

Transformational Development: Mitigating Rural Poverty with the Poor

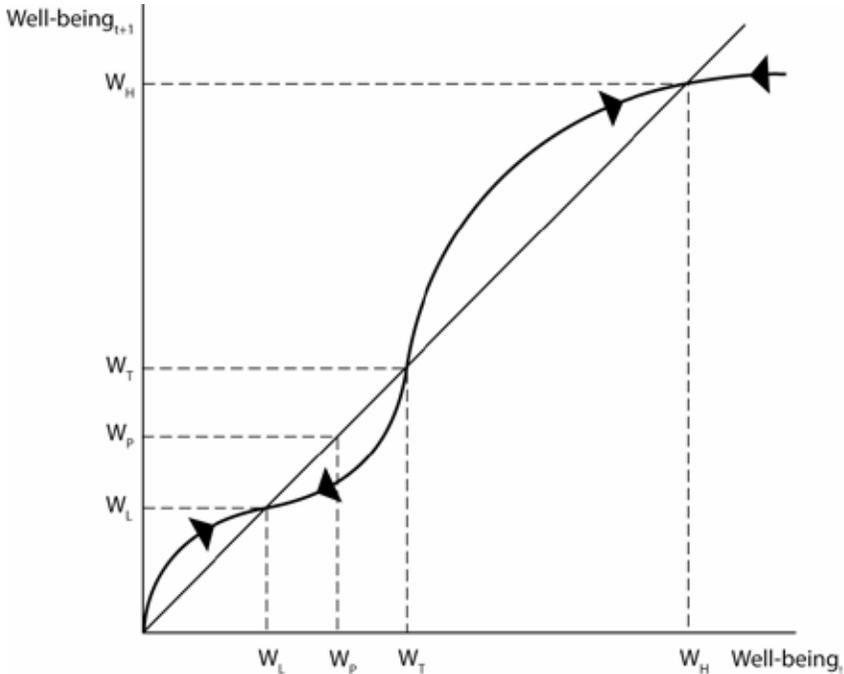
Paul N. Wilson, University of Arizona, and John E. Stapleford, Eastern University

Abstract: *Foreign aid programs have come under increasing scrutiny in recent years as policy makers and analysts question the efficiency and effectiveness of government to government programs. The biblical command to care for the poor has led some Christian non-governmental organizations to develop transformational development programs directed at both the physical and spiritual needs of the poor. This development approach confronts locally-accepted world- and life-views, builds positive community networks, and promotes political and economic entrepreneurship while working directly with the beneficiaries in a manner that promotes mutual accountability. Transformational development program experience indicates that personal morality, project scale, and human relationships matter as the poor struggle to escape their poverty trap.*

Concern for human poverty represents a consistent thread of teaching throughout the Bible. God’s “heart for the poor,” His commands for His people to take care of the poor, and His judgment on those who ignore the poor represent a common poverty-mitigation theme in the Hebrew (Old Testament) and Greek (New Testament) scriptures. In the Old Testament, the poor are those people with incomes below the poverty line (*Dal*), those who have no hope and lack any social or economic power (*Ani*), dependent people with extreme needs (*Ebyon*), persons who have made poor personal choices (*Astel*, sluggard, and *Caba*, drunkard), and mothers vulnerable to human injustice (*Rus*). Hourly laborers (*Penes*) and people who are dependent on others for their physical survival (*Ptochos*) are the New Testament poor.

Historically the Church, and more recently para-church organizations, have provided a wide range of ministries of mercy to the poor, both domestically and internationally. During the past century, concerned peoples turned increasingly to government’s enlightened self-interest to assist the poor. With the objective to improve the poor’s wellbeing, sectarian and non-sectarian aid programs have attempted to free people from poverty traps. These traps, often beyond the control of the poor themselves, impede escape from poverty.

Figure 1 illustrates a dynamic poverty trap equilibrium (Lybbert et. al. 2004, Barrett and Swallow 2006). Household wellbeing for time period t and $t+1$ are measured on the horizontal and vertical axes, respectively. The diagonal line represents equal wellbeing in both periods. The S-shaped

Figure 1: The poverty trap challenge

Source: Adapted from Barrett and Swallow (2006)

growth function captures stable dynamic equilibria at low (W_L) and high (W_H) levels of welfare. Low-income households below the poverty line (W_p) struggle to rise above the poverty threshold (W_T) due to their lack of physical capital (e.g., land, oxen) or human capital (e.g., education, health), or due to restricted access to markets, insecure property rights, or shocks (e.g., weather, civil war) to their wellbeing. As a result, these households struggle to escape their low-income equilibrium (W_L). Aid programs attempt to move the household beyond the tipping point (W_T) to a higher and sustainable equilibrium (W_H).

