

# Why doesn't Development Aid work?

This article identifies salient issues associated with poverty alleviation within an aid for development context. In cognisance of historical and conceptual considerations as well as current efforts being made to deal with poverty in the developing world, it suggests that a real remedy to this problem requires not only greater financial commitments but also an increased willingness to revise means that have already proven ineffective in reducing global poverty.

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## INTRODUCTION

The alleviation of poverty deserves the utmost effort in any development endeavour since poverty is the very antithesis of human wellbeing and a major cause of socio-economic and political difficulties. The developing world, where much of this poverty is concentrated, remains caught in a quagmire of disparities. Domestic and international neglect combined with exploitation have compounded the problem of human poverty and deprivation to overwhelming proportions; this is a problem that should no longer be ignored, and which requires genuine transnational efforts to be adequately resolved.

It is ironic that the fundamental nature of human development has become highly theorised and technical as an area of practice. The evident impacts of development efforts are visible for all to see, given the socio-economic disparities and the declining state of our environment. However, critiquing development in practice, one encounters the difficulty of reading too much into particular instances of programmatic failures. Critics must themselves grapple with the theoretical assumptions behind development programmes and relate their arguments concerning particular programmatic approaches (and/or their inefficiencies) to the broader assumptions that inform and formulate development policies. I will be taking this latter approach in considering the use of development aid in alleviating poverty. Development aid in this case refers to multilateral, bilateral and private transnational (Non Government Organisation) transfers of financial and technical resources from developed to developing (poor) countries. Therefore, this article will not address the issue of poverty within the developed world nor the efforts made towards poverty alleviation within developing nations. Instead, I will solely concentrate on examining various approaches concerning the role of development aid in poverty alleviation, so as to provide an informed analysis of what is a complex topic in its own right.

## HISTORICAL OVERVIEW

The use of international aid for development finds precedence in the 'infant colony subsidies' administered by Britain, Germany, France and the US before the turn of the last century.<sup>1</sup> However, even the late 1960s were still considered 'the early years' of development aid, since the structure of the UN system was being formed as was that of bilateral donor programmes, international financial institutions and regional development banks. During this 'early' phase, capital-intensive projects

were the most popular mode of channelling development support to the newly independent countries of the so-called 'third world'. But by the early 1970s, the failure of economic growth to 'trickle down' to people at the bottom of the social and economic scale accentuated global concern for alleviating poverty.<sup>2</sup>

At this time, a 'basic human needs' criterion was articulated which emphasised universal access to basic social services (health care and education) and livelihood necessities. In 1976, the International Labor Organisation endorsed this approach and bilateral donors also began acknowledging its validity. The following decade—in the aftermath of Organization for Petroleum Exporting Countries-induced oil shocks—saw global economic turmoil that in turn exacerbated a mounting debt crisis of developing nations. Consequently, economic sustainability overshadowed the focus on basic human needs and demands for the New International Economic Order being propagated by a grouping of developing nations referred to as G-77.<sup>3</sup> Instead, the structural adjustment approach formulated by the International Financial Institutions (IFIs)—the International Monetary Fund and the World Bank—became a predominant prescription for enhancing savings and stimulating the investment and production needed for growth and subsequently for poverty reduction across much of the world.<sup>4</sup>

It took over a decade for the IFIs to realise that macroeconomic stabilisation processes may be required for growth, but that they are not sufficient for a poverty reduction. Structural reform measures induced by the IFIs in poor countries that were recipients of their loans were criticised for their adverse impact on the health, food security and environmental concerns of the poor. Subsequently, Poverty Reduction Strategy Papers were launched by the IFIs at their Annual Meeting in Washington in September 1999, which are intended to be the basis for all foreign aid to poor countries. Due to their immense international influence, the IFIs have also been encouraging all rich country donors to link their assistance to Poverty Reduction Strategies. Both the IFIs maintain that this new approach marks a major shift in the way that global poverty is now being addressed, since borrowing countries are being encouraged to design their own development strategies, with an explicit focus on poverty reduction.<sup>5</sup> Yet in view of the aid dependency of developing countries, critics doubt the extent to which such programmes can be truly government-owned.<sup>6</sup> At best, the IFI approach towards developing countries which are recipients of their loans has evolved into

the assimilative desire of turning the state into a better ‘market manager’ and the poor into better ‘market players’ without reconsidering the social and political foundations of the global market system, which perpetuates this inequality.<sup>7</sup>

