

# CROP newsletter

Comparative Research Programme On Poverty

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*member of the CROP  
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## frontiers of poverty research

### **THE EU APPROACH TO POVERTY: A REVIEW<sup>1</sup>**

In poverty research attention is focused mainly on international organisations and on single States as individual donors. The European Union, as a separate autonomously acting subject, is rarely submitted to an in depth analysis aiming to understand approaches and goals.

The EU combat against poverty operates in several sectors. For the EU, poverty is not an isolated phenomenon to be dealt with by adopting just a "programme for poverty" supported by specific financial actions. On the contrary, we understand that the EU now wants to face poverty through a global policy approach.

A key document in its policy is the EC Communication on *The European Community's Development Policy*<sup>2</sup> where a "comprehensive approach" to poverty reduction is described. Here the EU combines politics, trade and development, by ensuring coherence and coordination of actions and by strengthening partnerships (although well aware of the problems in the implementation).

In this context the document gives a definition of poverty that is multi-faceted: "*This new definition includes deprivation of basic capabilities and encompasses non-monetary factors such as lack of access to education, health, natural resources, employment, land and credit, political participation, services and infrastructure. It also covers the risk dimension and notion of vulnerability*".

In the same document, the EC stresses the

fact that international development policies quite often do not reduce poverty, and even contribute to the further marginalisation of vulnerable groups. The crucial need is to intervene on the structural reasons for poverty formation. Here they are seen as the lack of political responsibility of governments, the frequency of political crisis, the lack of institutional reforms, the lack of capacity-building, the lack of human resources through training and education, the lack of social and health interventions, all in interplay with economic growth aimed at reduction of inequalities.

The EC analysis points out that opening trades and access to markets are absolutely useless in the absence of structural reforms. The same opinion is found in a European Parliament Resolution<sup>3</sup> stating that "*economic development does not have to take place on the basis of a completely open, liberalised, laissez-faire market logic, many instances of successful development having been based on promoting local producers, manufacturers and industries*". This issue is further developed in the EC Communication concerning the *Community support for economic reform programmes and structural adjustment*<sup>4</sup>. Sound public management, fiscal and tax reforms and private sector development are considered the pillars of the European actions in favour of structural reforms. These actions must be implemented with "*support for enhanced poverty reduction*", because so far insufficient attention has been given to questions of equity and to the impact of economic policies on the distribution of wealth. Therefore "*the Community will*

CROP Secretariat, Fosswinkelsgate 7, N-5007 Bergen, Norway

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Post

**CROP Secretariat**

Ph: +47 55 58 97 39  
Fax: +47 55 58 97 45  
e-mail: [crop@uib.no](mailto:crop@uib.no)

<http://www.crop.org>

*attach special importance to the equitable distribution of the fruits of growth. It will look here both at overall changes and the effects of globalisation on the rich country/poor country divide, and at changes within countries (the impact of tax policies on the incomes of different social groups; the impact of economic policies on employment)".*

The EU considers moreover that some specific sectors such as health, education, training, and water management are particularly important for a successful poverty reduction programme.

The EC Communication on *Health and Poverty Reduction in Developing Countries*<sup>5</sup> establishes the guidelines and the actions. It is interesting that the analytical approach is reversed. Traditionally it is claimed that poverty produces diseases. Here it is stated that lack of health and health policies brings about poverty and limits resources available to governments. In this context the objectives of the EU are: "1) to improve health, AIDS and population outcomes at country level, especially among the poorest; 2) to maximise health benefits and minimise potential negative health effects of EC support for other sectors; 3) to protect the most vulnerable from poverty through support for equitable and fair health financing mechanisms; and 4) to invest in the development of specific global public goods". The European Parliament specifies that "EU actions should be based around the principles of sustainability and ownership by developing countries, and that finding sustainable solutions will require substantial political commitment from both developing countries and developed countries"<sup>6</sup>.

The EC Communication on *Education and Training in the Context of Poverty Reduction in Developing Countries*<sup>7</sup> stresses the "vital importance of education in reducing poverty and in development". The document establishes priorities for community support as: basic education (first priority), in particular primary education and teacher training, work related training and higher education, especially at the regional level.