Recently, a former World Bank economist criticized foreign assistance programs to rural areas and confessed that “agriculture and rural development performance has been miserable” (Binswanger 2006). Although rural Asia has progressed economically, rural poverty has not declined in Latin America and has actually increased in most of sub-Saharan Africa. Two to four trillion dollars in foreign aid over the past 50 years have failed to raise the wellbeing of most of the world’s rural poor. Binswanger argues that aid agencies’ direct involvement with central

governments has failed and argues for more decentralized assistance programs through local governments (e.g., village, town, and city). Rural people—not government officials in the capital city or aid practitioners in Washington or London—should design, plan, and implement their own rural development programs. Similarly, Sen (1997) calls for more “people friendly” development programs. Easterly (2006), another former World Bank economist, pleads for fewer central government officials (“planners”) and more entrepreneurs (“searchers”) in the development process.

Here we present the fundamental design of transformational development (TD), an alternative approach to rural development and poverty mitigation. TD responds to the agriculture, health, education, and governance needs of the rural poor, not unlike mainstream government-to-government foreign aid programs. However, the recognition of the sinful nature of man sets TD programs apart from most mainstream development strategies.

We first review several current and powerful critiques of mainstream foreign aid programs. Then we briefly discuss several efforts by the development community to overcome the challenging issues facing rural development practitioners. This discussion leads us into a presentation of TD, a holistic Christian model for mitigating rural poverty that represents an alternative to traditional development programs. Short development cases are associated with our five characteristics of TD: world and life view, positive networks, entrepreneurship, incarnational assistance, and mutual commitment. We conclude with a discussion of the implications for the mainstream development community.

Critical Views of the Mainstream

From its beginnings after World War II, the economic development community has been marked by several common characteristics. First, mainstream development programs have been dominated by persons of good will who want to make life better for the poor. Second, it has generally been assumed that economic growth will eventually bring (relative) poverty alleviation. Third, the economic development movement has assumed that those who “have” are obligated to those who “have not.”

We can argue about the first characteristic, claiming that many rent-seeking development practitioners and politicians have enriched themselves in the economic development industry. Although there is some truth to this claim, it does not characterize the majority of development practitioners in the trenches. With regard to the second characteristic, research and case studies (e.g., Taiwan, South Korea) have disproved the claim that economic growth alone reduces poverty while demonstrating that only with effective

redistribution of the gains of growth through public social spending will poverty alleviation accompany economic growth. The third characteristic, although disputed by libertarians, generally has widespread public support. Serious problems have persisted over time, however, regarding the most effective means for meeting this moral or ethical obligation.

The success of the Marshall Plan propelled economic development policy for developing countries into decades of top-down, macro-driven solutions. Domar, Lewis, and Rostow saw investment spending as the key to growth, with foreign aid filling the gap between a poor country's meager savings and an appropriate capital-output ratio. Easterly (2002) labels this strategy the "financing gap approach." After more than a trillion dollars of aid, filling the financing gap was recognized by the development community as a necessary but not sufficient condition for economic development. Easterly goes on to say that individuals "invest in the future when they get a high return to their investments" and without the incentives that encourage investment (e.g., secure property rights, patents, honest courts enforcing contracts), "aid will not cause its recipients to increase their investment, they will use aid to buy more consumption goods" (Easterly 2002, p. 38). Despite its failure to produce economic growth and poverty alleviation in many countries, the financing gap is still in vogue with some leading aid advocates today (Sachs 2005).

With financing gap programs floundering, the next driving force used to sustain foreign aid was guilt. Some analysts claim that colonialism and then multinational corporations who expropriated the resources of developing countries kept many countries in a state of dependency. Dependency produced dualistic agricultural sectors and dualistic economies. In addition, emerging economic disparities within the population implied the need for redistribution programs. "The moral case is sustained not so much because aid can be proved always to succeed in helping to alleviate Third World poverty but because alternative methods of helping find no general support and because the need to help is so urgent" (Riddell 1987, p. 268).

