

Development

Bottom up or top down?

Lynne Jones

'Development' appears as a topic in the A-level courses of all the major exam boards, either as core or optional material. This article uses case studies in Swaziland and Bangladesh to illustrate the debate about the most effective means of encouraging improvement in poor people's livelihoods.

There are many different views on how the gap between the global rich and poor should be narrowed. This article looks at two of the mainstream approaches.

■ **'Top-down' development** describes projects where the money and ideas come from governments and large organisations, often for big schemes such as the Three Gorges dam in China. The wealth created is expected to 'trickle down' to the poorest in society.

■ **'Bottom-up' development** involves poorer people themselves in making decisions about how their lives could be improved. Any idea usually starts off at a small scale and is then expanded.

Both approaches have pros and cons and these are discussed below. The work of Nobel peace prize winner Muhammad Yunus is described to show how bottom-up development can really gather pace when people are trusted to help themselves.

Top-down development

The ultimate top-down approach is a Communist state where everything that is produced is planned centrally. It is a 'one size fits all' approach that ignores local needs and the creativity of individuals. Imagine planning how many shoes are needed for the population. Even if you were able to get the numbers about right, what about their colour and design? In the former Soviet

Union there was very little variety or choice in the items on display in shoe shops. Now imagine planning agricultural production and how many tractors are needed.

When consumers and producers are strictly controlled it is difficult to know exactly how much to produce. This may lead to shortages or to over-production. If the analogy is transferred to development in a poor country, a top-down approach can make it difficult to judge what is needed.

An example from Swaziland

In 2002 in Swaziland, southern Africa, the rains failed and drought occurred. The drought was most severe on the Low Veldt part of the country in the east (Figure 1). Swaziland was ranked very low in the world (112th) for its human development at this time by the United Nations (UN). Its population of just under 1 million was hit by the HIV/AIDS epidemic. At its peak it was estimated that 42% of the adult population was infected with HIV, and as

