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Cutting-Edge Development Issues for INGOs

Applications of an Asset Accumulation Approach

Caroline Moser, Pamela Sparr and James Pickett

BROOKINGS GLOBAL ECONOMY AND DEVELOPMENT

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1. Introduction

What analytical frameworks and operational strategies do international nongovernmental organizations (INGOs) use to address poverty in developing countries? Which strategies work best? What are the cutting-edge issues on poverty reduction in development practice and thinking? Are INGOs willing to collaborate in new ways to handle their work in a dramatically changed operating environment?

These were among the questions explored by 40 senior staff members from the headquarters, field offices, and partners of 22 U.S. and U.K. INGOs at a workshop in Washington, D.C. May 30–31, 2007. The workshop, "Toward a New Poverty and Development Agenda: Contributions of the INGO Community," sponsored by the Brookings Institution and the Ford Foundation, was organized by Caroline Moser, Senior Fellow in the Brookings Global Economy and Development Program. The event was designed to discuss findings of a research study of the practices of 22 INGOs (box 1) and to examine the usefulness of Moser's new asset accumulation analytical framework for INGO

BOX 1
FINDINGS FROM THE BROOKINGS INGO RESEARCH STUDY

How do international nongovernmental organizations (INGOs) address poverty in developing countries? What factors influence their approach? Do they find an asset accumulation approach useful in their poverty reduction work? These were among the questions Pamela Sparr and Caroline Moser asked 21 U.S. and U.K. INGOs. These are some of the main study conclusions:

- Organizational history and funders' interests were identified as the two most important of five factors evaluated for their impact on an INGO poverty reduction strategy.
- Increased pressure from funders for INGOs to show results is a considerable concern and has begun to affect program design.
- New players are working to advance development. They straddle the worlds of philanthropy, business, and nonprofits in their sourcing and use of funds. One such type is trying to make markets better work for the poor. They offer new models and possibilities for collaboration.
- INGO awareness is growing of the need to better integrate ecological and development perspectives in their analyses, policy prescriptions, and programs and to blend short-term crisis intervention with long-term development work.
- Climate change adds tremendous uncertainty and challenges to future development and conservation work. It also offers some opportunities. Most INGOs have just begun to think about what it means for them.
- Many INGO staff members felt they lacked a solid theoretical understanding of asset accumulation, but in practice already integrate asset protection and accumulation in various aspects of their work.

Source: Sparr and Moser 2007.

operating strategies. The workshop was a follow-up to an earlier meeting held at Brookings in 2006 to review and debate the asset accumulation framework and identify its applicability in different development settings (Moser 2006, 2007).

An asset accumulation policy is a new approach to poverty reduction. It focuses directly on creating opportunities for the poor to acquire, keep, and pass on wealth to the next generation. This approach complements other poverty-focused strategies developed over the past decade, particularly sustainable livelihoods and social protection (table 1). Just as poverty reduction strategies are changing, so too is the situation in which INGOs operate. Among the major contextual shifts are the emergence of new donors and funding strategies, a mounting insistence on proof of aid results among donors, an increasingly unpredictable operating environment due to climate change and sociopolitical developments, and a rebalancing of power relations among INGOs in the North and South.

To encourage a wide-ranging dialog about operations in this fluid context, representatives were invited from organizations spanning a broad continuum of INGOs—from relief through development to conservation organizations. The participants came from 13 countries (see appendix). The workshop structure and content took shape during consultations between Pamela Sparr and staff from 21 INGOs. All the INGOs were eager for a chance to get together with colleagues to talk about the complexities of their daily "antipoverty" work, encompassing advocacy and practical implementation. Some of the more innovative ideas explored at the workshop pushed everyone's thinking about the connections between assets and human rights and the convergence of environmental and development concerns.

This Asset Debate Paper presents highlights from plenary presentations and conversations in small, breakout groups. It is not meant to be a comprehensive review of every issue discussed.

To promote debate, conversation was considered confidential. Therefore, comments and presentations during the event are synthesized without attribution. Quotations are included to illustrate the flavor of the discussion and underscore certain points. In a few instances, acknowledging particular intellectual contributions was considered necessary. Material attributed to specific individuals and institutions was reviewed and approved by them.

2. The Conceptual Contribution of an Asset Framework

This section has two objectives. First, it is designed to give some background on an asset accumulation framework for readers unfamiliar with the topic. Then, it outlines some of the thinking at the workshop related to the theoretical and political usefulness of an asset approach, particularly linking assets with a rights-based approach to poverty reduction. This section provides the theoretical framework for the operational discussions in sections 3, 4, and 5.

TABLE 1
RECENT POLICY APPROACHES TO POVERTY REDUCTION AND ASSOCIATED OBJECTIVES

ANALYTICAL FRAMEWORK	PRIMARY OBJECTIVES OF OPERATIONAL APPROACH
Sustainable livelihoods	Preserving activities required for a means of living
Social protection	Providing a financial cushion for the poor and vulnerable against negative risks and shocks that erode their assets
Asset accumulation	Creating positive opportunities for acquiring, keeping, and passing on tangible and intangible benefits that contribute to well-being

Source: Moser 2007.

What is an asset?

An *asset* is a "stock of financial, human, natural or social resources that can be acquired, developed, improved and transferred across generations. It generates flows or consumption, as well as additional stock" (Ford 2004). The concept of assets or capital endowments includes both tangible and intangible assets. The most widely known assets are natural, physical, social, financial, and human capital (box 2). Researchers and practitioners have recently expanded the notion of assets to include a far broader range, particularly of intangible assets. Newly identified assets include aspirational, psychological, and political assets.

Assets can be both individual and collective in nature. This means they can be possessed by individuals, households, communities or entire societies, depending on the asset type. A physical asset such as a boat may be owned by one fisherperson. A natural asset such as a forest may be owned or used by an entire village. A special collective asset is political capital, which is closely associated with human rights. Having political capital (both legal rights and the ability to exercise them) enables people to assert their claims to assets and, in doing so, to use asset accumulation strategies to improve their well-being.

BOX 2
THE MOST IMPORTANT CAPITAL ASSETS

Physical capital: the stock of plant, equipment, infrastructure, housing and other productive resources owned by individuals, the business sector, or the country itself.

Financial capital: the financial resources available to people, such as savings, remittances, and credit

Human capital: investments in education, health, and the nutrition of individuals. Labor is linked to investments in human capital; health status determines people's capacity to work, and skill and education determine the returns from their labor.

Social capital: an intangible asset, defined as the rules, norms, obligations, reciprocity, and trust embedded in social relations, social structures, and societies' institutional arrangements. It is embedded at the microinstitutional level (communities and households) as well as in the rules and regulations governing formal institutions in the marketplace, political system, and civil society.

Natural capital: the stock of environmentally provided assets such as soil, atmosphere, forests, minerals, water, and wetlands. In rural communities land is a critical natural asset for the poor; in urban areas, land for shelter is also a critical natural asset.

Sources: Moser 1998, 2006:6.

What is an asset accumulation framework?

Asset-based approaches are rooted in the international poverty alleviation / reduction debate of the 1990s. This debate challenged conventional measurements of poverty; identified the multidimensionality of poverty and the relation between inequality, economic growth, and poverty reduction in the South; redefined the meaning of poverty itself; and elaborated new poverty-reduction approaches. Heavily influenced by the work of Amartya Sen, Robert Chambers, and others, such approaches have led INGOs to address the impacts of shocks and risk on the vulnerability and insecurity pervading the lives of the impoverished. This approach focuses on the assets and entitlements of the poor. Assets "are not simply resources that people use to build livelihoods: they empower them, giving them the capability and agency to be and act (Bebbington 1999). Consequently, an asset approach assumes and supports people living in poverty to have agency, to act on their own accord. They can reproduce, challenge, or change the rules that govern the control, use, and transformation of resources (Sen 1997).

