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The Shift from Development to Emergency Assistance and its Impact on Poverty and Nutrition: A Conceptual Framework

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Abstract

Increasing amounts of bilateral and multilateral aid are being used to respond to macroeconomic shocks, political instability and natural disasters. This paper sets out a conceptual framework for considering the consequences of this trend. There are three levels of analysis: *provision*; *coverage*; and assessment of *impact*. In developing this framework, the paper argues that differences in their mode of delivery and time scale of their operation point to a *prima facie* case for believing that this shift is likely to be inimical to long term poverty reduction. Second, responses to shocks are not always pro-poor. Third, the assessment of impact is dependent on the specific objectives that have been set and the magnitudes of the linkages between an intervention and outcomes of interest.

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1. Introduction

Increasing amounts of bilateral and multilateral aid are being used to respond to macroeconomic shocks, political instability and natural disasters. Although this has attracted increasing comment (Borton, 1993; Buchanan-Smith and Maxwell, 1994) and expressions of concern (Holden, 1994; Lustig 1997), the consequences of this change are poorly understood. In particular, one might suspect that this may be at the expense of longer-term development efforts to reduce poverty, undernutrition and other measures of well being. Yet the absence of any detailed empirical analysis of the impact of these changes makes it impossible to determine whether such concerns are justified.

This paper sets out a conceptual framework that can be used to consider this issue, drawing on evaluation methodologies often used within the health and nutrition fields (see Habicht, Victora and Vaughan, 1997). There are three levels of analysis: *provision* - what is being provided and how is it provided; *coverage and utilization* - who are the intended and actual beneficiaries; and finally, there is an assessment of *impact*. The paper is structured around the consideration of these issues. In doing so, it develops the following arguments.

First, there are clearly valid reasons for concern. These stem not so much from the shift in resources because, quite apart from the issue of fungibility, there can be considerable overlap between the types of interventions that are developed under the rubrics of "responses to emergencies" and "longer-term development." Instead, it is the differences in their mode of delivery and time scale of their operation that points to a *prima facie* case for believing that this shift is likely to be inimical to longer term efforts at poverty reduction. Second, responses to shocks, such as emergency social funds, are not necessarily pro-poor. In countries with well-functioning, targeted social programmes, the most appropriate response may be to reinforce these. Third, evaluating the consequences of this shift in funding requires a conceptual framework that outlines the impact of different interventions. Section 4 is devoted to providing such a framework. This framework suggests that an assessment of impact is dependent on the specific objectives that have been set and the magnitudes of the linkages between an intervention and outcomes of interest.

Before continuing, it is perhaps helpful to note several issues that will not be discussed. First, there exists an expanding literature on enhancing the development focus of emergency relief. This topic is not examined here. The interested reader is referred to the 1994 *Institute of Development Studies Bulletin* on linking relief and development, particularly the introductory article by Buchanan-Smith and Maxwell (1994) for an over view of this topic. An excellent case study is Bush (1995); other recent case studies include Hyder (1996), Macrae et. al. (1997). Campbell (1995) provides an annotated bibliography. Similarly, an assessment of the impact of aid on poverty is not discussed. The literature on this topic is enormous. Good reviews are found in Cassen (1993) and White (1992); excellent recent studies include Burnside and Dollar (1997) and World Bank (1998).

2. Development and emergency assistance: Issues of provision

In the mind's eye of a casual observer, the distinction between assistance for development purposes and responses to shocks is clear. Aid in response to shocks occasioned by natural disasters such as floods or earthquakes consists of the provision of items such as shelter, food and water to affected populations. Development aid is the provision of support for the construction of physical infrastructure, the funding of education, health and population programs and so on. Above all, emergency aid has as its purpose a *protection* function. Its first priority is to save human life and to prevent widespread destitution. By contrast, development aid has as its objective the *promotion* of economic development and welfare.

Discussion here begins with an examination of the trends in the provision of aid for development and as responses to natural disasters and civil strife. The last ten years has witnessed a dramatic shift in the balance between these. Table 1 provides a snapshot of this trend by focusing on disbursements by the four largest contributors of bilateral aid to Latin America and the Caribbean, Japan, the United States, Germany and the Netherlands.[1] Two year averages for the periods 1985/86 and 1995/96 are used to smooth out year to year fluctuations in disbursements and all numbers are in 1995 US dollars to account for inflation. The data are taken from OECD (1997), the annual report of the OECD's Development Assistance Committee (DAC).