Guilt does effectively motivate redistribution but spending must be focused on critical needs like infrastructure, education (human capital), birth control, and health care. Except for some notable gains in health care, the economic development benefits associated with rural and agricultural development programs have been negligible, particularly in sub-Saharan Africa and regions in Latin America. Rural roads and solar water pumps are built with foreign assistance, but they must be maintained by government agencies or by the beneficiaries. However, there is little incentive for individuals to maintain common property or produce public

goods unless community cooperation is realized (Wilson and Thompson 1993). Therefore, these programs require effective government, and effective government requires democracy where voters select and reject their leaders. Ethnic diversity also hampers public good provision (Alesina and La Ferrara 2005). Moreover, a principal-agent problem prevails, with no one aid agency or donor country held accountable for the lofty goals set by well-meaning planners (Easterly 2006).

The lack of success associated with macro-economic programs and guilt-induced aid led policymakers to turn to markets as a stimulus for economic development. Privatization, elimination of price distortions across markets, facilitation of free trade, and the rest of the structural-adjustment policy package became popular. Loans and foreign aid flowed freely to nations that balanced their currency, lowered their tariffs, and made urban dwellers pay the market price for coffee and maize. However, free markets did not take root in most of the aid recipient nations because free markets require social capital and trust. Trust is a function of culture, and culture matters (e.g., Weber 1905, Harrison 1992, Landes 1998, McCleary and Barro 2006). Culture, “those customary beliefs and values that ethnic, religious, and social groups transmit fairly unchanged from generation to generation,” impacts economic outcomes (Guiso et al. 2006, p. 23).

The institutional framework necessary for the functioning of markets—such values as honesty, thrift, respect for others, social networks, and the work ethic—springs from the soil of culture. Easterly (2006) argues that the legal framework required for markets must evolve from the bottom-up through case law, a view supported by de Soto (2000) in his investigation of the origin of property rights in the United States. But are Easterly and other current development thinkers on to something new? Thirty years ago P.T. Bauer (1976) wrote, “Preoccupation with aid, with planning and with investment expenditure has encouraged the facile belief that economic development is possible without cultural change. It has inhibited the exploration of ways to promote institutional change” (p. 110). Foreign aid, notes Bauer, promotes centralized and closely controlled economies and leaves the poorest and most backward groups unaffected.

Michael Maren’s *The Road To Hell: The Ravaging Effects of Foreign Aid and International Charity* (Maren 1997) presents a strong indictment of “business as usual” in foreign assistance programs. The case study is Somalia where Maren spent almost two decades. By the end of his tenure as a development practitioner, the relief industry accounted for nearly two-thirds of the Somalian economy. Military dictators drove citizens off of

their ancestral lands into refugee camps creating a starvation crisis that then turned on the foreign assistance faucets of donated food and other relief operations. The dictators then, according to the author, steal and resell the food to pay for military hardware and for beautiful homes and Land Rovers that they turn around and rent to expatriate relief workers at exorbitant rates. The economy, dependent on foreign aid, becomes even more centralized and politicized. Expatriates meet nightly over drinks to bemoan the corruption and futility, and to support the local prostitution industry. According to Maren, aid is a self-serving industry that sacrifices its own practitioners and intended beneficiaries in order that it may survive and grow. Similar views are echoed by Robert Calderisi (2006) who finds that African culture, corruption, and foreign aid combine to keep tyrants and thugs in power.

Foreign aid advocates have a genuine concern for the poor. Runge et al. (2003) call for a doubling of development aid from public and private sources in order to end hunger in our lifetime. These authors recognize that weak, corrupt, and despotic governments in developing countries guarantee that little progress will result from foreign aid, but rest their optimistic outlook on the promise of new technologies and on improved governance at all levels in the economic development community. Burnside and Dollar (2000) assert that foreign aid facilitates economic growth in developing countries with sound governments and a good economic policy environment. Subsequent research, however, using more complete data, refutes the finding of Burnside and Dollar, concluding that there is no evidence that aid raises growth in countries with good governance, and that when aid increases relative to GDP it reaches a point where its impact on economic growth is negative (Easterly 2006).

There also are bureaucratic incentives within donor agencies for keeping the aid flowing. Raymond Martin, a committed Mennonite, comments from twenty-five years with USAID and a current position at the World Bank:

At USAID, we aggressively marketed our aid. The bigger our programs and the more money we spent, the better our performance evaluations and the faster our promotions. At the World Bank, despite denials by management, there is pressure to lend.... I think we have underestimated the corrupting influences and perverse incentives that result from giving money free to Third-World bureaucracies (Yoder et al. 2004, pp. 164, 166).

