tuyen Quang, 1995.; UBND Na Hang, 5/1/1987.

Between 1968 and 1978, Na Hang district's reforestation was achieved by the Na Hang forest enterprise, and, between 1978 and 1990, a new forest enterprise, Ban Lam, joined it. The extent of replanted areas depended on available financial sources. In 1973, although Tuyen Quang province replanted 120,000 ha in order to supply raw materials for paper mills (UBND Tuyen Quang, 1974), Na Hang district, because of its remoteness and unfavourable topographic conditions, benefited little from that provincial project<sup>15</sup>. Before 1987, the district yearly replanted from 200 to 300 hectares of forest, a work mostly completed by forest enterprises (Vo Thanh Son, 2001: 134). However, except for 1993, between 1989 and 1995, planted areas remained small because of the restructuring of the forests enterprises' administration. After 1995, replanted areas increased considerably, reaching 600-700 ha per year, thanks to Programme 327.

## AGRICULTURAL LAND AND FOOD PRODUCTION

### **Agricultural land**

The economy largely depends on agriculture, and, therefore, on agricultural land. Because of the topography, land availability in the district is limited, adequate agricultural land being mostly found in narrow strips along rivers. The

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<sup>14</sup> Programme 327 was implemented in the Tuyen Quang province in 1993. During the years 1993-1995, the province planted 10,000 hectares of forest, essentially in the Ham Yen, Yen Son, and Chiem Hoa districts.

<sup>15</sup> In 1984 and 1986, Tuyen Quang province provided respectively 11,000 and 19,000 m<sup>3</sup> of wood for primary materials to the Bai Bang paper mill, while the Na Hang district produced about 1,000 m<sup>3</sup> per year (So NNPTNT Tuyen Quang, 1995; Bao cao UBND Na Hang, 1985, 1987).

Tay and Kinh usually cultivate paddy fields in the valleys. Furthermore, because the Tay have stayed in the district for a long time, they occupy the most fertile land. When they do not have enough land in the valleys, they also practice slash-and-burn cultivation on the slopes. As mentioned earlier, the Dao and M'ong traditionally lived on mountain' slopes ranging from 500 to 800 meters in altitude (Khong Dien, 1996), usually practicing shifting cultivation. Where the hydrological regime and topographical conditions permit it, H'mong have also cultivated rice on terraces in the mountains. They are concentrated mostly in the northern communes of the district where agricultural land, especially rice land, is limited. As usually, they have to clear forestland to cultivate. In the northern part of the district, shifting cultivation is still common even if, by 1991 and 1993, sedentarisation programmes did help to reduce it. Nevertheless, as population grows, demands for agricultural land increase, and pressure to clear the land for food production becomes more serious (Table 10).

**Table 10. Na Hang. Sedentarisation programmes, cultivated land and known areas of food crops**

	Cultivated land per capita	
	1978	1998
<b>Annual land (m2)</b>	755	830
<b>Paddies (2 crops) (m2)</b>	262	131
<b>Paddies (1 crop) (m2)</b>	350	319
<b>Cashcrop land (m2)</b>	143	380

### Food production

During the agricultural collectivisation period, i.e. 1960-1980, total food production remained low despite high governmental investment in agriculture (Figure 4). In 1981, Directive No 100 slightly helped to increase the overall agricultural production and the productivity of several crops (Figure 5). This directive granted more control to households on the production process. Resolution No 10, followed by *Doi Moi's* policies of socio-economic reform, completely changed the situation. And food production increased rapidly after 1993.

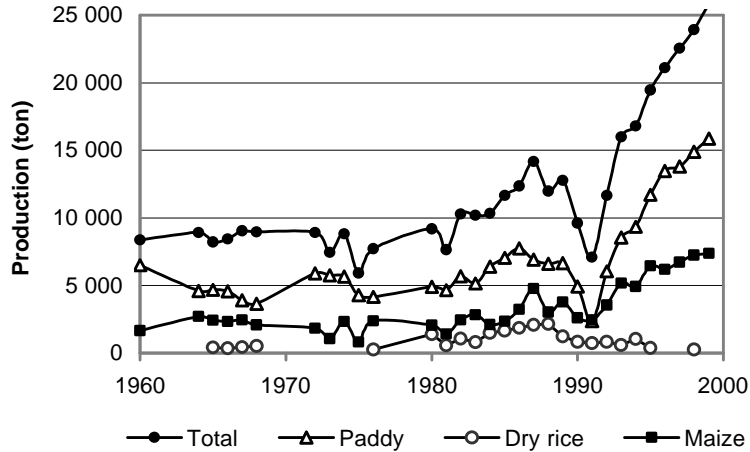
## UTILISATION AND MANAGEMENT OF NATURAL RESOURCES IN NA HANG DISTRICT

### Forest enterprises

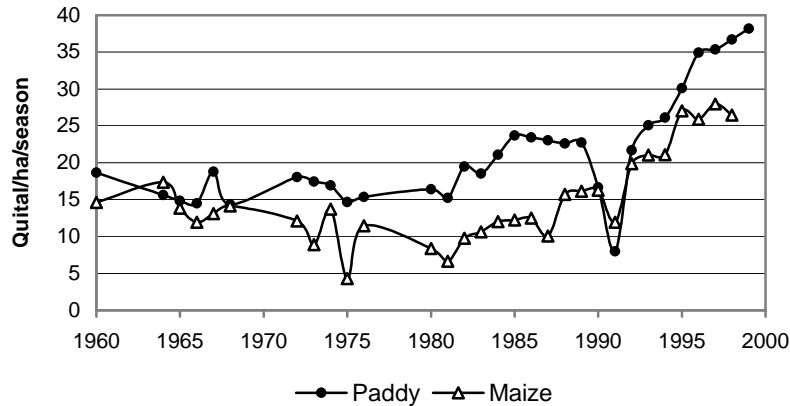
The development of forest enterprises has followed the increase in the demand for forest products. The Na Hang forest enterprise was established in 1966. It initially hired 200 workers, a number which reached 500 a few years later (Vo Thanh Son, 2001). The most important mandate of this enterprise was to exploit

forest resources, including wood, bamboo, fuel wood and other forest products following the plan adopted by the government. In 1978, a new forest enterprise, Ban Lam, was set up by dividing up the previous enterprise in order to intensify the production.

**Figure 4. Na Hang. Production of food**



**Figure 5. Na Hang. Productivity of food crops**



Since its establishment in 1966, the Na Hang enterprise managed all of the district's forestlands and extensively exploited its most favourable ones. By 1978, two forest enterprises managed about 40,000 ha, in fact all of the district's forests covering 27% of its territory. However, in 1986, forestlands under management

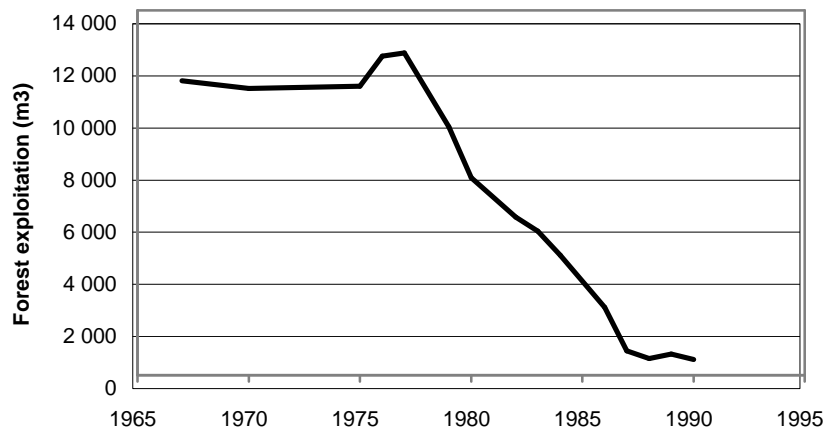


by the enterprises fell to 27,000 ha, then 9,000 ha in 1993. This happened because, firstly, the enterprises could not manage large areas of forestlands effectively, and, secondly, they overexploited forest resources and handed over degraded lands, or bare lands, to local authorities (Hoang Vi Pao, 1990).

Forest cover under management by forest enterprises decreased rapidly between 1978 and 1987, from 26,500 to 11,900 ha and then to only 6,100 ha in 1990 (Vo Thanh Son, 2001: 185). Consequently, these enterprises were responsible for the elimination of about 20,000 ha of forest in 20 years. Among the various types of forest, broadleaved tropical forest has suffered the most, losing some 15,600 ha. It must be pointed out, however, that since its formation in 1966, the Na Hang enterprise simply followed the government plan.

From 1966 to 1978, the scale of exploitation, about 11,000 m<sup>3</sup>, remained high but began to fall afterwards. This drop in production was due to the heavy degradation of the district's forest (Hoang Vi Pao, 198?) (Figure 6). However the drop in wood production was compensated by the growth of the non-wood products', particularly tall and small bamboos (Figure 7). The reason is that bamboo forests, a formation of degraded forest, have been expanding rapidly replacing hardwood forests.

**Figure 6. Na Hang. Wood production between 1965 and 1990.**

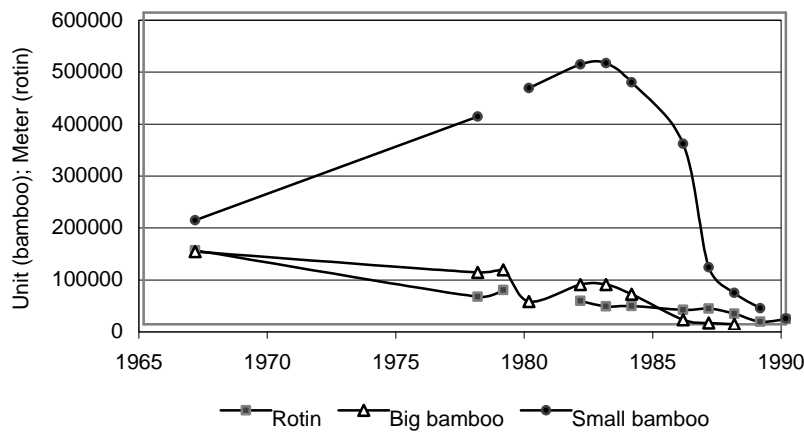


### Na Hang Natural Reserve

On 16 April 1994, by decree N° 849, the Ministry of Agriculture and Rural Development created the Na Hang Natural Reserve. The management plan for this reserve was approved on May 9, 1994, following the adoption of Decision No 274 by provincial authorities of Tuyen Quang. Afterwards, the Reserve was managed directly by the Provincial Department of Forest Protection. The principal objectives were: 1/ the protection of the natural forest and the

conservation of fauna and flora in the Reserve; 2/ the preservation of the biodiversity of mountainous forest ecosystems as well as the conservation and rehabilitation of endangered species; 3/ scientific research; and 4/ the district's overall development. The reserve covers 41,930 ha, including two strictly protected zones: Tac Ke, 12,520 hectares and Ban Bung, 15,000 hectares, separated by an ecological restoration area.

