



Policy analysis summary

Introduction

This short summary is designed to reflect the major work done to date in the CPRC under this heading, outlining some key findings; and also briefly to look forward to the future. It does this under three headings – the Chronic Poverty Report; country based work; and theme based work. It is a first draft and looks to the Co-ordination Group meeting to fill in gaps.

The objective of the CPRC's policy analysis work is to assess key policy issues and aspects of the policy environments which have a bearing on chronic poverty, and identify effective and sustainable policies to support the chronically poor in their efforts to improve their lives in varied policy contexts (Policy Analysis Strategy, 2006).

Policy analysis covers a wide range of analytical traditions, from discourse analysis, through analysis of political party ideologies and performance, to analysis of specific policies and programmes and their cycles from design through evaluation. Different approaches are relevant and have been put to use, from the more reflexive to the more practical, and the Centre has not sought to lay down a specific approach or set of tools and methods. While the ultimate intention is to influence policy in an inclusive direction, it is accepted this can be done through different routes and with different tools, depending on the audience or influence route. The research itself has generated a number of topics for analysis; some of these have also been identified in co-operation with policy makers. In a number of cases, policy makers have approached CPRC for help. It was anticipated that the volume of 'demand-led' analysis would grow. The lesson of Uganda's growing portfolio of policy analysis work is that considerable engagement work is useful in generating the demand.

So far the work has led to two specific policy proposals – a proposal for a pilot social protection scheme in Uganda, and another for a new MDG Target on social protection, being explored as a possible input into the review of the MDG in 2010. We would expect the number of specific proposals to increase, and to be able to monitor the impact of these over time.

Policy analysis work is managed in close co-ordination with policy engagement work.

What is Chronic Poverty?

The distinguishing feature of chronic poverty is extended duration in absolute poverty. Therefore, chronically poor people always, or usually, live below a poverty line, which is normally defined in terms of a money indicator (e.g. consumption, income, etc.), but could also be defined in terms of wider or subjective aspects of deprivation. This is different from the transitorily poor, who move in and out of poverty, or only occasionally fall below the poverty line.

The second international Chronic Poverty Report

The report is available and there is an extended summary. The main ideas are in Box 1. This was an attempt to use CPRC and other research and policy evaluation to contribute to the debate on the policies which will work against chronic poverty

in different circumstances.

Along the way to producing the report a serious amount of background work was done. The biggest chunks of this included:

- A study of the politics of social protection – which argued that it is political rather than civil society



Box 1: Policy analysis compared to research – for discussion

CPRC's policy analysis should be quite distinct from its research (which of course should still be policy relevant). It should be very policy focused – either on the analysis of particular or alternative policies which should address chronic poverty in general or in particular contexts, or on the processes surrounding those policies.

Box 2: The second international Chronic Poverty Report

Including the chronically poor in the benefits of the development mainstream requires a new social compact between state and citizen. This is a political approach to development which emphasises policies which protect against the shocks which make and keep people poor, and the development of inclusive and more-than-basic health and education services. In particular, including poor households (especially girls and women) through education beyond the primary level, and equal access to reproductive health services are critical for an inclusive and gender equalising outcome. Investment in social protection and the necessary public services are premised on sustained economic growth, effective taxation and public expenditure. Growth itself can also assist greatly with mobility out of poverty if it includes agriculture where so many of the poorest find work, and if there is appropriate investment in critical infrastructure – and if rapid urbanisation is strategically guided and if poor migrants are sympathetically received in their host environments. All of these need state guidance and depends on a country's elite forging a strong development path. Where this is not available – in countries affected by protracted conflict, for example, forging that new social compact is the urgent priority. Each country's path will be different, however, and the report is underpinned with an analysis of long term country development trajectories, which enables varied policy approaches to be outlined.

Source: CPRC (2008)

where impulses for social protection are typically found, that a wide range of poverty discourses and political ideologies can play a strong role in shaping approaches to social protection, and that international agencies working on social protection need a clearer understanding of how political contracts around social protection are developed and sustained. Among other things, it was also found that targeting social protection was not as politically difficult as had been thought.

