



International NGOs and Poverty Reduction Strategies: The Contribution of an Asset-based Approach

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Executive Summary

This scoping study has two principle objectives. It provides a summary of current poverty reduction strategies of US and UK-based international non-governmental organizations (INGOs) with a special emphasis on the underlying frameworks that form the basis of their development interventions. Secondly, the study identifies the applicability of an asset accumulation framework to prevailing programmatic and advocacy strategies for poverty reduction employed by INGOs. After an initial desk review of background materials, a sample group of 21 INGOs was finalized based on seven selection criteria. These relate both to the substantive focus of each organization as well as to institutional factors, and were developed in order to achieve the greatest diversity possible in the sample. The criteria were: mission focus; stated or known analytical approaches to poverty – termed poverty frameworks in this paper; relationship to the field; length of time in operation; size of revenues; primary funding sources; and organizational structure. A questionnaire was developed for use in the final research phase in which 34 staff from 7 UK-based and 14 U.S.-based INGOs were interviewed.

The study assesses five possible determinants of INGO poverty approaches. The first determinant is history – both organizational and the broader historical forces at work in the world. Interviews suggest that history is perhaps a stronger factor in shaping an organization's poverty strategy than mission, which appears to have only a partial connection with strategy. Current development theory seems to have a tenuous and weak impact on the strategic framework. This intellectual determinant expresses itself more effectively indirectly through funders' interests, which had a definite impact on poverty reduction strategy. Not surprisingly, the research found that funding sources were influential, particularly the US government and foundations. Organizational structure, the last determinant investigated, seems to have an unclear and complicated relationship to INGO poverty frameworks and strategies.

Structured conversations with staff raised unexpected issues relating to the changing context in which the INGOs conduct their poverty reduction work. At least five key trends are evident which have bearing upon the usefulness of an asset framework. They are:

- increasing emphasis on aid effectiveness stressed by both government agencies and foundations;
- emergence of new sources of funding and a new breed of development actors;
- shifting North-South INGO power relationships;
- growing convergence of conservation and development concerns; and,
- increased awareness of the impact of climate change on development and conservation.

Respondents' understandings of the theoretical dimensions of an asset framework tended to be unspecific and partial, with notable exceptions. Some of the INGOs surveyed were just beginning to explore the potential of an asset approach. Respondents felt that asset accumulation could be significantly useful in a range of settings. In fact, most INGOs already were engaged in a variety of asset-related projects or programs across all five mission foci, sectors and contexts tested. This finding underscores the practical relevance of an asset framework.

Climate change is forcing INGOs to seriously reconsider their disaster and emergency response and be more proactive with asset protection strategies. It is also one of the trends causing lines to blur between INGO approaches to disaster/emergency relief and long-term development. The growing concern about the ecological unsustainability of mainstream economic development policies, how they exacerbate “natural” disasters, and how they contribute to the loss of biodiversity, is compelling INGOs to recognize the strategic importance of natural capital in any poverty analysis or reduction strategy. Such trends means a fuller elaboration of the assets framework and a discussion of its practical applicability is both timely and welcome.

Objectives

This scoping study has two principle objectives. First, it provides a summary of current poverty reduction strategies of US and UK-based international non-governmental organizations (INGOs) with a special emphasis on the underlying frameworks that form the basis of their development interventions. Secondly, the study identifies the applicability of the asset accumulation framework to prevailing programmatic and advocacy strategies for poverty reduction employed by the INGOs. Specifically, this study addresses a number of questions pertinent to this issue, including the following:

- What specific analytical models and approaches currently inform poverty alleviation efforts in the INGO community?
- What are the practical differences between these approaches? How are their emphases different from those of an approach based on asset accumulation?
- What do they see as the “cutting edge” strategies for anti-poverty work today?
- What challenges and opportunities for poverty reduction do they see in the future?
- How useful is the asset accumulation framework to their current or future work?
- What possibilities are there for future collaboration among INGOs and with other partners?

During the interview stage of the research, it became clear that many of the INGOs in the survey are in the process of re-examining their poverty reduction strategies, as well as their organizational structures and financing. This moved the study beyond the original questions identified above, and in some cases affected the conclusions concerning the relevance of an asset accumulation framework. Additional issues included changes in development finance, the impact of global warming on INGO poverty reduction strategies, and the growing convergence of conservation and development interests.

This report consists of seven sections. Part 1 describes the rationale for the study, as well as its background in earlier research undertaken by Caroline Moser. Part 2 outlines the methodology used to conduct this research on INGO poverty reduction strategies, including the selection criteria for the INGOs studied. The analysis of the research findings begins in Part 3, where five significant determinants of INGOs’ approaches to poverty reduction are proposed and evaluated. Part 4 explores how INGO staff categorize and describe their conceptual approaches. It reveals some of the institutional realities which impinge on attempts to neatly place INGOs’ work in discrete conceptual boxes and points out that current approaches are likely to change because of major trends reshaping INGOs’ external environment. Part 5 assesses five such trends that are already influencing the context of poverty reduction interventions in developing countries or will do so in the near future. Part 6 discusses INGOs’ understanding of an asset-based approach and includes their evaluation of the relevance of an asset framework for their current work. The conclusions in Part 7 pull the analysis together and offer observations on why and how an asset-based approach can help address critical challenges in poverty reduction and sustainable development.

Part 1: Background

The asset accumulation research project

This scoping study is part of a Ford Foundation-supported research project on asset accumulation policy undertaken by Caroline Moser at the Brookings Institution. Her project comprises two interrelated phases: first, the completion of longitudinal research on asset accumulation and poverty reduction in Guayaquil, Ecuador, and the development of an asset accumulation strategy; and second, a dialogue and dissemination strategy with international NGOs (both US and UK-based with Southern partners) to identify their conceptual approaches to poverty reduction and to explore the utility of an asset accumulation policy for their work.

The overall objective of the ‘Intergenerational Asset Accumulation and Poverty Reduction Strategies in Guayaquil, Ecuador 1978-2004’ research undertaken in the first phase was to better understand the relationship between long-term household asset accumulation and poverty reduction. This investigation resulted in the development of an asset index to measure the different capital assets that households accumulate – physical, social, financial and human capital. This index allowed for the examination of the intergenerational transfer of household assets, and their impact on the economic and social mobility of the second generation – the children of the original households. Living in the same poor urban community, data was gathered over a twenty six year period using anthropological and sociological research methods. Children of the original households – both those still living in Guayaquil as well as migrants in Barcelona, Spain – were surveyed to gain a better understanding of intergenerational asset transfers. Research analysis, combining both qualitative and quantitative components, provided robust insight for the development of an asset accumulation policy.

The research and policy framework was disseminated through two workshops. First was the “Asset Accumulation and Sustained Poverty Reduction in a Globalized Context” Workshop at the Brookings Institution, Washington DC on June 27-28, 2006 which brought together 45 development experts – practitioners from government, academics, donors, and civil society who had a common interest in asset-based approaches to sustained poverty reduction. Participants came from countries such as India, Indonesia, South Africa, China, and Chile; Ford Foundation staff from the New York office, as well as from South Asia, China, and Russia, also attended. A second workshop organized in collaboration with FLACSO around similar themes was held in Quito, Ecuador on September 14-15, 2006. This provided another opportunity to share the concept of asset accumulation policy and the empirical research results from Guayaquil with Ecuadorian researchers and policy makers, as well as the very subjects of the study – community members from Guayaquil.

The second phase combines a number of activities to test the robustness and applicability of asset accumulation policy through a dialogue and consultation process. This process includes this background scoping study, which provides the opportunity to assess the potential of asset-based approaches to poverty reduction in the INGO community.

The asset accumulation framework

The asset accumulation framework presented in this study is conceptualized at the international level, and complements the Ford Foundation’s extensive work on community-based approaches to asset building in the US context. It contributes to current debates about social protection, livelihoods and asset accumulation, as well as the (re)definition of longitudinal, as against short-term, asset-based poverty reduction strategies. By way of a background to this study, it is useful to very briefly highlight some salient issues in terms of the three following basic questions¹:

1) *What is an asset?*

Generally, an asset is identified as a “stock of financial, human, natural or social resources that can be acquired, developed, improved and transferred across generations. It generates flows or consumption, as well as additional stock” (Ford 2004). The concept of assets or capital endowments includes both tangible and intangible assets. Capital assets of the poor are commonly identified as natural, physical, social, financial and human capital. In addition to these five assets, more recently identified asset categories include aspirational (Appadurai 2004), psychological (Alsop et al 2006), productive (Moser and Felton 2006b) and political assets, increasingly associated with human rights (Ferguson et al 2006).

2) *What is an asset-based approach?*

Asset-based approaches to development are rooted in the international poverty alleviation/reduction debate of the 1990s. This dialogue called conventional measurements of poverty into question; identified the multi-dimensionality of poverty and the relationship between inequality, economic growth and poverty reduction in the South; redefined the meaning of poverty itself; and elaborated new poverty-reduction strategies. Heavily influenced by Amartya Sen’s (1981) work on famines and entitlements, assets and capabilities, as well as those of Robert Chambers (1992; 1994) and others on risk and vulnerability, an extensive debate distinguished between poverty as a static concept, and vulnerability as a dynamic one. It defined concepts such as assets, vulnerabilities, capabilities and endowments, and developed policies to address the impacts of shocks by focusing on the assets and entitlements of the poor. The issues of risk and insecurity lie at the core of this “new poverty” focus. Insecurity is defined as exposure to risk, with the outcome – vulnerability – defined as a decline in well-being.

As the name implies, asset-based approaches are concerned specifically with assets and the associated asset accumulation strategies. This emphasis is closely linked to the concept of capabilities. Thus, assets “are not simply resources that people use to build livelihoods: they give them the capability to be and act” (Bebbington 1999). As such, assets are identified as the basis of agents’ power to act to reproduce, challenge or change the rules that govern the control, use and transformation of resources (Sen 1997). A review of current asset-based approaches shows there is not a single analytical framework or operational approach, but a range of both.

3) *What are the components of an asset accumulation framework?*

The framework distinguishes between:

An asset index conceptual framework which is an analytical and diagnostic tool to understand poverty dynamics and mobility.

Standard poverty statistics provide static, backward looking measurements. In contrast, asset-based approaches offer a forward-looking, dynamic framework that identifies asset building thresholds and measures movements in and out of poverty. This systematic, integrated approach identifies the links between different assets and their transformative potential through effective risk management. As such, it seeks to identify how to strengthen opportunities and dilute constraints. In focusing on the way in which the poor themselves construct their asset portfolios, it recognizes the importance of individual and collective agency and the links between asset accumulation and inequality, security, and political stability.

An asset accumulation policy is an operational approach to design and implement sustainable asset accumulation interventions.

An asset accumulation policy focuses directly on creating opportunities for the poor to accumulate and consolidate their assets in a sustainable way. It identifies asset accumulation as a precondition for empower-

ment, particularly economic empowerment. Over the past decade, alongside the range of poverty-focused frameworks has been the parallel design of a number of new anti-poverty programs. Foremost among those in the late 1990s was sustainable livelihoods, prioritized by bilateral development agencies such as the UK Department of International Development (DFID) (Carney 1998; DFID 2000) and international NGOs such as CARE and OXFAM. Today, influenced by the World Bank's *World Development Report 2000/2001: Attacking Poverty* (Holzmann and Jorgensen 1999; World Bank 2001), social protection policy has been widely adopted by donors, government and NGOs. The breadth of coverage of social protection policy is extensive, ranging from ex-ante risk protection and risk mitigation measures to ex-post safety nets.