**Figure 7. Na Hang. Non-wood production (tall and small bamboo) between 1965 and 1990.**



Fauna and flora conservation in the reserve faced several obstacles. Firstly, the management plan for strictly protected zones and for ecological regeneration proved to be difficult to implement: this is where the population of the five communes lives. Obviously, there is a problem of definition: habitually, a reserve should not be inhabited (Boonratana, 1999). Therefore, in 1998 conservation planners had to overcome the challenge raised by the presence of 10,800 persons living inside the reserve (Phong Thong ke Na Hang, 1999). Even full-scale villages are found in the strictly protected zone. Regardless of strict conservation regulations, some people have also exploited illegally the products of the reserve.

In order to solve these problems, propositions were made to modify the limits of the reserve. Cox (1994) suggested to divide the reserve into two administrative units, i.e. two strictly protected zones: Tac Ke and Ban Bung. Also, Boonratana and Le Xuan Canh (1994, 1998a and 1998b) along with Hill *et al.* (1996, 1997) proposed two options. The first was to slightly modify the limits proposed by Cox (1994), and the second was to exclude the Khau Tinh Luong village of Khau Tinh commune, in Tac Ke site, to the north, and to displace centres of some dwellings of Thanh Tuong commune, in Ban Bung site, to the south. Finally, Boonaratana (1999) proposed a smaller reserve, containing only the protected zone of Tac Ke, in the north, and the zone of Ban Bung, in the south, which excluded all dwellings of Thanh Tuong commune and included an area slightly

extended toward to east and south. However, no proposition was officially approved for the legal management of the reserve. In brief, the ambiguity of the Na Hang natural reserve limits and the confusing functions of its zones are major constraints to the conservation and the development of the reserve.

### **Rural households**

Before 1993, households were freely exploiting the products of the forest. They also exploited the forest's products as part of their responsibilities within the agricultural cooperatives.

In 1993, the strict regulation on forest protection, promulgated by local authorities, limited the rights for local people to exploit the products of natural forests and encouraged them to use intensively their own forest gardens to satisfy their needs. Since then, they have had to plant trees, bamboo, and fruit trees on their own parcels. In general, by 1998 local people used from 0,13 to 0,45 m<sup>3</sup> of wood per person per year for construction purposes and, by 1999 5,1 m<sup>3</sup> of firewood per capita and per year for cooking purposes (Vo Thanh Son, 2001: 232-233). However, the better-off households seemed to use more firewood than the poor households (Table 11), mainly because they raise more pigs.

**Table 11. Vinh Yen. Annual consumption of firewood and animal husbandry.**

	<b>Better-off household</b>	<b>Poor household</b>
<b>Firewood per household/per capita (m<sup>3</sup>)</b>	25.5/5.3	24.1/4.9
<b>Buffalo and cow (unit)</b>	1.8	1.6
<b>Pig (kg)</b>	190	109
<b>Poultry (kg)</b>	23	14

Source : Survey of author, 1999.

Forest are also a good source of food products for people living nearby. The most important products are bamboo shoots, various vegetables, tubers and mushrooms (Table 12). Among these products, bamboo shoots are the most common food extracted by all ethnic groups. Several plants are also used by local people to prepare traditional medicines.

**Table 12. Na Hang. Exploitation of several forest food products in some villages in 1998.**

<b>Villages and communes</b>	<b>Na Pai (Vinh Yen)</b>	<b>Ban Bung (Thanh Tuong)</b>	<b>Pa Lang (Thanh Tuong)</b>	<b>Phia Chang (Son Phu)</b>	<b>Khau Tinh Luong (Khau Tinh)</b>	<b>Na Tang (Khau Tinh)</b>
<b>Ethnic group</b>	Tay	Tay, Dao	Tay	Dao	Tay	Dao
<b>Bamboo shoots (kg/person)</b>	14,6	62,0	12,3	6,8	3,4	5,7
<b>Vegetables (kg/person)</b>	7,3	0,8	10,5	67,5	1,1	1,1
<b>Tubers (kg/person)</b>	10,2		3,5	62,4		
<b>Mushrooms (kg/person)</b>		0,5		0,7		0,5

Source: Vo Thanh Son, 2001: 235.

The households can also participate in forest management by obtaining a contract from local authorities to protect the forest, usually its regeneration. To protect 1 ha of forest, they can receive 50,000 VND per year.

Shifting cultivation affected forestlands mostly during difficult years, i.e. the 1970s and 1980s, when agricultural cooperatives could not satisfy peoples' food needs. The strict regulations to protect the forest and the need to increase food production during the 1990s, particularly irrigated rice, limit the practice of shifting cultivation.

## POVERTY

### **Land use policies and poverty**

There is no study concerning the impact of macroeconomic policies on poverty. The following comments are mostly extracted from the analysis of the situation in Na Hang district, a mountainous region of northern Vietnam.

#### *Agricultural collectivisation*

At the beginning of the 1960s, when collectivisation began, rural population was relatively small, land per capita was relatively high, forest resources appeared abundant and production of agricultural cooperatives appeared sufficient for local people.

Cooperatives were distributing all kinds of food products such as rice, corn and cassava to their members<sup>16</sup>. But the low productivity of collective labour and the inappropriate systems of work accounting reduced people's interest in cooperative production. As a result, increasing shortages of food and lowering income forced many cooperative members to seek other sources of livelihood including shifting cultivation even if it was prohibited by local authorities in order to protect the forest.

From 1976 to 1985, in Ha Tuyen province, the collective economy provided 30% to 50% of household income (Cuc Thong ke Ha Tuyen, 1976, 1986). Cooperative members had the right to keep 5% of cultivated land for household production. For the Northern Uplands, these "private" provide the as much as the collectively cultivated land! (Bui Huy Dap and Nguyen Dien, 1996 : 186).

The failures of collectivisation brought the collective economy into a serious crisis. The Government's efforts to develop a collective economy and improve the living conditions of peasant households failed. For "the characteristics" inherent to socialism to prevail, collectivisation ignored, even opposed fundamental economic laws and, consequently, could not support cooperative members. The stagnancy and weakness of the overall collective economy derived from the failures of agricultural collectivisation (Vo Thanh Son, 2001: 247).

Following the adoption of Directive 100 (1981), the cooperative economy improved somewhat and there was a small increase in production, but only for a while. Up to 1987, at the national as well as district scale, agricultural cooperatives continued to exist only on paper, because, by then, they only controlled a few activities such as irrigation. All other production activities depended on households. Administrative and productive management did not exist anymore and production tools were dispersed, infrastructures degraded and living conditions of the cooperative's members low (Bao cao UBND Na Hang 13/6/1987).

Resolution N° 10 (1986) introduced a new mechanism of agricultural management. According to this legislation, the rural household became an independent economic unit and, from then on, the cooperatives merely offered important services such as plant protection and construction of irrigation systems. Since then, households have become owners of their production, as long as they pay their agricultural taxes.

#### *Sedentarisation programme*

The sedentarisation programme was launched to reduce the practice of shifting cultivation and help several ethnic minority groups increase their living standards. The sedentarisation and the agricultural collectivisation programmes appeared somewhat similar in terms of scope and speed of implementation.

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<sup>16</sup> This accounting system allowed to allocate the cooperative's products between the members.

Although the latter programme was rather successful in terms of resettlement of dwellings, the shortage of cultivated land contrived large proportions of the resettled population back to shifting cultivation. In addition, some ethnic groups, namely the Dao, having always practiced shifting cultivation on sloping lands, couldn't adapt easily to the cultivation of paddies on plain lands.

Over recent years, the sedentarisation programmes have been better prepared and integrated with other development and poverty reduction programmes, particularly Programme 135, created to help the poorest communes in the country. For Na Hang district, Programme 135 has positively affected its communes, providing annually 700 millions VND (equivalent to 70,000 CANS) to improve communal infrastructures, such as irrigation systems, inter-village roads, schools, clinics, etc.

### *Migration*

During the 1970s and 1980s, migration policies and the establishment of forest enterprises greatly influenced the exploitation of forests. At the end of the 1980s, when these enterprises went bankrupt, many of their workers had to return to their home provinces in the Red River Delta's. Some remained in the district, relying for their livelihood on the illegal exploitation of natural resources like wood cutting, bamboo shoot collection and fishing.

The migration programme mobilized about one million people between 1960 and 1970 to clear 300,000 ha of forest in order to produce 900,000 tons of food annually (Hoang Dong, 1991). Deforestation could have been even more extensive; but first arrivals, mostly coming from the Red River Delta provinces, had difficulties trying to cut and burn the big trees and clear large areas to prevent against diseases like malaria (Hardy, 1998:261-263 and 266).

Contrary to migration policies, those concerning forest rehabilitation and use of natural resources, like Programme 327, had an immediate effect on meeting the needs of local people in allocating five million hectares of forest and forestlands. Although products coming from forest gardens could satisfy all domestic needs, they helped weaken the pressure on the reserve's forest resources.

### **Food production and poverty**

During the collectivisation period, Na Hang's annual reports listed the number of hungry households that had to be provided immediately with food. This information can be used as a good indicator of poverty. In 1991, 11,068 persons (1,734 households) in 13 of the district's 19 communes, i.e. about 36% of their overall population, were lacking in food during the intercrop period (UBND Na Hang, 12/3/1991). In 1995, 25% of the district's population were still considered hungry. Hungry households were concentrated mainly in remote communes, where food production per capita was low. Thus, the shortage of food, or absolute poverty, was closely related to food production. During the following

years, the poverty rate was reduced considerably. By 1999, according to official statistics, only 5% of households were considered hungry.

The high food production's level of the 1960s can be explained by the relatively high efficiency of the collective economy to deliver what was appropriate to the local population. Furthermore, high food production per capita (about 350 kg/person/year) was characteristic not only of Na Hang district but also of the whole Northern Uplands (Figure 8). During that period, Na Hang's population had enough food (Figure 9).

However, with collectivisation, food production per capita decreased steadily until 1975 regardless of the government's investments in agricultural cooperatives and efforts to strengthen these organizations.

The introduction of Directive 100 (1981) in Na Hang district induced a slight increase in food production per capita, similar to the one of 1987, because in each case peasants obtained more control over their work. Thus, the households' living standards improved somewhat. However, by the end of the 1980s, a rapid drop of production per capita occurred that was explained by several factors, the most important being bad weather, agrarian conflicts, and the exploitation of alluvial gold in the region (Vo Thanh Son, 2001:165).

Resolution N° 10, widely applied in the district since the early 1990s, improvement of irrigation systems, and introduction of new varieties of food crops, have together significantly improved food production. Since 1995, food production has continued to increase rapidly.

Food production went through several stages. Prior to 1981, in the agricultural collectivisation context, food production was stagnant. Then, between 1981 and 1986, fueled by Directive 100, it has experienced a recovery. From 1987 to 1992, there occurred an agricultural crisis caused by agrarian conflicts and other external factors. Then, the 1993-1999 period was characterized by rapid and stable growth, thanks to the implementation of comprehensive policies.

### **Forest products and poverty**

During the war and with post-war reconstruction, forest resources have been heavily exploited. Rapid deforestation caused natural resources degradation and availability of forest products for local people has been reduced accordingly. The reduction of cultivated land per capita, the degradation of natural resources, the establishment of protected forests have also reduced access for local people to natural resources and limited their livelihood options. Shortage of food during the collectivisation period also aggravated the pressure on forestland because of an increase in unsustainable shifting cultivation activities that contributed to additional forest degradation. In turn, the degradation of natural resources had a negative impact on the livelihood of local people.

