Addressing Long-Term Development Challenges

Lessons and Policy Implications from Old and New Thinking on Development

PROVISIONAL VERSION

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Addressing long-term development challenges: from short-lived interventions to lasting achievements
Lessons and policy implications from old and new thinking on development

## 1 INTRODUCTION TO DEVELOPMENT, DEVELOPMENT PARADIGMS AND POLICIES

This chapter will reflect on the evolution of development thinking and related policies and strategies, as well as review lessons from experiences at all levels (e.g., global, regional, country) in relation to achievements, key drivers and constraining factors, with a view on how these factors are likely to impact development efforts in the future. It sets the stage for the remainder of the Programme by presenting a broad socioeconomic perspective to open the door for the preceding chapters, which will delve deeper into areas of critical constraints and possible development scenarios for the future.

At the end of chapter 1, readers will:

- Have revisited the concept of development, including how it has evolved within the community of thought and practice, its dimensions and the multitude of paths to achieve it;
- Have been exposed to different ways of characterizing development and its desirable outcomes and what public policy and action should strive to achieve; and
- Be aware of the body of evidence and lessons from experiences regarding the underlying determinants of development, stumbling blocks, and related inferences for the future.

In the latter part of Chapter 4, an analytical approach to addressing this chapter’s topics, including selected qualitative and quantitative methods for evidence-based policy-making, will be discussed. These methods of analysis include: poverty analysis, value chain analysis, CGE modeling, country-case simulation, the applied foresight method, and Human Rights-Based Approaches (HRBA) to policy-making. With greater knowledge of these tools, readers should have an improved understanding of the various methods and means available for measuring the impacts of policies designed to achieve development objectives, as well as the merits and limitations of those methods and the value of combining and complementing them in real work.

**Where Are We Coming From?**

Looking at the human condition over time, it is clear that, though we have been riding on a bumpy and difficult road, we have achieved a much higher level of development than did our ancestors in many respects. *Graphs 1 and 2*, respectively, demonstrate that from 1801 to 2010, the global average life expectancy at birth rose more than twofold, from 32 to 69.7 years, and that global adult literacy rates improved dramatically, even in the least advanced countries, from 1981 to 2007. Burkina Faso, for instance, saw a rise in adult literacy from 10% to 30% in the 26 year time period. The same upward movement and convergence was generally experienced globally over the relatively short time period. From 1990 to 2001, the share of the population living on less than 1.25 US$/day in poor countries fell from 28 to 21 percent. Additionally, in the past ten years, important improvements in living conditions, especially concerning sanitation, safe water and telecommunications, have been made.
Graph 1: Average Life Expectancies, by country (1801 & 2010)

Graph 2: Global Adult Literacy Rates, by country (1981 & 2007)

So, what’s the Matter?

Despite many development challenges the world has overcome and the significant levels of development the world has achieved, development has remained slow in some areas, particularly considering issues of equality and sustainability. First, in some parts of the world, we still have serious threats of food and nutrient insecurity. Second, not all sectors and not all regions or countries have prospered at the same rate, meaning our world is filled with significantly more inequality today that at any time in the past. This is especially problematic for developmental concerns, as relative welfare is a
key factor in creating sustainable growth. In recent years, the development community has come to focus on these inequalities and relative wellbeing as key components of understanding societal growth and welfare. Global data, such as are presented in graphs 1 and 2, mask uneven country and regional pictures in which misery persists in some areas, thus serving as poor indicators of development. The graphs do not show that, today, nearly one million people go to bed hungry every night and that 16,000 children die daily from hunger. Third, global environment and sustainability continue to be compromised with many of our current lifestyles and processes of production and development. Graph 3 demonstrates the shocking increase in CO₂ emissions in nearly all countries from 1900 to 2006. The effects of climate change and population growth put pressure on the finite set of resources the world has and create unprecedented challenges for the future. There stands a very serious need to revisit development goals and reassess paradigms and strategies to achieve them.

Graph 3: Global CO₂ Emissions, by country (1900 & 2006)

Chapter 1 Outline: How do we present and address development concerns and strategies?

This chapter will present a thematic and conceptual approach to understanding development, seen through diverse experiences and viewpoints. In this light, the main “progress” and “gap” areas, as well as key constraints and future challenges, will be discussed. The chapter will attempt to address critical issues for development at the country level, options for the future, and the role of public policy and institutions in the overall development process. We will discuss the roles of policy making at local, national and regional levels in incentivizing and encouraging sustainable development progress.
As a means to present certain lessons learned, the unique country development paths of Bhutan, South Korea and Brazil will be presented and explored. Bhutan’s Gross National Happiness (GNH) concept, South Korea’s “New Village Movement”, and Brazil’s poverty reduction strategy and the “Zero Hunger” Programme all present innovative approaches to conceiving of and overcoming constraints to development, from which lessons may be drawn and, at times, applied to other countries’ development strategies.

**Background Readings**


**2 THE MEANING AND UNDERSTANDING OF DEVELOPMENT TODAY: LESSONS ON WHAT IS CRITICAL FOR DEVELOPMENT TODAY AND PRIORITIES FOR POLICY-MAKING**

This section is based on Dr. Jan Vandemoortele’s presentation at the HLPLP 2011 on 7 November 2011 at FAO Headquarters in Rome, Italy. It first presents various philosophical and historic views of development, and then discusses both the developmental progresses and shortcomings we’ve experienced in recent years, in an effort to partially assess the success of the MDGs, for which Dr. Vandemoortele was instrumental in writing. Next, we discuss the importance of equality in the development process and what policymakers can and should do to see acceleration in development progress.
In addressing these development issues, Dr. Vandemoortele suggests that the readers keep in mind Professor Thomas Kida’s postulation that “we seek to confirm, not to question, our ideas” and “we tend to oversimplify (Don’t Believe Everything You Think, Kida 2007).” In doing as Kida suggests, we attempt to prove or justify our own decisions. We must always be aware of these realities when assessing and formulating development policy.

2.1 History of Development Theories

Development theory continues to shift and evolve with the introduction of new development constraints and advanced or new approaches to thinking. The chart below presents certain influential theories in development thinking in the latter half of the 1900s that have served to shift development practices and goals.

<table>
<thead>
<tr>
<th>Theoretical Framework</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td><strong>Big Push (1943)</strong></td>
<td>The concept of the Big Push theory was initially put forth by Paul Rosenstein-Rodan, an Austrian economist, in 1943. It emphasized that less industrialized countries needed large investments in order to be launched into self-sustaining growth, and saw small and incremental investments as both wasteful and ineffective. The general idea was that a country had to have the big package and massively invest in its economy to get it going.</td>
</tr>
<tr>
<td><strong>Take-Off (1960)</strong></td>
<td>The Rostovian Take-Off model, developed by US economist W. W. Rostow, suggested that economic development follows a linear or exponential line, following a five-step process of: 1) Traditional society; 2) Preconditions for take-off (in which agriculture plays a big role); 3) Take-off; 4) Drive to maturity; and 5) Age of high mass-consumption. Rostow’s theory argued that development must be first encouraged in only a few selected sectors, before spreading to the economy at large.</td>
</tr>
<tr>
<td><strong>Human Capital (1962)</strong></td>
<td>The focus on human capital development was put forth in various theories by Theodore Schultz, Gary Becker and other economists, all stressing the importance of vocational and technical education and training in creating different types of labor to be used in the development process. Beforehand, there had been three factors of production that were considered very homogeneous and interchangeable: land, capital and labor. The human capital concept suggested that investments in human capital would increase production yields and, thus, spur economic growth.</td>
</tr>
<tr>
<td><strong>Dependencia (1970)</strong></td>
<td>Dependency theories arose in Latin America as a reaction to the belief that all countries progressed along similar stages of development. Dependency theories believed, on the contrary, that the world was made up of the Center, i.e. developed countries, and the Periphery, i.e., the South, or less industrialized countries. They held that connections with the world market encouraged a dependency on rich countries; thus, for poor countries to develop in accordance with their own needs and without influence from external pressures, breaking ties with rich countries and the global market was crucial. They believed that the south was structurally disadvantaged as the Center rigged the global market</td>
</tr>
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in its favor. Models for import substitution came out of this thinking.

<table>
<thead>
<tr>
<th>Basic Needs, Human Development, and Human Rights Approaches (1976; 1990s)</th>
<th>The Basic Needs approach was first introduced by the ILO and was later given new prominence in the 1990s by Haq with the Human Development Report and Amartya Sen with the Human Rights or Capability Approach that we have today. Development theories based on these approaches emphasize the need for meeting citizens’ basic needs for water, food, shelter, and often sanitation, education and healthcare, rather than focusing on overall economic growth or even per-capita income growth. It is the people, not money, that are the main wealth of society.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neo-liberalism (1980s)</td>
<td>Neoliberal theories became predominant in the 1980s and are well known for creating the conceptual structure behind the Washington Consensus and structural adjustment programs. These theories viewed private enterprise and relatively free markets to be the most efficient tools for economic development. Neoliberalism is associated with a belief that governments are flawed, whereas markets are always efficient and right.</td>
</tr>
</tbody>
</table>

Theories of development and especially economic growth are often removed from localized experiences and empirical analysis. We see today that they have historically been too general and overarching to be applied to diverse environments. Indeed, according to Szirmai, “[...] every single mono-causal explanation ever advanced for development falls down in the face of the empirical evidence (Explaining Success and Failure in Development Szirmai, UN University, 2008).”

### 2.2 Philosophical Input on Development

**Moral Sentiments and the Market Economy**

Moral sentiments, and especially how they relate to human interactions in a market economy, have a significant role to play in economic development and the historic view thereof. This concept was central to Adam Smith’s beliefs on markets and trade, as he discusses in his book entitled, *The Theory of Moral Sentiments* (1759), which predated *The Wealth of Nations* by seven years. Smith believed that those who operated in the market system had a set of moral sentiments, including sympathy, solidarity, empathy, cooperation and benevolence, which would protect humankind from behaving unethically in the free market. Human kindness and moral sentiment would prevent exploitation of the system.

