Global connections: UK and global poverty solutions

A report from an event held in London on 24 November 2010
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Background

The Institute of Development Studies (IDS) is a leading global charity for research, teaching and information on international development. The Joseph Rowntree Foundation (JRF) is an endowed charity that funds a large, UK-wide research and development programme into the root causes of poverty, inequality and disadvantage in the UK, and aims to identify solutions to these. The two bodies came together to organise an event in which the links between globalisation and poverty in the global North and South could be explored with an invited audience experienced in the challenges of working in the poverty arena, including those from academic institutions, think tanks, government, non-governmental organisations (NGOs), charities and campaigning bodies.

The event took place in London, on 24 November 2010. Opened by Bharat Mehta of JRF, it was co-chaired by Lawrence Haddad, Director of IDS, and Simon Maxwell, Senior Research Associate at the Overseas Development Institute (ODI). At its heart lay considerations surrounding the following three questions:

1. Are there common, global causes driving poverty in the UK and developing countries?
2. What are the implications of these connections for shared poverty solutions at local, national and global levels?
3. What are the benefits of coming together to consider poverty eradication in these different contexts?

Presentations and panel-led discussions opened and closed the event, and three areas were taken for in-depth discussion at workshop level: global food markets and cost of living, global labour markets, and gender.
Summary conclusions

‘There is a huge appetite it seems to me for fora in which people can compare [poverty connections] – academics, practitioners think tanks, policy makers … the research agenda is deep and complicated, and I think we have only just begun to scratch the surface.’

Simon Maxwell, Senior Research Associate, Overseas Development Institute

The connectedness of the global North and global South is not a new phenomenon, but the form, speed, scale and intensity of global integration have changed. The recent food, fuel and financial crises have thrown these connections into sharper relief. Globalisation presents multiple challenges for those working towards the eradication of poverty; although people continue to seek solutions at a local level, there may be global elements to solutions to local poverty. However, global connections also represent multiple, exciting opportunities for joint learning and action for policy makers, academics and practitioners in the poverty field.

Why now?

‘It seems to me we’re at a time where the terms developed and developing countries mean less than they’ve ever meant. Problems are no longer a monopoly of poor countries; solutions are no longer a monopoly of rich countries.’

Lawrence Haddad, Director, Institute of Development Studies

That we live in a globalised world is no longer up for debate. Economic integration has intensified since the end of the Cold War and the trends of increased global flows of finance, migrants and other objective indicators provide all the evidence needed to demonstrate this. The global financial crisis clearly demonstrated the extent to which markets are now integrated. Although there very much remains a scale of absolute need – for example, 95 per cent of under-fives deaths remain in the developing world – the distinctions between developed and developing countries and the nature of poverty in each are becoming blurred.

A first consequence of this observation is that it spells an end to the old assumption that the North has the monopoly of answers to poverty, and that these can be easily exported to the South. A ‘new duality’, based around the twin concepts of convergence and divergence, is one way of considering the new global context, according to Lawrence Haddad. Countries are experiencing a convergence of problems, as similar challenges are faced in both North and South, for example the financial crisis, climate change, urbanisation and chronic disease. At the same time, they are also experiencing a divergence of solutions, as homegrown recipes to alleviate and/or eradicate poverty prove exportable in sometimes surprising ways, for example the conditional cash transfer programme in Mexico being adopted in New York, and the citizen engagement work led by India, South Africa, the Philippines and Brazil finding a listening ear in the UK. While in the past we
may have been able to compartmentalise problems, the connections between them are increasingly apparent.

Another consequence of globalisation, according to Professor Anthony McGrew of the University of Strathclyde, is that we are now, post-financial crisis, facing a distinctive historical moment in which the redistribution of equality of opportunity between countries can be a real consideration. A major debate relating to globalisation is whether it spreads economic benefits and reduces global income inequality or, alternatively, concentrates wealth in a minority. Perspectives that see globalisation as an economic threat can risk protectionist responses. The nature of globalisation means there needs to be significant global cooperation to manage how it impacts poverty around the world. The complexity of the connections means there needs to be much more study and mapping of links between the causes of poverty and the experiences of poverty in different locations.

IDS Fellow Naomi Hossain's presentation of IDS/ JRF research in the UK and developing countries\(^1\) highlighted some common experiences, such as the increasing flexible nature of work in response to economic crisis, the cost to individuals of coping with crises and individuals' resilience, and the value of gendered frameworks for analysis in all countries.

Patrick Watt of Save the Children outlined some of the potentially beneficial common themes and also challenges that organisations face when linking work to address poverty in developing countries and in the UK. While constructs of poverty which consider capabilities highlight common themes in terms of how children experience poverty, organisationally it can be difficult to manage a joint approach in practical terms. However, Save the Children's experience with a joint organisational advocacy strategy for all its work in the run-up to the election was a significant step toward adopting a more common, integrated approach.