An asset accumulation framework has two components: an asset index and an asset accumulation policy. The *asset index* is an analytical and diagnostic tool for understanding poverty dynamics and mobility. As constructed by Moser and Felton (2006), it measures assets over time, using a complex econometric technique. *Asset accumulation policy* exists at the operational level, focusing on increasing and improving practical opportunities for the poor to acquire and build up assets.

In day-to-day operations, an asset accumulation policy can consist of interventions that generate new assets—such as providing basic education or skills training or microcredit to an entrepreneur—or protecting and preserving current assets. Some typical asset accumulation interventions are creating communal seed banks, strengthening levees so homes are not washed away in a flood, and providing home, health, or business insurance.

Assets, power, and human rights: what comes first?

The most important conceptual debate at the workshop concerned the relationship between the asset accumulation framework and human rights—bearing in mind that the extremely poor in any country as social outcasts tend to lack rights. Some participants saw poverty itself as a violation of economic, political, and social rights that results from political choices made by others.

"Rights provide a framework for a more equitable distribution of assets, particularly when redistribution is an issue."

Does the possession of assets enable people to claim their rights, or does having rights help them accumulate assets? Which comes first? The answers to these questions are context-specific, and rights and assets are inextricably intertwined in each context. Therefore, assets and rights have to be viewed together, while recognizing the role of exclusion in the lives of the extremely poor (in terms of gender, caste, racial-ethnic identity). Additional work is still needed to differentiate how felt priorities and the use, management, and control of assets vary among demographic groups.

If INGOs are serious about tackling the root causes of chronic poverty, they have to address institutional structures— power relations behind the exclusion of the poor. One of the most important challenges for the asset accumulation framework is to ensure that it addresses exclusion by measuring inequalities in access to assets. Asset-based interventions need to contextualize individual and household-level interventions within social, economic, and political policy dynamics at national and international levels. Barriers that may have a huge impact on poverty must be identified.

These ideas can be seen at work in strategies for reaching the extremely poor. Their households are often disproportionately child- or female-headed or belong to a racial-ethnic minority. These marginalized people need some social and physical minimum for survival before they can begin to think about claiming their rights and building assets. This dilemma shows why poverty reduction strategies have to be based on national distributive policies and forms of social protection. Historically, national NGOs and INGOs have often tried to meet the basic needs of the poor when the state is unwilling or unable to do so.

Complementary or contradictory frameworks? "It all depends on context."

Asset and rights approaches, though in some ways dissimilar, are complementary. Asset-based approaches do not assume a claim on the state, although they may involve advocacy related to assertion of a human rights claim. In contrast, rights-based approaches do make such a claim. Rights advocacy usually targets the national government, seeking enactment of policies that will build the framework the poor need to accumulate assets, even if this is not an explicit part of the rights agenda.

Despite these differences in approach and focus, asset and rights approaches work together. As one participant commented, the very poorest need adequate rights to "even get to first base" in terms of asset accumulation. Without property rights, for example, accumulating physical capital is next to impossible. In a country that does not guarantee the right to a basic education or health care, the poor may have a hard time accumulating and protecting their human capital. Land rights and political rights upheld by good governance—like a fair tax structure, the ability to transfer assets between generations, and access to a reliable justice system—all distinctly influence poor people's ability to accumulate assets. Governments that restrict civil society make the accumulation of social capital difficult—or dangerous. Holding states accountable to their people is one of the responsibilities of a rights-focused INGO. Approaching this job through an asset framework allows those INGOs to concentrate on the most crucial rights for asset accumulation and advocate the political structures that let the poor "get to first base" and beyond.

Other observers argue that the poor can exert a strong claim to rights only after they have built up enough financial, physical, social, and human capital to assert those claims. There is likely no one correct answer to this puzzle. It depends on context.

Either way, there is an inherent tension between rights and asset frameworks for practical reasons. Asset accumulation interventions do not necessarily depend on "governability" or "good governance" to work. They are generally much less threatening to sovereign states than rights advocacy. INGOs take their services directly to the poor, sometimes providing services and assistance that belong in the realm of government. In fact, some participants cautioned INGOs not to "let governments off the hook" by providing services usually rendered by the state, rather than in addition to them. In contrast, rights approaches take a much more normative position and present it directly to the government, often in the international arena. Rights advocacy can jeopardize the existence of asset interventions. This does not mean that INGOs should ignore rights to maintain their operations in a country; both approaches are necessary. Rather, development practitioners should be aware of this tension in order to balance two approaches that are mutually dependent conceptually, but sometimes at odds in practice.

One possible way of bridging this gap is to convince governments that it is in their own best interest to guarantee rights. By pointing out to governments that the wealth of all their citizens provides them with their revenues and that their respect for basic human rights wins them international allies, practical rather than moral reasons can garner governmental support for development goals. International business frequently points out to governments that the rights of private property owners have to be respected as a critical piece of the legal "enabling environment" for national growth and development.

Assets and inequality: increasing well-being sustainably

Another interesting difference between the rights-based and asset accumulation approaches concerns their relation to the problem of inequality. An asset approach seeks to increase well-being in a financially and ecologically sustainable way. It does not explicitly address inequalities among individuals although accumulation strategies may indirectly achieve this result. In contrast, a rights-based approach explicitly addresses inequality by seeking the same legally recognized opportunities for every member of a society. Outcomes are another matter. Outcomes often are shaped by a person's assets, access to resources, and place in preexisting power relationships. Inequalities in assets, then, can be related to an inequality in rights—in fact, if not under law.

Some striking findings about inequality were raised by workshop organizer, Caroline Moser, based on her intergenerational study of asset accumulation by slum households in Guayaquil, Ecuador (Moser 1998; Moser and Felton 2007). As households accumulated assets over a 26-year period (1978–2004), absolute levels of poverty declined. Through successful mobilization associated with trust and cohesion (community social capital), the community acquired basic infrastructure, like water and electricity, improved schools and child-care, through municipal government and agencies like UNICEF and Plan International. Yet inequality increased with rising aspirations and lack of opportunities for a better-educated second generation. Some emigrated to Barcelona, Spain; some stay-at-homes turned to drug-related violence.

"The very poorest often concentrate on human capital like health because their very survival is threatened by the conditions they live in. Once they build up a few of those, then they can think about some other types of capital."

By 2000, the quality of infrastructure deteriorated due to inadequate financial investment by the government and private sector, and Plan-supported community-based services closed after the organization had departed from the area. With the associated decrease in participatory community activities, community social capital eroded. At the same time, households forced to pay for once-free services turned to collaborative reciprocity within households, and household social capital increased. The privatization of state services presents particular challenges in designing interventions that support the sustainability of community organizations, so critical for the cohesion and trust that shape community well-being.

3. Applying an asset approach in specific contexts

Once we know what assets are and why they matter, how can INGOs work with individuals and communities to help them develop and protect certain assets? Broad social, political, environmental, and economic factors often determine whether and how people accumulate and protect assets. Going deeper, context dictates which assets take priority and the order in which other assets and the advancement of human rights become important. Age, spatial location, gender, employment status, and relative vulnerability to disasters or conflict are among the variables determining which assets matter more and when. Some examples of how interactions between assets and rights in different contexts produce different operational strategies are described below. These examples are meant to be illustrative, not definitive.

> *"The "demand side" of advocacy is crucial—organizing people to demand provisions from their governments. How do you get policy change? You need a political base for asset building."*

Rural settings: natural and human capital count

Natural assets such as land, trees, wildlife, plants, and water are often the most plentiful and accessible types of assets for the poor, especially the rural poor. Rural survival and most rural livelihoods depend on a healthy ecosystem. Human capital is needed as well—individual and collective knowledge of how to live with, use, and protect natural assets.

Access to natural assets is a key dimension in assessing the nature and extent of poverty in rural areas. This access is particularly critical to the well-being of subsistence cultures, the world's pastoralists and rain-fed agriculturalists. For these communities, natural assets take precedence over many other asset forms, although cultural norms or ecosystem realities may rule out natural asset accumulation as a goal.