- A study of economic growth, focusing on agriculture and urban growth, which recognised the importance of infrastructure investments, patterns of urbanisation and migration for the chronically poor in cities but also in the wider city-regions, as well as the continued importance of agriculture. The latter presents a significant dilemma, since the institutions for supporting smallholder agriculture have been so weakened. And new institutions for enhancing the position of agricultural labour – a substantial group within the chronically poor – have hardly emerged.
- A review of 12 Poverty Reduction Strategies which concluded that, while few PRSs have given chronic poverty explicit attention, some do emphasise policies which will be of benefit, and that the best PRSs from the poorest people's point of view were not necessarily those developed in competitive electoral democracies.
- A (unfinished) study of fragile states and chronic poverty, which defined fragile states in a new way – states which create risk for their population – and examined the experience of Southeast Asia and the Pacific (a region somewhat omitted in the first report).

Country based work

This is the second substantial area of progress to date. Uganda has worked on social protection (Box 3), alcohol, agriculture, and education. The work on alcohol has reflected perceptions that, while alcohol is clearly a major aspect of chronic poverty in the country, it is seen as a purely individual concern. Alcohol consumption is barely regulated (eg. through advertising or minimum age rules) and laws and bye-laws weakly implemented. There are significant vested interests against regulation – law makers and implementers are sometimes also substantial consumers, and new companies have found alcoholic drinks, often with imported ingredients, a profitable sector.

Work on Uganda's much vaunted education policies has indicated a number of challenges going forwards for primary education – greatly enhanced primary enrolment and gender parity is not matched by completion, dropping out being caused by both demand and supply side factors: children's family responsibilities, long distances to school and in some cases (eg. pastoral groups) lack of interest in the curriculum; the difficult absence of food at school for food-insecure students, and the many outstanding

Box 3: Uganda: Social Protection

The major policy analysis work has been on social protection and in Uganda. This followed the Uganda Chronic Poverty Report which argued that vulnerability was a prime cause of chronic poverty, and the chronically poor needed the state to create conditions for greater security of life (especially in northern Uganda) and livelihood, everywhere. The revised Poverty Eradication Action Plan opened the door to a debate about what the country should do on social protection. Work for the Social Protection Task Force by CPRC and others devised a pilot project designed to inform the development of a national policy. After a significant period for debate, the government announced it will implement the pilot programme, but this has not yet started.

Hurdles on the way to achieving SP in Uganda include: the market-focused economic policy paradigm prevents many policy makers, especially economists, from believing in social protection as a significant route to poverty eradication; and concerns about the cost. Defining social protection as welfare raises the fear that it is likely to lead to dependency and will reduce people's incentive to work. Choosing appropriate SP instruments (or combinations of these) is a challenge especially given the very high population and varying categories of people in deep poverty. There has been competition among various constituencies on who to target with what types of instrument. Targeting is seen as a problem given the high levels of vulnerability coupled with the high corruption and failure of previous credit schemes that were aimed at addressing poverty and vulnerability. It is hard to convince ordinary people that social protection schemes will be any different. The most effective institutional mechanisms are not obvious, given the limited infrastructural investment especially in remote rural areas where many likely beneficiaries live. Agreeing the roles of different actors (CSOs, government, etc.) is still a challenge, especially given the different donors and their agendas.

What still needs to be done? Advocacy at all levels including the national parliament, presidency and the cabinet. CPRC partner, Development Research and Training (DRT), has been working with political leaders and the wider public to create a greater constituency for social protection. Social protection needs to be seen as a legitimate tool for addressing risk and vulnerability, and to address poverty. In the view of DRT, it should be seen as a human right as it is enshrined in the Uganda constitution and backed up by a range of international human rights instruments including the universal declaration of human rights and the international covenant on economic, social and cultural rights to which Uganda is a signatory. The need of the hour is for a harmonised and coordinated strategy & policy framework for the delivery of social protection. Moving rapidly to implementation will enable the use of evidence based findings during further policy making and advocacy.

