Poverty Reduction and Corruption as the Moral Issues of Development Policy: Necessitating Development Ethics

Introduction

Once it was thought that economic development is good for everyone and everywhere. The study of development was kept away from the hands of philosophers and ethicists, and was mostly confined to the areas of orthodox economists, policy makers and so on. But development is above all a question of values which are far more important than optimal resource allocation, the upgrading of skills, or the rationalization of administrative procedures. There arises the question of considering development from an ethical standpoint, which makes value issues central parts of development discourse. The study of development ethics is necessary as it studies the ends and means of local, national and global development. It is concerned with the justification of development on the basis of normative issues, like the meaning of good life, social justice and the human attitude towards nature. Deploying the knowledge that it collects from various areas like economics, political sciences, anthropology, environmental science and others, development ethics attempts to resolve various problems related to development.

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The aim of this paper is to show the necessity of development ethics. For this purpose, I would like to discuss two of many moral issues of development policy – poverty reduction and corruption – in order to show that, if any development policy maker wants to reduce poverty and corruption to some extent, he has to resort not only to value-neutral strategies of development, but also to the ethics of development.

**Moral Issues of Development Policy**
Sense of morality of a man influences his behavior, and accordingly affects his economic activities. Hence any development policy that is not impregnated with moral contents jeopardizes the resolution of the perpetual human problems of want, poverty, and economic deprivation. An evidence of the failure of any amoral development policy is the rising incidence of world poverty and increasing inequalities between nations and within nation. There are many issues which are thought to be related to morality of any development policy-making. Some of them are poverty reduction, corruption, inequality, competition, cooperation, human development, sustainable development, and so forth. Among them, here I would like to deal with the first two moral issues only.

**Poverty Reduction**
Reducing poverty is a cross-cutting undertaking both at the local, national and global level as is evident from the World Bank’s statement that "[n]o task should command a higher priority for the world’s policymakers than that of reducing global poverty."¹ It is considered to be a moral issue, because the 1995 World Summit for Social Development emphasized that "the need for planned action to address the multifaceted character of the problem [of poverty] on economic and moral grounds."² What it shows is that poverty reduction locates within the range of ethics. Now, I would like to conceptualize the term 'poverty.'

In traditional economics, poverty is regarded as the lack of material possessions or money. It is a deprivation of income. This approach to poverty definition is the most conventional view. A 1960s’ dimension of poverty defined it as deprivation of education and health. But later on the definition of poverty combines economic and non-economic components of poverty. Participation is one of
many non-economic components. An example of participation is World Bank’s *Voices of the Poor* which is a research based on the opinions of 60,000 people from more than 60 countries. Here poor people identify numerous factors like precarious livelihoods, excluded locations, physical limitations, gender relationships, problems in social relationships, lack of security, abuse by those in power, disempowering institutions, limited capabilities, weak community organizations, and so on as parts of poverty. So, according to the poor people themselves, poverty is multidimensional as many factors are responsible for it.

Rawlsian principles of justice can provide us with some attractive definitions of the concept of poverty. The main concern of Rawls is the well-being of the least advantaged segment in society. He proposes a criterion of justice—that generally known as the difference principle—that favors absolute priority to the least advantaged segment in society. We find two alternative approaches in Rawls to the definition of the least advantaged segment: a) Referring to a particular social position, say unskilled workers, Rawls argues, we may “count as the least favored all those with approximately the income and wealth of those in this position, or less.” b) According to Rawls, “all persons with less than half of the median [income and wealth] may be regarded as the least advantaged segment.” Bertil Tungodden states that one possible interpretation of these two approaches is that “people should be considered as poor if they have less than the average level of income measured globally.” But this interpretation is not free from criticism. It invokes a cut-off poverty line in the definition of poverty that divides the population into poor and non-poor. The poverty line can be given a normative defense following Rawls’ first principle of justice, i.e., the equality principle, because it disfavors any attention to the well-being of those who already enjoy more than what everyone can enjoy if we distribute resources equally. However, from a general point of view, we may refer poverty to those people who belong to the least advantaged segment in Rawls’ theory. The problem of poverty should be seen as a problem of injustice as is taught by the difference principle of Rawls. It is immoral that some people belong to the least advantaged segment in society or have a lower level of well-being than others due to differences in arbitrary factors like natural capacity and starting point in life. Hence we should pay special attention to the
people belonging to the least advantaged segment. But Robert Nozick undermines such measure as to transfer one’s legitimately held wealth to another, because, according to Nozickian thesis of self-ownership, individuals own themselves, i.e., their bodies, talents and abilities, labor and any fruit and product of their exercise of their talent. According to Nozick, to own something means to have right on it. It is morally illegitimate to take other’s right forcibly away even for a good cause, because it follows from one’s self-ownership that it is s/he who has a right to fix whether and how s/he will use his or her self-owned body and its powers.