Nearly a century later, Karl Marx presented an opposite view on moral sentiments. He questioned whether it was moral sentiments that shaped the economic system or whether, on the contrary, it was the economic system that affected our moral sentiments. He believed that greater market openness might lead to erosion of solidarity, cooperation and benevolence, i.e., moral sentiments, in society.

This question on the role of moral sentiments is very much alive today, especially considering our current economic situation, in which a relatively unregulated financial sector that took careless liberties
for its own gain at the expense of the population at large has greatly contributed to today's financial crises. In fall 2011, Warren Buffett, the American billionaire and businessman, wrote an opinion piece expressing that it was time for wealthy Americans to start paying taxes as they should have been. The mainstream reaction to this statement was that he was out of line and conducting class warfare; Smith might have seen Buffett’s behavior as a normal example of moral sentiment playing out in the market, but in today’s world, Buffett is certainly the exception, rather than the rule. Smith’s positive view of humanity when he suggested the idea for the free market system seems to have been either flawed, or as Marx might suggest, since altered as a result of influences from the economic system with which we live.

**Defining Development**

Regarding what it means to be developed, Jeremy Bentham (1748-1832) and John Rawls (1921-2002) provide both interesting and, in many ways, contrasting viewpoints. Bentham, the founder of Utilitarianism, believed that welfare was achieved by providing the greatest happiness to the greatest number. This thinking has provided the philosophical background for neoliberal economics, in which the production of economic goods, regardless of distributional impact, is the primary objective. Rawls presented an alternate view of development in which equality was paramount. He believed that, though inequalities exist and are acceptable, a Principle of Justice, arranged in such a way as to best serve the most deprived and vulnerable, should be incorporated into the development system we have. This thinking has been absent from much development discourse in the past, but is today achieving a new level of prominence.

**2.3 MDGs and the State of Affairs in Development Today**

Since 1990, development has continued to progress, but at a decreasing rate and in such a way as to bypass those most in need. The Millennium Development Goals (MDGs), officially established in 2000, were created with the idea that a more inclusive, pro-poor growth was needed to both serve those populations most in need, as well as under the assumption that greater equality leads to more significant and sustainable growth overall. The MDGs are eight international development goals that the United Nations member states agreed to achieve by 2015, representing a new development path inclusive of health, sustainability and equity issues, in addition to economic growth. The eight goals of the MDGs are to:

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality rates
- Improve maternal health
- Combat HIV/AIDS, malaria, and other diseases
• Ensure environmental sustainability
• Develop a global partnership for development

Positive Results of the MDGs

It has now been over ten years since the MDGs were first put into action and we have made many important improvements in various sectors of development. Graph 4 shows how six basic indicators of development have progressed from 1990 (ten years before the MDG came into play) to 2009 (nearly 10 years after the MDGs were initiated). Specifically, during that 19 year time span, the percentage of underweight children under the age of five decreased from 30% to 23%, indicating we have 7% less malnutrition in the world today than we had in 1990. Over the same years, school enrollment rates increased by 7%; 40 million fewer children are out of school and the percentage of girls going to school now nears 100%. Child mortality came down from 10% to 7%, meaning that today, in absolute terms, 12,000 fewer children than in 1990 will die today from hunger. Measles deaths, numbering nearly 1 million in 1990, have decreased by 80% to 150,000, due to immunizations having increased by 11%. Lastly, regarding deliveries, mothers who give birth in the presence of trained health staff have increased by 10%. The overall picture has very clearly improved from what it once was, though there are significant differences by region, country, and even community.

Graph 4: Global state of affairs of the MDGs (All less industrialized countries, 1990 & 2009)
Importantly, there exist many crossover benefits from one sector to the next. Indeed, “…much of the improvement in health has occurred in areas that are not usually considered to be within the health sector (Expert Working Group on Research and Development Financing, WHO, 2010).” This is equally true for the education and agriculture sectors. Development is not a series of disconnected sectoral progress, but an overall growth of different aspects of society. For policymakers, it is important to remember to step out of one’s sector and talk to other people about their work in development, because what they’re doing is undoubtedly related to yours and other sectors. MDGs have been useful in helping development practitioners to, at least in part, come out of their constraining sectoral borders.

**Negative Aspects of the MDGs and Work Still to Be Done**

Despite the health and educational improvements exhibited in *Graph 4*, there is much to be done in order to stay on track with MDG targets. *Graph 5* displays the work remaining to be achieved in each category. In terms of Gender Parity, the development community appears to be close to on target. The remaining sectors, however, including Child Mortality, Malnutrition, Primary Education and Maternal Health, have over 50% of their goals still to be met. We have now accomplished nearly half of what we sought to achieve, but it has taken us three quarters of the time to do so. New approaches and innovative thinking is needed to speed progress and meet our targets by 2015.

**Graph 5: Global MDG Scorecard (2009)**
**Progress in Sub-Saharan Africa**

It has been argued that sub-Saharan Africa’s stilted growth is to blame for the apparent global slow progress. Along this line of thinking, the Blair Commission for Africa argued in its opening sentence that “African poverty and stagnation is the greatest tragedy of our time (*Blair Commission for Africa, 2005*).” The argument that sub-Saharan Africa is somehow not doing its part, however, does not hold water when looking at the empirical evidence, which demonstrates that the region has in fact made drastic developmental improvements, as is exhibited in *Graph 6*. In the same period from 1990 to 2009, sub-Saharan Africa saw a decrease in underweight children under five by 5% (slightly under the global average of 7%), an increase in primary school enrollment by 18% (11 percentage points above the global average), an increase in female enrollment by 13% (faster than the rest of the world), a decrease in child mortality by 5% (compared to the 3% decrease in the rest of the world), and an increase in measles immunizations by 13% (faster than the 11% average in the rest of the world). Deliveries is the only indicator for which sub-Saharan Africa significantly underperformed relative the rest of the world, increasing by only 4%, compared to 10%. Overall, it cannot be said that the failure to stay on target with all development indicators can be attributed to sub-Saharan Africa not doing its share.

**Graph 6: Global state of affairs of the MDGs (sub-Saharan Africa, 1990 & 2009)**
2.4 Within-Country Inequalities in the Development Process: Distribution and Equity

In both developed and less industrialized countries alike, the trends are such that often the wealthiest of a society are those that benefit most from development programmes in health, economic and other sectors. Nigeria, for example, has witnessed this trend with regards to measles immunizations (Graph 7). From 1990 to 2008, measles immunization went from a more even distribution among the five income levels, with a 35% difference (35% to 70%) between the highest and lowest income groups, to a much more unequal distribution with the lowest and highest income groups at approximately 15% and 75%, respectively, a 60% difference between the two groups.

Graph 7: Measles Immunizations in Nigeria (1990 & 2008)

Similar trends can be seen with levels of malnutrition in South Asia from 1995 to 2009, as is exhibited in Graph 8 below. During the 14 year span, malnutrition decreased for all quintiles, but by 5% for the bottom quintile and nearly 30% for the top quintile, respectively. Though each quintile made progress, there is something wrong if it is consistently the better off who reap the greatest benefits from a development programme.

Graph 8: Trends in malnutrition – South Asia (1995-2009, by quintile)
Similar examples of growing inequality are equally prevalent in developed economies. Such is the case for life expectancy trends in the UK, for instance. From 2003 to 2005, life expectancy rose on average throughout the UK. It did so, however, in such a way as to benefit those already on top. In 2003, the lowest and highest life expectancies in the UK were found in Glasgow and Kensington, respectively. Intuitively, one might assume that once one’s life expectancy is near 82 years, as it was in Kensington, it might be difficult to add even one more year. Despite this, Kensington raised its average life expectancy by three years from 2003 to 2005, whereas Glasgow, where one might assume there to be much room for growth, was only able to increase its life expectancy by approximately one year, a jump much closer to the national average.

Graph 9: Male Life Expectancy Progress Made in the UK’s Lowest and Highest Male Life Expectancy Districts (2003 & 2005)

Similarly, the US has seen the elusive “trickle-down” approach result in devastating increases in economic inequality since the 1980s. The top 10% of income-earners appropriated 91% of total income gains in the US from 1989 to 2006, the top 1% captured nearly 60% of income growth between 1976 and 2007, and the income share for those in the top 0.1% income group grew from 4% to 12% between 1979 and 2006. It has been said that “the US economy did well, except for the people in it (The Economic Policy Institute in Washington...).” These unfortunate trends of growing inequality are prevalent in the developed and less industrialized world.
Inequality as a Constraint for Economic Growth and Development

Equality should be a key element of any development policy. Policies encouraging economic growth and income equality are far from mutually exclusive; rather, “there is no one policy for reducing inequality [...] and another for raising national performance. Reducing inequality is the best way of doing both (The Spirit Level – Why More Equal Societies Almost Always Do Better, Wilkinson & Pickett, 2009).” According to the British Medical Journal, “…what matters in determining mortality and health in a society is less the overall wealth of that society and more how evenly wealth is distributed within society (British Medical Journal, 1996).” It is not enough to have a booming economic sector; true development encompasses the growth and provision of new capacities for the society at large. Relative inequality has been shown to be an obstacle to lasting economic growth, civil peace and overall development, in addition to the questions of moral injustice it presents.

Greater equality not only helps those at the bottom, but also brings substantial gains to top income brackets. When fewer people live in poverty, incidences of social problems decline and periods of strong economic growth are more sustainable. Moreover, economic and social crises are extremely costly, both financially and otherwise, for any government. Economic disparity serves to exacerbate the potential for expensive crises; “redistribution policies can be more desirable from a macroeconomic stabilization point of view than ex-post policies such as bailouts (Inequality, Leverage and Crises IMF working paper, 2010).” These claims have often been denied as anecdotal, flawed, or class warfare, but are starting to be taken more seriously. Indeed, the IMF produced a publication last year to the effect that equity does matter and redistribution polices may be desirable. The “trickle down” theory that has resulted in widespread and growing economic disparities should be replaced with a “trickle up” theory; everyone benefits from equity. It’s not class warfare; it’s sustaining our economic system.