Figure 8. Na Hang et Northern Uplands. Food production per capita per year.

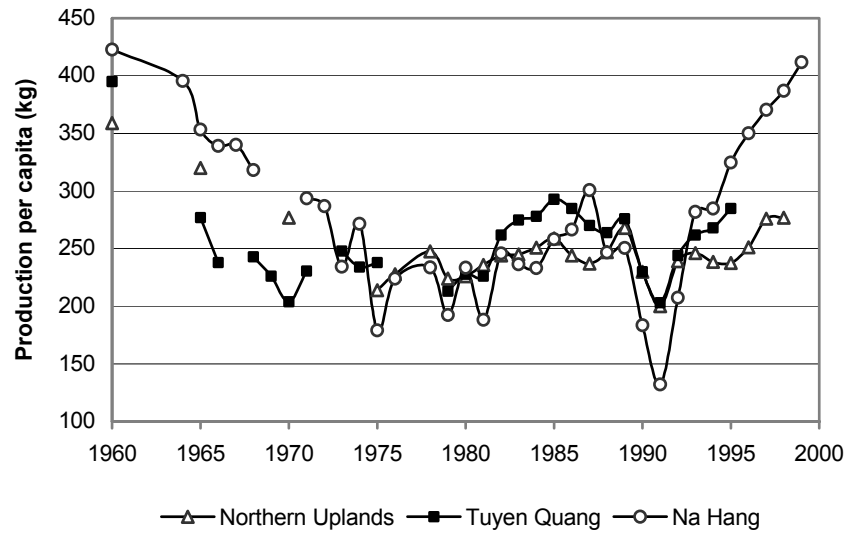
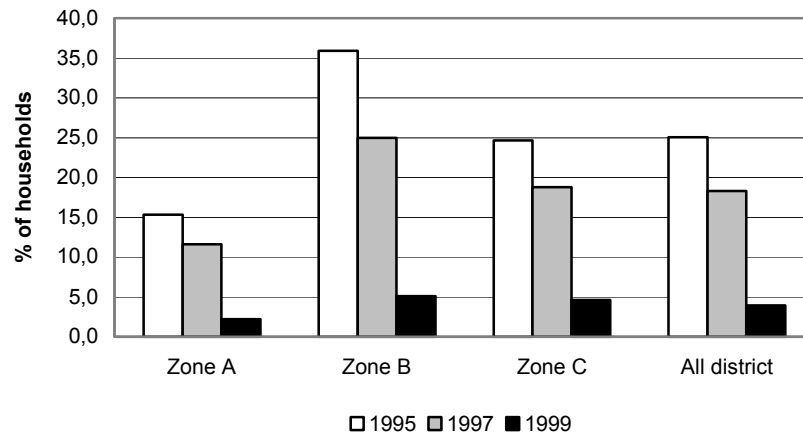


Figure 9. Na Hang. Proportion of hungry households by regions.



## CONCLUSION

There is a relationship between poverty and the exploitation of natural resources. The exploitation of natural resources, in general, and of forest products, in particular, contributes to the livelihood of local people. However, their overexploitation can create poverty.



We have just seen that the socio-economic upheavals of the last 40 years has had a strong influence on poverty and on the level of natural resources' exploitation. The failures and successes of rural development policies, including agricultural collectivisation, sedentarisation, migration policies, forest land allocation, reforestation, and poverty reduction policies have also influenced in complex ways the local livelihood and the state of the forest heritage. For example, the management and production failures of agricultural cooperatives influenced heavily the living conditions of their members. Consequently, these became more dependent upon the use of natural resources. The inadequate implementation of the sedentarisation programme for ethnic minorities explains why many of them had to go back to shifting cultivation to satisfy their vital needs.

When applied properly, comprehensive policies of socio-economic reform, DOI MOI and, especially, policies related to agriculture and land use, have contributed to a significant increase in food production and to an improvement in the living conditions of local people. The satisfaction of food demand for the whole district was a first step before the implementation of forest protection policies. The recent and rapid extension of the forest cover in the district illustrates the success of these policies in the field of environmental protection.

However, concerning the economic development of uplands, in general, and of the rational utilization of forest lands, in particular, Vietnam still does not have the equivalent of a Resolution No 10, so efficient in agricultural production. In other words, forestry policies meant to combine the interests of local people with conservation of natural resources, have not been comprehensive enough to provide a sustainable development in mountainous areas.

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## **LIST OF ACRONYMS**

GSO : General Statistical Office

GDP : Gross Domestic Product

MARD : Ministry of the Agriculture and Rural Development

MOLISA : Ministry of the Labors, Invalids and Society

PMS : Large-scale Poverty Monitoring Survey

SIDA : Swedish International Development Agency

UNDP : United Nations Development Programme

VLSS : Vietnam Living Standard Survey

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## **ANNEX**



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## **Les institutions de microcrédit : centres de services bancaires ou organismes communautaires?**

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*Dans les sciences sociales, il est un exercice utile et dégrisant, celui d'essayer de voir clairement comment la direction d'une recherche scientifique, surtout dans l'économie, est conditionnée par la société dans laquelle nous vivons et, plus directement, par son climat politique.*

Gunnar Myrdal, 1976 : 14

### **INTRODUCTION**

En février 1997, à Washington, le Sommet du microcrédit a rassemblé 2 900 participants provenant de 134 pays et de 1 500 institutions. C'est à ce moment qu'a été lancée la Campagne du microcrédit visant à venir en aide, d'ici 2005, à 100 millions de familles parmi les plus pauvres de la terre. Le microcrédit est une forme d'intervention qui consiste à prêter de petites sommes d'argent (50 – 100\$ US) à des familles pauvres afin de les aider à créer leurs propres emplois. Il a fait ses preuves d'abord en Asie, puis en Amérique latine et en Afrique.

Le Sommet du Microcrédit s'est donné plusieurs objectifs principaux. Premièrement, il veut venir financièrement en aide aux plus pauvres d'entre les pauvres. Il s'agit des personnes vivant de revenus les situant en deçà de 50% des seuils de pauvreté nationaux, dans les pays en voie de développement, et directement sous les seuils de pauvreté, dans les pays industrialisés. Deuxièmement, il souhaite desservir d'abord les femmes pauvres, puisque les programmes conventionnels de lutte à la pauvreté ne le feraient pas spécifiquement. Troisièmement, il compte inciter les institutions de microcrédit à atteindre l'autosuffisance financière le plus rapidement possible. En effet, celle-ci laisse entrevoir la possibilité que se développe rapidement un réseau mondial d'institutions de microcrédit. Enfin, quatrièmement, le Sommet veut se donner les moyens d'évaluer à quel rythme les efforts déployés dans le domaine du

microcrédit entraînent une amélioration des conditions de vie des pauvres dans le monde. Au total, les participants au Sommet considèrent le microcrédit comme un instrument capable de réussir, dans le domaine de la réduction de la pauvreté, là où les programmes de développement d'après-guerre ont échoué.

Le présent article soutient que le microcrédit constitue certainement un instrument valable de lutte à la pauvreté et de développement, mais à certaines conditions toutefois. Premièrement, il faudrait toujours garder à l'esprit que les fondements de la pauvreté ne sont pas qu'économiques; ils sont aussi sociopolitiques. Deuxièmement, le microcrédit n'est qu'un moyen de lutte à la pauvreté, et, qu'en tant que tel, il ne peut tenir lieu de programme de développement.

Dans une première partie, nous montrons que l'industrie du microcrédit s'est développée en réponse à l'incapacité de l'approche interventionniste en développement international à induire la croissance économique des pays en développement dont les personnes pauvres auraient dû pouvoir bénéficier depuis longtemps déjà. La diffusion du microcrédit laisse dorénavant entrevoir la possibilité de stimuler cette croissance économique depuis le bas vers le haut (*bottom up development*) de manière à ce qu'elle profite directement aux personnes pauvres, d'abord, pour ensuite s'étendre à leur nation.

Dans une seconde partie, nous considérons comment, selon le discours économiste dominant, le microcrédit pourrait venir en aide au plus grand nombre possible de clients pauvres à l'échelle du monde. On s'en doute, le défi est de taille. Il s'agirait, pour cette industrie, de viser à atteindre la rentabilité le plus rapidement possible. Grâce à l'innovation découlant de la recherche de l'efficacité, elle pourrait desservir des endroits reculés à meilleurs coûts, là où, présentement, la faible densité de population constitue un obstacle à la diffusion du microcrédit.

Dans une troisième partie, nous soutenons que la recherche de l'efficacité économique dans le domaine du microcrédit ne peut suffire à réduire la pauvreté. Par contre, entrevoir les institutions de microcrédit comme des laboratoires d'où mieux comprendre participativement le fonctionnement du processus social à l'origine de la pauvreté servirait bien mieux la cause du développement.

## **LE MICROCRÉDIT À LA RESCOUSSE DU DÉVELOPPEMENT**

Tant dans les pays en développement que dans les pays industrialisés, la difficulté qu'éprouvent les pauvres à obtenir du crédit est à l'origine de la création de ce qu'il est convenu d'appeler l'industrie de la microfinance. Celle-ci englobe un ensemble d'activités faites sur mesure pour répondre aux besoins financiers des personnes pauvres. Le microcrédit, en particulier, est une forme d'intervention qui consiste à mettre de petits montants d'argent à la disposition des pauvres sous forme de prêts dans le but de les aider à développer des



activités génératrices d'emplois et, ainsi, à améliorer leur sort. Jusqu'au milieu des années 1970, l'idée n'était pas venu que prêter de l'argent à des pauvres pourrait s'avérer un exercice rentable. Surtout qu'il faut nécessairement leur imposer des taux d'intérêts élevés afin de couvrir le risque normalement associé à une telle opération. Jusqu'à ce moment, l'aide aux personnes pauvres avait généralement pris la forme de crédit subventionné.

Le microcrédit comme instrument de développement et de réduction de la pauvreté

Depuis les années d'après-guerre, les gouvernements nationaux ainsi que les grands organismes internationaux de développement, à travers des institutions locales, ont mis du crédit subventionné à la disposition des pauvres des régions rurales des pays en voie de développement. Par exemple, les banques de développement rural offraient du crédit à de petits exploitants pour qu'ils se consacrent à des activités agricoles bien ciblées. La fréquence des remboursements était déterminée en fonction des sommes attendues de la vente des récoltes. En aidant les pauvres de cette façon, on cherchait également à mettre les usuriers en faillites, eux qui prêtaient déjà de l'argent aux gens pauvres, mais en les maintenant dans un cycle continu d'endettement et de dépendance (Sinha, 1998).

Toutefois, il suffisait d'une seule mauvaise récolte pour faire trébucher les emprunteurs qui, par la suite, éprouveraient toujours de la difficulté à effectuer leurs remboursements. Également, les taux de remboursement se sont avérés à ce point faibles que les institutions rurales de crédit ont dû fermer leurs portes l'une après l'autre. Non seulement leurs coûts de fonctionnement étaient trop élevés et les rentrées d'argent insuffisantes, mais une mentalité de dépendance se serait répandue parmi les bénéficiaires pauvres qu'elles desservaient. Pour ces derniers, l'obtention de prêts allait toujours de soi. À la longue, les taux de remboursement sont devenus dérisoires d'autant plus que les emprunteurs s'attendaient à la faillite imminente de ces organismes qui dès lors ne seraient plus en mesure d'exiger leur dû (Johnson et Rogaly, 1997; Woller et al., 1999).

