

Lecture note

# Poverty alleviation

and rural livelihood development

March 2003  
revised November 2005

by

Tue Kell Nielsen



*Lecture notes have been prepared on the following topics:*

*Aggregate water balances for basinwide planning*

*Case study: Kok River Basin*

*Case study: Lower Mekong Basin*

*Environmental management*

*Floods and drought*

*Glossary*

*Good governance strategies (example from Thailand)*

*Internet applications in river basin management*

*Paddy cultivation*

*Poverty alleviation*

*Project design*

*Public administration*

*Ramayana*

*Reporting*

*River basin ethics*

*River basin management*

*Sector planning and integrated planning*

*Socio-economics*

*Strategies for natural resources and environmental management (example from Thailand)*

*Technology management*

*UTM coordinates*

*Water demand management*

*Water resource economics*

*Water user associations*

*Each note is intended as a quick introduction of a subject prepared for professional practitioners who are specialists in other subjects.*

*The notes are 'public domain' and can be freely copied.*

*Suggestions and comments are most welcome!*

*Tue Kell Nielsen*

*tue@kellnielsen.dk*

*www.kellnielsen.dk*

## Contents

Glossary.....	ii
1 Introduction.....	1
2 Objectives of poverty alleviation.....	1
3 Example: The deforestation syndrome .....	2
4 Strategy elements.....	4
5 Rural livelihood development.....	6
6 Appropriate technology .....	8
If you want to know more .....	9
Enclosure: Microcredit.....	10
Enclosure: Two views on microcredit.....	13
Enclosure: Labour Day on the dump.....	15

## Glossary

**Absolute poverty:** (1) With means or consumption below a certain fixed value (for example 0,5 USD per person per day, or 2100 calories of food per person per day); or (2) lack of the means required for basic minimum needs

**Basic minimum needs:** These can comprise food and water, shelter, primary education, vital health care, and personal integrity

**Empowerment:** Control of one's life, including personal integrity, citizenship, livelihood, norms, attitudes, and access to participation in social life and politics

**Governance:** Formulation and implementation of policies. Governance of natural resources is a public management process for allocation and utilisation, possibly based on legislation, an institutional framework, and policies and practices. '*Good governance*' can from case to case reflect characteristics such as predictability, transparency, accountability, sustainability, value generated, participation, and social balance

**Human Development Index (HDI):** An index for national welfare applied by the UN Development Programme (UNDP) for ranking and trend analyses. It is a simple average of three indicators: (1) Life expectancy (25 - 85 years); (2) literacy (0 - 100 percent) and school attendance (0 - 15 years), weighed at 2:1; and (3) Gross National Product (GNP) adjusted for national price level (called 'purchasing power parity', or PPP) (200 - 40,000 USD/person/year). In 1999, Norway ranked as no. 1 with HDI = 0.939, while Sierra Leone ranked last (as no. 162) with HDI = 0.258

**Infrastructure:** 'The framework for economic activity'. Anne Lorenzen (1990) makes a distinction between (i) physical infrastructure: Roads, harbours, communication systems, etc.; (ii) economic infrastructure: Capital market, credit institutions, financial regulation, etc.; (iii) social infrastructure: Health sector, education sector, labour market, etc.; and (iv) technological infrastructure: Institutions generating and dispersing technology, scientific education, etc.

**Livelihood:** A way to earn a living

**Microcredit:** Small loans extended by an institution to poor people, with the objective of improving their livelihood (for example by buying a tool, seeds, or some livestock). In some schemes, repayment is collectively pledged by a user group. Impressive positive experience from the Grameen Bank in Bangladesh (founded by dr. Yunus in 1983) has served as an inspiration to many other countries

**Mitigation:** Reduction or neutralisation (of some negative consequence). Same as alleviation

**'Negative social heritage' (or 'inherited poverty'):** The phenomenon that children of poor people have an increased risk of a life in poverty, even if formally offered equal opportunities (such as access to education)

