



How development cooperation can support pro-poor policy processes

Kate Bird, March 2009

1. Introduction

This briefing paper aims to provide insights into how to increase the likelihood that poor people will benefit from policy change in developing countries. It is targeted at SDC staff working to support an increased pro-poor focus within policy processes and programming in poor and transitional economies.

The paper is divided into three main sections. Immediately below, we explain what is meant by policy and by pro-poor policy. We then go on to discuss how donors influence the policy process, both intentionally and unwittingly. Section 2 identifies how to respond to the challenges of making policy processes pro-poor. It does this by suggesting approaches for each stage of the policy cycle. Finally, section 3 discusses how lessons from SDC's practical experience might be fed into policy debates.

1.1 Understanding pro-poor policy

1.1.1. What is policy?

Policy may refer to 'policy on paper' or 'policy in practice' and clarity is needed about the distinctions, which may be due to under-funding, poor policy implementation or the presence of conflicting policies. In the development sector, discussions about policy generally (but not always) refer to the policies of central governments in the south. Such discussions may also refer to the policies (and practice) of local governments; line ministries or implementing agents; civil society organisations, private sector organisations or bilateral and multilateral donors. This paper places a focus on the policies of central governments in the south.

'Policy' may refer to broad areas of government activity, for example its economic policy, social policy or foreign policy. Within these broad labels there may be a more specific focus, for example, a government's policy towards rural-urban migrants.

A more abstract idea is that of 'policy space', for example, around migration. A policy space typically tends to become more 'crowded' over time, with more and more governmental interventions and increasingly complex interactions among them (Hogwood and Gunn, 1984). Where a policy space becomes crowded, new policy tends to focus on the integration of existing policies and the removal of anomalies where policies work poorly together.

1.1.2. What is pro-poor policy?

A policy is pro-poor if it seeks to reduce poverty or improves the well-being of poor people. Policies may

seek to achieve this in a number of different ways. A key approach is to improve the assets and capabilities of poor people (Curran & de Renzio, 2006). Pro-poor policies include policy interventions that directly target poor people as well as those with a broader development focus. Universal social policies and the delivery of basic social services may strongly benefit poor people. For example, the delivery of free universal primary education in Uganda has disproportionately benefited the poorest households, as they were previously less able to afford to educate all of their children. Other policies are not specifically targeted but are assumed to have pro-poor outcomes. These policies are seen as necessary to change the broader policy framework that drives or maintains poverty. Such policies might include rural development programmes, national legislation on gender equality, institutional reforms and good macro-economic management. However other more closely targeted measures may be necessary alongside universal measures if the poorest or most excluded are to be able to take up, and benefit from, public services.

Targeted policies include those designed with the needs, preferences and capabilities of specific groups of poor people in mind. For example, they may seek to build the assets or broaden the opportunities of marginalised and excluded people. Alternatively, policies may be targeted either by socio-economic or demographic group or geographically. Such policies might include targeted social protection, pro-poor land rights legislation, or quota policies to counteract discrimination and increase access to free health care for poor people.

Some policies may aim to improve the terms by which poor people engage in society, politics or the economy, through, for example, enhanced labour rights, anti-discrimination campaigns, information and assistance to secure rights.

Some policies focus on attempting to generate short-run localised effects while others attempt to create long-run changes to the structure of the economy or to society. In addition, a wide range of policies will have (anticipated and unanticipated) differential effects on different groups and over time. Some general policies may, for example, improve the enabling environment for enterprise and strongly benefit the owners of larger businesses but generate a limited short-run benefit for very poor people. However, over the longer term such policy may generate employment and income growth and improve the availability of goods and services in local markets. Alternatively, a targeted cash-based social protection



measure may benefit recipients over the short and the longer term (alleviating food insecurity and enabling saving and investment) but other poor people in the same community not receiving the transfer may be negatively affected by localised inflation (stimulated by enhanced demand for goods and services) and see their ability to cope undermined. This illustrates the importance of understanding the likely short, medium and long term differential effects of development and pro-poor policies.