The EC Communication on *Water Management in Developing Countries Policy*<sup>8</sup> outlines the impact on poverty reduction through a successful water management and supply policy. In the conclusions it states that "raising water on the political agenda as an essential component of poverty reduction strategies, and ensuring that water and sanitation services are adequately integrated with health and education"

is a crucial goal, and further, that lack of access to drinking water is an essential element in the definition of poverty.

The EC Communication on *Evaluation and Future Orientation on Food Aid Policy*<sup>9</sup> states that food aid is no longer considered (only) as an alleviation of poverty but as a long-term objective, and part of the poverty reduction strategy. The European Parliament has declared the "access to food in sufficient quantities and of a sufficient quality as a fundamental human right for people of developing countries"<sup>10</sup>. As a result a long term security food access needs to be established in the recipient countries. The EC is, of course, aware of the difficulties related to such a plan, due to the weakness of local administrative and technical capacity.

Combating poverty is now a strategic point in the context of the Social Cohesion Policy. In the *EC Report 2001*<sup>11</sup>, for instance, the chapter concerning social cohesion clearly states that "disparities between social groups remain unacceptably high". The "\$1 a day" definition of poverty is rejected. Instead the Report adopts the Eurostat definition: "people with an income of 60% or less of the median income in the country in which they live". It is clear that in this way the poverty line is changing and the method shifts the attention to relative deprivation in the country concerned. Of course, at present this method is difficult to apply in developing countries.

#### Notes:

<sup>1</sup> **Ginacarlo Vilella** is Civil Servant of the European Parliament. All the following considerations and remarks are personal and do not imply the responsibility of European Union institutions.

<sup>2</sup> COM(2000)212 final, Brussels, 26.4.2000

<sup>3</sup> P5\_TA-PROV(2002)0389, in Minutes of 03/09/2002

<sup>4</sup> COM(2000)58 final, Brussels, 04.02.2000

<sup>5</sup> COM(2002)129 final, Brussels, 22.03.2002

<sup>6</sup> See Resolution A5-0263/2001, in Minutes of 04/10/2001, and Resolution P5\_TA-PROV(2002)0030, in Minutes of 30/01/2003.

<sup>7</sup> COM(2002)116 final, Brussels, 06.03.2002

<sup>8</sup> COM(2002)132 final, Brussels 12.03.2002

<sup>9</sup> COM(2001)473 final/2, Brussels 12.09.2001

<sup>10</sup> See the mentioned Resolution P5\_TA-PROV(2002)0389

<sup>11</sup> See <http://europa.eu.int/abc/doc/off/rg/en/2001/index.htm>

## CONFERENCE ON POVERTY

The Centre for International Studies, University of Toronto, Canada, is convening a conference on *Q-Squared in Practice: A Conference on Experiences of Combining Qualitative and Quantitative Methods in Poverty Appraisal*, May 15-16, 2004. The conference organizers are **Ravi Kanbur** (Cornell University) and **Paul Shaffer** (University of Toronto).

The last ten years have seen recognition of the strong complementarities between qualitative and quantitative methods in poverty appraisal. There is a growing consensus that both approaches have much to contribute to understanding and policy formulation. The question is no longer if the two methods should be combined, but how. The conference aims to bring together the best in recent efforts in the *Q-Squared* tradition.

Submissions, of completed papers or substantial abstracts, should be sent electronically to **Ravi Kanbur** (E-mail: [sk145@cornell.edu](mailto:sk145@cornell.edu)) by Sept. 30, 2003.

## POVERTY RESEARCH REPORT

**Olle Tammilehto** has written the report *Globalisation and dimensions of poverty*. The Ministry of Foreign Affairs of Finland funded the research for the report.

The report examines the impact on poverty of the prevailing globalisation process and discusses whether the globalisation process can be harnessed to benefit everyone, or if it is slanted to benefit only the few. The report also contains a historical overview of the relationships between poverty, wealth and power and their linkages.

The report can be downloaded from [http://global.finland.fi/english/publications/pdf/tammilehto\\_globalisation.pdf](http://global.finland.fi/english/publications/pdf/tammilehto_globalisation.pdf)

## JOURNAL OF ECONOMIC INEQUALITY

The subject of economic inequality links closely with many other topics in the social sciences. The new *Journal of Economic Inequality* is a forum for ideas and results both in the field of inequality and in other areas that relate to the subject of inequality. The journal is edited by **Jaques Silber**, Dept. of Economics, Bar-Ilan University, Israel. For subscription information contact Kluwer Academic Publishers, P.O. box 322, 3300 AH Dordrecht, The Netherlands.