There is an approach to poverty by the World Bank, according to which, poverty is “pronounced deprivation in well-being.” Perhaps the broadest answer to the question of what is meant by well-being is given by Amartya Sen, a leading development ethicist. According to him, well-being comes from a capability to function in society. He understands poverty as capability-deprivation. According to this view, poverty is caused when people are deprived of having the capability to function in important ways if they so wish. Sen argues that poverty is a lack of freedom or opportunities to achieve a set of ‘functionings’. Functionings are ‘beings and doings’. They are various conditions of human beings and activities that a person values. Some of the examples of the ‘beings’ are being well-nourished, being undernourished, being educated, being illiterate, and so on. Some of the examples of the ‘doings’ are travelling, voting in an election, taking drugs, eating animals, and so on. This capability approach of Sen was later included in the UN definition of poverty, which is as follows:

Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one’s food or a job to earn one’s living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation.

Considering from economic point of view only, the number of poor people in the world is millions. They are poor, because they are unable to buy the food they need or are deprived of the land on which
they could grow it. Poverty is not a problem of this or that country; rather it is a global problem as it is a product of the current global system of power relations. Since poverty is a global problem, I think it should be solved by taking a global initiative along with local and national initiatives. For existing unbalanced power relations, the poor are exploited by the rich for which majority of people has no access to basic resources which make them powerless. But this exploitative power system is made by men themselves for their own benefits. The making of this system of exploitation can be traced to human activity and choices, which can be challenged both morally and practically.

The system of exploitation can be challenged on a moral ground, because it does not allow a huge number of people of our planet to get minimally acceptable standards of life, which is a moral outrage. It is a moral outrage, because it keeps a huge number of people away from material advancement and practicing cultural and spiritual values. Mahatma Gandhi, a pioneer of development ethics, distinguishes between ‘standard of living’ and ‘standard of life,’ where the former favors the material and physical standard of food, cloth and housing, and the latter favors cultural and spiritual values and qualities along with material advancement. This distinction is ethical in character, which shows that the problem of development can be studied from an ethical point of view. And since poverty is a problem of development, it can also be studied from an ethical standpoint.

Poverty is a practical problem too, because it causes a terrible waste of development resources through the destruction of lives, human dignity and economic potential. This practical problem should be solved by taking different practical measures. It is practical to take a global initiative to stop this moral outrage; and reducing poverty is absolutely not impossible (though it will be difficult) if we can only summon up the will. As James Gustave Speth in his Foreword to the Human Development Report 1997 says that,

> Poverty is no longer inevitable. The world has the material and natural resources, the know-how and the people to make a poverty-free world a reality in less than a generation. This is not woolly idealism but a practical and achievable goal.

