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Global Poverty and Inequality:
A Brief Retrospective and Prospective Analysis

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February 2009

BWPI Working Paper 78

Creating and sharing knowledge to help end poverty

Abstract

This overview essay on policy responses to global poverty and inequality over the last ten years is structured around four themes. First, drawing on the most recent empirical data, it provides some stylised facts on recent trends in poverty and inequality in developing countries. Second, it considers the distinctive ways in which the UK government in particular has responded to these challenges over the last decade, in the context of the broader global policy effort in which it is embedded. Third, it provides a critique of these responses, finding much to both commend and about which to be concerned. On the basis of this assessment, section four considers some options for the next decade, some quite modest and others more ambitious. Section five concludes.

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1. Some stylised facts

Present trends in global poverty and inequality need to be understood in their broader historical context. For the economic historian Robert Fogel (2004), the world is currently at the beginning of the fourth century of a 400-year process of unparalleled economic transformation, which began[1] in roughly 1700 and will continue through 2100, during which the world's population will go from being overwhelmingly poor to predominantly rich. The significance of this cannot be overstated, given that most people, for most of history, have lived a Hobbesian existence, one famously characterised for being 'poor, nasty, brutish and short'. While it is always dangerous to extrapolate from the past, not least because qualitatively new challenges such as global warming loom large, past trends do suggest that it is likely that within the current century this historical norm of human existence will indeed itself be made history. Put differently, one empirical challenge is to explain the origins and spread of broad-based living standards above poverty levels, since it is this—not the persistence of poverty—that is novel. (The issue of inequality is somewhat different, but these are addressed below.)

Cheery conclusions drawn about the impending eradication of global poverty, however, mask real and present concerns (Collier, 2007). Some of these are conceptual and methodological—what exactly is 'poverty', how does one measure it, and how does one make valid and reliable comparisons across time and space?[2] While there are real policy and political implications associated with adopting one set of criteria over another, the general consensus among researchers is that, since about 1980 (when broadly comparable global data began to be collected), the global poverty rate, i.e., the percentage of the developing world's population living in poverty (as currently measured at income of less than $1.25 per day in 2005 prices) has declined (from about 50 percent to 25percent), while absolute numbers have stayed about the same (about 1.4 billion people) (see Ravallion and Chen, 2007; and Chen and Ravallion, 2008).[3] If there is some disagreement on whether global poverty targets, as embodied in the Millennium

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[1] Recent historical scholarship has sought to date and place more precisely the origins of the industrial revolution, with some (e.g., Smith, 2008) arguing that it can be plausibly seen as the outworking of a centuries-long process in the UK, beginning in the 1600s, of investing in basic social protection (the so-called Poor Law) and identity registration.

[2] Pritchett (2006) provides a good overview of these issues, stressing that it is as important to ask who is *not* poor as who is.

[3] The most recent data from Chen and Ravallion (2008) at the World Bank suggests that the absolute poverty numbers at the global level are higher than previously estimated, but the rate of decline in the poverty rate is largely unchanged from previous estimates. These measures are based on a singular money-metric indicator of poverty; the UN's Human Development Index has sought, since 1990, to provide a broader assessment of human welfare, based not only on income, but also on literacy and life expectancy.

Development Goals, will be met,[4] few dispute that the global poverty rate has been trending downwards.

These global numbers, however, mask huge regional variations. In India and China, for example, both poverty rates and absolute poverty have plummeted; in Latin America and Eastern Europe little has changed; in Africa, however, relative poverty has modestly declined, while absolute numbers have increased significantly. Within these regions, individual countries show great diversity—in Africa, for example, Botswana has made significant progress, while Zimbabwe has regressed—and even within countries there is also high variance: in India, the state of Kerala has largely achieved first-world standards of public health, while Orissa lags far behind even their own national average. Wide variation in poverty outcomes is also to be found in rich countries such as Great Britain (Palmer, MacInnes and Kenway, 2007), with Glasgow and the northwest of England having poverty measures—in particular, health outcomes—significantly worse than those found elsewhere.

