Toward an Economic Sociology of Chronic Poverty: Enhancing the Rigor and Relevance of Social Theory

Michael Woolcock[1]

World Bank and University of Manchester

Chronic Poverty Research Center

Concepts and Methods for Analysing Poverty Dynamics and Chronic Poverty

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Abstract

In recognizing that poverty is "multi-dimensional", contemporary policy discourses—drawing on scholarship on 'networks', 'exclusion', and 'culture'—have made important (if often under-appreciated) steps to incorporate insights from social and political theory, but these (hard-won) gains now need to be consolidated, advanced and sharpened. To build significantly on them, coherent theories of and useful policy responses to chronic poverty require attention to three additional (and interrelated) realms, which must cumulatively be able to (a) provide a clear but distinctive model of human behavior, (b) explain how and why poverty persists as part of broader processes of economic prosperity and social change, (c) account for the mechanisms by which power is created, maintained and challenged, and (d) readily lend themselves to informing (and iteratively learning from) a new generation of supportable poverty reduction policies and practices. These three additional realms—social relations, rules systems, and meaning systems—are deeply grounded in a long tradition of social and political theory, and offer an opportunity to take a next step towards more faithfully incorporating the full richness of social science into poverty policy and practice.

The day is not far off when the economic problem will take the back seat where it belongs, and the arena of the heart and the head will be occupied or reoccupied, by our real problems—the problems of life and of human relations, of creation and behaviour and religion.

John Maynard Keynes
First Annual Report of the Arts Council (1945–46)

1. Introduction

There is now broad agreement among scholars and practitioners alike that the causes, manifestations and consequences of poverty are multidimensional, i.e., that poverty cannot be adequately defined by very low income alone, but can include various forms of exclusion and marginality from basic services, labor and credit markets, citizenship claims, and agreed-upon human rights provisions (Sen 1999). As recent scholarship by historians (Sherman 2002, Jones 2004, O'Connor 2005) has shown, conceptions of poverty—i.e., of who is, and who is not, poor[2]—and their corresponding policy response strategies have changed considerably over the centuries, even as many important methodological debates continue about how best to measure poverty and compare it across different contexts (Deaton 2001, Iceland 2005, Brady 2006, Dercon 2006), and assess the importance of economic growth to reducing it (Kraay 2005, Hausmann et al 2005, Ravallion 2006). Many serious minds are dedicated to exploring and refining these issues, and I am not going to enter that fray, at least not here. For our present purposes, I begin from the simple (and, I hope, relatively non-controversial) premise that poverty has many dimensions, that among these dimensions income is centrally important, and that inclusive ("pro-poor"[3]) economic growth policies are necessary but insufficient for reducing it.

This paper, rather, focuses on both expanding and refining the analytical scope of the "social" (or non-economic) aspects of chronic poverty, and thereby, I hope, enhancing efforts to respond more effectively to it. The argument is this paper proceeds as follows. In recognizing that poverty is "multi-dimensional", today's dominant policy discourses have actually made important, if often under-appreciated, steps to incorporate insights from social and political theory, but that these (hard-won) gains now need to be consolidated, advanced and sharpened. Three broad themes in non-economic social science—what I shall call, for simplicity's sake, 'networks', 'exclusion', and 'culture'—have been at the forefront of these important efforts to make initial inroads into shaping contemporary policy discourses, not least at the international level. While further useful insights can certainly be gained from continued research in these areas, building significantly on them requires the incorporation of three additional (and interrelated) realms into the theories of and policy responses to chronic poverty. To constitute a coherent and useful theory, these realms must cumulatively be able to (a) provide a basic but distinctive model of human behavior, (b) explain how and why poverty persists as part of broader processes of economic prosperity and social change, (c) account for the mechanisms by which power is created, maintained and challenged, and (d) readily lend themselves to informing (and iteratively learning from) a new generation of supportable poverty reduction policies and practices. These three new realms—which are not

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[2] See also Pritchett (2005) for an interesting discussion on who is *not* poor within the terms of contemporary policy and empirical debates.
[3] The precise definition of "pro-poor" economic growth is itself contentious (see UNDP's International Poverty Centre 'one-pagers', which have explored the core contentious issues), though no-one seriously claims that economic growth (however defined) is unnecessary for sustained poverty reduction.

actually new, since they are deeply grounded in a long tradition of social theory, and are not posed here in contradistinction to the prevailing themes—are social relations, rules systems, and meaning systems.

These are admittedly ambitious goals, and within the constraints of a single paper can necessarily only be partially achieved, if at all. I surely have no desire to engage in what could only be a futile quest for a 'grand theory' of chronic poverty, but I am firmly of the conviction that historical events, recent intellectual innovations and fervent political activism have conspired to provide us with a narrow window of opportunity to seriously incorporate social themes into a coherent and supportable strategy for reducing poverty and marginalization, an opportunity not experienced for perhaps forty years (the civil rights movement) or nearly a century (the progressive era). 'Theory' is, of course, but one element shaping the viability of any such strategy, but to the extent that scholars have any comparative advantage in these matters, it is largely in the realm of theory and ideas. So, herewith my contribution, as someone who resides at the awkward nexus of multidisciplinary research and development policy; the paper will have served its purpose if it provides (even provokes) a basis for further sustained deliberation.

