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Herani, Gobind M.

Khadim Ali Shah Bukhari Institute of Technology

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Global Poverty Reduction, Geographical Information System, Donations, Aids And Some Issues: A Proposed Model For Proper Dissemination In Real Time

Gobind M. Herani¹

ABSTRACT

Attempt has been made to investigate the reasons of poverty, flaws in reduction of poverty, lack of resources of dissemination of donor's funds in real time. Previous studies reveal that there are various reasons behind poverty in the world especially in the developing and under developed countries. In developing countries, on the one hand, the known poverty causes are high rate of population growth, low literacy rate and lack of awareness about rights in the masses, on the other hand, low wages, lack of job opportunities are the also major issues. Latest studies also show that steps taken by the respective governments, World Bank, and donor agencies are much admired but miss-management in the dissemination of funds is the issue to be highlighted. In this century of ever-advancing technology wherein donations can be transferred speedily by the donors but in the light of their previous experience they have doubts about the dissemination of funds by the donation-receiving countries. To manage this problem a model is proposed to disseminate distributed funds in real time. This model is continuation of steps taken by donors blended with application of computer technology. This study will be useful first of all for donors, aid giving agencies and loaning agencies who will be able to access the details of their transactions in real times and also to know the position of end users who are needy, and according to their own will they will support by informing intermediate channels. Such practices will reduce the intermediary expenses with increasing productivity. This is transparent policy through which the donations would safely reach the needy masses.

JEL. Classification: B21; D85; G21; J23; J62; M54

Keywords: global poverty reduction; Geographical Information System; real time fund dissemination

1. INTRODUCTION

Poverty can be experienced but not illustrated. Those who starve and are not able to manage to pay for food and cloths; cannot have new cloths for children even on festivals due to low income, medicine at the time of illness; want to send children to school but cannot bear the expenses. They want to be appreciated in society but are poorly treated by the institutions of the state and society and they are voiceless and incapable (Phulpoto 2007). Poverty is a socio-economic plague at varying degrees throughout the world. A holistic implementation and control approach is very important to combat with it. This should involve government bodies, donor agencies international and research community (Akinyemi 2001:1). Inadequate planning and provision opportunities lead to increase poverty in world particularly in developing countries. Global poverty reduction is a disheartening challenge, but it is observed that by making very small loans to determined people millions poor of

the world pull themselves out of poverty. There are so many organizations which are working in the world mostly they are replications of the Grameen and Grameen as a global foundation is able to spot global trends and problems and develop solution that easily transferable to others who share poverty-focused goals (Grameen 2010:1). Grameen Model is successfully working in the world and its replications with some modifications are also well working in the different parts of world, but to reduce poverty at global level is still a challenge. United Nations (UN) is emphasizing to reduce poverty from the world. According to UN (2006) Millennium Development Goals (MDGs) report Goal 1 is: *Eradicate Extreme Poverty and Hunger:* Halve the proportion of the people living on less than a dollar a day and those who suffer from hunger.

Keeping these drawbacks in mind it is felt that there is a need of latest, fastest and cheapest way of transaction, which is able to inform end-users and donor in a real time, and is comparatively more transparent. Therefore a global poverty reduction (GPR) Model is proposed to meet the challenge of MDGs in general and goal 1 in particular. This model is conceptually framed from the literature review on poverty reduction approaches already done and blending with power of information technology.

This study is titled “global poverty reduction, geographical information system, donations, aids AND some issues: a proposed model for proper dissemination in real time.” The main question of the study is: Whether poverty can be reduced with the blending of used modern approaches combined with information technology (IT) in comparatively better way in all over world with in shortest time, lowest cost and transparent way?. To get the answer of the above question following objectives are set:

- To reduce poverty all over world with in shortest time
- To analyze blended model of microfinance with IT
- To encourage donors, government and non-government authorities to donate directly to end users
- To check the distribution of donated funds in real time
- To reduce the intermediate channels who are distributing donations
- To reduce the intermediate expenditure

The structure of remaining paper is as bellow: section 2 details literature review. Section3 presents proposed model and finally section 4 details conclusion.

2. CONCEPT OF MICROFINANCE

Microfinance history in Asia started since 1976 with the ideas of Dr. Yunus who is founder of Grameen Bank of Bangladesh and it became bank in 1983. In Pakistan concept of microfinance is increasing and government is establishing system and rules are also relaxed for such type of activities. In Pakistan microfinance actually started in 1980s with non-government organizations NGOs) through support programs and in 1990s become well established and at presently growing rapidly (Herani 2010). Pakistan is an early achiever in terms of dropping the percent age of population living below the poverty line. On the base of nationwide poverty line, poverty decreased to 23.9 per cent in 2005 as compared to 34.5 per cent in 2001. High economic growth, targeted

Programme for poverty reduction and significant increase of pro-poor spending, lifted a large number of poor households out of poverty. The overall program of MDG indicators show that out of 34 indicators adopted, Pakistan is ahead in 7, on track in 16 and lagging in 11 indicators (MDGs 2008).