Parallèlement, les États et les donateurs internationaux luttaien contre le sous-développement à une échelle géographique plus globale. On investissait dans l'amélioration des grandes infrastructures, en particulier routières, ainsi que dans le capital humain. On misait sur des mesures compensatoires pour rapprocher les producteurs des marchés, et pour élargir l'accès des pauvres au travail au moyen de la formation scolaire et l'amélioration des services de soins de santé. Malgré tout, la création d'emplois demeurait insuffisante pour une population mieux scolarisée mais qui semblait irrémédiablement condamnée à demeurer pauvre, incapable qu'elle était d'accéder à des ressources productives adéquates. L'aide internationale se muait progressivement en un moyen de survie pour un nombre grandissant de personnes pauvres.

Devant l'absence de résultats mesurables en matière de développement, mais qui pouvait être dû à la corruption ou au manque d'occasions d'investissement, bien

plus qu'à l'attitude des pauvres eux-mêmes, le désintérêt s'est installé parmi la communauté internationale qui voudrait dorénavant rentabiliser ses investissements dans ce domaine. Comme les montants officiels destinés annuellement à l'aide internationale se sont mis à diminuer (Secretary-General, 1998), une nouvelle méthode de lutte à la pauvreté, le microcrédit, a redonné espoir aux intervenants du développement. En effet, le microcrédit laissait entrevoir la possibilité d'obtenir des résultats à peu de frais pour les donateurs internationaux, puisque reposant à la fois sur l'effort des pauvres eux-mêmes, ainsi que sur la logique de la rentabilité.

#### PRÊTER À DES CLIENTS NON SOLVABLES?

En soutenant les initiatives individuelles, le crédit a toujours agi comme moteur de la croissance économique à l'échelle de toutes les nations. Cependant, le crédit ne serait qu'une condition suffisante de la croissance économique, son moyen de réalisation, sa condition nécessaire étant l'ingéniosité et l'initiative humaine. En effet, sans celles-ci on ne pourrait rien réaliser, même avec beaucoup d'argent. Ainsi, un système financier national soutient certainement la croissance économique quand il met du crédit à la disposition d'individus et d'entreprises solvables, mais à la condition qu'ils possèdent au préalable un capital quelconque à faire fructifier, ne serait-ce qu'une bonne idée.

Tous les segments de la population ne sont donc pas en mesure de bénéficier à un même degré des largesses des systèmes bancaires conventionnels qui prêtent avant tout à des clients solvables, à ceux qui disposent de garanties et de projets prometteurs. C'est la raison pour laquelle les banques conventionnelles cherchent à recruter, non pas le plus grand nombre possible de clients, mais le plus grand nombre de clients solvables, et généralement des gens qui ne manquent pas d'argent pour vivre. Dotées de clientèles favorisées, les banques commerciales peuvent ensuite maximiser leurs profits en se lançant dans la réalisation d'économies d'échelles. En effet, à partir du moment où les banques possèdent le contrôle du risque, elles sont considérées elles-mêmes comme des entreprises solvables. Ceci leur permet d'emprunter sur le marché des capitaux et de multiplier leur volume de prêts, ainsi que la taille de ces prêts personnels, sans avoir à faire face à un accroissement de leurs coûts de fonctionnement qui soit dans les mêmes proportions.

Dans de telles conditions, le prêt aux personnes pauvres ne constitue certainement pas une bonne affaire pour les banques commerciales. D'une part, les pauvres n'ont généralement aucun actif physique à offrir en garantie contre des montants empruntés, même minimes. Et, d'autre part, les frais d'émission d'un prêt, les coûts de transaction, sont toujours relativement élevés. En effet, les frais d'émission d'un prêt peuvent être de 30\$ pour un emprunt, qu'il soit de 50 ou bien de 10 000\$. Ces coûts de transaction élevés sur de petits prêts réduisent évidemment la marge de profit des banques. Enfin, le loyer de l'argent, c'est-à-dire le taux d'intérêt qu'il faut payer pour détenir de l'argent emprunté, doit nécessairement incorporer une prime de risque. C'est la seule façon qui soit pour

une banque de couvrir les pertes occasionnées par les cas de non-remboursement auxquels on doit s'attendre lorsque l'on prête de l'argent à des gens pauvres. Encore une fois, les meilleurs emprunteurs, ceux qui sont solvables, peuvent alors être pénalisés parce qu'une banque commerciale se lancerait dans le prêt aux pauvres. Cela exercerait une pression à la baisse sur ses dividendes, donc, en bout de ligne, sur sa propre capacité d'emprunter et de prêter ensuite à des taux d'intérêts concurrentiels. Les clients riches auraient avantage, du point de vue économique, à délaissier une banque pour laquelle faire « rouler » l'argent ne serait pas, de toute évidence, une priorité.

#### UNE NOUVELLE FORME DE GARANTIE : LE GROUPE DE SOLIDARITÉ

Avec les années 1970, des organisations non gouvernementales (ONG) ont commencé à prêter de petits montants d'argent à des personnes pauvres. Elles ont pu démontrer que, malgré les idées préconçues, non seulement les pauvres pouvaient rembourser des emprunts, mais qu'ils pouvaient également payer des taux d'intérêts élevés sur ces emprunts.

Mis au point au milieu des années 1970 par Muhammad Yunus, un économiste originaire du Bangladesh et formé aux États-Unis, le modèle Grameen de microcrédit a par la suite été reproduit et adapté à divers contextes socioéconomiques et culturels partout dans le monde. Ainsi, la *Grameen Bank*, du Bangladesh, et Cashpor, deux institutions majeures de microcrédit, desservent conjointement plusieurs millions de clients pauvres en Asie en se servant du modèle en question. On trouve aussi des institutions du type Grameen, mais de moindre importance, en Amérique latine avec la Banco Solidario (BancoSol) de Bolivie, de même qu'en Afrique avec le programme d'entreprises rurales du Kenya.

Selon le modèle mis au point par Yunus, fondateur et actuel directeur de la *Grameen Bank*, des prêts sont consentis à des individus formant des groupes dits de solidarité comprenant de quatre à dix personnes. Ces individus ne possèdent pas de garanties physiques à offrir pour emprunter de l'argent. Dans ces conditions, c'est plutôt le groupe, et surtout sa capacité de faire pression sur les individus pour qu'ils remboursent leurs emprunts, qui font office de garanti. En effet, quoique les prêts soient toujours consentis sur une base individuelle, ce sont les groupes qui se portent garants, en dernier ressort, du remboursement de ces emprunts au cas où des individus en seraient incapables. Le groupe réduit donc le risque de non-remboursement grâce à la fois aux encouragements qu'il peut prodiguer aux gens qui le composent, mais aussi à la pression sociale considérable qu'il ne peut manquer d'exercer sur eux. Selon le modèle Grameen de microcrédit, les prêts sont consentis pour une période de un an. Puis, c'est au cours de rencontres hebdomadaires obligatoires que s'effectuent, par petites tranches, les remboursements et, parfois, la collecte de l'épargne. Ce modèle a fait la preuve qu'il est possible de prêter à des pauvres à peu près sans risque puisque c'est le groupe, et non pas les personnes pauvres, qui s'avère « bancable ».

Plusieurs modèles de microcrédit existent dans le monde, dont certains, à l'instar du modèle Grameen, connaissent également beaucoup de succès, notamment celui de la Banque de village et celui du « clubs d'emprunteurs ». Dans le cas de la Banque de village, l'argent est confié directement au groupe qui se charge à la fois d'accorder des prêts à ses membres et d'en assurer ensuite la gestion. Ceci permet de réaliser des économies substantielles sur les coûts de transactions. Dans le second cas, c'est l'image du club sélect qui vient à l'esprit : on choisit les clients en fonction de leur réputation. Par exemple, pour avoir droit à un prêt auprès d'une institution de microcrédit particulière, la candidature d'une personne doit être recommandée par des personnes faisant déjà affaire avec l'institution de microcrédit en question et qui la connaissent très bien. Leurs recommandations servent alors de garantie. Toutefois, peu importe le modèle, une constante s'observe : c'est toujours la capacité du groupe à faire pression sur les individus qui le composent qui sert de garantie aux institutions de microcrédit. Grâce à un encadrement serré des emprunteurs, certaines institutions de microcrédit affirment obtenir des taux de remboursement sur leurs prêts parfois plus élevés que ceux observés dans des banques commerciales.

Cependant, il faut signaler que les innovations bancaires à l'origine du développement du marché du microcrédit s'appuient sur des façons de faire qui leur étaient préexistantes (Rutherford, 1999). En effet, le microcrédit n'a pas été inventé à partir de rien puisque, dans toutes les civilisations, les gens ont su imaginer des méthodes de collecte de l'épargne afin de pouvoir disposer de sources de crédit, lorsque nécessaire. La tontine, un « club d'épargne » dont la formule serait d'origine africaine, en est une importante. Elle est largement répandue de nos jours en Asie et le modèle Grameen de microcrédit pourrait bien être une adaptation de son principe de fonctionnement.

#### UN NOUVEAU CREDO : RENTABILISER LE DÉVELOPPEMENT

Dans une perspective de développement, l'intérêt que représente le microcrédit consiste dans le fait qu'il offre le meilleur rendement qui soit sur l'investissement. En effet, maintenant que les pauvres peuvent avoir accès au crédit, il leur revient de se débrouiller par eux-mêmes pour se sortir de la misère. Ils doivent le faire à l'aide d'emprunts qu'ils auront à rembourser intégralement, emprunts sur lesquels ils paieront, de plus, des taux d'intérêts très élevés. Dans ces conditions, en principe, les gouvernements et les grands organismes bailleurs de fonds n'auraient plus à intervenir directement dans le domaine du développement, se contentant d'avancer les fonds nécessaires à son financement. De plus, personne ne serait en mesure de leur reprocher leurs mauvaises performances à ce chapitre, comme c'était le cas jusqu'à récemment. Ce sont les pauvres eux-mêmes, qui, dorénavant, pourraient être pointés du doigt comme seuls responsables des ratés qui ne manqueront certainement pas de continuer à survenir dans ce domaine.

Tout cela s'inscrit dans cette nouvelle vision néo-libérale du développement international que promeut la Banque mondiale (World Bank, 2002), ainsi que les autres grands organismes de développement, comme le Programme des Nations unies pour le développement (PNUD), de même que le Fonds monétaire international (FMI). Selon cette vision, les pays pauvres doivent maintenant prendre l'entière responsabilité de leur développement, et, les pauvres eux-mêmes, celle de s'en sortir sur une base individuelle. Cette approche est soutenue par l'idéologie selon laquelle la société serait à présent égale à la somme des individus qui la composent, sans plus (Aktouf, 2002; Bauman, 2002; Ziegler, 2002). En tant qu'entité dépourvue de consistance propre, la société ne saurait être tenue pour responsable, même en partie, du sort des pauvres. En conséquence, ceux-ci n'auraient en rien le droit d'en exiger quoi que ce soit. Laissés à eux-mêmes, les pauvres auraient alors avantage à se prendre en main en faisant fructifier, dans le cas qui nous occupe, des prêts qu'on leur accorde tout en s'efforçant de ne jamais rien devoir à personne. Sinon, on serait en droit de les juger sévèrement et, éventuellement, de cesser de les aider. Dans ce contexte, c'est au nom de principes, seulement, que les pays riches devraient venir en aide aux pauvres, qu'ils soient des pays en développement ou bien des pays industrialisés. Pourtant, il est certain que les pauvres sont, au moins en partie, de réelles victimes du mode d'exploitation capitaliste qu'on leur impose (Aktouf, 2002; Seabrook, 2002). Ne l'oublions pas.

