A Conceptual Overview of Underlying Causes of Poverty

Prepared by: M. Katherine McCaston (HLS Advisor)
with Michael Rewald (RBA Advisor) and CARE's Integration Team

January 2005

TABLE OF CONTENTS

Glossary of Terms……. 1
Introduction…… 4
Part 1: The Evolution of CARE's Development Approach
Why focus on Underlying Causes?…… 6
Unifying Framework for Poverty Eradication & Social Justice…… 7
Part 2: Underlying Causes of Poverty
The Problem of Terminology……. 9
Characterizing the Underlying Causes of Poverty……. 10
How Does a UCP Focus Change our Work?……. 12
The Importance of Power Relations…….. 13
Part 3: Four Critical Underlying Causes of Poverty – A Point of Departure 15
Gender Inequity……. 17
Social Exclusion……. 18
Unmet Rights to Access to Resources & Services……. 20
Failing Governance Systems…… 21
Part 4:
Summary..…….…. 23
References Cited…… 25

Diagrams
Diagram 1: Unifying Framework for a Rights-Based Approach to Livelihood Security…….. 7
Diagram 2: Interaction between Social Positions, Human Conditions, & Enabling Environment……... 8
Diagram 3: 4 UCP Areas of Unifying Framework for a Rights-Based Approach to Livelihood…….. 16

Table
Table 1: Hierarchy of Causes: Some Examples 11

Text Boxes
Text Box 1: Unifying Framework does Not Replace HLS 8
Text Box 2: Causal Levels & Associated Development Response 12
Text Box 3: Importance of Analyzing Power Relations in our Design Work 14
Text Box 4: Definitions of Social Exclusion 19
Text Box 5: A Definition of Governance 22
Text Box 6: A Definition of Good Governance 23

Glossary of Terms

Benefit-Harm Analysis: is a methodology and set of tools for program design and implementation. It helps us to better understand and take steps to improve the human rights impact of our work. It is a *tool* that helps programmers identify previously unforeseen opportunities to help people access their rights, while mitigating unintended negative impacts on people's rights (Jones 2002).

Constituency Building: is a *tool* for implementation, resource mobilization, and policy and social advocacy. CARE's constituency building strategic direction is aimed to help people better understand their role in the social, economic and political structures that sustain poverty and injustice; build solidarity among them; and equip and support them in their efforts to create a more just and equitable world (Ray 2004).

Enabling Environment: can be defined as the structural environment that recognizes and reinforces mutual rights and obligations. It is made up of interrelated conditions necessary for fostering just societies. Some of the interrelated conditions include: (a) good governance -- elected national and local governments which are responsive to constituents and are empowered to serve them; (b) sound legal, regulatory, political and institutional frameworks; (c) pro-poor policies; (d) institutionalized mechanisms for transparency and accountability; (e) conducive private sector social accountability mechanisms; (f) strong civil society participation (freedom of expression, association and negotiation); (g) freedom from conflict, etc.

Empowerment: is the expansion of assets and capabilities of people to engage with, influence, and hold accountable the people and institutions that affect their lives (Moser, 2003; cited in Martinez 2004).

Facilitation: is an approach to development that is committed to helping various development actors, civil society organizations, and other governing bodies work together toward a common goal. Components of facilitation are promoting dialogue, resolving conflicts, identifying common goals, creating common win-win situations, etc.

Gender Equity: is the condition of justice in relations among women and men, leading to a situation in which women and men enjoy equal status, opportunities, and rights (CARE 2001). As with RBA, gender equity and diversity provide a *lens* and *vision* for our work, with a focus on gender & other manifestations of equity.

Household Livelihood Security (HLS): is defined as adequate and sustainable access to income and resources to meet basic needs (including adequate access to food, potable water, health facilities, educational opportunities, housing, and time for community participation and social integration) (Frankenberger 1996). It is CARE's programming *framework* -- a means for viewing and understanding the world we work in/on.

Human Conditions: are aspects of quality of life, well-being, and opportunities. These include the necessary material conditions for a good and healthy life (including secure

and adequate livelihoods, income and assets, access to enough food and clean water at all times, health and education security, physical security, shelter, access to goods and services, etc).

Immediate Causes of Poverty: are those factors that are directly related to life and death situations; these can include famine, disease, conflict, natural disasters, etc.

Intermediate Causes of Poverty: are related to improving people's well-being. They generally point to what people lack (needs-based) and focus on: lack of access to basic services, lack of skills, lack of productivity, etc. *The intermediate level is where the majority of current development interventions are targeted.*

Partnership: is a relationship that results from putting into practice a set of principles that create trust and mutual accountability. Partnerships are based on shared vision, values, objectives, risk, benefit, joint contributions of resources, shared control and learning. It is a *tool* or *approach* for implementation, which requires prior analysis of institutional context (Stuckey et al 2000).

Policy Advocacy: is a deliberate process of influencing those who make policy decisions and implement those policies. It is a programming tool that CARE uses to complement other programming efforts (CARE Advocacy Manual 2001).

Poverty Alleviation: is a term associated with anti-poverty campaigns that were welfare focused. The term alleviation means to make something less severe or more tolerable. The approach addresses the symptoms of poverty and not the underlying causes.

Poverty Reduction: is a term associated with the "needs-based" international development era. Reduce means to make something smaller. As with poverty alleviation, the focus is on *reducing* poverty and not on eliminating poverty.

Poverty Eradication: is an approach to international development that focuses on addressing the structural causes of poverty (not merely the symptoms). It aims to empower the poor to the extent that they help determine and shape the poverty eradication agenda.

Power: is the ability to know, articulate, pursue and achieve one's interest – "to control their own destinies, even when their interests are opposed by those of others with whom they interact" (Oppenheim, Mason and Smith, 2003). It is, therefore, *multidimensional* -- interactive across economic, political, psychological, and legal domains; *multilocal* -- interactive across local, meso, and macro locations, and *relational* -- interactive between parties – nobody is "powerless," and all relations of dominance and subordination hold the seeds of interdependence (Martinez 2004).

Rights Based Approaches (RBA): is a *lens* and an approach to all our work, be that programming or within our own organization. A rights-based approach deliberately and explicitly focuses on people achieving the minimum conditions for living with dignity

(i.e. achieving their human rights). It does so by exposing the roots of vulnerability and marginalization and expanding the range of responses. It empowers people to claim and exercise their rights and fulfill their responsibilities. A rights-based approach recognizes poor, displaced, and war-affected people as having inherent rights essential to livelihood security – rights that are validated by international law (Jones 2001).

Social Advocacy: is a *tool* or *approach* for implementation. Social advocacy seeks to change people's attitudes, beliefs and behaviors and thereby create an environment in which other work – in policy advocacy, good governance, civil society building, gender equity and diversity – can be more effective (Ray 2004).

Social/Citizen Empowerment: is a process of learning and action that strengthens people's self-esteem, analytical and organizational skills, and political consciousness so they can gain a sense of their rights and join together to develop more democratic societies (VeneKlasen 2002).