Poverty has assumed a new geopolitical significance due to increased concerns about risks posed by ‘failed states’, particularly due to the fear of terrorism. The media is now saturated by such views. The President of the United Nations General Assembly has termed poverty ‘the breeding ground for violence and despair’.<sup>8</sup> Even the head of the World Trade Organisation in the wake of September 11 is quoted as saying that ‘poverty in all its forms is the greatest single threat to peace, security, democracy, human rights and the environment’.<sup>9</sup> One of the recent books on the topic of aid for development calls upon multilateral agencies and bilateral donors to seriously consider redirecting aid to the mitigation of poverty. Poverty is considered to exacerbate conflicts due to unchecked income disparities, ethnic marginalisation, and the marginalisation of nations. It is considered more efficient to pre-empt potential conflicts through development assistance prior to the outbreak of violence, since the ensuing bitterness corrodes much of the delayed mitigation efforts.<sup>10</sup>

The challenge of world poverty may be getting more publicity and attention of policy makers yet its effective resolution remains just as elusive. The multidimensional means (including various shades of human rights, income-based or empowerment approaches) proffered to tackle the issue create much speculation, debate and controversy. Perhaps most disconcerting are claims that measures meant to alleviate poverty in effect are responsible for perpetuating it, or the fact that ‘development’ can and often does occur without alleviating poverty.<sup>11</sup>

#### DEFINITIONS AND MEASURES OF POVERTY

The very attempt to define poverty demonstrates the complexities associated with the phenomenon. A basic distinction is evidently made between ‘absolute’ and ‘relative’ poverty, the former being described as a state of existence that fails to meet minimal living standards judged by such criteria as household incomes, caloric consumption, sanitary conditions and basic education, while the latter refers to conditions in which there is a gap between incomes of different groups.<sup>12</sup> Another distinction is drawn between chronic and transient poverty. In the view of an economist, ‘the poor in most societies can be divided into two groups: the chronically poor and the poor who react quickly to economic

downturns and sustained growth’.<sup>13</sup> The state of the latter is considered a temporary side effect, at least by IFIs (whose policies are often blamed for instigating transient poverty) which insist that economic austerity and structural adjustments are essential for addressing both transient and chronic poverty in the long run.

Variations in operational definitions of poverty are to be found with multilateral institutions themselves. The World Bank has primarily focused on income while the UNDP has evolved a comparatively broader understanding of poverty as a multi-dimensional social problem that hinders adequate human development. The UNDP measure is calculated on the bases of vulnerability to death at an early age, deprivation in knowledge and lack of decent living standards (lack of access to safe drinking water and health services for developing nations and an income-based criterion for industrialised countries).<sup>14</sup> In recent times, the World Bank is also becoming more aware of environmental or gender risks which threaten the poor.<sup>15</sup> Yet in comparative terms, the Bank’s neglect of global poverty indicators is obvious in comparison to its stress on economic and financial factors such as incomes, production, trade and the balance of payments.<sup>16</sup>

For the purpose of measuring poverty, the World Bank has calculated ‘poverty lines’ for each developing country and set the international poverty line standard at one dollar per day. According to this criterion, more than 1.2 billion people live below the poverty line in the developing world today. It is interesting that the Bank maintains a parallel poverty line for industrialised countries, which is set at fourteen dollars per day, and this variance has been justified by the rationale that greater consumption levels are required in the industrial world for sustenance than in developing countries.<sup>17</sup> Still, the 2003 UNDP Human Development Report termed the 1990s ‘a decade of despair’.<sup>18</sup> Its statistics further reveal that some fifty-four countries are poorer now than in 1990, and the UNDP describes these ‘reversals in survival’ as being ‘previously rare’.<sup>19</sup>

The poor are not by any means homogenous. Variations in the circumstances of poverty depend on a diverse range of factors including climates, cultures, social and economic environments.<sup>20</sup> The debate on poverty must also acknowledge the importance of value systems. For example, it can be argued that value systems are equally vital elements of wellbeing as individual income. In many cultures of the world, poor was not always the opposite of rich. Other considerations such as falling from

one's station in life, social exclusion, abandonment or infirmity were more important for defining who was poor.<sup>21</sup> Based on this understanding of poverty, the very concept of 'global poverty' is seen as an overtly modern construct, particularly when it uses stringent indicators like Gross National Product or income-based poverty levels in order to label large proportions of entire nations living inadequately on the basis of a preordained per capita threshold.