The paper is structured in six sections. Section two briefly looks at how poverty generally, and chronic poverty in particular, is explained in the current policy literature, with a focus on 'poverty traps' and (more recently) 'inequality traps'. I will contend here that three strands of scholarship in the non-economic social sciences have exerted quite considerable influence at the level of contemporary policy discourse (and to a lesser extent, practice), and that critics, especially those within these disciplines, have been slow to recognize this fact. Section three argues that these successes, important as they are, cannot do the heavy intellectual lifting required for a more comprehensive social theory of chronic poverty, and that, as such, a new edifice must be constructed and negotiated for. The key elements of this edifice are nascent within a long history of scholarship across all the social sciences, but, as a package, need to be reframed in order to enhance their most salient and compelling elements, and their prospects of gaining policy traction. These elements, or realms as I shall call them, must not amount to merely yet another "conceptual framework" for informing "development policy", but do the work of any serious social theory of economic life. I provide four tests for assessing the efficacy of any such theory. Section four provides three brief case studies of selected aspects of chronic poverty, to demonstrate both the influence and the limits of prevailing approaches. Section five provides a spirited (if not detailed) defense of three constituent realms of a broader social theory of chronic poverty, namely systems of social relations, rules and meaning. Section six concludes.

2. Poverty as a policy 'story': poverty traps, inequality traps

'Poverty' clearly has a long intellectual history (see Geremek 1994, Beaudoin 2007), and I cannot possibly hope to do justice to this complex account here. For our purposes, I shall simply summarize the dominant explanation of poverty in developing countries within contemporary policy circles, and then show how aspects of three different bodies of scholarship within non-economic social science have modified (even challenged) that account, and given rise (and/or themselves been influenced by) particular policy responses.

The dominant account of chronic poverty presented by economists, and made manifest in the discourse of international and bilateral development agencies, centers on the notion of 'poverty traps' (Azariadis and Stachurski 2006). Poverty traps have long been

invoked by all manner of social scientists working at all units of analysis—from countries (Sachs 2005) to individuals (Bowles et al 2006)—to explain chronic poverty, or the empirical reality that poverty tends to persist across generations (Hume and Shepherd 2005). While many economists (e.g., Easterly 2006) dispute the presence of poverty traps at the macro level (i.e., a self-perpetuating low-level equilibrium in which a poor country struggles to attract investment, thus cannot provide basic public goods and services, endures sluggish/erratic/negative economic growth, suffers recurrent politics crises, and thus cannot attract investment), there is much stronger support for it at the micro level (Banerjee et al 2006), where poor individuals cannot afford adequate food, education, and health care, are thus more often sick and unable to work, and thus less able to earn sufficient income to support themselves and their families.

The dynamics of poverty traps are compounded by pervasive market failures, especially in labor, finance, insurance and property rights, which generate hugely inefficient outcomes: workers have few incentives to invest in their (or their children's) education (because no-one else does); households are unable to find secure places for their savings (leading to investments in, say, livestock, which can die, get sick, or be stolen) or obtain credit at reasonable interest rates (thereby sending them to usurious moneylenders); disasters of all kinds, whether to property or persons, can lead to utter destitution, leading to investments in low-risk but low-return crops and entrepreneurial ventures (Scott 1976); and informal (at best) property rights means the few material possessions of the poor cannot be leveraged as security (and are thus rendered 'dead capital', as de Soto [2000] famously put it). In the absence of formal protections embodied in a legally binding statement of ownership, such possessions can also be expropriated at will (and with no recourse other than vigilantism) by local elites, criminal elements, business interests, or the state.

Presented as such, the microeconomics of poverty traps should be relatively straightforward and non-controversial: this account enjoys strong theoretical backing and empirical support, and its various aspects are readily apparent to anyone who has done fieldwork in developing countries. It can provide a reasonably solid explanation of why individuals with the 'same' demographic attributes at birth in different countries can nonetheless enjoy vastly different life chances (World Bank 2005) and, more tellingly, why individuals who are 'rich' (i.e., in the upper ten percent of the income distribution) in poor countries have life chances vastly inferior to the 'poor' (bottom ten percent) in rich countries (Pritchett 2005). The core problem with the orthodox poverty traps account lies more in the areas of what it cannot adequately explain, and what it does not say (or is unable to say). It struggles, for example, to explain why particular *groups* (e.g., Dalhits in India, Aborigines in Australia) tend to remain chronically poor, why the broad enhancement of material welfare tends to be accompanied by (often severe) conflict (Bates 2000), why certain groups (e.g., the Roma in eastern Europe, the residents of 'Zomia'[4] in southeast Asia) who could in fact have access to formal education, financial services and police protection may nonetheless actively chose to remain outside the purview of the state, and how systemic (as opposed to individual) 'poverty traps' sometimes are actually broken.