Working with subsistence cultures is one illustration of a larger point. Developing a rural poverty reduction strategy that takes into consideration natural assets presents some challenges that may be unique to this asset group: convertibility, accumulation, intergenerational equity, and the balance between public good and private good.

Convertibility. Convertibility of some types of assets is useful: they can be sold, turned into cash. In this way, assets are a financial cushion against economic shocks and can be used to build other types of assets or to improve an individual's or a household's standard of living. However, many natural assets cannot be converted to cash—monetized and sold—and market price cannot capture their true value. Moreover, not all natural assets should be converted. Some may have religious or spiritual significance. Some are finite, unrenewable—once used up, they are gone forever. Without careful management, species can go extinct, ecosystems can collapse. The well-being of humans and the planet hinges on conserving natural assets and the complex, delicate web of life.

Accumulation. In some cultures and contexts, accumulation of natural assets is not a goal, so an asset framework may need to focus on asset preservation. In addition, some natural assets are fixed in quantity and cannot be increased through human endeavor or through natural processes. Water, a nonrenewable resource, and petroleum, the result of a natural process, are two examples. Thus, poverty reduction strategies need to distinguish between natural assets that can be "grown" and those that cannot.

Intergenerational equity. Poverty reduction strategies based on the use of natural assets must weigh the impact on future generations. How to ensure equal rights—enjoyment and use of those natural assets for people decades down the line—is a pivotal question, but often tempting to avoid.

Private vs. public good. Dealing with natural assets thrusts upon INGOs questions of equity in the distribution of local, national, and global costs and benefits. Yet the costs of protecting richly biodiverse areas are disproportionately local. Similarly, with climate change a global "free rider" problem has arisen. The first to suffer the consequences of pollution are not the people who caused the problem. How to value natural assets within particular rural settings may cause local versus national versus global tensions. INGOs and their partners will need to raise individual and community awareness about the impact of their development on people they do not know. This is true for both Southern and Northern communities, which means that INGOs may be uniquely suited to play a special and important role in this regard.

As Southern nations base their growth and development plans on exports, who has access to land, water, and other valuable natural resources gains importance. Use rights, property ownership, and control over revenue streams all become potentially contentious matters, at times leading to civil strife. Consequently, poverty reduction strategies— from the beginning—will have to weave together asset, and rights-based approaches in careful measure.

Urban settings: the house and its land are all-important.

In cities, housing—the structure and the land on which it stands—is the main component of physical capital. The home is likely to be the place of work as well as the residence for the urban poor, unlike the rural poor who are more likely to work outside on the land, in forests, or on the water. In urban areas where crime and violence are almost always more prevalent than in the countryside, physical safety is also closely connected with access to housing. In both urban and rural areas, if government housing support and the provision of associated public services such as water and sanitation are inadequate, the primary risk is ill-health, making poor people particularly vulnerable to human capital erosion.

The urban context presents its own challenges for asset accumulation, particularly food security and the threat of violence. To buy food, urban dwellers need money and jobs to earn that money. In the country, food can be grown, hunted, or foraged much more easily. The greater likelihood of food insecurity in cities has repercussions on health, a major part of human capital.

Mobility-limiting crime and associated violence are commonplace in most cities. In Guayaquil, for instance, frightening attacks on buses kept women and girls from attending night school, thus reducing their access to education. This violence also cut participation, particularly by women, at community meetings, most of them held in the evening, with implications for the erosion of social cohesion and community social capital (Moser 1998).

Other important urban-specific asset and rights issues include: the use of public space and financial assets, the need for rights-based organizing to secure and protect assets, globalization and the pace of change, and new institutional collectives.

Public space and financial assets. In cities, access to public space—streets as well as parks—is more competitive than in rural areas and often less inclusive. Access to this space is a vital concern for people who earn their living as street vendors. Some people identify access to public space as a rights-based asset and organize to secure and protect it from privatization.

The need for rights-based organizing to secure and protect assets. Housing without tenure rights increases the risk of exclusion and insecurity, while the lack of basic infrastructure such as water, electricity, and sanitation severely taxes residents of overcrowded slums. These conditions sap human capital and highlight the importance of political capital and rights-based organizations contesting local government to obtain and protect basic infrastructure for the urban poor.

> *"Protecting the local environment is no longer a local question. This adds complexity to the equation."*

Globalization and pace of change in cities. The pace of change, particularly in "world class cities," is fast and accelerating, far more rapidly than in rural areas. Urban planners' increasingly "standardized" modernization models do not always reflect the needs of the poor in designing the use of space as cities compete with each other for market access. These shortcomings bear heavily on the growing swell of migrants from country to cities. In some contexts, such as in some Chinese cities, "floating" migrant populations lack rights to human capital such as education. In contrast, in India, "one-stop" bureaus are designed to address the multiple needs of newly arrived migrants.

New institutional collective organizations. Cities have also generated new institutional forms of collective identity, many of them forged through bottom-up common linkages among groups of poor people supported by INGOs. Locally, these organizations generate important social capital—trust and cohesion—and encourage collective mobilization and contestation to ensure access to livelihood opportunities and land tenure rights. Most of them are membership based, have statutory processes for rule setting to ensure voice and representation, and negotiate with local authorities. Examples include: street vendor and waste collector alliances linked to Women in Informal Employment: Globalizing and Organizing (WIEGO) and housing rights groups associated with Grassroots Organizations Operating Together in Sisterhood (GROOTS). All these organizations target productive or financial capital and generate important political capital in the contestation process with local authorities. More and more of these associations are forming horizontal alliances nationally across cities and internationally.

Employment status and place: how to choose context-appropriate assets?

Spatial location of the poor and employment status overlap in terms of which assets take priority, but with some notable differences. Some of these differences may arise from the gendered division of labor in the economy. In terms of human capital, for example, it is no surprise that dexterity is of higher value in home-based production and for garment workers, two sectors where women are disproportionately employed. This is in contrast to street vending, small farming, construction work, and agricultural labor, which often demand more strength than dexterity.

Some individuals and households combine self-employment and one or more types of waged work, which means they may need a greater number of assets. For the workshop, Martha Chen of WIEGO developed a working typology of assets the working poor need as workers, not as members of poor households. Table 2 outlines assets needed in different employment contexts. It shows that the self-employed require more types of financial and physical capital than waged workers. Both groups need organization and representative voice, two dimensions of political capital—and three forms of human capital, physical capacities, skills, and market knowledge.

Disasters and conflict: how to select a sound asset amid uncertainty?

People living in situations of great uncertainty, social chaos, and disruption have the most trouble identifying assets that will hold value and planning to protect them. Accumulation may be out of the picture. INGOs in these situations may have the same difficulty formulating a sound asset strategy.

At times of civil unrest and conflict, any type of physical capital may be a liability because this form of wealth may make its owner a target of violence. This is what happened during a period of strife in Northern Uganda. At that time, social cohesion (social capital) was the most valuable asset for individuals: a reliable network of community relationships was key to survival. Parents formed support groups to negotiate collectively for the retrieval of children abducted by the Lord's Resistance Army (LRA). In contrast, INGO staff in Darfur find that remittances from Libya (financial capital) are the most important asset for refugee families. Conflict may cause a massive devaluation of fixed physical and natural assets like housing, land, and livestock because they cannot be moved away from danger or protected from destruction. Conflict and related economic instability can cause financial upheavals that can devalue certain types of financial assets. Cash and savings in domestic currency can be precarious forms of wealth in times of hyperinflation and currency depreciation or devaluation. Health, education, and technical skills (human capital) are more mobile and resilient assets in volatile environments.

Natural disasters such as hurricanes, earthquakes, floods, mudslides, and tsunamis pose as great a risk as conflict, or greater, in terms of potential destruction of physical and natural capital and the scale of loss. In postdisaster looting, the possession of physical capital can invite violence and vandalism.