The striking feature is the doubling, in real terms, of spending on emergency and distress relief which coincides with a reduction in overall bilateral spending. Bilateral aid for other purposes has fallen by about 12 per cent. It is worth noting that the 1995/96 figures on emergency aid are lower than expenditures made in the early 1990s and obviously do not account for the expenditures likely to be incurred as a consequence of Hurricane Mitch. Further, bilateral aid by Japan is expected to fall in the next few years (OECD, 1997). Aid disbursements by Japan have, until recently, partially made up for the reductions in aid by other OECD donors and Japan historically has reported relatively little spending on emergencies. For these reasons, the trends reported here understate the magnitude of this shift.[2]

These data refer to activities by bilateral aid donors. Producing comparable data for multilateral organizations is complicated by the fact there does not appear to exist a comparable reporting of the division of expenditures between emergency and development assistance. Further, certain responses may take the form of accelerating agreed schedules of transfers or loans, say for balance of payments support. For some multilaterals, emergency spending is increasing rapidly. The most dramatic example is that of the World Food Progamme (WFP). In the mid-1980s, about 80 per cent of WFP assistance was spent on development projects with the remainder being allocated to emergency relief. Ten years later, these proportions were reversed (WFP, 1996). Across all multilaterals, discussion in OECD (1997) indicates that their expenditures have risen commensurately with increased spending by bilateral aid agencies. Further, the data described here focus on only two types of shocks - responses to natural and man-made disasters. Increasing funds, in the form of both grants and loans are being made in response to economic shocks. The IDB, for example, has played an important role in facilitating emergency support to Mexico and Argentina in 1995 and Peru and Ecuador in 1997.

Discussion to this point has focused on trends in what is being provided. A related issue is how these resources are provided. Perhaps not surprisingly, given their different objectives, external interventions in response to shocks and longer-term development interventions have two very different *modus operandi.* These are outlined in Table 2, which borrows heavily from Buchanan-Smith and Maxwell (1994).
Emergency aid is typically provided in an environment characterized by crisis in which an urgent response is required to an immediate problem. Describing their response to the 1984 Ethiopian famine, the 1985 USAID/OFDA annual report commented, "The number one priority was supplying food and getting it to the people who needed it." (USAID/OFDA, 1985, p. 27). Consequently, a top down managerial style is

[1] Contributions to LAC are calculated on the basis of bilateral disbursements together with an allowance for the implied contribution made via multilateral agencies (the country's contribution to multilateral organizations and the geographical distribution of multilateral disbursements). See OECD 1997 (p. A67).

[2] Replicating this exercise across all countries that belong to DAC shows that total bilateral aid remains constant in real terms over this period, with the share being spent on emergencies rising from 3.8% in 1985/86 to 10% in 1995/96.

adopted with extensive use being made of expatriates. There is a strong aversion to a more permanent presence. The contrast with development interventions is stark. These operate on a much longer time horizon. They tend to be more participatory and collaborative, indeed contributions from recipient governments and local communities are often a prerequisite for donor funding. There is an expectation that eventually the intervention will be placed entirely in local hands. This contrast points to a *prima facie* case for believing that shifts from development to emergency aid is likely to be inimical to longer term development. In fact, the argument can be put even more forcefully. Green and Mavie (1994) argue that the delivery of large quantities of assistance via centralized, top-down, donor dependent interventions may actually undermine longer term development efforts by 'decapitating' local administrative capacity. Given that the rhetoric of development now places much greater emphasis on participation and capacity building, and given the growing evidence of the importance of these for the success of interventions, this trend in aid flows becomes particularly ironic.