Poverty Reduction: Necessitating Development Ethics

Development ethics is committed to understanding and reducing human deprivation and misery in poor countries and poor regions of
rich countries. It admits that the world is burdened with many people who are badly deprived of getting minimum needs to live in contrast to the lofty affluence of a few. Millions of people around the world unjustifiably and unnecessarily suffer or die due to poverty of various sorts. There is a problem of production as well as distribution in an individual country due to the inability of its economic, political and social structures to deliver what is necessary to meet people’s basic needs. Since insufficient resources are available there, and they are unequally distributed, poverty exists within an individual country. On the other hand, globally the problem is one of distribution, not of production, because though sufficient amount of food for everyone to be fed is produced in the world, people remain hungry as they lack access to it. As it is pointed out that,

"There is sufficient food produced in the world to feed everyone adequately. People are hungry not because there is not enough food to go round; they are hungry because it does not in fact go round, because they are unable to get access to it. (Even in famines there is food for those who can buy it.)" 17

Many of those people working in the field of development focus on savings, investment, technological change, and growth rather than morally urgent ends. But development ethicists consider various social evils like poverty and corruption in terms of ethical values, because they believe that moral questions and answers are central to our thoughts and actions. Hence they maintain that "development practices and theories have ethical dimensions and can benefit from explicit ethical analysis and criticism." 18 They also maintain that it is important to know causes and consequences of such things as poverty, corruption, and inequality, because ethical assessments of causes and consequences of them enable people working in the field of development to reduce those evils. They also evaluate morally salient features of development strategies and decide which of those strategies is in morally advantageous position. For example, development ethicists consider whether changes in any development strategy for economic growth affect freedom of a country’s most vulnerable people, especially those who are poor. If a development strategy increases freedom of the most vulnerable people, development ethicists will support it. But in future if development ethicists find another development strategy which is more conducive to increase freedom, they will favor that newly invented development strategy.
Development ethics is concerned with poverty both of the developing countries of the South and the developed countries of the North. It is very understandable that why development ethicists are concerned with the poor countries of the South. These countries have problems like poverty, corruption and inequality. That is why they fall within the range of development ethics. But there is a debate concerning the issue of the inclusion of the developed countries within the scope of development ethics. I think that development ethics should include the problems regarding development of the developed countries within its gamut. Because living in this globalized world one cannot be loath to what is happening to the other parts of the world. What happens in the South surely affects the North, and vice versa. For example, the USA’s industrialization might pollute the environment of Bangladesh that would affect Bangladeshi people’s capability by damaging their health that would in turn make them poor. On the other hand, migrants from Bangladesh making money in the USA send valuable remittances to Bangladesh. Again, we see the same sort of social stratification even in the most developed countries of the world. One class of a society is making money at the cost of the empty pockets of the others. As Amartya Sen correctly points out that “the extent of deprivation for particular groups in very rich countries can be comparable to that in the so-called third world.”

To support his position, Sen refers to the African Americans of the United States who as a group have no higher chance of reaching advanced ages than the people born in the poor economies like China, Indian state of Kerala, Sri Lanka, Jamaica and Costa Rica. Hence development ethics pursues anything influential in causing poverty as well as increasing economic and political inequality wherever it exists.

Corruption
Possibly there remains not a single level of our society which is free from corruption, e.g., education, health care, etc. No country, whether rich or poor, is unaffected by this evil phenomenon; it is an omnipresent phenomenon.

There are many factors that are assumed to be responsible for poverty. Excessive corruption is one of those factors that causes poverty and inhibits poverty reduction on a substantial scale. Because of corruption, the poor become poorer or at least remain poor.
Corruption promotes inequality within societies by depleting scarce public resources and averting them from the development of indispensable infrastructure and social services. As such corruption is claimed to be a mechanism that produces and perpetuates social and economic inequality. Former UN Secretary-General Kofi Annan in December 2003 at the High-Level Conference for the Signature of the UN Convention against Corruption said that,

"Corruption hurts poor people in developing countries disproportionately. It affects their daily life in many different ways, and tends to make them even poorer. It creates discrimination between the different groups in society, feeds inequality and injustice, discourages foreign investment and aid, and hinders growth. It is, therefore, a major obstacle to political stability, and to successful social and economic development."