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[4] 'Zomia' is a title coined by (among others) van Schendel (2002) to refer to the broad expanse of mountainous territory covering northern Burma, Thailand, Malaysia, Laos, northern Vietnam and southern China, which has, for centuries, been populated by nomadic peoples who have overtly (and, for the most part, successfully) resisted incorporation into the prevailing state, practicing "escape agriculture" and exhibiting an "escape social structure" (see Scott, forthcoming).

In its defense, the broad acceptance currently accorded to the 'multi-dimensionality' of poverty (alluded to at the start of this chapter) is in some important sense a recognition by policy elites that microeconomics alone cannot fully account for the wide array of factors shaping the causes, manifestations and consequences of poverty (and especially chronic poverty). Because of its own internal shortcomings, then, and—equally importantly—the compelling nature of key empirical and theoretical insights presented by other disciplines, the recent reports of the major international development agencies (i.e., the World Bank's World Development Reports and the UNDP's Human Development Reports), and of course the University of Manchester's own Chronic Poverty Report (funded by the UK government's Department for International Development), have given significant space to the "non-economic" dimensions of poverty and inequality. While hard-line critics will always find fault with them, the World Development Report 2000/01 (World Bank 2000), for example, assigned a whole section to covering the political and social dimensions of poverty, while WDR2006 granted an entire chapter (and several sections elsewhere) to historical and political economy considerations of equity and the institutional mechanisms by which it is created and perpetuated (see further discussion below). For their part, recent HDRs have also focused exclusively on considerations of culture and inequality. Their inherent limitations notwithstanding, these documents represent important discursive milestones and opportunities for further advancement, and should be recognized as such by the wider scholarly community.

If 'poverty traps' is the policy shorthand for the microeconomics of poverty, what the WDR2006 (World Bank 2005; see also Rao 2005b[5]) calls 'inequality traps' can be said to be the equivalent for non-economics perspectives. In its simplest form, inequality traps refers to 'durable' (cf. Tilly 2000) structures of economic, political, and social difference that serve to keep poor people (and, by extension, poor countries) poor. Large economic gaps between rich and poor groups, for example, can give rise to vastly unequal political influence which, over time, can consolidate itself into institutionalized disadvantage and discrimination; it can erode the tax base for public services, with the wealthy purchasing their own private education, heath care, transport and security, effectively putting them in a separate 'moral universe' (Skocpol 1990) to that of the poor, with whom they rarely interact or even come in contact, thereby eroding their elective affinity and sense of shared political interests. Similarly, widening and (seemingly or actually) entrenched inequality can serve to undermine any hope by those at the bottom of the income ladder that 'hard work' and 'playing by the rules', rather than criminal or subversive activity, can yield them (and/or their children) a life of basic dignity (let alone economic advancement).

If one unpacks the intellectual genesis of 'inequality traps', and the pathways by which it has become influential in international development circles, it can be said to draw on three strands of research within social science. The first of these can be called 'network isolation', which has its origins in the Chicago School of urban sociology in the early twentieth century but has had its greatest contemporary influence through the work of sociologist William Julius Wilson (1987, 1996) on "the truly disadvantaged"—i.e., those who, through mutually reinforcing processes of urban de-industrialization and out-migration by the middle classes, find themselves increasingly isolated from the diverse social networks and high quality public services that provide the vital information, resources and 'cultural capital' (following Bourdieu) needed to find and keep good jobs and affordable housing. This

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[5] Sage and Woolcock (2006) also outline what they call 'legal inequality traps', a situation whereby the prevailing rules system—both in its normative and judicial incarnations—serves to keep poor people poor.

work is broadly compatible with work by economists on poverty mapping and 'geographical poverty traps' (Jalan and Ravallion 2002), and with that strand of social capital research in development studies influenced by Robert Putnam[6] (e.g., Isham 2002, Fafchamps 2006): for these scholars, it is the social networks that provide the basis of information flows and resource sharing in poor communities, which constituent key elements of their survival and mobility strategies; they also serve to confine the poor to particular (usually spatially isolated) places, wherein their absence of diverse social networks is only consolidated.

To the literature on networks, scholars of social policy, especially those in Europe, have succeeded in introducing a discourse on "social exclusion" into academic and policy debates on poverty (Silver, this volume), arguing that rigid class structures and overt discrimination continue to exert a powerful influence on who has knowledge of, access to, and sustained participation in key mobility mechanisms such as employment, citizenship and education. Primarily concerned with understanding the social and political processes whereby particular groups and structures are reproduced over time, the social exclusion literature has managed to convey a greater sense of internal coherence and unity than its counterparts on networks (above) and culture (below), though at the expense, perhaps, of sparking energetic (even controversial) debate or driving a concrete operational agenda. Entire academic centres have been established on social exclusion (e.g., at LSE), and it's clear that the language of social exclusion simultaneously stems from, resonates with and informs pan-European sensibilities on the causes of and responses to poverty in its midst, yet it's hard to identify precise instances of where actual projects or policies in developing countries have been launched on the basis of a 'social exclusion theory'. If one was to extrapolate a little, it could plausibly be argued that the language of 'empowerment' is one discursive manifestation of social exclusion theory, in which case the connections to policy are much more readily apparent (e.g., Alsop, Holland and Bertelsen 2006; Stern, Dethier and Rogers 2005). Even so, as these citations themselves indicate, the concept of 'empowerment' can and does draw on multiple (sometimes very different) intellectual strands.

