WEALTH CREATION AS AN ALTERNATIVE TO POVERTY ALLEVIATION: A TAUTOLOGY, A DAY DREAM, OR A SIGNIFICANT PARADIGM SHIFT?  
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by

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Introduction

Semantic purists will dismiss any attempt at separating wealth creation from poverty alleviation as, at best, a tautology, at worst, a daydream. It is fair to ask whether there is any substantial difference between the two terms. After all, what good is wealth that does not “alleviate” poverty, and, going by the same logic, is the creation of wealth not the underlying purpose of poverty alleviation?

As argued in a separate paper (Balogun, 2004), wealth creation is conceptually, and in policy terms, different from poverty alleviation. In contrast to the latter strategy that has clearly come to terms with poverty (taking only sporadic measures to “appease” it), wealth creation seeks nothing less than total liberation from poverty and from its oppressive grip. Where poverty alleviation promises short-term relief, wealth creation canvasses a comprehensive, long-term, developmental response to want and destitution. To “alleviate” poverty is to find water to quench the thirst of the moment. To create wealth is to develop, apply and constantly upgrade the technology for harnessing water resources. Whereas poverty alleviation portrays the poor as a “victim” of deprivation, wealth creation challenges the poor to help him/her self by producing goods or services that are in demand. In place of the self-doubt that poverty engenders, wealth creation breeds self-confidence. Above all, wealth creation advocates a proactive role for government and public administration – a role designed to promote individual initiative. The model rejects the minimalist logic underpinning the design and implementation of contemporary poverty alleviation programmes.

In comparing wealth creation with poverty alleviation, this paper begins with a critical analysis of the assumptions underlying the latter vis-à-vis the former. In the second

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1 I am grateful to the former UN Under-Secretary General and Executive Secretary of ECA, Professor Adebayo Adedeji, and to my colleague, Adriana Alberti, for their helpful comments on an earlier draft. All residual errors are mine. The views expressed in the paper are mine, and are not necessarily shared by the United Nations or any of its agencies.
section, the paper examines the socio-psychological assumptions underpinning the wealth creation concept as different from poverty alleviation. In the third section, the paper focuses on the essence of wealth creation, and on the measures that need to be instituted to realize its objectives. The preconditions for the successful implementation of the new strategy are discussed in the fourth, and the capacity building implications in the fifth sections.

I. The poverty alleviation model: a critical review of underlying assumptions

How poverty is defined will to a large extent dictate the measures to apply in tackling it. This paper focuses on at least two contrasting perspectives. The first equates poverty with material deprivation, while the second portrays it as a state of mind, or more specifically, as a lack of capacity to recognize and optimize value-adding opportunities. In the first (income-based) definition, poverty emerges as a lack of access to the resources needed to meet basic needs (http://web.worldbank.org/WEBSITE/EXTERNAL/TOPICS/EXTPoverty/EXTPovertyA/0,,c0…09/02/2005). If this is the case, poverty would have been “alleviated” if measures are taken to increase individual or household income. By contrast, the wealth-inclined definition characterizes poverty as a state of mind, that is, as a total lack of understanding and appreciation of the value to add to meet not only basic but also situation-specific and constantly unfolding needs. Unless the poor is directly empowered to overcome obstacles to value-adding efforts, poverty will never go away. Let us examine both perspectives by testing the following hypotheses:

Identifying the poor

Hypothesis 1: Income is a reliable indicator of poverty, and an accurate measure of progress in “alleviating” it. The strength of this argument also happens to be its weakness. As a precise and quantifiable measure, income could be used to determine the place of an individual, a household, or a country on the poverty league table. It does not matter whether the reference is to the gross national or per capita income, or to the range of incomes falling below or above the “poverty line”, or the ratio of rural to urban income. The income level could be easily computed from primary and secondary data and the results applied to back some conclusions.

The limitation of the income-based definition lies in the choice of supporting indicators and, particularly, in validating the choice over time and across cultures. It is true that in measuring the scale and depth of poverty within and among countries (and, especially, in computing the Human Development Index), attention has focused on performance against such indicators as per capita income, access to health, education, energy, potable water, sanitation, information and communication technologies, and other tangible material benefits. However, the ‘income’ focus misses one essential point about poverty – the consumption priorities established by the poor change over time, and may be totally different from the HDI probabilities. While the supply of alcoholic beverages, psychotic and mind-bending drugs and military hard ware will lead to a dramatic increase in “income”, a combination of the prevailing state policy, religious injunctions, and cultural
norms may curb the “taste” and stem the demand for these items (Balogun, 2002:552). In plain language, income is a relative concept. Income is a function of the range of goods and services to expend it on – that is, the needs to be met. These needs change over time and from one place to another – similar to the change in perception of freedom (Dahrendorf, 1994).

Probably in an attempt at overcoming the limitation of the income definition of poverty (and at facilitating the identification of the genuinely poor at any time and place), analysts have attempted to find a common denominator for income. This is the essence of the internationally accepted “poverty lines”. Yet, these lines appear to have been arbitrarily drawn. For the Africa and the Asia and Pacific regions, the line is an income of $1 a day. For the Commonwealth of Independent States, the amount frequently cited is $2.15 a day (United Nations Economic Commission for Europe, 2004). Certainly, no person in a technologically advanced economy, poor or not, could live on even this higher figure of $2.15 a day. Besides, the income that places a person slightly above the poverty line leaves nothing for saving or for investment.