Climate change hits the poor hardest: who will compensate them for lost assets?

Climate change is a poverty issue. It brings with it a multitude of effects, implications, and uncertainties for an asset accumulation approach to poverty reduction. It intensifies uncertainty and introduces chaos into the natural and economic worlds, requiring constant individual and institutional vigilance, flexibility, and adaptation. The more frequent and severe "extreme weather events" caused by climate change will force INGOs to engage proactively in predisaster preparation, including asset protection.

But one fact is certain: the main asset base of the poor will be eroded (IPCC 2007). Natural assets in developing countries will be hit hard. Frequent droughts will kill livestock. Droughts will be hard on African farmers who rely on rainfed agriculture. Altered weather patterns will invite pest infestations and crop losses. These

TABLE 2
ASSETS AND THE WORKING POOR

	SELF-EMPLOYED			WAGE WORKERS		
TYPE ASSET NEEDED	STREET VENDORS	HOME-BASED PRODUCERS	SMALL FARMERS	CONSTRUCTION	GARMENTS	AGRICULTURE
HUMAN						
Physical	Strength	Dexterity	Strength	Strength	Dexterity	Strength
Skills	Technical and business	Technical and business	Technical and business	Technical	Technical	Technical
Market knowledge	Retail / wholesale	Product	Commodity	Labor	Labor	Labor
FINANCIAL						
Working capital	X	X	X			
Fixed capital		X	X			
Savings	X	X	X	X	X	X
Insurance	X	X	X	X	X	X
PHYSICAL						
House		X				
Land:						
Private		X	X			
Public	X					
Basic infrastructure	Public space	Home	Farm	Workplace	Workplace	Workplace
POLITICAL						
Organization by occupation	X	X	X	X	X	X
Representative voice	Urban policies	Product and export markets	Commodity and export markets	Labor market	Labor market	Labor market
Legal rights	Commercial	Commercial and Housing	Land	Labor	Labor	Labor

Source: Martha Chen, WIEGO.

trends can spell decreases in farm production and land values. Changing rain and temperature patterns will render many native seed varieties useless along with the reservoir of traditional knowledge about using and preserving those seeds. Changes in rainfall and glacial melt will create water shortages in some places, flooding in others. Water stress will impair sanitation, with attendant harm to human health. Human capital will be endangered through hunger, malnutrition, and insect-borne diseases brought by new weather patterns.

Physical assets, too, will be at risk. Extreme weather events and rising seas will destroy homes, outbuildings, and boats. Less noticeable but equally important will be the loss of biodiversity on social and human capital, the cultural traditions and wisdom of peoples tied to the land and their communities. "We are facing a double extinction crisis."

These dire events are already overtaking people in ecologically fragile and marginal areas—deserts, the Arctic, high mountains, and low-lying island nations in the Pacific. Mounting pressures are forcing entire communities to migrate. Tuvalu, for instance, has already begun to evacuate its people, and New Zealand has raised its yearly import quota and also agreed to accept all 11,600 refugees when the island is submerged (Worldwatch 2006). Which of their assets are portable? Will they be useful in new locations? Do these people have any rights to compensation for their lost assets? Who will compensate them and how? INGOs have not yet grappled with these issues.

"Adaptation funding should not be seen as aid. This is given because we've caused harm. It should not be seen as charity, as an optional expenditure that is coming from the goodness of our heart."

Many development INGOs have concentrated their efforts on rural areas. Climate change may speed up demographic shifts in the South and force more INGOs to hone their skills for tackling urban poverty. They will need disaster / emergency staff and development specialists to collaborate on effective asset-based strategies because the poor often congregate in the most weather-vulnerable urban areas. These poor people live on denuded hillsides prone to landslides or swampland and other low-lying zones. Does trying to protect disaster-exposed assets such as homes make sense? Should INGOs work with governments to relocate people to safe ground and start asset-building schemes there? Suppose people do not want to move? Asset accumulation and protection strategies will need to be woven into rights-based work.

How can INGOs help communities reduce their vulnerability to climate change and increase their resilience through better long-term planning in the context of uncertainty? Governments and INGOs alike will need to combine mitigation (reducing carbon emissions) and adaptation strategies, because their success or failure with mitigation will set the context for their adaptation strategies. It will be important, then, for INGOs to integrate an asset approach into adaptation strategies at household or community levels and to devise ways in which an asset-based poverty reduction strategy can also serve to mitigate climate change. Some examples are discussed in the sections on innovations and collaboration.

A global framework, anchored in science and the right to development, is needed to address mitigation and adaptation. The slow, limited international negotiations around the Kyoto Protocol are just the beginning. An adaptation plan needs to meld policy advocacy, asset, rights, and social protection approaches. Box 3 outlines one INGO's strategic global vision.

Migration and remittances: a mixed picture for assets

Migration trends pose a mixed picture of problems and opportunities for asset accumulation and the relation between assets and rights. Migration may be a worthwhile individual strategy for expanding human capital in that the receiving country may offer better health care and educational and skill acquisition opportunities than the sending country. However, from the sending country's point of view, the loss of skilled labor, a "brain drain," can exacerbate the government's development challenges.

Remittances, a large part of many developing countries' financial inflows, can serve as a double-edged sword. The money can be used in the migrant's home country to build up individual household and community assets. Ethiopian immigrants, for example, can buy goats on-line for families back home. Hometown associations of Mexican immigrants in the United States organize, accumulate, and send financial resources back to their communities of origin, at times performing the role that traditionally belongs to the state. These associations have ambitiously created public assets back home, taking charge of local infrastructure assessment, planning, and development. Projects have included everything from paving streets and building recreational facilities, schools, and clinics to constructing roads and bridges and setting up electricity plants (Cordero-Guzman and Quiroz-Becerra 2007). Ironically, this could mean that emigrant-led and -financed development projects in home countries, creating collective assets, might be a more effective long-run development strategy than official development assistance.

BOX 3
CHRISTIAN AID'S CLIMATE CHANGE ADAPTATION PLAN

1. Reduce traditional financial instability and volatility faced by Southern nations. This involves addressing fluctuations in commodity prices, aid, and foreign direct investment.
2. Strengthen the incomes of the bottom 20 percent. National budgets and macroeconomic policies should focus on human welfare and development, not growth.
3. Invest heavily in human capital, notably improving health and educational attainment. This is essential for poor people to cope with and adapt to the multidimensional stresses that will arise as a result of climate change.
4. Promote networking and knowledge sharing between groups and communities.
5. Promote good governance. This creates institutional resilience nationally, which is needed to help adjust and adapt to climate change.
6. Adopt cash-based social protection measures so individuals, households, communities, and nations can more flexibly respond to disasters.

Charles Agubre, Christian Aid.

But remittances can also have negative effects on household and social capital. Instead of using remittances to acquire assets, many families use them to pay for immediate consumption. In El Salvador, for example, remittances may shore-up family finances in the short run but not in the long run. In some rural communities, remittances allow some young people to loaf, gaining no skills or work experience and thus diminishing their human capital potential. Their potential jobs as rural laborers are filled by migrants from other Central American nations. Remittances that make rural Salvadorans dependent on outside income also have a broader negative impact. They destroy social capital and impair the quality of community life.

Some migration trends require more research to determine what kind of asset strategies may be useful in specialized contexts. Internationally, migrant agricultural workers are becoming a permanently transient group with little or no opportunity to build assets. Does this mean that an asset strategy is not appropriate and more rights-based organizing would be better for these workers? The growth of transnational communities is another area needing investigation. If households and entire communities *bilocate*—move perpetually between two versions of one community in different countries—how does this dual residency affect individual and communal asset accumulation and rights?