Social Justice: Iris Marion Young (1990) suggests that social justice encompasses the degree to which a society supports and promotes the institutional factors required for the realization of the values and material conditions necessary to live a good life. For Young, similar to Amartya Sen, those values include the ability for each of us to develop and exercise our capacities and express our experience, and to participate in determining our actions and the conditions of our actions. In contexts and societies where social group differences exist and some groups are privileged while others are oppressed, social justice requires explicitly acknowledging and attending to those group differences. Social justice also imposes on each of us a personal responsibility to work with others to design and continually perfect our institutions as tools for personal and social development.

Social Positions: are peoples' position in society and their ability to live in dignity. To improve social positions one must focus on changing the nature and direction of systemic marginalization by eliminating the barriers that underpin exclusion, inequality, and powerlessness.

Underlying Causes of Poverty: are most often the result of a combination of political, social, economic, and environmental factors that are related to the systemic and structural underpinnings of underdevelopment, residing at the societal and often the global level.

❖ Introduction

The following paper is the second paper in a three-part series that are aimed at helping CARE focus its work on the underlying causes of poverty (UCP). The first paper focuses on CARE's conceptual evolution. It demonstrates that our efforts to build on and enhance our HLS Framework by incorporating our various approaches and analytical lenses has resulted in a comprehensive and important approach to poverty eradication and the achievement of CARE's Vision.

This second paper in the series is dedicated to helping CARE understand the "basics" of the underlying causes of poverty. The third paper in the series (not yet developed) will be dedicated to the analysis of the underlying causes of poverty. It will provide an overview of analytical methods and tools that can be used to identify and analyze the underlying causes of poverty.

This current overview of underlying causes of poverty is based on a review of available literature, both recognized and gray literature. In our research, we were ***unable to find a body of literature that specifically focuses on the technical or development-oriented aspects of underlying causes of poverty***. Much high-level theoretical discussion exists from a variety of disciplinary backgrounds. Arguments range from Karl Marx and Adam Smith to more recent debates among political economists, political ecologists, anthropologists, etc.

However, we were looking for more straightforward technical discussions that are directly related to CARE's work and could be used for staff training efforts. Specifically, we were looking for efforts that ***systematically define or characterize underlying causes compared to other levels of causation; or any systematic technical discussion on how to distinguish between the different levels of causation;*** and to understand what ***methods and tools were available to help us learn how analysis of underlying causes*** might be different from other types of analysis. Therefore, we found a wealth of brilliant theoretical work; however, we were unable to find more lower-level technical guidance or tools that could explain how focusing on underlying causes of poverty might change our analytical methods or intervention options.

Not having a roadmap can be both a drawback and an opportunity. It can be a drawback in the sense that there is little information available to frame the discussion. It can be an advantage in that CARE has an opportunity to be innovative in how we conceptualize underlying causes of poverty and to contribute to the debate within the international development community.[1]

We begin by providing a brief overview of the evolution of CARE's development approach that led us to our current focus on underlying causes of poverty. In this section, we discuss a first attempt at conceptualizing and graphically presenting CARE's program evolution by briefly discussing the ***draft*** Unifying Framework for Poverty Eradication and Social Justice recently developed by CARE. Second, we provide an overview of the underlying causes of poverty. This section discusses the problems with terminology that were identified during our literature review of the underlying causes of poverty. The second part of this section provides a causal hierarchy for better understanding and being able to distinguish between the various levels of causes of poverty. Finally, the third section of this paper provides a brief discussion of the four underlying causes of poverty that CARE had identified as starting points for gaining a better understanding of the underlying causes of poverty.

[1] This paper was developed using an extensive 2-tier review and consultation process. The paper was also critically reviewed during the recent RBA Reference Group Meeting in Cairo 19-21 May 2004. Thus, the paper has benefited from the contribution of many CARE staff. I thank all for your contributions to this work in progress. Sincerely, Kathy McCaston

❖ Part 1: The Evolution of CARE's Development Approach
⇒ Why focus on Underlying Causes?

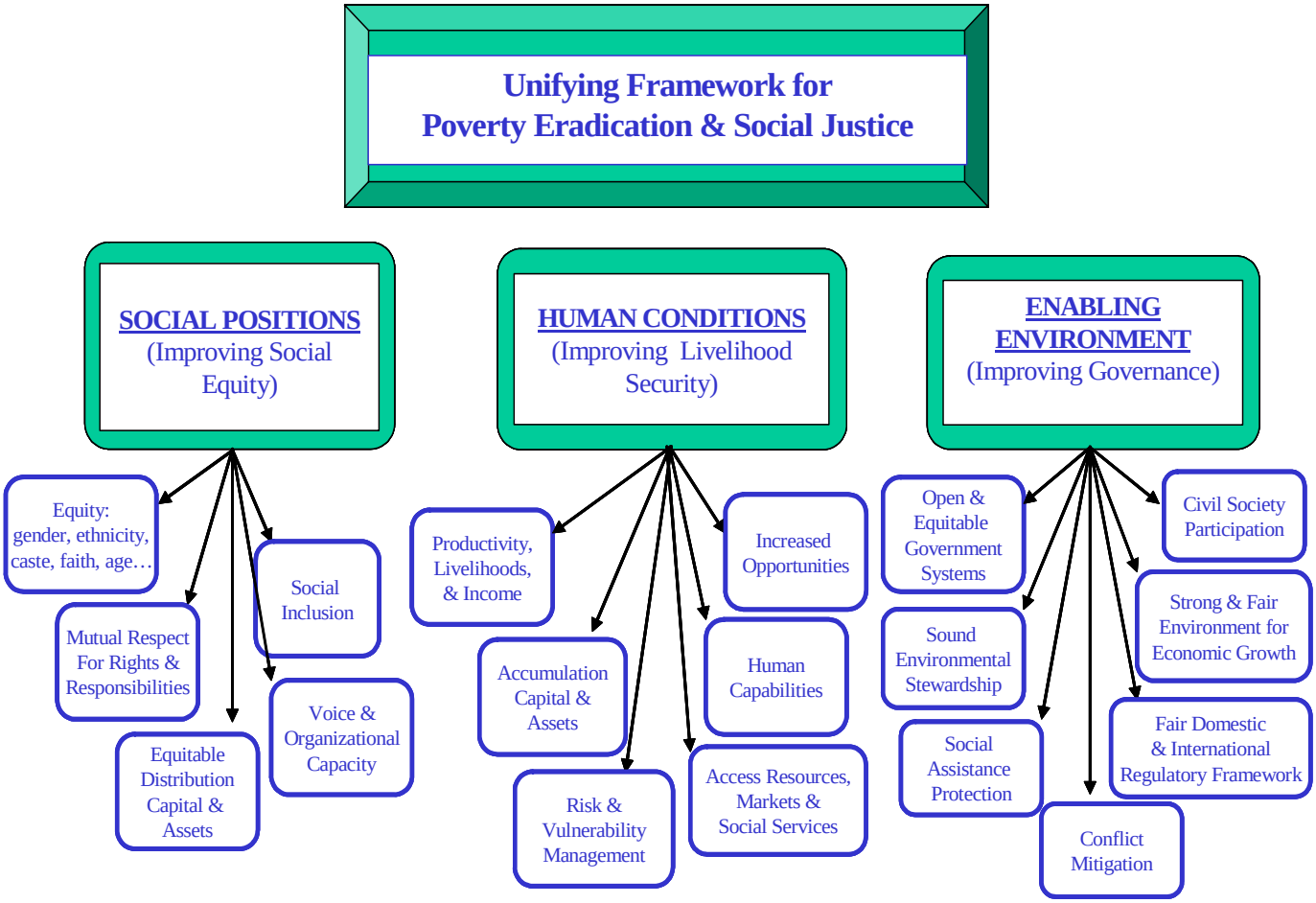
In the mid-1990's CARE adopted the ***Household Livelihood Security*** framework as its programming framework. Household Livelihood Security brought many important changes to CARE's programming approach. Importantly, HLS brought an emphasis on people-centered development. HLS grew out of the recognition that single-sector and donor-driven project design and programming often did not adequately respond to the complex and multi-faceted reality that vulnerable and poor people and households face in their daily lives. A key element of HLS is the importance of conducting participatory holistic analysis to better understand community needs from a people-centered perspective ***(related to CI Principle 1).*** HLS promotes the engagement of participants in the program cycle – analysis, design, M&E, reflective practice ***(related to CI Principle 1).*** HLS also asks us to shift to a program approach through holistic, cross-sector analysis that allows us to determine key leverage starting points and then sequence interventions in and out of the program over time. It also emphasizes the importance of working in partnership ***(related to CI Principle 2)*** to improve our impact and ensure that our programs result in lasting and fundamental improvements in the human condition ***(related to CI Principle 6).***