For better or worse, various "cultural explanations" have also had policy salience in discussion of poverty. At one extreme, hard-line "culture of poverty" advocates (e.g., Murray 1994) have asserted that the behavior of the poor themselves is the reason for their misfortune (and thus urge governments to dismantle the welfare state because it only encourages dependency and perpetuates social problems such as teen pregnancy); similarly, influential writers such as Lawrence Harrison and Samuel Huntington (e.g., Harrison and Huntington 2001) have long argued that 'culture' is the primary determinant of a country's level of prosperity. More sophisticated thinkers (e.g., Portes 1995, Patterson 2006) have contended that certain powerful intra-group norms, especially among immigrants and young people, can contribute to poverty by conspiring to undermine achievement ethics, wealth accumulation, and safe sexual practices. Discussions of 'culture' in some policy circles have also been driven by an otherwise laudable concern to protect or promote a certain community's cultural products and artifacts (e.g., its music, food, languages, art, monuments, heritage sites, etc), but where it has done so it has tended to overwhelm more detailed and deliberative reflections on the ontological status of culture, in the process perpetuating a false view that 'culture' is something "out there" in poor communities (preferably in exotic countries) rather than an inherent and ubiquitous feature of life "in here", i.e., inside even (or especially) the most seemingly bland development agencies and academic departments. These (serious)

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[6] See Woolcock and Narayan (2000), who outline four strands of social capital research—communitarian, networks, institutions and synergy—that have flowed from the work of Robert Putnam.

concerns notwithstanding, the most recent and vibrant literature on culture, poverty and development policy (e.g., Rao and Walton 2004) argues for making a concerted effort to incorporate the insights of mainstream anthropology into development theory and practice, a process which has made important first steps but which now needs to be consolidated and expanded (see below).

There are clearly detailed and expansive literatures in each of these three domains, but for our present purposes it is sufficient to note that each has been a key vehicle through which ideas and evidence from mainstream social science has gained some measure of policy traction in poverty debates. Given that such debates are ordinarily dominated by economists, and that non-economist social scientists have long argued that they should be given a voice in such deliberations, it is a noteworthy accomplishment that some measure of influence is beginning to be obtained. These advances ought to be more widely recognized, not least by those who claim, implicitly or explicitly, that major development agencies are immutable to change. Nevertheless, much remains to be done if a fuller and more faithful rendering of social science is to shape the content and direction of poverty policy and the knowledge base on which it rests (assuming this is a desirable objective, which I obviously believe it is). In the sections that follow, I outline the tasks that a social theory of poverty (especially chronic poverty) must be able to accomplish, provide some simple case studies of the types of problems it must be able to address, and identify three substantive issues to which sustained attention should be given if social science scholarship is to have a greater impact on poverty (and other) policy debates in the coming years.

3. Tasks of a Social Theory of (Chronic) Poverty

If non-economic social science is to have an expanded role and a more confident voice in policy debates on poverty, it is essential that its theoretical moorings be distinctive and well-grounded. In this section, I outline four tasks that I think a comprehensive social theory of poverty—and by extension, chronic poverty—must be able to accomplish. I take this approach because, in my experience, social scientists have to date too frequently chosen (or been forced by necessity) to carve out highly selected aspects of their conceptual and methodological toolkits in their engagements with economists and policymakers, opportunistically finding spaces and moments for inserting them rather than strategically enacting a broader vision. As someone who has spent more than a decade in daily interaction with some of the world's leading poverty economists I am acutely aware that seeking and exploiting opportunistic moments are sometimes all that can be done; still, if (as I have argued above) important groundwork has now been laid and if the prospects appear somewhat brighter regarding the receptivity of the policy community (and economists themselves) to 'non-economic' themes (such as governance, institutions and participation), then it important that next steps be taken proactively, rather than reactively.

To this end, I submit the following four tasks that, going forward, a comprehensive theory of (chronic) poverty must be able to accomplish if it is to be distinctive, useful, and supportable to those who design and implement responses to it. First, the theory must provide a basic but distinctive model of human behavior. If a serious alternative is to be mounted to economic models, then it must be recognized that much of the power (and putative 'rigor') of economics rests on its simple and simplifying assumptions of human behavior. If social scientists (including economists) wish to resist assertions that humans are utility maximizing and self-interested, and that little, behaviorally, separates the decision-making calculus of

Wall Street executives and Kalahari bushmen, then they need to do more than merely assert their disagreement; they must pose a viable alternative.

Second, the theory must be able to explain how and why poverty persists as part of broader processes of economic prosperity and social change. Even if economic growth is, on average, "good for the poor", a solid theory must also be able to account for the nature and extent of the standard deviation (cf. Ravallion 2001). Most pragmatically, the policies and social consensus that underpin growth itself will only be politically sustainable if the benefits of growth are widely shared, and if the distributional conflicts accompanying that growth— e.g., through changes in relations between classes and occupational groups—are meaningfully accommodated (Easterly, Ritzen and Woolcock 2006).