2.5 Role of Senior Policy-Makers and Multilateral Bodies

Dr. Vandemoortele suggests that the role of policymakers and members of multilateral organizations should entail three primary actions:

1. Having a hard, long look at the equity implications of one’s portfolio of interventions in progress (projects and programmes).
2. Arguing with all the evidence that we have for an equity-mediated approach (in contrast to today’s growth-mediated development approach); and
3. Engaging in the policy debates. Equity initiatives will potentially be very divisive (in all countries), as policies are rooted in politics. Equity-based growth is not an ideology, but a fundamental component of human rights. Though ideology does play a role, there is clear evidence that today’s world has systemic disadvantages for the most disadvantaged. Empirical evidence certainly makes the case for equality being a key factor in creating strong and lasting growth; it is important for policy-makers and multilateral bodies to have these facts at the base
of all development policies. Evidence is important both as an argument and as a means to try and overcome ideological differences.

In the end, “the best leaders are not more visionary or more creative; they are more disciplined and more empirical (Great by Choice: Uncertainty, Chaos & Luck – why some thrive despite them all Collins & Hansen, 2011).”

3 PANEL DISCUSSION ON SELECTED DEVELOPMENT ISSUES

The following section is based on a panel discussion regarding past and future development policies, strategies and constraints, carried out by renowned international experts in development and food security issues on 7 November, 2011 at the HLPLP 2011 at FAO Headquarters in Rome, Italy. The panelists included Dr. Jan Vandemoortele (Independent Researcher, Former UN Resident and Humanitarian Coordinator in Pakistan), Professor Peter Timmer (Professor Emeritus of Development Studies, Harvard University, and leading authority on rural development and food security issues) and Professor Jean-Philippe Platteau (Chairman of the European Development Network and Professor of Development and Institutional Economics in Namur, Belgium), all of whom were all chosen for their outstanding contribution to the thinking and practice of development.

The aim of the panel discussion was to incorporate the view of external experts into the HLPLP 2011, allowing participants, and readers of this document, to benefit from diverse experiences and points of view. The three panelists had frank and open high-level discussions on lessons from development experiences and future options for making development work. They revisited the concept of development, its dimensions and the multitude of paths for achieving it; shared the latest thinking and lessons from experiences in relation to multiple and context-specific development paths, the underlying determinants of development and the gaps and challenges for making it work, especially in the face of growing global constraints; and discussed the options, priorities and role of public policy for achieving development in the future, in poor and rich countries alike.

This section will be presented thematically, incorporating all major arguments and opinions into the various questions up for debate.

3.1 What is Development and What Are its Most Important Objectives?

What is Development?

The idea of what development entails has gone through changes and been put into practice in varying forms throughout history. Prevailing views of what it means today are in many ways centered around Sen’s understanding of capabilities as freedom, in which development entails enlarging the
opportunities for choice (Platteau). Professor Timmer puts forth another vision of development in which one is able to avoid risk, e.g., from the global market, while participating in all the opportunities the global market has to offer.

**Important Factors and Objectives of Development**

Most historic paths to development have incorporated economic growth as the primary medium and tool for achievement. Professor Platteau argues that if one looks at the countries where the most progress has been made, e.g., China, economic growth continues to be a primary factor. Moreover, economic growth has spillover social effects onto other MDGs; with greater income oftentimes comes heightened standards in health and education.

Timmer points to food security as the most important of development objectives. He argues that it is not merely a global concept, but something that is very relevant and functional at national and household levels. The most important goal of development is to bring all households to a point where household economic resources do not limit their food intake, or the energy available in the household. Once food security has been achieved, households and policymakers will be able to address other aspects of development, e.g., gender and equity issues, and more sustainably tackle economic growth.

Timmer suggest that inclusive growth, i.e., growth that reaches society's poorest and most disadvantaged, is the best path by which to achieve sustained progress in the future. Incorporating pro-poor concepts into the development process and ensuring that economic resources be available to poor households includes three primary elements:

1. Getting the macroeconomics right, i.e., ensuring that there exists a functioning growth environment, which includes agriculture in particular;
2. Connecting poor households with the economic sector so that individual capabilities are able to connect with the market opportunities that the growth process is producing. This will depend on the nature of land rights, how labor markets work, the kind of infrastructure that is being built, and whether the financial system is accessible to poor and rural households; and
3. Including and valuing agriculture in the development process. Public investments, e.g., in R & D and rural infrastructure, and good policies that allow small farmers to access financial, education and health services are needed to allow agriculture to play an instrumental role. Additionally, the establishment of some form of cooperative system whereby farms can access both input and output markets will be key to linking small farmers to modern supply chains. Policies that help dampen the effects of food price volatility will be crucial for small farmers and urban consumers alike.
3.2 Current and Emerging Development Challenges

Global Inequalities and the Need for a Changing Moral Sentiment

Rampantly increasing inequality, particularly within countries, is a pressing issue for both global economic growth and global justice. This is a reality in both advanced and less industrialized economies. The US, for instance, has accelerated its inequality more rapidly than any other country, with China and Thailand not too far behind (Timmer). Timmer indicates that these trends could easily be attributed to the drivers of the modern market.

Growing regional inequalities and disparities between urban and rural areas are especially important for policymakers. “Pro-poor” and “inclusive” growth strategies incorporate the need to address these widening income gaps into all areas of development. This challenge, however, is particularly difficult to overcome; according to Timmer, connecting the poor to the economic growth process is clearly not something automatically solved by markets. He suggests that policymakers need to design and implement approaches that specifically address and tackle these issues.

According to Vandemoortele, if global inequalities are not addressed, the world will not be capable of adapting quickly and fundamentally enough to address the pressing concerns of climate change. As he suggest, wealthy nations are wasteful and damaging of global public goods, e.g., food waste and oxygen pollution. Unless the world experiences an overall change in moral sentiments in such a way that individuals care about and respect public goods for the sake of others, an equitable and sustainable development plan will be extremely difficult to achieve. Dr. Vandemoortele stresses the need for leaders of such a movement, whether they be from the religious, media, business or government sectors. Professor Timmer, discouraged about the possibility of the general American mentality shifting to the extent that the US will voluntarily decrease its standard of living by the near 10% it needs to at any point in the near future, strongly encourages social and public figures in less industrialized countries, especially in China, India, Brazil, Bangladesh, Indonesia and other emerging economies, to take center stage in that regard, either for themselves or to provide visible leadership for the rest of the world.

As Platteau suggests, equity cannot be achieved if there is not a political will to do it. In agreement, Vandemoortele holds that it is the elites of a country who need to sacrifice personal gain for the betterment of their country if we are to see greater equality in development. He draws on a quote from FDR: “The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.”

Climate Change, Failures of the World Market and Social Unrest

All panelists stressed the significance of the climate change challenge and the need to coordinate equitable and sustainable development paths to combat it. The recent food crises and failures in the world market are linked to the world’s incoherent development and growth strategies; Platteau suggests that a coordination mechanism needs to be put in place to solve these global problems.
Vandemoortele added growing social unrest all over the world, e.g. Tunisia, Egypt, Greece and Occupy Wall Street in the US, as a significant constraint to development, as well as an indicator of certain failures of previous development strategies. Massive civil disobedience in many of these countries is certainly a sign that our global financial system is in many ways ineffective and not leading to desired inclusive growth.

**Governance and Institutions**

Platteau holds that, though institutions are also important, politics are most important; without good politics and proper governmental transparency and authority, institutions are merely paper. Vandemoortele has a somewhat different view of the role of governance in development, believing the governance debate to be a simplification of reality. As he says, if it were simple, we would have solved it a long time ago. He points to the differing examples of corruption in Congo under Mobutu and Indonesia under Suharto: the former led to a completely collapsed state, whereas the latter has seen a reasonable level of development. Furthermore, he examines European development throughout the Middle Ages. Though there was a huge level of corruption and lack of transparency under the rule of monarchies, economic and social development persisted. Similarly, Bangladesh consistently scores low on transparency, but has made high economic progress.

In slight disagreement, Timmer makes the distinction between good and efficient governance and adds that it is efficient governance that is necessary for development. For instance, high levels of corruption in Suharto’s Indonesia did not necessarily curb development; even though there was a takeoff off the top, the economy was able to run proper and agencies continued to function effectively. In addition, Timmer notes that the role of institutions is primarily important in that it constrains short-run, bad politics. He believes government inefficiencies to be key constraints to development and suggest that finding ways to improve the quality of governance specifically on behalf of the poor is what development practitioners should be addressing.

**Aid Effectiveness**

In recent years, the development community has in many respects moved away from the concept of conditionality, due to a large extent to the negative effects and criticism of the Washington Consensus, which incorporated conditionality as a key element. The positives and negatives of conditionality, however, are still up for debate. Platteau argues for smart conditionality where it’s needed. That is, stop giving aid to countries who don’t achieve a minimum level of governance. There is a significant relationship between the way a country is governed and its economic and social growth trends. Also, we can establish a relationship between the way a project is monitored and its outcome: the more monitoring, the better the outcome, especially if the monitoring comes early. According to Platteau, if the amount of aid is sufficient, donors can use conditionality to possibly rescue countries that are ill-governed by incentivizing good and efficient governance. Well-governed countries may be able to develop and grow on their own, but ill-governed countries need conditionality.
On another note, Platteau adds that in many instances poor governance can be determined by international factors. The deterioration of Central America, for instance, is in many ways due to the evolution of criminality as a result of the international drug trade. In those situations, there is a huge responsibility from the donor community to recognize their role and proactively initiate change.

**International Politics: Shifts in Global Power Dynamics**

Professors Platteau and Timmer highlight the growth of East Asia and the subsequent power shifts that will bring as other key development challenges for the future. Whereas Platteau sees the rise in East Asia as the beginning of an inevitable power shift and change in leadership, Timmer suggests that this might not necessarily be the case, citing the example of Japan’s perceived future power twenty years ago having gone unfulfilled. In either case, China will likely remain a main player on the international scene, forcing the US and EU to adapt in significant ways. Timmer notes that thought China is the US’ biggest creditor, their relationship is in a mutual environment; both parties will have to adjust and compromise their own policies to move forward.