CARE's recent focus on rights-based approaches has contributed to significant enhancements to CARE's HLS Framework. RBA pushed our HLS thinking from solely focusing at improvements in the human condition – focus on ensuring people's needs and material conditions were met such that they could become livelihood secure – to also focusing on improvements in social positions – rights, inequality and discrimination ***(related to CI Principle 4)***. A rights-based approach also requires us to expand our understanding of accountability to not only ensure upward accountability, but to also seek ways to be held accountable to poor and marginalized people whose rights are denied ***(related to CI Principle 3).*** As well, a rights-based approach to HLS requires that we broaden our commitment to holistic analysis to include not only cross-sector analysis but also deeper analysis of the underlying causes of poverty ***(related to CI Principle 6).*** RBA helped CARE recognize that if the underlying causes are not addressed, the ability for the people we serve to realize their rights and become livelihood secure is limited, if not completely undermined.

❖ Part 1: The Evolution of CARE's Development Approach
⇒ Unifying Framework for Poverty Eradication & Social Justice

This conceptual evolution has advanced CARE's approach in important ways. In an ***initial effort*** to capture this evolution, we have developed a Unifying Framework that brings together the key features of CARE's current development thinking, referred to as a Unifying Framework for Poverty Eradication & Social Justice.[2]

Diagram 1



[2] For a more comprehensive discussion of the Unifying Framework, please see 2004, Unifying Framework for Poverty Eradication & Social Justice: The Evolution of CARE's Development Approach.

The Unifying Framework for Poverty Eradication & Social Justice is developed around three upper-level outcome categories that together ensure that we are analyzing and addressing underlying causes from both a needs- and rights-based perspective, and highlight the importance of helping to create a sound and just enabling environment to help ensure sustainable development outcomes. The ***octagons*** under each outcome category represent intermediate outcomes that are necessary to lead to the related upper-level development outcomes.

These three upper-level outcome categories can be thought of in the following way:

1. **Improving Human Conditions**: Supporting efforts to ensure that people's basic needs are met and that they are livelihood secure.
2. **Improving Social Positions**: Supporting people's efforts to take control of their lives and fulfill their rights, responsibilities and aspirations. Supporting efforts to end inequality and discrimination.
3. **Creating a Sound Enabling Environment**: Working in partnership with others to ensure that the institutional environment – economic, political, and social systems; as well as public, private, civic and social institutions, etc. -- is responsive and responsible to constituents and is committed to creating an enabling environment that fosters just and equitable societies.

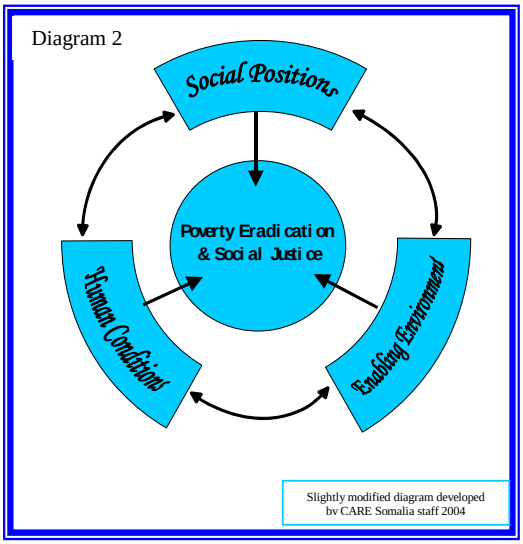
The term ***Social Positions*** encapsulates CARE's recent focus on improving people's social position through our focus on human rights, gender equity, social inclusion of marginalized groups, as well as the equitable distribution of resources and services. The ***Human Conditions*** outcome category encompasses our focus on livelihood security and improving the human condition. The ***Enabling Environment*** outcome category focuses attention on the political, economic, public, and social institutions that together create an enabling environment for fostering just and equitable societies.

Text Box 1:

IMPORTANTLY

The Unifying Framework does not replace our HLS Framework or our other approaches and lenses, rather the Unifying Framework demonstrates how CARE's various approaches have evolved into a more dynamic and comprehensive approach to poverty eradication.

Diagram 2



Through the framework we can see how CARE's conceptual evolution has resulted in an important paradigm shift in how we work. It represents a more comprehensive approach to poverty eradication and the fulfillment of CARE's Vision that people live in dignity and security. It is this framework that we use as our point of departure for discussing and broadening our understanding of the ***underlying causes of poverty (UCP)***.

Also importantly, please do not view these 3 categories as tubular. There is considerable interaction between and across these outcome areas. It is the combination of these three outcome categories that is critical to poverty eradication and social justice.

❖ Part 2: Underlying Causes of Poverty
The Problem of Terminology

This overview of UCP is based on a review of available literature. Literally hundreds of documents were reviewed -- both recognized and gray literature -- in an effort to develop for CARE a comprehensive and technically-sound understanding of the underlying causes of poverty.

In our research, we were *unable to find a body of literature that specifically focuses on underlying causes of poverty.* There is much discussion about the importance of shifting our attention away from addressing symptoms to an approach that focuses on addressing the underlying or root causes, however, there is currently limited guidance on how this should be done. We were unable to find evidence of efforts that have *systematically focused on defining or characterizing underlying causes; we were unable to find any systematic technical discussion dedicated to helping distinguish between the various levels of causes; and we were also unable to find much discussion on methodological approaches for analysis of the underlying causes of poverty*. A likely reason for this lack of agreement is that the *underlying causes of poverty are very complex and context specific*. In other words, what might be a key underlying cause of poverty in one area, might not apply at all in another region or country.