Traveling by bus and truck from Cairo to Cape Town, Paul Theroux observes that “governments in Africa depend on underdevelopment to

survive—bad schools, poor communications, a feeble press and ragged people. They need poverty to obtain foreign aid, they need ignorance and uneducated and passive people to keep themselves in office for decades” (Theroux 2002, p. 333). Unlike three decades before, when Theroux worked as a teacher in rural Africa, the business of Africa is philanthropy and the pursuit of aid dollars. Theroux (2002) concludes that only Africans can define their problems and only Africans can fix them, a similar argument to that of Binswanger mentioned earlier.

Partial Glimpses of Reform

In all fairness, the donor community and aid practitioners constantly seek a clearer understanding of poverty and a confident grasp of those mechanisms or programs that alleviate or mitigate hunger. Although the nature of poverty is heterogeneous from the village to the national level throughout the world, the development community understands the critical importance of a healthy lifestyle, a fundamental education, low-cost and effective governance institutions, accessible markets, and appropriate technologies. Yet each of these fundamental socioeconomic needs does not stand alone as a solution to rural poverty. As noted in the previous section, mainstream attempts to solve one need at a time have failed to lift the rural poor out of the trap of poverty. In fact, the tendency to shift from one urgent need to another irrespective of their interdependencies or jump from one development strategy to another depending on the latest development fad (e.g., structural adjustment) has produced an environment of short-term opportunism rather than long-term sustainability in rural communities.

Throughout the 1970s, integrated rural development programs were regarded as a viable approach to meet the interdependencies in poverty mitigation (Wilson 1983). These strategies, working through central government agencies or establishing new, more responsive agencies, contained assistance packages that eased the health, education, credit, agriculture, and governance constraints in rural areas. Although conceptually attractive, integrated rural development programs proved to be politically, financially, and managerially unsustainable at the donor and government levels.

Participatory development strategies have been an ongoing effort to engage beneficiaries in the design and implementation of development programs (Chambers 1983, Wilson and Wise 1984, Aslam and Wilson 1995). Many non-governmental organizations (NGOs) rely on this delivery approach in their rural development programs. Unfortunately, sincere plans to engage the rural poor in their own economic development

on behalf of central governments, and even in the case of some NGOs, have stumbled over a host of challenging issues ranging from limited travel budgets to social class discrimination and arrogance.

The importance of social capital in economic development attracted the attention of development practitioners in the late 1990s (Grootaert and Bastelaer 2002). The development community recognized that people participate in social networks and these relationships produce a wide variety of mutual benefits and costs. Family and village networks create a safety net in response to family emergencies and economic crises. Yet these same networks, or other community networks, may block entrepreneurial innovation, access to markets, and participation in governance structures (Barrett 2003). So in recent years, the “good, bad, and ugly” of social networks has increasingly become a central feature of our understanding of rural poverty.

Institutional capital, how a society governs interpersonal transactions, currently occupies the development limelight as a determinant of economic growth. From de Soto’s (2000) emphasis on the role of property rights to the literature on effective governance, the formal and informal rules that govern a society matter. For example, the Millennium Development Goals recognize the need to improve the security of property ownership in the economy and reduce the societal costs of corruption.

Finally, the role of cultural/spiritual capital in economic development has had an on and off again role in understanding the uneven performance of economic development (Harrison and Huntington 2000). Harrison (1985) argued that the world and life view of people, the analytical framework they use to explain their living and working environment, partially determines their economic success. Landes (1998) has gone so far to claim the world and life view of an individual, community, or nation makes all the difference between development and underdevelopment.

An Alternative Paradigm: Transformational Development^{1,2}

A distinguishing characteristic of transformational development (TD) is its holistic approach to economic progress. TD recognizes poverty as a material, social, and spiritual condition where hopelessness reigns in the lives of people. Contrary to current, dualistic foreign aid programs where spiritual and material concerns are kept separate, TD openly discusses and works with the spiritual issues embedded in the animistic, materialistic, and biblical world and life views of the poor while delivering traditional health, agriculture, micro-finance, and water development programs. The poor, created in the image of God (Gen. 1:26) and co-creators on earth

(Gen. 1:28), are valued as bearers of God's image in the TD paradigm. As a result, TD maintains Jesus Christ as a focal point in economic development programming (e.g., incarnational witness, Bible studies, and church support). Market access, universal education, modern health care, and appropriate technologies—all components of God's creation—are necessary but not sufficient conditions for sustainable economic development.

Western donor governments readily express concern that TD promotes a belief system that has no place in economic development programs. TD practitioners respond with the observations that (1) all people have beliefs and values (i.e., faith) that cannot be ignored in development and (2) western governments actively promote a materialistic world and life view in their development programs by ignoring or discounting matters of faith.