Third, the theory is obliged to explain the mechanisms by which power is created, maintained and challenged. Most social scientists will assert vigorously that "political economy" considerations are an essential component of their theoretical apparatus, but too often the precise mechanisms are left more asserted than demonstrated, and with it much clearer what the author is "against" than what s/he is actually "for".

Fourth, the theory must readily lend itself to informing (and iteratively learning from) a new generation of supportable poverty reduction policies, projects and practices. As more concrete manifestations of social theory are implemented in response to poverty concerns, they should be treated as "laboratories" for testing (and thereby informing) many of the ideas and hypotheses espoused by scholars.[7]

The veracity of these four criteria for assessing the merits of a given social theory of (chronic) poverty, and my proposal for what the elements of such a theory might comprise, are outlined below, but it is helpful to first present three illustrative cases of the types of concrete poverty problems that the world is currently wrestling with. If nothing else, a serious theory, social or otherwise, must be able to speak sensibly to these types of concerns. The cases themselves are relatively self-explanatory; they are not meant to be "representative" in any statistical sense, but embodiments of the larger processes and policy dilemmas with which I believe contemporary scholars and practitioners of poverty must engage.

4. Three Very Brief Illustrative Cases

Consider these three brief cases—from China, Australia, and Cameroon—of problems that confronting today's poverty scholars and practitioners.

(a) <u>Conflict in Rural China</u>

China's spectacular rates of annual per capital economic growth over the past three decades are widely (and rightly) recognized for the vital role they have played in bringing millions of people out of poverty. Achieving the global poverty reduction targets of the Millennium Development Goals will turn in no small part on large countries like China continuing to sustain such growth rates. Less well appreciated, however, is the enormous amount of everyday conflict that has accompanied China's rapid economic expansion in recent years. In 2004, reports Muldavin (2006), there were 74,000 "uprisings" across the country, a product

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[7] I thank Scott Guggenheim for stressing this point, and indeed for encouraging his own development projects to be subject to this kind of scrutiny.

of environmental destruction, widening inequality, and the forced expropriation of land from villagers by the state to accommodate the seemingly insatiable demands of developers and wealthy city dwellers seeking to escape urban pollution and small apartments. "Rural unrest is the biggest political problem China faces today", writes Joshua Muldavin, a geographer who is long-standing student of changes in rural land tenure in China. "Peasant land loss is a time bomb for the state."

(b) <u>Maternal Health in Aboriginal Communities in Maningrida, Australia</u>[8]

Many Aboriginal communities in Australia live in "fourth world" conditions. In isolated towns such as Maningrida (in the Northern Territory), most specialist medical needs are serviced from Darwin, a two-hour flight from Maningrida. In particular, antenatal care, birthing, and postnatal care are all provided for in the city: expectant mothers are flown there for up to four months. Given the prevalence of disease and serious health problems, low life expectancies and high levels of neonatal deaths among Arnhem Land communities (and the criticism faced by the Australian government in relation to these problems), the free provision of world standard medical care may seem like an extremely generous, progressive, rights-based program (fulfilling and protecting people's right to health).

Under indigenous law in Arnhem Land communities, however, the "place of birth" is a key cultural determinant of clan lines, rights and authority. Women who are expecting a child are obliged, under traditional law, to return to "their country" to ensure the ongoing connection of their children to the land and to the laws, rights and responsibilities that are seen to emanate from it. For Australian health care authorities, however, these birthing practices are too difficult to regulate or to service. If a woman does not want to go to Darwin, local health care authorities persuade and/or cajole her and, ultimately, provide no alternative. Traditional midwives, where they still exist, are not recognized by law, and are considered "dangerous" by local health care authorities. If, in the last instance, a woman refuses to go, the local health care authorities present them with a suite of legal disclaimer documents, denying any legal responsibility or liability to the government.

In practice, however, many women continue to travel back to their traditional lands to birth their children. Their actions are "outlawed" (or at least are outside the law) and so they are given no assistance by local health care providers, who are in fact obliged (by law) *not* to help them. Thanks to the breakdown of local communities, and the movement of most communities into constructed towns such as Maningrida, even when traditional health care practitioners and midwives do exist, they tend not to be found in outlying areas. There, women continue to experience high levels of birth-related health problems, and high levels of maternal and infant mortality. Conversely, while those women who agree to travel to Darwin do experience better health outcomes, the birth of many children "off country" serves to undermine traditional norms and increases the conflict between local communities and government services, or between local communities.

(c) <u>Stopping the Spread of AIDS in Cameroon</u>

The scale of tragedy of the AIDS pandemic sweeping Africa is relatively well acknowledged, but most of the international energy marshaled in response to it so far has focused on technical matters such as creating incentives for major pharmaceutical companies to produce

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[8] A more detailed discussion and analysis of this case is provided in Sage and Woolcock (forthcoming).

lower cost anti-retroviral drugs. Crucially important as these initiatives are, they focus on treating the symptoms of those already infected rather than preventing the spread of AIDS in the first place. Given that AIDS is acquired in the most intimate (sexual), primal (parent-to-child) and behavioral (sharing of needles) of ways, effective responses at this level face a barrage of vexing challenges.