What can an asset framework offer that social protection cannot? The apparent overlap between these different approaches makes it important to clarify more specifically how asset accumulation policy differs from – and complements – social protection policy. Table 1 summarizes the differences in emphasis in operational approaches. With such closely aligned objectives, interventions associated with one framework can complement to those of another. However, these two approaches remain distinct in several key respects and these differences result in the prioritization of different objectives and operational practices.

Table 1. Recent policy approaches to poverty reduction and their associated objectives

<i>Analytical framework</i>	<i>Primary objectives of operational approach</i>
Sustainable livelihood approach	Sustaining activities required for a means of living
Social protection	Provision of protection for the poor and vulnerable against negative risks and shocks that erode their assets
Asset accumulation framework	Creation of positive opportunities for sustainable asset accumulation

One difference is the way in which each approach deals with the issue of risk. As the name implies, an asset accumulation framework is concerned more specifically with assets and associated long-term asset accumulation strategies. Assets are more closely linked to growth and risk management; for asset accumulation, risk is an opportunity. Managing such risk is about proactively identifying and investing in opportunities, so the biggest risk is not taking a risk. For social protection, in contrast, risk is a danger, and risk management strategies are designed to defensively reduce or overcome the associated shocks, stresses and vulnerabilities. Thus, social protection places greater emphasis on protecting the poor so that the assets they have do not get eroded, or, if they are, on assisting in recovering them. Finally, livelihood strategies can be identified as overlapping with both assets and social protection. They are an evolving set of strategies to improve well-being through a combination of investment in assets and provision of protection to address vulnerabilities. As their name implies, these strategies are primarily concerned with well-being *per se*.

Part 2: Methodology

INGO selection criteria

Three broad types of INGOs were considered for inclusion in this study. The first type, which is referred to as a “relief” agency throughout the report, covers all INGOs that are engaged in disaster and emergency response efforts. The second type, which is referred to as a “development” agency, includes all INGOs that are engaged in longer-term poverty reduction and development efforts along the spectrum from individual and household interventions to macro-level policy and project work. The third type consists of INGOs whose primary efforts relate to conservation or other environmental aims. They are referred to as “conservation” groups in this report.

In order to identify as comprehensively as possible the broadest range of INGO approaches to poverty reduction, a number of criteria were used in the choice of INGOs for the study. The selection criteria generally fall into two categories: first, the substantive focus of the INGOs and second, institutional factors such as organizational structure.

Substantive focus

Mission focus

For the purpose of analysis, the broad categories mentioned above were disaggregated into seven specialized mission areas in order to provide more nuance in assessing the potential relationship between mission and the INGO's poverty framework. These areas included:

- short-term poverty remediation related to emergencies/disasters/relief work;
- long-term development focused on poverty reduction;
- peace work, often focused on refugees and in post-conflict settings;
- child welfare;
- hunger (in short-term and long-term settings);
- social justice; and
- conservation.

A diverse range of foci were considered in this study to evaluate whether mission had a consistent impact on the poverty reduction strategies employed by the selected INGOs and whether an asset accumulation framework is more appropriate for certain foci than others.

Poverty reduction frameworks

In order to test the usefulness of an asset approach, it was necessary to consciously construct as impartial a sample as possible. This was not an easy task. While development theory and INGO practice have evolved over the decades, there is no commonly agreed typology for categorizing INGO approaches to poverty. In order to include the greatest breadth of INGOs in the survey, candidate groups were selected based on known or stated "philosophical"² or strategic approaches to poverty reduction. These included:

- basic needs;
- rights-based;
- social protection;
- compensatory safety nets;
- sustainable livelihoods;
- community development; and,
- increasing empowerment/participation/voice.

This was perhaps the most critical factor for selecting the INGOs for the study. In order to avoid bias during the primary research phase, open-ended questions were used to enable respondents to categorize and define their approach as they wished, and to allow for multiple approaches as applicable.

Relation to "the field"

An important supposition advanced in this study is that the type(s) of relationships existing between INGO headquarters and the intended "beneficiaries" in developing countries is of critical importance

in understanding the organization's approach to poverty. The nature of these relationships reflects an INGO's underlying philosophy or mode of analysis. For example, the terms "the field" or "beneficiary" embody certain implicit assumptions, such as implying a subject-object relationship. The significance of these assumptions is not merely academic, and in fact they often define how an INGO operates.

The sample contains three non-operational INGOs that do not directly conduct development interventions: Bread for the World, CAFOD and Christian Aid. The former has no offices outside of the US and does not have "partners" in developing countries. It exists solely to do research, education and policy advocacy in the US. The other two work exclusively through partners in the South. In contrast, the vast majority of "operational" INGOs work both through field staff and partners. In addition, three networks comprising members in both the North and South are part of the sample: GROOTS, HelpAge International, and WIEGO. Analyzing the relationships for the three networks is more complex because they operate through a small group of paid staff in various locations as well as through volunteer labor of their members.

Institutional factors

Length of time in operation

The sample reflects organizations founded over a span of nearly 90 years. In terms of length of operation, the sample ranges from Save the Children UK, which was founded in 1919, to the WIEGO network, created in 1997. By selecting organizations established in different historical periods (and of different sizes), it was possible to achieve a mix in terms of groups' organizational maturity and stability, inertia and bureaucracy, innovation and flexibility. It seems reasonable to assume factors as important to an organization as those aforementioned influence its poverty reduction strategies.

Budget size

By most non-profit standards, almost all of the groups interviewed have large budgets. Indeed, in terms of scale and scope, some like World Vision US are the INGO world's equivalents of transnational corporations. World Vision has a staff of 23,000 people, operates in approximately 100 countries in any point in time, and runs on a global budget of over \$2 billion. World Vision US alone generates nearly \$1 billion in annual revenues. At the other end of the spectrum is the SHARE Foundation, employing 15 staff, operating in only one Southern country – El Salvador – and with an annual budget under \$1 million. SHARE, Bread for the World and the three relatively small networks are included in part to determine whether there is a correlation between budget size and poverty reduction strategies utilized.

Primary funding source

To avoid unintentional bias from a correlation between an INGO's funding sources and its chosen anti-poverty strategy, the organizations selected for this study receive funding from a broad range of sources. Some, like CARE UK and CARE US, Save the Children US, and Catholic Relief Services, receive significant portions of their revenues from government sources, while others, such as the SHARE Foundation and Oxfam America decline to accept government money. Heifer International, WWF, Bread for the World and Christian Aid rely principally on individual donors or members' contributions, while others, such as Conservation International, rely more on foundation grants.

Table 2. INGO profiles

<i>Organization</i>	<i>Year Est.</i>	<i>Scope (# Countries working in)</i>	<i>Annual Revenue (millions)</i>	<i>Main Revenue Source</i>	<i>Organizational Form</i>	<i>Relation to "the field"</i>
Action Aid UK	1972	31	£ 108	O (1): 57%	Family	FS, P
Bread for the World	1974	1	\$ 5	D (2): 78%	Singular	FS in US only
CAFOD	1961	45	£ 47	D (3): 70%	Singular	P
CARE UK	19xx	42	£ 41	G: 85%	Family	FS, P
CARE US	1945	70	\$ 624	G: 59%	Family	FS, P
Christian Aid	1945	50	£ 91	D (3): 73%	Singular	FS, P
CRS	1943	99	\$ 694	G: 56%	Singular	FS, P
CWS	1946	80	\$ 92	D: 34%	Singular	FS, P
Conservation International	1987	40	\$ 93	F: 48%	Singular	FS, P
GROOTS	1989	18	\$		Network	
Heifer International	1944	52	\$ 100	D: 88%	Singular	FS, P
Help Age International	1983	50	£ 11	G (4): 27%	Network	
Oxfam America	1970	26	\$ 79	D: 73%	Family	FS, P
Oxfam GB	1942	70	£ 245	D: 47%	Family	FS, P
Plan USA	1937	46			Family	
Save the Children UK	1919	42	£ 163	D: 43%	Family	FS, P
Save the Children US	1932	39	\$ 397	G: 46%	Family	FS, P
SHARE Foundation	1992	1	\$ 0.7		Singular	FS, P
WIEGO	1997	25	\$		Network	
World Vision	1950	100	\$ 902	D: 45%	Family	FS
WWF US	1961	100	\$	D: 56%	Family	FS

Annual revenues

This covers revenues for the organization where it resides (either in the U.K. or U.S.) for the latest year available. It does not include world-wide revenues for those organizations that are part of an international family, network, coalition, alliance, etc.

Main revenue source

G = grants: may be from foundations, governments, multilateral bodies – source(s) is/are unclear

F = foundation

D = donations and gifts

Gvt = government funds, including food aid in the U.S.

O = other

(1) This is from internal transfers within the ActionAid International family.

(2) Membership dues and contributions

(3) Emergency appeals and general donations.

(4) DFID and EU monies.

Relation to "the field" (i.e. how this organization works in the South)

FS = field staff present in one or more countries

P = operates through various types of support for autonomous partner organization(s)

Organizational structure

The sample contains many organizations that are part of large international federations, confederations or alliances. Such organizations are termed “families” in this study. These include CARE, Action Aid, Save the Children, Oxfam, Plan, World Vision, and World Wildlife Fund. In contrast, several INGOs have headquarters and the locus of fundraising in one country, such as Church World Service, Heifer International, and Catholic Relief Services. These are referred to as “singular” INGOs. Three groups in the sample exist as a “loose network” of various NGOs: GROOTS, HelpAge International and WIEGO. While the secretariats for these coalitions are based in the US or the UK, member NGOs of these coalitions span the globe. When possible, questions in the personal interviews attempted to ascertain whether and how organizational structure influenced strategy – and if so, what the direction of causality was.

Research implementation process

Phase one

The first step consisted of a desk review of twenty-two INGOs, extracting information relating to the seven criteria outlined above from INGO websites. Information was also obtained that related to such issues as: the scope of their operations in terms of the number of countries worked in; the style of work performed, such as direct service provision, policy advocacy, organizing, education; and the sectors and contexts in which they worked. Due to the unevenness of information available on sectors and contexts, further insight was gained during the primary research-gathering phase with interviewees.

Following the initial investigation, two INGOs were determined to be either duplicative or less relevant and consequently dropped; one INGO was added to compensate. A crosscheck of the sample was made by Caroline Moser in consultation with some of the Ford Foundation’s country directors to determine which INGOs they collaborated with in the field. In order to test the “weight” of the US portion of the sample in terms of their influence within the development community, the sample was compared with a membership directory for InterAction, the umbrella organization for US development-oriented NGOs. Six INGOs in the sample sit on its board: Bread for the World, Church World Service, CARE US, Heifer International, Save the Children US, and World Vision.

Phase two

To prepare for the primary research, a questionnaire consisting of both structured and open-ended questions was developed. The questionnaire was tested with a small sub-set of the INGOs to solicit feedback and ensure the fullest and most relevant responses. Small modifications were made as a result. The final questionnaire can be found in the Appendix. Each INGO was contacted by telephone and email to ask for their cooperation with the study. The first point of contact was based on a pre-existing relationship with a project staff member, or on the recommendation of a development professional. Once an initial contact was made, INGOs were free to suggest other or additional staff to interview. The Acknowledgements contain a list of those interviewed.