Before continuing, however, it is important to note that this discussion is predicated on the assumption that there exists a clear distinction between aid provided in response to natural disasters and other shocks and that provided for development. In practice, the division between these two forms of assistance is not always that pronounced. One reason for this is the rather heterogeneous nature of emergencies. For example, Buchanan-Smith and Maxwell (1994) develop the following classification:

- *rapid onset emergencies*, triggered by natural disasters such as Hurricane Mitch. An important characteristic of these is that the immediate causal factor is usually short-lived;

- *slow onset emergencies*, are triggered by events such as droughts whose effects develop more slowly. The impact of the 1991-92 drought in southern Africa is an example;

- *permanent emergencies*, are those where the problems of structural poverty are so great so as to lead to almost permanent welfare. The ongoing requirement for aid in parts of Haiti and Nicaragua are examples;

- *complex political emergencies*, associated with internal, civil strife, are placed in a separate category to emphasize both their causality and the indeterminancy of the length of time needed for their resolution.

The distinction between emergency and development assistance is probably sharpest in the case of rapid onset emergencies. Distinctions in the context of the second and third categories of emergencies described above are less clear-cut. A straightforward example is the funding of a food-for-work project during a drought that rehabilitates roads in a rural area. This could be considered either as emergency or development assistance. Another example are mother and child health (MCH) programs which are often supported by both emergency and development operations.

A less obvious example is ongoing provision of a cash for work scheme, such as the celebrated Maharashtra Employment Guarantee Scheme (EGS) in India. This public works project guarantees employment to all adults who are willing to do unskilled manual work on a piece-rate basis (Dev, 1995). Such an intervention can be seen as a response to a problem of structural poverty or, as described above, the state of 'permanent emergency'. But it can also be seen as a development intervention above and beyond its impact on infrastructure. Poor people in developing countries have some choice in terms of the activities open to them, but such choices are constrained by the presence of uninsurable risk. This prevents them for entering into activities which promise higher returns, but are also characterized by

greater risk. Interventions such as the EGS effectively act as a form of insurance and thus have the potential to permit farmers to adopt a more risky set of activities.

Thus, several points emerge from this discussion. First, it is clear that, increasingly, international financial resources are being devoted to responding to shocks and that some of these expenditures are coming at the expense of longer-term sustainable development efforts. This is a matter of concern, not in terms of the size of the financial flows themselves - which as discussed here can often have both protection and promotion functions - but rather because the *modus operandi* of emergency aid is likely to be inimical to longer term development.

3. Coverage and utilization

Shifts in aid from development to emergency assistance may alter the composition of the pool of potential and actual beneficiaries. These pools can be described in various ways: by location, both across and within countries; by income or expenditure levels; by occupation or income source; by demographic group; and by sex. A simple example is provided by Table 3, which outlines changes in per capita allocations of aid for selected countries in LAC between 1986 and 1996. One could argue that the shift in bilateral aid from longer-term development to emergency assistance in the context of static or declining international aid budgets could be pro-poor if these shifts implied greater spending in poor countries. At first glance, Table 3 provides some encouraging news - the five poorest countries in LAC saw a real increase of about 33 per cent in per capita aid receipts. But these figures are distorted by the massive increase in aid flows to Nicaragua and once this is taken into account, there is no real change. The same story does not hold for the next five poorest countries who saw aid flows fall by just over 50 per cent.

A more direct example is the experiences of social funds introduced in response to economic shocks, specifically Bolivia's Emergency Social Fund (ESF). At the outset, it is important to note that there were many positive features to the ESF, particularly its institutional design and its emphasis on community participation (Kliitgaard, 1997). However, the demand-driven nature of the program carried with it a danger - namely that better-organized communities, who tended to be wealthier, would be able to capture a larger share of the benefits of ESF. Jorgensen, Grosh and Schacter (1992) estimate that wealthier areas attracted about $25 per person whereas the poorest areas obtained $9.45 per person.[3] Even NGOs and religious and grass roots organizations, who might have been expected to have the strongest-pro-poor orientations, did not direct resources allocated to them to the poorest, most remote regions (van Domelen, 1992 cited in Subbarao, 1997). Further, only 2 per cent of the participants in the fund were women. The untested assumption seems to have been that this emergency intervention would trickle down to other household members, in spite of the accumulating evidence that such effects do not always occur (Alderman et. al., 1995). By contrast, there is considerable evidence in LAC that programs in a non-emergency context can be targeted so as to reach poor households. Grosh (1994) reports that the median share of benefits accruing to the poorest two quintiles was 72 per cent for targeted social programs.