1.2 Poverty concepts

In order to understand which policies are important in improving the well-being of poor individuals and households in a particular context, we need to understand who the poor are, where they are, what makes them poor (poverty drivers), what keeps them in poverty (poverty maintainers) and what are the key 'exit routes' from poverty (poverty interrupters).

Drivers of poverty are associated with shocks like ill-health, injury, negative environmental events or trends, violence, the breakdown of law and order and market or economic collapse. Capability deprivation, translating into low levels of human, social and political capital, is a key maintainer that traps people in long-term poverty (Bird & Shinyekwa, 2003). Moreover, factors in the socio-economic environment (bad governance, limited economic growth, geography and social exclusion) can prevent the chronically poor from accumulating or accessing assets and pursuing the opportunities necessary to escape poverty (CPRC, 2004).

Understanding poverty as a dynamic process with differential causes and differential levels of severity and duration is helpful for the identification of appropriate policies and interventions. This is necessary if policies and interventions are to prevent declines into seasonal, transitory and long-duration chronic poverty, to reduce the severity of the poverty experience and to help individuals and households to exit poverty.

1.3 Identifying appropriate policies

There is no blueprint for poverty reduction and each country needs to identify the mix of policies which are best suited to its context (Curran & de Renzio, 2006), however, it is helpful to identify those policies that are most likely to have a pro-poor outcome.

To succeed, many of these require simultaneous action at the national, sub-national and local levels.

Some policies prevent a descent into poverty. Others address the factors that maintain poverty and still others assist people escape poverty. A composite set of pro-poor policies are likely to be more effective than those that focus on only economic growth; human

development; security, or rights, culture and empowerment.

1.4 Donor influence on the policy context, policy processes and outcomes

Poverty reduction strategy papers (PRSPs) have become the cornerstone of development assistance by linking debt-relief to poverty-alleviation strategies (Christiansen & Hovland, 2003; Booth & Piron, 2004). The principal behind the PRS approach is that they should be 'owned' by partner governments. Evidence of the effectiveness of PRSPs in achieving poverty reduction is mixed, but they have succeeded in putting poverty reduction more firmly on government agendas (Driscoll & Evans, 2004).

Donors can influence the policy of aid recipient governments, to a lesser or greater degree. One of the principles of the agenda set by the Paris Declaration, however, is that donors should seek to align with government-stated policies and priorities rather than pushing their own agendas (see section 1.5, below). Donors keen to support pro-poor outcomes may therefore wish to assess the differential effect of alternative aid modalities and identify ways of supporting poor people to influence policy formation and by supporting southern governments to improve the quality of policy implementation.

1.4.1. Aid modalities¹

The use of different aid modalities can have a profound impact on the ability of the state to formulate and implement policy and the donors ability to influence these. In this section we briefly outline a range of important aid modalities and suggest the impact that they might have on national policy making.

SWaps (Sector Wide Approaches) – these have emerged as an aid instrument to enable bilateral and multilateral donors to work collaboratively in key sectors. Funding is 'on budget', in other words going through government budgets and is typically medium term, fitting within the government's medium term expenditure framework (MTEF). SWaps allow aid recipient governments and their development partners to collaborate around funding and reforming a particular sector. This collaboration can allow for multidisciplinary and intersectoral thinking over a focused time period.

Vertical programmes – these have tended to emerge in the health sector, in particular, where resources have been ring-fenced for, for example, the identification, treatment and prevention of HIV/AIDS. Such programmes have been implemented by the Ministry of

¹ This section describes different aid modalities and their propensity for supporting poverty reduction. It does not discuss the advantages and disadvantages of the different modalities.



Health (and their local staff) with funds and instructions coming from central government. By circumventing institutional constraints, these programmes can increase efficiency and achieve specific short term goals (e.g. increased immunisation rates). They often attract substantial donor funds and tracing the impact of such expenditure can be easier than with other aid instruments. However, Vertical Programmes can cut across the priorities of local government and local communities who, for example, may wish to see a greater share of health spending allocated to the treatment and eradication of malaria. They have also been criticised as having a distortionary effect and of being short-termist. They can also undermine accountability to local communities and electorates and the embedding of administrative and institutional improvements, undermining longer-term poverty reduction and development goals.

