

The Role of Collective Action and Property Rights in Poverty Reduction

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Poverty reduction is at the forefront of global discussions, with various parties urgently pushing for policies and programs to enhance the well-being of the world's one billion poor. But a better understanding of the manifestations of poverty and the factors affecting it is required in order to inform these global policy efforts.

The United Nations Office of the High Commission for Human Rights defines poverty as “a human condition characterized by the sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights.” Property rights are part and parcel of economic rights and entitlements, and collective action enhances people's choices, capabilities, and power. But many rural poor do not have secure property rights and cannot participate in collective action due to resource and time constraints. Therefore, strengthening the institutions of property rights and collective action is an essential part of improving the livelihoods of vulnerable and marginalized rural groups, including women.

Secure property rights are a key poverty-reducing mechanism because they provide the rural poor not only with present-day income streams, but also with incentives to invest in productive technologies and sustainable management of resources in the future. However, many government programs have been implemented without an understanding of the complexity of property rights and have actually reduced tenure security for poor and marginalized groups by allowing elite capture of property, for example. A better understanding of how the poor can protect and expand their access to and control over resources can significantly improve poverty-reduction efforts.

There is also a growing recognition of the important role of collective action in poverty reduction. Through formal and informal groups, smallholders can work together to overcome limitations of wealth, farm size, and bargaining power. Collective action is also needed to adopt many technologies and natural resource management practices that operate at the landscape level. In addition, collective action can contribute to poverty reduction through mutual insurance, sustainable management of natural resources, increased opportunities for income generation, and improved provision and access to public services. As with property rights, vulnerable and marginalized groups are often at a disadvantage when it comes to collective action, either because of social

exclusion, lack of time to participate in meetings and activities, lack of education and confidence to speak in meetings, and domination by local elites.

To examine the role of the institutions of collective action and property rights on poverty reduction, the Systemwide Program on Collective Action and Property Rights (CAPRI) of the Consultative Group on International Agricultural Research (CGIAR) undertook a global research project with study sites in Ethiopia, Kenya, Uganda, Indonesia, India, Cambodia, and the Philippines. The main goal of the project was to contribute to poverty-reduction efforts by identifying effective policies and practices that enhance the ways that collective action and property rights are used to build secure assets and income streams for and by the poor. The project intended to provide policymakers, NGOs, and community groups with knowledge of the factors that strengthen the rights of the poor to land and water resources and lead to more effective collective action by the poor.

Four CGIAR centers and two German universities conducted empirical research on the role of collective action and property rights for disadvantaged groups. The briefs in this set represent the case studies that were part of the project. The case studies rely on a variety of research methods, including qualitative and quantitative approaches, participatory action research, and experimental games. They also cover a variety of contexts within Africa and Asia, which will allow policymakers, researchers, and practitioners to further examine what constitutes poverty and affects the welfare of the poor between and within countries, and to draw comparisons.

The project addressed a range of themes relevant to poverty-related policies and programs as well as collective action and property rights, such as

- risk and vulnerability to shocks,
- natural resource governance and access to resources,
- conflict and post-conflict development, and
- market access for smallholders.



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Each case demonstrated the central role that various institutional arrangements play in all these poverty-related areas. The findings showed that institutions—especially collective action and property rights—are important for the livelihoods of the poor, but require an enabling environment to be effective in reducing poverty. Specific findings include:

- Successful collective action can ensure equitable natural resource management, but in many cases requires vertical cooperation among stakeholders at different levels (communities, the government, and the private sector).
- Collective action around natural resource management can serve as a catalyst for income-generating activities and a gateway for participation in policy processes.
- Shocks play a significant role in the livelihoods of the poor. Local networks and associations can help mitigate idiosyncratic shocks that affect individual households, such as illness, but they are less effective with respect to covariate shocks such as drought, which affect all households in a community.
- A lack of clarity regarding property rights results in extensive conflict among groups, resulting in the break down of trust and cooperation.
- Regardless of the resource under consideration, formalizing property rights can lead to a concentration of rights and benefits among certain users over others, as well as to exclusion and changes in land use toward less compatible uses—all of which threaten the welfare of those who are excluded.
- Collective action can be a useful mechanism with which to clarify and secure property rights.

The findings show that while collective action and property rights have the potential to reduce poverty, they are often biased against the poor. However, the case studies also suggest interventions that can redress these problems so that collective action and property rights institutions can more effectively contribute to poverty reduction. Overall, the case studies highlighted the multiple dimensions of poverty and the need to take a multidisciplinary approach to studying it in order to better inform policies and programs aimed at improving the well-being of the poor.

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