Source: Namuddu (2008)

quality issues. The policy recommendation is to move from blanket to targeted policies, focusing on the school attendance problems of particular groups. The new Universal Post Primary Education and Training policy, introduced in 2007 following election pledges in 2006, does not yet have measures to include children from chronically poor households or to achieve gender parity, and in fact its entry criteria are likely to exclude. There are many generic quality issues, and the expectation that parents will provide scholastic materials also limits access. However, these are early days and the policy will no doubt evolve.

Agricultural policy in Uganda has been a strong feature of policy as a whole, and relatively pro-poor, with some resources concentrated in the demand led, privatised local extension services and focused on food crops. Chronically poor households are concentrated in subsistence agriculture and so stand to benefit in theory; in practice they may not be able to take the risks necessary, and access the purchased inputs which may help them move into commercial agriculture which may offer escape routes out of poverty. Access to support services for non-farm enterprise is very limited. And policy is as yet blind to the interests of casual and migrant agricultural labour.

Is there a policy story emerging in Uganda, across

sectors? Well-developed policy areas like education and agriculture can both contribute dramatically to the better economic and social incorporation of some of the chronically poor, but adjustments to the policies would be required. And there are new policies needed – social protection is urgent and a basis for policy has been laid during the last three years; alcohol remains more or less 'outside the framework of possible thought' for policy makers.

A briefer review of relevant work in South Africa, on social grants, and Bangladesh, on the recently revised Poverty Reduction Strategy follows. In India the major work is yet to come, for the India Chronic Poverty Report, but a start has been made with work on the politics of poverty reduction policies, and an overview of India's many poverty reduction policies (Box 4).

The social grants work in South Africa is an example of demand led policy analysis. The government requested CPRC partner, the Programme for Land and Agrarian Studies at the University of Western Cape, to undertake a qualitative investigation of the impacts of social grants, with a key concern being the extent to which they create perverse incentives and dependency. The key findings of this work have already been in the South Africa research summary, but of note for policy include (Neves and du Toit, 2008):



Box 4: Political parties, anti-poverty policies and chronic poverty in India

Policies affecting agricultural workers, tribal people and the poor among the elderly, a substantial part of the chronically poor, are one focus of work to date. The manifestos of political parties and their record at governing the states of India a second.

The chronically poor are a large group in India, and need disaggregating to be meaningful for policy. 'The general anti-poverty policies fall into four categories: citizen's rights in employment guarantee, contractual commercial relations in joint forest management, co-creation of value with customers as in micro credit, and welfare transfers in pension schemes for the elderly. The structural problems in all of them are similar pointing out that there is need for a rethink of policy making philosophy. It is too important to be left to the chain of command of politicians and the administrators. In particular, the voice of the poorest is missing, moreso in the more difficult policy environments in the chronically deprived states.'

By contrast, the focused and targeted programmes are much less successful. For example, 'poverty alleviation among tribal communities needs a comprehensive reformulation. It is now without a direction, is dogged by much conflict of laws and disconnect between forest conservation effort and income generation for the poor. They are not just another community of the poor but a unique group with a major national asset, the forests.'

Do the political parties vary in terms of performance on poverty, and potentially chronic poverty? In terms of language there were clear differences in 2006 – inclusion for the BJP, socialist rhetoric for Congress, and a clear focus on agricultural workers for the Communist Party (Marxist). But disappointingly none of them analyse the challenge of moving over 200 million people out of poverty in depth. On detail, there is little difference, though each party has its favoured social group. In terms of performance, previous work by Harris suggested major differences between leftist, populist middle-low caste coalitions or regional movements in the south, and states ruled by the two mainstream parties. CPRC's work suggests that differences in rates of poverty reduction across the states cannot easily be attributed to regime differences – that the issue is complex, and more in-depth understanding at the political level is the challenge.