**Trade Liberalization and the International Trading System**

The negative and positive effects of participating in international trade are very worthy of assessment and discussion. Regarding the negatives, Vandemoortele notes that no country has ever developed by opening its borders for trade in the way the WTO is now endorsing. Today’s wealthy countries achieved their current levels of development by selectively protecting their economies. Without strong intellectual property rights and regulation in the past, Germany, the UK and the US, for instance, copied from one another and thus spread technological process and innovation more rapidly; the huge costs of copying under the TRIPS agreement now strongly discourage such systematic improvements. Vandemoortele holds that today’s global trading system is rigged in favor of wealthy and already-advanced countries and that it operates in such a way that is harmful to less industrialized countries and global human development.

Timmer, too, recognizes that today’s trading system is not as equitable as it should be and specifically calls for the restructuring of property rights and many of the barriers to manufacturing. Along with Platteau, however, he generally endorses the concept of liberalized trade, which is rooted in neo-liberal economic theory. Platteau suggests that to make the claim that international trade is inherently bad for development is a simplification and recommends that countries be allowed a temporary period of time to build up their industries before entering the world market, i.e. the Infant Industry argument, but that it is the competitiveness of the world market where efficiency and progress are made. Timmer agrees that a country can’t get rich without trade because without it they can’t have economies of scale, specialization, or the international learning process. The state should play a role, but states can make mistakes. As Timmer notes, governments have a higher proclivity to get industrial planning wrong than does the market. International competition reveals whether states made the right choices. The real
fear regarding international trade, Platteau states, is that advanced countries may start reducing trade because they fear the competition from less industrialized countries.

3.3 Assessing the MDGs

Difficulties in Assessing the MDG Impact

As has been seen in the previous section, all MDG indicators of development have seen progress over the past twenty years. As Platteau points out, however, it is difficult to properly assess the effects of the current MDGs on these successes, as there is no counterfactual, i.e., it is impossible to know what our development situation today would look like in their absence. The MDGs were determined based on the historic trends of the preceding 25 years; meeting the MDGs, then, merely implies a continuation of the historic trends of the various development indicators. Given this background, Platteau cautions not to necessarily attribute all that has been observed in the way of development to the establishment of the MDGs.

Platteau makes three additional clarifications and critiques on the current MDG framework:

1. The data are often unreliable, even when we have access to precise figures. It is difficult to extract accurate information regarding demographics, let alone income or wellbeing, in most less industrialized countries; as such, data is not always firsthand or primary.
2. The MDGs are quantitative rather than qualitative, which presents certain shortcomings. Primary school enrollment rates, for instance, give us part of the picture, but do not tell us the quality of education being received. The issue of how to measure quality is one of the key questions to ask for the next phase of MDGs.
3. MDG progress is measured collectively on the global level. Platteau calls for the need to have more country and region-specific targets. He believes that the force of the MDG concept is diluted if certain areas aren’t given more specific attention and that a collective whole misrepresents realities and inequalities in certain areas.

Crafting a Future MDG Framework

The large majority of MDG stakeholders and partners feel that the MDGs have overall served the global community, despite certain shortcoming that may exist, and want to see something similar continue beyond 2015. Debate regarding the future state of the MDGs has already begun amongst bilateral donors, the Dutch having already prepared a written report on their views and suggestions for a future framework. Though the UN was slow to start thinking about future plans, primarily because the leadership in New York did not want to compromise current MDG development progress by focusing too much energy on the future framework, the UN and NGOs are now actively thinking and preparing to write concrete proposals. In fall 2011, the UN Secretary General appointed a group of UN experts to
compile a system-wide assessment of MDG accomplishments as well as construct a view of how to best move forward.

Looking forward to the post-2015 framework, Timmer suggests that the UN Panel really needs to ask the “what if” question. With no controlled experiments and a poor quality of data, such measurements will be difficult to make; that we may not be able to properly assess the impact of the current MDGs suggests that the way forward needs to be done in such a way that is testable and refutable.

Dr. Vandemoortele, himself a contributor to the current MDGs, makes three key suggestions for the post-2015 framework:

1. Discipline and empirical evidence will be indispensible inputs in the process of formulating the post-2015 framework;
2. The future design should incorporate control groups so that progress assessments may be made more easily and accurately; and
3. Targets should be made more localized, based on differing initial conditions. The current MDGs set a global bar and, in doing so, have misrepresented certain areas’ accomplishments, e.g., in sub-Saharan Africa, and possibly others’ failures. Though this can be a good indicator for overall global development, it is problematic when applied mindlessly at the local level.

Vandemoortele additionally suggests that the reflection about the post MDG framework should not be limited to donor countries; the UN must stimulate a similar reflection in less industrialized countries where the MDGs have been taken seriously. In this way, less industrialized and donor countries will come equally well prepared to the global forum in 2015. If there is a desire to have an outcome that reflects the less industrialized country view and not only a donor-centric perspective of development, there needs to be a dozen, if not more, debates, reports and suggestions from all stakeholders at the national level.

3.4 National and Global Responses/ Next Steps

Raise Productivity on Small Farms

Timmer indicates that a key first step toward pro-poor growth should be to figure out how to raise productivity on small farms, especially considering that 70% of the poor are in rural areas. They need to be brought into the process of economic growth, which entails raising crop yields as well as diversifying economic activities and finding work in the non-rural farm economy, etc. It is also important to note that with development comes industrialization and heightened urban migration; not all small farms will be sustainable.

Facilitate Rural to Urban Migration
As just mentioned, not all small farmers will be able to continue farming their land. According to Timmer, to make smoother this transition process, rural to urban migration will need to work better. Rural workers need to be competitive in urban environments. As such, public actions are extremely important; investments in health and education will be paramount.

**Market Regulation**

Markets are not inherently bad; rather, as Platteau suggests, liberalized trade and engagement with the market economy has been the most successful vehicle to get countries out of poverty. All the panelists share the view that markets do, however, need to be regulated by the people, for the people. Whether there are technical capabilities to sufficiently regulate the market is debatable. As Timmer points out, issues of financial regulation are so complicated and rapidly transforming that regulators are and will consistently be a step behind.

On a more promising note, Vandemoortele suggests that other forms of regulation in our society, e.g., on agricultural products or pharmaceuticals, do manage to function; the financial sector is the one exception. He sees the lack of regulation as a political issue, rather than a technical one. As such, this may be yet another instance in which a lack of both moral sentiment and authority has left us in the trouble we are in today (Vandemoortele).

**Addressing the Equity Issue**

There is no one correct way approach the equity issue. Though lessons can be learned from other countries’ experiences, the way forward for any country in particular can only be defined locally. Development is complex and always context specific. Vandemoortele notes that blueprints have done more harm than good, but he does draw reference to three countries that have managed to succeed in coupling rapid social, human and economic development progress with advancements in equity: Brazil, Bangladesh and Malawi. He cautions assuming any one strategy is replicable, but encourages looking at these countries’ trajectories as a means to learn lessons to be applied to development strategies.

As Timmer states, if equity is what we care about, giving every individual a say, such as with a transparent democracy, is a step toward this. The promotion of democracy would, in theory, be a universal means of achieving greater equality. The problem, however, is that the theory of “one person, one vote” generally plays out in practice as “one dollar, one vote.” As Timmer suggest, this increasingly seems to be the way most Western democracies operate. This issue can be linked back to moral sentiment, the role of the financial market and institutions. It is a pressing issue with no clear solution.

Platteau suggests that the two essential instruments policymakers have for improving equity are:

1. Asset redistribution, which is best to do only when it does not harm productivity or efficiency. For instance, fallow land redistribution in favor of small farmers is fine, but it cannot be assumed that that will be true for all forms of asset redistribution.
2. Income redistribution, which can be instrumental in achieving pro-poor development. The universal way to improve the income potential for the poorest in any society is to provide people with more education and vocational training so they can take up employment outside of the agricultural sector. If the goal is to provide equal access to the labor market, small farmers need technological and other skills. Timmer supports this approach to asset redistribution, suggesting that one significant way in the medium- to long-run to achieve a more equitable distribution is to invest in human capital and to make sure that everybody has access to education.

Overall, it is politics and failed policies that have created our world of growing disparities. Whether these disparities are allowed to lead to unstable and unsustainable growth, or whether they are specifically targeted and overcome for the betterment of all members of society, will depend on whether elites have the wisdom to think in the long-term of their countries.

4 INTRODUCTION TO COUNTRY DEVELOPMENT PATHS AND EXPERIENCES

This section is aimed at sharing the latest thinking and lessons learned from experiences with context-specific development objectives and paths, key determinants of success in achieving desirable outcomes, stumbling blocks and the role of public policy and action. Readers will be exposed to different visions regarding ways of characterizing development and achieving it, its desirable outcomes, and the role of public choice. The three cases to be discussed include: 1) Bhutan’s concept of Gross National Happiness (GNH) and experiences from its practical application, 2) South Korea’s development path, approaches and the New Village Movement, which took them from a low-income country to a rich and modern society, and 3) Brazil’s efforts in reducing hunger and poverty in the last decade via its Zero Hunger Programme. The content is based presentations from the HLPLP 2011 given on 7 November at FAO Headquarters by three policy-makers, including XXX from Bhutan, Seok-Dong Wang Hankuk from South Korea, and Carlos Mielitz from Brazil, the three of whom were invited to share the strategies and rationale behind, as well as the lessons learned from, their country’s development achievements.

There is no single definition of what development is, what its ultimate goal should be, or how it should be achieved. The concept of what constitutes development has evolved over time and still varies across nations; there are no one-size-fits-all recipes or universal paths to achieving development, rather, there exists a multitude of trajectories and approaches. The “correct” end destination, journey and means of getting there can be, and often are, context-specific. Resource pressures, climate change, conflicts and several global constraints pose formidable challenges to national development strategies and processes, as do local cultural norms and political realities. Given the extreme diversity of the global environment, all country strategies must be viewed in the light of the specific context from which they have arisen. The three countries in this section were not selected for their ideal or perfect development
programmes, but for their interesting perspectives and insights, as well as the potential they have for providing lessons that are of wide interest.