**Perceived poverty:** The state of a person considering himself/herself as being poor

**Poverty (or 'income poverty'):** 'Lack of means to maintain an acceptable standard of living'

**Relative poverty:** (1) With means that are inadequate for a living standard that can reasonably be expected in the social environment; (2) belonging to the lower part of the national income distribution (for example 'with an income of less than half of the median income')

**Stakeholder:** A person, group or institution that has a particular interest in an activity, project, programme or policy. This includes both intended beneficiaries and intermediaries, winners and losers, and those involved in, or excluded from the decision-making process. A key stakeholder is one who can significantly influence or who is otherwise important to the success of the activity, project, programme or policy

**Subsistence economy:** An economy serving own household needs only

## 1 Introduction

'Integrated management' provides a powerful linkage between

- management of water, other natural resources and the environment on the one hand, and
- social development and poverty alleviation on the other.

Both resource utilisation and poverty can be influenced by public regulation and intervention, and coordination of such efforts can in many ways add value to each other.

The most obvious interface is within improvement of rural livelihoods. For example, a prudent and efficient resource utilisation (like sustainable forestry with processing industries) can create new and attractive occupation opportunities. Reversely, it is often seen that poverty occurs in parallel with a sub-optimal or unsustainable resource utilisation.

For the sake of good order, please note that the following few pages provide an initial introduction only.

### Global poverty

In 1999, 2.8 billion people lived on less than 2 USD per day, and 1.2 billion on less than 1 USD per day. The income of the World's richest 5 percent was 114 times higher than the income of the poorest 5 percent. Among the 73 countries with data (and 80% of the World's people), 48 have seen inequality increase since the 1950s; 16 have experienced no change; and only 9 —with just 4% of the World's people - have seen inequality fall <sup>1</sup>.

This is not due to some law of economics. In fact, there are no convincing rationale for such a state of affairs. Solid empirical evidence <sup>2</sup> demonstrates beyond doubt that - subject to 'good governance' - national economic development and poverty alleviation can interact positively.

## 2 Objectives of poverty alleviation

Poverty alleviation is an important development aim in its own right. At the same time, there are several attractive side effects that can be agreed on by most decision-makers:

- Accelerated economic development in general (due to increased national production capacity, as well as increased national purchasing power);
- improved investment climate (due to improved social stability);
- development of human resources (and hereby increased national capacity for production and management); and
- control of migration from the countryside to the towns.

Irrespective of such benefits, it is often seen that progress is slow and achievements few, in some cases due to half-hearted political support.

---

<sup>1</sup> UNDP: Human Development Report 2002, pp. 10 and 19

<sup>2</sup> for example from Malaysia, Republic of Korea, Singapore and Viet Nam

### 3 Example: The deforestation syndrome

Shifting cultivation is common in Nam Khan river basin in Laos, where some 4,000 ha are used in this way - about 1 ha per household. The mountain farmers are extremely poor. Typical crops are Job's tears, sticky rice, bananas, and sesame. Today, even very steep areas are cultivated, and the crop rotation cycle is not more than 4 years.

Problems include - apart from poverty itself - habitat degradation; soil degradation; soil erosion, and serious related consequences: Undermining of roads, siltation in reservoirs, morphological effects in streams and rivers; and risk of landslide accidents.