#### ADDRESSING THE POVERTY ISSUE

In 1977 Robert McNamara at the World Bank proposed a study on integration of common interests of industrial and developing countries into the global economic system. The findings of this study (known as the Brandt Report) were submitted to the General Secretary of the United Nations in 1980, which outlined a strategy for survival in an increasingly polarised world by highlighting the need for redistributing resources to the poor.<sup>22</sup> However, this report was severely criticised for offering solutions considered a part of the problem itself. Teresa Hayter compared the Brandt Report's keen interest in expanding markets and fields for investment for ensuring greater equality to late nineteenth-century arguments for expansion of the British Empire to the tropics.<sup>23</sup>

On the other hand, the UN has been consistently declaring 'decades of development' since the 1960s and has gradually brought some human development issues to the forefront. The UNICEF publication *Adjustment with a Human Face* is a prominent example of this effort. This report visibly highlighted outcomes of structural adjustment policies in Latin America, sub-Saharan Africa and parts of Asia and the failure of equity and long-term efficiency gains to be ushered in by freeing market forces.<sup>24</sup>

The prevailing notion of development is reflected through two UN-sponsored World Summits on Sustainable Development held in 1995 in Copenhagen and in 2002 in Johannesburg. The most significant advance made at the Copenhagen summit was the articulation of a comprehensive set of parameters for defining poverty, and the realisation that poverty was being aggravated by unsustainable patterns of consumption and production. This summit highlighted the need for time-bound commitments by nations with regard to poverty eradication.<sup>25</sup> Unfortunately, this attention was not translated into concrete action and this need for time-bound commitments was merely reaffirmed in 2002 at Johannesburg. The Johannesburg summit did articulate targets and timetables to spur action on important

environmental issues and stated a commitment to halve the proportion of people who lack access to clean water or proper sanitation by 2015. The Summit has instigated a new resolve of partnerships for development between governments, citizen groups and businesses, considering this the most feasible option for bringing in supplementary resources and expertise.<sup>26</sup> However, the context of partnerships is not without peril (as I will later argue). Also, by not being able to obtain firm commitments concerning poverty eradication, both the WSSD conferences in effect failed in providing a long-term solution to secure resources needed for reaching the poverty eradication goal.

The UN Conference on Finance for Development held in Monterrey in March 2002 was in fact the first time that the UN, the World Trade Organization and the IFIs gathered at a unified platform. This collective meeting also endorsed a commitment 'to halve, by the year 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger,' that had been earlier quoted as being one of the UN's Millennium Development Goals. As for the much-trumpeted proposal calling for developed nations to devote 0.7 per cent of their gross national product to development aid, it figured only as a goal in the Monterrey declaration, not a pledge. Throughout this conference, there was seen to be a continued emphasis on aid effectiveness over volume.<sup>27</sup> More radical proposals for global governance, with new international organisations for regulating the environment and international taxes, were squarely ruled out of consideration, in the attempt to obtain multilateral consensus.<sup>28</sup>

The multilateral agencies' conviction that free trade and private investment hold the key to development remains prominent. Even the UNDP has begun laying emphasis on the need for the corporate sector to divert flows towards social sectors. In a recent paper delivered at the Oxford Analytica Conference, a senior UNDP administrator stated that the private sector has a real role to play in—and benefits to gain from—encouraging and supporting the state efforts in creating and preserving educated, healthy workforces and consumers, 'living in peaceful, crime-free environments'.<sup>29</sup> Yet this assessment seems rather optimistic when juxtaposed with increasing claims by developing world activists that trade liberalisation demonstrably undermines the livelihoods of small producers and vulnerable social groups, especially those of women who support a major part of the costs of such policies and barely have access to any of the ensuing benefits.<sup>30</sup>

A high profile publication by the World Bank entitled *Assessing Aid: What Works, What Doesn't, and Why*<sup>31</sup> provides a consolidated perspective on donor aid policies and prescriptions. It states that development agencies must shift away from the focus on total disbursements and narrow evaluation of physical implementation of projects, towards more meaningful or 'high impact' development assistance for poverty alleviation. For doing so, it stresses sound management and cooperation. Yet all this attention to the poverty issue has still not led to a definite shift in the underlying approach to addressing this problem. The Development Centre of the Organization for Economic Cooperation and Development also suggests similar process-oriented changes that would make development strategies less bureaucratic, more devolutionary and thus improve targeting of beneficiaries.<sup>32</sup> But in the name of 'listening to the poor,' or 'being able to better reach them', increasing impositions are being made by donors that in effect are supporting the interests of governability rather than those of poverty reduction. Donors are thus admonished for wasting resources on the creation of self-fulfilling discourses and practices, when their funding could do so much more for those most in need.<sup>33</sup>