4.1 Lessons from Bhutan’s Gross National Happiness (GNH)

Many past approaches have failed because of their failure to recognize the importance of interdependences, the specificities of context and the importance of acknowledging the human being and its needs (including material, social, cultural, intellectual, emotional) as central to what development should strive to achieve. According to the Bhutanese system, achieving true well-being, or “happiness”, for all members of society should be the ultimate goal for any development process; policies should aspire to achieve a more prosperous, balanced and fair society of peaceful communities that relate harmoniously to our common physical environment. The current Bhutanese development strategy of Gross National Happiness (GNH) has been re-thought and re-designed to achieve this.

4.1.1 GNH: Its Rationalization and Conceptual Structure

GNH is based on the belief that comprehensive development consists of more than economic growth and material well-being. It is happiness that every citizen looks to achieve in his life; thus, any development policy should consider happiness as its primary objective. As such, enabling conditions for happiness, such as spiritual, emotional and cultural needs, are factored into Bhutan’s GNH Index and development policy built thereon.

Though the ideas behind Bhutan’s GNH began more than four decades ago with Bhutan’s King Jigme Singye Wangchuck, it began to be truly operationalized in 2008 with the development of the GNH Index and the Policy and Project Selection Tools (PPST). The GNH Index, comprised of 72 indicators under 9 domains, provides more elaborate and precise metrics to capture the common aspirations of the Bhutanese people and measure the country’s overall level of happiness. The GNH indicators were selected to complement existing indicators, e.g. GDP, HDI and those of the MDGs, for “a more holistic assessment of socio-economic development (PPT author)” and the index was created to highlight areas that needed further development assistance and resource allocation based on the Bhutanese understanding of development. Policy and Project Selection Tools (PPST) were developed to more successfully mainstream these findings and ideals into policy-making.

Bhutan divides the essential elements of happiness into 1) Sustainable and equitable socio-economic development; 2) Preservation and promotion of culture; 3) Conservation of the environment; and 4) Good governance. Figure 1 displays in more detail the components of these elements of happiness.
Figure 1: The Four Pillars of Bhutan’s Gross National Happiness

<table>
<thead>
<tr>
<th>Sustainable and Equitable Socio-Economic Development</th>
<th>Preservation and Promotion of Culture</th>
<th>Conservation of the Environment</th>
<th>Good Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Poverty reduction</td>
<td>• Transmission of values</td>
<td>• Constitutional Requirement to</td>
<td>• Fostering a vibrant democratic culture</td>
</tr>
<tr>
<td>• Universal Primary Enrolment</td>
<td>• Strengthen family ties</td>
<td>maintain 60% of country under forest cover</td>
<td></td>
</tr>
<tr>
<td>• Free health and education services</td>
<td>• Promotion of meditation</td>
<td>• Carbon Neutral</td>
<td>• Improve Performance of three tiers of governments</td>
</tr>
<tr>
<td>• Land redistribution reforms</td>
<td>• Balanced Time use</td>
<td>• Over 50% of country declared as protected areas</td>
<td></td>
</tr>
<tr>
<td>• Rapid rural infrastructure development</td>
<td>• Promote knowledge of traditional games, masked dances etc.</td>
<td></td>
<td>• Right to freedom of speech and opinion</td>
</tr>
<tr>
<td></td>
<td>• Promote Voluntarism</td>
<td></td>
<td>• Freedom from Discrimination</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Trust in media</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Fighting Corruption</td>
</tr>
</tbody>
</table>

In 2008, to determine one’s level of happiness, the Bhutanese government created the Gross National Happiness Index, comprised of the 9 indicators of happiness shown below in Figure 2.

Figure 2: Indicators of Bhutanese GNH
Happiness indicators are then further divided into more specific components. Psychological well-being, for instance, is sub-divided into the eleven categories shown in Figure 3, below:

**Figure 3: The Components of Psychological Well-Being**

<table>
<thead>
<tr>
<th>Psychological Well-Being</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Stress</td>
</tr>
<tr>
<td>2) Compassion</td>
</tr>
<tr>
<td>3) Calmness</td>
</tr>
<tr>
<td>4) Compassion</td>
</tr>
<tr>
<td>5) Calmness</td>
</tr>
<tr>
<td>6) Generosity</td>
</tr>
<tr>
<td>7) Frustration</td>
</tr>
<tr>
<td>8) Selfishness</td>
</tr>
<tr>
<td>9) Jealousy</td>
</tr>
<tr>
<td>10) Frequency of prayers</td>
</tr>
<tr>
<td>11) Frequency of meditation</td>
</tr>
<tr>
<td>12) Consideration of karma in daily life</td>
</tr>
<tr>
<td>13) Consideration of suicide</td>
</tr>
</tbody>
</table>

Subjective, more difficult-to-measure data is calculated and measured with the use of surveys. The results of the Spiritual Index, for instance, which is a sub-section of the Psychological Well-Being indicator, are represented as follows, in Figure 4.
4.1.2 GNH: Operationalized

Bhutan has already begun to operationalize this concept of happiness into its policy-making and development agendas. In its effort to do so, the Bhutanese government renamed the Planning Commission the Gross National Happiness Commission in 2008. The primary objective of this new body was to ensure that all policies and the implementation thereof take into consideration implications on GNH, thereby mainstreaming GNH principals into their overall development strategy. A GNH Survey is carried out every two years, thus allowing the GNH Commission to assess progress, determine areas most in need of attention and financial resources, and further modify policy interventions to better address the various components of GNH.

**GNH Policy Screening Tool (PST)**

The GNH Policy Screening Tool (PST) was created with the objective of assessing the impact of policies and projects on GNH, determining which government policies promote or adversely affect the various GNH indicators, and guiding policy-makers to incorporate GNH ideals into development strategies.

With the PST, the impacts of all policies on GNH indicators are assessed on a four-point scale from 1 to 4, where 1 denotes a negative score, 2 is uncertain, 3 is neutral and 4 is positive. The impact of any policy on the stress indicator, for instance, is measured by *figure 5*: 

---

**Figure 4: Psychological Well-Being - Spiritual index**

2. Frequency of meditation

3. Consideration of karma

Consideration of suicide
The calculation of the effects of any particular policy on GNH takes into consideration the effects on all 26 indicators individually. The total possible points any policy can receive is 104, which is achieved only by receiving marks of 4 on all 26 tests. For a policy or project to pass, it must meet the policy screen test threshold with score above 78, that is, receive an average of 3 points on every test.

**Using the GNH Indicators: a Case Study with Frequency of Meditation**

Through surveys and the GNH Index, the GNH Commission was able to see that the Psychological Well-Being of schoolchildren was lacking, due in part to the infrequency of meditation at school. It was found that only 1% of children meditated daily, while 8% meditated occasionally and 90% didn’t meditate at all. The policy response to address this shortcoming in the educational system was to introduce meditation in schools and to create additional, extracurricular centers for practicing meditation. Feedback from students at selected schools surveyed has been extremely positive; children have expressed their appreciation and enjoyment of the classroom meditation sessions, as well as their interest in pursuing meditative practices at home and encouraging their parents to do the same.

**GNH PST: Renewable Energy Development Policy - MoEA screening exercise results**

A recent test, using the Policy Screening Tool, of Bhutan’s Renewable Energy Development Policy revealed a score of 83.40, meaning that the overall development policy was believed to have an overall neutral or positive impact on GNH, though the impact on specific indicators varied. The test was complemented with an additional test carried out by the Ministry of Economic Affairs (MoEA) in order to have a more accurate understanding of the overall impact of the development policy. The MoEA test of the same indicators revealed a slightly higher score of 86.46. Though both tests passed the overall screening, they revealed that certain indicators need more attention. Equity, Corruption, Judiciary,
Equality, Gender Equality and Stress, for instance, all scored less than three in both tests, indicating that Bhutan’s development policy should more directly address those issues.

4.1.3 GNH: Results and Lessons Learned

Though the effects of the GNH Index and Commission may be too new to truly assess their impact, the Bhutanese government believes they have made their policy-making framework “more holistic and thus more complete and consistent with what individuals want from development. It brings greater breadth (through 4 additional dimensions) and depth (qualitative aspects) (PPT author).” Their focus on more comprehensive indicators than purely economic targets will ideally provide a more complete measure of development progress.

The various GNH tools have been termed “work in progress (PPT author);” as the GNH Index is in its infant stages, there exists much room for improvement in measurement, analysis and implementation of the results. Additionally, certain challenges and complexities exist when paving the way for a broader framework for analysis and development thinking.

Room for Discussion: Appropriate for Other County Contexts?

Bhutan is a very small country with a very homogeneous people re: culture, religion, language. Whether such an index would be possible to implement in a more heterogeneous society is difficult to say. An important question any government looking to implement such a development strategy is: How would the various indicators of happiness be selected? By democratic vote?

For more information: www.gnhc.gov.bt; www.grossnationalhappiness.com

4.2 South Korean Development Strategies and the New Village Movement

4.2.1 From a Poor to a High-Income Country

The South Korean economy has seen drastic development achievements and been able to make the transition from a poor country to one of high-income and rapid growth over the past 50 years. As can be seen in Figure 1, until the early 1960s, Korea’s per capita income remained less than US$100; by 2007, it had reached over US$20,000.
Importantly, that growth has been marked by a relatively low level of income inequality, as measured by the Gini Index. *Figure 2* compares the Gini coefficients and growth rates of key less industrialized economies between the period of 1965 and 1990; Korea’s positioning in the bottom-left of the graph demonstrates a relatively strong and equitable per capita growth rate.
Absolute poverty, another important indicator of development, declined steeply from 48% in 1961 to less than 10% entering 1980s.

**Figure 3: Absolute Poverty (%): 1961-1993**
The images below show the drastic developmental advances made in Korea over the past 50 years.