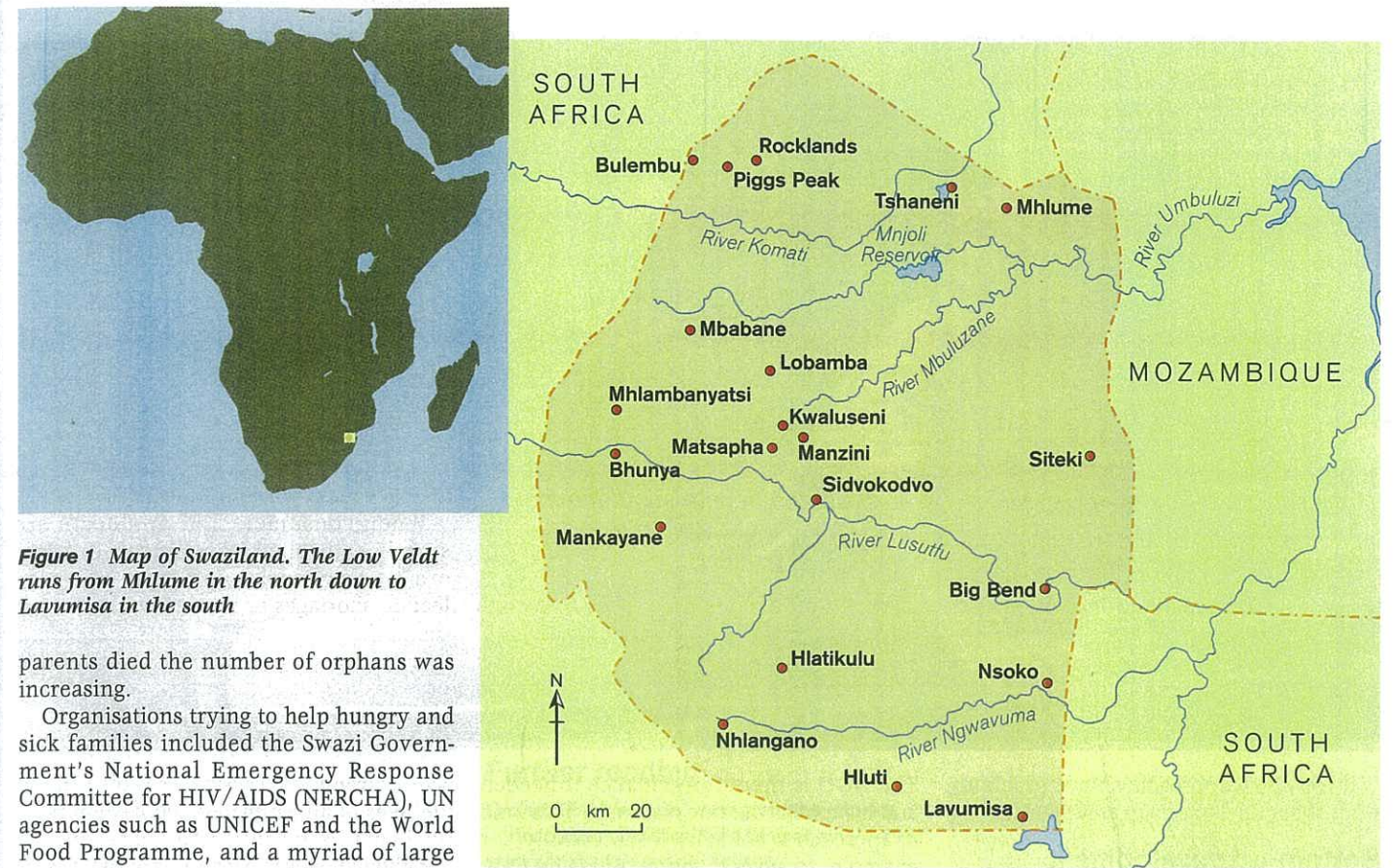


Figure 1 Map of Swaziland. The Low Veldt runs from Mhlume in the north down to Lavumisa in the south

parents died the number of orphans was increasing.

Organisations trying to help hungry and sick families included the Swazi Government's National Emergency Response Committee for HIV/AIDS (NERCHA), UN agencies such as UNICEF and the World Food Programme, and a myriad of large and small non-governmental organisations (NGOs). But many families were not reached by any of these agencies and were receiving help only from their extended families, who shared food and took in orphaned children when their parents died. The little food and energy that was left over was used to help neighbours.

In 2003, the World Food Programme (WFP), with the help of some NGOs, was distributing monthly food rations, including cheap imported maize, to drought-stricken families in the Low and Middle Veldt. Over

100,000 people were assisted with food. Surely this top-down large-scale approach was commendable?