These differences matter politically, since practitioners of, and advocates for, poverty reduction are heavily influenced by absolute poverty numbers in the short run (Kanbur, 2001). Put most starkly, those who run soup kitchens for the poor will derive little comfort from being told that the poverty rate is declining while 100 people continue to show up on their door every week to be fed. More specifically, poverty-reduction advocacy is driven to a large extent by single-issue campaigns, and if the particular constituency (e.g., the homeless, those with HIV-AIDS) of an influential group remains the same size (or increases), claims that aggregate, long-term, relative poverty trends are moving downwards will be, even if factually true, a tough sell.

Measured inequality trends also depend on the definition and methodology chosen. Researchers generally distinguish between three types of inequality:

(a) Global inequality, which is a measure of the dispersion in income at the individual level, with the world's six billion people lined up from the richest to poorest;
(b) Within-country inequality, which considers the variance of income among the citizens of a particular country; and
(c) Between-country inequality, which considers the variance in average incomes among the world's nations.[5]

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[4] In 2000, the international community set the goal of reducing by half, between 1990 and 2015 , the number of people (a) living on less than a dollar a day (more precisely, $1.08 in 1993 prices), and (b) suffering from hunger. Progress towards the attainment of all the Millennium Development Goals can be tracked at http://www.undp.org/mdg/tracking_home.shtml
[5] There are currently 192 member countries of the UN., 185 member countries of the IMF and World Bank.

In general, the results show that global inequality has been rising, and that although within-country inequality has risen in many cases (see Bourguinon and Morrison, 2002),[6] the real driver of rising global inequality has been the rise in between-country inequality—that is, that many countries, including the richest, have continued to get richer, while many of the poorest countries have stayed poor (World Bank, 2005).

As with poverty, these aggregate measures of inequality mask considerable regional, national and sub-national differences—that is, inequality has been rising in most (but not all) places, but at much faster rates in some countries and regions than others. Various explanations have been put forward for this, including the advent in the late 20th century of 'skill-biased technical change', in which the returns to education have increased disproportionately. Some cite the declining influence of labour unions, who for much of the 20th century, it is said, were sufficiently large and powerful to negotiate larger wage increases for workers than they have recently gained; others (for example, Paul Krugman) have argued that a cultural shift has occurred, in which tolerance for large salary differentials between those at the top and bottom of the corporation has increased; another line of argument (see Ravallion, 2003) is that increasing global economic integration is producing, in effect, a 'regression to the mean', with increasing inequality occurring in countries where it was previously 'artificially low' (e.g., as a result of decades of communist rule) and decreasing inequality occurring in countries (e.g., Brazil) where it was initially 'artificially high'. Identifying more precisely the specific factors underlying the increase (or decrease) in inequality in particular contexts remains an issue at the forefront of social and economic research. Whatever the ultimate explanation(s), most researchers now agree that high inequality is itself an impediment to economic growth and poverty reduction (World Bank, 2005), even as differences endure as to what exactly can be done, and by whom, to reduce inequality.

2. The policy response: What is distinctive about the last 11 years?

Just as global poverty and inequality trends need to be understood historically and contextually, so too does the UK government's policy response need to be considered within the broader ambit of the responses made by the international community. Seen in this light, there is little doubt that in the past decade the UK has increasingly been a leader, even as the international community itself—through civil society campaigns (e.g., Make Poverty History) and multilateral commitments (the Millennium Development

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[6] Recent work (e.g., Milanovic, 2005) suggests that, in the last ten years, inequality levels within countries have begun to show more movement. This may just be because researchers now have measurement tools sensitive enough to capture such movement, but it is also likely that 'globalisation' and increasing returns to human capital—combined perhaps with changing norms of what is considered a 'just' distribution of wealth within firms (i.e., what is considered a 'fair' difference between the income of the janitor and the CEO), and the increasing political influence of financial elites—are also having an unprecedented impact.

Goals)—has accorded global poverty reduction unprecedented attention. While it is hard to formally attribute positive (or negative) outcomes to specific UK government initiatives,[7] it is instructive to document some of the changes that have occurred over the last decade or so, many of which one would not have anticipated in the mid-1990s.