HyunJeo-Dong, Sudaemoon-Ku, Seoul in the late 1950s

Cheong-Gye-Cheon Stream in the 1950s

HyunJeo-Dong, Sudaemoon-Ku, Seoul in the 2000s

Cheong-Gye-Cheon Stream, today
Along South Korea’s path to development, it was not only economic factors that thrived; social development indicators in the country (Figure 4) reveal the broad successes of Korea’s comprehensive and inclusive development strategy.

Figure 4: Economic and Social Indicators of the Korean Economy (1962-2007)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita GDP</td>
<td>$87</td>
<td>$7,527</td>
<td>$11,176</td>
<td>$20,014</td>
</tr>
<tr>
<td>Investment (% of GDP)</td>
<td>13.8</td>
<td>37.3</td>
<td>36.0</td>
<td>29.0</td>
</tr>
<tr>
<td>Exports (% of GDP)</td>
<td>5.1</td>
<td>26.6</td>
<td>32.4</td>
<td>45.6</td>
</tr>
<tr>
<td>Imports (% of GDP)</td>
<td>16.8</td>
<td>27.7</td>
<td>33.0</td>
<td>44.8</td>
</tr>
</tbody>
</table>

| Life expectancy at birth | 55   | 72   | 74   | 79   |
| Infant mortality rate (per 1000 births) | 90   | 8    | 5.8  | -    |
| Years School           | 6.7  | 7.6  | 9.5  | 10.6 |
| Middle school enrollment ratio (%) | 51.2 | 95.1 | 98.2 | 99.1 |
| High school enrollment ratio (%)   | 28.1 | 63.5 | 88.0 | 96.4 |
| Tertiary school enrollment ratio (%) | 8.4  | 15.9 | 37.7 | 80.5 |

4.2.2 Key South Korean Government Actions that Contributed to their Achievements

South Korea’s Economic Development Plans, including policies and investment programmes, between 1962 and 1991 significantly contributed to the country’s drastic and powerful take-off. South Korea’s development was very much a targeted effort; the country owes, to a large extent, its innovative and proactive development strategies for its development achievements.

Export Promotion Strategy

South Korea’s drastic growth began in the early 1960s, when its government began an export promotion strategy for industrialization. Figure 5 shows the before and after breakdowns of the relative importance of various economic sectors in the Korean economy. The significant growth of the country’s
manufacturing and service sectors, as well as the relative decline in the agriculture and fisheries sector, reveals the extreme success of the government's push for industrialization. The picture in 1963 is very much one of a developing, agrarian economy, whereas the picture in 2007 more strongly mirrors the economies of developed Western nations.

**Figure 5: Effects of South Korea’s Export Promotion Strategy for Industrialization (As % of GDP?)**

![Figure 5: Effects of South Korea’s Export Promotion Strategy for Industrialization](image)

**Dynamism in the Agriculture Sector**

Although the South Korean strategy encouraged rapid industrialization, it did not sacrifice its agriculture sector. On the contrary, South Korea underwent a simultaneous Green Revolution in which the government supported agricultural research, investment in irrigation and the development of forestry sectors. Significant achievements included the development of new varieties of crops, the building of dams on major rivers and, between 1960 and 1980, construction of nearly 150,000 underwater irrigation wells.

The government’s initiatives contributed to rising productivity in the agricultural sector. Between 1970 and 1977, rice harvest per hectare rose by 48% from 3.3 tons to 4.9 tons. During the same time span, rural and urban income disparities decreased. *Figures 6 and 7* present data on these developments in rice production and farm incomes. *Figure 8* shows the relative productivity in rice production between Korea and Japan from the turn of the 18th century; Korea’s once inferior productivity today matches that of Japan.
Figure 6: Yield of Rice and Farm Income: 1970-77

<table>
<thead>
<tr>
<th>Year</th>
<th>Yield (ton/ha)</th>
<th>Farm income ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>3.30</td>
<td>824</td>
</tr>
<tr>
<td>1971</td>
<td>3.37</td>
<td>1,025</td>
</tr>
<tr>
<td>1972</td>
<td>3.34</td>
<td>1,075</td>
</tr>
<tr>
<td>1973</td>
<td>3.58</td>
<td>1,209</td>
</tr>
<tr>
<td>1974</td>
<td>3.71</td>
<td>1,393</td>
</tr>
<tr>
<td>1975</td>
<td>3.86</td>
<td>1,804</td>
</tr>
<tr>
<td>1976</td>
<td>4.33</td>
<td>2,389</td>
</tr>
<tr>
<td>1977</td>
<td>4.94</td>
<td>2,961</td>
</tr>
</tbody>
</table>

Figure 7: Farmer’s income vs. Urban worker’s income
4.2.3 The Birth of the “New Village Movement” (i.e., Saemaeul Undong): its rationale, the approach and the results attained

In the early 1970s, a community development strategy called the ‘Saemaul’ (New Village) movement was launched with the aim of improving income as well as living conditions. The strategy employed a stick and carrot approach to development and encouraged discipline and competition amongst Koreans. Korea’s Saemaul Movement was one of the most successful development initiatives of the 20th century and played a significant role in launching South Korea into its new role as an advanced and rapidly growing economy.

Diligence, Self-Help and Cooperation were the three pillars of the movement, all of which were pursued with an emphasis on a distinctive Stick and Carrot Approach. To do so, government support was contingent upon successful performance and results. As one example of this policy, in 1970, 34,656 villages were provided, at no charge, with 300-350 bags of cement to put toward community projects, such as roads, bridges, wells, drainages, etc. that would improve living conditions for their citizens. Government evaluations determined which villages had been successful in efficiently and effectively using the cement. During the next stage of the project, under the principle of giving priority to successful villages, material support was only given to those villages that had demonstrated positive results. In 1971, an additional 500 bags of cement, as well as a ton of iron rod for construction, were provided to the villages that received good evaluations (48% of the original villages).

South Korea’s energy supply policy serves as another example of this merit-based development approach. Each village’s electricity supply was directly linked to its performance according to the Saemaul Movement. With this policy, the percentage of villages with access to electricity increased from 20% in 1971 to more than 97% in 1980.
As a result of these policies, competition between communities and cooperation within them spread throughout the country, encouraging an innovative dynamism.

**Figure 9: Hypothetical Layout of a Typical Village and Saemaul Project Undertaker**

![Diagram of a typical village layout with labels for various structures such as village access roads, old bridges, village roads, sewage system, thatched roofs, and more.]

**Saemaul Movement – Village Leaders Training**

A key component of the Saemaul movement was the development of farmer work ethic. The Ministry of Agriculture’s initial training plan was to disseminate innovative farming techniques and educate village leaders on Saemaul movement policies. President Park, however, called for a more involved government relationship with the training programs. As such, village leader training process became under direct supervision by the Blue House, the President’s office, and farmer success stories were presented at the government’s Monthly Meeting of Ministers, attended by key ministers and political leaders. Greater awareness of the constraints, issues and successful techniques farmers encountered in the fields allowed for better policy coordination among the ministries.

While helping ministers and political leaders to better understand the Saemaul movement, the sharing of success stories also served as an excellent textbook for fellow farmers. To enhance further knowledge-building, the training programme called for village trainees to listen to these success stories of other farmers, of which there were 77 presented between 1972 and 1977 (61 of which were presented by men, 16 by women). In listening to the stories, trainees were better able to understand the objectives of the Saemaul movement.

In another effort to encourage shared learning and development, five leaders from the least responsive villages were sent to one of the 15 “advanced” villages for four days, with the objective of comparing...
the differences in farming, village life and general attitudes of the people with their own villages. With the opportunity to observe Saemaul projects successfully underway in other villages, the trainees were able to have firsthand experiences with the various factors that may have encouraged the active participation of villagers.

Village leaders were selected from various occupations inside and outside of the agricultural sector. Figure 10 displays the range of professions chosen as village leaders from 1972-1980.

**Figure 10: Number of Trainees by Occupation (1972-80)**

![Table showing number of trainees by occupation from 1972 to 1980](image)

**Promoting Engineers and Skilled Workers**

Before the Saemaul Movement began, South Korea faced an absolute shortage of technicians. The composition of engineers, technicians and simple unskilled workers in the South Korean and US workforces in 1969 were:

- **Korea**: 1 : 2 : 15
- **U.S.**: 1 : 25 : 5

Seeing this as a serious constraint to development, another component of the Saemaul Movement was the encouragement of engineering and other technical and vocational training. The Korean government
held the promotion of technical high school education as a top priority, a component that included the establishment of eleven technical high schools focusing on mechanical engineering in each province.

As an example, for the development of the Kum-Oh Technical School, practical training equipment, financed by Japan’s ODA (which amounted to 1.2 billion yen from December 1971 to September 1974), was imported from Japan. In addition, eight Japanese teachers were recruited for three years, while Korean teachers were sent to Japan for advanced training. Kum-Oh Technical School came to be ranked as the best technical high school in Asia in terms of facilities and teachers. Korea’s eventual successes in vocational training at Kum-Oh Technical School and elsewhere led them to win the International Vocational Training Competition (the Vocational Olympics) nine times in a row from 1977-1991.

4.2.4 Key lessons from the South Korean Experience and Implications for Development Policy-Making

South Korea has successfully achieved rapid growth with relative equality since the early 1960s and is today transforming itself into a Newly Industrialized Economy (NIE). It has moved away from poverty to today being an OECD and Development Assistance Committee (DAC) member, having, thus, successfully transitioned from being a foreign aid recipient to an important international donor. The country underwent rapid transformation from an agrarian economy to a light-industry economy and to, today, an economy of heavy and chemical industries.

Key components of Korea’s successful development policy included:

- Land reform
- Government encouraged saving and investment
- Education, especially in engineering, technical and vocational fields
- International trade and export promotion
- When the economy took off, research and development expenditures increased.

Lessons and implications for other countries’ development strategies

Though the South Korean experience took place in a particular context, the approach provides many lessons and implications for development policy-making in other countries and national contexts.