Understandings of personal health care issues are, in all communities everywhere, grounded in broader understandings of how the world works, of basic mechanisms of cause and effect, and of identity and status. For many rural Africans, where there is only one doctor for every 40,000 people but one traditional healer for every 500 people (Rosenthal 2006), and where cosmologies and community identities are still strongly grounded in an agrarian way of life, engaging in rituals and practices that would cause grave concern to 'modern' public health officials is just a normal part of everyday life. Having infants fed by multiple mothers, for example, is a common practice and part of the naming ceremony whereby a newborn becomes recognized as a member of the group; witchdoctors may counsel anxious patients to ward off evil spirits by making multiple cuts with a shared razor blade. Tribal identity markings and circumcisions may be conducted in similar ways, and in countries such as Cameroon, polygamy is common (with some chiefs having as many as 30 wives).

Responding effectively to the AIDS pandemic in Africa (and elsewhere) thus requires far more than just technical and scientific advances, important as these are. "If we are only biology, biology, biology, then we are only doing half of our mission," says Marcel Manny Lobe, director of the new International Reference and Research Center for H.I.V.-AIDS in Yaoundé. "We need also to do the sociology and anthropology and then make biological interventions."[9]

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These seemingly different cases from different continents nonetheless share important similarities. First, they show that social relations are central to understanding responses to economic and political change. In China, conflict is a product of resources and livelihoods being expropriated, but even if the expropriation itself is only part of the economic growth strategy, rapid change—and the concomitant processes of conflict it engenders—is only likely to continue. We are accustomed to thinking of conflict as a product of "failed" development, but here it is both a cause and effect of rising prosperity. Similarly, the enduring power of social relations is vital for understanding the efficacy (or lack thereof) of health care interventions, whether in a rich country (Australia) or a poor one (Cameroon), no matter how well-intentioned or well-resourced the providers. Second, these social relations are embedded within and upheld by rules systems, ranging from everyday social norms and customary legal systems to the formal laws of the state and international agreements. Chinese peasants, Aboriginal mothers-to-be and Cameroonian AIDS patients carrying out their lives within rules systems that are often unclear (by design) to outsiders and which may or may not cohere with the rules systems of other groups or those of the state. When they do not—as in each case here—serious problems ensue. Third, social relations and rules systems are themselves embedded in broader meaning systems encompassing beliefs about how one makes sense of the world, whether and how one effects change, and where one is situated in that world relative to others.

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[9] Cited in Rosenthal (2006)

In the cases above, poor Chinese peasants, poor Aboriginal women and poor Africans are being challenged (forced) to engage with qualitatively different 'modern' sensibilities pertaining to livelihoods, child birth practices and public health; as such, the fault line (or policy "bottleneck") is not so much the absence of material resources (cf.. Sachs 2005) but rather different ways—ontologically and epistemologically—of understanding how the world works. For these types of development problems, which I contend are ubiquitous and omnipresent, the appropriate solution is not technical but political; optimal and legitimate solutions, characteristically unknowable ex ante, can only be arrived at through equitable negotiation and deliberation. In the next section, I elaborate briefly on these three elements—social relations, rules systems, and meaning systems—and argue that they should be the basis of the next stage of efforts to incorporate social and political theory into development policy and practice.

5. Elements of an Economic Sociology of Chronic Poverty: Social Relations, Rules Systems, Meaning Systems

To date, I have argued, the dominant scholarly and policy debates on development in general, and poverty in particular, have been most influenced (outside of economics) by studies of networks, social exclusion, and culture. This has occurred not only because of the inherent appeal of the core ideas in these fields, and the passing of historical events which have created greater space for their (actual or potential) receptivity, but because certain key actors and organizations have actively and strategically promoted them (see Bebbington et al 2004). To the extent human agency can be similarly deployed going forward, the consolidation and extension of these gains, and the incorporation of a still richer body of social science research into understanding poverty dynamics, requires, I suggest, a focus on three additional realms[10]. The three illustrative case studies (above) provide a sense of their practical manifestation; in this section, I provide an overview of their distinctive analytical underpinnings.

(a) <u>Social Relations</u>

Arguing for a focus on 'social relations' as a basis for understanding economic outcomes has its origins at least as are back as Marx (see Farr 2004), but for our present purposes it should direct our attention to three key sub-issues. Firstly, following (among others) Emirbayer (1997), Tilly (2000) and Rao and Walton (2004), it should help us understand how groups are defined, how 'us-them' boundaries are created, sustained, and transgressed, and how these shift during periods of economic and political transformation. It is in and through groups that identities are formed, and it is defining feature of modernity that it simultaneously fractures individual identity into multiple (sometimes competing) strands—home/work, citizen/subject, sacred/profane—even as it then requires individuals (and, by extension, communities) to 'manage' these different claims on their time, resources and loyalty (Gellner 1988). As Polanyi (1944) famously argued, "the great transformation" unleashed by the industrial revolution—and whose workings continue to unfold today—rendered separate what had previously been unified.