The first number of the journal can now be downloaded for free from <http://www.kluweronline.com/issn/1569-1721/current>

## HUMAN DEVELOPMENT REPORT

The UNDP Human Development Report 2003 *Millennium Development Goals: A compact among nations to end human poverty* can be downloaded freely from the UNDP webpage:

<http://www.undp.org/hdr2003/>

## editorial

The UNESCO Sector for Social and Human Sciences has developed a new and radical strategy for the *abolishment of poverty through the use of the human rights framework*. The argument is that poverty deprives people of their dignity and therefore by definition is a *violation of human rights*, not to be tolerated under international law. The responsibility for realising human rights is universal and concerns all actors whose decisions affect people's life. In particular persons and institutions exercising power are under the legal obligation to secure that their actions do not violate fundamental human rights and must be held accountable if failing to do so.

By the deliberate use of the concept *abolishment of poverty* instead of commonly used terms like poverty reduction and poverty eradication, the new strategy also points directly to the *political* responsibility of those in power to secure the rights of the poor. The argument presented by UNESCO thus implies that regimes which violate the human rights of their citizens through economic malpractice or bad governance need to question their right to govern and represent their people on the international arena.

On the initiative of Pierre Sané, Assistant Director-General of UNESCO, CROP was asked to invite 15 independent experts from its international network of poverty and human rights specialists and organise a Consultation in Bergen, Norway, to evaluate the proposed strategy. The Consultation took place in June 2003.

The participants supported the UNESCO initiative. They agreed to the multi-dimensional view on poverty as a sustained and chronic situation depriving people of the possibilities to lead a decent life and maintain their dignity, and accepted the implication that poverty therefore must be considered a violation of the fundamental human rights of those affected.

However, the experts underscored that much work still needs to be done to identify the *duty-bearers* at different levels of the society and develop instruments through which they may be held accountable for their actions. More research is needed to document how poverty is actually being produced and reproduced through decisions and actions taken by the non-poor. Above all, *solid evidence* must be provided to substantiate that such decisions and actions constitute violations of the rights of the poor, punishable by international law.

In this work the poor themselves must be seen as primary actors in their own cause and their own right. Ways must be found to empower the poor and other relevant actors to be able to exert their rights and make the duty-bearers fulfil their duties.

It is to be hoped that UNESCO is given the

## CALL FOR PAPERS

*CROP and Center for Economic and Financial Research and Studies, Cairo University, convene the workshop*  
*Poverty in the Light of the Informal Economy*

Alexandria, Egypt, May 2004 (exact date to be decided)

The workshop aims to study the meaning and relationships of the informal economy to poverty in the Mediterranean Region. The workshop follows others previously organised by CROP to help develop a network of poverty researchers in the region. The conference particularly sets out to critically discuss the policy-linkages made between the control of the informal sector, the strengthening of the formal economy and the expansion of the small enterprise sector with the reduction of poverty. There are an increasing number of economists, and other social scientists, who not only argue that the distinction between formal and informal economies is questionable due to its reliance on context, but that the encouragement of the small enterprise sector can lead to the expansion, rather than contraction of the informal sector. Moreover it has been shown that in an increasingly globalised reality, unquestioned support for the formal and free market and of the small enterprise sector can have the unintended result of worsening general work and social conditions. The workshop aims to study these contradictions, to highlight and question their structural and theoretical basis, and to discuss the content of a more rigorous and nuanced research on the informal and formal economies. As such the workshop aims to research, through reference to empirical case-studies and applied theory, the role of formality and informality in shaping both production and reduction of poverty.

Key questions that will be addressed include:

- To what extent is the informal economy reliant on the formal economy, and vice versa?
- What are the relationships between informality and poverty?
- What role does the small enterprise sector have in reducing poverty?
- How can an "entrepreneurial poor" be defined?