Phase three

A total of 34 staff from 21 INGOs were interviewed in person or by telephone. In-person interviews were conducted with 16 of the INGOs surveyed, and involved multiple individual or group meetings. This included meetings held in England with staff of eight organizations related to the seven sample UK INGOs.³ Where necessary, any follow-up needs for information were handled by telephone or email.

The extremely busy schedules of INGO staff posed a challenge in arranging interviews. Consequently, the primary research lasted four months, which was longer than originally anticipated. Several groups warmly welcomed the opportunity to discuss their poverty approaches because it coincided with internal reviews or transitions (see Main Findings for more details.) Many of those interviewed graciously devoted more time to the interview process than initially promised, and were notably open and thoughtful in their responses.

Phase four

Project participants were asked to review a copy of the report for accuracy and completeness. Highlights of the report were shared at the May 30-31st workshop. The report was then revised based on participants' written comments and feedback.

Level of confidentiality

The interviews were implemented under terms of limited confidentiality. Interview subjects were told that the study would not quote them, even anonymously. Instead, the paper would discuss common themes and identify trends in INGO activities and actions. Certain organizations might be listed generally as examples relating to particular points. Raj Waghray of Church World Service asked to review the interview notes and approve them, regardless of how they were to be used. She was given this opportunity, made minor amendments, and then approved their use in whatever way the researcher wanted, including directly quoting her. This was the only INGO to ask for prior review and to consent to direct quoting. Participants understood that their name and affiliations would be listed in the report.

Limitations of the methodology

Given time and financial constraints, this is not intended to be an empirically robust research study. It is not based on a statistically significant, random sample of INGOs, and quantitative methods were not employed to test for correlations between key variables (INGO characteristics). The universe of the sample was limited to a small sub-set of several of the main actors within the English-speaking development community based in the United States and England, and an even smaller number of conservation INGOs. For instance, there are approximately 160 development-related INGOs that are members of InterAction. Moreover, the accuracy, depth and comprehensiveness of information obtained was also limited by the number of people interviewed for each INGO. For slightly more than half of the sample (12 INGOs), only one person was interviewed. Two staff were interviewed for 6 INGOs, and more than two for 3 groups in the sample.

Part 3: Determinants of INGO approaches to poverty reduction

Introduction

This section evaluates five factors for their potential influence on INGO poverty frameworks and operational strategies. The factors are summarized as follows:

- **History:** This includes both organizational history, as well as the historical time period in which the INGO was founded.
- **Mission:** This refers to their overarching task, or the end goal(s), the INGO sets for itself.
- **Organizational structure:** This factor comprises an interwoven set of issues. It relates to whether the INGO is part of an international federation or family, a stand-alone, or a network. It also

refers to whether the INGO itself directly works in the South, i.e. is “operational”, or works indirectly, i.e. is “non-operational”. Finally, if the INGO is “operational”, this factor also entails how field staff and any partner groups relate to headquarters.

- **Funders’ interests:** In addition to the financial analysis of recent INGO budgets in Phase 1 research, when time was available, interviewees described the relative influence of funders’ preferences in shaping INGO strategies in Phase 3.
- **Current development theory:** This refers to current intellectual and political discourse and the extent to which it shapes the paradigm that the INGO uses.

The primary research interviews were predicated on the assumption that an organization’s definition of poverty influences the strategy or strategies employed to address it. This assumption itself carries with it two prior assumptions. First, that each organization has a clearly articulated, common definition of poverty. Secondly, that INGOs have one or more clearly articulated, common strategies for addressing poverty. Interviews revealed that neither of these foundational assumptions is necessarily accurate.

Few groups had a single unifying document that described their understanding of the nature of poverty or their strategies for counteracting it. Examples of groups that said they did have such a document are: Christian Aid (1998 – now being revised), Conservation International, GROOTS, and Heifer International. Some of the groups interviewed had multiple documents, such as Bread for the World, CARE UK and US, Oxfam UK, and World Vision. Many had no formal written strategic assessment for staff or the public (PR material on their website notwithstanding). Examples in this category are: CAFOD, Plan USA, SHARE Foundation, WIEGO, and WWF.

Where documents exist, there appears to be significant problems with staff buy-in and consistency in their application at all levels -- across units, country offices, and family/federation members. One might expect that difficulties in achieving a coordinated approach are multiplied for those organizations without an analytical framework document to serve as a rudder for staff. However, the lack of consistency and uniformity in staff analyses and actions might not always be a problem. Such an absence could signify an organizational culture that allows, if not encourages, creativity, innovation, and more local ownership of analyses and bottom-up development plans.

History

Who cares about poverty? Do people organize in their own societies to address poverty amongst themselves and to address it in other societies? These questions have very different answers depending on social norms, historical contexts, and political cultures of peoples and nations. Indeed, the very existence of civil society organizations addressing poverty in the North or South cannot be taken for granted. The evolution of INGOs with their mission statements and strategic plans has been profoundly shaped by their own organizational history, as well as the broader historical forces at work in the world around them. Within this study sample, this point is perhaps most clearly evident in terms of those whose initial focus was on meeting the needs of refugees, orphans and others living in the middle of and aftermath of war.

The oldest INGO in the sample, Save the Children UK, was founded in 1919 as a response to conditions following WWI. In this instance, British women were concerned about the malnutrition of children in Germany and its allies devastated by the war. Plan International started as a charitable response in the US to the needs of

Spanish Civil War orphans. The Second World War provided the backdrop for the genesis of several INGOs as well. For instance, CARE launched itself in the US with the provision of what became a cultural icon, the ubiquitous “Care package” of food to alleviate hunger among Europeans. Catholic Relief Services started out resettling WWII refugees while Oxfam GB emerged out of a response to deal with famine in Greece during the Allied naval blockade there. World Vision had its origins in a US response to children’s needs during the Korean War. One of the youngest INGOs in our sample, SHARE, was a response to the civil war in El Salvador.

For the organizations described above, as well as others that share similar origins, the relationship between current mission and the initial humanitarian activities remains strong. The mission is to address an immediate emergency. The emergency evokes a charitable response to meet basic needs. The needs generally are seen as temporary, limited in type and in geographic scope. The problem has an “obvious”, straight-forward, and apparently achievable solution. Funding is initially provided through individual donations. There is clarity in the relationships between the initial problem’s cause and effects, the funding strategy to address the problem, and the impact of funding.

For the INGOs in the sample that have or had child welfare as a core mission, such as CARE, Action Aid, Plan, Save the Children, and World Vision, individual donations for child sponsorship remain a significant source of funds and meeting basic needs remains a core strategy. Similarly, addressing refugee needs and obtaining government funds to do so remains a significant portion of Church World Service and Catholic Relief Services’ mandate; while addressing hunger through large government food aid is a major aspect of the work of groups like CARE and Catholic Relief Services.

Only four development INGOs in the sample – Action Aid UK, Bread for the World, CAFOD, and Oxfam America – were founded in the 1960s or 1970s. They were established at a time when the political and economic factors influencing poverty were rapidly changing and the geographic scope of work was enlarging. Many nations were gaining independence from former colonial powers and thus expanding the size of the United Nations. A new “Third World” consciousness was emerging. A range of human rights was internationally officially recognized. The United States and Russia were battling out the Cold War in developing nations. These new political and economic conditions required a more complex and longer-term humanitarian response.

In the United States, the 1960s and early 1970s were times of social unrest with renewed attention to domestic poverty and inequalities. This posed philosophical questions for the new US development INGOs: To what extent would these four new poverty-focused development organizations be exclusively outward-looking? Bread for the World charted its advocacy path to address both domestic and international hunger and poverty issues. Oxfam America took a more outwardly-focused stance, but today does engage at times in very selected advocacy efforts on behalf of poor and marginalized Americans. CAFOD and ActionAid UK invest in significant education and mobilization of constituencies in England and Wales and the UK, respectively, on behalf of development issues, but apparently do not directly work on poverty as it occurs in their home country.

At the same time, the older INGOs faced a “mission crisis” after Europe’s economy rebounded. Would they just evaporate because their original purpose was no longer relevant? Or would they transform themselves to meet new challenges and conditions related to poverty in other parts of the world?

More recent historical conditions relating to globalization of the economy raise more questions as to whether INGOs' analyses of poverty are changing, and correspondingly, their strategic responses. To what extent are they creating an analysis of global poverty as opposed to one relating only to the South? Do those INGOs that work both at home and abroad develop domestic and international poverty analyses independently, or in conjunction with each other? Interviews suggest that many groups working in both the North and South developed and implemented those respective poverty reduction frameworks and strategies in "silos". This appears to be changing slowly, at least for the larger, older INGOs. The organizational structure section below provides a further discussion as to how these questions play out operationally for INGOs.

The two conservation organizations in the sample, Conservation International and World Wildlife Fund, were established at very different points in time in the evolution of conservation and environmental movements. However, it is beyond the scope of this study to investigate how the historical context affected the paradigms adopted by them. It would be interesting to explore this, however, and conversely, to explore the extent to which the poverty and development-oriented INGOs' missions and strategies have been influenced by environmental trends and movements.

This research shows that history does matter. History plays a major role in shaping INGOs' current analyses of poverty and intervention strategies. At times, organizational history can serve as a great asset, lending credibility and depth to interventions. Whether recognized or unconscious, organizational history often shapes strategy, funding, and even organizational structure. For many of the larger, older INGOs, history translates into organizational inertia. This means that as conditions change, new approaches to addressing poverty are simply appended onto existing methods. A staff person from one in this group explained that their INGO operates by accretion. According to this person, they have never dropped any approach used. Rather, this INGO just adds on new approaches and tries to fit them together or reconcile them.

Mission

As identified in Table 3 on page 25, the INGOs interviewed have one or more of the following goals central to their mission: emergency/disaster relief; peace, including post-conflict reconstruction and resettlement; long-term development; social justice; conservation; and child welfare. Some, like Bread for the World, Heifer International, and Oxfam America, explicitly state addressing hunger as a separate aspect of their mission, apart from poverty or development.

At the outset, this study assumed that mission significantly impacts practice and strategy. For instance, it seems obvious that those working to address the needs of refugees or victims of disaster generally utilize strategies to meet short-term basic needs, such as shelter, food, water and sanitation. Child sponsorship generally involves a welfare or charity approach that begins with meeting the needs of children. Those working on development adopt longer-term strategies that focus on, for instance, building schools and clinics, digging wells, improving agricultural methods, organizing communities. Conservation groups specialize in scientific research, technical interventions, and some policy work.

The research identified at least three examples of INGOs that are clearly and consistently applying a poverty reduction strategy in line with their original mission. Plan USA, Heifer International, and World Vision

apply a common formula for their work across countries and regions, one that has remained fairly constant over time, even as the organizations are slowly expanding or modifying their strategies and programs.

However, for the majority of the sample, mission category boundaries are not always as cleanly distinct. Aside from NGOs involved in relief work, there is not necessarily a consistent relationship between mission, analytical framework, and strategy. This makes generalizations and conclusions about the connections between conceptual frameworks employed and mission messy and difficult.

Perhaps the most striking illustration of this difficulty is the difference between UK and US-based INGOs. It is well known, and was certainly corroborated in the interviews, that while the UK and US affiliates of the same INGO family may share the same overall mission, their strategies diverge. Areas that reflect this include, for instance, the use of food aid, direct cash transfers, climate change or approach to Palestinian issues. Such differences highlight the importance of the political context and culture of the home country, as well as primary funding sources, which is often a related factor.