The phrase "one at a time" captures the micro-development focus of TD. Rather than focus on aggregate impacts as a measure of success, TD organizations efficiently direct human and financial resources towards the individual (particularly women and children), family, and community. TD's unit of analysis is the individual over time as he or she makes choices that improve individual, family, and community wellbeing. Rather than a "big push" to alleviate poverty, as proposed recently by Sachs (2005), TD channels consistent programming to relatively small microeconomic units in the difficult or hard places of the world.

TD's individual- and community-focused programming builds on, rather than substituting for, the important responsibility of government policy and governance in reducing rural poverty. Access to education, health care, infrastructure (e.g., roads, potable water), and trustworthy public organizations (e.g., police, courts) complement the activities in the TD paradigm. Without a fair and just public sector, many TD programs experience frustration and fail to meet their objectives.

Amy Sherman's analysis of economic transformation in Guatemala represents one of the most detailed analyses of a TD-like approach to development (Sherman 1997). Sherman visited fifteen villages extensively, and directed formal interviews with 1,000 Guatemalans in five different villages. She also conducted in-depth, informal interviews with 100 Guatemalans during six month-long site visits. Sherman found that a person's religious world and life view was correlated with his or her political beliefs and participation. Individuals with orthodox Christian convictions tended to be more sympathetic toward the institutions and norms of democratic capitalism than did individuals with animist or pagan beliefs.

She notes that religion is the heart of culture and can be an independent variable, an agent of change. Guatemalan converts' (if conversion is genuine and profound) escape from belief in gods (animism), and their new belief in God (orthodox Christianity) helped them climb out of their poverty traps. Sherman reports that orthodox Roman Catholics do just as well or better economically than orthodox evangelicals, because they hold similar modern attitudes on important variables related to development (e.g., openness to change, merit, innovation, equality, rejection of fatalism, innovation, personal responsibility, self-discipline, cooperativeness, political participation, and the importance of education). Cristo-pagans, unsympathetic to a merit-based economy and unenthusiastic about the free market, have a zero-sum mentality, revealed by their hostility to profit-making, lack of individual initiative, and dislike for competition.

World and Life View

A world and life view is a mental model by which people process information about their environment and personal circumstances to facilitate making choices. World and life views infiltrate society to the point that national laws, organizations, and lifestyles reflect the predominant societal values and beliefs. Animistic and materialistic world and life views either leave God out of development or see God as disengaged or a capricious influence on economic affairs.

TD practitioners believe that the root problem of poverty is in people's minds, regardless of such factors as a lack of capital or foreign aid, government corruption, unfavorable geography, or a lack of technology. Poor people, it is argued, often believe a web of lies that keep them trapped in poverty (Miller and Allen 2005). These lies include, but are not limited to, (1) women are inferior to men, (2) work is a curse, (3) my tribe is superior to your tribe, (4) we are poor and there is nothing we can do about it, (5) individual life is not significant, and (6) resources are fixed and limited. The holistic approach of TD presents a frame of reference (i.e., a biblical world and life view) that favorably impacts the economic future of individuals, families and communities. For example, the biblical emphasis of man as a steward and co-creator can dramatically change attitudes towards work, from drudgery and hardship to sacredness and dignity.

World and life views of the poor constrain decision making in a bounded rationality sense (Simon 1972). Choices associated with welfare enhancing opportunities fall short of their potential because the "web of lies" creates an environment of incomplete information. Likewise, world and life views become part of the individual's analytical mental framework

that may prevent rational choice (Tversky and Kahneman 1979, 1981). Decisions are made that reduce the probability that the individual, family or community will escape the poverty trap illustrated in figure 1.

The biblical world and life view, an integral part of TD, bounds decision making within a scriptural framework but releases the individual from lies that constrain his or her role as steward and co-creator. The truth that women are made in the image of God and have equal worth with men, that work is part of human dignity, that each tribe is of equal value in God's eyes, that God created humans with freedom and personal responsibility, that individual life is significant, and that wealth can be created, all release a productive energy that breaks the bounds of traditional thinking. By proclaiming and teaching the Gospel within the community, TD attempts to produce passionate Christian disciples, not just believers (Matt. 28: 18–20).