Based on its experiences, the Korean government lists as the major contributing factors for development:

| 1) Equal opportunity (land reform, etc.) |
| 2) Broad access to education and the promotion of technical skills |
| 3) Competition and competition-based |
Furthermore, it suggests that government policies and intervention affecting the following can have important effects on growth:

<table>
<thead>
<tr>
<th>1) Saving and investment</th>
<th>• Restrictions on trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2) Education, health &amp; nutrition</td>
<td>• Direct control of production in industries</td>
</tr>
<tr>
<td>3) Research and development</td>
<td>• A high level of government purchases relative to GNP</td>
</tr>
<tr>
<td>4) Property rights and political stability</td>
<td>• Direct control of financial transactions</td>
</tr>
<tr>
<td>5) International trade</td>
<td>• Reduced competition /reduces innovation</td>
</tr>
<tr>
<td></td>
<td>• Lack of market prices that prevent efficient allocation of resources.</td>
</tr>
</tbody>
</table>

**Characteristics of Poor Countries**

The Korean government believes low-income countries share certain characteristics that may contribute to poverty:

<table>
<thead>
<tr>
<th>1. Improper Government Control of the economy</th>
<th>• Restrictions on trade</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Direct control of production in industries</td>
</tr>
<tr>
<td></td>
<td>• A high level of government purchases relative to GNP</td>
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<td>• Direct control of financial transactions</td>
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<td>• Reduced competition /reduces innovation</td>
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<td></td>
<td>• Lack of market prices that prevent efficient allocation of resources.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Unsustainable macroeconomic policies which cause high inflation and unstable output and employment</th>
<th>• If governments can not pay for debts through taxes, they can print money to finance debts. (Seignoirage: paying for real goods and services by printing money)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Seignoirage generally leads to high inflation.</td>
</tr>
<tr>
<td></td>
<td>• High inflation reduces the real value of debt that the government has to repay and acts as a “tax” on lenders, hampering saving (accumulation of capital).</td>
</tr>
<tr>
<td></td>
<td>• High and variable inflation is costly to society; unstable output and employment is also costly.</td>
</tr>
</tbody>
</table>

| 3. Lack of access to financial markets | • Transfer of funds from savers to borrowers is impossible or prohibitively difficult. |

<table>
<thead>
<tr>
<th>4. Weak enforcement of economic laws and regulations, prevailing Moral hazard</th>
<th>• Weak enforcement of property rights makes investors less willing to engage in investment activities and makes savers less willing to lend to investors/borrowers.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Weak enforcement of tax laws makes collection of tax revenues more difficult, making seignoirage necessary and makes tax evasion a problem.</td>
</tr>
</tbody>
</table>
5. A large underground economy relative to official GDP and a large amount of corruption

6. Low measures of literacy, numeracy, and other measures of education and training: low levels of human capital
   - Human capital makes workers more productive.

### 4.3 Brazil’s Poverty Reduction Strategy and the Zero Hunger Programme

Development is, by and large, an endogenous process of societal transformation. It is not just the Government but the entire society that needs to want it and participate in both how it is pursued and how the benefits are shared and used. Brazil’s experience suggests that it is quite possible to achieve significant progress in cutting hunger and poverty in a nation, even within a relatively short period of time. This requires a strong and sustained political commitment to make those goals a priority. It needs and, in turn, creates popular support and broad participation of stakeholders in decision-making. Food insecurity has its roots in many sectors and therefore there is a need for a cross-sectoral approach engaging actors and institutions from food production, quality and consumption to health, nutrition and education. The success of the “Zero Hunger” Programme came from its cross-sector approach, involving the private sector, government and civil-society movements.

In the short run, poor people’s access to food can be improved by increasing their purchasing power through an income transfer programme. This represents a beginning to the process of cutting hunger levels and provides opportunities for the participation of the poor in the country’s social and economic development. To ensure results, strict local monitoring of beneficiaries should be attached to the income transfer component of any development programme. These programmes should be seen as sound economic investments, not pure social welfare measures. Income transfers translate into higher demand, combined with an improved health status and the productive engagement of beneficiaries, fueling increased economic activity. Moreover, costs of short-term measures to reducing hunger are likely to be fiscally possible. For instance, the aggregate cost to the Brazilian federal government’s budget of the Bolsa Familia is just over 1% or about 0.4% of its GDP.

Short-term measures alone, however, are not a sustainable solution. If lasting results are to be attained and the risk of creating long-term dependencies minimized, it is essential to put in place institutions,
policies and programmes that address the underlying causes of vulnerability to malnutrition and food insecurity. There is an additional need for supplemental programmes to encourage capacity building, employment creation, etc.

4.3.1 Brazil’s Development Achievements of the Last Decade

**Economic Development**

Brazil has seen significant economic development in the last decades. As an example of this, from 2003 to 2009, the number of people in Brazil’s lowest income bracket decreased by 42%, whereas the number of people in the middle and upper class brackets grew by 44% and 50%, respectively [PPT 1, slide 4 graph]. Household average per capita income (in US$ PPP/day) grew from 5.5 in 1990 to 12.1 in 2008 [PPT 1, slide 5 graph] and, over the same 18 year time span, the percentage of the population surviving on US$ 1.25/ day (PPP) decreased from 25.6% to 4.8% [PPT 1, slide 7 graph]. Also, the minimum wage (in US$ PPP/day) grew from 4.4 in 1994 to 8.4 in 2008 [PPT 1, slide 6 graph].

Importantly, much of the growth Brazil has experienced has been equality-inducing and pro-poor oriented. From 1990 to 2008, the percentage of the population surviving on less than $US 1.25/ day decreased in all regions of Brazil. Notably, the most substantial decreases were achieved in the poorest regions. Additionally, regional economic disparity between the wealthiest and poorest regions in 1990 was marked by a near 35% difference in the amount of people surviving on less than $US 1.25/ day; by 2008, that difference had decreased to approximately 9%. The most significant change occurred in Brazil’s Northwest, where 48.1% of population lived off of less than $US 1.25/ day in 1990 and only 10.3% (a near 80% decrease) did so in 2008 [PPT 1, slide 8 graph].

**Developments in the Health Sector**

Brazil also saw considerable advances in its population’s overall health, as measured by various health-related development indicators. The percentage of children (up to 23 months) underweight for their age went from 10% to 1.5% and 19.2% to 2.9% in the 0-11 and 12-23 month age brackets, respectively [PPT 1, slide 9 graph]. In addition, hospital admissions as a result of undernourishment decreased from 0.96% in 1999 to 0.53% in 2008.

4.3.2 Key Government Policies for Development, including the “Zero Hunger Programme (Fome Zero)” and Bolsa Familia

**Fome Zero**

In 2001, the XXX determined that 27.8% of Brazil, approximately 44 million people, was vulnerable to hunger, although Brazil was one of the world’s largest food producers and exporters (Institute for Citizenship – (2001) (parallel government) – PT diagnosis). Two years later, Brazil’s President Lula made
the political decision to focus on the issue of food insecurity and start the “Zero Hunger Program”, or Fome Zero.

At its core, Fome Zero was a Brazilian government strategy to guarantee its citizens the human right to food. The strategy was situated in a broader context of social inclusion and citizenship rights for the country’s most vulnerable to hunger. At the base of Fome Zero was the belief that social inequalities were at the root of their food insecurity and that hunger was a result of inadequate access to food rather than low availability. The challenge for the Brazilian government was, thus, to simultaneously address the need for hunger eradication and poverty reduction. Key components of the Fome Zero plan to tackle these issues included: income and work generation, school attendance, the improvement of educational and health conditions, infrastructure development, and access to basic sanitation and water. *Figure 1* below shows the seven principal target areas of Fome Zero. As the Brazilian problem was multifaceted in scope, public, private, and social actions were integrated. Nine government ministers were engaged with the strategy, including the Ministries of Finance, National Integration, Education, Health and Agrarian Development.

**Figure 1: Fome Zero’s Seven Principle Target Areas**

*Food Access*

Bolsa Familia, considered to be Fome Zero’s main actions, was created to directly address food insecurity. The programme entails a conditional cash transfer to families with a monthly income of up to R$100 (US$43) who are considered to be in poverty situations, the exact amount of the cash transfers varying depending on the demographics of the household, e.g., number of children, adolescents, and young people in the house. The objective of the direct cash transfers was to provide greater access to the basic social rights of health, food, education and social assistance.
1. **Bolsa Família (Conditional Cash Transfer)**
   Bolsa Família is considered Fome Zero’s main action and is a cash transfer programme bound for families in poverty, with a general income up to R$100 (US$43) monthly. It associates the transfer of financial benefits to the access to social basic rights: health, food, education and social assistance.

2. **National School Food Programme (PNAE)**
   PNAE is a programme that offers at least one meal a day, seeking to fulfill nutrition needs of students during their stay at school, contributing to growth, development, learning and scholarly goals, as well as to the promotion of healthy nourishment habits.

3. **Food for Ethnic Groups**
   It extends access to basic food for indigenous people, communities of slave descendants (quilombolas), groups of peasants in camps, rubbish pickers, and others who face food and nutrition insecurity as a result of food allocation.

4. **Rainwater Cisterns**
   It is an action developed for the population of peasants from the Brazilian semi-arid region, seeking to improve living conditions, access to water and use of the semi-arid land.

5. **Popular Restaurants**
   They are common-wealth spaces administered by the public for the commerce of ready-made, healthy, and cost-accessible meals for people who have to eat out daily.

6. **Food Banks**
   They give donated food that is deemed appropriate for consumption, but improper for commerce, to non-profit institutions that produce and distribute free meals to people in situations of food vulnerability.

7. **Urban Agriculture/Community Gardens**
   They are developed in areas that are appreciated by the community and where there is a concentration of low-income and food insecure families and people who are willing to encourage and maintain small plots for healthy food production.

8. **Food and Nutrition Surveillance (Sisvan)**
   It is a tool for monitoring basic attention to health, with the objective of collecting information and data to create better public polices for the Health Single System. It organizes nutritional conditions, describes tendencies of health and nutrition and identifies situations of nutrition insecurity, either on individual or collective levels.