The *Global Economic Prospects Report 2001* of the World Bank did recognise 'volatility' in the global economy and its 'asymmetric impact', with most developing countries tending to benefit less than the developed economies in the upturns, but suffering equally, or more so, in the downturns.<sup>34</sup> This Report has also drawn specific attention to a perpetual volatility of a globalised economy in which capital flows rapidly in and out of emerging markets, causing economic stresses that affect the poor disproportionately due to their vulnerability, often pushing those just above the poverty line, downwards. The poor often become perpetrators and victims of rising crime in times of economic crisis. Mitigation measures popular with donors, such as income generation or housing schemes, have been unable to provide adequate protection to the poor against the macro-economic onslaught of increasingly predatory economic processes. This type of approach itself remains confined to taking remedial action in complicity with the very economic system that instigates the adverse effects in the first place.

Prevalent institutional trends do seem indicative of a rather stubborn desire for adopting 'band-aid' solutions to the festering problem of global poverty. Inefficient management practices are blamed for the lacklustre performance rather than flaws inherent in development strategies.<sup>35</sup>

Perhaps the problem lies not with the techniques of aid giving, or with the fact that individual practitioners don't apply it properly, but rather with the concept of development aid itself. Northern-dominated global institutions are increasingly being seen as consolidating a system of highly unequal relations between countries that are perpetuated by ever stringent conditionalities. According to the 'Reality of Aid' Group (a collaborative initiative between NGOs (non-government organisations) from the north and south which conducts independent reviews of poverty reduction and development assistance), such institutions not only advance the commercial, political and diplomatic interests of the North, but they often deepen poverty and inequality.<sup>36</sup>

Aid proponents have made assumptions that nation states are able to influence and guide the development process in a way that benefits the poorest members. Yet having poverty alleviation as a national goal does not ensure that it will be implemented, nor will it exclude more grandiose ambitions that may even contradict this goal.<sup>37</sup> For example, recent reports in the press mention that plans to build the world's largest hydroelectric project on the Congo River are being discussed by African leaders, quite contrary to the pledges of bringing electricity to rural people using local wind and solar power projects. Big projects have a habit of going sour in Africa, often getting mired in corruption, and furthermore, power grids won't even reach the hundreds of millions of rural poor.<sup>38</sup>

Development efforts in the Third World are often defined by the strategic interests of super powers and corrupt practices of politicians and government officials. Valley recalls Third World authoritarianism and corruption, citing the example of Jaafar Nimeiri of Sudan, who borrowed heavily to pursue ruinous agricultural policies. He also points to the US' peculiar history of strong support for Sudan due to its strategic value.<sup>39</sup> Susan George has blamed ill-conceived IFI policies for causing the debt burden of developing nations.<sup>40</sup> She further pointed out how several governments in Latin America and Africa have used IMF programmes as a convenient excuse for more repression, for breaking up trade unions and for patronising vested interests and filling their own pockets. More than two decades later, Malhotra again pointed to the prevailing trade system as exemplifying historical and structural inequities that continue to confound the global economic system and hinder actualisation of stated development goals in most of the poor world.<sup>41</sup>

It is also paradoxical that as the aid regime gets stronger the range of choices available to recipient countries narrows. Recipient countries have

very few choices about conditions to be met for qualifying for foreign aid, and the poorest states, where structural adjustment may be the least feasible due to the unreliability of administrative structures, are unable to compete for aid as they experience further deteriorations in their economic and social conditions.<sup>42</sup>

### ALTERNATIVE MEANS & MECHANISMS

There are distinct alternative viewpoints concerning the basic nature, causes and remedial measures to reduce poverty. Serge Latouche, the eminent French development thinker, refers to psychosomatic compulsions of modern society that increasingly equate standards of life with purchasing power. The quality of market goods consumed has been assuming more importance than the conditions in which these goods are produced.<sup>43</sup> The adoption of this kind of production 'by all means necessary' is considered to perpetuate the growing gap between affluence and deprivation.