Finally, possibly explaining the comparatively better experience of scheduled castes (SCs) compared to scheduled tribes (STs) people, a contrast is drawn between the politicisation of the SCs through the Ambedkar movement since the 1920s, leading to visibility of the group, job reservations, and the formation of SC based political parties, led by beneficiaries of the job reservations, which have now come to power in some states. By comparison, with a few exceptions, the STs remain politically invisible, suggesting another engagement agenda.

Source: N.C.B. Nath

- social grants support (rather than crowd out) private social protection practices;
- social protection at the levels provided without other measures at best provides for 'sustainable poverty'. One of the measures which clearly provides scope for dramatic upward mobility is education;
- the informal economy supported by social grants offers little scope for sustained escapes from poverty.

In Bangladesh, the Poverty Reduction Strategy has been revised in 2008, under the transitional government, with little fanfare and public involvement. CPRC partner, the Bangladesh Institute of Development Studies, has been involved in some of the insiders' discussions, and was able to prepare a policy brief based on the 2006 Bangladesh Chronic Poverty Report, which was fed into the process. BIDS has been assured that the contribution was taken into account in

the revision, but the document has not yet been released pending the installation of the new elected government in 2009.

Theme based work

The expectation was that the research themes would begin to produce issues for policy analysis from 2008. This has begun to happen: Poverty Dynamics and Economic Mobility has produced the agenda in Box 5 from its work in Bangladesh. Inter-generational Transmission has generated a project examining welfare policies from OECD countries which might interrupt transmission. The insecurity, Risk and Vulnerability theme has generated significant further work on social protection (see below).

Plans

Partly coming out of the work on the second



Box 5: Poverty Dynamics and Economic Mobility: short term policy analysis plan

A number of policy issues emerge from the joint CPRC/IFPRI research in Bangladesh. (i) Employment is a key aspect of pro-poor growth, and being able to move from a lower to a higher waged occupation a critical path out of poverty, often across generations. The supply of low skill low wage labour is still very plentiful, however, a basic cause of chronic poverty. Policy measures to tighten the labour market are therefore essential. These include: keeping children in education for longer, and other measures to take children out of the labour force; social assistance to reduce the need for older and working mothers to work; inclusive family planning allowing poor households good access to reproductive health services – family size is still often very large. (ii) There will be a specific investigation of whether education is failing the poorest, and what can be done about it – for example a restructuring of the existing scheme for secondary school scholarships for girls.

(iii) Vulnerability to personal and wider shocks comes through as very important in keeping households poor, and in downward trajectories. Bangladesh has a number of social assistance schemes, and the research has covered the pension and food/cash for education. The extent to which these have been effective in preventing downward mobility, and providing the springboard for upward mobility, and the adjustments which may be needed will be investigated. (iv) Rising food prices have been a particular source of vulnerability, and there is a raging debate about their effects. The dataset can be used to model the effects on poverty dynamics. (v) Dowry is a significant source of downward mobility (and a much less significant source of upward). Policy responses appear not to have worked, and there is scope for creative thinking.

(vi) Micro-finance has been Bangladesh's unique selling point in terms of interventions to help people out of poverty. The research suggests that a different model works for the poorest: one of gradual improvement through savings and accumulation of assets and enterprises, rather than through credit. This suggests that support for savings institutions is likely to have greater effects at least for the poorest. Some NGO schemes already recognise this. What can be done to improve and support opportunities for saving?

Chronic Poverty Report, the Centre has identified the following areas of work for policy analysis going forwards.