The second reason why it is difficult to draw inferences between mission and poverty reduction frameworks relates to organizational evolution or, as at least one staff person described it, “mission creep”. If one compares the date of establishment of the INGOs in Table 2 with the mission foci in Table 3, one can see that all the organizations that started as a response to war, famine and immediate suffering have expanded to take on broader agendas. The extent to which analytical frameworks have evolved to match this practical expansion of activity varies. Analytical frameworks have certainly not evolved in tandem with “mission creep” in all or even most cases.

Many of the groups like Save the Children UK, Action Aid, World Vision, and Plan USA, which all started out focused on child welfare, are illustrations of uneven and divergent evolutions. Each now places greater emphasis on entire communities and broader economic development strategies rather than on individual children. Yet, the speed and direction of change among them is not the same. World Vision, for example, now makes a 15-year commitment to particular areas with an attempt to meet basic needs of families and communities, not simply the needs of individual children. However, projects still focus on what can be labeled as community basic needs: health, nutrition, education, water and sanitation. At present, World Vision US is attempting to develop a more comprehensive and sophisticated economic development strategy. It also recognizes the need to prepare to operate in urban settings because of the shifting demographics in many developing countries in which it works. Save the Children UK now has an economic development program to improve livelihoods of adults, acknowledging the importance of addressing the poverty of parents in order to address child poverty. ActionAid UK has adopted a strong rights-based approach and now focuses more on policy and campaigning, de-emphasizing basic needs strategies despite the fact that child sponsorship remains a significant revenue stream. Plan USA sees itself as strong on empowerment and participation, and community self-reliance. It wants to strengthen its ability to work on economic issues and to do so is establishing a pilot project as a joint venture with Jeffrey Sachs’ millennium villages. One of the ways Plan is evolving is to change its model from a needs-based approach to one supporting individuals and communities in contesting their rights.

ActionAid, founded with a focus on child welfare in the UK in 1972, is the relative youngster among the INGOs. As discussed above, it entered the development community facing a very different politi-

cal context than its predecessors. Nonetheless, it is undergoing a profound transformation in terms of poverty analysis and strategy, as well as international structure. ActionAid UK, along with some other older groups, such as Oxfam, CARE and Heifer International, illustrate an important trend among one portion of the sample. In their move from “charity to justice”, these organizations are in different phases of metamorphosis in terms of taking on a policy advocacy agenda as part of their poverty-reduction strategies. Heifer International, for example, recently opened a Washington, DC office. CARE developed a policy advocacy manual for field staff that is in various stages of implementation. ActionAid International is championing a rights-based approach, even if it is not yet fully operationalized throughout its organization. As organizations take on, or extend, their policy advocacy into new arenas, they may develop a more structural analysis of poverty.

Such transformations suggest the following tentative conclusions and questions concerning the relationship between mission and poverty alleviation frameworks and strategies:

1. The older and larger INGOs are more comfortable with technical solutions to poverty. This may be their comparative advantage as they generally have more staff with professional expertise in particular areas such as agronomy and engineering. Does the increasing capacity of Southern nations and NGOs to handle the technical aspects of development pose particular adjustment problems for these INGOs? Are the Northern INGOs who are used to providing quick or technical fixes evolving in their missions or strategies? Is micro-finance the new technical frontier for them?
2. The INGOs which do not have the technical expertise or depth on practical matters of economic development are more likely to focus on policy advocacy, rights-based education and campaigns. Does a lack of experience in the nuts and bolts of development projects weaken an INGO’s effectiveness?
3. The older faith-based INGOs with formal ties to religious institutions and constituencies such as Church World Service, Catholic Relief Services, CAFOD, and Christian Aid are more familiar and comfortable with structural analyses of poverty because of various intellectual and theological traditions, such as Catholic Social Thought and liberation theologies. This may or may not translate into their adopting bolder poverty reduction strategies that challenge the status quo compared with their secular peers. The North-South institutional ties of these faith-based INGOs affect their understanding of their mission, and hence their analytical frameworks and poverty strategies. This is elaborated upon below.

Organizational structure

For the purposes of this study, we consider two interrelated aspects of organizational structure and their influence on INGOs’ poverty reduction analysis and strategy. The first aspect concerns whether the organization is a stand-alone entity or part of a large federation, confederation or alliance of INGOs. The sample includes examples of international “families” such as Plan International, CARE, and WWF. The sample also includes national development and relief arms of the Catholic Church (CRS and CAFOD) and Protestant denominations (Christian Aid and Church World Service). These four INGOs practically and politically are tied into larger, international church structures in ways

that make them resemble the secular INGO federations and alliances. Three networks in the sample – WIEGO, GROOTS, and HelpAge International – also fit with these more structurally complex INGOs because they have autonomous members in several countries, and network staff and volunteer leaders reside in various locations.

How does structure affect an organization's poverty reduction framework and strategies? In theory, structure may determine information gathering and decision-making processes, resulting in different types of analyses and plans. CAFOD, for example, as the official relief and development arm of the Catholic Church in England and Wales, takes its first partners of choice in any country to be other Catholic agencies and organizations. This expectation amounts to inherent parameters for the type of analysis and work that CAFOD can promote, depending upon the social and political position of the Catholic Church in any particular country. Similar conditions exist for Protestant development and relief agencies that are expected to work with, and through, national councils of churches. Such pre-ordained relationships can skew how the agency approaches poverty reduction.

One distinguishing feature of the four religious relief and development organizations is their longevity in the field, with staying power longer than most INGOs. This very long-term commitment, accumulated institutional memory, and experience with local conditions might be expected to result in a more complex poverty analysis and the implementation of longer-term strategies, although the study cannot confirm this. The pre-existing institutional relationships also offer a form of built-in accountability that is missing for some other INGOs, another way organizational structure may influence analysis and practice.

The second component of organizational structure consists of an INGO's operational status. Does the INGO have field staff in the South? Does it work through separate, autonomous NGOs in country? Does it utilize both methods? How autonomous are the different parts of an INGO? Size, organizational architecture, politics and culture combine to influence the extent to which planning and decision-making are centralized or decentralized. The INGOs interviewed had diverse and often complex ways of relating to their own field staff and organizations in countries with whom they collaborate. The term "partnership" is frequently used, and to a lesser extent "solidarity", but with varying understandings and implications for decision-making authority, program design, and funding relationships.

Mission and structure appear to be closely intertwined for three of the networks studied, the one-country solidarity model of SHARE Foundation, and the aforementioned four religious INGOs. In these examples, mission and the related strategic analysis and program seem to drive structure, although it was not possible to check this supposition with staff.⁴ It is worth noting that CAFOD, Church World Service and SHARE all describe their strategic approach to poverty reduction as a "partnership" or a "solidarity" model. Although CRS and Christian Aid do not, there might be an implicit assumption about this as an aspect of their approach. While GROOTS describes its analytical and strategic approach as focused on community development and participation, it functions and is structured along the lines of mutual solidarity.

For the other INGOs in the sample, there is not necessarily a link between structure and approach. Furthermore, if some causality exists between the two, the direction is not so clear. Those INGOs that

are larger and more complicated in structure possibly have a greater ability to pursue multiple strategies simultaneously. Moreover, it cannot be assumed that there is a consistency in the approach to poverty across units. Several groups described gaps between headquarters and field offices, major differences between regions, and consciously planned or unconsciously developed inconsistencies between various Northern members of alliances in terms of philosophy, policy positions, and strategies pursued. Similarly, it is possible that INGOs that have a stronger connection to the field (through the presence of in-house field staff and country offices) may apply different strategies than those who are non-operational and only work through partners.

Although the feedback mechanisms between learning from the “field” and headquarters are often loose and informal, and decision-making systems for Southern program and policies are complex, on-the-ground experience is a critical and oft-cited factor in shaping INGOs’ work on poverty. In fact, INGOs such as CARE US, Christian Aid and ActionAid International have recently hired, or are in the process of hiring, staff whose responsibility is to institutionalize organizational learning and thereby ensure that field activity is assessed more systematically and shared more uniformly. This is intended to be applied both horizontally (South-South) as well as vertically (South-North). The analyses and strategies may shift if they are influenced more by Southern voices and perspectives. In fact, one interviewee provided an example of existing North-South differences in approaches to poverty reduction within his agency. He revealed that field staff in his organization often want to continue working on basic needs long after the local residents want to shift to improving livelihoods.

- Some INGOs in the survey are undergoing major structural transitions that are affecting their strategies for addressing poverty, as illustrated by the following examples:
- Save the Children UK went through a radical restructuring in 2005 designed to compliment project interventions with policy advocacy and analysis, and is in the process of capacity building at the country level to link micro interventions with national policy work in country.
- Save the Children International has been structured such that each Northern member of the alliance is operating field offices in numerous countries, often resulting as many as four to five Save offices in one country. The Save family has decided to slowly collapse its multiple offices in order to achieve a “unified presence”. In the future, each Southern country office will report to only one lead Save member. Understandably, this is producing many growing pains as different policies, staffs, logistical arrangements, and procedures have to be reconciled on a case-by-case basis for each country involved.
- A different, but equally challenging, transition is transforming ActionAid’s structure to enhance the role of its Southern offices. Consequently, the INGO is moving to be more Southern-led with all Southern offices legally independent and on par with all Northern offices in the larger structure. As part of the internationalization process, they will adopt a unified country program structure. International directors based in the new Johannesburg headquarters will make budget decisions. AAI will “own” all the programs. As Southern offices gain more institutional power with respect to planning and allocating funds, the organization’s emphases, if not its specific strategies, are expected to change. Just how this will translate programmatically is not yet clear.
- World Vision has launched a pilot project for Central America that shifts more decision-making power and resources to the field. Since this has only just begun, it is too early to tell what the impact will be.

- While CARE International is not engaged in major restructuring, it has just adopted a new alliance-wide strategic plan in 2006 intended to last about 5 years. The staff feel that the new plan does not represent a major departure in terms of strategy. However, the new plan will develop “centers of excellence” around key themes, which is intended to affect CARE’s conceptualization of poverty.

Funders’ interests

The INGOS surveyed received financial support from a variety of sources. These included multilateral sources such as the EU, World Bank, and UN agencies; US and UK government foreign assistance funds; foundation grants; individual donations; membership dues; and internal transfers from other affiliates. (See Table 2 for a list of the primary source of funds.)

The diversity in financial arrangements in part reflects philosophical differences. For example, Oxfam America and the SHARE Foundation do not accept government funds as a matter of principle. Those such as CARE UK, CARE US and CRS receive more than half of their funds from government sources. For at least these two U.S. groups, and perhaps others, food aid plays a major role in financing as well as programs. Reliance on food aid has influenced many U.S. INGOs’ positions on such matters as U.S. trade and agricultural policy and has been a contentious subject within the U.S. development community and internationally. Interviews revealed some INGO sensitivity to working on poverty, peace and development issues with Palestinians because of perceived political risk with certain donors.

As mentioned in the history section, in some instances the original organizational mission influences which source of funding are pursued. Many of the child sponsorship INGOs, for example, still obtain a significant portion of their income from individual donors, while many of those focusing on refugee and disaster relief from the United States obtain sizeable quantities of food aid. Both of these financial sources are for restricted uses only, and consequently tie the programmatic hands of the INGOs in tighter ways than some other sources of funding.

