# CURRENT ISSUES IN DEVELOPMENT

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### Matthew McGarry, Class of 2004: CRS Country Representative for Afghanistan

Matthew McGarry (left), during a visit to inspect a CRS road construction project in Ghor Province, May 2010.



r. Matthew McGarry is this year's recipient of the Swanstrom-Baerwald Award for excellence in the service of faith through the promotion of international peace and development. His record of excellence in international peace and development began with a degree in international relations from Notre Dame in 2000 followed by 2 years of service in Managua, Nicaragua as a Jesuit Volunteer. Within months of returning from Nicaragua, he started his course of study with IPED and graduated in 2004. Mr. McGarry was selected for a 6 month Catholic Relief Service (CRS) fellowship in conjunction with the IPED program and assigned to Zimbabwe. Following his first post, he continued on with CRS in Sudan where he was a Program Manager in Khartoum and Area Coordinator in West Darfur. In 2006, he became the Head of Office in Muzaffarabad, Kashmir, and Country Representative for

Pakistan in Islamabad in 2007. In May, 2008 he transferred next door to Afghanistan as the Country Representative, where he was the Senior Representative for CRS in Afghanistan with ultimate responsibility for all CRS programs and staff in Afghanistan.

One of the biggest challenges Mr. McGarry faces as the top country representative in Afghanistan is maintaining balance. Daily he balances immediate results against long-term sustainability; access to vulnerable communities against staff safety; and aligning programs with donor priorities against fielddriven priorities. It "is an incredibly fine line that leads to a lot of sleepless nights." Another issue to balance out is how foreign aid impacts development. "Effectively administered foreign aid is critical for the reconstruction and stabilization of Afghanistan and for the realization of Afghans' full human potential.

Please turn to page 2

The Graduate Program in International Political Economy & Development Fordham University



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## What is IPED?

It stands for the International Political Economy and Development Program at Fordham University, New York City: a program that trains graduate students in the advanced interdisciplinary analysis of global economic relations and international development issues. Graduates work in the diverse fields of research, policy planning, economic analysis, public administration and general management.

*Current Issues in Development* is a student-run newsletter of Fordham's IPED Program. It aims to share with prospective students and friends in the academic, non-profit, government and corporate community IPED analysis and experience in economic and humanitarian development.

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Katie Jajtner, Editor John Gummere, Designer Emily Groene and Donna Odra, Contributors

Dr. Henry Schwalbenberg, IPED Program Director

Tel. 718.817.4064 Email: iped@fordham.edu http://www.fordham.edu/iped



#### By Emily Groene

This paper identifies a positive relationship between the incidence of malnutrition globally and the occurrence of a complex emergency. This is defined as a crisis due to both conflict and natural disaster. 2005 is the year for analysis because of the high number of catastrophic events that took place, including the tsunami at the end of 2004, the ongoing conflict in the Sudan, and a famine in Niger following the destruction of crops by locusts. This study examines to what degree the level of malnutrition is affected by a complex emergency in a given year holding all else constant.

Current literature shows that malnutrition is often a result of low household income levels, and it is especially prevalent when mothers have poor nutrition and low education. States with a progressive social policy are less affected by malnutrition, not necessarily the richest states. Levels of inequality, especially between urban and rural areas also reflect greater incidence of malnutrition. This paper uses these and other factors to develop a regression model to test the effect of a complex emergency on levels of nutrition. The exact model is given below in the Malnutrition Regression Equation.

With 50 observations, results indicate a R<sup>2</sup> of 0.73 indicating a good fit. At a 5% significance level, this study indicates that for every 1% increase in household income, there is a .05% decrease in the levels of malnutrition measured as the percentage of children underweight under the age of 5. For every 1%increase in the maternal mortality rate, there is a .02% increase in levels of childhood malnutrition. However, levels of inequality, mothers' educational levels, the degree of government health spending, and the presence of a conflict are not significant factors in the level of malnutrition in this case.

The main findings of this study are contrary to the expectation that

#### Malnutrition Regression Equation

$$\label{eq:matrix} \begin{split} Malnu2005 &= 54.13 - 4.99*log(household income) - 0.16*(inequality) + 0.02*(maternal mortality rate) + 0.13*(maternal education) - 0.40*(social policy) + 7.50* log(population) - 9.18*(disaster) - 4.03*(conflict) + 19.17*(dc) \end{split}$$

Malnu is the percent of Children aged <5 years underweight; inequality is measured by the GINI coefficient; maternal education is the percent of females progressing to secondary school; health expenditures as a percentage of total expenditures proxies social policy; and population is measured in thousands. The remaining variables are dummy variables that indicate the presence of a natural disaster, conflict, or both (dc).

disaster would increase levels of malnutrition. When a disaster is present, malnutrition decreases by 9%. On the other hand, the results for a complex emergency confirm the expectation of increased malnutrition. If both a disaster and a conflict are present, the level of malnutrition increases by 19%. This empirical evidence suggests that the decrease in malnutrition is a result of food aid effectiveness in natural disasters. In the cases of complex emergencies, however, it is likely that service provision is limited by conflict and aid agencies are unable to reach the most vulnerable populations, exacerbating the problem of malnutrition. The occurrence of a complex emergency is the strongest factor in explaining increased malnutrition in this study and it has significant implications for targeting of food aid.

#### Matthew McGarry

#### Continued from page 1

Unfortunately, the bulk of foreign assistance to Afghanistan falls short in the areas of transparency, accountability, efficiency, and impact. Poorly administered and implemented foreign aid in Afghanistan feeds corruption, fosters dependence, and actually drives the conflict it is intended to mitigate."