Case Study: The Pokomchi Indians and Arturo³

The Pokomchi Indians are among the poorest people in the poorest state of Guatemala. Many years ago, missionaries came to evangelize and plant churches in Pokomchi communities. Many people accepted Christ as their savior, yet they remained desperately poor. Community development organizations came to work with the Pokomchi, interested in helping them improve their impoverished living conditions. These organizations brought in money and technical assistance from non-poor nations and completed many projects, labeling them successful. Now there were latrines in the community, but they were largely unused. There were school buildings, but very few children attended or graduated. There was no transformation in Pokomchi lives and communities.

Arturo, a young Peruvian pastor and TD employee began his ministry to the Pokomchi in the early 1990s. Arturo understood the importance of a biblical world and life view for individual and community transformation. Through incarnational ministry and Bible study, Arturo began to see transformed mindsets leading to transformed lives. When inadequate crop storage was identified as a cause of food insecurity in the communities, Arturo asked “Who is smarter, you or the rats?” Arturo pointed out to the farmers that men and women have been given dominion over creation (Gen. 1:27–28; 2:15; 9:1–2; Ps. 8:3–9). The farmers developed a design for simple, elevated corncribs. When constructed, the food supply increased as did the overall health of the children in the community. Likewise, Arturo's teaching that (1) children were a gift from God (Ps. 127:3) encouraged school attendance, (2) husbands are to love their wives and treat them

with respect and dignity (Eph. 5:25–28; 1 Pet. 3:7) motivated husbands to encourage their wives to learn to read and to build small mud stoves in the kitchens to reduce smoke pollution, (3) people are called by God to be stewards of what God has provided (Prov. 10:4; 13:11) encouraged the men to adopt productivity-enhancing farming practices and women to build small pantries to keep insects and vermin out of their food supply.

Positive Networks

Social networks are bilateral or multilateral associations where interaction between individuals or groups produces mutual value. In non-poor and poor nations alike, social networks in business can produce goodwill, flexibility, mutual forbearance, reduced transaction costs, and trust (Wilson 2000). However, social networks also can produce abuse, discrimination, and even violence. TD practitioners argue that people often are poor because they participate in social networks that produce many more costs than benefits (e.g., resistance to change). The poor's current relationships do not work to their benefit—rather, the networks in their families and communities are characterized by brokenness and dysfunction. As a result, relationships between (1) themselves and God, (2) with others in their realm of influence, and (3) with the natural environment must be transformed, for without relational transformation all development programs (e.g., credit, road maintenance, cooperative marketing) will fail the sustainability test.

In a sense, the poor have structural holes in their social networks (Burt 1992). They are vulnerable to exploitation by the one individual that connects them to a wider set of relationships. Structural holes leave the poor more vulnerable to greed, shocks to their productive environment (e.g., weather disasters, death), poor medical advice, and political manipulation, to name just a few dangers. Healthier networks have fewer structural holes and thereby create more opportunities for welfare enhancing relationships (e.g., business partnerships, community safety nets) due to widespread connectivity in the network that increases the probability of higher quality social capital.

TD recognizes the importance of building community (i.e., improved social networks) as a key driver to poverty mitigation. The church can play a critical role in social network development. People come together to worship and fellowship and in the process develop mutually beneficial network capital. The church, as a visible community, serves a servant and encourager role within its social network. As church members live a biblical world and life view in their secular lives, community bonds

are strengthened. TD organizations encourage local church development through pastor training conferences, seed money for small-scale development projects, and training and mentoring for church leaders.

Case Study: Bintou⁴

Bintou was devastated when her husband died suddenly. Though grief-ridden, she was left to run his small goods shop in Mali and to care for their five children. Overwhelmed and without resources or business experience, Bintou asked her husband's former trading partners for a loan. They agreed, but their loan had outrageous strings attached. Preying on her vulnerability, they forced her to pay an unreasonably high interest rate or else provide them with sexual favors. Fortunately, Bintou's elder sister helped her pay off the debt including the higher interest payment.

Soon thereafter, Bintou learned about Nomsombougou Community Bank (NCB)—a TD microfinance institution. NCB assists clients like Bintou who struggle to operate small businesses alongside their subsistence farming operations. Bintou has successfully repaid several NCB loans and is expanding her shop. She now has the financial resources to pay her children's school fees and provide all her family's food, medical and clothing needs.

Entrepreneurship

Above, we noted William Easterly's call to non-poor Western governments to direct more development assistance to the "searchers," not "planners," in poor nations. "Searchers" are entrepreneurs who see opportunities to improve economic efficiency and effectiveness either within an existing organization (i.e., intrapreneur) or by establishing a new organization to deliver their innovation to the customer. In this manner, development programs emerge from within the community, not from outside experts, and have a higher probability of long-term economic success.