Point 1:
Don't get too caught up in the terminology or jargon

Lets address for a moment the terminology associated with the underlying causes of poverty. Our research shows that among the organizations and institutions dedicated to ending poverty UCP terminology differs. Some organizations prefer to use the term *structural causes* of poverty, while others use the terms *underlying, systemic, root, or basic causes* of poverty. For our purposes then the terms -- *underlying causes, structural causes, systemic causes, and basic causes* -- can be used synonymously. The main point here is to not get too caught up on the jargon.

Point 2:
Try to avoid getting caught up in circular arguments

Another point is to try not to get caught up in ***circular arguments*** on what is *absolutely and beyond a doubt the definitive underlying cause*. These arguments will only lead to ***analysis paralysis***. What we are trying to do by focusing our work on the underlying causes of poverty is to shift away from merely looking at needs – or intermediate causes – to searching for the deeper underlying – structural and systemic -- causes of poverty. There is no single cause or magic bullet and the underlying causes of poverty will be different across contexts so try to avoid analysis paralysis.

Characterizing Underlying Causes of Poverty

What do we mean by the underlying causes of poverty? ***The underlying causes of poverty are most often the result of a combination of political, social, economic, and environmental[3] factors that are related to the systemic and structural underpinnings of underdevelopment, residing at the local, national, and often the global level.***

In order to better understand and be able to distinguish between levels of causes, a causal hierarchy is useful. The hierarchy that we have developed to help us understand and situate the underlying causes of poverty is broken down into three categories:

1. **Immediate Causes** are those factors that are directly related to life and death situations, these can include disease, famine, conflict, natural disasters, etc.

2. **Intermediate Causes** are related to improving people's well-being. Intermediate causes generally point to what people lack (needs-based) and focus on: access to basic services, lack of skills, lack of productivity, etc. *The intermediate level is where the majority of current development interventions are targeted.*

3. **Underlying Causes** focus our attention to WHY intermediate causes exist. This level requires us to ask why some people have access and some do not; why some groups control the majority of resources, etc. The answers to most of the analytical questions that we ask at the ***Underlying Cause Level are related to the systems or rules – structural underpinnings – that govern a society*** (micro, meso, macro, global), e.g., the economic, political, and social structures that include and exclude; the policies that allow some groups to control and/or monopolize power; the socio-cultural systems and customs around which discrimination and injustice are often legitimized, etc.

To help staff be able to differentiate an underlying cause from other levels of causation, we developed a hierarchy of causes. The following table demonstrates three levels of causation -- immediate, intermediate and underlying cause levels. This table is meant to provide ***some examples of causes*** at the various levels to help you be able to distinguish between and think through the levels of causes. ***These examples are only for illustrative purposes***. These examples provided will NOT be underlying causes in every context. Context-specific analysis must be undertaken at the CO and the program level to determine the key underlying causes in each location and to determine the key leverage

[3] CARE understands that environmental factors are most often the result of underlying social, political, and economic factors. However, we feel that it is important to highlight the area of environment in our efforts to understand the underlying causes of poverty. This is to ensure that environmental factors do not become overshadowed, as they sometimes can in discussion of rights-based approaches, and instead remain central to our work. Historically, work with poor communities, both rural and urban, has demonstrated that environmental factors are often both a result and an underlying cause of conflict and inequality (Blaikie 1985), and thus are inextricably linked to poverty eradication and social change.

points for actions and interventions to address the underlying causes identified through the analytical efforts.

Table 1: A Causal Hierarchy

Hierarchy of Causes of Poverty: Some Examples		
Immediate Causes	**These are causes that are directly relate to life and survival and include:** • Disease • Famine • Environmental disasters • Conflict	**Addressing the Underlying Causes of Poverty = Improving Human Conditions & Social Positions**
Intermediate Causes (Improving Human Conditions)	**These causes affect people's well-being and opportunities for development and livelihood security, and include:** • Low livelihood (agric or income) productivity; • Limited livelihood opportunities; • Lack of skills; inadequate access to food; • Inadequate care for women and children; • Lack of basic services, e.g., health, education, water and sanitation, education	
Underlying Causes (Improving Social Positions & Human Conditions)	**These causes are related to the structural underpinnings of underdevelopment, specifically social systems and political and economic structures, and environmental issues. They involve:** • **Economic**: Inequitable resource distribution (distributive justice); unchecked globalization; unfair terms of trade; skewed structural adjustment • **Political**: Poor governance and institutional capacity; corruption; violent conflict; lack of political will; domination by regional/global superpowers • **Social**: Marginalization, inequality, social exclusion (based on gender, class, ethnicity); harmful societal norms, customs and cultural practices, over-population • **Environmental**: Carrying capacity; resource-based conflict; environmental disasters; propensity for human disease; propensity for crop & livestock disease	

One way to think about UCP is to start with an intermediate cause and ask yourself "why" this problem exists.[4] For example, lack of access to education?

- Why do some groups have access and others do not?
- What are the socioeconomic characteristics of the group(s) that have access versus those that do no?
- Are there gender or ethnic dimensions that limit one's ability to access education?
- Do policies exist that guarantee equitable access? Are they enforced? If not, why?

How Does a UCP Focus Change our Work?

A shift toward working on the underlying causes of poverty represents an expansion of our work. It does not mean that we will no longer work at the immediate and intermediate cause level. On the contrary, much of our work will continue to be at these first two levels – emergency relief and development assistance – where CARE has significant experience and comparative advantage. Therefore rather than viewing UCP as *replacing* what we do, CARE believes that incorporating a UCP focus into our work – addressing systemic and structural causes of poverty – will increase the impact of our work at all levels. Therefore working on underlying causes represents a blend of "technical" and "political" roles. ***CARE's work will include a mix of direct service delivery, capacity building, facilitation, and advocacy*** (CARE Governance WG 2004). The "mix" will be determined based on the context and CARE's comparative advantage. *However, due to the shifting focus of our work, CARE's role will increasingly become more focused on facilitation and advocacy.*

Text Box 2:

You can also categorize the levels of causes by the type of development response that is associated:

⇒ Immediate Causes – Emergency Relief– Life or Death Factors
⇒ Intermediate Causes – Development Assistance & Needs Focus – Improving Human Conditions
⇒ Underlying Causes – Rights & Needs Focus – Improving Human Conditions and Social Positions

Importantly, by addressing underlying causes of poverty, we are addressing those factors that give rise to immediate and intermediate causes, thereby developing more sustainable solutions.