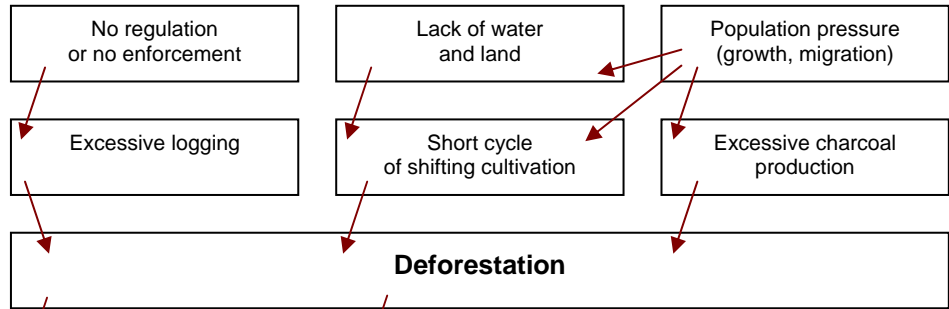
Mitigation can involve land use planning and management; land allocation; awareness-building; ways (if any) to increase the value generated by ha of land; and/or development of livelihoods outside the sector. This may in turn require: (i) Education; (ii) water; (iii) extension services; (iv) credit and savings facilities; (v) marketing support; (vi) institutional development; and (vii) research and development of new technology.

In this connection, there is a clear scope for regional knowledge-sharing, since similar problems occur in the countries around Laos.

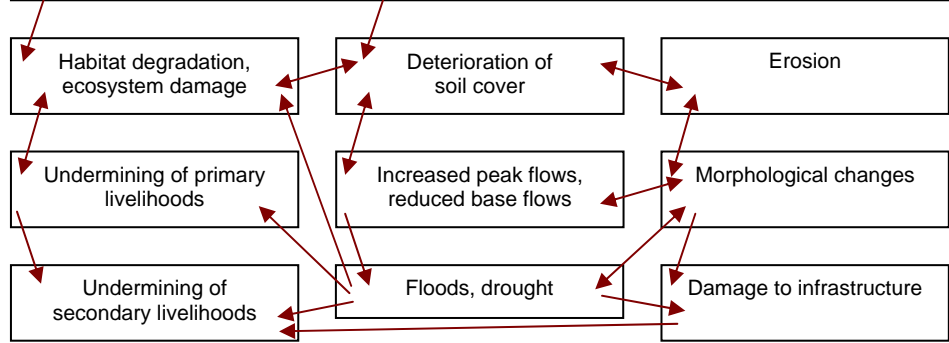


*Shifting cultivation in Nam Khan river basin, Laos*

**Causes**



**Effects:  
Hydraulic,  
ecological,  
social,  
economic**



## 4 Strategy elements

Poverty alleviation comprises various elements:

- (i) Generation of livelihoods and income;
- (ii) improved access to social services in general, and,
- (iii) in particular, improved access to education;
- (iv) reduction of social risks and burdens (for example related to food, housing, health, and low-income livelihoods); and
- (v) social empowerment.

These elements are largely independent in terms of implementation, but interact positively in terms of effects.

A different distinction can be made between short-term and long-term strategies. Also in this case, various strategies can be implemented independently while amplifying the effects of each other.

In general terms, strategy implementation can be directed towards

- support to income generation (in many ways);
- streamlining of policies, laws and guidelines;
- institutional development;
- management of stakeholder interests and priorities, including conflicts and convergences;
- awareness-building and attitudes among stakeholders and decision-makers in the public and private sectors; and
- knowledge-building in general (at the 'scientific' level) (about poverty-related cause-effect relations, options, constraints, and synergies).

A *broad approach*, combining several measures simultaneously, can assure momentum and visible progress. As one example, introduction of new agricultural technology can be accompanied by credit schemes, education schemes, and marketing support. But even rather unrelated measures can add value to each other.

A *strong political support* is an important precondition for success. Without it, idealistic NGOs can strive for a long time at grassroot level without making much headway.

Effective strategies and action plans are *context-specific*. They take their starting point in the actual context, actual needs, actual development potential, and available means - without necessarily accepting these as imperative confines. Poor people in large towns have needs and potentials that are different from those of the rural poor, and poor people who work represent different challenges than those who (for various reasons) cannot work.

The one exception to this rule is that *access to education* can safely be regarded as a universal and powerful poverty alleviation measure.

*Caution* is required in connection with major interventions, such as technological innovation, privatisation schemes, deregulation, free trade agreements, and other economic or administrative reforms. This is because of the risk of *unexpected negative side effects*. Prefer a step-wise implementation wherever practical.