In India microfinance institutions (MFIs) established in late 1990s to bind social and commercial funds available for on-lending to clients and at presently over 1000 MFIs are working. Indian microfinance is dominated by two operational approaches: Self-help groups (SHGs) and MFIs in addition to few cooperative forms. Microfinance tool has been successfully used to generate economic activity at gross root. Microfinance is emerging a survival strategy for rural people in the developing countries. MFIs are progressively more attracted in knowing commercial principles and their uses for expansion of outreach to the poor. Access provided to demand driven microfinance has proved to be a powerful tool for poverty reduction by enhanced capability of poor households to build assets, lift up incomes and illuminate s their vulnerability while economic hardships are there (CGAP 2003:5; Herani 2007)

Expansion and outreach of few MFIs enhanced quality in self-sufficiency; the field of microfinance has highly developed significantly towards identifying best practices. Regardless of such a progress estimated that about 90 percent of people in developing countries – about one billion poor people still lack access to institutional saving services or credit (Robinson 2000:9). Microfinance tool has been effectively used to produce economic activity at grass-root level in Bangladesh, Indonesia, Ghana, India, Philippine and Bolivia (Pakistan 2007). Self-help microfinance credit has played a valuable role in reducing the vulnerability of the poor, through asset making, increase and consumption smoothing provision of emergency assistance and empowering and emboldening women by giving them control over assets and self-esteem and knowing (Zaman 2001; Simanowitz and Walker 2002; Herani 207).

Livelihood diversification played a immense role in reduction of poverty and helps to overcome the constraint. It is important to carry on people and household at the centre of development processes, starting with their capabilities and assets rather than with problems (Gwynine, Kalak and Shaw 2003). Different steps are taken by Unite States (US) out of them one is poverty reduction and natural resources management. The relation between poverty and natural resources is complex and dynamic (USAID 2006).

Why poverty is there, because we have never been united to make concrete difference in poverty devastated countries around the world of America. There is a call to action any where you are in the world. Faith and community, organizations need to make a new assurance addressing the question s of poverty (www.eppcmanagment).

For the reduction of poverty a Geographical Information System (GIS) database management system was designed for the city of Ibadan, Nigeria to accumulate data in prearranged manner for early retrieval to aid allocation and poverty reduction (Akinyem). Manansala (1997) developed and demonstrated a GIS-based poverty data in the city of Angles in Philippine. Martinez (1999)

developed a GIS-level model database and enabled informal settlement (unlawful tenants) upgrading application.

Many people still associate environmentally sound development with reduction of economic opportunity and growth to a certain extent than their spreading out. The sustainable use of natural resources is typically seen as cost rather than an investment. To overcome this fallacy a better understanding is required of the joint links among poverty and environment. The Poverty Deduction and Environmental Management (PREM) program planned to deepen and broaden the introduction of economics possessions and policy advisors in developing countries to the theory and methods of natural management and environmental economics. It is predicted that this will give confidence in effective policy change of developing countries with common goals of poverty reduction and sustainable environmental management (WWW. prem-ONLINE.ORG/).

3. PROPOSED MODEL

3.1 Common Pool of Funds

It should consist on the collection funds and keep the geographical information system (GIS) database to observe the position of donors and receivers. Donors and receivers be divided into following categories (i).Donors- given aids, given loans on interest and loans without interest. (ii). Receivers- Received aids, received loans with interest and received loans without interest.

3.2 Classification of Donors and Receivers

Donors further are divided into three categories, country, agencies and individuals as a independent contributor can contribute to other country, any agency or directly to individuals. This contribution may be of three types: aid, loan with interest and loan without interest.

Compulsory contribution

Every individual of every country have to contribute a currency unit like dollar, Euro, Rupee, Yen etc. This contribution may be at daily, weekly or monthly basis. This contribution is necessary for every individual to keep them benefit of this data base. Contribution is less than one unit of their currency, but has to pay as a common pool tax, no matter its amount is very small.

Received amount be further divided into the three categories: countries, agencies and individuals. Country, agency and individual received be independent and be able to receive amount directly from contributors.

Common check and balance on database GIS database be open for every observer an internet. For the individual a pass work identity card number be issued for more security their photograph and finger prints be collected through mobile and be acceptable to be entered in their database.

Individuals are allowed to get their amount from bank, NGO, franchisees, community leaders, group leaders and any authorized person.

4. CONCLUDING REMARKS

It is concluded that microfinance program have been introduced in many economies during past fifteen years. Enormous studies at universal level are agreed with the idea of microfinance that it could and would be an important instrument to lift poor people especially women out of poverty. Enormous anecdotes and simple empirical analysis support this idea. Rapid growth in microfinance sector is creating growing demand for experienced professionals, academic research and innovative measures with microcredit as well as credit institutions. This study shows that already working done in this sector is very important and very helping instrument, but enhancement is needed every where to face the new challenge to reach out at masses level. To meet such a challenge new proposed model of this study will prove a latest and safest model for distribution and collection of funds, allocation and dissemination of funds and every type of related transaction. It would be able to track every related information in real time. It gives the positive answer of main question of this study "Whether poverty can be reduced with the blending of used modern approaches combined with information technology (IT) in comparatively better way in all over world with in shortest time, lowest cost and transparent way". It also meets the objectives of this study and all the objectives will be achieved.

An identity card (IC) number be issued to every citizen of the world. Global, national, provincial, district to village and block to street level codes along with their present information be included in IC and such a code should be sent to every citizen through electronic medium or cell phones with new options. Donations, aids transfers of money, health insurance, life insurance programs, and buy and sale transitions also are introduced through such a system.

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