Ceux qui prêtent aux pauvres ont vite compris, également, que des institutions de microcrédit capables de s'autofinancer pourraient, en théorie, se retrouver au centre d'un nouveau créneau financier absolument colossal, celui du prêt aux personnes pauvres, parce qu'elles sont légion. Plusieurs organismes impliqués dans le développement international ont alors « découvert » les propriétés du microcrédit et emboîté le pas au *Consultative Group to Assist the Poorest* (CGAP) de la Banque mondiale. Créé en 1995, le CGAP s'est donné pour mission de favoriser l'accélération de la croissance de l'industrie du microcrédit.

Pour certains, le microcrédit est un instrument bancaire capable d'aider les habitants des pays pauvres à se tirer seuls d'embarras grâce à un minimum d'efforts de la part des pays riches qui ne leurs devraient rien. Mais une fois implantée dans une communauté, une institution, quelle qu'elle soit, ne peut demeurer qu'une simple succursale, bancaire dans ce cas-ci, coupée de son environnement social. Au contraire, elle interfère aussitôt avec le système local de relations sociales, le transforme et en est transformée. Dans la pratique, le microcrédit est donc, de par sa nature, une activité fondamentalement communautaire, mais certainement à des degrés variables selon les endroits. C'est cette dimension communautaire de l'institution de microcrédit, plus que toute autre, qui, à nos yeux, en fait un outil de développement des plus prometteurs.

## LES MULTIPLES VISAGES DU MICROCRÉDIT

Au départ, tenter de concilier la perspective du Sommet du microcrédit et celle du CGAP en matière de microcrédit n'apparaît pas chose simple. Comment, en effet, cette industrie peut-elle desservir les clients les plus pauvres qui soient, qui habitent parfois des régions du monde parmi les plus marginales, tout en visant une croissance quasi fulgurante basée sur la recherche de bénéfices? De nos jours, on croit pourtant la chose possible à la condition que l'industrie du microcrédit mette tout en œuvre pour devenir économiquement viable. En conséquence, l'essentiel des écrits sur le microcrédit en provenance des grands organismes donateurs, comme le CGAP ou le PNUD, porte à peu près exclusivement sur des pratiques, des recettes, que l'on voudrait les meilleures, pour étendre la portée du microcrédit toujours à meilleurs coûts. La dimension financière monopolise carrément toute l'attention. Mais les grandes institutions financières ne mettent pas l'accent sur l'importance de la dimension communautaire de l'activité du microcrédit et la possibilité d'en tirer profit dans une perspective de développement.

La pratique du microcrédit a toujours des conséquences sociales potentiellement bénéfiques et dont la valeur ne peut être évaluée en termes exclusivement monétaires. Par sa seule intégration à une communauté, une institution de microcrédit peut favoriser un accroissement du capital social local et lui fournir un nouvel « actif » appréciable pour son développement (Stiglitz, 1998; 1999). C'est le cas lorsque l'on prête avant tout à des femmes, par exemple. Cependant, cette fonction du microcrédit n'a pourtant qu'un rapport indirect avec le prêt personnel. Ce phénomène mérite qu'on s'y attarde.

## LE FINANCEMENT DU MICROCRÉDIT PAR LA CROISSANCE

Selon la logique économique du CGAP (2000) et du *United Nations Capital Development Fund* (UNCDF) (2000; 2001), pour réussir son ascension, l'industrie du microcrédit devrait tendre résolument vers l'efficacité économique en adoptant ce que l'on appelle les « *best practices* » du domaine. Pour le CGAP, il ne fait aucun doute que la poursuite du profit doit constituer l'objectif primordial de cette industrie, sans quoi elle n'aurait aucun avenir. Pour le moment, les institutions de microcrédit auraient désespérément besoin de nouveaux fonds pour financer leur croissance. Ainsi, d'ici 2005, on estime qu'il aura fallu trouver en tout 21,6 milliards de dollars US pour desservir 100 millions de clients pauvres et leurs familles (Microcredit Summit, 1997). En comparaison, en 1998, le portefeuille de la Banque mondiale dans le domaine du microcrédit n'était que de 218 millions de dollars US.

Présentement, l'énorme marché que constitue le crédit aux gens pauvres est impossible à assouvir malgré le dévouement des milliers d'institutions de microcrédit déjà à l'œuvre sur le terrain. Ce sont encore les grands organismes donateurs internationaux qui soutiennent les institutions de microcrédit à bout de bras. Or, cette source de fonds est loin d'être garantie à long terme. En effet,

Littlefield (2000) estime que les donateurs pourraient se détourner du microcrédit à la longue si celui-ci ne donnait pas rapidement les résultats escomptés. Afin de lever cette incertitude, les institutions de microcrédit n'auraient pas d'autre choix que de devenir financièrement viables afin de pouvoir s'approvisionner d'elles-mêmes en argent à prêter à même le marché des capitaux internationaux. Du même coup, elles pourraient diminuer leur dépendance envers les grandes institutions financières à l'humeur changeante. Pour l'instant, cependant, peu d'institutions de microcrédit possèdent les capacités institutionnelles suffisantes pour avoir accès directement au marché des capitaux, c'est-à-dire pour aller emprunter auprès des banques commerciales.

Après plus de cinq ans d'existence, le CGAP a réussi à convaincre la majorité des intervenants du milieu du microcrédit de respecter l'objectif de l'atteinte de la viabilité financière afin que l'industrie du microcrédit prenne rapidement de l'expansion (Dunford, 1998). En pratique, lorsqu'une institution de microcrédit devient rentable, elle peut s'incorporer, c'est-à-dire devenir une personne morale, et, à ce titre, devenir cliente d'une banque commerciale. En tant que gros emprunteur, elle pourra même bénéficier de taux d'intérêts privilégiés. Cette capacité d'emprunter permettra à cette institution de microcrédit d'émettre des prêts pour un montant équivalant à environ dix fois la somme qu'elle aura empruntée. C'est là que se trouvent les économies d'échelles à réaliser. De plus, en augmentant son actif, une institution de microcrédit accroît du même coup sa capacité de remboursement, donc, encore davantage, sa capacité d'emprunter. À cet égard, devenir une institution bancaire reconnue légalement constitue un atout indéniable pour une institution de microcrédit, d'autant plus que, tout comme les banques commerciales, elle peut même escompter bénéficier de marges de crédit auprès des banques centrales nationales.

Selon le discours du CGAP, c'est la poursuite de la rentabilité qui devrait favoriser l'expansion de l'industrie du microcrédit, pour qu'elle soit en mesure de desservir le plus de gens pauvres possible, d'une part. Mais la recherche de l'efficacité, d'autre part, devrait pouvoir susciter l'innovation permettant de diminuer les coûts de fonctionnement des institutions de microcrédit. Dans une logique de rentabilité, seule l'innovation pourrait permettre de desservir à faible coût les pauvres vivant dans des endroits reculés. En effet, sur le terrain de la seule rentabilité économique, la géographie impose des contraintes à la réalisation de profits pour les institutions de microcrédit voulant desservir des populations marginales. Présentement, ces institutions ne desserviraient pas les endroits où la densité de population est trop faible.

Il est frappant de constater, en effet, que les institutions de microcrédit capables de réaliser des profits en milieu rural sont généralement situées dans des endroits dotés d'une densité de population toujours relativement élevée. C'est que, sans de telles densités, il devient difficile d'abaisser les coûts moyens de transaction pour faire des profits. Ainsi la *BancoSol*, de Bolivie, une des institutions de microcrédit d'Amérique latine parmi les plus rentables, est implantée en milieu urbain. De son côté, le programme de la *Grameen Bank* du

Bangladesh s'adresse à une population qui, bien que largement rurale, possède une densité tout à fait exceptionnelle, de l'ordre de 1000 habitants/km<sup>2</sup> (World Bank, 2001 : 42 et note 54). En Afrique, également, les institutions de microcrédit se déploient en milieu urbain ainsi que dans des zones rurales où se pratique l'agriculture de rente, dont on peut s'attendre à ce qu'elle soit profitable. Par contre, malgré des besoins pressants, les pays du Sahel demeureront encore longtemps à l'écart des services de microcrédit, à moins qu'un donateur n'y appuie spécifiquement une institution (UNCDF, 1999 : 9). Ceci laisse entendre que, pour le moment, les institutions de microcrédit ne desservent toujours pas les plus pauvres d'entre les pauvres qui vivent dispersés dans des régions éloignées des grands rassemblements de population. Par exemple, au Bangladesh à peine le quart du « noyau irréductible de pauvres » serait présentement desservi par le microcrédit (PNUD, 2000 : 92).

D'autre part, en s'appuyant sur de nombreuses études de cas, Hulme et Mosley (1996) ainsi que Mosley et Hulme (1998) ont montré que les institutions de microcrédit les plus rentables ciblent d'abord les catégories intermédiaire et supérieure de pauvres, en fait ceux qui ne sont pas si mal en point. Et pour cause puisque l'impact des programmes de microcrédit sur les revenus des emprunteurs serait directement lié à leur niveau de richesse de départ. En d'autres termes, les plus pauvres d'entre les pauvres, en général, parce qu'ils évoluent dans un environnement socio-économique qui ne leur offre pratiquement pas d'occasions d'investissement, ne voient jamais leurs revenus s'améliorer malgré les prêts qui peuvent leur être consentis. Par contre, les moins pauvres, eux, sauraient davantage tirer profit du crédit qu'ils obtiennent. Bref, il faut admettre que le crédit, à lui seul, ne crée jamais les occasions d'investissement pourtant essentielles pour « faire de l'argent » (World Bank, 2000 : 74).

Pour vraiment desservir les plus pauvres d'entre les pauvres, il faudrait que tôt ou tard les institutions de microcrédit s'enfoncent profondément dans des régions à faible densité de population, équipées d'infrastructures de base déficientes, soit là où le potentiel économique est pratiquement nul. Pour y arriver, les institutions de microcrédit devraient tout faire pour devenir économiquement efficaces, ce qui permettrait de susciter de nouvelles manières de pratiquer le microcrédit à des coûts plus faibles. Mais il semble que cette solution proposée par les grands donateurs internationaux, tels que le CGAP et l'UNCDF, possède des limites qui seront vite atteintes.