A general definition of corruption in the development framework is given by Organisation for Economic Co-operation and Development/ Development Assistance Committee (OECD/DAC), according to which corruption is "using public office for private gain." In the field of development, another general definition of corruption is phrased by The Utstein Anti-Corruption Group (U4): "abuse of public authority and power for private benefit." Amartya Sen believes that corruption involves with "the violation of established rules for personal gain and profit." There is a definition that potentially covers private sector as well. This definition is offered by Transparency International (TI): "abuse of entrusted power for private gain." It is also important to keep in mind that corruption is done not only for private purpose, it is sometimes also done for a communal purpose. As it is pointed out that,

In many developing countries the basis of society is not the atomistic individual of neo-liberal theory, but rather a collective: a clan, family, ethnic or religious group, political party, work place or company. Consequently, it is often a collective that engages in and profits from corrupt practices, and corruption is sometimes used to reinforce intra-group cohesion.

Corruption is also defined as "the abuse of entrusted power for one's own or one's group's private gain". A similar view states that, in its simplest terms, corruption is "the abuse of power, most often for personal gain or for the benefit of a group to which one owes allegiance." However, we find that corruption has various
dimensions like bribery, illegal payments, theft, absenteeism, embezzlement, fraud, state capture, favoritism, etc. Thus, we can define corruption as the misuse of entrusted power for one’s own or one’s group’s private gain, including but not limited to embezzlement, nepotism, bribery, extortion, influence peddling, fraud, etc.

Corruption can be divided into petty corruption, grand corruption and looting. Petty corruption is relevant to handing minor amounts of money or gifts over form one party to another where one of these parties is themselves a comparatively minor official in the organization or system within which the deal takes place. Paying a policeman fifty taka to overlook the fact that one’s motor-cycle’s license has expired is a common example of petty corruption seen in our country. Businessmen and high-ranked government officials are often seen involved with grand corruption. Bribing officials on public works contracts can be cited as an example of grand corruption. Looting is common in third world countries because of their weak institutions of governance. This type of corruption is called looting, because the kind of scams it involves are so huge in figures that they have macroeconomic implications, for example, in causing banks to collapse, rising inflation, declining exchange rate, and so on. Grand corruption and looting are different in an important respect. Bribing a minister two million taka on a government road construction contract worth hundred million taka costs the quality of the road. It is a grand corruption. Looting in contrast is much more calculated activity as the people involved here purposefully design a government project for which resources will be allocated and spent but the project is not meant to be completed from the inception.

Corruption is assumed to be both responsible for and consequent of poverty around the world. According to the World Bank (WB), corruption and poverty are badly connected, that is, they run in both directions: poverty bids corruption, while corruption intensifies poverty. Corruption has devastating consequences on those who are without money and connections as it keeps them away from getting public health and police services. It also encourages government to spend money away from socially valuable goods, such as, education. Corruption induces the authority involved to divert public resources from infrastructure investments that could benefit poor people, such as health clinic. This inducement increases the spending on those that
create opportunities for kickbacks, such as defense contracts. Corruptions like embezzlement, theft and other leakages of budget allocations intensify poverty by exacting payment for public services (e.g., construction and infrastructure projects) that should be low cost or free. Corruption keeps the poor away from contributing to economic growth and enjoying centrally important abilities to function as all the resources that should be spent on the purposes of the poor are spent on swelling the pockets of the corrupted up. In this way corruption augments poverty, or at least debilitates the bearing of poverty reduction measures.

Poor countries are always said to be corrupted. It is much said that the developed countries always confront with the problem of corruption when they trade with the underdeveloped countries. Donor governments and multilateral agencies such as the World Bank and International Monetary Fund (IMF) always cite corruption as a reason for withholding aid or debt relief. They are right in case where a country's inability to pay interest on its loans is due to its leaders drawing off national earnings into their private bank accounts. They show corruption to be a cause of poverty in the underdeveloped countries, and a constraint to successful poverty reduction. But if we look at the problem seriously from a different perspective, we will find that this evil is not confined to the third world countries only. Rich countries too cannot avoid their share of responsibility in spreading cancer throughout the world-body. They engage in corruption in the third world countries. Corruption by the multinationals, supported by the developed countries, affects the poor countries in many ways. They exacerbate inequality and poverty by undermining different development programs. The money that can be spent in eradicating poverty goes to the hands of the rich because of them. They resort to various ill means in order to distort decision so that it goes to the advantage of the few rather than the many. They play a huge role in augmenting debt, benefiting the company, not the country, circumventing local democratic processes, harming the natural environment, evading legislation, and sponsoring the sales of weapons. As Robert Neild points out that, "Rich countries and their agencies ... commonly have been and are accomplices in corruption abroad, encouraging it by their actions rather than impeding it ...."