These data point to several considerations regarding coverage of interventions in response to economic shocks and those addressing longer-term issues of poverty and development. First, there should be no presumption that the former will necessarily be better targeted than the latter. Indeed, in circumstances where there is already a well-functioning system of targeting transfer payments, the most appropriate

[3] It is worth noting that there are conflicting estimates of the incidence of the ESF. Grosh (1994) reports that 77 per cent of beneficiary households come from the bottom two income quintiles based on male primary earnings in urban areas, which would suggest much better targeting.

response to a shock may be to reinforce such programmes, say by providing funds to support additional screening and delivery work, rather than supplanting these with an *ad hoc* response. Second, there may be some tension between more participatory oriented interventions and the objectives of the prevention of destitution and longer-term poverty reduction. Communities best able to articulate their requirements in a demand-driven environment will not necessarily be amongst the poorest. Third, the identification of the most needy households in response to shocks is far from straightforward. The population of a country or an affected area can be divided into four groups: (1) those who were not-poor before the shock and remain not-poor; (2) those who were poor before the shock and remain so (the chronically poor); (3) the not-poor who have fallen into poverty but have the resources and abilities to exit poverty without external assistance; and (4) the not-poor who have fallen into poverty and will remain there in the absence of assistance.[4] In these circumstances, an ideal set of interventions are those that in the short-term reach groups (2) and (4) - so as to prevent a worsening of poverty and to prevent temporary impoverishment from becoming permanent - and in the longer term, withdraw benefits to group (4) so as to concentrate resources on group (2).

4. A framework for examining the impact of changes in the purpose of aid flows

Discussion thus far has focused on issues relating to provision and coverage. This section develops a framework that links these different type of interventions to changes in welfare at the household level. This is outlined in Figure 1. It is most easily understood by considering it in four steps.

First, Figure 1 is surrounded by three frames denoting the natural, policy and social environment in which the household exists. Such framing emphasizes that all interventions are situated within broader contexts and that these environments will have an important impact on the efficacy of any intervention. For example, the physical environment will play an important role in determining the type of activities that can be undertaken by rural households. It will affect the returns to those activities through channels such as its impact on transport costs and the prevalence of parasitic diseases that lower labor productivity (Sachs and Warner, 1997).

The importance of the social environment is apparent at several levels. At a national level, there is considerable evidence that serious political, social and ethnic conflict has an adverse effect on investment and growth (Collier and Gunning, 1995; Easterly and Levine, 1998). At a local level, the presence of social conflict expressed in terms of mistrust of other social groups or even out right violence is also an important factor in the design and implementation of interventions. In such circumstances, maximizing beneficiary participation becomes especially problematic. For example, wealthier groups may take control of projects for their own benefit, to the exclusion of poorer members. Alternatively, social conflict may encourage groups excluded from an intervention to take active steps to subvert it. A certain degree of social cohesion is necessary if group activities, such as group-based micro-credit schemes or collective work on infrastructure, are to succeed.

Finally, an appropriate economic environment will also have a significant affect on the efficacy of interventions. For example, making new agricultural technologies available will have little impact if pricing policies discourage production. Recent work by Burnside and Dollar (1997) and the World Bank (1998) provides a striking illustration of this observation. They argue that financial assistance leads to greater poverty reduction and gains in social indicators in those countries that follow sound macroeconomic

[4] One sub-group that falls into this category is very young children. Hoddinott, Owens and Kinsey (1998) find that drought shocks lead to reductions in growth of children aged 12-24 months which are never fully recovered.

and trade policies. This effect is large. For countries with good macroeconomic management, 1 per cent of GDP in assistance leads to a 1 per cent fall in poverty.

Next, within these environments, consider poverty to be a consequence of an inadequate asset base (broadly defined) and/or low returns to these assets relative to the goods that the poor wish to purchase. Accordingly, at the top of Figure 1, there are two thickly-lined black boxes. The right-hand box represents labor income, obtained by combining labor supply - defined in terms of both quantity of labor used and the human capital embodied in that labor - with returns to that labor. The left-hand box represents capital income, obtained from combining physical capital - again broadly defined - with returns to capital. These, together with private transfers (located in the smaller box between these) produce total household income. One could disaggregate household income in a number of other ways. For example, one could distinguish different sources of income: subsistence cropping; cash cropping; livestock; wage employment; transfers; and other income sources. The attraction of the approach used here is that it makes it relatively straightforward to consider the impact of various interventions.