The thesis of this paper is that the poor is not the person on an income of less than a dollar (or, for that matter, one hundred dollars) a day, but one whose income can neither meet present and future needs, nor leave enough savings to be invested in wealth generating projects. This definition covers the absolute unemployed, the producer of primary commodities who cannot count on getting fair prices for his exports, the migrant worker, the street vendor, and the employee who “pretends to work” for an employer that “pretends to pay” a decent wage. The drug trafficker that comes to “sudden wealth” (or the crooked cop that shields the criminal) is, by this definition, poor, although it may take a long prison sentence and the freezing of his/her bank accounts to open his eyes to this plain fact. Notwithstanding the handouts\(^\text{2}\) from benefactors, or access to other forms of unearned income, the substantive condition of the poor is unlikely to change for the better unless s/he demonstrates the capacity to produce goods and/or services in demand.

Until then, the victim of poverty will lack the resources needed to “speak authoritatively” to the economic and the political markets (Galbraith, 1973:30), and will face difficult obstacles pursuing his/her legal and civil rights. S/he is apt to be locked in constant struggle with over-crowded housing conditions, dependants’ food, clothing and tuition bills, sundry emergencies and family obligations. Desperate for relief from current travails, the poor will find comfort in simplistic explanations of economic and political life, and be susceptible to the influence of demagogues, hate preachers and self-seeking leaders. The poor does not always resign him/her self to fate: with dire consequences for marital stability and the integration of family units, s/he is likely to migrate from rural to urban areas, or, as in the case of countries bordering South Africa, to search for jobs in the mines. Poverty indeed accounts from the phenomenal increase in Africa’s urbanization rate from 11 percent in 1950 to 32 percent in 1996 (Bigombe and Khadiagala, 2003: 171-2). Overwhelmed by problems of the moment, the poor will tend to have little time to think about one fundamental question – i.e., how to get out of poverty. This is the question examined in the subsequent paragraphs.

\(^{2}\) Food aid, emergency relief assistance, and even mosquito nets!
Impact of macro-economic reforms on vulnerability and inequality

*Hypothesis 2:* Getting and staying out of poverty depends on the implementation of fiscal reforms, and the attainment of macro-economic stability ([http://www.worldbank.org/poverty/strategies/overview.htm](http://www.worldbank.org/poverty/strategies/overview.htm) 30 December 2003). The assumption here is that macro-economic instability may result in the erosion of the value of ‘income’. The instability itself is traceable to uncontrolled public sector growth insofar as this growth can only be sustained by excessive borrowing from the money market - a practice that “crowds out” the private sector, and leads to gross misallocation of resources. In any case, an economy that fails to recognize the role of the private sector as an “engine of growth” is bound to be unstable, and, the argument continues, such a roller-coastal economy can hardly sustain growth and poverty alleviation efforts. To clear the path for growth, excess liquidity must be mopped up and the government drainpipes must be sealed off. The measures to adopt in pursuance of the reform objectives include reduction of budget deficits, public service retrenchment and down-sizing, elimination of subsidies and private controls, and currency devaluation.

The question is whether the gains of structural adjustment would be so substantial, and would trickle down fast enough, to “alleviate” poverty. The limited body of evidence available does not confirm either optimistic assumption (Adedeji, 1989; Korten, 2001:4-7; Mulokoz, Shullukindo, and Baguma, 1989; Nti, 1989; Bigome and Khadiagala, 2003:184). Macro-economic reforms are a necessary but insufficient condition for poverty alleviation. Even on the assumption that, as a result of fiscal and macro-economic measures undertaken at a time, a poor person has access to a given amount of income (and to the goods and services it could buy), it does not mean that the access is guaranteed *ad infinitum.* Vulnerability to poverty becomes especially high where the capacity to meet future (that is, the ever growing and changing) needs is lacking. The experience of sub Saharan Africa is quite illustrative. While the gains of the fiscal and macro-economic reforms undertaken in the 1990s were reinvested in health, education and infrastructure development, socio-economic imbalances persisted in a number of countries into the early 2000’s. In specific terms, the under-5 mortality rate increased in Kenya, Malawi and Zambia – thus wiping out the achievements of the past two decades (UNDP and UNICEF, 2002). The primary school enrolment dropped in Cameroon, Lesotho, Mozambique and Tanzania. The gender gap in primary education widened in Eritrea, Ethiopia and Namibia. Malnutrition increased in a number of countries, Burkina Faso included. Most alarming of all, HIV prevalence rate increased rapidly in the 1990s, and reduced life expectancy in a number of countries.

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3 A review of the market reforms undertaken during the 1990s in Latin America underscored the necessity of anticipating the social implications in the design of such reforms. See Ocampo, Jose Antonio, 2003, “Economy and Democracy”, paper presented at the International Conference on Mobilizing Social Capital and Volunteerism in Latin America, organized by the Government of Chile and the Inter-American Initiative on Social Capital, Ethics and Development of the IDB, Santiago, Chile, 22-23 May.
By the same token, a general increase in “average” income will not necessarily eliminate inequality or disparity in income distribution. Even when the proportion of those living in poverty declines, the number of destitute persons may go up. A case in point is that of Tanzania. Notwithstanding the macro-economic gains attained by the country, the growing income disparities (particularly, between the affluent and the poor, and between urban and rural areas) constitute a serious challenge to poverty alleviation. A Household Budget Survey undertaken between 2000 and 2001 reveals that 18.7 per cent of Tanzanians live below the food poverty line and 37.7 percent live below the basic needs poverty line. Poverty is more severe in rural (87 percent) than in urban areas (13 percent). Dar es Salaam has the least incidence of poverty. There is also growing inequality as shown by the rise in the Gini coefficient from 0.35 in 1991/92 to 0.36 in 2000/01 (See Table 1).