Corruption like bribery transfers the money of the poor to the pockets of the rich, and sometimes the opposite happens also. If a
contractor needs to pay a 10 per cent bribe in order to get a contract, e.g., of power station or irrigation scheme, he adds up that to the price of his contract. Those people who buy one of the services of that contractor are unfortunately bound to pay the price of that bribe. So corruption can be viewed as a regressive tax on (the poor) people. Thus corruption primarily distresses the poor, whether in the UK or Africa or Asia.

Corruption: Necessitating Development Ethics
Whatever is the cause of corruption, preventing corruption is a cross-cutting undertaking, because it jeopardizes the success of long-term programs of development. In this respect, development ethics can play a major role in making people alert of the cancerous effects of losing morality, because it studies the rightness of codes of conduct of various development agents. Amartya Sen suggests that a way of reducing corruption is to imitate the ‘established rules of behavior.’ We may note that the father of economics, Adam Smith, also laid importance on the ‘established rules of behavior.’ The established rules of behavior will work as a set of standards, that is to say, norms of conduct. The standard could be set particularly by the conduct of people in positions of power and authority. So the behavior of senior civil servants is especially critical in establishing norms of conduct. Actions speak louder than words. Sincerity and uprightness among the high officials can have effects on the subordinates. A ruler’s honesty dictates his subordinates that he does like no scoundrels. Because of its demonstration effect, scoundrels will hide and give way to the honest officials. But if the ruler is not honest, evil men will have all the chances to send the honest people to seclusion. Hence the proverb goes that if the measuring line is true, then the wood will be straight. It follows that development ethics discusses the benefits of having an environment free of corruption. Corruption free society is a pre-condition for development, because it encourages investment, accelerates the process of development by promoting growth and sustainably high incomes, by empowering people that enhances what Sen calls the ‘capability to function.’ As societies grow wealthier as a result of an absence of corruption, good governance is extensively demanded by the people. In this way, corruption free environment shapes good governance. Development ethics favors good governance, because any system of good governance promotes civil service
professionalism, with improved pay and incentives for public servants, makes public expenditure transparent, with clear rules of procurement and budgeting, reduces immunity from prosecution of executive, legislative, and judicial figures, provides judicial independence, establishes and enforces meritocratic, transparent promotion policies, and eliminates inefficient regulations and makes needed ones more transparent. One compelling need of the knowledge of development ethics is that it makes people aware of the fact that the effects of corruption fall disproportionately on the poor and are a major restraint on their ability to get rid of poverty. Hence it criticizes those antipoverty strategies that do not include elimination of corruption and improvement of governance in their development programs.