What is needed is a new globally constructed knowledge set. This could include:

- More complex composite indicators of poverty. In particular, drilling down for subnational data to use alongside other poverty indicators such as gender could enable new ways of categorising countries.
- New ways of thinking. For example, considering the gendered impact of the financial crisis.
- More joined-up stories. So as to better enable a common communication/advocacy function.
- Study of the global connections. For example, the study of global flows, such as migrants, trade and finance; of global organisations, e.g. corporate, civil society and governance organisations; of global rules; of global discourses; and of global structures.

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Workshops

Workshop 1: Globalisation and the cost of living – implications of global food markets

Presenters: Lawrence Haddad, Institute of Development, and Donald Hirsch, Centre for Research in Social Policy, Loughborough University

Key points

- Malnutrition, clearly associated with poverty, is defined as under- and over-nutrition, leading to both hunger and obesity. Globally, there are 3 billion people affected.
- Malnutrition is fiscally related. Under-nutrition is caused by insufficient income for sufficient food; over-nutrition by the availability of high-sugar, empty-calorie, high-transfat foods available at cheap prices to low-income groups. Under- and over-nutrition are two sides of the same coin.
- The global food system is dysfunctional. It does not respond to shocks in ways that support good nutrition. A fragile global food system spiked in 2008/9
- Global food market trends influence the price of food locally. For instance, demand for biofuels affects the supply of grain for food. Speculation in commodities markets can, in turn, increase food price volatility. However, it is difficult to be precise about the extent of the influence of global trends on local prices due to the range of factors involved in food products and the complexity of the market.
- Lower income groups find it hard to deal with fluctuations of food prices.

What’s needed next?

- More education and focus to build the political will to do something about malnutrition. For example using technology to map hunger and nutrition more precisely, and to develop better and more easily aggregated measures of hunger and nutrition.
- Pressure is needed to get change but this needs political action at the national and international levels. Civil society has an important role to generate this pressure for change and tools are developing to enable this.
- More work on UK and other countries’ domestic food pricing to find out the extent to which it is influenced by world trends, and whether volatility can be smoothed out.
- Current evidence suggests there are implications for national retail, food and social policy to ensure global food market trends do not result in extreme local price fluctuations.
Workshop 2: Globalised labour markets – migration, experience and solutions to poverty

Presenters: Carlos Vargas-Silva, COMPAS, Oxford University, and Klara Skrivankova, Anti-slavery International

Key points

- There exist a variety of purposes for migration, e.g. work, study, family reunion, asylum. The different reasons will lead to different impacts on poverty.
- Since the end of the 1990s figures show the UK has experienced a positive high net immigration, but it remains questionable whether the figures represent long-term migration as they are not well measured. Policies based on variables such as these present a challenge.
- The economic impact of migration on the migrant’s home country is not only from financial remittances. There are also gains in terms of modifications to norms and behaviours, such as attitudes to gender; ideas, such as ways of doing business; and concrete links, such as new business contracts.
- Migration though can also represent a brain drain.
- The link between developing country poverty reduction and migration is unclear as it tends not to be the very poor who migrate, and thus not the very poor’s communities who gain from remittances. It may even lead to an increase in the distance between the poor and non-poor (an increase in inequality).
- Evidence suggests that migration and remittances to home countries help people remaining in the home country cope with poverty but not necessarily escape it.
- There is a continuum between ‘ideal’ labour and ‘forced’ labour. Forced labour exists in the UK, in both its mildest and more severe forms.
- Forced labour in the UK is usually migrant labour and usually uses more complex controlling pressures than physical incarceration, relying on a web of dependencies. It is usually in the informal and criminal sector.
- Poverty and migration are big issues when looking at forced labour but poverty is not the only cause – other cultural, social and economic factors also come into play. For example, restrictive migration policies have an effect where an employer has control over a migrant’s immigration status.
What’s needed next?

- A debate focusing on a broad list of migrant characteristics and dynamics over time, and a closer study of permanent migration.
- More debate in development circles around the notion of ‘decent work’ and the rights of people on the move to empower themselves, and in particular to organise.
- Better mapping of the supermarket supply chain and its relationship to work conditions in different places.
- Extension of the UK gangmasters regulations to cover the caring and construction sectors.
- More inspection of workplaces.
- More recourse for migrants to legal aid.

Workshop 3: Globalisation, gender and poverty – links between the global North and South.