Table 1: Trends in Income Poverty and Inequality Measures between 1991/92 and 2000/01

<table>
<thead>
<tr>
<th></th>
<th>Dar es Salaam</th>
<th>Other Urban Areas</th>
<th>Rural Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Poverty</td>
<td>13.6 7.5</td>
<td>15.0 13.2</td>
<td>23.1 20.4</td>
</tr>
<tr>
<td>Basic Needs</td>
<td>28.1 17.6</td>
<td>28.7 25.8</td>
<td>40.8 38.7</td>
</tr>
<tr>
<td>Inequality Measures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gini coefficient</td>
<td>0.30 0.36</td>
<td>0.35 0.36</td>
<td>0.33 0.36</td>
</tr>
<tr>
<td>Expenditure of the poorest quintile (%)</td>
<td>7.8 6.7</td>
<td>7.1 6.7</td>
<td>7.2 7.1</td>
</tr>
<tr>
<td>Expenditure of the richest quintile (%)</td>
<td>43.3 48.4</td>
<td>45.3 44.5</td>
<td>41.6 42.2</td>
</tr>
</tbody>
</table>


**Good governance and poverty: the linkages**

*Hypothesis 3:* The impact of fiscal reforms on economic growth and poverty alleviation hinges on the adoption of good governance practices. Verifying this hypothesis is immediately confronted with a major obstacle – defining “good” governance and constructing the indicators to track progress made by a country in approximating the ideal. The governance priorities identified under the MGDs are:

- investment in public administration (with emphasis on the modernization of information and communication systems, and improvement of service delivery modalities);
- strengthening the rule of law (reform of the judiciary, implementation of an effective anti-corruption strategy);
- Promoting accountability and transparency (enhancement of the capacities of watch-dog institutions, including legislative oversight, investigative journalistic, and expenditure tracking capacities);
Promoting human rights (upholding the principles underlying the Universal Declaration of Human Rights, ratification of Conventions on the Right of the Child, and on the Elimination of All Forms of Discrimination Against Women); and

Promoting sound economic policies in support of the private sector.

As presented by the poverty alleviation protagonists, good governance is synonymous with a “lean and mean” state – a state that concentrates on “what it does best”, cedes the economic space to private operators, and places unquestioned trust in the altruism, benevolence, and philanthropy of the Invisible Hand. In such a state – otherwise known as the “capable state”- issues of democracy, human rights, the rule of law, and popular sovereignty, etc., are important, but only in so far as they backstop the overriding mission of securing the environment for private enterprise growth and profitability. Apparently, good governance is an afterthought in the poverty alleviation equation, and would not have featured at all if economic growth could do without it. The capable state’s endorsement of good governance is utilitarian and half-hearted. Still, by excluding the fairness portion of justice, the socially efficacious state reveals its own weakness as a poverty alleviation instrument.

In contrast to poverty alleviation’s utilitarian (nay, Darwinian, possibly cynical) notion of “good” governance, the wealth creation alternative regards governance as too important to be equated with fiscal and macro-economic balances. In wealth creation, the dominant governance issue is justice, a concept that is defined to include fairness, equity, equality of rights, reciprocity of rights and obligations, and equality of access to governance outcomes. A governance arrangement is “good” only if it results in the reconfiguration of relations between and among the various social forces in such a way that no one group has an unfair (or undue) advantage over the other. Under this logic, an arrangement that extracts productivity gains from the suffering of retrenched employees (and capitalizes on the misfortune of the poor) may be efficient, but could reasonably be perceived as unjust or inequitable. To the extent that the poor is not represented on councils on whose authority retrenchment and cost-cutting decisions are made, to that extent the equity of the decisions be in dispute.

Thus while the wealth creation model does not exclude the “engine of growth” possibilities of private enterprise, it fails to see how a governance formula that minimizes the role of the poor could earnestly address poverty concerns. The model acknowledges the probability that private entrepreneurs would be human-hearted and philanthropic. However, it proceeds on the realistic assumption that the underlying consideration in private entrepreneurship is neither altruism nor philanthropy, but cold-blooded pursuit of profit. According to the model, the role of government in such circumstances is not to block the profit drive, but to ensure that the energies and resources of the state are

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5 To quote Adam Smith, “It is not the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our necessities but of their advantages”, *The Wealth of Nations*. 
deployed to serve unequal (and conflicting) interests equally, including interests that are far removed from profit-making. Allocating a sizeable proportion of the resources to job- and wealth creation will be a good first step in ensuring that the state’s preoccupation with macro-economic stability is balanced with pro-poor concerns.

**Civil society participation and the poor**

*Hypothesis 4:* The involvement of civil society in the design and implementation of poverty alleviation programmes is evidence of popular participation and of good governance (national Poverty Reduction Strategy Papers). The advocates of poverty alleviation may defend their neo-liberal definition of good governance by arguing that civil society participation in the (alleviation) process is evidence of the strategy’s pro-poor sensibilities. This argument is easily falsifiable. First, in view of the fact that the civic bodies that participate in the preparation of poverty reduction strategies are limited in number, and represent only the well-organized and vocal sections of society, this form of “civil society participation” cannot be equated with genuine democracy, much less with “good” governance. Second, considering the momentous changes that have taken place in Africa in the last two decades, the civil society “card” would appear to have been over-played. In the 1980s and the 90s when multi-party competition was still a novelty in a number of countries, NGOs and other civic groups served as the only reform advocates and, in some cases, the *de facto* opposition. As one-party rule and military dictatorships crumbled in one country after the other, the civic groups had to reinvent themselves and work with new institutions. While the civic groups are still part of the political process, the basic institutions for articulating and aggregating interests – the ones with unquestioned legitimacy - are the revitalized political parties, as well as the elected and increasingly assertive legislative assemblies.