General budget support (GBS) – the provision of unallocated donor funding through the national budget has been promoted as an alternative to the proliferation of uncoordinated aid. It has been seen as a mechanism by which recipient country governments might receive predictable and long-term aid in support of their own policies. By providing aid in this way, donor agencies can support greater harmonisation and alignment (see section 1.5, below) and enable (rather than undermine) national political processes and decision-making and greater accountability to citizens and tax payers. Aid specialists argue that relying solely on project aid can undermine government decision-making processes and electoral accountability to such an extent that the short term gains that they might deliver are at the expense of longer term political and institutional development. However, where government systems are weak or where corruption is prevalent GBS can be a high risk approach to delivering aid. Another challenge is that the extent to which GBS is pro-poor or not depends on the nature of the state – whether it is developmental or not and whether the policy elites are pro-poor in orientation or not (see Box 4, below, on the developmental state).

GBS is the aid instrument which allows recipient governments the greatest autonomy. Funds are ‘on budget’ as with SWAs, but funds can be vired between activities and sectors as they are allocated according to national budget making processes. This means that their effectiveness in supporting development and tackling poverty are entirely down to the policy choices of government and the effectiveness of the machinery of the state in delivery. Aid specialists argue that GBS is the best instrument for supporting the emergence of an accountable and developmental state, but in the short term poor people may well fail to see the benefits of this form of funding, if downward accountability is weak and delivery uncertain.

Projects – are widely used by donors, civil society organisations and governments in both the north and south to focus resources on particular populations, areas or processes and in order to innovate and experiment alongside routine business.

Donors providing a substantial proportion of aid through projects should make a commitment to do so within the framework of a harmonised and aligned approach. This makes it possible for the projects to complement policies outlined in the country’s poverty reduction strategy. Donors and implementing agents should provide government and other development partners with transparent information about their projects ensuring complementarity and completeness.

Projects can play an important role in supporting pro-poor policy making. Good project-related baseline data and impact assessment information can highlight the challenges faced by poor people and help in the policy agenda setting process. Successful (and even less successful) projects can also generate lessons for improved policy making and implementation – “this is what we should do” or “we should avoid making these mistakes again”.

Projects can be used to experiment and test new ideas. They can be important in supporting pro-poor innovation and ensuring that practitioners have a good understanding of the interplay between context, the structural causes of poverty, risk and shocks and opportunities, resilience and poverty exits. Good analysis and monitoring and evaluation can deliver important lessons to policy makers and other stakeholders. However, without care, donor funded projects can form enclaves of good practice, de-linked from government systems. They can form a patchwork, where lessons are not learned between projects and information is not shared with government and other actors. Gaps in provision can be driven by the preferences of the donor and implementing agent, rather than being due to the differential needs of certain areas or population groups.

1.5 Using harmonisation and alignment to contribute to poverty reduction

It is increasingly recognised that for aid to be effective, donors should work to support the policy priorities of aid recipient governments to support the development of ‘ownership’, rather than attempt to pressurise the governments to follow externally driven agendas, and should collaborate closely with other donors working in the same country (see Box 1, below). Donors have signed up to a number of international agreements, which represent their commitment to the this (DAC, 2005, ODI et al, 2006).



Box 1: Harmonisation and alignment explained.

Harmonisation refers to increased co-ordination and streamlining of the activities of different aid agencies. This involves agencies working together to introduce common arrangements for planning, managing and delivering aid, to reduce the use of complicated procedures and conditions, and share information. Relevant activities include jointly-developed diagnostics, joint country assistance strategies, agreed policy and fiduciary conditionality frameworks, and shared monitoring missions and evaluations.

Alignment involves donors allowing the partner government to take a leadership role in determining the policy agenda and in co-ordinating donor efforts. It entails not only donors working together, but also donors interacting with government.

There are two key elements of alignment: *systems alignment*, which involves donors using country systems and procedures to manage and account for aid, and *policy alignment*, which refers to donors delivering their assistance in accordance with the recipient's policy priorities.

Source: ODI et al, 2006.