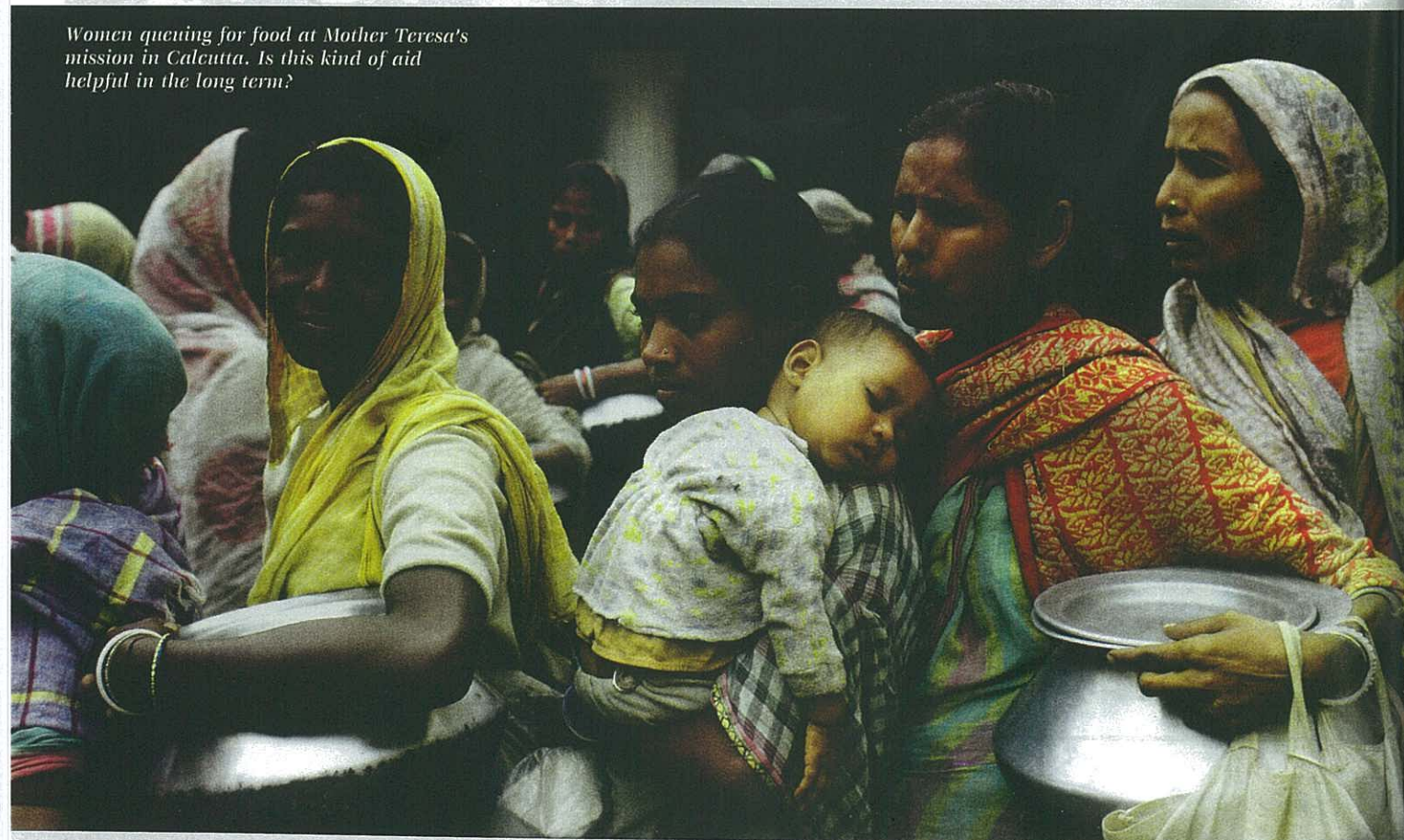
The downside

In many ways it was, but it created other problems. So many people were receiving free food that Swazi farmers in the wetter areas of the Middle and High Veldt struggled to sell their maize and were unable to repay their loans. The chairman of the Maize Marketing Committee placed

whole-page advertisements in the *Swazi Times* requesting that NGOs should help the hungry by buying local maize first. The committee also accused some people of pretending to be needy but then re-selling the donated maize. The director of the Red Cross thought a dependency attitude was being created in the population and that there were tensions between communities because of the difficulty in deciding where to draw the line between those helped and those not given aid. During 2004, the WFP changed its policy and worked more successfully by collaborating with both NERCHA and UNICEF.

This example illustrates some of the problems that arise with top-down aid. Another downside is that there are often many different organisations, all trying to help the poor. Apart from the lack of coordination and unexpected impacts that may occur, such organisations can undermine a government's own efforts. No-one elects NGOs, so if they make mistakes it is difficult to make them accountable, especially as they come with the best of intentions. Rather than working in partnership with each other, they may be influenced by policy created at their head office in New York, Geneva or London.

- ◀◀ Elderly grandmother weaving a mat made from plastic rubbish in Swaziland
- ◀ Her granddaughter using dried grass to make a mat to sell



Women queuing for food at Mother Teresa's mission in Calcutta. Is this kind of aid helpful in the long term?

This woman in Morgapara, Bangladesh, runs a fishing-net business, making two nets a day to sell in local markets. She set up the business using a loan from Grameen Bank



If top-down approaches have problems, what about the bottom-up argument?

Bottom-up development

When a bottom-up approach is taken, the poorest members of a society are treated as people with initiative, ideas and creativity, rather than as needy individuals to be fed and housed by those with more power and money. People are often poor because they have little control over how their labour is rewarded and because they lack access to capital. They may work for very low wages – or they may work for themselves in informal employment but find it difficult to expand their businesses. Banks, whether in rich or poor countries, are reluctant to lend to the poorest in society. Yet as a researcher working with poor people will quickly observe, the poor survive because they are so creative and hardworking, particularly the women.

The grandmother in Swaziland in the photograph on page 11 weaving mats from plastic rubbish she has collected is also looking after a little plot of land and caring for grandchildren despite her age and swollen, painful foot. Her granddaughter is weaving a mat to sell using dried grass (photograph page 11).

Often the 'bottom-up' approach takes the form of an NGO working in collaboration with a local community and asking them to prioritise the help they most need, for example a new school building, a borehole for clean water, or an improved road so that goods can be taken to market. Every member of the community is involved and asked for their opinion. Whatever is decided, it is the community that has to lead the project.

The NGO is there for guidance if needed and it supplies the raw materials. This kind of approach is being used successfully, for example, in several communities by Care Nakekela in the Low Veldt in Swaziland.

Limitations of this approach

So what are the limitations of this bottom-up approach?

First, it is difficult to expand such projects to cover a wider group of people. Small NGOs like Care Nakekela have limited funds and often rely on donations. Even large NGOs like Oxfam and Christian Aid find that their income fluctuates (for example with the downturn in the world economy since 2007).