First, the UK government now has a separate cabinet-level position for development issues: the Department for International Development (DfID). The UK is one of only a handful of countries to accord 'development' this high political status.[8]

Second, the UK government has matched this administrative initiative with the allocation of significantly increased resources, which have significantly raised the UK's position in the league table of development donors. In 1998, DFID's budget was £2.3 billion; by 2007, it had increased to £5.3 billion. The UK's expenditure on development aid rose from 0.27 percent of GNI in 1997 to 0.47 percent of GNI in 2006[9] (see Figure 1), and the government is committed to reaching 0.53 percent of GNI by 2010-11 and 0.7 percent (the UN target for donors) by 2013. Only six countries currently exceed the UK's aid spending relative to GNI, and of these, the top five have already met the UN target (see Figure 2). One of the highest-profile of the UK's commitments has been to the International Development Association (IDA), a branch of the World Bank that provides grants and interest-free loans to the world's poorest countries. In 2007, the UK became the largest donor to IDA. Financially, as well as institutionally, the UK government has thus increasingly become an international leader in the promotion of development. In its most recent 'Commitment to Development' survey, the Center for Global Development, a Washington thinktank, rated the UK ninth in the world for its contributions to development in general, and third in its contributions to Africa (the world's poorest region) in particular (Roodman, 2008). This measure considers, albeit imperfectly, not only the volume of aid, but a country's policies on immigration, the environment, trade and peacekeeping. The UK scored especially well on its levels of investment in Africa (on which it ranks first) and contributions to peacekeeping and security (ranked second).[10]

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[7] A formal assessment of the efficacy of DFID's component strategies under New Labour, while desirable, is beyond the scope of this short paper. For present purposes, I assume that the expanded budget, domestic profile and global presence of DFID is a positive outcome in and of itself, though of course for planning and impact discernment purposes it would be necessary to conduct a comprehensive evaluation.

[8] This is not for the first time. The Labour governments of the 1960s and 1970s had, for parts of their periods in office, a cabinet minister responsible solely for overseas development (during 1964-67 and 1975-76). I am grateful to Graham Hacche for stressing this point.

[9] As Figure 1 indicates, the UK's current commitment to development, while impressive compared to most other wealthy countries, is merely returning it, in relative terms, to levels enjoyed in the late 1970s. Only when expenditure on development rises and remains above 0.55 percent of GNI will it have truly entered new territory.

[10] The UK does least well on its support for technology.