**Example: Poverty alleviation in Viet Nam** <sup>3</sup>

The poverty line in Viet Nam is 128 USD/person/year (1998). The country has cut its poverty from 70 percent of the population in 1990 to 32 percent in 2002.

The driving forces behind this impressive development comprise

- a high national economic growth;
- a strong political commitment from the government;
- the public administration being able to deliver services such as education, health care and electricity down to village level;
- a high literacy rate; and
- a moderate population increase.

Poverty remains widespread in *remote rural areas* and among *ethnic minorities* (which represent some 13 percent of the population).

*Corruption* is mentioned as a risk to continued progress.

---

<sup>3</sup> Viet Nam Development Report 2002, published by the World Bank

## 5 Rural livelihood development

The following elements can from case to case support rural livelihoods:

### *International level*

- Removal of international trade barriers, notably the agricultural import quota applied by most of the wealthy countries (like EU, USA and Japan)
- Gradual removal of regional trade barriers (e.g. within ASEAN), with close observation of unexpected negative side effects

### *National level*

- Political stability and '*good governance*', to attract domestic as well as foreign investment
- A supportive land ownership structure, providing ownership rights to small-scale farmers
- Support to labour organisations and labour market: Rights, rules and institutions
- A gentle de-regulation of price intervention for agricultural inputs and outputs, maintaining an adequate profit margin
- A gentle de-regulation of defunct state enterprises (if any)
- Institutional development aimed at support of key sectors: Bridging institutions for technology dissipation, farmers' associations and networks for dialogue, quality certification of products, brand names, strategic marketing support
- Provision of various incentives (like temporary tax relief) to investors that create occupation away from large towns (like the economic development zones of Thailand)
- Good management and mitigation of natural disasters: Floods, droughts, forest fires etc., including not only technical but also socio-economic preparedness and mitigation
- Special consideration to underprivileged groups (such as hilltribes, other ethnic minorities, and the agro-forestry sector), comprising empowerment and targeted support
- Mitigation of drug abuse
- Scientific research and international collaboration within rural economy and livelihoods

### *National or local level*

- General access to good education - primary, secondary and vocational
- Supportive rural infrastructural development: Roads and waterways; power; communication; irrigation; structural and non-structural flood protection
- General access to basic health services and various health care schemes
- Supportive land use planning and land management
- De-regulation of irrigation systems, formation of water user groups, recovery of operation and maintenance costs
- Support to small-scale farming; promotion of crop diversification; promotion of higher added value per m<sup>3</sup> of water and/or per m<sup>2</sup> of land
- Support to employment generation outside the agricultural sector

- Support to local post-processing of raw products, including small-scale manufacturing and home industries
- Development of small-scale fisheries, including reservoir fisheries, and gentle regulation of capture fisheries
- Reforestation schemes, development of sustainable commercial forestry, and development of non-timber forest production
- Creation of awareness of specific resource-related opportunities and threats (including greening schemes; and preservation of forest ecosystems, fish breeding grounds, and fish migration routes)
- Extension services made available to small-scale operators, including farmers, the non-timber forest sector, capture fisheries, aquaculture, others. The services might include support to distribution and marketing
- Availability of microcredit
- Gentle development of tourism and the recreation sector
- Absence of corruption, land grabbing, other infringement, and other misuse of power

### *Questions*

- What is the scope for technological innovation (step-wise, if possible, to prevent unexpected negative side effects)?
- What is the scope for strengthened marketing and distribution? Should this be under private and/or public initiative?
- What is the scope for quality improvement? Perhaps a quality certification arrangement - a '*certificate of origin*' - or a '*sustainable forestry certificate*' for hardwood?
- What is the scope for development within the service sector?
- What is the scope for supplementary tourism concepts? Hi-end, sports, health care?
- What is the scope for upgrading of education (formal & informal) (primary + secondary + vocational)?
- What is the scope for regional knowledge-sharing? A network? An institute? Perhaps a '*Centre without walls*'?
- What is the scope for research? Provincial + national + regional?