Amartya Sen, who was awarded a Nobel Prize for his work on poverty and entitlements for the poor, stresses the need for an integrated analysis of socio-economic and political processes. He considers poverty to be a failure of participation in society, an issue pointing to the lack of choice or opportunity to build potential human capabilities rather than remaining preoccupied with increasing incomes. Sen asserts the need for greater correlation between access to greater economic opportunities, political freedoms and provision of social facilities. Therefore, even societal institutions need to be assessed for their ability to enhance the freedom or capability of individuals. Such a process could allow poor people the chance to become active and empowered agents of change rather than passive recipients of dispensed benefits.<sup>44</sup>

According to Sen, the challenge of poverty includes both the elimination of persistent and endemic deprivation, and the prevention of sudden and severe destitution. Sen argues that democracy and participatory politics have an important role to play in terms of 'ensuring security in the form of avoidance of disaster'.<sup>45</sup> He mentions two countries with current famine woes, Sudan and North Korea, which are both authoritarian. Sen is convinced that authoritarian regimes do not foster better economic growth despite their own claims and that in fact the success of a market economy is facilitated by a supportive economic environment, rather than by a harsh political climate. He argues that freedoms of association and participation, besides their intrinsic value,

have a constructive role in poverty alleviation. Sen further articulates an ethical basis for economic policy making. Based on the notion of capability equality, Sen has identified practical prospects for international egalitarianism in a world order plagued by inequality. His work has influenced the work of the United Nations Development Programme and NGOs like Oxfam. Although World Bank professionals frequently refer to Sen's work, their approach towards 'capability equality' remains limited by the obsession with macroeconomic rather than redistributive imperatives of growth.

The human rights approach towards poverty alleviation provides another option for replacing the arbitrary nature of foreign aid with an explicit normative basis. The human rights approach to dealing with inequalities finds precedence in the 1948 Universal Declaration of Human Rights and the 1968 International Convention on Economic, Social and Cultural Rights, which stress the value of individuals as human beings. However, 'good governance' has instead gained currency with the multilateral institutions, which highlight the need for regulation, transparency and accountability of governance. In practice this often translates into integrating the international political economy around the rule of transnational capital by shaping 'the rule-making, rule enforcement, rule-adjudication and rule-surveillance functions of our global civilization'.<sup>46</sup>

The number of NGOs keeps increasing and they are well placed to reach the grassroots. This latter quality has led to their recognition as key stakeholders in utilising and operationalising key innovations in addressing poverty concerns within the current aid framework. Their use of participatory approaches can certainly lend sharper focus to the key issue of social exclusion and marginalisation of the poor, thereby allowing the chance to grapple with issues of empowerment instead of only focusing on the singular aspect of income generation.<sup>47</sup> In addition to directly running poverty-focused projects using participatory approaches, NGOs engage in advocacy and campaigning work to enhance aid effectiveness. For example, 'Actionaid' stresses the issue of 'tied aid' which is considered to devalue and undermine overseas development programmes by skewing project objectives towards commercial considerations and/or capital-intensive (for example: high-tech and/or infrastructure) projects instead of smaller and more effective poverty-focused projects.<sup>48</sup>

Partnerships between NGOs of the developing and developed world, and between NGOs and donors, are increasing every year. Yet beneath

this surface level of partnering for development lurk some disturbing contentions. Fowler considers the aid system as being propelled by a set of dependency-inducing relationships (from international donor down to local project). Consequently, real solidarity and equity is very hard to create and NGO ‘partnerships’ across national boundaries can often be quite unequal and unfair.<sup>49</sup> This subtle domination, under the rubric of development cooperation, in turn makes power relations less amenable to challenge or question. The goals of international NGOs have also drawn suspicion due to their increasing emphasis on better management (read governmentality) than meeting the needs of beneficiaries. This ‘new managerialism’ with its ‘audit culture’ is seen to be imposing demands on local NGOs by bigger transnational NGOs and/or their donors, which restrict sharing of local knowledge and ideas. Instead of knowledge being carried up the ‘transmission belt’ from recipients to donors, it is mostly ‘management information’. The resulting ‘report-culture’ may thus be seen as having an ultimate aim no more noble than making society more governable.<sup>50</sup>

Referring to NGO influence on domestic political dynamics, Hosain and Westergaard maintain that since foreign aid provides a significant portion of national resources in countries like Bangladesh, it has become an important political tool.<sup>51</sup> Moreover, as aid provides substantive funding for NGO activities, donors have indirectly become social actors in civil society. Although these researchers note a positive impact of aid policies on empowerment and poverty reduction in Bangladesh, they remain uncertain as to whether the poor will remain dependent on NGOs to determine their development agendas or whether they will become independent actors through this process of ‘empowerment’.