In spite of these challenges, Mr. McGarry remains incredibly optimistic and committed to development. He enjoys "lead[ing] teams of incredibly talented and motivated individuals, committed to helping poor, marginalized, and/or vulnerable men, women, and children unlock their potential and make dramatic, sustainable improvements in their lives and communities."

Mr. McGarry praises IPED's "emphasis on careful, rational, impartial analysis," accessible faculty, and small classes as huge assets to the program. Each of these assets has served him well in his career. Specifically, he finds courses taught by Dr. Schwalbenberg and Diullo to be directly related to his current assignment in development.

## Natural Disasters and Poverty in the Philippines

#### By Donna Odra

his study is concerned with how much, if at all, tropical cyclone occurrences in the Philippines explain the variability in poverty incidence across the country. The Philippines' archipelagic composition and location at the rim of the pacific has subjected it to numerous natural disasters. They have wrought havoc to property and life, disrupting the stability of the largely agriculture-based economy of the country. Of the natural disasters that visit the Philippines, tropical cyclones are the most frequent. Provinces most

at risk are those situated on the eastern side of the country. Curiously, these regions also contain some of the poorest provinces in the Philippines.

Several studies looking at typhoon effects support the notion of geographic poverty traps. In many developing countries, disaster risk distribution of assets is biased against the poor. The middle and upper income brackets occupy the safer and more productive areas, while the poor remain in areas that are exposed to greater risks. Understanding the extent of the impact of disasters,



#### Poverty Regression Equation

 $\label{eq:provincial powerty incidence} Provincial powerty incidence = 0.8512 + 0.0018*GOVTERMS + 0.0051*TYPHOON + 0.0153*AGRI - 0.8355*HSGRAD - 0.3594*WATSYS - 0.0022*RDELEM - 0.0856*HLTHCTR + 0.0042*LDISTCTR + 0.0113*PRESAFFIL \\$ 

GOVTERMS = number of terms the family of the current provincial governor has been in position; PRESAFFIL = party affiliation of provincial governor with the sitting President; TYPHOON = number of typhoons for the year; AGRI = percent of households whose main income is agriculture; HSGRAD = percent of household heads that have completed high school; WATSYS = percent of households whose main source of water is from a piped water system; RDELEM = interaction between road density and access to public elementary schools; HLTHCTR = percent of barangays (smallest political and administrative unit) with (a) healthcenter(s) and/or hospital(s); and LDISTCTR = logged distance of the provincial capital from the regional capital. particularly typhoons, is therefore imperative for policy makers as this will enable effective disaster prevention and impact-mitigating measures to be set-up.

Analysis for this study is at the provincial level for the year 2006. A total of 79 provinces were used for the study, using the 2006 province classification. Metro Manila, the capital of the Philippines, was excluded from the study as it is a stark outlier across most variables. The data were gathered from various official Philippines government publications and government agencies. The model in the Poverty Regression Equation box estimates the determinants of provincial poverty incidence with relative explanatory variables rooted in previous research. A stepwise regression was utilized to help mitigate concerns with degrees of freedom, adding one explanatory variable at a time for seven stages. Except for the interaction variable RDELEM, whose sign flipped for the sixth stage of the stepwise regression, all variables posted consistent signs or directional relationship with provincial poverty incidence.

Overall, the model had a relatively good  $R^2$  of 57%. Results show that both education and access to water are significant factors in reducing provincial poverty in all regressions, but other factors are not. A 1% increase in high school graduates among household heads reduces provincial poverty incidence by 0.84%. Meanwhile, a 1% increase in households with access to a water system reduces provincial poverty by 0.36%. Other variables that are proxies for the political environment, economic structure, social services access, infrastructure availability and exposure to natural hazards do not appear significant in determining poverty outcomes. Specifically, results of this study do not support the theory that tropical cyclone occurrence has a compounding impact on poverty.

## Faculty Notes from Dr. Sophie Mitra

r. Sophie Mitra first worked in development with the Overseas Development Institute which posted her to the Ministry of Finance in Fiji for two years. Later, she worked for the World Bank. After completing her Doctorate at the University of Paris I Panthéon-Sorbonne, she joined Rutgers University where she researched labor and health/disability issues. Six years ago she started working at Fordham University in the Economics Department. She specializes in development, and works closely with the IPED program.

Dr. Mitra has a few research endeavors currently. First she is using a new multidimensional poverty measure to determine patterns of deprivation for vulnerable groups in both the US and developing nations. Thus far, the findings indicate that traditional poverty measures based on income or consumption data may misidentify the poor. Another project Dr. Mitra is set to embark on is in conjunction with another faculty member, Dr. Subha Mani. Together they are attempting to determine the economic consequences at the household level of disability onset among adults.



According to Dr. Mitra, major challenges in the developing world today include building human capital and job creation. Investments in human capital — such as educa-

tion, vocational training and health - are of extreme importance. One example for the linkage between human capital and development can be seen in India. Dr. Mitra explains that India needs to work on the quality of schooling as well as health care. Those services are there in principle — but are of very poor quality. "Teachers are absent, kids stop going to school, and parents stop pushing them to go to school." She believes that India would gain significantly from investments in human capital to break this cycle. Additionally, job creation needs to be part of development initiatives. Many countries — including low and middle income nations — struggle with unemployment and underemployment as the population continues to grow.

### Arrupe Fellowships

4

besigned to attract into the IPED Program highly qualified applicants who have a strong interest in pursuing a career with a non-profit international relief and development organization, the Arrupe Fellowship consists of a tuition scholarship, a generous living stipend, and an additional stipend for an overseas summer field placement in either Latin America or Africa. The application deadline is early January for the following Fall Semester. *For further information, go to www.fordham.edu/iped and follow the link to "Financial Aid."* 



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