Figure 1: The evolution of British foreign aid, 1970-2005

Source: DFID website, http://www.dfid.gov.uk/pubs/files/sid2007/section2.asp
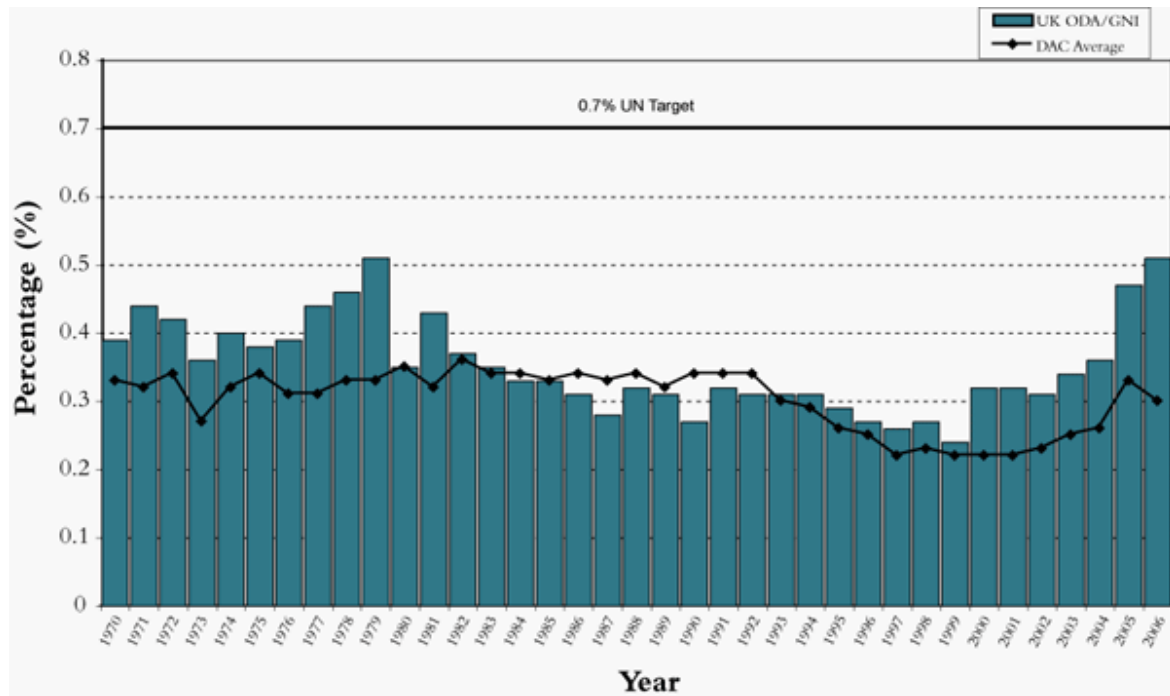
Third, the UK government has substantially expanded its financial commitments to scholarly research on development. As a host of recent publications have noted,[11] much of the policy-making in development occurs in something of an empirical vacuum,[12] and efforts to rectify this are sorely needed. The expanded research programmes sponsored by DFID (often in partnership with the Economic and Social Research Council) have been characterised not only by their scale, but also by their focus on building and rewarding interdisciplinarity, partnerships across UK universities, (especially with southern research groups), and policy impact. Substantively, it has chosen to invest in a small number of large research centres (as opposed to making larger numbers of smaller grants to individuals or teams) and to focus on key thematic issues, such as chronic poverty, immigration and pro-poor growth.

Fourth, the UK, through DFID, has become a high-profile leader on the complex issue of governance. Now widely recognised as a key development issue in its own right (after many years of skittishness about discussing 'political' issues, such as corruption, legal

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[11] See Clemens (2007) for an excellent review of these volumes.
[12] 'Development' is certainly not unique in this regard, and (as I argue below) only funding programmes that have been 'proven' to work creates its own problems, but it remains widely recognised that millions of dollars are allocated to development efforts on rather slim empirical and/or theoretical foundations.

reform and human rights)[13] and, more instrumentally, as a driver of economic growth and poverty reduction (Kraay, 2006), DFID has been a leader in legitimising and raising the profile of the politics of development generally,[14] and, in particular, efforts to identify effective and supportable strategies for enhancing the 'quality of governance'. In many respects this work is in its infancy, and the empirical and policy problems it raises, by their very nature, sit awkwardly with the technocratic and bureaucratic imperatives of orthodox development decision-making (see further discussion on this below), but the UK government is to be commended for championing an issue too long neglected. With sufficient patience and long-term commitment, it is reasonable to expect, in the medium term, a step-change in the quality and quantity of evidence (and theory) available to inform governance issues.