Second, NGOs may help to start a useful initiative but they normally plan on a stay of about 5 years and may then move on to work with other groups. Their work brings enormous benefit to people but it can be difficult to sustain its benefits in the long term. For this reason large NGOs are spending increasing amounts on campaigning and lobbying governments and organisations like the World Bank and WTO, in an attempt to bring about political change that is beneficial to poorer countries. This kind of work may be less obviously appealing for donors who prefer to think of NGOs as providing food and shelter to children.

Another way?

An inspiring initiative started by Muhammad Yunus in Bangladesh has transformed many lives and been copied all over the world. It is the provision of small loans (known as micro-credit), mainly to women, allowing them to start up small enterprises. It has

been extremely successful in transforming the lives of an estimated 100 million poor rural families in Bangladesh and beyond.

Although he was born to a poor family in Bangladesh, Yunus gained a degree in the USA and taught economics at Tennessee University before returning to Bangladesh as a Professor of Economics at Chittagong University in 1972. The serious flooding in 1974 meant he came face to face with mass hunger in his own country. When visiting a small village on a field trip with his students he found that women were borrowing money from a money-lender to buy bamboo to weave baskets. The money-lender would only lend the women money on condition that he took all the finished baskets to sell himself. The women only received a small payment for their work. The money-lender was taking the profit from their labour while they continued to struggle to pay the high interest on the debt. Yunus found that there were 42 people in the village who owed the money-lender a total of \$27. He decided to pay off the money-lender himself and the people then paid him back, without the crippling interest rates. As a result their livelihoods improved.

After failing to persuade conventional banks to lend money to poor people to set up income-earning initiatives, Yunus started borrowing from the banks and lending the money himself. He found that people paid back their loans. Despite predictions that the project would fail, he expanded it, with the help of some of his students, and in 1983 founded the Grameen Bank (the name means village bank). It now gives loans to 2.1 million poor people, 97% of whom are women, in 37,000 villages in Bangladesh. By

2012, every poor person in Bangladesh will have access to financial services, the first country in the world to reach the poor in this way. The repayment rate has been 98.6%, which is higher than that achieved by any other banking system.

Social credit

Yunus found that giving credit to women brought more social benefits to the family than giving it to men. To help borrowers stay on track and to feel supported, they are organised into groups of five women who all have to agree if one of them wants to take out a further loan. This group also has weekly meetings with about ten other local groups to share business ideas and experiences. In addition borrowers have to agree to a social agenda of '16 decisions' that includes targets like ensuring their children attend school.

Unlike conventional banks, where employees are rewarded bonuses for the amount they lend, Grameen employees are judged on how much social benefit results from the loans they have authorised. The idea of providing micro-credit to the poor in a supportive way has now been copied in many countries around the world, even in richer countries, such as the USA, which has its own share of poverty.

The increasing availability of micro-credit for the poor in Bangladesh over the past 25 years may be part of the reason for a

fall in infant mortality from over 100 to 54 per 1,000 live births, and in children under 5 from 239 to 73 per 1,000. Literacy rates have increased from 45% to 64% over a similar time period.

Conclusion

Top-down and bottom-up methods of helping close the gap between the rich and poor of the world have benefits and limitations. Respecting the creativity and initiative of poor families by providing micro-credit loans that are paid back is one bottom-up method that is proving to be a successful and sustainable way of lifting the poorest families out of poverty across the globe.

Questions for discussion

- (1) Use the internet to research some large-scale, top-down development projects and discuss how they have benefited poor people.
- (2) To what extent do the poor in developing countries suffer from a lack of control over how their labour is rewarded and how they access capital?

Further reading

- Grameen Bank website: www.grameen-info.org
 Read about Christian Aid's campaigning work at www.christianaid.org.uk/ActNow/
 Read about Oxfam's campaigning work at www.oxfam.org.uk/oxfam_in_action/what_we_do/

Key points

- Top-down development describes big projects funded by governments and large organisations. It does not always have the desired impact on poor people.
- Bottom-up development involves poorer people in making decisions but is not always sustainable.
- One successful, sustainable bottom-up approach is to provide small loans (micro-credit) to women in developing countries.

campaigns.html. You can read policy papers at www.oxfam.org.uk/resources/policy/2009.html and campaign reports at <http://www.oxfam.org.uk/resources/papers/campaignreports.html>

For an organisation that works on small practical projects see <http://practicalaction.org/>
 Yunus, M. (2007) *Creating a World Without Poverty: Social Business and the Future of Capitalism*, Perseus Books Group.

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Key words

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