In any case, the civic organizations that should be able to represent the interest of the poor are either too financially handicapped or not sufficiently well organized to influence the content of poverty alleviation policies. Among these are the peasant associations, commodity producers’ cooperatives, thrift and savings societies, trade unions and the craft or trade guilds (tailoring and garment manufacturing, leather finishing, carpentry and bricklaying, electrical wiring and installation, and steel fabrication). As argued in this paper, waging a successful war on poverty requires that the poor (or the organizations that actually represent them) be the first to be enlisted. However, it is one thing to deploy the poor in battle formation it is another to instill in them the morale, the confidence, and the courage they need to defeat the enemy. This factor, the psychology of poverty, is totally evaded by the poverty alleviation strategy, but is deemed critical to the success of the wealth creation alternative.

**II. Wealth creation and poverty alleviation: a comparison of the underlying socio-psychological assumptions**

So far, the paper has focused on the manifest differences between poverty alleviation and wealth creation. An equally significant but latent difference - one that has up to now received little attention - is socio-psychological. It is this difference that overshadows all
others in the wealth creation ideal-type. As the argument goes, poverty alleviation breeds negativism in place of the positive outlook that is needed to defeat poverty. In poverty alleviation, the poor is a victim – of circumstances beyond control. In wealth creation, s/he is, when duly motivated, a proactive agent of change. The latter argument presupposes that when the poor is subjected to a barrage of negative messages on his/her condition, the chances are that over time, s/he will succumb to despair or exhibit neurotic symptoms such as manic depression, anxiety, schizophrenia, paranoia, hallucinations, hysteria, kleptomania, and aggression.

The argument is not that every poor person will respond uniformly to the same signals, but that these signals cannot be dismissed as irrelevant to our understanding of poverty and its enduring nature. The wealth creation concept rests on the fundamental assumption that poverty is a state of mind – meaning, poverty persists where the mind has been conditioned to live with it. At this juncture, a word of caution is necessary. Developmental psychology might have advanced rapidly elsewhere, but it is still at an infant stage in Africa. As at the time of writing, there is no empirical and conclusive evidence linking the contemporary fixation on poverty to loss of self esteem, and, by extension, to the failure of poverty alleviation programmes. It should be noted that in 2000, a large-scale survey of the world’s poor was undertaken. As part of the study, 40,000 people from 50 countries were asked about their perceptions of poverty. The overwhelming response was that poverty meant not just the lack of basic resources, but the loss of self-esteem and dignity (Kliksberg, 2004:660; Narayan et. al, 2000). However, it is not clear whether the stigmas attaching to poverty originated from exposure to negative signals or to the poor people’s own sense of inadequacy.

To be sure, there are bits of evidence from the world of arts and literature pointing to a connection between exposure to negative impulses and reduced self-esteem. However, the conclusions are not based on any systematic research. An example is the work of Karimu Adepoju, a Nigerian producer of home videos. In a three-part drama titled “T’Oluwa ni’le” (meaning “To God belong the earth and all there is on it”), Adepoju tells a story of greed, treachery, deception, and most especially, of the African’s inclination to self-doubt.

The story goes as follows: Two villainous characters need someone to testify (falsely) that what the king claims as communal land, land on which the gods are to be worshipped, actually belongs to their forefathers and to them both in perpetuity. The two want to convert the swath of undeveloped land into gas filling stations, shopping malls, and housing estates. They begin the search for a willing accomplice – a credible, even if crooked, witness. They promptly agree on a candidate, *Otun* (meaning “the king’s right hand man”). *Otun*’s position in the traditional hierarchy projects him as a witness with impeccable credentials. As a high-ranking chief, he is acknowledged as an authority on local history. He is also easily corruptible. He loves money, and he loves good food and wine. Knowing his weaknesses, the two land grabbers entice him with a lunch invitation.

After treating himself to the finest wine, the *Otun* sights a specially prepared dish. He goes straight for it. The first bite he takes transports him into another world. He asks in
the local language, Yoruba, “Ki loruko t’e tun pe eleyi O” (meaning: “And what is this one called?” “Chicken peri peri”, comes the reply. Looking incredulous, he turns to his hosts with a statement and a question, “Ki ni nna dun boo-di. E si l’awon omo wa l’ose kini yi?” (translation: “The thing is so delicious it hurts! And you are telling me that this was made by our own people, that is, by Africans like us?”) The story has a happy ending, but not for the two primitive accumulators and their accomplice. They die in quick succession, having been struck down by a serial killing evil spirit, Okunfa. They are buried far away from the land they once coveted.

There is nothing in the drama to indicate that Otun’s lack of faith in the capability of “Africans like us” was triggered by media exposure or the influence of other attitude and opinion forming agents. For all we know, he might have come to his own conclusion based on childhood experience, later-day but traumatic experience; the influence of his family, friends, and age mates; and/or the content of media messages reaching him. Finding precise answers to the complex questions warrant the conduct of systematic research into antecedents to individual (and group) behaviour. Although, as noted earlier, developmental psychology is, in the African context, virgin territory, the results of studies undertaken elsewhere might provide clues to how media exposure shapes an individual’s image of self (Clark, 1972:180-184); Graves, 1999:707-727; Gerbner et.al, 1986: 17-48; Matabane and Merritt, 1996: 329-337; and Ward, 2004: 284-294).

Studies undertaken within black communities in the United States of America have yielded eye-opening conclusions. For instance, Ward (2004:284-294) reports a correlation between exposure to negative portrayals of a race and the racial group’s feeling of low self-esteem. She cites studies carried out in black communities indicating that African Americans tended to be negatively portrayed in the mainstream media. As reported by Ward (2004:285), members of this racial group

“were over-represented as hustlers and criminals, with a majority living in ghettos and slums. Black families were portrayed as conflict ridden and female dominated and as exhibiting little love toward their children.”

In a study of 156 African American high school students, she (Ward, 2004:284-294) attempts to answer the question whether black adolescents are vulnerable to this negative portrayal. As part of her inquiry, she interrogated two theoretical perspectives – the cultivation and the drench theories.