#### FAIRE D'ABORD PAYER LE DÉVELOPPEMENT PAR LES PAUVRES

Selon Gibbons et Meehan (2000 : 2), l'industrie du microcrédit doit réaliser des profits, être économiquement efficace pour remplir sa mission, soit desservir le plus grand nombre de gens pauvres et très pauvres tout en minimisant sa dépendance envers les grands bailleurs de fonds internationaux. De plus, c'est en se comportant comme des entreprises commerciales qu'il serait possible, en théorie, aux institutions de microcrédit de profiter d'innovations dont on espère



qu'elles permettront d'abaisser graduellement leurs coûts d'opération et de s'attaquer au marché des régions éloignées. Pour être efficace, il y aurait lieu d'apprendre à faire toujours davantage avec moins de ressources. Toutefois, il y a des coûts considérables à payer pour atteindre la viabilité financière.

Pour devenir rentables, les institutions de microcrédit doivent maximiser leurs rendements en coupant partout où c'est possible de le faire. Il leur incombe également de faire payer à leurs clients le coût réel des services qu'elles leur rendent en imposant des taux d'intérêts très élevés sur leurs emprunts. En effet, il leur faut couvrir non seulement leurs coûts d'opération, mais également leurs frais financiers. Selon Gibbons et Meehan (2000 : 22), un taux d'intérêt « approprié » en Asie pour un prêt consenti par une institution de microcrédit à une personne pauvre devrait varier entre 35 et 51%. Dans les faits, ils sont souvent bien plus élevés au point de se comparer à ceux qu'imposent ces usuriers que le microcrédit voulait mettre en faillite.

Dans certains pays, cependant, des lois plafonnent les taux d'intérêt exigibles des emprunteurs. Cela oblige l'industrie du microcrédit en général à militer en faveur du non-interventionnisme des gouvernements nationaux dans ce domaine. Toujours selon Gibbons et Meehan (2000: 27), l'industrie du microcrédit est jeune et se doit de conserver ses coudées franches pour se développer. Elle craint de ce fait les réglementations trop strictes. Selon la Banque mondiale, le plafonnement des taux d'intérêt dans certains pays pauvres, aurait justement pour but de faire échec au prêt usuraire. Mais, paradoxalement, ce plafonnement nuirait à la diffusion du microcrédit (World Bank, 2001: 65; UNCDF, 1999 : 25).

Par ailleurs, cette quête de la rentabilité dans le domaine du microcrédit laisse entrevoir la fermeture à venir de nombreuses petites institutions au profit de plus grandes. Ainsi, le CGAP veut appuyer les institutions de microcrédit qui possèdent les meilleurs potentiels de croissance, ceci au moyen d'incitatifs financiers (CGAP, 2000). Un écrémage parmi les institutions de microcrédit devrait donc logiquement se produire à la suite de l'enclenchement d'un processus de concentration dans cette industrie. Cependant, les grandes institutions ont aussi fait savoir jusqu'où elles sont prêtes à aller pour inciter les institutions de microcrédit efficaces à s'impliquer dans les régions marginales. Le cas de l'UNCDF (*United Nations Capital Development Fund*) est exemplaire à cet égard.

Depuis quelques années déjà, des bailleurs de fonds de grande envergure, comme l'UNCDF, ont adopté le point de vue du CGAP. Ils comptent utiliser leur pouvoir contraignant pour amener les institutions de microcrédit qui dépendent d'eux à adopter les *best practices* identifiées par le CGAP, le temps étant venu de faire sortir le microcrédit de son stade infantile (UNCDF, 1999). Jusqu'à tout récemment, en effet, les donateurs n'avaient aucun moyen pour contraindre les institutions de microcrédit, qui agissaient comme leur prolongement sur le terrain, à rechercher la rentabilité. Ils se contentaient tout au plus de les appuyer financièrement et techniquement. C'est ce qui a amené l'UNCDF, entre autres, à revoir sa mission en 1999, suite à une évaluation de ses programmes d'aide par le

CGAP (UNCDF, 1999). Plutôt que de continuer à s'impliquer lui-même directement dans la mise au point de programmes de microcrédit, l'UNCDF a réalisé qu'il maximiserait son impact en se limitant à soutenir l'initiative d'institutions de microcrédit très performantes.

Dorénavant, il y aurait lieu de se représenter les institutions de microcrédit comme des « détaillants » de services que l'on peut inciter à se doter de meilleurs systèmes d'information, de management, de dotation et de formation de personnel; à veiller à conserver des portefeuilles de prêts de bonne qualité, etc. En coupant le lien direct qu'il entretenait avec ses détaillants, c'est-à-dire en ne s'impliquant plus directement dans la mise au point de programmes de microcrédit, l'UNCDF acquiert la flexibilité nécessaire pour influencer les performances des institutions de microcrédit, tout en consacrant aussi moins de fonds à ces programmes (UNCDF, 1999 : 26).

L'UNCDF a donc choisi, d'une part, de concentrer une partie de ses ressources à soutenir des institutions de microcrédit déjà rentables pour leur faciliter l'accès au marché des capitaux internationaux. D'autre part, l'UNCDF compte également appuyer un nombre restreint de projets destinés à implanter le microcrédit dans des zones au potentiel économique limité, comme les régions rurales africaines éloignées des grands centres. L'organisme compte solliciter la venue d'institutions qui se disent prêtes à relever de tels défis et dont il ne lui reste qu'à évaluer les propositions au mérite. L'UNCDF compte donc appuyer les projets possédant des perspectives certaines de réussite, c'est-à-dire qui apparaissent capables de devenir rentables à plus ou moins brève échéance, quitte à devoir faire preuve de patience pour les cas plus difficiles. C'est en ce sens que, selon l'UNCDF, les efforts de rationalisation imposés aux institutions de microcrédit devraient susciter des innovations, essentielles pour faire reculer les limites géographique du microcrédit. L'organisme n'en signale pas moins qu'elle s'abstiendra de soutenir des projets dont les chances de succès s'avéreront nulles, parce qu'impossibles à rentabiliser, dans les régions où le potentiel économique apparaîtrait insuffisant (UNCDF, 1999: 22).

Enfin, il est à craindre que l'avènement du microcrédit, loin d'avoir forcé les usuriers à fermer boutique, leur permette plutôt de réaliser des affaires d'or. En effet, Sinha et Martin (1998) ont observé qu'en commençant à participer à un programme de microcrédit de type Grameen, les gens s'engagent à renouveler leurs emprunts à chaque année en s'endettant de façon toujours plus considérable, tout en continuant à effectuer leurs remboursements sur une base hebdomadaire. L'escalade du crédit y contraint les emprunteurs à faire appel tôt ou tard à des sources alternatives de financement. Ils doivent avoir recours au prêt usuraire pour rencontrer leurs échéances, lorsque les rentrées de fonds sont trop espacées – entre deux récoltes par exemple (Sinha et al., 1998 : 73; Rutherford, 1999). Au total, l'accès au microcrédit peut alors mener à des taux d'endettement catastrophiques parce que les programmes considéreraient leur clientèle comme étant socio-économiquement homogène, ce qui n'est jamais le cas.

L'industrie du microcrédit semble s'engager dans la même voie que celle qu'ont empruntée des générations entières de programmes de développement qui, après avoir suscité bien des espoirs, n'ont finalement jamais rempli leurs promesses. La logique de la rentabilité pose problème lorsqu'elle empêche l'institution de microcrédit de jouer un rôle essentiel, celui d'aider une communauté à se prendre en main là où cela compte le plus, c'est-à-dire dans des endroits où le développement est à zéro.

#### LE VISAGE COMMUNAUTAIRE DU MICROCRÉDIT

Des enquêtes menées au Bangladesh ont permis de déterminer que, dans un ménage pauvre, lorsque de l'aide est accordée directement à la femme, ce ménage a plus de chances d'en bénéficier que lorsqu'elle transite par le mari. Cela tient à diverses raisons qui dépendent des formes qu'adopte la division des tâches dans les ménages. De plus, l'expérience démontre également que c'est à travers les femmes que l'impact des programmes de réduction de la pauvreté serait généralement maximal (Simanowitz et al., 2000). C'est précisément pour venir en aide aux femmes pauvres, et à leur famille, qu'a été lancée la Campagne du Sommet du Microcrédit (Adams et al., 2000). Mais il s'agit d'un choix qui représente des avantages économiques certains.

Partout, il semble que le fardeau de la pauvreté pèse plus lourdement sur les femmes. Elles ne profitent toujours pas de chances d'accès comparables à celles des hommes en matière d'éducation et de soins de santé; les femmes sont souvent victimes de violence; les conflits armés et les occupations militaires auraient des conséquences plus dommageables pour elles; elles sont souvent monoparentales; elles sont les premières à se priver de nourriture et de soins de santé lorsque ceux-ci commencent à faire défaut, cédant la place aux garçons et aux hommes (Madeley, 2002 : 92); etc.

Mais, phénomène intéressant, le fait en soi d'accorder du crédit à la femme l'aide à améliorer son statut au sein de son ménage et de sa communauté environnante en lui conférant une plus grande autonomie financière. En conséquence, le microcrédit accordé à des femmes constitue pour elles un instrument d'*empowerment*, c'est-à-dire d'accroissement de leurs capacités individuelles d'agir (UNCDF, 1999 : 11; World Bank, 2000 : 119, 157). Une telle fonction accessoire, d'un point de vue bancaire, s'avère centrale, cette fois, d'un point de vue communautaire. Même si les effets qui découlent de l'*empowerment* des femmes ne peuvent pas se comptabiliser sur des lignes budgétaires, elles ont néanmoins des conséquences réelles. Il s'agit de notre premier exemple.

Une amélioration de la situation sociale de la femme grâce au microcrédit se vérifierait dans les faits lorsque l'institution de microcrédit auprès de laquelle elle emprunte définit son programme en se donnant concrètement pour objectif d'accroître l'*empowerment* des femmes (Ackerley, 1995; 1999). Ainsi, au Bangladesh, en prêtant d'abord aux femmes, les institutions de microcrédit les obligent à participer à des réunions de groupe qui se tiennent nécessairement en

dehors du foyer. En outre, ces femmes peuvent devenir des employées des institutions de microcrédit. L'existence d'un programme de microcrédit ciblant les femmes leur permet d'acquérir non seulement de l'argent, mais aussi de nouvelles compétences et cette confiance en soi qui aide à profiter davantage de la vie.

Sur le terrain, également, avant même de pouvoir commencer à recruter des clients pauvres, d'abord parmi les femmes, un problème se pose d'emblée pour les institutions de microcrédit. Il s'agit de pouvoir déterminer facilement qui est pauvre et qui ne l'est pas, ceci sans procéder à des enquêtes coûteuses. Pour faciliter cette sélection, des instruments efficaces d'évaluation de la richesse des ménages ont été mis au point comme, par exemple, le *Participatory Wealth Ranking* (PWR). Il s'agit de notre second exemple qui fournit une fenêtre par laquelle apercevoir comment la pratique du microcrédit peut contribuer indirectement à l'accroissement des capacités communautaires, cette fois en développement, d'une manière qui soit profitable à toute une collectivité.

Comment déterminer qui est pauvre sans que cela ne soit coûteux en l'absence de données fiables sur le sujet? La forme qu'adoptent les enquêtes auxquelles procéder doit nécessairement être la plus simple qui soit, ceci afin d'épargner des fonds précieux. Des méthodes efficaces ont donc été mises au point pour satisfaire à cette contrainte, comme le *Participatory Wealth Ranking* (PWR). Il s'agit d'une méthode qui peut être adaptée afin de tenir compte de la diversité des milieux socioculturels dans lesquels on l'utilise.