4. Innovative ways INGOs are strengthening the poor's assets

Incorporating an asset-based approach into programming may help address the financial sustainability issues confronting INGOs because it can be a self-sustaining, wealth-producing strategy for the impoverished. And, in at least one case, it could become a new source of development finance for INGOs themselves. INGOs are breaking new ground in their thinking and implementation in five cutting-edge project or strategy areas involving assets that are examined in this section.

Social protection, assets, and disasters: preparedness no longer "a separate activity"

Massive disasters destroy the "normal" conditions of development, devastating communities, families, and individuals. Some community-development NGOs and INGOs are using this breakdown as a window of opportunity to change social relations, economic development strategies, and poverty conditions.

The tsunami in the Indian Ocean that struck several Asian-Pacific countries on December 26, 2004, taught INGOs some important lessons about the relative merits of an asset approach and other poverty-reduction strategies. Because of the sheer volume of money donated by governments and individuals and the pressure on INGOs to distribute funds quickly, direct cash transfers to individuals and families were used in preference to gifts of food or other commodities. INGOs saw that people quickly used the cash to acquire assets they wanted and needed, which allowed them to rebuild their livelihoods faster than traditional disaster relief methods would have done. Staff also reported that cash transfers appeared to enable people to retain their dignity and more rapidly take control over their own lives and communities.

"Why bring in and pay all those outside evaluators when you have the poor themselves to ask?"

The tsunami experience shows why solid gender analysis should be included in all aspects of intervention. After the tsunami, many women joined self-help groups to obtain microcredit, which they used to boost their assets and increase their productive activities. This reliance on self-help groups was caused partly by the gender-blind nature of disaster relief, which had focused on men's lost fishing boats, not on the assets managed or controlled by women.

A second tsunami lesson underscored the need to focus on rebuilding communal assets rather than individual ones. Often individual reconstruction did not work well, while community-led development worked better. Some communities had enough power to throw out corrupt engineers or suspend them. The collective focus broke the "beneficiary" mentality. Leaders emerged from among those living in poverty to take on public roles. Community-led reconstruction can save on costs. Money is not wasted on unneeded infrastructure and outside professionals when the community has the skills to do the job themselves.

To sum up, combining assets, rights, and social protection in disaster settings requires the following:

- Make community mobilization central to disaster preparedness. Involve the community in mapping hazards, reducing risks, putting communicators in place, monitoring, and designing housing and service infrastructure.
- Ensure that women are central to community mobilization in disaster preparedness and rebuilding. Include a gender-disaggregated analysis of hazards, risks, and assets.
- Make community resilience a priority in asset building and disaster proofing. Planning will encompass safe construction, food security, livelihoods, and community spaces.
- Adopt a peer exchange approach. Enable at-risk and damaged communities to share and transfer strategies among each other. This sharing needs to include community development led by women, as well as innovations identified by women. Basic services and lifeline infrastructure should be planned with both men and women in the community to be sure it is relevant, desired, and appropriate.
- Keep the emergency response short, and shift from direct supply of goods and services to cash transfers and microfinance projects as soon as possible. Community involvement needs to integrate women in all "solutions" operational immediately after disasters.

Many INGOs feel squeezed by donors because money to address emergencies, disasters, and "short-term" humanitarian needs seems easier to come by than funds for long-term programs to address the underlying causes of chronic poverty. INGOs in the workshop considered how certain types of poverty reduction strategies are used more in certain settings and how they might try to shift funds and strategic approaches toward livelihood programs that address chronic poverty. As mentioned in the "lessons" enumerated above, taking a more sophisticated approach to assets will strengthen strategies for both disaster-risk reduction and long-term livelihoods, if not also strategies that respond more to the needs of the poor.

Payment for ecological services: how to handle the free rider?

One in three people live in a *biological hot spot*, an area with high species diversity under great pressure of loss from humans. Many of the 2 billion people in these areas are income-poor, and natural resources are often their core assets for development. The poorest people are often the most dependent upon these assets and act as the informal managers of many ecological resources and processes in developing countries. Consequently, with the escalation of biodiversity loss and climate change, INGOs are being forced to develop new approaches linking strategies for addressing both critical environmental problems with poverty reduction strategies. One creative method, linking assets with rights, is to construct programs that enable income-poor communities to receive payments for "ecological services" they render. This strategy is based on the recognition of land tenure and resource rights as foundational for natural resource stewardship.

Ecological services are activities or dynamics in the natural world that are essential to life on Earth, but which humans often take for granted. Two examples are photosynthesis, which converts carbon dioxide to oxygen, cleaning our air, and the filtration of toxins and other impurities in wetlands, helping purify our water systems. We have taken these services for granted because they have occurred without our conscious intention and because we have not had to pay for them. Consequently, INGOs and governments wanting to establish payments for ecological services encounter the age-old "free rider" problem.

Free riders are individuals, groups, communities, or nations that foist onto others all responsibility and cost of preserving a public good. The problem takes local, national, or international dimensions depending on the nature of the environmental service and the type of benefit derived. In the case of global warming and the loss of species that live in limited number of habitats, free riders can be a major challenge. Communities are gravely harmed by the actions of others, continents away.

Attempts to monetize public assets such as natural resources and whole ecosystems are not always wise or possible. Market competition cannot determine the proper boundaries and "prices" for providing such services. Much depends on the context and quality of local and national regulatory structures and laws and on the force of communal values and sensitivities (social capital). Broaching payment for forest, watershed, and wildlife management would be pointless in disintegrating communities. How can institutions and economic relationships be shifted so that something traditionally "free" is now compensated?

"How and why do we pay for things we've always gotten for free? Well, if we don't pay for certain things, soon we won't have them."

This challenge is compounded in the case of global warming. Most custodians of the planet's "lungs" are in the South, but the dominant markets for cleansing ecological services are in the North. For now, the biggest potential may be in voluntary rather than regulated carbon off-set markets.

In *voluntary carbon-off sets* now gaining momentum, individuals, businesses, and organizations compensate for their carbon emissions by financing a rough equivalent of mitigation activities, primarily or exclusively in the South. This strategy is meant to complement ongoing international negotiations for mandatory carbon emission reductions (through the Kyoto Protocol process), and uneven national policy efforts in the North to bring market forces to bear in curbing carbon emissions.

Carbon off-set schemes can enable income-poor communities to earn rents (one-time or long-term revenues) from their natural assets through their proper management. Several voluntary schemes exist, and the number is growing.

A major such effort under discussion involves the World Bank and the conservation groups World Wildlife Fund, Conservation International, and the Nature Conservancy, and the development INGOs, World Vision, Oxfam, and CARE. This alliance proposes a three-part "Carbon Poverty Reduction Initiative":

- *Supply carbon-offset activities in the field:* creating carbon emissions-reducing field projects such as reforestation, avoided deforestation, and sustainable agriculture.
- *Develop transaction mechanisms:* creating financial mechanisms by which the off-sets can be offered and sold and verifying that activities have the intended effects.
- *Create demand:* educating and mobilizing buyers to make markets.

Finance: "Microfinance is hot! Everyone is getting involved."

In 2006 microfinance was catapulted into near-universal recognition with the Nobel Peace Prize award to Muhammad Yunas, founder of the Grameen Bank in Bangladesh. Just a few decades earlier, the first tiny loans had been made, a few dollars passed from hand to hand. Today, $2 billion in foreign capital and at least 74 investment vehicles are available for microloans worldwide, arranged in person—or via branchless banking, cell phones, and the internet. So where is the cutting edge now?

The "old" microcredit agenda viewed credit as a tool for increasing incomes. The "new" agenda focuses on strategies to help individuals and households accumulate assets, wealth for now and for tomorrow. Table 3 distinguishes between income- and asset-enhancing interventions. The last column illustrates some rights-based campaigns that complement both approaches.