Cultivation theory presupposes that heavy media exposure leads the reader/viewer/audience to cultivate expectations about the real world that coincides with the images presented by the media. Therefore, frequent exposure to stereotypical images of blacks as “lazy, unintelligent, and criminal”, will lead viewers of all races to believe that these are what the blacks look like in real life (Ward, 2004:285). They will be disappointed if they come face to face with blacks that, in blood, flesh and attitude, do not conform to this stereotype.
The cultivation theory has not passed crucial empirical tests, but this is only because it excludes the possibility of *selective consumption* of media products. Another study conducted in the United States (Gray-Little and Hafdahl, 2000) reports heavier media exposure among blacks than whites, but failed to turn up any evidence of impact of the exposure on the personal or racial esteem of blacks. This should not come as a surprise. While the blacks consume greater quantity of the media diet, they have learnt not only to erect defence mechanisms against negative (and racially biased) messages, but also to select media messages by genre and type of programming. For instance, exposure to mainstream entertainment programming has been associated with lower self-esteem among black adults (what with the casting of blacks as clowns, side-kicks, hustlers, and pimps). The blacks have responded by switching to black-oriented TV, and to media channels that portray the blacks in positive light (Allen, 1993; Allen, Dawson and Brown, 1989).

The drench theory, an alternative to the cultivation theory, proceeds on the assumption that media portrayals differ in their depth, strength, and authenticity. It holds that rare but positive portrayals of African Americans could have a lasting effect on the viewer, and as such, overwhelm, or “drench” stereotypes (Graves, 1999).

With the two theories as her point of departure, Ward sought to explore the connections among racial self-esteem, three dimensions of self-esteem, and exposure to multiple media channels. The first set of questions she posed to the 156 African American high school students were meant to ascertain the frequency of the students’ exposure to mainstream media, the degree of identification with the characters portrayed by the (mainstream) media, the links between media exposure and the students’ self evaluations. Another set of questions focused on the students’ exposure to black-oriented (as against, mainstream) media, their identification with the (predominantly black or Latin American) characters, and the effect of all these on the students’ racial self-esteem. Finally, Ward wanted to know where religion fitted into the equation.

The study by Ward indicates that the students’ exposure to *mainstream* media lowered their racial esteem. The explanations are not far to seek. The exposure brought the African American students face to face with the mainstream media’s association of whites with beauty, glamour and style, and of their own (black) race with negative attributes.

Exposure to black media, in contrast, was associated with positive self-evaluation, especially, when coupled with strong identification with popular (and successful) black characters (Ward, 2004:289).

Religion has also been singled out as an important mediating factor. One conclusion emerging from the study is that if religion operates as a buffer against outside negative influences, it could also preempt the negative effects of media exposure on self-esteem. To quote Ward (2004:287):

“The through the social control, emotional support, and values they
provide...religious institutions are associated with several positive health and behavioral outcomes. For example, among adolescent samples, religiosity has been associated with reduced involvement in criminal activities... and lower levels of voluntary sexual activity and sexual risk taking.”

**Lessons for contemporary poverty psychology**

Before highlighting the implications of the preceding analysis for the war on poverty, three caveats are necessary. First, the poverty chroniclers have played a vital role sensitizing the world to the plight of the under-privileged. Their human instinct cannot bear to see a world that is sharply divided between those who have it all, and those who spend the day looking for food but still go to bed hungry. They see poverty as an abnormal condition that should not only be exposed but also eradicated. Second, freedom of information is not an option: even if one were to place an embargo on bad news, it will manage to get out and travel faster than the censor. Third, the critique of the prevailing poverty discourse should be interpreted not as subtle plea for ‘benign neglect’, but as a call to action – albeit, a new kind of action.

In proceeding along the new path, we should not lose sight of the lessons garnered from the studies reported earlier, and, particularly, the finding that when continuously bombarded with a particular kind of message, the individual may either get conditioned to the values encoded therein or change channels. With particular reference to the message on Africa’s poverty, the chances of acculturation are far greater than of channel switch. This is because all the available channels are beaming out the same type of message – the advance of poverty and its disagreeable entourage. Unlike in the United States where minorities have alternatives to the mainstream media, the media outlets in the majority of sub Saharan African countries merely relay the same message on the scale, depth, and invincibility of the scourge called poverty. There is thus no advantage in switching to another channel.

Second, for many, the negative messages ring true. The majority can easily identify with one or the other of the vile characters portrayed on television or sketched in the relentless flow of official statistics - poverty, destitution, unemployment, conflict, alcoholism, substance abuse, the disintegration of the family unit, growing cases of divorce, human trafficking, environmental pollution and toxic waste dumping, newly discovered but deadly viruses, and despair. The list is endless.

For the poor, the bad news from sources external to him/her self constitutes another drag on the soul. It engenders self-doubt on his part and reinforces his/her feeling of hopelessness. The challenge for the analyst is how to establish a clear and precise connection between the negative impulses and the entrenchment of poverty. This requires launching a multi-disciplinary inquiry aimed at tracing the links between exposure to negative messages and the effectiveness of poverty eradication policies. The study should provide clues to the question whether or not the messages weaken the policy makers’ resolve, and undermine the poor communities’ resistance to poverty’s onslaught.
Drawing on the insights of psychology, mass communications, sociology, psychiatry, economics, and public administration, the multi-disciplinary inquiry should indicate how the policy makers, the career bureaucrats, and the poor interpret the impulses they receive on poverty, and how these interpretations affect their will respond to the challenge.

