INFRAPOVERTY[1]

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It is a great privilege for me to be present at the launch of the Report on Making Infrastructure Work for the Poor prepared by the UNDP in collaboration with the Japanese Government. We have had high expectations about this forthcoming report, given the quality of the work that the UNDP has continued to produce (and the quality and dedication of the Poverty Group led now by Dr. Selim Jahan), and given the visionary commitment of the Japanese Government on developmental issues, led - in this case - by JICA. Our expectations are not disappointed - a number of ideas and assessments of older theses can be found in the studies that lie behind these reports. Indeed, quite a few important issues have been identified on the basis of detailed empirical studies carried out in Bangladesh, Senegal, Thailand and Zambia, related to their respective infrastructure projects. The audience in today's gathering will have the opportunity to hear more about the specific findings, but I would still urge those interested in these problems to pay attention to the critically important connections that have been investigated in some detail in these extensive studies and which have been pulled together in this Report.

Why is infrastructure important for the removal of poverty?

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[1] Summary of the talk to be given at the launch meeting of Japan-UNDP report, Making Infrastructure Work for the Poor, at the United Nations, New York, on 8th March 2006.

In order to understand the basic connection, we have to probe the causation of poverty. So the foundational issue that lies behind this work is: what exactly is poverty, and why are the poor people poor? The classic view that poverty is just a shortage of income is fairly well established in the literature. It is not, in fact, a silly view. Indeed, inadequacy of income is often the major cause of the various types of distress that are standardly associated with poverty, including starvation and famines. And yet an exclusively income-centred view of poverty cannot but miss many important features in the causation of deprivation.

First, while low income is certainly one of the many predisposing conditions for economic deprivation, there are others. Indeed, we cannot even identity what level of income would count as low - below the poverty threshold - depends not only on prices, but also on many other features of the persons involved: for example, whether they are prone to particular illnesses, whether they live in a region with many epidemics, whether there is much crime and social chaos around, whether there are no schools or hospitals that can be accessed in the vicinity, and so on. Poverty can be seen, basically, as deprivation of a person's effective freedom to live the way he or she has reason to want to live. While lack of income can contribute to such deprivation, there are other contributory factors as well. This Report draws, for example, on the understanding that the absence of social facilities for health care and education, and inadequacy

of water supply, can make people deprived in a way that cannot be easily ameliorated with high personal income.

Second, even the lowness of income itself often reflects inadequate social and physical infrastructure development. If, for example, transport is inadequately developed for easy access to markets for agricultural products, then the earnings based on the use of the market may be correspondingly reduced. Many such connections, studied with data from different parts of the world, receive attention in the analysis presented in this Report. Low income is not a free-standing predicament; there are societal circumstances that impoverish the possibility of earning a decent income on the part of hundreds of millions of people.

Third, the deprivation of individuals depend not only on the average income of a region, not even only on the average income of a particular family. It cannot but be influenced by the way the average opulence of a region is distributed between different classes, genders, age-groups and communities, and also by the conventions regarding the division of the economic opportunities within a family between women and men, between children and adults, and between the old and the young. The inequalities in these divisions are strongly influenced, again, by societal arrangements that reflect the development or underdevelopment of social and physical infrastructure. Many of these connections are intricate but by no means illusory, and some of them have been investigated in this Report, bringing out, for example, the

connection between small-scale infrastructure, on the one hand, and gender equity and women's empowerment, on the other.

Poverty is a predicament with multiple interrelated causes. The absence or inadequacy of infrastructure is typically a pervasive causal influence on the general deprivation that goes by the name poverty. If we start not with the development of infrastructure, but one step back, namely the underdeveloped state of social and physical infrastructure in different countries in the world, we get an immediate motivation for the study that has led to this Report. I would argue that the best way of appreciating this Report is to start with something that lies behind it, rather than within it. There is a profound understanding of the causes of poverty and deprivation that motivates these studies, and the Report examines the ways and means of removing these underlying causes. We have to understand this intellectual background to appreciate what the Report has done.

In fact, the Report can be seen as an iceberg, much of which is submerged, but some of which is clearly in our view. The submerged mass is that of causal analysis of poverty and of the diverse factors that make people prone to be poor and deprived. This is a subject on which the UNDP has done path-breading work, led particularly by my sadly deceased friend, Mahbub ul Haq, and ably supplemented by others. The visible mass, which we see in the Report, lies above it, and stands leaning on it. But it is

important in itself. It is one thing to understand that lack of infrastructure is often the principal causal influence on the genesis of poverty, it is quite another to see how attempts at deliberate and organized removal of handicaps of underdeveloped infrastructure may actually make a difference. Does public plans and programmes actually work (a natural scepticims given the shrill chorus we hear too often these days that "the best plan is no plan")? Can the differences that are made be seen immediately, or do they take an immensely long time. We need not follow John Maynard Keynes's radical dismissal of long-run differences through his aphorism, "in the long run we are all dead": long-run problems have importance of their own, not least in matters of societal transformation and environmental sustainability. And yet if the differences are seen more or less immediately in a clearly palpable way, then the chances of public enthusiasm and social cooperation will be that much easier and powerful.

This is where the visible iceberg that we see in the Report makes a big difference. Significant ifferences, it is shown, can be made, and the gains, it is also shown, often emerge with remarkable immediacy. The Report is, in this way, not only informative, drawing - as I discussed earlier - on a large and sophisticated literature on the causation of poverty, and investigating with care and scrutiny how things have actually changed, to varying extents, in one place after another through societal efforts, it is also a call to further action. Despite

the pervasive cynicism that is a dominant feature of the contemporary world, there are excellent grounds for determination and resolution. Of course, poverty removal can certainly by helped by forces that are not aimed directly at that (fast development of fair trade in the world is a good example), but it can also be helped through deliberate design. Intended consequences can richly supplement unintended windfalls.

Some years ago, when I was writing a Foreword for a book by a visionary social activist (whom I am privileged to have as a personal friend), Paul Farmer, I remember contrasting his approach with that of the man, described by John Dryden, the poet. The man, says Dryden, "trudged along unknowing what he sought,/ And whistled as he went for want of thought." I can invoke that contrast again. What this Report is aimed at is to show why we should stop whistling and start thinking. And it has made a significant contribution towards that result. So I congratulate those who have undertaken this study, those who have supported it, and those who have analyzed the empirical findings. We have something to celebrate.