Figure 2: Wealthy countries' contributions to development assistance, 2006

Source: DFID website, http://www.dfid.gov.uk/pubs/files/sid2007/section2.asp

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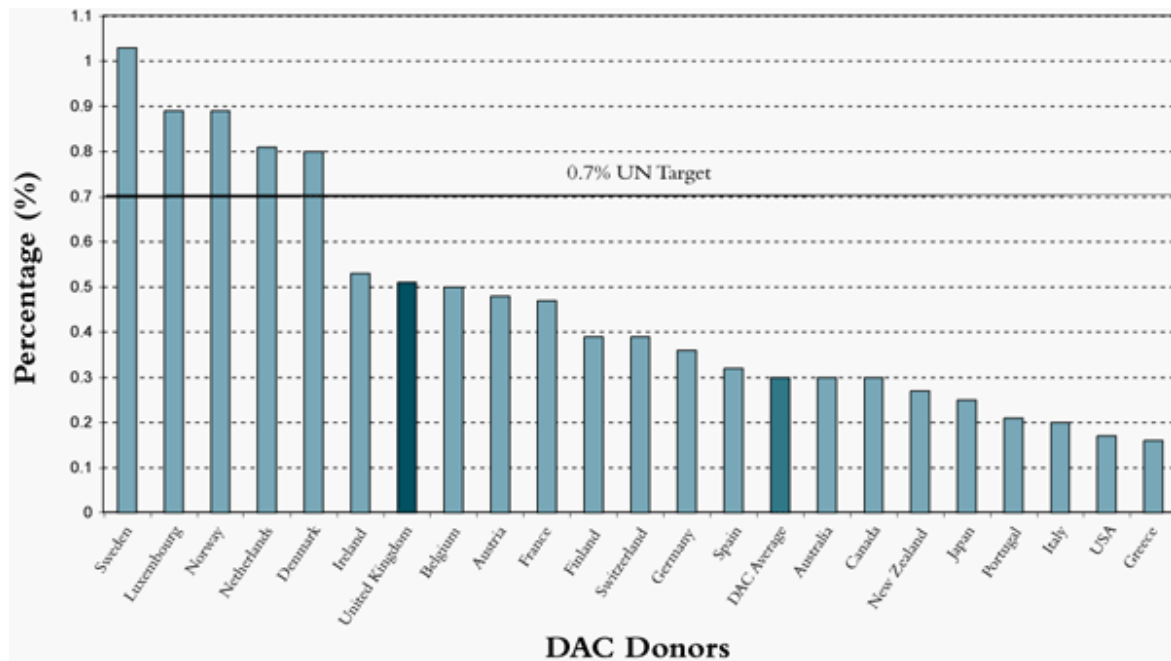
[13] To be sure, the World Bank and IMF had begun to produce major reports on governance in the early and mid-1990s, but it was only later that governance issues, especially at the sub-national level, became part of everyday policy dialogue with countries, and institutionalised through the creation of comprehensive global datasets, dedicated trust funds, and specific organisational units.

[14] In this instance DFID's stance reflects a keen sensibility amongst British academics (e.g., Leftwich, 2007; Burnell and Randall, 2008) that politics is central to understanding development processes and outcomes.

Fifth, the UK government has been instrumental in encouraging an expanded understanding of the scope of poverty: its multi-dimensional approach both reflects and reinforces an increasing awareness among scholars and practitioners that 'poverty' encompasses more than just inadequate income. Indeed, both the characteristics and experience of being poor entails not only a struggle to meet basic needs but, in all likelihood, social exclusion, inadequate opportunities to access schools, health clinics and stable employment, political marginalisation, vulnerability to crime and violence, and weakened aspirational capacities, all of which can conspire to create, reinforce and perpetuate 'poverty traps', as well as wasting human potential and being offensive in humanitarian terms (*Chronic Poverty Report*, 2008). Eleven years ago, the presence of the UN's Human Development Index notwithstanding, the theory and measurement of poverty were for the most part construed in much narrower (i.e., almost exclusively economic) ways, giving rise to correspondingly narrow policy responses; today, there is widespread recognition that poverty comprises diverse factors. The range of disciplinary and theoretical perspectives on which this diversity rests provides a challenge for those more comfortable with a one-dimensional approach; a challenge is to recognise poverty's multi-dimensionality while forging a more integrated and coherent basis for measuring and addressing it.[15]

Sixth, arguably the most important policy achievement in recent years has been the emergence of a genuine left/right consensus regarding the importance of global poverty reduction. Though clearly a product of much effective agitation by civil society groups (e.g., Jubilee 2000 on debt relief, the Make Poverty History campaign), this consensus now spans the OECD nations, with even the US government, under Republican leadership and which came to power on an explicit policy of disengagement from international issues, actively embracing global poverty reduction. In the UK, the Conservative Party has made clear that if elected it would continue with policies promoting development and poverty reduction. Clearly, the UK government cannot claim sole credit for this new consensus, but it has certainly been one of its global champions.