In the interim, we may proceed on one major premise, i.e., as the poverty psychology takes hold, the will to eradicate the scourge collapses. The policy makers, overwhelmed with demands from several angles but lacking the resources to act, will, over time, begin to treat poverty as a normal, recurrent agenda item. If the policy process succumbs to poverty fatigue, the poor are even more likely to be intimidated by the sheer enormity of the challenge. As argued in this paper, the will to fight will return only when the mind shifts from the negative (poverty) to the positive (wealth creation). The attributes of the latter strategy are discussed in the next section.

III. The essence of wealth creation

The essence of wealth creation cannot be fully understood until we answer the question “why is Africa poor?” This is a question that has elicited several different answers (Rasheed, 1995). To some, the root cause of the grinding poverty is colonial exploitation (Rodney ,). To others, Africa has no one to blame for its underdevelopment but itself – or more specifically, its leaders (Economist, 2004:16). To yet others, Africa’s poverty is traceable to the lopsided, state-led policies pursued in the early years of independence - policies, which, as hinted earlier, “crowded out” the productive private sector, and subsidized public sector prodigality and waste. A recent conversation with a person whose remit includes handling poverty eradication issues, yielded another interesting perspective: Africa is poor because it is rich.

Strange as it may seem, the explanation that admirably sums up the wealth creation argument is the last. However, it is so heavily loaded that it needs careful dissection to be fully comprehended. The affirmation (Africa is poor because it is rich) could be interpreted in at least three ways. First, it could mean, Africa is endowed with so much resources that its people do not feel the urge to be creative and to add value. It could also mean that Africa may be lacking in the wherewithal of life but is all the same contented with its lot. In other words, what it lacks in material possessions it more than makes up for in the richness and equanimity of the soul. Above all, it could mean both – i.e., that Africa is resource rich, materially deprived but spiritually at peace. Making sense of the three interpretations requires enlisting the support of development psychology to interrogate the workings of the mind.

One thing is clear: even if Africa was once happy with its lot, it is becoming increasingly less so. Concern about its underclass status has grown with the advance of globalization, and particularly, with the feeling that Africa is being left behind by a fast moving train.

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living testimony to this new urge to develop is the New Partnership for African Development (NEPAD). By adopting the new initiative, the African leaders sent a powerful signal to the rest of the world that the continent is ready to shake off the stigmas of poverty, and to join the rest of the human race in the quest for peace, prosperity, and improved living standards.

However, NEPAD’s determination to tackle poverty will yield results only if the contemporary preoccupation with poverty gives way to the liberating, and people-driven, force of wealth creation. The main attributes of the new strategy are:

- Cultivation and constant reinforcement of the African peoples’ self-respect and esteem;
- Development of the capacity of socio-economic actors (and particularly, the poor) to appreciate nature’s endowments and to channel these endowments to beneficial ends;
- Promotion of productivity consciousness;
- Unceasing quest for excellence and perfection.

**African self-esteem and the will to develop**

Wealth creation entails imbuing the generality of people with the confidence to explore opportunities for growth, to produce the goods and services in demand, and to compete on the domestic and external markets for the sale of their products. This confidence will be boosted where the actors are mobilized and motivated to produce the goods and services in demand. A policy that “devalues” a person’s citizenship status because of his/her ethnic origin, religious affiliation, socio-economic class, or gender will undermine the confidence needed to create wealth and eradicate poverty. By the same token, a policy that, rather than have faith in the capabilities of “Africans like us”, fosters the mendicant and dependent mentality, will shake the actors’ confidence in their own abilities, and will entrench poverty and destitution. A point that Otun’s character in Adepoju’s dramatization drives home is the correlation between faithlessness and low self-esteem, and between both states of mind and kleptomaniac (as well as corrupt) tendencies. Otun was a leader who had no faith in anything or anyone – not in the fairness of the gods of his ancestors, the chances of his own redemption, or the capacity of his fellow human beings to make good. For as long as he remains in public office, he will continue to thrive on poverty – as he diverts poverty eradication resources to personal ends, and ensures that individuals with capacities to secure welfare and productivity gains are sidelined.

The wealth creation model also rules out the donation and shipment of mosquito nets to malaria zones as an option, canvassing instead the enhancement of the capacity of the zones’ poor to weave, sew, and sell the nets. In its quest for the dignity of the people, the model combines the attributes of the capable with those of the compassionate state (Kauzya and Balogun, 2005).
As a first step in cultivating the self-esteem of the people (and, in particular, of the poor), African governments need to recapture the policy initiative that was lost right from the days of structural adjustment. This requires that poverty-related issues and wealth creation options be placed firmly on the agenda of political parties, and debated by local opinion leaders as well as by the elected members of national legislative assemblies. The impact of capacity building initiatives should be judged by the extent to which they promote local ingenuity and self-confidence.

**Appreciation and Sustainable exploitation of Nature’s endowments**

As part of the confidence building measure, the policy process needs to take cognizance of – in fact, capitalize on - the abundant reserve of resources available in each African country. Most reports on Africa’s socio-economic conditions tend to convey, and reinforce, an impression of grinding poverty. The reports depict, and accurately too, a region that lags behind the rest of the world, that is, when measured against the indicators of the ‘good life’: low GDP per capita, low life expectancy; limited access to health, sanitation, and potable water; low literacy, energy generation and distribution rates; underdeveloped networks of roads; tenuous connection to telephone lines and to the information super highway; limited ownership of personal computers; and scanty technology exports. The continent of course ranks high on the negative indicators, among them, HIV prevalence and infant mortality rates, impact and intensity of conflict and civil strife, unemployment and refugee population growth rates, as well as debt servicing ratios.