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[10] My focus on three fields of study, as opposed to some other number, is more a matter of discursive convenience than demonstrated empirical fact. I am conscious that, in quests to render 'big picture' issues in manageable terms, the choice of three factors has a long and sometimes awkward history; Gellner (1988: 19), for example, amusingly calls such proclivities 'trinitarianism'.

Second, humans are relentlessly status-oriented beings, constantly assessing their preferences, aspirations, and strategies on the basis of their place within various identity groups and broader communities within which their lives are 'embedded'. Recent work in experimental economics[11] has confirmed what has long been a stable of sociology and social psychology, namely that individual choices and values are heavily influenced by the particular reference groups one believes most salient, and the perceived legitimacy and permeability of the boundaries separating these groups (Haslam 2004). The direst circumstances of poverty, for example, in which all sense of hope or expectation for escaping it appears to be lost, can itself undermine 'capacities to aspire' (Appadurai 2004) and thereby contribute to the persistence of inequality traps. Similarly, membership in a stigmatized group (such as a low caste in India) can itself—that is, all other things equal—contribute to low performance on standardized tests[12].

Third, many key services—such as health, education, and social work—are *necessarily* delivered in and through social relationships (doctor-patient, teacher-student, counselor-client). There is no shortchanging the fact that schooling, for example, whether it is conducted privately, by the state or by parents at home, essentially takes human interaction between teacher and student over the course of six hours a day, two hundred days a year, for twelve years in order to 'produce' a sufficiently socialized and educated young adult able to take their place in our modern economy and society. Making services work is key to enhancing the welfare of the poor (World Bank 2003), but—as the case of AIDS in Cameroon above demonstrates—responding effectively, especially where intensely private matters such as sexuality are involved, will entail paying serious attention to the relational aspects of service delivery (Pritchett and Woolcock 2004), not just technical issues such as the pricing of those services, or administrative issues such as the design of line ministries (important as these are).

(b) Rules Systems

While there is a broad consensus that the design and implementation of effective development policy entails 'understanding the rules of the game' in a given context, that equitable outcomes depend on 'leveling the playing field', and that transparent and accountable governance requires 'building the rule of law', there is far less agreement on how anyone can (or might) actually do these things. The international community has a long and unhappy history in such matters (Sage and Woolcock 2006), in no small part because its programmatic activities have been the logical end product of (i) the prevailing theories for much of the last sixty years (whether emanating from modernization theory, Marxist perspectives or neoclassical assumptions), and (ii) the imperatives of large development organizations, both of which have combined to encourage (and/or justify) technical assistance strategies centered on "jumping straight to Weber" (Pritchett and Woolcock 2004)—that is, implementing, preferably in a single bound, end-state institutional forms deemed to be "international best practice".

It is important to note that certain development problems (such as low-cost methods for desalinating water, or engineering techniques for building rural roads in high rainfall environments) do indeed have technical solutions, and when they are identified it is clearly to everyone's advantage for these to be widely and rapidly disseminated. In such matters, the

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[11] Radin and Woolcock (forthcoming) provide an overview of this work and an assessment of its significance for social theory and development.
[12] This literature is surveyed in World Bank (2005).

wheel does not have to be reinvented each time. In a vast range of other cases, however, such as resolving tensions between different ethnic groups or building judicial systems, an entirely different decision-making apparatus is required. The development community is only slowly coming to an appreciation of this, though both its political history and prevailing institutional architecture conspire against it. Nevertheless, social and political theory (and research methods) has a vital role to play here. If 'good governance' and 'making institutions work' for the poor is everyone's seemingly highest priority, then a whole new intellectual software is required. Enhancing the accessibility and quality of justice for the poor; bridging state and non-state justice systems; creating new deliberative spaces for decision-making and political reform: these are all vital tasks in the twenty-first century, and ones to which social science is well equipped to speak (see Gibson and Woolcock 2005, drawing on Habermas).

Rules systems constitute everything from constitutions and contracts to languages and social norms—they are all human inventions to regulate behavior, facilitate exchange, and (at best) constrain elite power. As such, efforts to introduce some version of them into settings where they have not previous existed requires a theoretical framework considerably different from those used to set exchange rates, build bridges, or design pension systems. Similarly, rules systems themselves—most graphically apartheid, but also laws that deny widows any inheritance or gender norms that encourage girls to leave school early—can lie at the heart of 'legal inequality traps' (Sage and Woolcock, forthcoming; 2006) that keep poor people poor. 'Breaking' such traps is a vital, if vexing, development challenge.

(c) <u>Meaning Systems</u>

This final realm of inquiry is an extension of the best work on culture and development (e.g., Rao and Walton 2004). Here the concern is with understanding how people make sense of what happens in the world and to them; how they understand the role of their own agency (vis-à-vis 'social structures' and 'the fates') in shaping their life chances and opportunities; and how they engage with (and are affected by) difference and change. In order to realize these ambitious goals, it will be necessary to engage more systematically with the most recent work on cultural 'frames' and 'repertoires' (e.g. Lamont and Small 2006), which seeks to understand how people navigate/negotiate institutional boundaries and power differentials, and how they learn (or not) the 'language'/mannerisms required to negotiate them.