## 6 Appropriate technology

Appropriate (or intermediate) technology was introduced by E. F. Schumacher in 1973. It is technology, which is selected or developed in order to fit into an existing infrastructure. It is characterised by

- decentralised workplaces (away from metropolitan areas);
- low capital demand;
- low complexity (with respect to all elements of the technology); and
- preference for local raw materials and for products for local use.

Some authors argue that appropriate technology can cause stagnancy and impede development, because it does not 'push' any changes. Still, it seems to offer an attractive potential for supplementary - and perhaps intermediate - livelihood generation.

As one element in a broad approach, appropriate technology can demonstrate fast achievements with little investment, and thereby add a desired credibility at the early stages of more far-reaching long-term programmes.



## If you want to know more

Some of the World's finest thinkers have given their attention to poverty alleviation. India's *Mahatma Gandhi* (1869-1948) was strongly in favour of small-scale economics, as reflected by his design of the Indian flag with the spinning wheel in the centre. His thoughts on simple, peaceful and decentralised development were shared and convincingly promoted by the German-British economist E. F. Schumacher (1911-77), author of '*Small Is Beautiful: Economics As If People Mattered*'. The American economist Paul Streeten (born in 1917) is continuously publishing excellent papers on poverty alleviation strategies and policies, many of which can be downloaded from the Internet.<sup>4</sup>

UNDP's annual Human Development Reports are available from the Internet (or as printed editions from Oxford University Press). They provide comprehensive analyses, documentation and case studies related to global, regional and national poverty and poverty alleviation. The 1997 volume was specifically dedicated to '*poverty eradication*', but all volumes address this subject in one perspective or another.

Action-oriented literature about *rural livelihood development* is published by IT Publications, London (owned by the NGO '*Intermediate Technology Foundation*', which, by the way, operates on the basis of the ideas of E. F. Schumacher).

Many countries apply *national development plans* (such as 5-years plans) that address social development and income generation, and some countries have separate action plans for poverty alleviation<sup>5</sup>.

A precise and operational formulation of basic social development aims can be found in the original *Universal Declaration of Human Rights* from 1948<sup>6</sup>.

The World Bank has an Internet portal - '*Poverty Net*' - dedicated to poverty alleviation, with a lot of study reports and guidelines: <http://www.worldbank.org/poverty/><sup>7</sup>.

---

<sup>4</sup> Start for example with Paul Streeten (1995): *The Political Economy of Fighting Poverty*, Issues in Development Discussion Paper no. 1, ILO 1995: [www.ilo.org/public/english/employment/strat/publ/iddp1.htm](http://www.ilo.org/public/english/employment/strat/publ/iddp1.htm)

<sup>5</sup> For example Cambodia's National Poverty Reduction Strategy (2003)

<sup>6</sup> The document is available from the Internet in more than 300 languages

<sup>7</sup> The Website appeared to be out of operation in March 2003

## Enclosure: Microcredit

### ***When it works, it works well:***

A poor person borrows 20 dollars, buys ducklings, raises them, sells the eggs and the ducks, re-pays the loan, and keeps the net earnings. He or she is clearly better off than without the loan

### ***When it doesn't work:***

A poor person borrows 20 dollars, buys ducklings, but they get sick and die. He or she cannot re-pay the loan, but the debt remains as a burden that impedes new efforts, while the lending organization loses the money

### ***General***

Sometimes, it is experienced that the poorest of the poor don't qualify for microcredit. It can be hoped (but is not certain) that small loan-based investments by less poor people generate livelihoods for the poorest ones

Most investments, including small ones, represent a risk: Natural disasters (floods, drought); or crop and livestock diseases; or theft; or failure of markets or distribution systems (for fish or vegetables). The risk increases with innovative livelihoods, crops, products or technologies. Unrelated to the investment, illness of a family member can incur unforeseen and imperative expenses. Poor people without social security are particularly vulnerable to financial risks, and it can be difficult to segregate sustainable banking from social aid