Conclusion
Development ethics distinguishes good development with bad development in terms of the conditions of different moral issues like poverty reduction, corruption and inequality reduction. From this standpoint, it evaluates development programs of different regions, societies, and locales on the basis of different moral norms. Development ethicists are divided into three groups regarding the status of moral norms. According to the universalists, such as utilitarians and Kantsians, development goals and principles are valid for all societies. Particularists in general reject the existence of universal principles. According to them, each society should decide its own development ethic and path. Proponents of the third approach as advanced, for example, by Amartya Sen, Martha Nussbaum, Jonathan Glover, Seyla Benhabib and David A. Croacker insist on plurality of fundamental moral norms which are sufficiently general to permit and also require sensitivity to societal differences. The third approach tries to avoid the stand-off between the universalists and the particularists. So we may call this mediating view a synthetic approach. I think that development ethics can be used to ensure the achievement of good development, because it suggests what basic economic, political, and cultural goals, and strategies a society or political community should pursue, and what values or principles should inform its selection. Considering from this point of view, we see that development ethics has a practical role which it plays by informing. Development ethics emphasizes the sense of responsibility for taking development measures to reduce social evils like corruption, poverty and inequality. Development ethics tries to figure out the causes of the present state of
global destitution and inequality which many development ethicists, such as Thomas Pogge, find in the current global order and the process of globalization, and many in national and local causes, such as power accumulation by the elites, extensive corruption, and the absence of democratic values. Whatever are the causes of the present state of global destitution and inequality, I think that we should overcome this state taking collective action at the local, national, and global levels. Here development ethics has role to play in constant evaluation of principles, objectives, processes, and tactics of numerous development programs. Employing ethics can reduce the negative effects of any development program. It also can help to increase positive actions in development programs and their beneficial consequences for the lives of human beings. Hence deploying development ethics can be a way of achieving authentic development. The aim of any development program is to ensure the welfare of the people. The ethical dimension of any development policy is necessary, because it focuses on the promotion of morally desirable upshots. Generally, it is seen that what humans do depends on what they think about. So in order to change our current mode of practice of development, we must first change what we think about it. No science and technology and no value-neutral economics will solve the predicament prevailing in national, international and global development, unless we rethink our most fundamental beliefs vis-à-vis development. And it is philosophers' and ethicists' job to change our current mode of thought concerning the practice of development. The challenges of development like reducing poverty and curbing corruption are not exclusive problems of economics, science and technology. They are also not the primary problems of economics, science and technology. Before turning to economics, science and technology to deal with development problems as poverty and corruption, we should think about some fundamental questions like what we as human beings value, the kind of lives we should value, the kind of world in which we might flourish, etc. Development issues raise ethical questions about how we ought to live. For example, do the rich countries have any ethical responsibility to help the poor countries? Is it wrong to work in factories without resorting to any safety measures? Answering these questions is involved with ethical issues. So relying on economics, science and technology alone without reflecting on the ethical issues can raise as many problems as it solves.
According to many orthodox economists, policy makers, governors, interregional organizations, development is an uncomplicated economic issue. They think that science and technology and economics can solve development problems. Because development problems are often involved with highly technical matters, policy makers take the help of experts in these technical areas. Development policy makers are trying to solve any development problem from instrumental and administration perspectives. But they are proved to be useless, because depending on science and technology and economics without taking ethical and philosophical issues in consideration can create as many problems as they solve. Contemporary scenery of the underdeveloped third world shows that value-neutral development programs deployed so far are going in vain. These countries are still facing problems of water scarcity, famine, bad sanitary conditions, corruption, and so on, though millions of USDs are being spent. On the other hand, developed countries are facing a problem of social demarcation, where one group enjoys mammoth consumption at the cost of the new massive social groups below the line of poverty. Hence we see the movement like "Occupy Wall Street." Internationally, though some countries are enjoying development as regards economic growth or industrial expansion, its impact upon the destruction of ecology is enormous. So we see that any problem related to development cannot be resolved by a value-neutral way. Hence any development program should be considered from an ethical standpoint. This shows the necessity of development ethics. But it would be an overstatement to say that some abstract ethical theories can resolve the problems of development. In order to resolve the problems of development, ethics, economics, science and technology all can work together so that we can make a meaningful progress towards a world free of poverty and corruption.

To sum up, it may be said that reducing poverty and curbing corruption are the two moral issues that should be considered seriously, because poverty and corruption prevent people from getting any access to development. But in order to reduce poverty and to curb corruption value-neutral measures of economics are not enough. They are also involved with ethical assumptions. And this opens the door for development ethics that can contribute to the creation of a sane and judicious development policy.
Notes

17. Belsey, *op. cit.*, p. 34.
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37. “Occupy Wall Street” (OWS) is a recent people-powered movement taking place in the USA the slogan of which is “We are the 99%,” that refers to the growing income and wealth inequality in the USA between the wealthiest 1% and the rest of the population. It is a protest against social and economic inequality, excessive unemployment, greed, corruption, and the undue influence of corporations on government. Its impact is so great that though the movement began on September 17, 2011 in Zucotti Park situated in Wall Street financial district of New York, it has spread to over 100 cities in the USA and over 1,500 cities around the world.