3. A brief critique

The many commendable aspects of the changes in development policy adopted and championed by the UK government in the past decade, and the significant increase in resources devoted to it, face their biggest tests in the coming years. If the most significant development of all is the apparent transformation in attitude to foreign aid by conservative parties (in the US as well as the UK and elsewhere), one crucial test of

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[15] Capability theory, as pioneered by Amartya Sen and his followers, aspires to such a status.

course will be whether promises made by the UK Conservative Party in opposition materialise if it comes to power.[16]

For now, however, I think it is safe to assume that, barring some domestic economic meltdown, absolute levels of funding will be roughly the same no matter which party is in the majority; the greater challenges, and they are already looming with Labour still in office, are conceptual and political, namely (a) maintaining the commitment to multi-dimensional understandings of poverty (its causes, nature, and consequences) and encouraging corresponding diverse policy responses, and (b) taking seriously the recognition that effectively addressing 'governance' issues requires a long time horizon, new theoretical frameworks and different skills sets from those that currently prevail within most development organisations. Faced with such challenges, the imperatives of orthodoxy—that is, of just expanding and replicating interventions believed to produce 'results' quickly, such as infrastructure—will weigh especially heavily; as such, those committed to governance issues will need to redouble their efforts if the initial gains achieved under a sympathetic progressive government are to be sustained under a more conservative government. Let me elaborate, since this critique may initially appear somewhat counterintuitive.

Development agencies of all stripes have a strong bureaucratic imperative to 'see' (Scott, 1998) problems in terms of the solutions they are able to offer. Though many academic commentators invariably regard such agencies, especially the large multilateral agencies such as the IMF and World Bank, as forceful advocates for 'neo-liberal' (read: harmful, exploitative, 'de-politicised', pro-capitalist) development policies (e.g., Ferguson, 2006; Li, 2007), a less insidious interpretation is that large agencies are primarily following a strong internal logic to render a diverse assortment of problems responsive to the instruments, models, assumptions and discourses over which they preside, which in turn are predisposed to generating policy/project responses readily amenable to being implemented, administered, and assessed by bureaucratic means (Pritchett and Woolcock, 2004). 'Technical' problems that happen to fall safely within the bounds of this logic—building roads, administering inoculations, reducing hyperinflation—will be strongly promoted; those that do not (call them 'adaptive' problems[17])—engaging with customary legal systems, negotiating peace settlements, encouraging more effective local government—will face a constant uphill battle for resources and legitimacy. Why? Because careers are sustained, extensive (and expensive) educations are justified, and political needs are satisfied when problems can be persuasively explained by the experts, readily managed by the technocrats and safely administered by the bureaucrats.

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[16] See Slater and Bell (2002) for an early critique of New Labour's development policies. The approach I take here is rather different.

[17] The distinction between 'technical' and 'adaptive' problems comes from Heifetz (1994). A more detailed analytical discussion of this general set of issues is provided in Pritchett and Woolcock (2004).

We have no good development theory to tell us about the relative prevalence or seriousness of technical and adaptive problems, or that even provide a sophisticated basis for distinguishing between them (and/or other types of problems),[18] but in any case the upshot is that, within development agencies of all kinds, technical problems are strongly favoured (by both design and default), and ambiguous problems embedded in context-specific (often idiosyncratic) realities are reframed as variants on technical problems (Scott, 1998). Enlightened leadership may for a period create more political space and a higher intellectual profile for identifying and responding to adaptive problems,[19] but the default mode is always stacked in favour of 'seeing' all problems through a technical lens. During a crisis, or even a period of uncertainty, orthodoxy relentlessly reasserts itself. In development, this means the policy pendulum tends to swing inevitably back towards economic growth and, more particularly, to the search for the technical macroeconomic policy instruments likely to bring it about. Rather than starting with the idiosyncratic array of development problems (some technical, some adaptive) and trying to identify context-specific responses, the organiszational imperative is to begin with its 'products', which may or may not map onto the prevailing problems a country has.