Total household income, together with the set of prices faced by the household determines the set of feasible consumption bundles available to the household. This set can be thought of as all the possible combinations of food, shelter, clothing and other goods that a household could purchase. The value of this consumption set - the purchasing power of the household - can be compared against a defined poverty line. If the purchasing power of the household is less than this line, the household is considered poor. What the household actually consumes will depend on tastes, knowledge (for example, knowledge of which foods are most nutritious) and rules regarding how food and other goods should be distributed within the household.

The third step is to consider the impact of interventions that are responses to shocks and those more conventionally supported by development assistance. The former are written in larger, bold face, the latter in smaller, ordinary type. Interventions typically funded in response to shocks include humanitarian feeding, support for maternal and child health, school feeding and food or cash for work. Examples of interventions that are typically funded by development aid expenditures are agricultural or business extension, credit, infrastructure, the development of new agricultural technologies. In the past, though far less frequently today, food subsidies and ration shop operations were also aid subsidized. Again note that the dichotomy between responses to shocks and longer-term development aid interventions should not be overemphasized. Infrastructure development, though denoted here as a "development intervention" can greatly enhance the efficacy of emergency operations. School feeding and mother and child health programs are supported by both emergency and development interventions.

These interventions affect household well being through four pathways, by: (a) directly augmenting households assets - such as those that increase human, physical or financial capital (agricultural or business extension; land resettlement; credit); (b) increasing the returns to those assets (employment creation or food-for-work which by increasing demand, increase the value of labor holdings; new technologies which increase the return to physical capital and land); (c) by increasing incomes without altering either the level or return on endowments - feeding programs being an example; and (d) changing the prices faced by households as they turn their income into consumption. All these interventions are placed above the box denoting the set of feasible consumption bundles. By doing so, it is possible to compare how these interventions alter this set and thus determine how the affect the incidence and severity of poverty.

Finally, there are second round or feedback effects, denoted by the dashed black lines in Figure 1. Consider the impact of a development aid intervention designed to improve the provision of agricultural extension. Through the pathways described above, this should lead to a better consumption bundle in the sense that

either the amount, number or the quality of goods consumed increases. But note that decisions regarding actual consumption will affect holdings of physical capital via the decision to save some fraction of household income. Allocations of food, expenditures on education and health will affect the level and distribution of human capital within the household. These investments have an effect on the household's ability to generate income subsequently. But not all these feedback effects are benign. The elimination of food subsidies may induce an adjustment in nominal wages, but it may take several years for this effect to feed through (Datt and Olmsted, 1997). The provision of a public transfer, say food aid during a drought, may induce an offsetting reduction in assistance provided to the household by family or neighbors. The magnitude of this crowding out is believed to be significant in other transfer programs such as pensions (Jensen, 1998) and social security (Cox and Jimenez, 1992): the extent to which it exists in the context of shocks is not known.

Figure 1 also brings out a more subtle point. Consider the impact of an emergency aid funded food for work program that constructs rural roads . This increases the return to households' labor endowment which in turn raises total income and, for a given set of prices, enlarges the feasible consumption set. But matters do not end here. First, there is the 'development' effect gained by the construction of infrastructure. Second, suppose some of this incremental income is used to invest in human capital. (For example, the additional income generated by the food-for-work intervention enables a household to continue to send a child to school.) Thus, an intervention which is conceived as preventing a household from falling into destitution has the potential to reduce poverty in the longer term. Additionally, the belief that external agents would provide food for work, say in times of drought, may encourage households to adopt a portfolio of activities that is characterized by both higher returns and greater risks: the promise of food for work acting as a form of insurance against these risks. So what began as an intervention designed to save lives and prevent destitution may, by altering the range of activities undertaken by households, reduce poverty. Again, this serves to remind that distinctions between emergency and development assistance should not be taken too far.

There are a number of extensions that can be made to Figure 1. Perhaps the most important is to note that donors typically specify the objectives of their interventions in terms more narrow than poverty reduction or the prevention of destitution. Reducing the incidence and severity of child undernutrition is an obvious example. The more philosophical literature on development echoes this, with emphasis placed not so much on the expansion of the feasible consumption set, but rather on the enhancement of 'functionings'.