Mission drives funding in other ways as well. Many of the faith-based INGOs, particularly those with formal, official ties to religious bodies, find that they have a reliable, built-in funding mechanism through regularly programmed donation drives in congregations and religious schools. This helps to smooth out the funding cycle by providing a more reliable and steady source of income.

Interestingly, many of the organizations with the heaviest reliance on one revenue source depend on individual donations. These include Bread for the World, CAFOD, Christian Aid, Heifer International, and Oxfam America, where the share of income from this source ranges from 70-88%. While it is not possible to generalize about this group in terms of the relationship between funding source and poverty approach, it does raise two important questions. Do groups with a strong reliance on individual donations need to spend more money and time cultivating and maintaining an excellent public relations effort or invest more effort in ongoing constituency and donor education? If this is true, does this affect the institution’s analytical frameworks or strategies?

Some UK and US INGOs are trying to diversify their funding, and thus obtain greater “space” to pursue poverty reduction strategies of their own choosing. For instance, ActionAid UK raises about 60% of ActionAid International’s entire budget. While child sponsorship money is a diminishing revenue stream, even if a steady and significant one, UK staff are now encouraging donors to go from restricted to un-

restricted giving. Like ActionAid UK, CARE US is trying to reduce the percentage of its funds that are restricted. Outside forces may assist in this effort as food aid funds shrink, with the organization looking for new sources of funds to replace those previously provided by the US government.

This study was unable to explore the challenges conservation organizations have faced in raising funds to work on poverty reduction, and the extent to which funding sources have influenced this work. Nevertheless, both Conservation International and WWF have successfully raised resources for various efforts around livelihoods, poverty mapping and family planning programs.

While INGOs would like to consider themselves independent from their benefactors in terms of setting the course of their anti-poverty work, to some extent all recognize the power of the donor. In fact, several staff admitted that accountability, especially for larger INGOs with substantial government funding, tends to be upward towards the government funder, rather than towards the base or grassroots. USAID results-based management has profoundly shaped the way large US INGOs do business, from the allocation of staff time to project conceptualization, monitoring and evaluation. It is not clear whether the same can be said for DFID and UK INGOs. The greater the diversity of sources for funding, and perhaps the greater reliance on individual donors, the more likely that the INGO can finance certain activities that are more experimental or otherwise are not “popular” with any particular foundation or public agency. This reality has prompted some INGOs in the UK and US to look for new sources of funding for development projects.

Current development theory

INGOS vary in terms of their desire and ability to have professional economists, sociologists, anthropologists, political scientists and others on staff to keep abreast of trends in development theory. As one interviewee observed, in the 1980s, the organization expected great ideas to come from the field, but now expectations have shifted to a greater reliance on intellectuals sitting at headquarters. Those INGOs with staff following development debates and trends may find that they do not have the level of experience to translate theory effectively into practice at the implementation level.

Nonetheless, many, but by no means all, of those interviewed are aware of various trends in the academic and professional literature. Most notably, staff were aware of World Bank poverty debates – given its direct influence on development finance and macroeconomic conditions in developing nations – and to a lesser extent, those of specialized UN agencies such as UNDP. In some cases, senior staff had previously worked at the World Bank or the International Monetary Fund (IMF), including Oxfam GB, CWS, Save the Children US, and Bread for the World.

In a few INGOs, such as Conservation International, the staff regularly contribute to professional journals in relevant fields, and thus help to shape the larger debate about development or conservation theory and practice. Christian Aid commissioned white papers from think tanks and academics on a variety of topics. This has assisted in deepening its analysis in preparation for developing a new strategic plan and may represent a more financially and intellectually manageable way for mid-sized INGOs to assure their thinking remains rigorous and fresh. The aforementioned decision on the part of some INGOs to hire staff and establish more formalized mechanisms for institutional learning is another positive development.

Another link between INGO anti-poverty strategies and prevailing development and conservation theories is, of course, their source of funding. Institutional funders such as government agencies, UN bodies, the IFIs, and foundations are more likely to monitor and produce studies and host various seminars and conferences to promote professional discourse on development and conservation. These same bodies then use these findings to shape their funding priorities.

The Millennium Development Goals (MDGs) represent the culmination of just such an intellectual debate, and because of their high profile, many funding sources are devoted specifically to these objectives. Therefore, INGOs are often forced to accept inconsistencies between the MDGs and their own conceptualizations of poverty. Although the MDGs operate on a policy rather than theoretical level, important theoretical and political assumptions are embedded in their formulation and the campaigns developed to achieve them. For some staff this has created conflicts between the conceptual underpinnings of the MDGs and those underlying the INGO's mission. One respondent explained that the MDGs include no power analysis of institutions and the forces shaping the political and economic conditions that determine whether any of the MDGs are realized. For example, no goal directly refers to employment, unemployment, livelihoods or corporate responsibility in the global economy. There are no specific references to rights that, for example, protect laborers or ensure access to natural resources such as water. Consequently, this person found it difficult to support the MDGs and pursue a rights-based approach at the same time.

Part 4: INGO poverty reduction approaches

This study posed open-ended questions about each INGO's approach to poverty reduction in order not to preempt answers on this issue and thereby bias the research. This permitted groups to name one or more approaches, define them, and analyze their organization's use of them as they wished. Not surprisingly, this revealed many complications, confusions, and contradictions. The ability of staff members to think analytically about poverty varied greatly, as did their efforts to be intellectually rigorous in approaching their work. A diverse group of INGO staff were interviewed, ranging from analysts who had devoted a great deal of energy to thinking critically about poverty reduction, to development practitioners who preferred action over extensive thought.

The most commonly-used terms to describe approaches to poverty reduction were: livelihoods, rights-based, and basic needs. A few labeled their framework as involving "empowerment" or participation. Only one, Heifer International, squarely located their strategy within an asset context. Some people did not attempt to offer a term to categorize their particular analytical or theoretical framework. Instead they preferred to elaborate on methodologies such as policy advocacy, campaigning, and child sponsorship. In at least one case, staff did not think an analytical framework existed or was used.

As is evident in Table 3, most groups pursue multiple approaches. Save the Children UK, for example, finds that it is split between working on symptoms and root causes, which leads to separate strategies for each goal, as well as a tension between micro and macro-level interventions – a struggle it shares with others in the sample group. Very few INGOs pursue only one approach. Church World Service, ActionAid UK, HelpAge International, and the Share Foundation were among those who identified most clearly with only one distinct mission. This theoretical uniformity does not mean, however, that in practice these organizations necessarily limit themselves to one approach or that there is internal consistency between how interviewees categorize their approach and what actually happens on the ground.

Both within and between INGOs there were different definitions for the same concept or approach. This makes it virtually impossible to create any kind of meaningful typology. Perhaps the best example of this was the use of the term “partnership”. Many organizations implement projects and programs through autonomous, in-country NGOs that they call partners. In some sense, all but the three networks and Bread for the World might be termed as having a “partnership approach”. However, groups like CWS, SHARE, GROOTS, ActionAid and CAFOD prefer to use the term “solidarity” and distinguish it from partnership. In this case, “solidarity” might better be described as a stance involving a subject-subject relationship, a form of accompaniment assuming mutual transformation. The types of projects or strategies an INGO pursues with their partner can vary across the board, ranging from the provision of basic needs to community development to a complex international advocacy campaign. In the “solidarity” mode, it is the attitude that matters, not the actual poverty framework *per se*. For Share, “partnership” means taking a back seat and not acting when partners can act, not taking a proactive role. Other INGOs that work through partners find that their staffs take a more proactive role in formulating strategies for poverty reduction, if not also the actual program or project priorities. However, they too, may pursue a mix of strategic frameworks and operational practices under the label “partnership model”.

Other examples of definitional inconsistencies are:

- Some of the UK INGOs, who are part of a campaign to advocate for direct cash transfers to the poor, use the term “social protection” to mean national welfare programs. Some people interpret this as a “welfare approach”.
- For others, a “welfare” approach means interventions to meet people’s basic needs – such as providing food, health care, and housing.
- In the past, offering “social protection” comprised short-term, targeted public programs known as “safety nets” to help selected groups overcome temporary hardships.
- Some people thought community development meant organizing or rights-based education, while others pictured this strategy in terms of bricks and mortar-type projects related to water and sanitation, housing, and schools.
- Depending on the organization, a livelihoods approach meant: skills training; microfinance and microentrepreneurship; direct provision of assets such as the acquisition of seeds and livestock; policy advocacy to affect the economic climate and job creation; and, working on improving the value-chain for producers.

Similarly, the lines between various approaches can be rather unclear. One area where this was particularly evident was the distinction between livelihoods and asset-based approaches. Some of the livelihood activities mentioned in the final bullet point above clearly can be considered as helping people accumulate assets, so it is not surprising that separating a livelihoods approach from an asset framework may not be seen as relevant by some INGOs. Conceptual boundaries were particularly indistinct among approaches emphasizing solidarity or partnership, community development and human rights. Community development strategies may or may not involve rights-based education and organizing, and in some responses included the provision of basic services.

INGOs with multiple approaches may find that they are not theoretically or politically consistent with each other. Equally, some INGOs differ in terms of their understanding as to whether poverty

models clash or are complimentary. For instance, one staff person felt that MDG work essentially addressed basic needs, and that this was difficult to reconcile with a rights-based approach. The possible tension for INGOs between organizing communities to claim their rights *vis a vis* the State and working to directly provide basic services such as health care, water, and education is exacerbated as more public services are being privatized, with NGOs or INGOs seen as the answer to filling the gap between market and State provision.

Table 3. INGO mission foci and poverty reduction approaches*

<i>Organization</i>	<i>Mission/Focus</i>	<i>Poverty Reduction Approach</i>
Action Aid UK	Poverty	Rights-based
Bread for the World	Poverty, Hunger	Livelihoods, Basic Needs, Empowerment
CAFOD	Poverty, Social Justice, Relief, Development, Peace	Livelihoods, Partnership
CARE UK	Poverty	Household livelihood security
CARE US	Poverty	Household livelihood security
Christian Aid	Poverty	Livelihoods, Rights-based
CRS	Peace, Relief, Development, Poverty, Social Justice	Sustainable livelihoods (modified)
CWS	Poverty, Peace, Social Justice	Solidarity
Conservation International	Environmental Conservation	<i>Still to be determined</i>
GROOTS	Poverty	Community Development, Participation
Heifer International	Poverty, Hunger, Environmental Conservation	Livelihoods, Asset Accumulation
Help Age International	Poverty	Social protection
Oxfam America	Poverty, Hunger, Social Justice	Rights-based
Oxfam GB	Poverty, Social Justice	Livelihoods, Basic needs
Plan USA	Child Welfare	Community self-reliance
Save the Children UK	Child Rights	Social protection (ck)
Save the Children US	Child Welfare	Basic needs, Household econ. security
SHARE Foundation	Poverty, Peace, Social Justice	Empowerment
WIEGO	Poverty	Rights, Voice, Solidarity
World Vision	Child Welfare	Basic needs, economic dev.
WWF US	Environmental Conservation	Livelihoods, Rights, Empowerment

* Categories of approaches are derived from mission statements and interviews.

It is important to recognize that the public face of the INGO may belie internal objectives as articulated at headquarters. For example, child sponsorship organizations discussed how they are really adopting a community development or rights-based mode even though their donor base may still perceive their primary activity to be supporting individual children. Thus, what appears on websites, for example, may be very different than how staff describe their work.