Essential as economic growth clearly is for poverty reduction (Kraay, 2006), it is important to recognise that it is an outcome of complex and interdependent forces, not all of which are amenable to 'policy' control. Indeed, even getting some of these 'forces' and their institutional underpinnings to the point where they might plausibly be amenable to policy control is itself a key development challenge. In an age, however, where the development business is increasingly dominated by a combination of large private philanthropic organisations (e.g., the Gates and Google Foundations) deploying corporate performance models, governments impatient to show restive citizens that aid (especially in its expanded form) can 'work', and development agencies seeking to legitimise their very existence, the combined effect is to only enhance the power of bureaucratic orthodoxy outlined above: time horizons are shortened, 'proven' approaches (conditional cash transfers, micro-credit) in one context are expanded and replicated elsewhere (cf. Rosenberg, 2006), and pressures mount for clear metrics of

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[18] We also lack a solid theory, in any realm of development practice, for making reasonable inferences about the 'shape' of the likely trajectory of impacts over time—that is, whether impacts are likely to be monotonically increasing and linear, a 'J' curve (things get worse before they get better), a 'step function', etc.—but that is a subject for another paper (see Woolcock, 2008; King and Behrman, forthcoming).

[19] Some would argue this happened at the World Bank during the ten-year presidency of James Wolfensohn (1995-2005), which overlapped conspicuously with the rise of New Labour in the UK. A notable feature of Wolfensohn's presidency was the creation of the Social Development department, which was an explicit attempt to institutionalise both a substantive set of issues (e.g., resettlement, conflict, diversity) and an alternative perspective on development processes, policies and practices.

'success' (because 'what gets measured is what gets done').[20] Lost in the mix are those problems that take years (decades) to resolve, that inherently have no known solution ex ante, and that entail protracted negations, contests and experimentation (as did the formation of most institutions in the now-rich countries).

In this new corporate aid environment, the quest for solutions is itself the problem, because it fundamentally cannot yield the healthy *mix* of responses (known and unknown, knowable and unknowable) that complex development problems necessarily require. New Labour's hard-won gains in raising interest in, awareness of and resources for development, in promoting an expanded understanding of the causes of and responses to poverty, and in encouraging greater dialogue between scholars and practitioners—all of which are to be commended—risk being compromised, it seems to me, if the end result is a heightened concentration of time, energy and resources on 'fixing' short-run, technical concerns, the attainment of which is verified through readily-measurable indicators. Important as these responses may be in their particular place, the overriding objective should be to create and sustain the intellectual space and political patience needed to craft a mix of context-specific solutions to context-specific problems. Some of these problems will be short term, technical, measurable and predictable; many will not, however, and a preponderance of attention on the former will not only undermine the probability of resolving the latter, but, in the long run, even the probability of attaining the former.

4. Going forward: Some modest and immodest proposals

The preceding analysis suggests that the development community currently faces something of a paradox: important battles to raise the profile, status and resources for poverty reduction appear to have been won, but at the cost of ushering in procedures for prioritising problems and measuring 'progress' that threaten to distort which issues are addressed, how they are addressed, and how decisions will be made regarding the extent to which success or failure has been achieved. For some this may appear a petty or second-order concern; after all, the issues are pressing (30,000 people die every day from poverty), time is short, patience is thin, and development professionals are gradually getting a better empirical sense of 'what works'. In these circumstances, why

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[20] These comments on metrics should not be interpreted, of course, to mean that I am hostile or indifferent to measurement concerns; in the right place, as argued at the outset of the paper, measurement is a vital part of building a much-needed and rigorous evidence base for making informed decisions. The empirical challenge, however, is to build an evidence base as diverse as the problems and 'solutions' it is addressing, not to rely (as is too often the case) on single forms of evidence, or to only recognise the validity of data forms and sources that comport with what agencies that recognise ('see').

'reinvent the wheel'? Why not just expand and replicate those interventions that have passed the scrutiny of rigorous assessment?