A lot of management and administration is required to run a self-sustaining lending business based on very small loans. The interest rates that must be charged to '*break even*' can be unreasonably high - perhaps 2-5 percent per month

There are examples that well-meaning donors have pushed for an accelerated implementation of microcredit schemes, with the result that many loans were misplaced or otherwise inappropriate - the money goes to whoever wants it, rather than the intended beneficiaries

### ***The Grameen Bank of Bangladesh***

- Funded in 1983 by dr. Muhammad Yunus. Owned by the borrowers (93 percent) and the Government of Bangladesh (7 percent)
- Has lent 4.2 billion USD to 3.1 million rural poor, 95 percent women (from 1983 to 2004)
- No traditional collateral or joint liability. Re-payment is the responsibility of the individual borrower. Each borrower must belong to a 5-member group that monitors responsible action and orderly repayment
- Interest rate is 20 percent per year for income-generating loans (2004). Average repayment is 99 percent
- Has been replicated in many places

*Reference and more info: <http://www.grameen-info.org>*

**Example from Chakto Louk, Cambodia**<sup>8</sup>

Chakto Louk village is about 2 km from National Road 6. Villagers live in simple wooden houses and survive through fishing and farming rice and growing watermelons.

Most took out loans of about 100 USD from the local branch of Acleda Bank in the late 1990s to buy farming or fishing equipment, assuming that they would be able to produce and sell more.<sup>9</sup>

Then the floods came in 2001 and 2002, destroying their crops. About 30 percent of the village's 400 families are now in debt. The villagers do not blame the bank for their troubles. Most say that if everything had worked out as planned, they would have made more money and things would be fine.

The problem is that something always seems to come up, and for poor villagers who have nothing to fall back on, the results can be grim.

**Example from Thach Tuong, Viet Nam**<sup>10</sup>

Several dozen farmers crowded into a small concrete hut the other afternoon in this village at the end of a valley full of rice and sugar fields. They came by motorbike and on foot to get advice on how to apply for a bank loan to increase farm production and income.

In a country where one in three people lives on barely \$10 per month and less than 10 percent of the 80 million population have a bank account, Hoang Ngoc Hoa, one of the farmers, is a relatively experienced borrower. He took out his first loan in 1999 from the Viet Nam Bank for Agriculture and Rural Development, one of four big state commercial banks and the only one with many rural branches.

This time Hoa, 49, plans to borrow \$690 for a year for seed cane and fertiliser at an interest rate of about 10 percent. A money lender would charge him interest of as much as 80 percent for the same loan. While it might be a stretch to classify Hoa as rich, he is nonetheless a symbol of Viet Nam's success over the past decade in reducing poverty and moving rapidly away from its war-torn past.

If the weather is kind, Hoa will be able to sell his cane to a local sugar mill and make a profit of a few hundred dollars, a vital extra source of income for a man with 10 family members to support, only two of whom are old enough and fit enough to help in the fields. Hoa and his wife have 5 children living at home, along with Hoa's elderly parents and a nephew.

*'Since I started getting bank loans in 1999, my living standard has improved', he said. 'But not by very much; it's just enough to cover our needs for food and clothing'*

---

<sup>8</sup> Daniel Ten Kate and Van Roeun, Cambodia Daily, 21-22 February 2004, p. 4

<sup>9</sup> By May 2007, when Acleda Bank opened its prestigious new head office in Phnom Penh, it had disbursed 1,6 mio. loans, totalling 851 mio. USD (January 93 through April 07). By April 07, the average size of its *'micro business loan'* type was 388 USD, with a lending rate between 2.5 and 3 percent per month. 60 percent of the borrowers were female

<sup>10</sup> Cambodia Daily 22 March 2002, quoting Michael Richardson, International Herald Tribune

***Example from Chompet, Lao PDR*** <sup>11</sup>

Families in Chompet district (Luang Prabang province), who have stopped growing opium, are receiving between 1 million kip [100 USD] and 10 million kip [1,000 USD] in loans from the authorities for livestock farming.