Over the years, practitioners have come to recognize that a rights-based approach to jobs and credit, opening opportunities for the poor, has to be integrated with an asset-based approach, to help build ongoing capacities. Government-provided social safety nets and protection systems are their complement. Rights-based strategies may have to be the starting point when working with marginalized people, deprived of opportunities to obtain credit, to own and inherit property, and many other rights almost everyone takes for granted. Ela R. Bhat recognized this need when she founded the Self-Employed Workers Association (SEWA) as a union in 1972 in Ahmedabad, India, and in 1974, the SEWA Bank, one of the first microcredit providers.

Another aspect of this "new" microfinance agenda entails organizing the client base around rights and political power to increase political capital—again

TABLE 3
"NEW" VS. "OLD" MICROFINANCE STRATEGIES

STRATEGY	ACCUMULATION	PROTECTION	ENABLING / LEGAL
Income	Credit Business development services	Health insurance	Public schools Foreign exchange and other financial regulations Access to services
Assets	Leases Savings Social capital Dignity	General insurance Life insurance	Capital regulation Property rights

Source: Feisal Hussein, ActionAid International.

highlighting the importance of addressing both assets and rights together. Most of the world's 350 million working poor work in the informal sector. Many of them are not reached by trade unions, based on their work identity, but are organized through microfinance institutions. Can microfinance institutions broaden their vision to promote organizing among their clients along the lines of the SEWA Bank?

While many INGOs now supply credit to the poor, some people wonder whether the market is saturated. Amid the traditional providers, some new paths are being developed. "Philanthropreneurs" such as the Acumen Fund are devising alternative financial capital strategies that combine debt and equity provision with technical assistance to bolster human capital. Their market niche is budding entrepreneurs who want to provide services and infrastructure in low-income communities to meet basic needs for water, energy, health services, and housing. The target customer base is people earning less than $4 a day. In Mumbai, India, for instance, Acumen helped finance a private ambulance service in a community that had "public" ambulances—but not for everyone. The entrepreneur charges fees on a sliding scale, based on a patient's ability to pay. Through cross-subsidization, the very poor can now get to a hospital for free, others pay what they can, and the entrepreneur makes a profit.

Value chains: converting market access to marketplace power

Promoting assets, some INGOs have gone beyond helping one individual with financing and technical training to a broader economic empowerment strategy for a whole group of people. This means that some INGOs work at a community or national level to study supply chains, while other INGOs take a broader view to examine value chains, a related but slightly different concept.

A *supply chain* is the continuum of production and sales activities for a particular product from initial producer to final consumer. A *value chain* analysis adds two other dimensions: the policy environment and the business enabling environment such as access to credit, technology transfer, and marketing services. The cutting edge in value chain work expands the focus from producers' market access to their market power.

A walk through the "old" strategy illustrates what this strategic shift entails in terms of assets and rights. The first link in the value chain is the producer. What assets are needed to enable small producers to reach markets? Many need credit—money to buy tools and equipment, seeds and other raw materials, and simple transport equipment. Besides attending to these cash needs, small producers have often had to take out exorbitant loans for emergency household expenditures that might have forced them to market their product at distress sale prices. Microlending and microsavings programs, described above, were created to bridge such needs.

In addition to financial and physical assets, small producers often need training, human capital, and, if they are rural producers, natural capital such as seeds and water. INGO market-access projects inevitably combine asset as well as rights to work to overcome discrimination in terms of access and control over physical, financial, and natural assets. Organizing producers may be necessary at this point to help them find a buyer. Often an individual household does not produce enough on its own—a larger quantity is needed to interest a buyer. As INGOs work to assemble assets for market access, which markets do they target? Most producers stand a better chance of selling first in regional markets and, only after succeeding there, thinking about international markets.

This question of the "right" market is central to where value chain work seems headed in terms of the new strategy (box 4). Choosing the right market is critical if producers are to sell and increase their business over time. Reaching the right market also means increasing small producers' market power. Right now, profits on sales grow as the product moves up the value chain. INGOs want to rebalance the chain to give a bigger piece of the reward to initial producers. What assets are needed in this context? Here, the emphasis needs to shift to political assets. This shift requires various forms of organizing. Banding into worker coops and small producer coops can enable individuals to operate on a scale that expands their ability to set prices and terms of sale and to avoid destructive competition against each other. Through the group, they acquire economic and political bargaining power. Similarly, producers may need to organize consumers or potential customers to guarantee a market or make sales more reliable and cost-effective.

To address policy issues related to increasing small producers' market power, INGOs and NGOs need other forms of collective organizing. This type of policy and institutional advocacy means looking at economic structures, actors, and laws. Nationally, this may require uncovering biases in laws and regulations toward large-scale producers and helping small producers organize campaigns for their revision. Internationally, INGOs and producer groups may have to assess the business impacts of bilateral, regional, or global agreements administered and negotiated at the World Trade Organization and get involved in trade policy advocacy. Finally, addressing market power may entail challenging the practices of transnational corporations that affect the interests of small producers.

BOX 4
VALUE CHAINS—ADDITIONAL CUTTING-EDGE AREAS

New focus: strategies to assist urban poor producers to reach markets. Value chain work traditionally has focused on rural producers and commodities.

New strategy: increase local market opportunities for small producers by promoting sustainable or ethical tourism, encouraging hotels and restaurants to buy locally whenever they can.

New customers: help small producers tap into government procurement contracts.

New base for organizing: INGOs work their membership or supporter base to support consumer campaigns or corporate responsibility efforts geared toward promoting small producers.

5. New opportunities for collaboration among INGOs using an asset framework

A variety of opportunities for new collaboration among INGOs to extend the reach and efficacy of an asset framework and asset accumulation policies are suggested by ideas discussed at the workshop and trends disclosed in the scoping study (Sparr and Moser 2007). Some of these opportunities involve perfecting measurement and analytical techniques; others lie in the realm of project and program design and implementation.

Improved measurement of assets

The asset index developed for the Guayaquil study did not include natural assets because it was undertaken in an urban area where land was identified as part of the physical asset, housing (Moser and Felton 2007). The growing importance of climate change means that natural capital should be included as one of the five urban capital assets. An especially knotty task needing joint effort is the measurement of such natural assets in urban areas. These may be easier to identify and quantify in rural settings, but in urban and peri-urban areas, this need is becoming pressing. Urbanization is increasing in the South; some of these new urban areas encompass biodiversity *hot spots* (where 7 percent of biodiversity has been lost), and coastal cities are becoming more and more vulnerable as sea levels rise.

INGO staff from both development and conservation INGOs have said they need practical, participatory asset-mapping techniques for use by field staff. Such assessments could be used in project design as well for evaluations. Tradeoffs will have to be made between the more robust econometric measurement of assets and the greater ownership of local participatory techniques that provide perception data. Joint work to develop and test asset-mapping techniques that incorporate both social and natural capital could assist in cost sharing. This might also be an appropriate venue for sharing strategies related to measuring environmental and social impacts, which will increase accountability to INGOs' broader constituencies and communities.

Participatory asset-mapping techniques for the range of assets could also be useful resources for emergency and relief INGOs and for emergency and disaster units within development INGOs that consider asset protection a basic part of disaster preparedness. Joining with others to test such a tool could also help relief INGOs, under mounting pressure to refine pre- and postdisaster impact assessment, where the lines blur between short-term crisis response and longer-term development work. As also seen in disaster responses and results, where gender has proven relevant, some INGOs have more experience than others with gender analysis and gender programming. Given the identified need to integrate gender into asset mapping in general and emergency planning specifically, collaboration in this area, too, could be beneficial.

With climate change, changes in the nature of war and the spread of terrorism, and other systemic shifts in the operating environment, INGOs are facing a new and unknown trajectory of continued crisis, ambiguity, and uncertainty. This new trajectory will require decision making closer to the ground and adaptable and sensitive techniques for assessing situations. This is another compelling reason for developing an easy-to-use, multidimensional mapping tool.