This would be inadequate, because certain key issues of the type I have identified simply cannot be solved this way. The current (and appropriate) concern with 'governance' issues perfectly reflects this conundrum: there is now a broad consensus that 'institutions matter' for poverty reduction, that 'building the rule of law' is essential, but there is only a long and unhappy history of actually trying to act on this (Carothers, 2006). This is largely because the effectiveness of 'institutions' depends crucially on their legitimacy in the eyes of those living under them, and their content on knowledge that is in large part inherently local, discerned only through a (usually long) process of deliberation and contestation. Moreover, there must be mechanisms in place for addressing the fact that even the most carefully designed and faithfully implemented development project is likely to generate both conflict (even if it succeeds[21]) and other unintended outcomes. In short, building effective institutions actively requires 'reinventing the wheel' in every country context in which it is being undertaken.

What to do? In a perfect world, we would have development strategies in general, and poverty reduction strategies in particular, able both to discern how to identify and prioritise different *kinds* of problems according to local needs, aspirations and available resources, and to make reasonable predictions regarding what kinds and levels of impacts to expect from particular interventions over a given timeframe. Unfortunately, no individual, organisation or discipline really knows how to do either of these core tasks. Absent such frameworks, development professionals must make a good faith effort to respond as best they can. At present, the vacuum in overarching strategy for addressing these core issues is being filled by organisational and political imperatives (fuelled by urgent pleas from high-profile charismatic advocates) that preclude the very space needed to begin articulating such strategies. For both intrinsic and instrumental reasons —that is, because it is important in its own right and because the effective deployment of finite resources to pressing humanitarian issues demands it—reducing global poverty must be seen as the truly complex problem it is.

One way to respond to the challenge is to give renewed attention to the prevalence and salience of 'adaptive' problems in development and practical mechanisms for solving them. An example is the Kecamatan Development Project (KDP) in Indonesia (Guggenheim, 2006), a nationwide poverty-reduction programme which also seeks to enhance the civic skills of participating villagers and, in turn, the responsiveness of local government. Built primarily on social (as opposed to just economic) theory, KDP began as a study of village institutions in Indonesia, and through the knowledge thereby gained,

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[21] This is so because successfully raising the incomes of the poor and empowering marginalised groups is likely to alter prevailing power structures, social relations and rules systems (Barron, Diprose and Woolcock, 2007).

was able to design mechanisms for allocating development resources in ways that both reflected villagers' priorities and knowledge *and* provided channels for effectively mediating conflicts ensuing from the project (Gibson and Woolcock, 2008). If 'orthodoxy' had its way, such successes would immediately give rise, as they have, to calls to rapidly replicate KDP elsewhere, but it is the 'spirit' of KDP—its rich grounding in local knowledge discerned through extensive research conducted by Indonesians themselves—rather than the 'letter' of KDP—its formal structure and documentation—that should be the model for poverty reduction and 'governance' projects elsewhere. It is a time-consuming and 'messy' process, but it is the right *type* of decision-making process for this *type* of problem.

5. Conclusion

As a result of global imperatives, enlightened leadership and strident civic campaigning, the UK government's response to development issues generally, and poverty/inequality issues in particular, has advanced considerably over the last decade or so. Whether assessed in terms of administrative innovations, supportive rhetoric, committed intellectual leadership or enhanced financial contributions, the UK government has increasingly been leading international efforts to reduce global poverty. Crucially, it has succeeded in helping to build what—at least for the moment—appears to be a genuine left/right, trans-Atlantic consensus for these issues; even opposition politicians in the UK now openly support active policies to promote development and poverty reduction.

Welcome for these important accomplishments must be tempered by concerns that stem, somewhat paradoxically, from success. The vast infusion of new resources, the rise of ambitious philanthropic foundations, the imperatives of target-driven strategies and yet a demand for immediate results and an increasing impatience with inherently long-term issues have the potential to direct attention away from those development problems—and they are legion—that have no clear metric of success, have solutions that are often not knowable ex ante, and that even when 'solved' in a technical sense may not map onto a clear policy instrument (actually or even potentially). A comprehensive and effective poverty reduction strategy will strive to support effective responses to both technical and adaptive development problems, cognizant that concentrating on technical problems alone will not (indeed cannot) make poverty history.

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