However, what the poverty statistics conceal is far more important than what they reveal. The production and consumption statistics paint one picture, that of want, but the facts on the untapped resources paint quite another, a picture of abundance. The gifts that the Almighty God bestowed on Africa (among them, marine, mineral, and forest resources) affirm the continent’s richness and “drench” the image of poverty and hopelessness. Countries with access to the sea not only have the opportunity of exporting and importing cargoes with ease, but could also expect to rake in the gains of off-shore mineral, including petroleum, exploration, and deep-sea fishing. Other countries may be land-locked, but are blessed with fertile soils and forest cover. The terrain of the Sahelian belt and of the desert regions may look forbidding, but the arid zones too have their own advantages, among them, vast deposits of solid minerals.

It is ironic that before the advent of colonialism, the peoples of the continent showed greater appreciation of nature’s endowments than at the height of ‘modernization’. They enhanced agricultural productivity by enriching the soils with animal wastes, converted the roots, the barks, and the leaves of the forests into food and/or effective herbal medicine, and added value to clothing and textiles products by perfecting the cotton ginning, spinning, weaving, as well as “tie and dye” technologies. All these efforts were geared not only towards warding off poverty, but also upholding the values and boosting the esteem of the African race.
As modernization advanced, Africa’s traditional ‘know-how’ receded. Worse still, the continent has not made up for the disconnection from the old with a mastery of the new knowledge. This is how the continent became a recipient of technology and its limitless possibilities. This is the origin of dependence, of the steady erosion of the value of African commodity exports (See Table 2), and of the entrenchment of poverty.

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<td>100</td>
<td>111</td>
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<td>105</td>
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<td>120</td>
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<td>Cocoa (cents/kg)</td>
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<td>260</td>
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<td>169</td>
<td>145</td>
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<td>Coffee, robustas (cents/kg)</td>
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<td>287</td>
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<td>122</td>
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<td>199</td>
<td>205</td>
<td>185</td>
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The widening development deficits referred to earlier constitute a demand for change, and create opportunities to improve the peoples’ living standards. Yet, until the continent acquires the capacity to generate knowledge and to add value, the conditions of the people are not likely to change for the better. This is the subject explored further in the succeeding paragraphs.

**Productivity consciousness**

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7 The base year for the non-energy commodities, and for agriculture, beverages, food metals and minerals is 1990 (that is to say, the price index in respect of these commodities was calculated with 1990 being equal to 100).
The upshot of the preceding analysis is that Africa lags behind the rest of the world (with the possible exception of East Asia and the Pacific) in science and technology, and in the production of consumer as well as capital goods. As argued in another paper (Balogun, 2004), the declining productivity is itself a symptom of a deeper malaise – the failure of the bulk of “producers” to add substantive value to the economy. The paper estimates that in a typical under-developed economy, approximately 5 per cent of the population is engaged in value-adding pursuits, another 90 per cent moves back and forth from under-employment, through misdirection of energy, to total idleness, while the remaining 5 per cent is involved in activities – including criminal and predatory activities – that harm, rather than help, the economy. The normal curve below (Fig. A) is a hypothetical representation of the activities of the three groups. The paper acknowledges the possibility of the curve skewing one way or the other, depending on the circumstances prevailing within each national economy.

**Fig. A: Contributions by different population groups to the pie in an underdeveloped economy**

![Graph showing population distribution](image)

If the assumptions underlying Fig. A are correct, poverty will not respond to any “trickle down” interventions. For a start, the corrupt and the predatory tendencies on the negative end of the scale will not allow any tangible benefits to trickle down to the poor. And if some of the outputs produced by the 5 per cent on the positive side of the scale are transferred/donated to the sponger elements in the population (particularly, the 45 per cent on the negative end of the scale) there is no guarantee that this unearned surplus would be utilized in value-added activities to transform the economy.
To boost the productivity of the African economy, it is essential that the subject be moved from academic workshops to the workplace. This further entails encouraging productivity measurement and monitoring, performance improvement, elimination of productivity bottlenecks, and, above all, investment in infrastructure development. It is no use for farmers to produce crops that they cannot, because of the poor condition of the roads, move to the market.

**Quest for excellence and perfection**

It is also not enough to add value to raw material. To be the competition, it is essential that the final outputs be of the highest quality. The search for excellence and perfection is eternal. Aviation would never made a start without the Wright brothers’ seminal, but crude, attempts at flying. It (aviation that is) would never have made it to this day without the subsequent investments in aerodynamic research, and in the construction of air fleet that pass the critical safety tests. More or less the same applies to the steam engine, the motor car, radio and wireless communication, and the bush lamp. If the computer keyboard had not replaced the electric typewriter, and the latter had not replaced the good old Olivetti prototype, and Olivetti had not rendered hieroglyphics and calligraphy obsolete, this paper would have taken longer than it did!

Much has also been said and written about Africa’s unsuccessful efforts to penetrate the world market. While acknowledging tariff and non-tariff barriers as an issue to be urgently addressed, one could still argue the case for improved product quality as a factor in external competitiveness. Taken together with the other components mentioned earlier, constant improvement in product quality will go a long way in enhancing Africa’s wealth creation prospects and in defeating poverty. The next section focuses on conditions that must subsist to realize the new strategy’s underlying objectives.

**IV. Preconditions for successful implementation of new strategy**

Wealth creation (together with poverty eradication) will be a daydream unless and until certain conditions are fulfilled. The first (and mother) of all conditions is leadership. By this is meant a leadership class that not only has confidence in its own abilities, and in the people’s creative potential, but is also genuinely committed to the eradication of poverty. As a sign of its earnestness, such a leadership class will spare no effort in creating the second set of conditions, that is, a governance environment that is supportive of wealth creation.