The workshop will be limited to 30 participants. Preference will be given to scholars from the Mediterranean Region, but scholars from other areas are also invited. All participants will be expected to take part in the proceedings by either presenting or discussing papers. Participants bear the responsibility for their own funding. However, a limited number of travel grants are available. The grants will be awarded according to geography and the relevance, quality and originality of the abstract/paper. Details on how to apply for travel grants will be forwarded to those authors whose abstracts are accepted for the workshop. As a rule, accommodation will be covered for all participants during the workshop.

### THE DEADLINE FOR ABSTRACTS IS NOVEMBER 20, 2003

The abstract should include: the title of the proposed paper and a summary of the main theme or argument. The summary should indicate theory, methods and findings of your proposed paper, and should not exceed ONE PAGE (A4). IMPORTANT: A brief CV along with a list of your most recent publications should accompany the abstract. Please state clearly your name, title, nationality, full postal and e-mail address, telephone and fax numbers. The abstract and CV should be sent (preferably by E-mail) to:

CROP Secretariat, Fosswinkelsgate 7, N-5007 Bergen, NORWAY, Tel: +47-5558-9739, Fax: +47-5558-9745, E-mail: [crop@uib.no](mailto:crop@uib.no)

Participants will be notified by December 10, 2003, whether their proposals for papers have been accepted or not, and will then be given details of the format in which the papers should be prepared (the deadline for submission of the paper will be March 30, 2004).

A background paper and more detailed information about the workshop is available by contacting the CROP Secretariat.

necessary political and economic backing to implement its new plan, in close co-operation with the rest of the UN system, individual states and legal institutions on

national and international levels.

**Kirsti Thesen Sælen**  
*CROP Co-ordinator and Rapporteur*  
to the UNESCO Consultation

## POVERTY AND SOCIAL DEPRIVATION IN THE MEDITERRANEAN AREA

CROP and the Department of Social Administration of Democritus University of Thrace organised a conference June 14-15 in Komotini, Greece, on *Poverty and Social Deprivation in the Mediterranean Area: The local, national/regional and global dimension*. The aim was to strengthen the network of poverty experts in the Mediterranean area (South Europe and particularly South-Eastern Europe, North Africa and the Middle East).

The following papers were presented:

### Poverty and Social Deprivation in South Europe

- *Poverty and poverty discourses in Italy in comparative perspective* by **Chiara Saraceno**, University of Turin, Italy.
- *Poverty profiles and trends. How do South European countries compare with each other?* by **Christos Papatheodorou** and **Maria Petmesidou**
- *Poverty and anti-poverty policies in Portugal: the experience of the guaranteed minimum income (RMI)* by **José Pereirinha**, ISEG & Technical University of Lisbon, Portugal
- *Identifying deprivation profiles in Spain: a new approach* by **Jesus Pérez-Mayo**, University of Extremadura, Spain
- *Absolute poverty and irregular immigrants in Spain* by **Ubaldo Martínez Veiga**, Autonomous University of Madrid, Spain

### Poverty and Social Deprivation in South-east European Transition Countries and Turkey

- *Poverty and public expenditure in Albania and former Yugoslavia* by **Gerry Redmond**, UNICEF Innocenti Research Centre, Florence, Italy
- *The poor, excluded and transition losers in Southeast European transition economies* by **Ivan Bicanic** and **Vojmir Franicevic**, University of Zagreb, Croatia
- *Poverty and social deprivation in Bulgaria* by **Mariana Kotzeva**, University of National and World Economy, Sofia, and **Bogdan Bogdanov**, National Statistical Institute, Sofia
- *Microeconomic environment, migration, inequality and poverty: the case of Turkey* by **Jacques Gabriel Silber**, Bar-Ilan University, Israel and **Süleyman Özmucur**, Pennsylvania University, USA
- *Dynamics of understanding poverty in Turkey: gender, rural/urban poverty and social networks and reciprocal survival strategies* by **Sibel Kalaycioglu**, Middle East Technical University, Ankara, Turkey

### Poverty and Social Deprivation in North Africa and the Middle East

- *Poverty concepts and measurement. Egypt in comparative perspective* by **Saad Nagi**, American University of Cairo, Egypt / Ohio State University, USA
- *Urban poverty and labour market* by **Heba**

## LIST OF CROP EVENTS 2003/2004

October 2003

23-24: *Politics and poverty reduction*. The Annual Conference of the Norwegian Association for Development Research (NFU). Organised by the Norwegian Institute for Urban and Regional Research (NIBR) in co-operation with CROP and the National Network on Local Politics and Development (LPD), Oslo, Norway.

