

Poverty Reduction

Supporting the Development of Essential Capabilities of the Poor



Of the eight Millennium Development Goals (MDGs), relevant goals are shown in color.

The proportion of the poor in developing countries as a whole has declined from 41.7% in 1990 to 25.7% in 2005 due in part to economic development in Asia. Nonetheless, nearly half of the population in Sub-Saharan Africa still suffers from extreme poverty. Moreover, recent increases in food prices

and financial crises have led to fears that an increasing number of people will fall into poverty.

In order to promote JICA's vision of "inclusive and dynamic development," JICA identifies as one of its four strategies, "reducing poverty through equitable growth." JICA extends assistance for human resources development, capacity building, improvement of policies and institutions, and the development of social and economic infrastructure in developing countries.

Overview of Issue

Poverty is an issue that cannot be ignored from the perspective of "human security," as outlined in the Japanese ODA Charter. The number of people living in poverty on less than US\$1.25 per person a day is estimated at over 1.4 billion worldwide.

In addition, natural disasters, environmental destruction and other factors make it difficult to continue traditional means of livelihood. This means some people are extremely vulnerable to poverty. Problems such as disease, unemployment, lack of education and social discrimination each impact the other. Once a person falls into this vicious cycle, the situation becomes even more serious, as the original problems lead to other problems and a person cannot escape from this cycle easily. This is sometimes referred to as the "deprivation trap" and has become an urgent issue when tackling poverty reduction. Neglecting poverty and vulnerability may widen the gap between the rich and poor and intensify competition for resources, causing instability in society.

In recent years, the notion that poverty is the state in which the following five capabilities are lacking has become dominant: Ability to ensure stable and sustainable livelihood (1. economic capability); Ability to be healthy, receive basic education, and live in a sanitary environment (2. human capability); Ability to cope with various "threats" which threaten peoples' lives (3. protective capability); and Ability to participate in a society in which people' dignity as humans and their culture and customs are respected (4. political capability, 5. socio-cultural capability).

JICA Activities

In order to advance equitable growth and sustainable poverty reduction, JICA will strive to enable each and every person in poverty to escape from it by reinforcing the above five capabilities and supporting the development of an environment in which these capabilities may be manifested. Specifically, JICA both: 1) carries out "poverty measures" to directly assist the poor; as well as 2) makes "poverty considerations," by incorporating

creative approaches into projects in order to improve the circumstances of the poor by maximizing the projects' benefits to the poor.

To this end, JICA gathers information on where and what kind of people suffer from poverty (targeting) and adopts methods effective for poverty reduction. For example, regarding methods which are gaining attention in recent years, JICA furthers stakeholders' understanding through trainings and study meetings. These cover topics such as: "Microfinance," which provides savings services or very small loans in order to enable the poor who are living on an unstable income to have stable expenses every month on services such as health care, education, and food; "Conditional cash transfer," in which the government aims to redistribute income by directly providing money or its equivalent to individuals or households on the condition that they fulfill certain obligations; and "Labor-based technology," which can generate short-term employment for the poor.



Residents analyzing the cost of daily life as part of a study carried out in conflict-affected areas (Burundi)

Contributing to Poverty Reduction through the Development of Roads “Owned” by the People

In Timor-Leste, donors including the Asian Development Bank (ADB) are providing assistance for the construction and improvement of arterial roads to promote economic development and poverty reduction. In order to generate further poverty reduction effects through the development of arterial roads, JICA, in coordination with ADB using the Japan Fund for Poverty Reduction (JFPR), is providing assistance for a participatory program to develop community roads which are more immediate to the lives of the poor and which connect to arterial roads.



The road is continuously slanted. Coupled with the effects of heavy rain, road conditions are extremely poor.

Creating Employment by Labor-Based Technology

According to a World Bank study, nearly half of the people in Timor-Leste are forced to live in poverty. Due to lack of a road network, the distribution of supplies for production activities is hampered in Timor-Leste. Basic social services, such as health care and education, also do not reach the necessary areas. These circumstances are believed to be a major cause of poverty, particularly in agricultural areas.

In order to mitigate the vulnerabilities of the residents of poor areas and enhance their capabilities, JICA and ADB are coordinating to implement this project which incorporates the

following creative approaches.

First, in contrast with the usual development of roads by construction companies using large-scale equipment, in this project, people in three districts with a large population of the poor will develop roads on their own using labor-based technology.

Labor-based technology is a small-scale infrastructure development approach, which adopts relatively simple techniques, such as the use of sandbags, stonework, and gabions. This approach is cheaper than machinery-based approaches, and for a short-term, is able to provide employment opportunities to community members, i.e., opportunities

to obtain cash income. Furthermore, the involvement of community members in the construction and repair of the roads gives them a sense of ownership, which is also expected to improve and enhance road maintenance.

Training for Community Members and Government Officials

Secondly, this project offers a variety of trainings for community members. They provide knowledge necessary for daily livelihood, such as literacy and information on health care and sanitation, as well as knowledge and skills necessary for agriculture and small businesses. By instilling this knowledge in community members, the aim is to promote broader uses of the developed roads and contribute to improving the lives and livelihood of the community members, including the poor.

Thirdly, Timor-Leste, which gained independence in 2002, is still a young country and its administration capabilities are still inadequate. Therefore, this project conducts trainings and practical exercises not only for community members but also for government officials in order to advance their capabilities regarding technical knowledge on road maintenance and project management. This project will provide assistance to establish a system to enable officials to construct and improve community roads after the project's conclusion.

Although this project just started in 2011, creative efforts will be made to be able to implement the outcomes and lessons learned in other regions, for example, the process and method of selecting communities which will carry out the road development project through labor-based technology, as well as initiatives for enhancing the capabilities of community members and local administration.

From Our Expert

Yoshinori Fukubayashi

Many sections of the community roads in the project area are undeveloped. Due to the steep incline in the mountain area and water flood and load slope disaster in the rainy season, people cannot access the arterial road and are isolated. In order to improve these road conditions, emphasis is placed on improving road sections which serve as bottlenecks. Approaches which make maximum use of local resources are also proposed. This project aims to improve community members' access to various services, including health care and education, through the use of roads which are developed and improved.



Project information session in Bobonaro District