Although the Paris agenda and its focus on harmonisation and alignment is seen as 'a good thing', many in the international community are concerned about the high transaction costs that result from donor collaboration and the watering down of a carefully developed approach. They also worry that unquestioning alignment with government priorities can compromise poverty reduction, where government policies and priorities are regressive, mistargeted or poorly conceived. There are similar concerns about working closely with other donors, where their priorities only weakly prioritise poverty reduction.

Where the developmental state is absent or national elites have priorities which are not supportive of poverty reduction, simply supporting government priorities can go against Swiss development priorities. For instance, national elites in an aid recipient country may view poor people as undeserving of support, assuming that they are poor only because they are lazy. They may assume that targeted measures will encourage such laziness and prefer to support policies which assume that poverty reduction will come about through providing people with incentives to 'pull themselves up by their bootstraps'.

Where donors work solely through GBS and focus their attentions 'upstream' and largely on liaison with central government officials and other capital-city-based donor representatives, they can face a number of challenges in maintaining an indepth and nuanced understanding of national realities. The high transactions costs involved in being effectively harmonised and aligned, combined with institutional and peer-based incentives amongst donor representatives can count against spending much time

in the field or maintaining an up-to-date, differentiated and multidimensional analysis of the 'ground realities'.

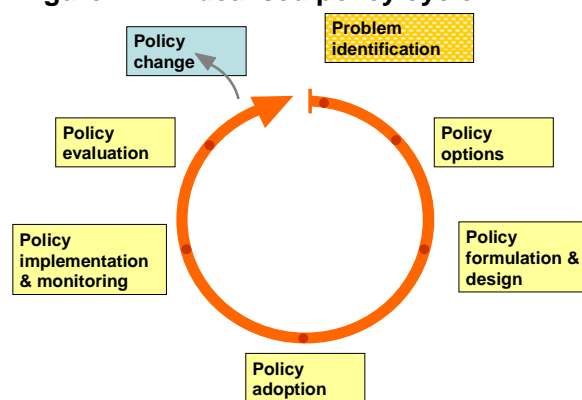
2. Responding to the challenges of making policy processes pro-poor

2.1 The policy cycle (in theory)

See Figure 1, below.

Problem identification. Decision-makers need to have access to good information if they are to identify the key issues constraining poverty reduction, pro-poor growth and development. This information should include good quality poverty analysis, which explores differentiation and poverty dynamics; economic analysis, which identifies the constraints to enterprise and sustainable livelihoods; social and cultural analyses, which report on demographic trends and key social and cultural phenomena. Such information allows decision-makers to identify a problem, its scale and severity and likely future trends.

Figure 1: An idealised policy cycle



Agenda setting. Once an issue is recognised as a problem, it needs to become policy makers' priority for policy innovation.

Policy options. Once a problem has been highlighted and policy makers have decided that it is a priority, they will identify a range of possible policy responses. In order to identify appropriate entry points they need a good understanding of the macro-economy, economic trends, constraints and opportunities in different sectors (including in the health and education sectors) to have a robust understanding of how the proposed measures will affect different groups of poor people over the short, medium and longer term. They will need to combine this knowledge with information about poverty and poverty dynamics. But policy options are often identified in a more chaotic manner, with options derived from ideology or the preferences of different lobbies.



Ex ante tools usefully included during the stages in the policy cycle which identify policy options and formulate specific policies. They can be used to examine the likely distribution of costs and benefits from a given policy option (e.g. Poverty and Social Impact Assessment – PSIA - or Poverty Impact Assessment - PIA). The results of the analysis can feed into policy modification and the development of mitigating and complementary measures..

Policy formulation. When policy options have been identified, a process of negotiation and discussion begins which identifies which of the options will best address problem, given existing resource and political economy constraints. A policy is selected and legislation drafted, discussed further and then ratified (or not).

Policy implementation. This is the process by which a ‘policy on paper’ becomes a ‘policy in practice’ and is turned into actions. As we have shown above, there are a number of challenges to the effective and pro-poor implementation of policy which is effective and efficient (meeting the needs of the target group(s), in a sustainable manner and at low cost).

Policy evaluation. Policy monitoring should be used to explore the entire policy cycle, including what happens to link one stage to the next (process) as well as assessing activities, outputs and outcomes. On-going monitoring can be used to ensure that the needs of the target group continue to be met and to identify any unanticipated positive or negative consequences.