To varying degrees, NGOs have more holistic and people-centred approaches towards development. Yet they do lack the status of the (inter) governmental aid system, the legislative authority of governments, and the clout of capital.<sup>52</sup>

Women and their ‘abilities, incentives and efforts’ are vital in alleviating poverty as they are usually responsible for producing subsistence foodstuffs and informal ‘off-farm’ income crucial for family survival.<sup>53</sup> The practitioners’ and theorists’ acceptance of the need to recognise gender inequalities in development is demonstrated by the increasing complexity in debates surrounding poverty and gender. Even the World Bank has a ‘new poverty agenda’ and it calls for ‘engendering development’.<sup>54</sup> However, Gideon considers that gender concerns are

being collapsed into an analogous agenda of broader development concerns primarily dominated by the goal of economic growth, and women are seen to offer a means to achieving this goal.<sup>55</sup>

Policies promoting the empowerment of women need to influence the power structures and institutions that serve to reinforce women’s subordinate position in society rather than complying with them in order to achieve economic goals. A blinkered focus on the role of economic growth has shifted the gender debate away from more problematic concerns such as asset redistribution. Researchers have drawn attention to the need for greater gender equity in land reforms which remains pending despite its central role in terms of not only improving food security and overcoming poverty, but also for improving the social status of women.<sup>56</sup>

### CONCLUDING REMARKS

Campaigners calling for aid to serve poverty reduction highlight the gap between policy and practice to enhance aid effectiveness. Simultaneously, donor governments are being pressured to shift away from ‘tied aid’ to the adoption of measures that promote the incorporation of local firms in aid procurement to help build local skills and knowledge, and to enhance the real value of money being allocated to development by local sourcing of goods.<sup>57</sup> According to the ‘Reality of Aid’ Group’s assessments, what aid spending there is, gets skewed by donor interests away from the poorest and towards middle-income countries and emerging markets. Because of distortions in the way that aid is managed and accounted for, less than half can really be said to be under local control. In the absence of leadership to restructure global financial, trade and environmental relations, aid alone is insufficient for achieving the lofty goal of poverty eradication.<sup>58</sup>

In an ideal world, development aid would have become part of a wider redistributive mechanism aiming to foster social progress and development across the world. For now at least, foreign aid remains part of an established world order that continues to tolerate poverty. Susan George succinctly described the debt crisis of the late 1970s as a ‘predictable outcome of economic strategies concerned far more with world markets than with local needs’.<sup>59</sup> In no uncertain terms, she warned us not to harbour the illusion that the market can provide food, shelter and clothing much less education and health for everyone. Hayter too challenged the very assumption of the west that its aid agencies are

helping the rest of the world to develop.<sup>60</sup> Hayter poignantly pointed out that far from rescuing the countries of the poor world, the rich countries would continue to accumulate vast wealth at their expense and then deflect the blame of resulting global inequities by blaming it on Third World underdevelopment. With references to Marx, Hayter has critiqued the particular economic framework known as ‘capitalism’ in which economic relationships are innately arranged to systematically produce and exploit inequities.<sup>61</sup>

In view of such varied impediments and perceptions concerning the poverty issue that I have considered in this article, the fundamental need for making development aid more effective for the poor not only deserves but also requires much more effort than the clever use of rhetoric. Yet this enhanced effort implies not only making more generous financial commitments but also the willingness to compromise on tested conceptions that have repeatedly failed in providing the required impetus for reducing poverty. Alternative paradigms for trying to alleviate poverty in this new millennium already exist, in the form of the basic needs, the capability equality or the human rights approaches. Yet the lofty and oft-repeated pursuit of pro-poor, sustainable and holistic development strategies are simultaneously undermined by the politically motivated, tied and conditional requirements of neo-liberal development policies. It is this innate contradiction between intention and practices of giving aid that requires serious introspection. Unless this vital realisation translates into practice, half-hearted means devised to contain the dangerous malaise of poverty will remain ineffective. It is unforgivable that such degrading levels of deprivation glaringly co-exist amidst the escalating heights of human progress and achievements. It is high time that this wrong be put right.

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