Gender

This is still being debated, but is likely to focus on:

Box 6: Inheritance policies: a neglected issue

The inheritance policy question needs elaboration, but is important, distinctive and under-researched. The issue is extremely important to the generation of some chronic poverty, where for example women are disinherited upon death of the husband, separation or divorce, or accusations of witchcraft; likewise where second wives' children are treated differently to first or favoured wives' children. Attempts to get land inheritance policy changed in favour of women have potential for addressing the asset inequality which underlies chronic poverty. Countries like Thailand, where cultural gender discrimination is low (including on inheritance in matrilineal systems), have good gender disaggregated development outcomes. Perhaps this is more of an African problem, though it has resonance in south Asia too. Muslim law is also explicitly discriminatory on the issue (see interesting current debate in Bangladesh: <http://www.alertnet.org/thenews/newsdesk/IRIN/4ccacc5f21e36b356995419d5cee96e8.htm>, and Afghanistan ('Transition within tradition: women's participation in restoring Afghanistan' in *Sex Roles: A Journal of Research*, Sept, 2004 by Rina Amiri, Swanee Hunt, Jennifer Sova) among others. This is an urban issue as well as a rural issue (http://www.unhabitat.org/downloads/docs/1556_72513_CSDWomen.pdf). Attempts to move to western style land tenure systems from communal and matrifocused systems also contains threats (<http://www.sarpn.org.za/documents/d0000585/index.php>). There seems to be very little good policy analysis around on the issues, whether general or context specific.

- policy process issues: (i) why knowledge about the feminisation of poverty has had so little translation into policy, despite the availability of gender disaggregated data? (ii) how gendered are poverty reduction policies now, and are there cases of good practice to learn from? And (iii) a study on the policy effects of women's representation, with special reference to policies we think are of particular relevance to chronic poverty;
- specific policy issues: (i) the range of policy approaches possible to achieve an inclusive demographic transition, the conditions under which they can be effective, the range of obstacles to its achievement and strategies for overcoming them, together with the benefits of taking a gendered perspective to this issue. And (ii) on inheritance policies, closely linked to the IGT research theme (Box 6).



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The **Chronic Poverty Research Centre** (CPRC) is an international partnership of universities, research institutes and NGOs, with the central aim of creating knowledge that contributes to both the speed and quality of poverty reduction, and a focus on assisting those who are trapped in poverty, particularly in sub-Saharan Africa and South Asia.

Partners:

Bangladesh Institute of Development Studies (BIDS), Bangladesh

Development Initiatives, UK

Development Research and Training, Uganda

Economic Policy Research Center, Uganda

FIDESPRA, Benin

HelpAge International, UK

Indian Institute of Public Administration, India

IED Afrique, Senegal

Institute of Development Studies, UK

Institute for Development Policy and Management, UK

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Social protection

...where the emphasis will be on learning more about what works, how and why for the chronically poor, from existing programme related and other datasets and through a meta-evaluation.

Growth

...where four areas for work had been identified: (i) growth strategies in poor landlocked countries, with possible case studies in Niger, Burkina Faso, Uganda, Zambia, as a contribution to debates on fragile states and the 'bottom billion' countries; (ii) the political economy of growth in underdeveloped regions; (iii) urbanisation and infrastructure strategies which promote growth of accessible labour markets; and (iv) 'bottom up growth' based on social protection and other injections of value at the bottom of the pyramid.

However, with the global recession, plans are under review. The most important contribution CPRC may be able to make is to disseminate a clear analysis of how chronically poor people have benefitted from growth and the critical policy

lens, so that a strong evidence base is available once the economic upturn takes place.

Demand-responsive policy analysis

We also wish to retain a substantial demand responsive stream of policy analysis. A simple definition would be where there is clearly articulated demand from a policy maker or group, or where an issue is extensively debated in public, without adequate data. An example of the former is the request from the Uganda Social Protection Working Group for a feasibility study on a social protection pilot; of the latter, the brief presentation on social protection and dependency. This will remain mostly at country level, but there may be some specific cross-country or regional/international demands. A more generalised example is the demand from Indian policy makers, especially around the Planning Commission, for a 'legacy' product on chronic poverty and policy responses to it, to which the response is the planned India Chronic Poverty Report.

This research summary was written by Andrew Shepherd

Full references in this research summary will be found online at www.chronicpoverty.org/publications.