The authorities have released loans to 10 villages consisting of 83 families. There are now 46 families raising pigs and 37 families concentrating on goat farming.

The money can be borrowed for three years with 5 percent interest per year. The interest will be divided into three parts: One percent is for village authorities, one percent is for the district level authority, and three percent is for a circulating fund. Chompet district was announced free of opium in May 2003.

---

<sup>11</sup> Vientiane Times, 12 July 2004

## Enclosure: Two views on microcredit

The following opinions are quoted for consideration and further discussion.

### ***In the real world, Cambodians have few financial options***

*By Allen Myers. Letter to the Editor, Cambodia Daily, October 14, 2005, p. 19*

Tom von Weissenberg (*'For Cambodia's poor, microfinance is a blessing not a curse'*, Oct. 3, p. 3) challenges my calculation that a 4 percent monthly interest payment is the equivalent of an annual simple interest rate of 61.5 percent.

.....

He assures us that \$100 in microcredit provided to a villager will, in the course of a year, allow the family to spend \$432 on their consumption (\$36 a month for 12 months), and finish the year with a capital of \$340.

Furthermore, his villager has been able to pay \$48 in interest, plus monthly expenses of \$15, or \$180 over the course of the year. Add it all up and it turns out that microfinance has transformed \$100 into exactly \$1,000.

Moreover, Weissenberg assures us that there are 300,000 Cambodian families enjoying this magical expansion of wealth.

In total, then, every year microcredit institutions transmute \$30 million into \$300 million for the benefit of poor Cambodians.

In the real world, things don't work that way.

The vast majority of borrowers in Cambodia have no chance at all of following the business course that Weissenberg recommends.

For example, a 1998 study quoted in a 2004 UNDP publication found that 90 percent of the *'very poor'* and that 78 percent of *'poor'* borrowers used their loans to buy rice or pay for medical treatment.

Weissenberg says that the only *'alternative'* to microcredit is *'usurers'*<sup>12</sup>.

But lenders who charge 4 percent interest a month are engaged in usury, not providing an alternative to it.

Their rates may be lower than those of traditional village money-lenders but their conditions are usually much harsher, which is why villagers often decide to stick with the devil they know.

.....

---

<sup>12</sup> usurer = a person who lends money at an unreasonably high interest rate

***For-profit business, not NGOs, help poor***

*By Casey Barnett. Letter to the Editor, Cambodia Daily, November 8, 2005, p. 19*

The notion of getting rich by earning interest from the poor naturally causes anger and strong emotions such as those expressed in the [above Letter to the Editor]. Yet it is for-profit business with the poor that will improve their lives.

Studies show that people of all economic levels, even the poorest of the poor, periodically take risks with the hope of improving their situation.

Most villages in Cambodia have one or two individuals that harness<sup>13</sup> this risk-taking behaviour. They lend money at interest to those ready and willing to take risks.

Microfinance operations are merely providing a service that already exists at one level or another.

In fact, what is needed is more banks lending to the poor. More competition will make interest rates go down as banks fight over customers. As long as there is profit, competition will follow and lower interest rates will result.

At present, lending in Cambodia is profitable. The Aceda audited report for 2004 reports after tax profit of over \$2 million and a return on equity of nearly 8 percent. This figure would be much higher were it not for subordinated debt liabilities and the cost of aggressive growth. However, over the years Aceda has had extensive off-the-books technical and strategic input from the donors who provided investment capital.

More impressive are the self-made banking operations in Cambodia. For example, the entrepreneurial Canadia Bank reported in its audited 2004 report a return on equity of 13.4 percent. Similarly, Cambodian Commercial Bank has an impressive 13.5 percent return on equity for 2004.

These banks have earned profit while driving the Cambodian economy.