What do we mean by a "technical" and "political" role? Using the WHY example above, we can think of this question in the following way. If CARE sees its role as being to help people deal with and rise above poverty, then the core problem of poverty can be defined as ***lack of access and availability of resources and opportunities.*** If we probe no further, it is possible to simply supply the lacking resources, but we will be ignoring the

[4] The third paper in this series will focus on methods and tools for analysis of underlying causes of poverty. Special attention will be given to the analysis of power relations, which is a critical aspect of analysis of the underlying causes of poverty.

political dimensions of poverty that are needed to ensure sustainable development outcomes.

If CARE sees its role as *NOT ONLY* helping people to meet their needs, but also as identifying and addressing underlying causes of poverty, the core problem of poverty changes. As mentioned above, the question then becomes ***WHY is there a lack of access and availability of resources and opportunities for some people?*** This is a political question. To deal with it, we must be able to understand and to influence in a positive way – without undue risk to ourselves and others – the complex web of institutions, motivations, and agendas that govern relationships among interest groups. Resource allocation is about power, influence, and political contest. Asking "why" leads us into new – and often very sensitive – issues. Thus by the very nature of the questions that we are asking, we are taking on a political role in an effort to influence positive outcomes. However, our political role does not have to be confrontational. In each instance it will be necessary to determine the limits of constructive engagements through benefits-harms and other types of risk analyses (CARE Governance WG 2004).

Point 3:
Asking WHY there is a lack of access and availability of resources and opportunities for some people and not others is a political question

The Importance of Power and Power Relations

Point 4:
Poverty and development assistance can no longer hide in the de-politicized shadows

"No longer can poverty lie in the de-politicized shadows that it once did in a needs-based approach" (Dixon 2002). Rights-based approaches have broadened our theories of development to include issues of inequality and marginalization. These developments have forced us to recognize the critical importance of politics and power, and that power relations, balances of power, and the redistribution of power are all critical aspects of promoting social justice, equity and empowerment.

"Power can be defined as the degree of control over material, human, intellectual and financial resources exercised by different sections of a society. The control over resources becomes a source of individual and social power. Power is dynamic and relational, rather than absolute – it is exercised in the social, economic, and political relations between individuals and groups. It is also unequally distributed – some individuals and groups have greater control over the sources of power and other have little or no control. The extent of power of an individual or group is correlated to how many different kinds of resources they can access and control (ASPBAE 1993)." Power, according to the traditional definition, is related to our ability to make others do what we want, regardless of their own wishes or interests -- *power over* (Weber, 1946).

Conceived in this way, power is viewed as monolithic, sinister, and unchangeable. Such a one-dimensional perspective limits our ability to understand and define power, and to use empowerment approaches in our work. In reality, power is both dynamic and multidimensional. The concept of ***power relations*** helps us move beyond the earlier static definitions of power (power over) by recognizing that power exists within the ***context of relations between individuals and groups***. By implication, since power is created in relationships, then power and power relations can and do change. Power in social systems changes over time as relations of autonomy and dependence are reproduced through social interactions.

In order to incorporate issues of power and empowerment into our development work, we have to believe that power can both change and expand. Understanding power as zero-sum game, *you either have it or you do not*, cuts most of us off from power. A zero-sum conception of power means that power will remain in the hands of the powerful unless they give it up. Although this is certainly one way that power can be experienced, it neglects to see that power is also negotiated. "There is a continuous process of resistance and challenge by the less powerful and marginalized sections of society, resulting in various degrees of change in the structure of power. When these challenges become strong and extensive enough, they can result in a total transformation of a power structure (VeneKlasen 2002)." Power contracts and expands and changes hands over time. Its expressions and forms can range from domination and resistance to collaboration and transformation.

The following excerpt – based on lesssons learned from a democracy-building project – points to the importance of incorporating an analysis of power relations into our designs and strategies:

Text Box 3:

"…aid providers responding to the lack of formal justice in a country assess the judicial system, for example, and conclude that it falls short because cases move to slowly, judges are poorly trained and lack up-to-date legal materials, the infrastructure is woefully inadequate, and so on. The aid providers then prescribe remedies on this basis: reform of court administration, training and legal materials for judges, equipment for courtrooms, and the like. That they tend not to ask is *why* the judiciary is in a lamentable state, whose interests its weakness serves, and whose interests would be threatened or bolstered by reforms. The assistance may temporarily alleviate some of the symptoms, but the underlying systemic pathologies remain (Corothers 1999, cited in VeneKlasen)."

This example demonstrates that without exploring how power relationships- people's roles, interests, positions and the relations between them – have been constructed and maintained over time, we are unlikely to bring about the lasting change that we seek. We may be able to bring about some very real and practical changes that improve the conditions within which people live, but we will not bring about the change needed that will enable people to live in dignity and security unless power issues are addressed. Therefore, as we begin to address the underlying causes of poverty, it is critical for us to build a better understanding of power and power relations, and to remember that power is socially constructed by human beings and societies and therefore unequal power relations are changeable.

❖ Part 3: Four Critical Underlying Causes of Poverty
⇒ Gender Equality, Social Exclusion, Unmet Access & Governance

To further our work on the Underlying Causes of Poverty, four important underlying causes of poverty we identified (depicted in Diagram 3 below) as our ***point of departure*** to expand our understanding of UCP; to improve our capacity to analyze underlying causes, as well as to broaden our understanding of our UCP development response options and types of interventions.

The four UCP areas that we have chosen are:

- ❖ Gender Inequality
- ❖ Social Exclusion
- ❖ Unequal Rights to Access To Resources and Services
- ❖ Poor Governance

While we have selected these four underlying causes to begin our work, these four causes *are* ***by no means the only or the most critical underlying causes of poverty. As well, there might be other higher leverage underlying causes operating in your context.*** The underlying causes of poverty are very context specific. They will vary from region to region, country to country, and locality to locality. Thus, all four of these underlying causes might apply in some areas. In other areas, maybe only 1 or 2 of these will be the critical (highest leverage) underlying cause. As well, the weight and magnitude of each underlying cause will vary across areas. Importantly, several underlying causes of poverty can and are likely to be operating at the same time in some contexts, *thus it is critical to include in your analysis efforts to determine key UCP leverage*

Point 5:

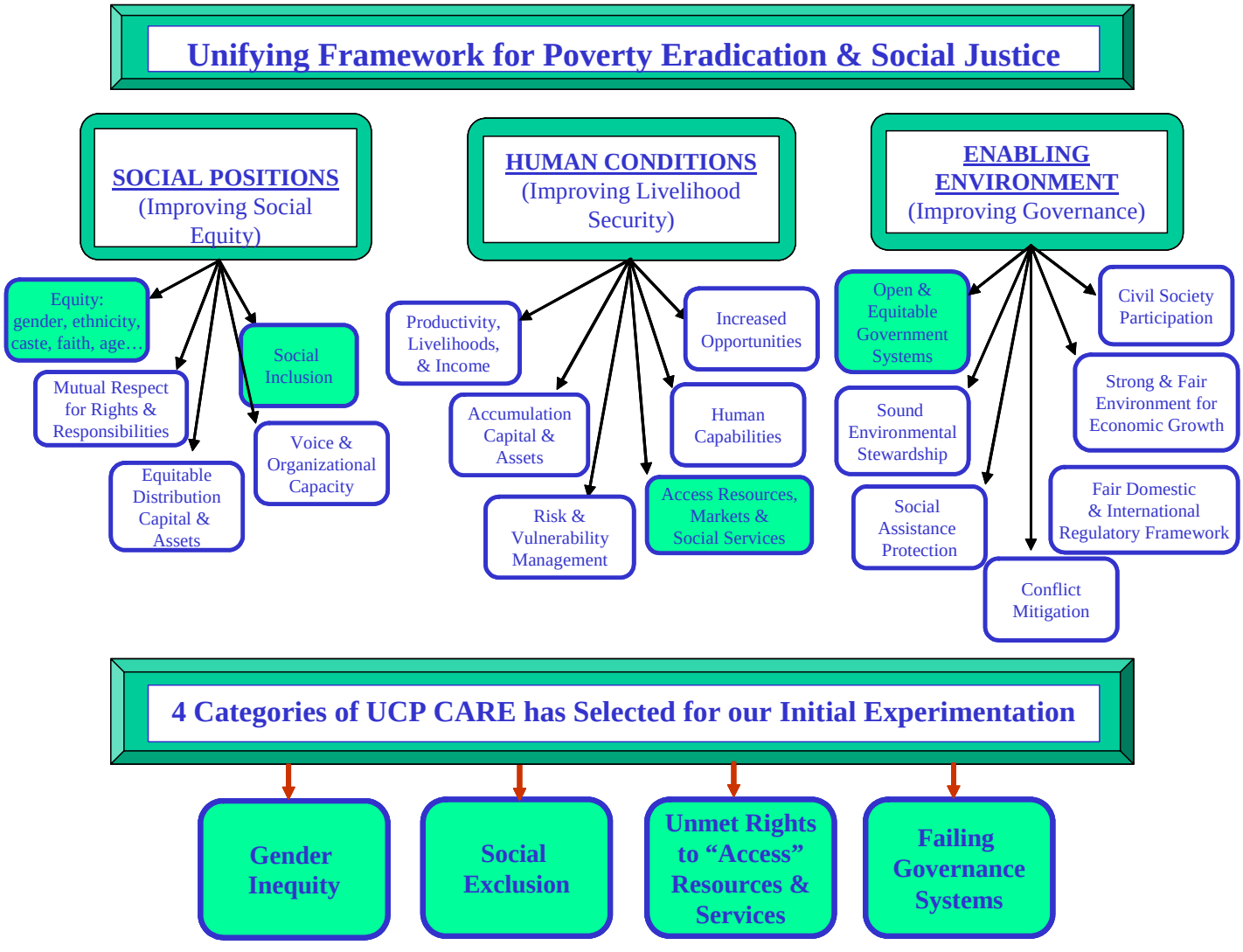
The selection of these 4 UCPs for experimentation is NOT meant to be prescriptive!!!

⇨ **CO context-specific analysis will determine the most critical underlying causes that need to be addressed in each CO and programming context**

points.

We have chosen these four underlying causes as ***a starting point for inquiry*** based on our own development experience and the principles that we have developed around Enacting our Vision; as well as the work of others in the development community. We feel that these four key underlying causes of poverty represent an excellent point of departure for our discussion of and experimentation with analyzing and addressing the underlying causes of poverty. These four also ensure that our initial efforts are holistic in that they focus on improving human conditions, social positions, and contributing to an equity-focused enabling environment.

Diagram 3



❖ Gender Inequity

Gender inequity is a critical underlying cause of poverty and a critical factor in the perpetuation of poverty. Comparative cross-national studies conducted by the International Food Policy Research Institute (IFPRI) have shown that improvements in women's status has the most significant influence on positive child-health outcomes.

Gender biases are embedded in social institutions, markets and economic processes and are reinforced by macroeconomic policies and development strategies. One reason gender disparities persist is because social and legal institutions do not guarantee women's equality in basic legal and human rights, in access to or control of land or other resources, in employment and earnings, and social and political participation. These disparities have serious consequences, not only for women themselves, but also for their families and for society at large.

Paid And Unpaid Labor: In many developing countries women are responsible for agricultural production and market work as well as unpaid, non-market work. Unpaid work ranges from care for the children, the elderly and the sick to subsistence production and domestic chores, which in developing countries may include walking many miles to fetch firewood and water. Non-market production by women is a crucial element in determining the quality of life and directly affects the health, development and overall well-being of children and other household members. Yet women's voices and life experience-whether as workers (paid and unpaid), citizens, or consumers-are still largely missing from debates on finance and development.

In most developing countries a growing number of women are employers or self-employed, most of them in agriculture and in informal sector small-scale and micro-enterprises creating a double work burden. Entering the labor market can leave women poor in both time and money. They work double days, at work and at home. They often earn less than men for the same work, and have less opportunity to improve their skills. Poor women do more unpaid work, work longer hours and accept degrading working conditions during these times of crisis, just to ensure that their families survive.

Access To and Control Over Resources: In general, women today have a better opportunity to invest in and make use of "human capital", such as education and health. However, for poor women access to resources and basic services remains a critical problem. Also while there has been some progress in access to social services, there has been limited progress in recent decades in securing their access to natural and physical capital such as money and land. This unequal gender access has high costs at the individual, household, and societal levels.

Point 6:

Gender equality requires transformation of the structures and systems that lie at the root of women's subordination and gender inequality.

Many decisions about access to, control over, and the distribution of resources are made within families and between men and women. This is not a straightforward process; it involves negotiation and the use of power, which are in turn strongly shaped by social context. Control of resources and bargaining power within the household helps determine women's status in society. Bargaining power is also shaped by what an individual brings into the household – physical assets, wages or other income, transfer payments or welfare receipts, or even prestige. These various forms of capital also affect a woman's ability to bargain and negotiate.

Risk Factors: Gender inequality deprives women of the ability to refuse risky practices, leads to coerced sex and sexual violence, keeps women uninformed about prevention, puts them last in line for care and life-saving treatment, and imposes an overwhelming burden on them to care for the sick and dying.

Gender & Governance: Improving gender equality can improve governance. Some reports suggest that women are less involved than men in bribery, and are less involved in bribe taking. Cross-country data from 98 countries, both high- and low-income, show that corruption, measured using a "graft index", is less severe when women hold a larger share of parliamentary seats and senior positions in the government bureaucracy, and make up a larger share of the labor force.

It is now widely accepted that gender inequality is not a result of women's integration or lack of integration in development, or their lack of skills, credit and resources. Rather the problem of gender inequality lies in the social structures, institutions, values and beliefs that create and perpetuate women's subordination, thus making gender inequality a critical underlying causes of poverty. Gender equality cannot come about only through changes in women's condition - it requires transformation of the structures and systems which lie at the root of women's subordination and gender inequality.

❖ Social Exclusion

For many years, the poverty and the social degradation that results from social inequality were considered largely an economic problem. In just the last few years, however, greater attention and analysis is being paid to a more complex set of social, economic, and cultural practices that comprise "social exclusion," in which certain populations are excluded from the benefits of social and economic development based on their class, gender, ethnicity, geography, and/or physical disabilities.