TD organizations invest significant resources in leadership training and development, both within the church and the community. They recognize that most community members are followers, not leaders. So as leaders are transformed in their thinking, these changed leaders alter the world and life view of the community. TD practitioners come alongside local leaders, teaching them the importance of integrity (Job 27:4), responsibility (Luke 12:48), commitment (Mark 10: 43–44), vision (Prov. 29:18), communication (Eph. 4:29), conflict resolution (James 1:2–3) and courage (Rom. 12:2). Entrepreneurial leaders are trained to identify their community's problems, gather input from members of the community,

develop alternative solutions, reach a decision, implement the chosen solution, and finally, evaluate what is working and what is not working in the community. Leaders are taught to see the image of God in everyone and to facilitate individual free will by providing each person with the opportunities and resources to participate as a dignified member of the community in the development process.

Case Study: Phall Nam⁵

Quarreling, gambling, and fighting were common occurrences in Phall Nam's home in the small village of Tro Meng, Cambodia. The total absence of peace and hope overwhelmed her each day. As a widow with little education to help her participate in society, Phall Nam was an outcast. She sank into deeper despair, plagued by the real source of her problems, the very thing that still kept her connected to society—being controlled by evil spirits. These spirits forced her to sacrifice the little food she had, leaving her unable to provide for her and her children.

Yet one day, TD staff began a long-term relationship with Phall Nam. They had heard about her association with witchcraft and demonic practices so they shared the Gospel with her and prayed with her. Soon thereafter the TD organization facilitated a church plant in Tro Meng and Phall Nam began to attend on a regular basis. Phall Nam soon made a personal commitment to Jesus Christ, her life was changed, and she began to attend monthly training meetings for church leaders. Through this equipping, Phall Nam grew stronger in her faith and in her ability to lead other members of the church. The church continues to grow, and many adults and children from the community have started coming, pooling their gifts and resources together to help the neediest in their area.

Incarnational Assistance

In principal-agent theory, the principal hires the agent to act in the principal's best interest. TD clearly establishes the poor as the principal and the development worker as the agent. Practitioners invest their lives in order to transform other lives. TD development personnel develop personal relationships with the poor—listening, learning, talking, and loving them. In this approach, people are more important than ideas and relationships; people come before programs. Incarnational assistance distinguishes TD from mainstream, secular approaches to economic development where most experts do not invest their own lives, at least not incarnationally, in the lives of the poor. TD starts inside a mud hut not in a government ministry office.

TD practitioners live a seamless life, fully integrating their spiritual life

and their professional career. The TD practitioner must be a disciple of Christ (i.e., becoming more like Christ each day), a person of Christian character demonstrating the fruits of the Spirit (Gal. 5:22–26), a professional humbly performing assigned tasks with integrity, in excellence and with a street smart mind (Matt. 10:16), and finally, the TD practitioner is an ongoing learner (Rom. 12:2).

This incarnational process impacts not only the poor but the development practitioner as well. God works to transform all involved in TD towards a greater sense of community. “Working and walking with the poor” more accurately reflects TD than “helping the poor.”

Case Study: Mary⁶

Dark storm clouds were forming as TD staff drove down the bumpy, red dirt road to the village of Buntaba in southern Uganda. Their entire day had been devoted to visiting the homes of HIV/AIDS victims. Buntaba was their last visit for the day. The rain began to fall as they walked to a mud-brick house. As they stepped over the threshold onto the uneven dirt floor, their eyes, slowly adjusting to the darkness, saw Mary curled up on a straw mat under a blanket. Mary, a young woman in her mid-twenties, was weak, emaciated and near death. She could barely sit up, her body ravaged by the disease. As the staff members came near, Mary attempted to smile. Beside Mary’s straw mat was a friend holding Mary’s small child. The staff members knelt next to Mary’s mat, and as downpour pounded on the tin roof, they wept and prayed for God’s mercy.

Mutual Commitment

TD programs commit to a community for a relatively long period of time (e.g., ten years) or until the community transformation is self-sustaining, whichever is shorter. Not wanting to create dependence on external assistance, an exit strategy is developed in cooperation with the community. Initially, TD practitioners learn the community’s story by listening to the people. Practitioners start with the capital and human resources the people have, and then teach them how they can use these local resources to actively transform their current economic situation for a better future.