It is counterintuitive to suggest that what helps Cambodia most is for people to seek profit for self-interest. But it is true.

While NGOs and so-called social enterprises purposely set out to help Cambodia's poor, it is for-profit investment and business that really help the poor.

NGOs and social enterprises are a gross misallocation of scarce resources. Also, the monolithic scale of NGOs in Cambodia absorbs scarce skilled human resources, inflating the cost of business and retarding economic development.

The ultimate reality is that if the several billion dollars spent on NGOs over the past 14 years had instead been put into investment activities, Cambodia would be better off.

---

<sup>13</sup> harness = control and utilize

## Enclosure: Labour Day on the dump

by Kay Kimsong and Brian Calvert, *Cambodian Daily*, 1 May 2002 <sup>14</sup>

Surrounded by mountains of trash at Phnom Penh's Stung Meanchey dump, Hoeun Sophon works 11 hours a day collecting unused rice and instant noodles that she can sell as pig slop to nearby farmers.

She'll be happy to see May Day, or International Labour Day, this year, even though she isn't sure exactly what it is.

'I do not know what International Labour Day means', she said Tuesday, 'but I just know that [Wednesday] is a holiday, and my daughters can come to help me'.

Hoeun Sophon is one of hundreds of workers at the dumpsite who will be working today, an international holiday meant to celebrate workers and give them a day of rest. For her, like many others in Phnom Penh and across the country, today will be like any other day - demeaning work for little pay.

'My job is to pick out pig food', the 38-year-old mother said, staring off at bulldozers and scavengers crawling over the mountains of Phnom Penh's waste. At her feet, a freshly opened garbage bag spilled household trash: A sack of rice, a half-eaten fish. As she stopped work to speak, a cloud of flies raced to the bag. 'I do not think there is another job I can do', she said.

Today her daughters will have the day off from the NGO where they go to school, allowing them to help boost her daily income from 7,000 riel (about \$1.75) per day to 10,000 riel (about \$2.50). For the past eight years, Hoeun Sophon has been working at the dump, earning money for her daughters so that one day in the future she can move on.

She often complains to the gods because her life is confined to the dump. 'But my poverty leaves me no choice', she said.

She turned back to her bag of trash and began sifting through the uneaten rice and noodles, dumping the slop into a bucket to be sold nearby.

Nearly all of the dump's workers have these specific roles. As a dump truck rumbles in and disgorges its trash, the first team of sorters moves in, raking the recyclable material away from the organic material.

Men, women and children dance around bulldozers as they begin to push and compact the trash. Every material - paper, plastic, metal, tubes, cloth - has its own group of sorters, who make their money through different means.

Plastic collectors like Khlouk Man, a 12-year-old with a quick smile and no shirt, sell plastic to the brokers on site. Khlouk Man sifts through the trash piles looking for soft plastic and hard plastic, earning about 1,000 riel (\$0.25) per day. He passes his earnings on to his family, keeping 100 riel (about \$0.02) for himself to buy food on the street.

'I'm happy to come, happy to work', he said. 'In the beginning, I didn't like the smell. But now, the smell is no problem for me'. He also had not heard about International Labour Day.

Pan Heak, 35, has run her plastic brokering business at the dump for three years. She buys recyclable plastics and metals and sells them to buyers in Phnom Penh. She collects one ton of plastic every three days, earning 12,000 riel (about \$3). 'I make enough money to support my family and my children', she said, adding that all of them will be working today.

However, not all of those living at the dump accept it as their fate.

Sao Sarun, one of Hoeun Sophon's daughters, is happy to help for now. 'I know tomorrow is the holiday, and that it is labour Day', she said. 'I will come to help my mother'.

She held a wrinkling apple with a bite taken out of it and sifted through a pile of cans with a rod. Someday she will leave, she said, use the money from the dump and go to school.

'In the future', she said, 'I want to be a *big person*' - a government official.

---

<sup>14</sup> Original title: No May Day Respite for Dump Scavengers