The role of leadership in development has been highlighted by a number of scholars. Adedeji in particular, singles out visionary leadership as a factor in Africa’s development (Adedeji, 1992). According to him, a leader without a vision is a fraud on society. If such leaders exist – that is, leaders who see their fortunes as lying in the perpetuation of their followers’ agonies – Africa’s poverty is will not go away any time soon. For as long as short-sighted individuals remain at the helm of affairs, they will frustrate efforts at eradicating poverty and will support only those efforts that extend and consolidate their personal (and family) holdings. Such leaders will not pass up opportunities to stoke
conflicts that serve their narrow interests, and, as once noted by a leading psychiatrist and former Deputy Director-General of WHO, Adeoye Lambo, will not be averse to total dissolution of society (The News Magazine, 17 January 1994).

Fortunately, Africa is not lacking in visionary leaders. A token of leadership vision is the unequivocal commitment to the principles of human dignity, equity and justice – all defined with the notion of reciprocity in mind. Thus, a leader with vision will invest a lot of time and energy on the establishment of political arrangements that promote equity and balance conflicting or competing interests. When in power, a visionary leader will treat others as s/he would like to be treated when s/he is separated from the apparatus of control and coercion.

From the point of view of wealth creation, the key leadership attributes are:

- commitment to the dignity (and self-esteem) of Africans, regardless of their ethnic origin, religious affiliation, gender, or socio-economic class;
- willingness to formulate policies and strategies that promote sustainable conversion of natural endowments into assets, and equitable distribution of policy outcomes;
- bias towards productive utilization of time and factor inputs; and
- unceasing craving for excellence and intolerance of mediocrity and corruption (including encouragement of creative genius of the people).

Leadership vision is essential, but it will not impact positively on the wealth creation process until the key governance institutions – the executive, the legislative, and the judicial branches of government, political parties, civic and non-governmental organizations – are in place and functioning properly. The wealth creation ideal-construct places strong emphasis on unleashing the creative energies of the people (and particularly, the poor). This requires greater, not less government involvement in socio-economic life. The legislature should be able to pass the appropriate wealth creation measures into law. The executive (and particularly, the law enforcement arm of the executive) should ensure faithfully implementation of the approved policies. In the event of a dispute arising on the interpretation of the law, or the motives and decisions of the enforcement agents, the judiciary should step to arbitrate. If any branch is amiss in the discharge of its obligations, a state of uncertainty will prevail with dire consequences for wealth creation incentives.

Corruption has a way of rendering the behaviour and/or performance of state institutions unpredictable. When the judiciary, the police and the associate law enforcement agencies are corrupt, the motivation to create wealth will be seriously undermined. When the bribery of judges and the police prevents simple contractual obligations from being enforced, the entire governance foundation is shaky. As Adedeji rightly observes, a leader that vanquishes corruption is more than half way to the finish line (Adedeji, 1992). Under visionary leadership, adequate safeguards will be introduced to check-mate freaky behaviour in the three branches of government, and to promote zero tolerance of corruption.
The capable and compassionate state has to be constantly revitalized to ensure that it responds to on-going concerns and anticipates future developments. Under visionary leadership, political office bearers will show keener interest in the outcome of public policy rather than in the entrenchment of the spoils system. Accordingly, issues relating to the performance, productivity, “customer” responsiveness, and service-delivery capacity of public agencies will begin to feature in party manifestos, and at electioneering campaigns. At the same time, the leaders will encourage periodic review of the mission and performance of central government ministries (e.g., agriculture, industry, commerce, and finance and planning, energy, transport and communications), field offices of central government, and elected local governments. The review should focus on the preparedness of the various agencies to reinvent themselves to provide quality service and respond to the challenges of wealth creation.

V. Institutional and human competency development implications: a summation

Turning the poverty corner and embarking on a programme of wealth creation entails operating a 24-hour economy. If that economy is not to shut down prematurely or spin out of control, it needs a 24-hour governance and public administration system. In light of the vital role of leadership in managing the change process, political parties, civic groups, and opinion leaders should begin a process of interrogating the motives, vetting the qualifications, and checking the backgrounds (as well as psychological profiles) of candidates for key offices.

It is also essential that the political parties and civil society organizations begin to forge broad coalitions dedicated to legitimate wealth creation pursuits and to the total banishment of material as well as intellectual poverty from the African shores. This requires that the policy and strategic wings of political parties and of civil society organizations be repositioned for their new role. By repositioning, we mean, organizing policy seminars focusing on wealth creation challenges and priorities, the capacities needed to meet the challenges and implement wealth creation programmes (or projects), and the governance reform measures to undertake in support of wealth creation efforts. In addition to the policy seminars, research and training institutions should provide the necessary technical and advisory services on the design and implementation of wealth creation strategies, on the establishment of R & D units, and on how to handle copyrights and intellectual property issues.

Besides the political parties and civil society groups, political functionaries in the legislative and the executive branches of government, as well as members of the Higher Civil Service need to participate in seminars focusing on leadership competencies for, and options in, wealth creation. Like their counterparts in the political parties and civic bodies, the government leaders will derive a lot of benefit from technical advisory services on institutional revitalization, and on the formulation and implementation of wealth creation policies and programmes.
The career public service is another sub-set of institutions whose wealth creation competency needs to be enhanced. The focus of effort here should be on changing the mindset of officials from one that seeks to control to one that actually opens doors of wealth creation opportunities. The revitalization of the service delivery systems should form an integral part of the competency enhancement programme. The role of the public service in registering patents and copyrights, and in providing quality and timely service should also be underscored.

It should further be stressed that members of the various trades (bricklaying, carpentry, plumbing, electrical wiring and installation, to name a few) need assistance not only in the “art of associating together”, but also in promoting excellence within their technical and professional fields. In collaboration with governments, the trade associations need to establish or reactivate technical institutes and trade centers offering training programmes in the different fields, and engaged in the constant search for excellence.

Finally, AAPAM and other interested partners should design a multi-disciplinary research project aimed at establishing the linkages between self-esteem and the capacity to create wealth in African countries.

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