> People value their ability to do certain things and to achieve certain types of beings (such as being well nourished, being free from avoidable morbidity, being able to move about as desired, and so on). These "doings" and "beings" may be generically called "functionings" of a person (Sen, 1988, p. 15).

Such concerns can readily be incorporated into this conceptual framework. Figure 2 examines the determinants of one functioning - the nutritional status of children - by amalgamating a segment of Figure 2 with the standard conceptual framework used to consider nutrition security. In this framework, four factors play a role in determining child nutritional status: child care; the health environment; access to health care; and food acquisition. There is a link between the household's endowment of labor - and the income that that labor generates - and care behaviors. This reflects two considerations. A limited labor endowment sharpens the conflict between the need for income generation and the need for child care. The human capital content of the household's labor endowment will have a strong bearing on the quality of the care that can be offered. Next, the box denoting 'actual consumption' in Figure 2 can be divided into those goods directly relevant for nutrition - food; health care and access to a healthy environment (as proxied, for

example by the expenditures on housing) - from other consumption goods. These three goods, together with care behaviors, affect actual food intake and illness which together determine nutritional status.

It is possible to add to this diagram a number of additional development interventions. The funding of child immunization programs can be seen as an intervention that improves health care. Aid funded improvements to water and sanitation improve the health environment. The dissemination of knowledge on good nutrition and care practices - which add to the household's stock of human capital - and which in turn has the potential to improve care behaviors.

Collectively, Figures 1 and 2 provide a useful mechanism for considering the effects associated with shifts from spending in response to shocks and spending on longer-term development objectives. They emphasize the need to understand the magnitudes of the linkages between various interventions and outcomes of interests. For example, which interventions generate the largest increases in incomes. To what extent is the impact of increased transfers on poverty mitigated by the reductions in private transfers that they may generate? Is children's nutritional status best enhanced by raising household incomes - by making a direct transfer to that child - or by improving other inputs into nutritional status? What are the trade-offs, in terms of meeting different objectives, associated with shifting funds from one intervention to another? To what extent does the achievement of very immediate goals - such as providing households with incomes during droughts - come at the expense of the longer-term objectives such as poverty reduction.

The extent of evidence on these propositions varies widely. There is an enormous amount of knowledge regarding the impact of various interventions on child welfare (Haveman and Wolfe, 1995; Strauss and Thomas, 1995). By contrast, there are only a handful of empirical studies on the crowding out proposition, despite the prominence it receives in discussions regarding transfer payments. Studies that attempt to link these various relationships to different outcomes are also rare.

One exception is Hoddinott, Owens and Kinsey (1998) who examine the impact of alternative development and drought relief interventions in Zimbabwe using a four year longitudinal household data set. In the second year of this panel, these households were affected by a severe drought that virtually destroyed all crop production. Untargeted food aid was provided to these households as a response. Hoddinott, Owens and Kinsey begin by quantifying the links between: endowments of capital and labor and incomes; the degree of crowding out of private transfers by public transfers and other household income; the relationship between incomes and investment in physical capital stock; and the determinants of child and adult health. They then consider the following counterfactual. Suppose that instead of waiting until the drought had passed to assist these households (the response to a shock), development assistance - in the form of better access to agricultural extension and physical capital stock - had been provided instead. Compared to actual outcomes, the best performing counterfactual reduces the incidence of food poverty by 11 per cent. Under the most basic scenario, the increased incomes generated by simply transforming relief aid into agricultural capital stock is sufficient to fund an adequate diet for each person in each beneficiary household for six months. Further, such improvements in well being without households necessarily being made worse off during a drought year. Adult health is only temporarily affected by the shock, and this effect (measured in terms of a reduction in body mass) is concentrated amongst better-off adults. Child health, measured in terms of growth in stature, however, proves to be invariant to either the drought relief intervention or the alternatives which increase household's endowments.