Given the complexity of responses, only a few tentative generalizations about INGO poverty reduction frameworks and strategies are possible:

- In general, the older INGOs still tend to see themselves as charities because of their origins providing basic services in emergency situations. While they still may focus on addressing basic needs to some extent, they do not necessarily identify a basic needs approach as the primary focus of their work. Instead, they are evolving towards more “justice”-oriented frameworks that include community development, livelihoods or rights-based work.
- Formal ties to religious institutions may make a difference to the approaches undertaken by faith-based INGOs. Those with formal ties are more likely to adopt an “empowerment” or “solidarity” model than those like World Vision or Heifer International, which, while rooted in the faith community, are not officially linked to any particular denomination or faith community. There may also be a divide along these same lines in terms of commitment to policy advocacy as a strategy.
- Younger INGOs, such as SHARE, GROOTS, CAFOD, ActionAid, HelpAge International, Oxfam America, WIEGO, have benefited from the lessons learned by others and the fact that they were created in different historical contexts. Consequently, they are more likely to begin operations with frameworks that feature “empowerment”, “solidarity”, and “rights”. They also already are more comfortable working on policy than some of the older INGOs, although this is by no means consistent across the board. It is unclear whether age affects the preferred poverty approaches for conservation INGOs.

Part 5: Key trends affecting INGO approaches to poverty reduction

The interviews identified a number of unexpected insights on a dramatically changing development context. These have important implications for the usefulness of an asset accumulation framework, as well as for the importance of INGO collaboration. This section briefly highlights some of the main findings and describes links to issues mentioned in earlier sections.

Current transitions occurring within INGOs themselves

Several INGO staff interviewed mentioned that they appreciated the content of the questionnaire and the chance to reflect upon their work. The round of interviews came at fortuitous times for 14 of the INGOs, as they are making important institutional transitions – formulating or launching new strategic plans, developing new programmatic thrusts and innovating new advocacy strategies. Those that mentioned significant transitions are:

- **CAFOD** is revising all parts of their program cycle at present.
- **CARE UK, HelpAge International, Save the Children UK, ActionAid UK, and Oxfam GB** have just participated in an intensive and extensive DFID exercise evaluating the impact of rights-based approaches.
- **CARE US** launched a new 5-year strategic plan in 2006 and is now engaging in a strategic impact survey.
- **CARE US and Plan USA** have recently hired new CEOs, prompting a rethinking of their work.
- **Christian Aid** is reevaluating its definition of poverty and strategy, and commissioned a series of analytical papers to inform a new strategic plan which should be in place by the end of 2007.

- CWS has just completed a 3-year partnership survey and is in the process of implementing a new strategic plan. Under a recently changed structure, it now pursues a unified international strategic planning process, having moved away from project-based to thematic programs.
- **Heifer International** has created new Washington, D.C. office and is about to complete an extensive consultation as prelude for engaging in policy advocacy in the US and in-country.
- **SHARE Foundation** is engaged in process for developing a new 5-year strategic plan which should be in place by end-2007.
- **World Vision** has just completed a large study of urban poverty and wants to formulate new strategy for working in urban areas.
- **WWF US's** global program strategy is coming to an end and they are looking at developing a new one.

Thus, offering a space for critical, high-level discussion among senior staff in a workshop setting based on the research results would be a notably timely and welcome opportunity for many. It also means that some of the characterizations of INGOs made here may need refinement in the future to take into account shifts in strategy and structure.

Heightened emphasis on aid effectiveness

As the Bush Administration restructures USAID and State Department foreign assistance operations, the US development community's concern over policy coherence has increased. At the same time, foundations and Washington, DC think tanks (including the Brookings Institution) are encouraging a harder, more critical look at US aid effectiveness and its implications for INGOs. At least two INGOs mentioned that declining funding levels are forcing them to re-evaluate strategies. Oxfam America and Bread for the World suggested that this broad research could help inform the development community's advocacy efforts *vis a vis* USAID and the State Department.

Some British INGOs approached the timeliness of this study from the point of view of the aforementioned DFID evaluation of rights-based approaches and funding trends. While pleased that they had been fairly successful in lobbying for greater UK and EU ODA commitments, they worry that DFID will not be able to effectively disperse a dramatically larger pool of funds because of stagnant or diminishing staff numbers. Many UK INGOs interviewed, such as HelpAge International, ActionAid UK, Oxfam GB, and Save the Children UK, support a cash transfer campaign whereby budgetary support provided by ODA is channeled directly to the poor in the South through welfare schemes established by Southern governments.

The political struggle over aid effectiveness at the national and international level has had repercussions for most INGOs that receive government or significant foundation support. INGOs feel greater internal and external pressure to show results. For example, Save the Children UK is refocusing its programs to prioritize extreme poverty in least developed countries using the World Bank's definition of the term as people who live on less than \$1 per day. This is the result of an increased awareness that they may be bypassing the poorest of the poor in their work. CAFOD, which has a focus on social justice and important programs in middle-income countries, has also shifted to place greater emphasis on poverty in light of DFID's tactical withdrawal from middle income countries. They are now focusing efforts on people who live on less than \$2 per day. This has led to a reallocation of staff and financial resources away from middle income countries, although there was recognition that there are still

significant numbers of extremely poor people living in such contexts. HelpAge International explains their involvement in the campaign to support direct cash transfers by pointing to the tendency of aid dollars to bypass the very poorest.

In spite of some INGOs' decisions to narrow their focus, other INGOs, like Heifer International, continue to work in middle and high income countries, including the U.S. and Canada. The rationale is two-fold. First, that while projects may be more expensive in North America, these countries are an excellent laboratory for developing replicable methodology. Secondly, they consider the pressure on small farmers is keener in the US than in the South. Heifer feels that its work with US farmers can bear important lessons relevant to the farm bill debate, and therefore potentially have a major impact on agricultural conditions in the South.

Within the United States, SHARE, Plan USA and CARE mentioned that their organization felt greater external pressure by funders to identify and measure outcomes, conduct better project evaluation, and have "higher quality" projects. The greater demands for concrete, measurable results were affecting strategies. For example, one person interviewed wondered whether asset accumulation projects would fit into most funding cycle time frames, given the perceived need to show quick, tangible results. Another remarked that there may be a disconnect between progress on the ground and measurement indicators acknowledged by funders.

The impact of new sources of funds on poverty reduction strategies

Another trend that has leapt to the forefront of foreign assistance is the dramatic expansion of funding by new philanthropists. With the entry of these philanthropists, often young entrepreneurs, the lines between for-profit and not-for-profit projects in developing nations are beginning to blur. In some cases, the new entrepreneurs are venturing into projects promoting asset building or employment creation and are using profits from one of their businesses to finance their "goodwill" efforts. Some of these efforts are undertaken by ex-patriots who want to use profits made in their country of residence to finance development back home. One example of this are Indian-Americans who have made significant fortunes in the information technology industry in the US. Other examples include US NGOs and INGOs that have functioned over a number of years with strict restrictions on sources of income and their expenditures. In order to develop new revenue streams, they are experimenting with new hybrid organizational structures to take advantage of different tax and lobbying requirements. The newest idea is the creation of carbon off-set⁵ funds to finance development and conservation projects, including local community development and job creation. Some of the INGOs in the sample that are considering, or have already developed, carbon-offset funds include World Vision, Conservation International, and Christian Aid. How all of this will play out in terms of affecting anti-poverty strategies, programming and policy advocacy is still not clear.

Shifting North-South INGO power relationships

The growth in size, capacity and sophistication of Southern NGOs is prompting some INGOs to rethink their strategic approaches to poverty and the relationship between headquarters and "the field". This was cited as an important trend in a Tufts' University study commissioned by six of the study's INGOs, and by at least one of the UK interviewees.⁶ A parallel phenomenon is the increasing expertise of Southern field staff employed by INGOs. The latter trend can also benefit headquarters directly. For example, Heifer International's Regional Vice Presidents are all Southern expats.

As mentioned earlier, some of the study's INGOs are undergoing major transitions in which Southern partners or field offices are becoming fully autonomous, or at least are being given a greater say in shaping the work and determining how funding will be allocated. Although it was not possible to explore this in detail, it seems highly likely that as power shifts to the South, poverty reduction approaches and methods of work will be affected. One critical issue to follow will be the impact on campaigning and other types of policy work. One group, which works with "hundreds of partners" pointed out that there is no reason why all would agree to the same policy stance, and that headquarters ultimately makes any final decisions. This INGO realizes that Northerners may not make the same decision as Southerners, citing the example of extractive industry work. The INGO finds many of the Southern communities it works with want to prohibit mining, while headquarters takes a more moderate stance.

Perhaps the most interesting aspect of the shifting strategies among those interviewed was the decision to add policy advocacy to their more traditional strategic repertoire, as has been the case for CARE US, Heifer, and Save the Children UK. For those INGOs new to policy advocacy, as well as for some of those who have comfortably lobbied and campaigned in their home country and in international *fora* for quite some time, a sensitive cutting edge development concerns engaging in advocacy in the field, i.e. towards Southern governments. ActionAid UK and ActionAid US, for example, are launching a joint North-South pilot project in three developing countries to challenge IMF macroeconomic policy prescriptions that affect education and health spending. The ultimate outcome of this increased attention to policy advocacy combined with a shift in power to Southern staff and partners is not yet clear. It cannot be assumed that local staff and partners are necessarily more eager than Northerners to challenge the political status quo, as they have more to lose than people who, by nationality or because they live thousands of miles away, are shielded from some of the consequences.

Convergence of conservation and development concerns

Many of the large, operational, development-oriented INGOs historically have addressed critical natural resource issues affecting those living in poverty (listed in Table 4). INGOs such as Catholic Relief Services, Church World Service, and CARE US, have had major programs related to water provision for example. For Heifer International, Plan USA, and World Vision, an emphasis on agricultural training, seeds and livestock has long been a feature of their strategy. Emergency/relief work after natural disasters is another traditional avenue for INGOs to pay attention to environmental issues. More recently a few have ventured into extractive industry work, such as CAFOD, Christian Aid, Oxfam, and CWS.

Yet, with two notable exceptions, the INGOs did not typically view their poverty-reduction efforts through an environmentalist lens, and consequently conservation goals at best were of secondary importance. Similarly, the large international conservation groups admit that they traditionally focused on "birds and bunnies", ignoring the human dynamics affecting and affected by the ecosystems and species they have been attempting to preserve. So while the UN's Earth Summit in 1992 began to raise awareness of the interconnectedness of development and environmental issues, this appears to have been slow to penetrate the programmatic work, not to mention the policy advocacy, of most of those INGOs interviewed.

A preliminary analysis indicates that the two main conservation groups interviewed, WWF US and Conservation International, have taken significant pains to develop internal expertise and an organizational commitment to incorporate a poverty analysis into work plans. Both have begun to address poverty through initiatives such as CI's poverty mapping efforts, programmatic work on population and sustainable livelihoods, and staff and board changes.

The reverse does not seem to be true for most of the development INGOs studied. For many staff members of organizations focusing on development, “sustainability” does not refer to their ecological sustainability but rather only the long-term financial viability of projects and programs, as well as the ability of local people to continue the work once the Northerners are gone. Two of the US groups that stand out in contrast to this trend are Heifer International, which has taken environmental sustainability on in a serious way in designing its agricultural and forestry efforts, and SHARE, which has been challenging the Plan Pueblo Panama and other development projects for their perceived environmental and socio-economic harm in El Salvador. At the same time, there are indications that this narrower perspective among the development INGOs is changing, in large part the result of lessons of disaster and emergency work over the past decade, and as a consequence of increasing recognition of the implications of global warming.