Impact assessments: to include global warming

Considering the urgency, severity, and complexity of climate change impacts on developing countries, INGOs need to evaluate programs, projects, and campaigns in terms of their contribution to global warming. Conversely, the effects of climate change on the range of programs, projects, and policy campaigns in process or in planning also need to be evaluated and addressed. Best-practice sharing in three areas could be helpful:

- Measuring carbon emissions;
- Evaluating project or program impact on local communities and, if appropriate, also nationally and internationally; and
- Achieving zero, or low, net carbon emissions in projects and programs in the field, as well as at regional offices and headquarters.

In-country working groups (old and new) would be a natural venue for such cooperative work between INGOs and national NGOs (in the field and at headquarters). Collaboration among INGOs to come up with a standard framework analysis that includes gender-disaggregated identification and measurement of assets as part of an impact assessment could help limit the cost of developing the metrics and speed INGOs' ability to do such analysis. Moreover, INGOs are likely to be more effective and able to reduce duplication by collaborating nationally to share their analyses and strategize together to reduce carbon emissions and plan adaptation strategies.

Migration, assets, and development patterns

The rise of transnational communities and growing size of remittances offer many opportunities for collaborative research and policy advocacy. This is discussed extensively in Moser (2007). Some asset-related examples that emerged from the workshop are:

- How do communal or collective assets work in transnational communities when not all residents are geographically present in the same space at the same time?
- Remittances may deplete human capital (personal growth) and social capital (cohesion), according to anecdotal evidence. Is this always true?
- Some INGOs have had difficulty encouraging migrant workers to channel money to collective development funds. What other strategies might work to bolster community development rather than harm it?
- Geographers and scientists are urging policy makers and development specialists to plan now to redirect migration away from coastal cities. Similarly, people whose nations will be permanently inundated or traditional livelihoods and cultures lost, for reasons related to global warming, will need to be compensated

> *"Poverty definitions are very important. Depending on how you measure it, poverty can either correspond to or be separate from conservation."*

as part of any national and international adaptation strategy. INGOs need to begin thinking now and collaborating with Southern partners to better understand the human rights issues involved, to decide how to protect and transfer assets when possible, and to formulate policy positions.

Energy poverty and inequality: leapfrog into renewables

Climate change is also an opportunity to "leapfrog" into renewable energy to fill the large unmet energy gap in the South. Huge numbers of poor have no electricity—more than 500 million people in Sub-Saharan Africa, for example. The connection rate is as low as 5 percent in some rural areas. Some forms of renewable energy are "low-tech" and do not require tremendous financial outlays, especially if done on a small scale. INGOs can do more to explore how to address energy needs sustainably through creative use of natural, physical, financial, and human capital at the individual and community level. In fact, new donors may find this an attractive enterprise. Some development-oriented philanthropreneurs would like to explore joint venture opportunities with INGOs in this sector.

A new role for financial assets and service provision

INGOs have historically been instrumental in providing basic services like health care, education, water, and sanitation to marginalized communities when a government could not or would not. At times, however, this has played into the global political trend of deconstructing the state's role in social welfare. Where services exist in some fashion, but are priced beyond the reach of impoverished people, INGOs may want to experiment with a "third way" of service provision. This involves offering innovative financing to individual or communal entrepreneurs to provide basic services for less or for free, basing the price on a sliding scale of ability to pay. Development INGOs may want to partner with new social venture capital funds to back enterprises that attempt to make markets work for the poor in new ways, (as in energy, above). In this case, financial capital could be put to use building physical capital, the infrastructure needed to provide the basic service, which is privately or communally owned.

Upstream-downstream collaboration: enhancing livelihoods and living conditions

Using the ecological metaphor of *upstream* to refer to the natural sources of assets and wealth and *downstream* to refer to the conditions by which people attempt to survive, conservation and development INGOs are exploring how their respective expertise can be combined synergistically to advance conservation and poverty reduction goals.

For both groups of INGOs, fresh water seems to be an attractive starting point. Some 1.2 billion people do not have safe drinking water, and 2.5 billion do not have access to improved sanitation. Halving these numbers is one of the Millennium Development Goals. Preservation of fresh water sources and water conservation are critical to maintaining ecosystems and wildlife habitats. Conservation INGOs would like to partner with development INGOs to educate communities and provide them with clean, running water and sanitation while achieving conservation goals. Related upstream approaches could support rural livelihoods. Protecting forests from being clearcut, for example, would slow soil erosion and help retain water in aquifers, helping prevent damage to downstream rice farmers' paddies.

Biodiversity and cultural diversity: "a double extinction crisis"

A second area of mutual interest concerns intellectual property rights and support for indigenous peoples with their reservoirs of "traditional" knowledge. Some conservation groups are providing communities with global positioning system devices and training people to use them to map and monitor resources such as forest cover. Conservation INGOs also want to preserve and promote the flow of traditional knowledge from generation to generation in indigenous communities located in biodiverse areas. Their collective wisdom and long-standing practices protect the local gene pool related to specific ecosystems. The preservation of seeds and wildlife and knowledge of traditional medicines are examples of human capital and social capital needing safeguarding by INGOs.

Many conservation INGOs have not closely tracked policy negotiations at the World Trade Organization (WTO), and few have staff engaged in advocacy at this level. Yet, traditional knowledge and livelihoods are jeopardized by WTO intellectual property rights regimes and by parallel language in regional and bilateral agreements. Some development INGOs have experience with trade and investment policy advocacy nationally and internationally, as well as experience with indigenous communities that could complement the expertise brought by conservation groups.

A third emerging area for collaboration involves urbanization, growth, sprawl, and biodiversity. Some of the world's biodiverse "hot spots" are in cities: Rio de Janeiro and São Paulo, Brazil, for example. Southern California and Japan are other high-density urban area "hot spots." Conservation INGOs traditionally have shied away from dealing with biodiversity issues in urban areas. However, as developing countries become more urbanized, and migration patterns from climate change and population growth challenge biodiversity corridors and hot spots, attention will need to be paid to ways of tackling poverty and biodiversity issues simultaneously in urban and peri-urban areas.

6. Conclusions

What are the leading innovations in poverty reduction work among INGOs? These organizations are looking for dynamic poverty measurements and analytical frameworks to help them plan strategic interventions. An asset accumulation approach provides them with innovative methods for dealing with constant change in their increasingly unpredictable operating environment.

Further analytical and operational work is needed, however, to see how an asset approach can directly address power and inequality issues, as well as important policy questions at the national and international levels. Using an asset approach and a rights-based approach as complements is one way of overcoming current limitations. Although at times there may be a tension between these two frameworks, analytically or practically, they are mutually dependent. Which assets matter, when, and how to catalyze them to reduce poverty are questions with context-specific answers. In some contexts, rights may have to be claimed before, or after, an asset-based intervention. Workshop participants seemed to feel that neither approach is a stand-alone tool and, for the extremely poor, minimal social and physical needs may have to be satisfied before either strategy will work. In this case, a state-run social protection program such as a cash transfer scheme is needed—or action by INGOs if the state will not or cannot assist.

"Holding states accountable to their people is an important role INGOs can play to ensure a rights framework for asset accumulation."

A look at specific sectors or contexts in which INGOs concentrate their poverty reduction efforts illustrates the interconnectedness of assets and rights and how working on them together helps innovative strategies succeed.

In rural areas for example, natural assets are often all-important. Communities have to assert their rights to use, control, or manage those assets as part of a poverty reduction effort. In treating some natural resources as assets, INGOs run into challenges related to their convertibility, accumulation, and intergenerational equity as well as inherent tensions in treating them as a private, rather than a public, good. Climate change, the threat of species extinction, and the loss of biodiversity force local communities to realize that many "local" assets are really global assets, exposing complex valuation and management issues. These twin environmental issues illustrate how an asset approach can be critical to a synergistic solution. One cutting-edge strategy, payment for ecological services, combines asset accumulation with rights-based advocacy to address these problems.