As social exclusion so severely restricts access to basic social services and jobs needed for a minimal standard of living, and the ability to live in dignity and security, there is a high correlation between poverty and social exclusion. Even when socially excluded groups are not the majority of the poor, the socially excluded typically constitute the poorest of the poor. However, social exclusion is not only about material deprivation. Importantly, it is also about people's inability to fully exercise their social, cultural, and political rights (Tango 2003). In this respect, social exclusion has much common ground

with Sen's idea of capability poverty (Sen 1992; Burchardt, et all 2002). The following is a compilation of working definitions of social exclusion.

Text Box 4:

Definitions of Social Exclusion:

⇒ UNDP 1997: Social exclusion is the lack of recognition of basic rights, or where that recognition exists, lack of access to political and legal systems necessary to make those rights a reality.

⇒ Brian Barry, Research Center for Analysis of Social Exclusion (CASE) 2001: An individual is socially excluded if (a) he or she is geographically a resident in a society, but (b) for reasons beyond his or her control, he or she can not participate in the normal activities of citizens in that society, and (c) he or she would like to so participate.

⇒ L. Rosario, J. Goulden, R. Salinas, L. Medrano, and J. Schollaert, Chronic Poverty Research Center (CPRC) 2002: Social exclusion is defined as a structural situation facing individuals and groups, mediated through power relations, that leads to life conditions characterized by the absence or insufficient consumption of collective and individual goods and services.

In order to fully understand social exclusion, issues of power and privilege must be taken into account. Social exclusion affects an individual, community, or group's opportunities to find good work, decent housing, quality health care and education, safe and secure living conditions, as well as their treatment by the legal and criminal justice systems. Exclusion also affects localities, for example some rural areas or parts of the inner city might be excluded or 'forgotten' (Tango 2003).

To understand social exclusion we use a mutual responsibility lens. We have to look at the responsibilities of the rest of society - the 'included' – and what this has to do with exclusion. Social inclusion policies and actions should not place the sole responsibility on poor individuals, communities and groups. On the contrary, we must also understand the concept of "choice or agency" when analyzing social exclusion. In other words, we must consider whether the exclusion is voluntary or forced. Some individuals may "opt out" of participation in social and productive relations. Thus a person or group is ***only social excluded if their exclusion arises from constraint and not choice*** (Burchardt, et al 2002)**.** Therefore the focus should be based on mutual responsibilities and the spirit of collective obligations (Tango 2003).

Thus a key aspect of any definition of social exclusion focuses our attention to "those people that want to participate but that are unable for reasons beyond their control"

(Barry 2001), e.g. social, gender or ethnic status; inability to find work; or inability to participate in economically viable activities due to physical disabilities, etc. As well, the following four factors should be taken into account for a complete understanding of social exclusion:

1) ***Consumption***: the capacity to purchase good and services;
2) ***Production***: participation in economically and socially viable activities;
3) ***Political Engagement***: involvement in local and national decision-making; and
4) ***Social Interaction***: integration with family, friends, community and civic organizations.

Some of the key questions might be: Is there a willingness to engage in these activities? Does the capacity exist (human, financial, physical, and social) to engage in these various activities? If not, what are the constraining factors?

Creating a better understanding of social exclusion and developing actions to address forced social exclusion is an important aspect of poverty eradication and contributes to social justice and people's ability to live in dignity.

❖ Unmet Rights to Access to Resources & Services

The traditional approach to access has been to determine if resources and services are available and why people are unable to access these resources and services from a needs perspective. Indicators that you need to look at when determining if why people lack access are: 1) lack of purchasing ability, 2) distance to services, 3) quality of services, etc. From this perspective *access operates at the Intermediate Cause Level*. This traditional approach is an important element of access, and CARE will continue to work on access issues at the intermediate cause level. However, it does not address the structural or systemic causes of lack of or unequal access.

When viewed through a rights lens – unmet rights to access resources and services – access becomes an important underlying cause of poverty in many areas where CARE works. From this perspective, ***we are looking for the structural and systemic causes of unmet and unequal access – the Underlying Cause Level***. In this sense, unequal access also becomes an issue of power relations.

At the underlying cause level, some potential contributing factors for lack of access or unequal access are:

1) Geographic Marginalization: Often rural areas – especially areas that are deemed less productive – do not benefit from government infrastructure and social services (e.g., roads, markets, health, education, etc);
2) Ethnicity & Access: Lack of or unequal access might be due to the ethnic identity or makeup of an area. Areas with high proportions of ethnic minorities might be overlooked.

3) Structural Adjustment & Debt: Often structural adjustment policies focus on cutting or trimming resources dedicated to social services which disproportionately negatively affects the poor;
4) Trade Liberalization: Evidence suggests that better-off households are better placed to profit from the new opportunities generated by liberalization and deregulation (IDS 2004), thus creating a greater gap between the rich and the poor. As well, export-crop producers have benefited more from trade liberalization than food-crop producers.
5) Globalization: In most cases there is a very uneven playing field when if comes to globalization. Globalization has been associated with - the unsustainable burden of debt; terms of trade that favor industrialized countries; increased arms trade and conflict; and the current production and consumption patterns that do not meet the basic needs of all people. According to Sen (2002), "the central issue of contention is not globalization itself, nor is it the use of the market as an institutions, but the inequity in the overall balance of institutional arrangements – which produces very unequal sharing of the benefits of globalization."

These are just a few of the examples of reasons for unmet or unequal access. These will not be the underlying causes in every context where CARE works, therefore context-specific analysis will be necessary to see what are the underlying causes of unmet access in each area.

Failing Governance Systems[5]

Why Focus on Governance? It has become recognized throughout the development community that obstacles to livelihood security have clear and direct links to ***governance***. Weak or bad governance often underlies many of the technically-defined problems identified in the field, and seriously hinders any technically-driven development solutions. Work in governance necessitates that we look closely and systematically at social, political and economic structures, especially power relations, in order to better understand and *address the underlying causes of poverty***.**

Much of the current debate on governance is related to the bi-directional relationship between citizens and states. Upwardly, it is expressed by people exercising a civic/political right to (un)choose a regime – a process that legitimizes rulers' authority and exercise of power. Downwardly it is expressed by the state – through government machinery and public administration – fulfilling its obligations to citizens. This view tends to cast citizens as rights holders and states as duty bearers.

While this is one relational aspect of governance, citizens have obligations and state actors have rights as well. However, governance is much broader than state-citizen interaction. Governance includes but is not limited to government. Governance also

[5] Much of this discussion work was taken directly from 2004, "CARE – Towards an Understanding of Governance," developed by CARE's Governance Working Group.

refers to the "institutional authorizing environment" that influences the way matters of the state, private business, and the civil society are structured and resolved. Societies need strong institutions governed by rule of law, and processes whereby stakeholders can negotiate productively among themselves to secure socially just outcomes. The nature and quality of these institutional and stakeholder interactions and resulting outcomes is the predominant governance issue. The following is a definition of ***Governance*** proposed by CARE's Governance Working Group 2004.