Climate change

The UK relief and development INGOs interviewed were more vocal and more advanced in both principle and practice than their US counterparts in incorporating global climate change into their work. In fact, four of the UK INGOs surveyed – ActionAid UK, CAFOD, Christian Aid, and Oxfam – are co-sponsors of a campaign to pressure the UK government to lower carbon emissions. Christian Aid, for example, commissioned several white papers related to development and climate change to inform its general overhaul of its poverty reduction strategy. In addition, Conservation International also seemed to be beginning to think about climate change and the possible ramifications for its work, such as the impact of forced migration and environmental refugees on ecologically fragile or sensitive areas.

While UK INGOs saw climate change as affecting all aspects of their work, they perceived a more immediate impact on their disaster-emergency efforts – pointing to the Asian tsunami and the US Gulf Coast hurricanes as stark examples of potential future disaster scenarios. For example, ActionAid UK’s human security/disaster preparedness team is leading their climate change work. Several INGOs are implementing programs that combine short-term emergency relief with longer-term development efforts. This could have significant implications for poverty strategies, as several groups talked about becoming more proactive and engaging in asset protection before a disaster strikes. SHARE, for instance, worked to help strengthen levees in El Salvador. One group, GROOTS, which previously had not engaged in any disaster work, is considering making it more central to their agenda. GROOTS had been invited by the World Bank to assist in Bank-sponsored disaster prevention and recovery workshops and some of their members now are doing disaster cross-training. The extent to which INGOs have considered the impact of climate change on their refugee and migration programs is unclear.

It is certain that climate change is an opportunity for INGOs, forcing some much-needed fresh analysis and strategy, including the deeper integration of environmental and development concerns into existing missions and practice. It also offers new potential funding opportunities. Conservation International, for example, mentioned the music group Cold Play’s voluntary carbon off-set contributions that are financing a CI-arranged indigenous community development fund in South America. Private voluntary carbon off-set contributions may become a stable, sizeable new source of funding for INGOs. Mandatory public or market-based fees, such as carbon taxes and payments for “ecological management services” for Southern forestry efforts, as well as climate change remediation monies, could serve as additional ODA sources, some of which may be channeled through INGOs.

Part 6: Relevance of asset accumulation to INGOs' overall work

INGOs' understandings of an asset approach

Some, but by no means the majority, of staff interviewed, are aware of different theories or trends in the development literature and made reference to these when describing their organization's strategic approach. There is a general lack of understanding of the asset-based approach, and – as an emerging framework – asset accumulation remains virtually unknown. Several said their organizations are just beginning to discuss or learn about this approach and were surprised to learn that the asset accumulation framework was sufficiently broad to incorporate community assets, community organizing and rights issues. As mentioned previously, some included assets in their livelihood approach and did not make a distinction between the two. There was little – if any – differentiation between assets as a conceptual framework and asset accumulation as a practical development strategy.

Table 4. Sectors and contexts in which INGOs work

INGO	Sectors					Contexts		
	Housing	Health	Education	Natural Resources/ Land Mgmt.	Financial	Migration or Immigration	Post-conflict Reconstruction	Fragile States
Action Aid UK		X	X	X	X		X	X
Bread for the World		X	X		X			
CAFOD		X		X			X	X
CARE UK	X	X	X-min.	X-min.	X	X	X	X
CARE US	X	X	X	X	X		X	X
Christian Aid		X	X	X	X		X	X
Conservation International		X	X	X	X	X	X	X
CRS	X	X	X	X	X	X	X	X
CWS	X	X	X	X	X	X	X	X
GROOTS	X	X		X	X	X	X	X
Heifer International			X	X	X			X
Help Age International	X	X	X	X	X	X	X	X
Oxfam America	X	X		X	X	X	X	X
Oxfam GB		X	X	X				X
Plan USA	X	X	X	X	X		X	X
Save the Children UK		X	X	Limited			X	X
Save the Children US		X	X		X	refugees	X	X
SHARE Foundation		X	X	X	X	X-min.	X	X
WIEGO				X	X			
World Vision	In relief	X	X	X	X	refugees	X-min.	X
WWF US		X		X	X		X	X

Nevertheless, a few staff mentioned that they followed the literature on assets, and in some cases even contributed to it. Oxfam UK, Christian Aid, Conservation International, and Save the Children US, for example, all employed staff persons familiar with recent research on assets. Some groups in both the US

and UK mentioned the connection between their sustainable livelihoods framework and the intellectual contributions made by DFID. For example, CRS discussed how it has adapted DFID's sustainable livelihoods framework – which is closely related, if distinct from, an assets approach – to incorporate Catholic values and social thought. CARE US has created its own framework, which appends a rights-based approach onto a livelihood security model. This framework also informs CARE UK's work.

Despite the fact that many people felt their knowledge of an asset accumulation framework is limited, interviews uncovered the fact that most INGOs in the sample are engaged in many sectors and contexts where this type of analysis is useful. Therefore, this section further explores the ways an assets framework is applicable to prevalent poverty-reduction theories and strategies used by the selected sample of INGOs.

INGOs' involvement with assets

Many INGOs are engaged in individual sectors and contexts where a more comprehensive and holistic asset framework could be useful in showing the interrelationship between the accumulation of different assets.⁷

Financial assets are well understood among the INGOs surveyed in this study, at least in comparison with the other kinds of assets. As Table 4 indicates, 18 of the 21 INGOs are involved in one way or another with micro-finance, whether it is financial training, providing capital, or establishing programs related to savings, lending or insurance. Several interviewees offered strategic assessments of the relevance of financial capital strategies:

- The poor may need safe savings, before they need loans. Insurance and asset protection is a very new area of work.
- There is limited applicability of financial assets in sparsely populated rural areas, especially in Africa where non-cash economies prevail. There may very little need for borrowed capital. Instead, household cash management may be more important, as families face the periodic need to pay for school fees, seeds, and gift-giving.
- Some assets require other kinds of assets to work. For example, micro-credit schemes generally do not do well in short-term settings such as refugee camps or transient slum areas. Micro-credit depends on social capital to work.
- Log-frame planning that focuses on tangible outputs doesn't properly address and assess the impact of micro-lending schemes. For example, it may measure whether people are paying on time but ignore women's empowerment.

Human capital is also generally well understood, and is a more common component of INGO projects and programs. 16 INGOs offer various forms of literacy, education, and skills-building projects, while 19 tackle health issues.

While housing as a physical asset is well understood, only 8 groups address housing needs. While not working on housing per se, WIEGO, for example, recognizes that housing and other physical assets can help the upward mobility of low-wage workers, enabling them to become self-employed. CARE UK is moving to place asset accumulation and protection at the forefront of all their urban work. However, staff emphasized a rights-based approach as part of their housing development strategy. CARE UK staff persons described a Bombay slum that was prone to flooding to illustrate this point. Despite the fact that the neighborhood was populated by builders who had the skills to lift their houses out of water, they did not take the time to

renovate their homes. Why? Eviction was a greater risk than flooding. Residents lacked legal recognition as owners of the homes and the associated documentation – essentially, they lacked asset protection.

Seventeen INGOs work on natural resource and land management issues in some significant way, while two others are engaged in a limited or minimal fashion. This might explain the number of questions and comments about applying an asset framework to an environmental context. Three observations of note:

- In many situations, poor people have natural rather than financial assets. Some INGOs have effectively helped them profitably conserve these assets by paying them to protect and maintain the natural capital rather than using it.
- Indigenous peoples may not be producing assets if their lifestyle is based on extraction. Therefore, an asset accumulation strategy may not work for them.
- The current model of economic development emphasizes export-orientation and natural resource extraction. Communities' management of their natural resources has consequently been devalued. Questions were raised concerning the extent to which an asset framework can help address this and how an asset framework handles communal vs. individual assets, particularly when the asset may not be owned, but rather be governed by communal usage rights rather than property law. Some commented that the main power of assets is their liquidity, their ability to be sold for financial gain or to act as a cushion in times of hardship. Yet, with natural resources, the greater social good may be to preserve them rather than “liquidate” them.

Only 9 INGOs worked on migrant and refugee issues. Notably, a group that claimed to be involved in these issues only to a very limited degree, SHARE, revealed some interesting observations. In their experience, remittances were used for immediate household consumption and could not be channeled for community development projects. Moreover, heavy reliance on remittances was destroying economic and social conditions in the countryside. Nicaraguans and Hondurans are migrating to El Salvador to work as farm labor, while many Salvadoran rural families apparently are not working, preferring to rely on remittances instead. It was reported that many Salvadoran NGOs are worried that this will lead to a net loss of talent and work experience, particularly for youth. Here, it seems, the influx of financial assets is destroying individual, and possibly, collective human capital.

All but two groups, Bread for the World and WIEGO, are involved in the two other important asset-related contexts: post-conflict reconstruction and fragile states. Save the Children UK described how they had shifted strategies away from what they saw as an asset approach in a post-conflict setting, giving their experience in Liberia as an example. Many INGOs in Liberia's post-conflict setting had focused on vocational training. After pursuing this approach, Save the Children UK found, however, that there were neither jobs nor currency in circulation, rendering job skills largely irrelevant. As a result, Save the Children UK is now engaging in policy advocacy work. For instance, they are attempting to influence the outcomes of the World Bank's Poverty Reduction Support Program (PRSP) in post-conflict countries in order to create the macroeconomic conditions for employment, income generation and public spending. WWF also has decided to become more engaged in the PRSP dialogue process as a way to introduce environmental concerns into PRSP goals.

Different participants raised other areas of interest and concern related to assets:

- **Urbanization:** Groups like ActionAid UK, CARE UK, World Vision, and others are taking a hard look at urbanization in the South. How is this changing the nature of poverty? Which types of assets are most important in urban settings? Is this different from those that are critical in rural

settings? These questions are also of interest to GROOTS, which has an emphasis on urban land and housing issues, and WIEGO, which distinguishes between urban and rural labor issues.

- **Economic policy and power:** As more groups get involved with policy advocacy, both internationally and nationally, and tackle more structural economic causes of poverty, strategies are shifting. Consequently, some asked how an asset approach creates intellectual or strategic space for: working on national economic policy, the role of the government, corporate accountability, labor rights and other social justice questions related to the nature of the economy. CAFOD suggested expanding beyond individual and communal assets to national assets, as they feel the need to address capital flight and corruption to plug the leaks in national financial systems so more money is available for domestic investment purposes.
- **Empowerment:** Extensive questions were raised concerning the relationship between assets, rights and empowerment, including: Can an asset approach be compatible with, or incorporate, a power analysis or a rights-based approach? How well does an asset framework capture measures of power, empowerment and social justice? In some countries it is tough to determine who controls an asset, and thus what ownership might mean for empowerment. Does this limitation mean that it is difficult to measure and evaluate asset-based projects along social equality lines, particularly with respect to gender? Does an operational focus on individual assets tend to destroy communal assets, in practice if not in theory?
- **Spiritual assets:** Psychological states and relationships come into play in analyses of social capital, and in emerging work to define “aspirational capital”. CRS, which describes its approach as a modified DFID livelihoods framework, adds spiritual assets to its analysis of poverty. While many secular groups might be uncomfortable with this new category of assets, faith-based groups may be interested in exploring this concept further.