October 2003

27-31: The Latin American Social Science Council (CLACSO) organises a special session within the *CLACSO-CROP Programme: State of the art in poverty research, theme and agenda* at the CLACSO XXI General Assembly, Havana, Cuba.

November 2003

24-26: *Law and Poverty V*. A joint CROP and the Social Science Academy of Nigeria workshop in Abuja, Nigeria.

April 2004

14-16: *Work and the Production of Poverty in Latin America and the Caribbean: Structure, Discourse and Actors*. A joint CROP, CLACSO and Centre for Development and Agricultural Studies (CEDLA) workshop in Santa Cruz, Bolivia.

May 2004

*Poverty in the Light of the Informal Economy*. Workshop to be held in Alexandria, Egypt. Jointly organised by CROP and Center for Economic and Financial Research and Studies, Cairo University. See page 3 for details.

**Nassar**, Centre for Economic and Financial Research and Studies, Cairo University, Egypt

- *The gender dimensions of poverty* by **Heba El-Laithy**, American University of Cairo, Egypt
- *Poverty evaluation in Algeria: a logit-probit model applied to a multidimensional field survey in the region of Tlemcen* by **Abderrezak Benhabib**, **Tahar Ziani** and **Samir Maliki**, University of Tlemcen, Algeria
- *Fuzzy set approaches to the measurement of multidimensional poverty: a comparison based on Israeli Data* by **Jacques Silber** and **Michael Sorin**, Bar-Ilan University, Israel
- *Household structure and the production of urban poverty: findings from outer Beirut* by **Marwan Khawaja** and **Mylene Salem**, Centre for Research on Population and Health, American University of Beirut, Lebanon
- *The social stratification obstacles to inequality alleviation and poverty reduction in traditional societies. The case of Lebanon* by **Sylvia Haladjian**, Holy Spirit University, Lebanon
- *Development of Jordan's strategy toward poverty: a critical analysis* by **Ali Zaghaf**, Refugees, Displaced Persons and Forced

## CROP IN BRIEF

CROP is a world-wide network of researchers and experts on poverty. The aim of CROP is to establish an arena for interdisciplinary and comparative research on poverty in developed and developing countries. CROP organises regional workshops, symposia and international conferences, promotes joint research projects and publications, links poverty researchers and disseminates information about poverty research, on a non-profit basis. CROP has developed a database on poverty researchers, and documentation of ongoing research.

If you wish to have your name listed in CROPnet, you are welcome to write to the Secretariat and request a copy of the CROP Database Survey form. For further information please contact the CROP Secretariat

Please note: We cannot answer the increased demand for copies of single papers presented at CROP conferences and workshops. However, if you have the patience, most of the papers become available through the publications that follow the conferences and will be duly announced. We still supply the authors addresses, phone & fax numbers.

## WEBPAGE FOR CROP

Those who have an Internet connection and a WWW browser programme installed on the computer, can find the CROP [webpage at www.crop.org](http://www.crop.org). The pages hold general information about CROP, news about past and ongoing activities, as well as the latest CROP newsletter.

## AT THE CROP SECRETARIAT YOU WILL MEET:

**Else Øyen**, Scientific Director of CROP  
**Kirsti Thesen Sælen**, Co-ordinator  
**John McNeish**, Lat. Am. Co-ordinator/Researcher  
**Inge Erling Tesdal**, Executive Officer  
**Hege Aarethun**, Executive Officer

Migration Studies Centre, Yarmouk University, Irbid, Jordan (in absence)

- *Poverty in Palestine: incidence, profiles and perspectives of the poor* by **Jamil Hilal**, Researcher, Palestine
- *Poverty alleviation through community action and resource mobilization* by **Nader Said**, Birzeit University, Palestine (in absence)

**Peter Townsend**, LSE, UK, **Else Øyen**, CROP, and **Maria Petmesidou** and **Christos Papatheodorou**, Democritus University of Thrace, commented on the sessions.