Presenters: Professor Ruth Pearson, University of Leeds, and Ceri Goddard, Fawcett Society

Key points

- Women are disadvantaged in terms of education and training in most countries.
- They also have less access to capital.
- Reproductive work is a sizeable burden for women and means they have less freedom over where and how to work.
- Consequently they are often in low-paid activities.
- Women were affected more than men by job losses as a result of the crisis; and their labour conditions are worse. However, in the UK more men lost their jobs. Women often also bore the brunt of coping with this due to their household role.
- Within the UK, women earn less, own less and control less than men. The progress in terms of women’s position in the labour market has not been driven by social justice concerns, but by the economy’s demand for labour.
- Violence decreases the arena in which women can operate in terms of opportunities. There are some connections between different kinds of violence. Oxfam has studied the correlation between post-conflict societies and domestic violence.
- We cannot say that globalisation promotes inequality; rather, that it relies on existing inequalities.
- Globalisation has brought with it increased migration - and women who migrate tend to do more domestic and informal work. Surveys also offer evidence that women tend to migrate longer, and they remit and support their natal families for longer.
- Women in the global South struggle to find cash for services not provided by their governments, such as education or health.
Women in the North are facing similar problems as financial adjustment of governments and cuts in social welfare affect their responsibility over reproductive work.

Policies have ignored the monetisation of reproductive work.

What’s needed next?

- A debate about the resourcing of women’s reproductive activities, in terms of time and/or cash.
- A focus on non-wage benefits as a possible solution, as policies such as micro-credit or cash-transfers fail to address the issue of reproductive work.
- Prioritising the collective provision of services, such as health and education.
- Expansion of the Millennium Development Goal (MDG) focus on primary education and education for girls to lifelong education and investment in training so women can broaden their skills and capabilities.

How can we move forward?

‘Oxfam could see increasingly that we live in a globalised world and that there were globalised lessons to be learned… for example when you’re talking about agriculture policy it’s not good enough to say the Common Agriculture Policy in Europe shouldn’t subside farmers when you’re working with very very poor hill farmers in Europe.’

Julie Jarman, Oxfam’s UK poverty campaign

This event built on past work in which development research and campaigners and practitioners have explored the links between poverty in the global North and the global South. For example, in 1996 Oxfam made the decision to work in the UK and since then central to the charity’s activities has been finding the links between poverty in the North and South; and in 1997 Simon Maxwell brokered the first talks between the UK’s Department for International Development (DFID) and the Labour government’s social exclusion unit.

Poor people themselves too, research shows, have no problem in recognising the links. Matt Davies, of ATD Fourth World, said his organisation’s work on violence highlighted the common experiences of poor people in the North and
South, as did Naomi Hossain with reference to her DFID/JRF-funded research on the impact of the financial crisis.

Professor Jan Aart Scholte, of the Centre for the Study of Globalisation and Regionalisation (CSGR) at the University of Warwick, emphasised the importance of looking at North/South connections rather than comparisons. One important next step would be to start constructive communications between people with the same goals. For example, getting those involved in access to credit programmes in Bangladesh to talk to people in the UK also considering access to credit for poor people.

The following are other areas identified by participants as useful avenues for future work, both for learning and developing shared solutions to poverty:

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The following entry points for further analysis of the connectedness between poverty in the North and South were identified by conference participants:

- Global flows of capital and their impacts on poverty
- Multinational firms' employment practices

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2 In November 2011, the International Movement ATD Fourth World marks the end of a three-year action-research project considering ‘Violence faced by people living in extreme poverty’. The project has worked with people living in extreme poverty in Bolivia, Central African Republic, Democratic Republic of the Congo, France, Guatemala, Haiti, Honduras, Madagascar, Mauritius, Peru, Philippines, Senegal, Spain, Tanzania, UK and USA.

• Supermarkets’ role in labour and retail markets, and its effects on poverty
• Impacts on poverty of the growth of India and China in the global political economy
• Trade/finance
• Global equalities and other legislation
• Global poverty monitoring and analytical tools, e.g. social determinants of health
• Spheres of governance
• Peace, war and conflict
• Transition to a low-carbon economy

Finally, the following challenges were identified:

• The need to ‘speak the same language’. For example, the term ‘social protection’ is little used in the UK.
• Public opinion. For example, if tensions between North and South are found in global solutions to poverty and inequality, this could feed into protectionist attitudes.
• Governance. Although people increasingly understand global links, they continue to looks to national and lower levels for the solutions to the challenges these links throw up. There is limited understanding of global governance mechanisms or view that these can be influenced.

Next steps

The findings from this event will feed into JRF’s work in early 2011, including events and activities to disseminate the findings from the JRF Globalisation and UK Poverty programme. Findings on labour, globalisation and poverty will also feed into JRF work on Future Labour Markets. Global poverty connections in relation to the cost of food and fuel will be pursued through the ongoing work on Minimum Income Standards for the UK.

Into 2011, the discussion on global poverty connections is likely to continue through a workshop and a publication, potentially an IDS Bulletin, on social reproduction and global economic shocks in the North and South. In addition, an edited book on the social impacts of global crises, which pushes conceptual work on global poverty connections, is proposed. There are also plans to try to feed themes from the event into the IDS teaching programme, through modules on poverty and inequality that address issues of global poverty connections.

Further information

For further information on the Global Connections event, please contact Teresa Hanley at the Joseph Rowntree Foundation, or Naomi Hossain at the Institute of Development Studies