Constant evaluation is preferred to constant planning in the TD paradigm. Participatory evaluation (i.e., all parties are involved) is constant at all stages of project development and implementation. Two-way evaluation is a unique feature of this approach. The community evaluates the TD organization and practitioners and the TD practitioners evaluate the community and its leaders. All parties are accountable to one another.

Case Study: The Tomoyo Story⁷

The community of Yoroca in the *altiplano* of Bolivia was poor, tired, and characterized by a sense of hopelessness. Although the Tomoyo River flowed almost through their backyards, community leaders had failed repeatedly to develop a plan for harnessing the river for irrigation. Yet over an eight-year period, TD practitioners worked with local village and church leaders in Yoroca and other communities to make the Tomoyo irrigation project a reality.

The first problem addressed was the animistic world and life view of the people that bound them into a fatalistic mindset. The people believed that they were powerless to improve their lives. They believed that their economic and social conditions could not be changed. Leaders were taught the biblical principal that God wants people to have dominion over the land while being responsible stewards of the land. Education programs on soil erosion, water management, land restoration, and community cooperation motivated local leaders to organize a valley-wide effort to bring a dependable, high quality water supply to the communities. Although the project implementation phase was not without its problems (e.g., free-riding, tail-ender dilemmas in irrigation systems), meetings in local churches and leadership by local pastors maintained the coalition of communities.

TD practitioners estimate that 12,000 people in 37 small communities now live a better life due to the Tomoyo project. The community of Yoroca alone now generates additional annual sales of \$450,000 from their agricultural lands due to their ability to double crop their irrigated lands. The total cost of the project was \$1.25 million which included partial funding from a USAID grant.

So What?

TD shares many of the same economic and human challenges faced by traditional development agencies and their programs. What is revealing, however, is how the current interests and concerns of many mainstream development practitioners are integrated, on a day-to-day basis, into TD programs: a healthier lifestyle (both physically and spiritually), basic education, appropriate technology, and honest governance holistically delivered at the household and community levels. Several key insights from the TD experience should influence and encourage mainstream development programs and practitioners.

Morality Matters. World and life views towards work, gender relations, honesty, and cooperation can determine the success or failure of the most well-designed rural development program. Yet even Christian economists

fail to emphasize the cultural and spiritual phenomena that constrain economic development (Dean et al. 2005).

Scale Matters. In danger of over-generalizing, mainstream agricultural and rural development programs and their designers often demonstrate a predilection towards aggregate outcomes at the regional and national levels. In contrast, TD recognizes that sustainable economic development begins with individuals, families, and communities. Aggregate, measurable outcomes will occur when the rural poor take ownership of their own economic development, not relying totally on outside agencies or governments alone for guidance and direct aid. Solving small-scale rural development problems together, enjoying success together, and actively learning together produce the social capital for more complex economic development projects in the future, with and without government assistance.

Relationships Matter. Many regard health care programs as the most successful mainstream development projects over the last twenty years. The personal relationships mothers establish with health care workers produces an environment of openness, vulnerability, and learning. We recognize that incarnational development assistance in the “hard places” of the world is difficult, time consuming, and expensive, but this two-way investment in people (the poor and practitioners) provides hope for rural poverty mitigation.

Endnotes

- 1 Wayne Bragg of the Wheaton Hunger Center first defined the term “transformational development” in 1983 (Myers 1999). The U.S. Agency for International Development (USAID) recently has used this phrase in its new strategic framework for Africa (USAID 2006). Although there are similarities between the two approaches (e.g., emphasis on children and communities), the spiritual and incarnational components of Bragg’s transformational development is absent in the USAID framework.
- 2 This paper relies on the work of Miller (1998), Moffit and Tesch (2004) and Myers (1999) as useful sources for capturing the uniqueness of transformational development in contrast to mainstream secular approaches to poverty mitigation. The transformational approach, to various degrees, can be seen “on the ground” through the relief and development programs of Compassion International, Food for the Hungry, and World Vision. Our analytical summary of transforma-

tional development does not represent an official statement of the policies of any of these Christian non-governmental organizations, nor are these organizations associated in any way with the ideas and analysis contained in this paper.

- 3 Excerpted from the Volunteer Ministry Initial Training Course Manual of Food for the Hungry, Phoenix, Arizona.
- 4 Excerpted from the World Vision website, www.worldvision.org.
- 5 Excerpted from the Food for the Hungry 2003 Annual Report.
- 6 Excerpted from the Food for the Hungry 2003 Annual Report.
- 7 Summary of the Food for the Hungry DVD "The Tomoyo Story: A Tale of Transformation in Bolivia."

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