INGOs’ rating of the usefulness of an asset framework

All those interviewed were asked to rate the relevance of an asset accumulation framework to the work of their organization. They were given four options: no significance, minimally relevant, significant, or highly relevant. Each option was given a point value from 0 to 3, with the highest value corresponding to the greatest degree of relevance.⁸ Table 5, below, shows these responses, comparing them to the organizations’ mission foci or main activities. The table also displays the percentage of organizations within a specific category (mission focus), where staff gave an assets framework a *strong* rating. Strong, in this case, means a rating of 2 or more points, in the range from significant to highly relevant. It is important to note that some staff said they thought their rating of the framework’s usefulness might change once they and their organization had a better grasp of the concept.

The most important conclusions from the ranking were as follows:

- Ten INGOs rated an asset framework as highly relevant to their work: CARE UK; CRS; GROOTS; Heifer International; HelpAge International; Plan USA; Save the Children US; SHARE Foundation; WIEGO, and World Vision. Some rated other frameworks very highly as well, so this should not be taken to imply that different approaches to poverty reduction are necessarily mutually exclusive – in fact, they can often be complementary.
- Several who gave the framework a lower rating believed assets were already integral to their overall project in practice, if not theoretically. In part, this might be because they incorporate aspects of asset accumulation as part of their work on basic needs and/or livelihoods.
- Some groups critiqued the notion of social capital because they felt that it lacked a power analysis and therefore ignored an important poverty reduction strategy – community organizing. Conse-

quently, they were more interested in community strengthening and claiming rights than asset accumulation. Some also pointed out that asset accumulation may not work in a context where there are no rights, such as with inheritance and property laws which discriminate against women.

- NGOs with a child welfare focus gave the highest percentages of strong ratings for an asset approach. This might be because of their identification of the framework with micro-finance.
- The ratings across four mission foci – disaster and emergency; refugee and post-conflict; long-term development; and conservation – were unexpected close and high. This result may indicate that an asset-based approach can offer analytical and practical utility to poverty reduction efforts already in place, even if the understanding differs from Moser’s conceptualization.

Table 5. Selected mission activities and asset relevance

INGO	Mission Activities*					Staff Rating of Asset Framework’s Relevance to Organization
	Disaster & Emergency	Refugee or Post-conflict	Long-term Dev./ Poverty	Child sponsorship	Conservation	
Action Aid UK	X	X	X	(2)		1.5
Bread for the World			X			1.5
CAFOD	X	X	X			1.0
CARE UK	X	X	X			3
CARE US	X	X	X			2.5
Christian Aid	X	X	X			2
CRS	X	X	X			3
CWS	X	X	X			1.5
Conservation International		(1)			X	1.5
GROOTS	X	X	X			3
Heifer International			X		X	3
HelpAge International		X	X			3
Oxfam America	X	X	X			—
Oxfam GB	X		X			1.5
Plan USA	X	X	X	X		3
Save the Children UK	X	X	X	X		1.5
Save the Children US	X	X	X	X		3
SHARE Foundation	X	X	X			3
WIEGO			X			3
World Vision	X		X	X		3
WWF US		(1)			X	2
# of INGOs involved in this category of activity	15	14	18	4	3	20
% of INGOs giving assets a strong rating	60%	64%	61%	75%	66%	65%

* Many of the organizations interviewed engage in disaster and emergency/relief work although this is not a primary mission focus. Thus, the number of organizations identified for the purpose of this table may be greater than the number in Table 1, which make this a stated emphasis of their work.

1. These organizations work in post-conflict areas but do not engage in peace-building activities per se, so they are not counted for purposes of this analysis. This category focuses on INGOs that actually engage in peace-building work and/or work with refugees.
2. Action Aid UK began as a child sponsorship organization and still receives a significant amount of money for this work. However, it does not identify itself as such.

Part 7: Conclusions

Many factors influence INGO's analytical frameworks relating to poverty as well as their poverty reduction strategies and programs. This study found that – of five factors examined – history is most influential in determining the direction and style of work. Both the broad historical context in which the INGO was established and the organization's particular history were critical to determining the mission of a given organization. If nothing else, history serves as a major inertial force for the larger INGOs. Funder priorities also play a significant role in setting the development agenda of INGOs. The link between INGO strategies and funders' interests is particularly pronounced for organizations funded by USAID. An INGO's mission is another factor that may be a predictor of its poverty reduction framework and policies, but this correlation seems to wane once a group moves beyond focusing on the provision of basic needs. Development theory seems to have a tenuous influence. There is limited interest and ability to keep on top of academic research and the literature given more pressing practical concerns. Organizational structure bears a messy, complicated and unclear connection with poverty reduction strategy to the extent that no useful generalization is possible.

There is no commonly accepted typology of poverty approaches within the INGO community. This was keenly evident in the interviews: INGO staff had different definitions and interpretations of approaches both within and between organizations. Moreover, a few INGOs have developed their own frameworks. Practically, it is difficult to uniformly subscribe to a single theory or model and to adapt and apply it to a large organization, especially when they are part of loose federations and offices with varying degrees of autonomy. Indeed, few INGOs have a single written document that defines and analyzes poverty in order to guide operations. Some adopt multiple approaches, in practice if not in principle, and leave the implementation of the approach up to staff.

To be fully understood, appreciated, and eventually adopted more widely, an asset-based approach needs to be clearly articulated in terms that INGOs can readily understand, both theoretically and in terms of practical implications. As one INGO observed, asset accumulation may work well for projects and programs, but its application to strategy development and policy advocacy is less clear. Given the increased interest in policy work among INGOs, this is an area for further policy work so that an asset approach can become relevant and effective.

Despite such reservations, the interviews identified interest in and support for work that focuses on asset accumulation. In fact, there are several dynamics in play that make an asset framework discussion within the INGO community timely. These include the following:

1) **Changes in INGO institutional structures.** Many groups are in the midst of organizational restructuring which often includes giving more power and autonomy to Southern offices. This raises speculation as to whether more “radical” strategies will be adopted as a result. It is not clear whether Southern staff are more likely to challenge the status quo and alter existing power structures. With greater weight given to Southern voices in INGO planning and decision-making, an asset accumulation framework may become even more useful to development practitioners.

2) **Changes in the funding environment.** INGOs are rethinking their strategic approaches in part because the fundraising environment is changing. Levels of ODA funds may increase significantly in the UK and possibly diminish or stagnate in the US. Regardless of the trend in funding, there is tremendous pressure from

fundes for INGOs to demonstrate the effectiveness of their work in precise terms. Would adopting an asset accumulation framework make this easier or more difficult? While this is difficult to answer at a theoretical level, it seems that the work on developing an asset index may help INGOs to better measure poverty and evaluate the impact of their work. Whether in rural, urban or peri-urban areas, INGOs such as Conservation International, WWF, and Save the Children GB were interested in poverty mapping. Some were searching for easy and participatory methods local staff could use. WWF and Save the Children GB specifically mentioned an interest in exploring the potential use and adaptation of asset mapping or asset indices.

In addition to changes in public donor priorities, a new breed of actor – the “philanthropreneur” – is becoming increasingly relevant in global development. Representing a hybrid between philanthropy and for-profit business, they are attempting to do good by investing in the South and may warmly embrace asset accumulation and protection strategies. However, they may only support asset accumulation as long as they can stay away from more sensitive approaches related to human rights, power relations, and public policy.

3) Changes affecting the natural world. Interviews indicated that one of the most potentially significant areas of work on assets may be related to the environment. Three inter-related environmental dynamics are pushing INGOs to revise their strategic analyses, to rethink their internal organization, and to improve collaboration with other organizations. They are:

- **Conservation:** As INGOs become more sophisticated in incorporating both conservation and development concerns into their analysis and operations, new questions emerge. Some types of natural capital are non-renewable per se, while others are non-renewable within a timeframe that makes sense for development planning. INGOs must navigate thorny political, cultural and economic terrain in terms of who accesses, controls, or owns various natural resources as well as how these resources are used, and they will need to develop a strategy to successfully negotiate those challenges.
- **Climate change:** While many development INGOs have been slow to integrate environmental concerns into their agendas, climate change could well force development, environmental and conservation INGOs to collaborate as never before.⁹ This global threat may also require INGOs to re-examine their basic assumptions and policy proposals. Because of the severity and breadth of its repercussions, climate change may be especially relevant for an asset-based approach.
- **Disaster/emergency relief efforts:** The impact of climate change on relief efforts is already leading some INGO to become proactive with preventative measures to protect assets prior to disasters. Disaster prevention measures as currently constituted seem to be focused exclusively on asset protection. Nevertheless, the asset accumulation framework may be especially relevant to the process of re-accumulating assets in post-disaster situations.

The study raises important intellectual and practical questions about poverty and development as identified by the INGO community. It describes several trends that pose major opportunities and challenges for INGOs’ work on poverty, which point to the demand for further elaboration of the asset framework, both theoretically and as applied to several particular areas of concern. These include not only well-known individual and community assets such as financial and human capital, but also new cutting edge issues relating to globalization, climate change and migration. Understanding the accumulation and consolidation of assets is crucial because assets are often contested by communities, while asset-based policies are advocated by INGOs on their behalf.

Endnotes

1. For further elaboration of the asset accumulation policy as well as the Guayaquil study that provides the empirical basis for this work, see Moser (2006; 2007a; 2007b), and Moser and Felton (2007a). For a detailed description of the econometric model used to construct the asset index, see Moser and Felton (2007b)
2. INGOs' development work is grounded in a certain ethos or set of values. These may be consciously articulated – as in a mission statement – or unconsciously adopted as part of the culture of the organization and the broader NGO community in which they operate. These values may or may not be consonant with the philosophical assumptions embedded in the political, economic and social analyses the INGO uses to conduct its work. When articulated or strongly implicit in written materials, the values and world views, referred to as “philosophical approaches”, serve as a selection criterion.
3. Koy Thomson of ActionAid International formerly was a senior staff person of ActionAid UK, and was interviewed to further illuminate certain aspects of the latter's work. ActionAid International (the family umbrella) is not considered in its own right for the purposes of this study.
4. This may be less true for Church World Service than the others.
5. In recognition of the urgent need to reduce the amount of carbon emissions and the need to take responsibility for actions that contribute to global warming, individuals and NGOs are making voluntary financial contributions to carbon-offset funds. These funds are particularly popular with those in wealthy nations who want to acknowledge the impact of their transportation and energy choices. Carbon off-set funds finance carbon compensation projects, generally in developing countries. One example of an “off-set” activity is tree-planting. These funds raise new ethical issues related to the fact that they are not a total solution to the various justice issues surrounding climate change.
Christian Aid is in the process of clarifying how carbon-offset funds might be mobilized for development. Staff are cautious about this vehicle as they feel that other agencies have not sufficiently done their standardization of this “industry” because some commercial schemes paint a false or incomplete picture of the impact and benefits of offsets.
6. See Tufts University (2004).
7. See Moser (2006).
8. When two or more people were interviewed for a particular organization and disagreed, their evaluations were averaged to produce an overall score. In some instances, one individual gave a range of ratings, and so a mid-point score was given for this range. In the case where staff felt that the relevance of assets to their unit might be different than the relevance to the entire organization, the rating again was averaged.
9. See McGranahan (2007).

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