There are three final remarks that should be noted. These schematic diagrams are silent with respect to the issue of who within the household should be the recipient of these interventions. It has been argued (Alderman et. al., 1995) that this issue is an important factor in the determining the success of these interventions. Incorporating this consideration here works through two pathways: by affecting the strength

of the various relationships (for example, increasing women's human capital has an especially large impact on child health); and through the 'intrahousehold allocation rules' that determine the choice of the actual consumption bundle. Second, it is relatively straightforward to formalize these diagrams in terms of models of constrained optimization. The agricultural household models of Singh, Squire and Strauss (1986) and the models of health and nutrition presented in Behrman and Deolalikar (1988) are examples of these. Finally, these diagrams are intended as heuristics, to be illustrative rather than exhaustive. It is relatively straightforward to expand the list of both assets and interventions. For example, much attention is now paid to the concept of social capital, "features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit" (Putnam, 1995). Social capital could easily be added as an additional asset, from which households derive a return and to which they invest.

5. Conclusion

There is considerable disquiet over whether the increasing need to respond to shocks is displacing longer-term development efforts by multilateral and bilateral donors. The purpose of this paper has been to provide a framework into which this issue can be placed. This framework revolves around the consideration of three issues: *provision*; *coverage and utilization*; and assessment of *impact*. It notes that at one level such concerns are misplaced. The fungibility of resources, together with the commonalities between interventions that come under the headings of "emergency" and "development" assistance blur the distinctions between them. It is the differences in their mode of delivery and time scale of operation that point to a *prima facie* case for believing that such a shift is likely to be inimical to long term development. Further, emergency responses are not necessarily well-targeted. Indeed, it may be the case that the most appropriate response to a shock may be to reinforce existing targeted social programmes, say by providing funds to support additional screening and delivery work, rather than supplanting these with an *ad hoc* response. The paper has provided a conceptual framework for assessing this change in terms of poverty and undernutrition. This shows that an assessment of the impact of these interventions will depend on the overall objectives of the donor and the magnitudes of the linkages between an intervention and outcomes of interest.

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Table 1: Trends in the provision of bilateral and emergency aid: 1985/86 - 1995/96

	1985/86			1995/96		
	Bilateral disbursements	Disbursements on emergency and distress relief		Bilateral disbursements	Disbursements on emergency and distress relief	
	(1)	(2)	(2)/(1)	(1)	(2)	(2)/(1)
Germany	5198	145	0.028	4762	415	0.087
Japan	7364	156	0.021	9954	240	0.024
Netherlands	1999	78	0.039	2302	516	0.225
USA	10520	741	0.070	6200	977	0.162
Four country average	6270	280	0.045	5804	537	0.093

Source: Calculations based on OECD (1997, tables 16-18, 20 and 47)
Millions of 1995 USD

Table 2: Characteristics of emergency and development interventions

	Emergency	Development
Objectives		
General	Assistance to address threat of excess mortality or widespread destitution - a *protection* function	Sustainable improvement in living standards - a *promotion* function
Timescale	Short term, urgent	Long term, evolutionary
Interventions		
Type	Standardized	Multidimensional, varied activities
Profile	High	Low
Approach to planning and implementation		
Style	Top down, hierarchical	Bottom up, more participatory
Management	Resource intensive; predominant use of expatriates	Resource extensive; greater use of local management
Role of target population	Passive	Active
Source of resources	Donor dependent	Donor resources to be augmented by contributions from recipient governments and local communities
Mobilization of resources	Rapid	Often requires detailed and lengthy processes for appraisal and approval
Winding up	Emphasis on rapid withdrawal	Emphasis on handing over to local management, leaving systems in place

Table 3: Changes in per capita allocations of aid for selected countries in LAC: 1986-1996

		1986			1996	
Rank	Country			Country		
1	Haiti	50		Haiti	53	
2	Bolivia	84		Nicaragua	219	
3	Dominican Rep	28		Honduras	62	
4	Honduras	109		Bolivia	116	
5	Nicaragua	76		Guatemala	21	
Mean aid per capita			69			94
Mean per capita GDP			1085			803
6	El Salvador	125		Jamaica	25	
7	Jamaica	128		Ecuador	23	
8	Guatemala	28		Dominican Rep	13	
9	Paraguay	30		El Salvador	57	
10	Peru	23		Paraguay	21	
Mean aid per capita			62			28
Mean per capita GDP			1601			1394

Ranks are poorest to less poor
All figures are in 1995 US dollars
Source: World Bank, various years.