Cette méthode s'appuie sur le témoignage des habitants des villages qui, au cours de réunions, sont amenés à proposer leurs propres définitions de la pauvreté. Ceci est fort intéressant en soi. À l'occasion de rencontres, les villageois sont invités à dessiner une carte sur laquelle ils représentent les maisons du village en indiquant les noms de leurs résidents, tout en les classant au plan socio-économique. Les villageois sont répartis en sous-groupes qui, tous, effectuent séparément cette opération de cartographie et de classification des foyers. Les résultats sont alors comparés et discutés jusqu'à ce que l'on s'entende collectivement sur une définition commune de la pauvreté (Microcredit Summit Campaign, 1999).

Cette démarche permet de prendre la mesure de la puissance que peut représenter l'utilisation des méthodes participatives mises au service du développement communautaire, grâce à la présence d'institutions de microcrédit en train de s'intégrer à la vie locale. C'est ce qui amène d'ailleurs Stiglitz (1999) à soutenir, qu'en développement, l'utilisation de telles méthodes devrait être poursuivie comme un fin en soi. En effet, la démarche participative donne l'occasion aux communautés locales de s'impliquer elles-mêmes dans un processus de recherche de solutions à des problèmes qui les touchent l'ensemble d'un groupe de personnes dans l'immédiat. Au moyen de ces exercices de *learning by doing*, les membres d'une communauté acquièrent une expertise qui leur permet à la longue de troquer leur statut de simples « clients » d'une institution de microcrédit pour celui de « partenaires » en développement. Dans

un tel contexte, populations locales et spécialistes en microcrédit, par exemple, pourront unir leurs efforts en tant que partenaires en quête de *capacity building*, c'est-à-dire de pouvoir de comprendre les choses pour mieux les changer à leur avantage. D'une part, grâce aux prêts consentis, des populations locales peuvent bénéficier des retombées immédiates des programmes de microcrédit. Et, d'autre part, l'utilisation de méthodes participatives dans le domaine du microcrédit, fournit l'occasion de resserrer les liens communautaires en donnant lieu à l'acquisition d'une expertise collective en développement capable de faire la différence à plus long terme. Dans ces conditions, l'atteinte à tout prix de la rentabilité financière deviendrait plus secondaire, pour une institution de microcrédit, si le développement constituait vraiment son objectif principal. Mais, pour le moment, c'est la logique de la rentabilité qui domine le milieu du microcrédit.

## **LE MICROCRÉDIT COMME OUTIL DE DÉVELOPPEMENT COMMUNAUTAIRE**

Les efforts que déploient le CGAP et l'UNCDF, entre autres, pour rendre l'industrie du microcrédit plus efficace, ne font pas l'unanimité au sein des institutions de microcrédit. Disposant de ressources de plus en plus limitées, les grands bailleurs de fonds internationaux cherchent dorénavant à soutenir les institutions de microcrédit les plus performantes afin qu'un petit nombre d'entre elles seulement finissent par occuper tout le champ du microcrédit. Bien des praticiens du microcrédit affirment ne pas pouvoir adhérer à cette vision des choses sans ressentir l'impression de manquer à leur mission.

### **LE DÉBAT ENTRE INSTITUTIONNISTS ET WELFARISTS**

L'atteinte à tout prix de la viabilité financière par les institutions de microcrédit suscite bien des débats dans le milieu. La question prend la forme d'un paradoxe : est-il possible pour une institution de microcrédit de devenir rentable tout en se donnant pour mission de desservir les gens les plus pauvres qui soient?

À l'époque du Sommet du microcrédit en 1997, on ne croyait pas qu'il était possible d'atteindre ces deux objectifs en apparence incompatibles. Depuis ce temps, le CGAP soutient avec l'autorité qui est la sienne que ces deux objectifs pourraient même se renforcer l'un l'autre, ce que nous venons de voir (Littlefield, 2000). Toutefois, David Gibbons (Gibbons et Meehan, 2000 : 2), fondateur et directeur de *Cashpor*, ainsi que Christopher Dunford (Dunford, 1998), président de *Freedom from Hunger* – deux des réseaux d'institutions de microcrédit parmi les plus performants qui soient à l'échelle mondiale –, tout en reconnaissant la nécessité de gérer efficacement les entreprises de microcrédit, soutiennent d'une manière non équivoque que l'objectif de la rentabilité devrait céder le pas, quand il le faut, devant celui plus primordial de secourir les plus pauvres. Selon nous, cette prise de position ne ferait que confirmer la règle qui consiste à viser à tout prix la rentabilité.

D'après Dunford (1998), les gens œuvrant dans le milieu du microcrédit proviendraient principalement de deux horizons intellectuels bien précis. Il y aurait, d'une part, celui des bailleurs de fonds internationaux et des banquiers, ceux que Dunford appelle les *Institutionists*. Pour ceux-ci, le microcrédit constituerait avant tout une activité financière permettant d'offrir du crédit à des pauvres. À leurs yeux, cette activité devrait atteindre la rentabilité rapidement pour mieux desservir un immense marché, celui du prêt aux personnes pauvres. D'autre part, il y aurait l'horizon intellectuel de ceux que Dunford (Ibid.) qualifie, cette fois, de *Welfarists*, soit le groupe auquel il s'identifierait lui-même. Tout en reconnaissant que l'industrie du microcrédit doit chercher à atteindre la rentabilité financière à plus ou moins long terme, les *Welfarists*, quant à eux, proviennent des ONG et seraient motivés avant tout par la recherche d'une plus grande équité sociale à l'échelle mondiale. Ce sont eux, *Grameen Bank* en tête, qui auraient inventé le microcrédit que les *Institutionists* traiteraient, d'après eux, comme une fin en soi, et non plus simplement comme un moyen, parmi d'autres, de réduction de la pauvreté.

D'après les *Welfarists*, les *Institutionists* perdraient de vue qui sont réellement leurs clients. Dunford (1998) rappelle que nous ne disposons toujours pas de définitions fiables de ce qu'est la pauvreté et que, faute d'un tel outil, nous en sommes réduits à traiter un ensemble disparate de personnes comme s'ils formaient un groupe homogène. De plus, les *Institutionists* s'insurgeraient contre toute forme de subvention et s'en remettraient aveuglément à l'application stricte des seules lois du marché supposément capables de fournir l'environnement propice à la réduction de la pauvreté, ce qui n'a pourtant jamais été prouvé empiriquement (Yaqub, 1998). Mais certaines prises de position provenant de praticiens du microcrédit font frémir, d'un point de vue *Welfarist* :

« This is a business of making loans. We lend to people because they have the capacity to repay, not because we feel sorry for them. People often hire social service workers to make loans. It is not a very good combination. How do we get around that issue? The answer lies with training. We make the expectations up front right away: this is business and this is hard work. (...) The problem with a lot of microfinance programming around the world is that it comes out of a charitable mindset, and you are trying to get people who gave out blankets and food distribution to now make loans. It's not a good combination and in many cases, we have had to tell people, "you know, this is not for you". You cannot just convert people from a social service worker to a loans officer. It doesn't work » (Gibson, S., 2000).

Mais, *Welfarists* et *Institutionists* nous semblent s'entendre pour l'essentiel. L'atteinte de la rentabilité à plus ou moins long terme par les institutions de microcrédit demeure, pour les uns comme pour les autres, un objectif central. À notre avis, cependant, le développement de véritables multinationales du microcrédit comme conséquence de la mise en application des *best practices* dans ce domaine ne pourra jamais être synonyme de développement. Il est un fait, comme le souligne Dunford (Ibid.), que nous ne disposons pas de définition de la pauvreté qui soit fiable. En attendant, nous persistons à la réduire à sa seule

dimension économique, le prêt aux pauvres étant considéré, au départ, comme un moyen privilégié et universel d'en venir à bout. Mais en considérant la pauvreté comme étant fondamentalement sociale, alors une solution étroitement économique au problème de la pauvreté s'avère aussitôt insuffisante et prend aussitôt la figure d'un choix politique des plus contestables.

Au total, les points de vue des *Welfarists* et des *Institutionist* nous semblent ne différer qu'en termes de degrés seulement, puisqu'ils s'entendent certainement sur le fond. C'est donc depuis un registre différent que l'on peut montrer l'avantage qu'il y aurait, d'un point de vue du développement, à exploiter le potentiel considérable d'accroissement des capacités collectives, et pas seulement individuelles, que recèle des institutions de microcrédit, mêmes non rentables.

#### UN DÉBAT À RECENTRER

Les études portant sur l'impact du microcrédit quant à l'amélioration des conditions de vie des pauvres se multiplient depuis quelques années sans qu'il ne soit possible de trancher la question d'une façon décisive.

Selon Hulme (1999), ces recherches sont toujours partielles et contestées. En effet, il y a autant d'études qui affirment que le microcrédit aide à améliorer le sort des pauvres qu'il y en a qui soutiennent le contraire (Ibid. : 3). Mais, beaucoup de phénomènes demeurent troublants. Par exemple, Ackerly (1995, 1999) a mené des études au Bangladesh auprès de femmes ayant bénéficié de prêts de la *Grameen Bank*, de BRAC et de *Save the Children*. Cette auteure (Ibid.) n'a pas été en mesure, pas plus que ceux qui l'ont précédée, signale-t-elle, d'évaluer l'impact réel des programmes de microcrédit sur l'accroissement de l'*empowerment* des femmes.

Toutefois, des études comparatives ont permis à Ackerly (Ibid.) de constater un accroissement concomitant de la charge de travail des femmes participant à ces programmes, charge qui était déjà considérable avant même qu'elles ne s'endettent envers des institutions de microcrédit. Le phénomène aurait un caractère incontournable. Du même souffle, l'auteure (Ibid.) souligne qu'en admettant que la pauvreté soit le résultat d'une répartition inéquitable de la richesse, mais aussi celui de l'exploitation des plus faibles, on doit nécessairement reconnaître que tous les programmes de microcrédit incitent les pauvres à accepter de collaborer à leur propre exploitation. C'est pourquoi Ackerly (Ibid.) ajoute qu'une évaluation de l'impact des programmes de microcrédit devrait tenir compte du contexte capitaliste dans lequel ceux-ci s'insèrent (Ackerly, 1999; Roth, 1999). En effet, le microcrédit peut lui aussi, tout comme les usuraires, maintenir les pauvres dans un cycle de dépendance.

Pour s'y retrouver, il nous semble que deux registres plans doivent être distingués. Il faut d'abord reconnaître qu'une institution de microcrédit offre des services bien précis aux membres d'une communauté. C'est son côté centre de services, principalement bancaires, dans ce cas-ci. Et, d'autre part, considérer que

cette institution doit s'intégrer à sa communauté environnante pour mieux offrir ses services bancaires, au point d'en modifier les habitudes de vie, pour le mieux, peut-on souhaiter. L'institution locale de microcrédit remplirait donc un ensemble de fonctions premières, ou évidentes, principalement liées à ses activités bancaires. Elle rempliraient également un ensemble de fonctions secondes, ou accessoires, reliées, cette fois-ci, à son intégration dans la communauté environnante. Dans une perspective de développement, ce sont ces fonctions secondes qui nous apparaissent essentielles. Elles articulent les fonctions premières selon des modalités qui importent et que l'on peut contrôler afin d'accroître les capacités communautaires en matière de développement.