9. **Distribution of Vitamin A (Vitamin A+)**
   This is set to prevent and control the shortcoming of vitamin A, in order to help reduce the seriousness of infections and, consequently, lower mother and child mortality rates. It is directed to children aged between 6 and 59 months and women immediately after-birth in endemic areas, such as the NE Region, Vale do Jequitinhonha, and Mucuri, in Minas Gerais.

10. **Iron Distribution (Iron Health)**
    This is a strategy directed to prevent and control anemic diseases due to iron deficiency in the most vulnerable groups (children from 6 to 18 months, as well as pregnant and post-pregnancy women). Research has found that 50% on children and 40% on pregnant women in Brazil are iron-deficient. This has serious consequences on physical, mental and social development from childhood to adult.

11. **Food and Nutrition for Indigenous People**
    It is an action that produces a record of indigenous populations and guarantees their inclusion in governmental instruments in accordance with their cultural values. It also introduces cross-sectoral actions for food and
<table>
<thead>
<tr>
<th></th>
<th>nutritional security, environmental management, and sustainable development indigenous populations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Food and Nutrition Education for Consumption</td>
<td>It develops actions to promote healthy diet, which seek to stimulate the society through educational activities and communication actions, fight hunger, and adopt healthy nourishment habits.</td>
</tr>
<tr>
<td>13. Healthy Diet/Promotion of Healthy Habits</td>
<td>It promotes healthy nourishment throughout one’s life time, preventing and controlling nutritional disturbances, as well as illnesses related to nourishment and nutrition. The programme subsidizes actions relating to food and nutritional education and publishes instructive material.</td>
</tr>
<tr>
<td>14. Worker’s Food Programme (PAT)</td>
<td>It has the objective of improving workers’ nutritional conditions so as to have positive effects on life quality, reducing accidents at work and increasing production.</td>
</tr>
<tr>
<td>15. Basic Food Basket Tax Reduction</td>
<td>This entails the exemption and minimization on the ICMS duty concerning foods that compose the basic food basket and are considered indispensable for dignified survival.</td>
</tr>
</tbody>
</table>
The cost of the Bolsa Familia Programme represents 1% of Brazil’s national budget and less than 0.4% of its GNP (FAO 2006). The annual cost per recipient is approximately US$0.25/day, with the school lunch programme alone costing only US$0.10/day for each child. Conditions tied to the money include: school attendance, continued implementation of immunization schedules, the growth and development of children, prenatal care and postpartum and nutritional surveillance.

Additional complementary programs make public and social inclusion of beneficiary families a priority and thus create development opportunities for families most in need. Various nutritional programmes, tax inducements and tax reductions were created to compliment Bolsa Familia and are discussed in greater detail in the chart below.

**Strengthening Family Agriculture**

Four key programs with the objective of strengthening family agriculture were created under Fome Zero and are discussed in greater detail in the chart below.

**Figure XX: Strengthening Family Agriculture**

| 1. National Programme for Strengthening Family Agriculture (Pronaf) | Pronaf values and promotes family agriculture as an essential economic activity for sustainable socioeconomic development in rural areas. |
| 2. Harvest Insurance | Under the umbrella of Pronaf, it seeks stability and security for the agricultural activity in the semi-arid region of Brazil, making it possible for farmers to receive benefits in periods of dry weather. |
| 3. Familiar Farm Agriculture Insurance | Also under the umbrella of Pronaf, this programme guarantees 100% coverage on loans and an additional 65% of the liquid revenue expected by family farm projects. |
| 4. Food Procurement Programme (PAA) | It encourages family agriculture food production, allowing for the purchasing and distributing of food, as well as constitution of stocks, to be in the hands of people in food insecure situations. The products are also allocated to school lunches, hospitals and beneficent enterprises. |

**Income Generation**

Income generation is both an effect of and a means by which to attain food security. As such, it is a very important component of Brazil’s Fome Zero. Details on the six components of this branch are discussed in the chart below.

| 1. Social and Professional Qualification | It promotes workers’ social, occupational and professional qualifications and is linked to other actions that promote job market and school attendance. |
| 2. Solidarity Economy and Productive Inclusion | It makes social (reflections on citizenship and the working world), professional (technical/scientific basis of occupation) and occupational |
High-Level Policy Learning Programme 2011
Issue paper

3. **Food and Nutrition Security and Local Development Consortium (Consad)**
   It is an initiative of territorial development promotion in peripheral areas in the country. It emphasizes food and nutrition security, as well as work and income generation, as the main strategy for socioeconomic emancipation for families that are below the poverty line.

4. **Poor Communities’ Productive Organization (Produzir)**
   It promotes social inclusion for unemployed people and poor communities, both rural and urban, and employees of enterprises on a process of productive weakening, organizing them on economically achievable productive auto-manageable projects.

5. **Development of Cooperatives of Recyclable Material Collectors**
   Supports the development of cooperatives, especially of collectors (rubbish pickers), alongside the new model of integrated treatment and the eradication of landfills.

6. **Guided Productive Microcredit**
   Gives credit for financial necessities to workers of small size productive activities, using a method based on direct relationship with local workers where the activity is executed.

**Partnership Promotion and Civil Society Mobilization**

This last component of Fome Zero directly addresses the country’s social issues. Details on the six components of this programme are discussed in the chart below.

<table>
<thead>
<tr>
<th>1. <strong>Families’ Houses – Social Assistance Reference Centers (CRAS)</strong></th>
<th>These centers, developed at the Reference Center of Social Assistance, are located strategically in areas with social and personal risk and vulnerability and provide continued service of basic social protection. They give social assistance and articulate services available in each location, increasing, coordinating and organizing a web of basic social protection alongside professional qualification policies, productive inclusion and other public and social policies in search of better conditions for families.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. <strong>Social Mobilization and Citizen Education</strong></td>
<td>It proposes to prepare, educate and mobilize citizens in Brazilian cities (starting with Fome Zero priority areas and, in the future, families in insecure situations). It organizes mobilization initiatives and forums on Food and Nutrition Security for the Brazilian Society of Food and Nutrition. It provides qualifications, logistics, and the elaboration and reproduction of informative material, among other actions.</td>
</tr>
<tr>
<td>3. <strong>Social and Public Agent Mobilization</strong></td>
<td>It promotes workshops, courses and events, enabling public and social agents to monitor and evaluate social development. Agents are better able to fight against hunger by making results-based improvements to</td>
</tr>
</tbody>
</table>
Addressing long-term development challenges: from short-lived interventions to lasting achievements
Lessons and policy implications from old and new thinking on development

<table>
<thead>
<tr>
<th>4. Volunteer Work and Donations</th>
<th>It is a great national movement of solidarity towards those who suffer each day from a lack of food and cannot wait for the results of profound changes in economic and social structures. It is important to remember that there are many ways to help someone in need; the act of donating goes way beyond the offer of food or money. It is important for the society to get involved in the actions of the programmes that seek to overcome the structural causes of hunger and poverty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Partnerships with the Private Sector and NGOs</td>
<td>These are projects executed by Fome Zero’s partners that serve as support for the Federal Government’s social policies. Institutions that want to be partners of Fome Zero must prioritize generating work and income, supporting social protection, nourishment and nutritional security, and complementing actions of the Bolsa Familia programme.</td>
</tr>
<tr>
<td>6. Social Development Councils</td>
<td>These bodies entail society’s participation and verification over Fome Zero actions. These councils integrate Fome Zero with local councils and committees, making sure to respect local programmes and contexts.</td>
</tr>
</tbody>
</table>

**General Achievements and the Future of Bolsa Familia**

There are currently 13 million and 2 million families receiving benefits from the Bolsa Familia programme and PRONAF programme, respectively. The Fome Zero project as a whole is credited with having raised the income class of 56 million previously impoverished people. There have been significant improvements made in the health and education sectors and, importantly, the social and popular participation in the deliberations on and monitoring of public policies is significant and growing.

As an expansion on existing initiatives of the successful Bolsa Familia Programme, in June 2011, President Dilma Roussef’s Government announced a new multi-billion dollar anti-poverty plan called the, “Brazil without Misery Plan,” which includes income transfers, access to public services, e.g., education, health, welfare, sanitation and electricity, and productive inclusion. New actions and programmes will link states, municipalities, public and private companies, and civil society organizations with the federal government in this new effort to include the poorest and most disadvantaged in Brazil’s economic growth process.

**Fome Zero in the International Scene**

The fight against hunger has been placed at the top of the Brazilian agenda and has gained the support of the international community. Today, Brazil’s development and food security strategy is part of the debate on eradicating poverty.

In particular, Fome Zero receives international attention due to its contributions toward achieving five of the eight Millennium Development Goals (MDGs), including eradicating extreme poverty and hunger, obtaining universal primary education, promoting gender equality, and reducing child mortality and maternal health.
4.3.3 Implications for Development Policy-Making Derived from the Brazilian Experience

Brazil’s experiences with its recent development strategy bring to light possible implications for development policy-making elsewhere.

To address food insecurity, Brazil benefitted from short-term emergency actions in conjunction with long-term structural plans to address the underlying causes of hunger. Policy-makers found that agricultural growth alone does not eliminate hunger and that different strategies are required for rural communities, small cities and metropolitan areas.

Short-term measures alone are not a sustainable solution to poverty and food insecurity. The Brazilian government built into its development strategy the belief that if lasting results are to be attained and the risk of creating long-term dependencies minimized, it is essential to put in place institutions, policies and programmes that address the underlying causes of vulnerability to malnutrition and food insecurity. There is a need for supplemental programmes to encourage capacity building, employment creation, etc.

Brazil’s experience highlights the need to develop an adequate legal and institutional framework and strong political commitment, as well as to engage the participation of a coordination agency, civil society, the private sector, different levels of government, the media, and public opinion in the development process. Moreover, a strategy of decentralization proved most efficient in the Brazilian context, a country with 5568 municipalities.

Brazilian policy-makers stress that any successful development program should have efficiency, focus, impact and sustainability and that building and experimenting with innovative development policies is a continuous process of learning and improvement. “One must take chances! .... You will make mistakes, but worse is not to do (PPT author).”