Such knowledge is also important for coming to terms with apparent anomalies in the behavior of marginalized groups. Some such groups, as our Cameroon example above shows, actively resist or subvert practices that are "clearly" in their best interests, not out of ignorance or defiance but because their particular frame of understand places a higher value on upholding community norms, or because, more radically, the "superior" practice directly contravenes their cosmology (e.g., when villagers refuse to immunize their children because they believe puncturing the skin with a needle allows evil spirits to enter). In important work done by Scott (1985) and Gledhill (2000), marginalized groups do in fact actively defy those above them, but in ways that are less visible to those people and/or that subtly give the marginalized a slightly stronger negotiating position (e.g., by refusing to allow customary law to be codified; if it was, they would, as illiterates, likely lose to formally trained lawyers). Mediating between very different ways of understanding the world is a task fraught with ethical and political difficulties: one cannot unilaterally accept that "traditional ways" are inherently virtuous (e.g., child marriage, female circumcision, bride burning, capital punishment), yet neither can one assume that forcibly (by decree or conditionality requirements) implementing "modern" approaches in a single bound is desirable (or even

possible). Reconciling these tensions is not merely an uncomfortable (or 'soft') component of development; it *is* development. Moreover, because the development business is inherently one of encounters between people with such vastly different power, expectations, and philosophies, effective strategies to reduce poverty must therefore give a much more prominent place to perspectives that can help 'manage' these encounters in the most equitable and accountable manner. A greater focus on 'meaning systems' is a step in this direction.

Finally, I argue that a focus on social relations, rules systems and meaning systems satisfies the four criteria (outlined above) that a rigorous and relevant social theory must be able to meet. Cumulatively, they (a) provide a clear but distinctive model of human behavior, (b) explain how and why poverty persists as part of broader processes of economic prosperity and social change, (c) account for the mechanisms by which power is created, maintained and challenged, and (d) readily lend themselves to informing (and iteratively learning from) a new generation of supportable poverty reduction policies and practices.

6. Conclusion: Development as "Good Struggles"

Amongst policy-oriented non-economists (such as myself), it is common to read arguments to the effect that policies enacted in response to poverty would be more effective if only they adopted a more "social" and/or "political" approach, yet much of the intellectual energy that accompanies this call tends to be long on critiques of (what is assumed to be) economic orthodoxy and short on coherent and supportable alternatives. On the rare occasions that viable alternatives are in fact submitted by non-economists, they seek to distance themselves as far as possible from economics and its putative associations with 'neo-liberalism'. These strident polarities make for easy contrasts and witticisms, but in doing so they simultaneously manage to (a) sell short the positive contributions their own disciplines could (and should) be making to poverty knowledge and practice, and (b) under-appreciate the progress that has been made over the last ten years, both within economics itself and with respect to the policy traction that particular social concepts have been able to secure. Scholars are trained to be skeptics, but in this instance at least there is a reasonable basis for optimism that hard-won gains can be consolidated and built upon.

For this to happen, I have argued that social scientists need to have greater confidence in the content and usefulness of their theories and methods. While the history and organizational imperatives of the large contemporary development agencies will continue (for the foreseeable future) to construe problems and solutions in largely technocratic terms (Scott 1998)—and thereby privilege those disciplines (such as economics and engineering) most conducive to it—the appropriate response from social scientists should be to speak concretely to actual policy problems, not (as seems to be so often the case) engage in endless "critiques" and/or presentations of yet more "conceptual frameworks" (cf. Pieterse 2001). The three illustrative cases presented above demand real responses; all are at the centre of contemporary policy debates, speaking directly to some of the most pressing and vexing development concerns of the twenty-first century: economic and political transformation, the plight of indigenous groups, responding to the AIDS pandemic. Social theory can and should speak directly and constructively to these concerns.

Economics alone cannot solve these problems, but it will likely be *part of* an answer; the challenge for social scientists is to articulate coherent and supportable theories that speak confidently to those aspects on which it has a clear comparative advantage. One such aspect is that class of problems—and they are legion—for which there is no technical solution;

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indeed, where the belief that there is a technical solution (i.e., if only more smart people could be recruited and resources given to them) is itself a major part of the problem (Pritchett and Woolcock 2004). Worrying more about social relations, rules systems and meaning systems will be central to addressing such concerns. Where a given development issue (e.g., race relations)—or some aspect of a given development issue (e.g., student-teacher relations as part of a broader debate on 'education')—entails crafting spaces for dialogue and negotiation, the opportunity is ripe for entry by detailed contributions by social scientists. In this sense, and because effective responses in these instances will primarily come about through equitable political contestation rather than technical analysis, much of development can be said to be about facilitating "good struggles" (Adler, Sage and Woolcock, 2007). Creating the space for such a contribution, however, is as important as being able to speak sensibly to it.

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