In urban areas, physical capital usually takes priority because homes frequently serve dual functions as both residence and workplace. Homes are also linked to the preservation of human and social capital. Globalization and climate change present special challenges for working with the urban poor and their assets. They quicken the pace of change, cut the poor out of critical urban planning decisions around public assets, and threaten to permanently eliminate urban areas where poor people disproportionately reside. Many INGOs, more comfortable in rural settings, have not begun to adapt their poverty reduction strategies to the rural-urban demographic shift under way in developing countries, much less integrate a response to these new developments. This is another leading edge for the work ahead.

In the meantime, urban poor people are organizing on their own behalf into national and international associations to claim their rights and assets. INGOs must factor the growing strength of poor people's movements into their own strategies for rebalancing North-South power dynamics within their own staff and partners.

"Natural" disasters uproot natural capital while both disasters and conflict put physical and human capital at risk. In conflict zones, the possession of physical capital makes individuals potential targets of violence. In light of the changing nature of war and civil unrest as well as climate change, INGOs are finding that stark delineations between emergency relief efforts and long-term development no longer make sense. Asset protection is a leading change for both relief and climate change work.

The Asian tsunami offers INGOs lessons in many areas, including utility of a gendered analysis of assets, planning mechanisms, and community-led rebuilding efforts. The quick infusion of cash transfers enabled communities to rebuild assets more quickly than the old-style direct provision of goods and services, highlighting the relationship between targeted social protection and asset accumulation.

Two other cutting-edge INGO programmatic areas that rely on assets are microfinance and value-chain work. Microfinance is moving from products and services that enable entrepreneurs to boost incomes to preserving and accumulating assets instead. In parallel, the focus of value-chain work is shifting from market access, based chiefly on microcredit, to market power, obtained by organizing producers and consumers to challenge institutions and policies. The emphasis thus shifts from financial capital and property rights to political capital and political rights, putting advocacy with governments and corporations in the spotlight. This is a further growth area for many INGOs.

An asset approach, besides helping INGOs innovate and be more effective, may also help them deal with the inevitable pressures from funders to show results. INGO staff expressed frustration with the endless and often duplicate reporting requirements and the choice of indicators to demonstrate "success." The most profound improvements in people's lives are often intangible and difficult to reduce to numerical terms. The diversity of asset types may make quantification somewhat easier and enable more sophisticated analysis. An asset approach may also appeal to funders' concerns for project financial "sustainability." Building assets gives a poor person or community a ladder rather than a one-time boost. Accumulated assets can foster dignity, self-confidence, and self-generating and perpetuating streams of income, removing the need for ongoing support from funders.

INGOs at the workshop identified six technical and programmatic areas for possible collaboration around assets: asset measurement; impact assessment; migration and development patterns; energy leapfrogging; basic services; and upstream-downstream collaboration (section 5). The overarching task for collaboration, however, concerns dialoging with and advocacy toward funders. Money for short-term emergencies to address the symptoms of acute poverty is far easier to come by than money for long-term development projects. Strategies to deal with conflicts and natural disasters traditionally differ from those to address root causes of chronic poverty. Now that the line between crisis and development is blurring, it is even more important for funders to recognize the need to shift their funding strategies to allow INGOs the latitude to more creatively, effectively, and "nimbly" address underlying issues that belie quick, simple fixes.

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Appendix
Contributors and Associated Institution

This document represents the contribution of the following participants in the workshop on "Toward a New Poverty and Development Agenda: Contributions of the INGO Community," held on May 30–31, 2007, at the Brookings Institution.

ActionAid UK
Feisal Hussain, *Director, International Partnership Development*

Patrick Watt, *Policy Coordinator*

Acumen Fund
Yasmina Zaidman, *Director of Portfolio Strategies*

Catholic Agency for Overseas Development (CAFOD)
George Gelber, *Head of Public Policy*

Namukolo Liywalii, *Assistant Program Officer, Catholic Centre for Justice, Development, and Peace* (Zambia)-partner organization

Catholic Relief Services
Geoff Heinrich, *Sr. Technical Advisor for Agriculture & Environment*

Yemane Kahssay, *Program Manager for Lake and Northern Zones* (Tanzania)

Christian Aid (participating electronically)
Charles Abugre, *Head of Global Policy and Advocacy Division*

Andrew Pendleton, *Corporate Adviser on Climate Change*

Church World Service
Deborah Katina, *Coordinator, YANG'AT* (Kenya)-partner organization

Daniel Tyler, *CWS Regional Coordinator-Eastern Africa* (Kenya)

Raj Waghray, *Director, Education & Advocacy Department*

Conservation International
Larry Gorenflo, *Director, Human Dimensions Program*

Friends of the Earth US
David Waskow, *Director of International Programs*

Grassroots Organizations Operating Together in Sisterhood (GROOTS)
Prema Gopalan, *International Steering Committee Member and Director of Swayam Shikshan Prayog* (India)

Sandy Schilen, *Global Facilitator*

Heifer International
Dianne Forte, *Senior Managing Director—DC Office*

Donna Jared, *Senior Vice President of Development*

Swaleh Karanja, *Director of Programs, Africa Region*

HelpAge International

Sylvia Beales, *Policy Development Manager*

James Blackburn, *Regional Director for Latin America*

Sheshi Kaniki, *Regional Coordinator and Senior Researcher for the Economic Policy Research Institute* (South Africa)-partner organization

Huairou Commission

Jan Peterson, *Secretariat Chair*

InterAction

Sylvain Browa, *Senior Manager, Partnership and Development Impact*

Suzanne Kindervatter, *Vice President of Strategic Impact*

Sam Worthington, *CEO*

Oxfam America

Muthoni Muriu, *Director of Regional Programs*

Oxfam GB

Sam Bickersteth, *Head of Programme Policy*

Sonia Cano, *Country Program Manager, Oxfam International* (Honduras)

Juan Cheaz, *Regional Policy Coordinator–Central America, Mexico and the Caribbean* (Dominican Republic)

Plan USA

Don Cohen, *Vice President of Program Development*

Save the Children UK

Lan Thi Pham, *Programme Manager of Young Lives Project* (Vietnam)-partner organization

Jennifer Yablonski, *Poverty Policy Advisor and Head of Poverty & Economic Justice Team*

Save the Children US

Thierry van Bastelaer, *Director, Economic Opportunity Program*

SHARE Foundation

Tara Carr-Lemke, *Washington, DC Policy Office Director*

Lidia E. Ramos Aguilar, *Program Coordinator, Association for Consciousness for the Spiritual and Economic Recovery of Humankind* (El Salvador)–partner organization

Tufts University

Peter Walker, *Director, Alan Shawn Feinstein International Famine Center*

Women in Informal Employment Globalizing and Organizing (WIEGO)

Martha Chen, *Coordinator*

The World Conservation Union (IUCN)

Gabriel Lopez, *Director of Global Strategies*

World Wildlife Fund US

Jenny Springer, *Director, Livelihoods & Governance Program*

World Vision

Joao Diniz, *Head of Latin American region "Our Future" project* (Costa Rica)

Christopher Shore, *Director of Micro-Enterprise Development*

From host institutions

Ford Foundation

Frank DeGiovanni, *Director, Economic Development, Asset Building and Community Development Program*

Pablo Farias, *Vice President, Asset Building and Community Development*

Mary McClymont, *Vice President, Peace and Social Justice*

Suzanne Siskel, *Director, Community and Resource Development, Asset Building and Community Development Program*

Monette Zard, *Program Officer, Human Rights, Peace and Social Justice Program*

The Brookings Institution: Global Economy and Development

Lael Brainard, *Vice President and Executive Director*

Sara Messer, *Conference Assistant*

Caroline Moser, *Senior Fellow*

James Pickett, *Research Assistant*

Pamela Sparr, *Consultant*

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The Brookings Institution
1775 Massachusetts Ave., NW
Washington, DC 20036
202-797-6000
202-797-6004 (Fax)
www.brookings.edu/global