Text Box 5:

A Definition of Governance:

⇒ Governance is the exercise of power in the management of public affairs.
⇒ Governance is the sum of the many ways individuals and institutions, public and private, manage their common affairs.
⇒ It is a dynamic, political process through which decisions are made, conflicts are resolved, diverse interests are negotiated, and collective action is undertaken.
⇒ The process can draw its authority from formal written codes that have the power to enforce compliance, as well as from processes based on unwritten but broadly accepted cultural norms, or from the charismatic leadership of an individual.

Adapted from Global Commission on Governance definition

It is useful to think of governance operating at two levels. (1) At the broadest level, governance involves the social and political institutions – languages, laws, ideas, religions and customs that interact to shape organizational and individual behavior. (2) At the second level it involves the institutional authorizing environment, which is made up of public and private organizations, relationships, and networks of all kinds – of the government, civil society, for-profit, non-profit sectors. These organizations, relationships and networks are both resources and tools through which specific groups of people act to achieve specific purposes.

We can also think of governance as:

- Global governance – is the way relational power consolidates patterns of privilege or exclusion among countries. (Frequently in CARE, we restrict our analysis to within country borders. A governance approach should help us broaden our thinking).
- Organizational governance focuses on the way that decisions are made within individual organizations and institutions, including CARE projects, and CARE as an organization.

CARE's role in promoting good governance involves understanding the complex web of institutions, motivations, and agendas that govern relationships among interest groups.

Influencing these relationships is the governance challenge. The Governance Working Group developed the following definition of ***Good Governance.***

Text Box 6:

A Definition of Good Governance:

⇒ For CARE, good governance is the effective, participatory, transparent, and accountable management of public affairs guided by agreed upon procedures and principles, to achieve the goals of poverty reduction and increasing social justice.

Adapted from the Ford Foundation definition

***Key Goals of Good Governance*.** For CARE, the primary goals of good governance are to promote citizen's participation in decision-making, and to promote transparency and accountability of governance systems. Secondary goals include the development of a legitimate framework for the non-violent resolutions of disputes or conflicts, and effectiveness of duty bearers in fulfilling basic obligations.

- CARE's involvement in governance takes the organization squarely into the field of power relations. The promotion of good governance is one way to deal with issues of abuse of power and domination and to expand the spaces and structures that allow for an increasing fulfillment of rights.

❖ Part 4: Summary

This conceptual overview was developed to help CARE build a better understanding of the Underlying Causes of Poverty. In this document, we briefly discussed CARE's conceptual evolution that led us to our UCP focus. We consider the work on bringing together our HLS Framework with RBA and our other lenses and tools to represent an important conceptual shift for CARE and potentially an important contribution to the development community. We developed the Unifying Framework for Poverty Eradication and Social Justice to demonstrate how our evolution has led us to focus on a combination of three critical areas – ***Social Positions, Human Conditions, and a just Enabling Environment.***

We briefly discussed how focusing on UCP requires us to expand our work to include both a technical and a political role. Important to this shift to a more political role is understanding and influencing power relations in the areas where we work. However, addressing power relations and taking on a more political role does not necessarily mean that we will be 'confrontational," rather we will use a mix of capacity building, facilitation, and advocacy approaches in our efforts to influence underlying causes.

Also in this paper we have developed a working definition of underlying causes of poverty, which states that underlying causes of poverty are most often the result of a ***combination of political, social, economic, and environmental factors that are related to the systemic and structural underpinnings of underdevelopment, residing at the societal and often the global level.*** To better understand and be able to distinguish between levels of causes, we have developed a causal hierarchy that will hope will help to better distinguish between immediate causes, intermediate causes, and underlying causes of poverty.

Finally, we provide a brief overview of the four underlying causes that CARE has chosen to use as a point of departure for increasing our understanding of and ability to address underlying causes. However, we point out that these will NOT be underlying causes in every country where CARE works, as there might be other higher leverage underlying causes operating in your context. These four UCP areas also represent a holistic approach in that they focus our efforts across our unifying framework and on: 1) improving social positions, 2) improving human/material conditions, and the 3) improving the enabling environment. We feel that these efforts will enhance our ability to contribute to the eradication of poverty and achieving our Vision that people can live in dignity and security.

In the third upcoming paper, we will focus our attention on the concepts, methods and tools that we can use to improve our ability to analyze underlying causes. It will include guidance on risk assessments for conducting sociopolitical analysis research (e.g., research risk analysis, benefit-harms, research ethics, informant protection, etc.). During FY05, we will also be documenting lessons learned from CO experimentation on underlying causes and the Unifying Framework for Poverty Eradication & Social Justice. This work will enable us to document types of analyses conducted, as well as interventions and actions designed to address underlying causes across the programming cycle. We will also develop shorter guidance briefs to supplement these three papers.

References Cited:

Blaikie, Piers
1985, The Political Economy of Soil Erosion in Developing Countries, New York: Longman Inc.

Dixon, Lawrence G.
2002, "The Antidote to Patronage, Power Politics, and Structural Poverty? Humanitarianism and rights: Thoughts from a Practitioner," in *PRAXIS The Fletcher Journal of Development Studies*, Volume XVII.

Corothers, Thomas
1999, Aiding Democracy Abroad: The Learning Curve, Washington, DC: Carnegie Endowment for International Peace.

Chronic Poverty Research Center (Hulme, D., K. Moore, & A Shepherd)
2001, "Chronic Poverty: Meanings and Analytical Frameworks," London: CPRC.

IDS
2004, "The Curse of Remoteness: Why some African households fail to benefit from economic growth," id21 Research Highlight, February 2004.

Øyen, Else,
2002 "Poverty Production: A Different Approach to Poverty Understanding," in *A Critical Review of the World Bank Report: World Development Report 2000/2001. Attacking Poverty*, Comparative Research Programme on Poverty (CROP), Oslo, Norway.

Poverty Research Unit of Sussex
2001 "Globalization and Poverty," in *PRUS notes* No. 2, June 2001, Sussex: England.
SAPRIN (Structural Adjustment Participatory Review International Network)
2002 "The Policy Roots of Economic Crisis and Poverty: A Multi-Country Participatory Assessment of Structural Adjustment," www.saprin.org.

Rosario L, et al.
2002 "Social Exclusion, Rights and Poverty in Bolivia." Presented at the 'Staying Poor: Chronic Poverty and Development Policy'. University of Manchester 7-9 April 2003.

Sen, A.
2002 "Why half the planet is hungry," in the *Observer Worldview*, June 16, 2002.
1999 Development as Freedom, New York: Random House.

TANGO
2003 "Sociopolitical Analysis: Critical Information Needs for Addressing the Underlying Causes of Poverty and Marginalization," paper prepared for CARE's PHLS Unit.

VeneKlasen, Lisa
2002, A New Weave of Power, People and Politics, developed for World Neighbors, Oklahoma City: World Neighbors.