### **Les fonctions premières**

Elles tiennent aux différents services offerts par l'institution de microcrédit. Du coup, on pense essentiellement au prêt aux personnes pauvres. Mais les institutions de microcrédit peuvent aussi offrir des services d'épargne, ainsi que toute une gamme de services non financiers qui, en association avec les services financiers proprement dits, peuvent aider les pauvres à améliorer leur sort, et les institutions de microcrédit, à accroître leurs taux de remboursement.

Par exemple, il est possible d'utiliser les ressources d'une institution de microcrédit pour réduire les coûts de l'alphabétisation ou de l'accès aux soins de santé. On pourra également profiter des rencontres formelles hebdomadaires pour organiser des séances de formation. À ces mêmes occasions, des échanges pourront aussi porter sur les meilleures façons, pour les emprunteurs, d'utiliser leur argent afin d'en accroître le rendement. Selon Dunford (2001), l'intégration de services financiers et de formation à même les programmes de microfinance offre des avantages certains à la fois pour les personnes pauvres et les institutions de microfinance. Ces services peuvent être dispensés par le personnel même des institutions de microfinance, comme avec FUCE au Togo, et CRECER, en Bolivie. Parfois, ils le sont en association, seulement, avec des institutions de microcrédit, comme dans le cadre des programmes BRAC, au Bangladesh, et Pro Mujer, en Bolivie, et cela, à des coûts moindres.

Selon Dunford (2001), lorsqu'une institution de microcrédit s'efforce d'offrir des services non financiers, celle-ci verrait ses coûts de fonctionnement s'accroître de six à dix pour cent. Mais en offrant de tels services, les institutions de microcrédits profiteraient d'un avantage comparatif indéniable sur leurs concurrentes qui n'en offrent pas. En plus d'attirer un plus grand nombre de clients, ces services favoriseraient l'obtention de taux de remboursement plus élevés. Surtout, l'offre de services non financiers permettrait aux institutions de microfinance de poursuivre des objectifs qui vont bien au-delà de la seule offre de crédit. Toujours d'après Dunford (2001), elles aideraient alors des personnes, d'abord des femmes pauvres, à accroître leurs capacités individuelles et à réduire la pauvreté qui ne serait plus entrevue uniquement comme un problème de manque d'argent (Ibid., 2001). Mais, à notre avis, Dunford aborde l'institution de microcrédit avant tout comme un moyen d'accroître les capacités d'agir



individuelles. Cela va dans le sens du discours dominant voulant que les pauvres aient toujours à s'en sortir sur une base individuelle, et non pas collectivement.

À notre avis, il faut abandonner cette vision selon laquelle le microcrédit puisse seulement aider à accroître les capacités individuelles. Nous l'avons dit plus haut : le microcrédit semble profiter d'abord aux individus « pas si pauvres » parce qu'ils sauraient, mieux que les plus pauvres, comment utiliser avec plus de profit l'argent qu'on leur prête (Hulme et Mosley, 1996; Mosley et Hulme, 1998). En effet, les prêts permettent à des individus d'essayer de se créer des emplois; les cours de formation les aident à mieux utiliser les fonds qu'ils empruntent; etc. Mais les mieux nantis parmi les pauvres auront certainement plus de succès à ce jeu que les plus pauvres. Une façon de contourner cette difficulté consiste à faire en sorte que les institutions de microcrédit acceptent de jouer réellement, là où elles s'implantent, le rôle d'agent de développement économique local, rôle qui est d'ailleurs fondamentalement le leur. L'accroissement de la capacité d'agir ne doit pas persister à n'être que le monopole des plus favorisés, à quelque échelle que l'on soit.

#### **Les fonctions secondes**

Elles ont trait à l'intégration de l'institution de microcrédit dans son environnement communautaire. Par comparaison, toutes les institutions formelles sont communautaires parce qu'intégrées, à des degrés divers, à une communauté environnante. Pensons au rôle complexe que jouent les écoles et les églises dans leur milieu communautaire. Elles remplissent des fonctions premières évidentes, en même temps qu'une foule d'autres fonctions plus accessoires, parfois mêmes très subtiles et inattendues. Dans un roman fort amusant, Michel Tremblay (1980), notamment, a déjà montré jusqu'à quel point la vie entière d'une communauté peut être affectée par des événements, même banals, qui se déroulent à l'école de quartier (Lamarre, 1991). Ces liens enchevêtrés constituent un réel capital communautaire. Il en va de même pour l'institution de microcrédit. Elle établit forcément une multitude de liens avec une communauté environnante qui forment un capital social dont il y a moyen de tirer profit dans une perspective de développement.

À l'aide de deux exemples, nous avons illustré plus haut comment la présence d'une institution de microcrédit peut entraîner des transformations du système de relations sociales en vigueur dans une communauté locale. Ainsi, la fonction première d'une institution de microcrédit consiste à offrir des services bien précis. Mais en décidant d'offrir ses services d'abord aux femmes, l'institution de microcrédit sert alors des fins dont les conséquences débordent largement celles du prêt personnel.

Premièrement, nous avons vu que le fait d'accorder du crédit prioritairement à des femmes dans des contextes sociaux où, souvent, ce sont les hommes qui traditionnellement s'occupent des questions d'argent, n'est pas sans conséquences sociales. Cette situation force un rajustement des habitudes de vie en commun et peut être à l'origine de conflits. Il faut donc s'attendre à ce qu'un

tel changement suscite localement un véritable débat de société pouvant déboucher sur l'établissement de nouveaux compromis, puis l'adoption de nouvelles habitudes. Il est toujours à espérer que de tels changements ne fassent pas trop violence à l'ordre social établi (Ackerly, 1995; Yunus, 1998). Dans ces circonstances, l'institution de microcrédit devrait assumer la tâche de faciliter le cheminement de la communauté dans sa remise en question d'elle-même en l'aidant à découvrir les avantages qu'une communauté toute entière peut retirer de la remise en question du rôle des femmes en son sein. Un tel type d'intervention de la part de l'institution de microcrédit, quoique n'ayant qu'un rapport indirect avec sa fonction première, aurait des conséquences développementales considérables.

Deuxièmement, nous avons montré comment l'utilisation de méthodes participatives peuvent aider une communauté à définir dans ses propres termes en quoi consiste la pauvreté en révélant, de façon non équivoque, ses fondements sociaux. Dunford (2001) l'a souligné : nous (les développés?) ne disposons pas présentement de définitions fiables de ce qu'est la pauvreté. C'est pourquoi nous nous en remettons à l'utilisation d'une approche économique particulièrement commode pour en venir à bout, laquelle assimile la pauvreté à un manque d'argent que l'on pourrait essayer de combler, notamment, à l'aide de prêts personnels. Encore une fois, ce second exemple montre comment une institution de microcrédit peut interférer avec le système de relations sociales locales d'une manière qui puisse entraîner des conséquences imprévisibles.

Si, grâce à l'utilisation de méthodes participatives, il s'avère possible de déterminer les causes sociales de la pauvreté à l'échelon communautaire, alors on peut s'attendre à ce qu'un remède universel destiné à soulager la pauvreté comme un problème essentiellement économique soit à l'origine d'une autre débat de société dans la communauté. Encore une fois, l'institution de microcrédit aurait avantage à participer aux échanges que ne peuvent manquer de susciter dans cette communauté le fait d'avoir à y utiliser un remède prescrit pour soulager une maladie que l'on sait avoir été mal diagnostiquée.

Ces exemples ont pour but de souligner que la présence d'une institution de microcrédit dans une communauté interfère avec son système local de relations sociales avec des conséquences dont l'ampleur dépasse largement celles occasionnées par celles du seul prêt personnel. Cette présence conduit à une remise en cause de l'ordre social local, rien de moins. D'un point de vue développemental, il s'avère important que les spécialistes locaux du microcrédit accompagnent participativement les communautés locales dans leur cheminement visant à trouver des solutions à de nouveaux questionnements que la seule présence d'une institution de microcrédit peut susciter. L'idée n'est pas de leur souffler les bonnes réponses, mais d'approfondir notre connaissance, d'une part, de la nature du rapport qu'entretient le microcrédit avec une communauté environnante, et pas seulement avec les individus aptes à recevoir des prêts. Mais, d'autre part, l'objectif pourrait être d'aider une communauté à mieux se connaître et d'être en mesure d'apprendre à déterminer d'elle-même comment soulager la pauvreté à sa façon. Mais on voit bien que la recherche de

la rentabilisation à tout prix dans le domaine du microcrédit va à l'encontre d'une utilisation de cette institution comme moyen d'aider à ce que le développement devienne réellement une affaire locale qui ait des chances de durer.

## **CONCLUSION**

Il est certes courant d'évaluer les performances de l'industrie du microcrédit en termes de taux d'augmentation du nombre de « clients », du taux d'accroissement des actifs des institutions, des transformations qu'adoptent ses structures de fonctionnement en fonction de sa vitesse de croissance, de niveaux de rentabilité, etc. C'est la manière de faire de la Campagne du Sommet du Microcrédit (Cheston et al., 1999). Cette vision instrumentale du microcrédit est légitimée par l'idéologie néo-libérale dominante selon laquelle l'utilisation la plus efficace qui soit des facteurs de production pourrait conduire à la longue à une solution optimale du fonctionnement des sociétés et, de là, à la fin de la misère. De ce point de vue, une institution de microcrédit qui ne ferait pas ses frais devrait fermer ses portes, et cela de l'avis général. Mais cette représentation des choses laisse entrevoir une institution de microcrédit comme un instrument dont la conception est à affiner sans cesse pour qu'elle puisse remplir une seule fonction et, cela, le mieux possible. C'est oublier le fait que même la présence d'un guichet automatique dans un endroit donné entraîne des conséquences sociales pour une communauté.

Les institutions de microcrédit sont bien plus que des succursales bancaires. Elles sont des occasions de mieux connaître le rapport qu'entretiennent l'argent et la réduction de la pauvreté, mais à la condition de les replacer au cœur d'une réflexion participative menée à l'échelle communautaire. Selon cette mise en situation, les institutions de microcrédit pourraient même s'avérer de véritables laboratoires à partir desquelles poser la question du développement et de la pauvreté d'une façon qui soit communautaire. Une institution de microcrédit pourrait alors s'avérer extrêmement rentable, du point de vue du développement, même si, au plan comptable, elle ne faisait pas probablement pas ses frais.

Encore faut-il que les institutions de microcrédit se rendent compte de l'impact réel qu'elles ont sur leur communauté environnante.

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## **LISTE DES ABRÉVIATIONS ET ACRONYMES**

ACDI : Agence canadienne de développement international.

BRAC : *Bangladesh Rural Advancement Committee.*

CGAP : *Consultative Group to Assist the Poorest.*

CRECER : *Credito con Educacion Rural.*

FUCEC-Togo : Fédération des unions coopératives d'épargne et de crédit du Togo.

IFS : *Institutional Self-Sufficiency.*

MFI : *Microfinance Institution.*

ONG : Organisation non-gouvernementale.

PNUD : Programme des Nations Unies pour le Développement

PWR : *Participatory Wealth Ranking.*

UNCDF : United Nations Capital Development Fund.