2.2 Governance, institutions and the political economy of pro-poor policy processes

Pro-poor policies are adopted and implemented (or not) by actors and institutions. The management of such a complex set of policies requires institutions and governance structures that are capable and willing to devise, operationalise and implement such policies. Therefore, an analysis of pro-poor policies needs to look at institutions and government structures and the way in which they impact on pro-poor policy agendas and outcomes.

‘Drivers of Change’ (DoC) analysis delivers information to support this kind of strategic decision-making by examining the local situation, and the historical, underlying and longer-term factors that affect the political will and institutional capacity to support and implement pro-poor policies. An additional facet of the DoC approach is that it encourages serious reflection by donors on their role as political actors, and encourages the international community to understand how aid affects country-level incentives.

Box 2: Findings from DoC analysis in Kenya

Kenya’s economy grew and living standards improved during the first two decades of independence. However, many of these gains were erased by twenty years of stagnant or negative growth. Pro-poor growth is unlikely unless institutional reform takes place in Kenya, as the critical obstacles to growth are in the areas of political economy and governance. The central problem is that small groups with power and without wide accountability oppose otherwise desirable patterns of change. Currently the responsiveness of key institutions to citizens is limited by their narrow accountability, vested interests and the absence of appropriate incentives or restraints.

This suggests the following changes are necessary:

- citizens need to be empowered
- stronger mechanisms need to be put in place to make government institutions more accountable to citizens
- government needs to be subject to greater public scrutiny through the media, academia and civil society organisations
- party politics and the electoral system in Kenya needs to give citizens stronger voice and a real policy choice
- decentralisation policies are required to strengthen empowerment at the local level
- Civil Society Organisations need to be strengthened in order to increase demand for better government
- special attention should be given fostering empowerment of politically marginalised groups, such as women, AIDS orphans, the disabled, street children, slum dwellers and pastoralists

In order for positive change to take place, incentives need to be given to change agents in government.

Source: Ng’ethe, N., Katumanga, M., Williams, G. (2004)

Box 3: Who makes policy?

When thinking about pro-poor policy, it is important to remember that policies made by a range of bodies operating at different levels have an impact on the lives of poor people: national and local government (and their trading and diplomatic partners); the private sector (international, national and local); civil society (also international, national and local) and the international community. All have different perspectives, values and interests.

This paper focuses on the policy processes of national governments. But many governments do not have the autonomy that they would like. Highly-indebted nations and those with a high proportion of their national budget coming from aid can find that direct and indirect conditionality strongly influences their space for independent policy making. Multinational and transnational corporations can be extraordinarily powerful and can either ignore national policies or can help to direct multilateral policies in a way that undermines them. This may be particularly important in countries that trade internationally or that have large mineral stocks and extractive industries. Parliament may also find the



influence that it is able to exert limited by a powerful military, and national policy making may be distorted by elite capture.

2.2.1. Barriers to pro-poor policy formulation²

Policy process may fail the poor during agenda setting, policy formation and implementation.

Agenda setting: an issue which is important to the poor may never get on the policy agenda. This is particularly true of chronically poor, marginalised and vulnerable people, who tend to have low visibility or low priority or represent issues that are 'outside the box'.

Policy formation: an issue being on national, local or international policy agendas does not automatically mean that an appropriate policy will be formed.

Implementation: Once policies are formed there may be barriers to

- Legitimisation;
- Constituency building, and
- Implementation.

Analysis shows that evidence is not always used in decision-making (Bird and Pratt, 2004; Davies, 2005), and instead the problems identified may result from the ideology and personal preferences of the decision-maker or the degree of pressure that they have come under from particular lobbies or special interest groups.

Many barriers prevent the interests of poor people being represented in national policy debates. Their problems may not be seen to be sufficiently severe or large scale, and policy makers may not feel they can justify allocating time or budget to the issue. This can be because the issues are poorly understood or because other constituencies and interest groups are more effective or more powerful and therefore more able to dominate the attention of policy makers. It may also be that international or national policy narratives are such that there is low demand for information on these issues, and so little research has been undertaken or it has been poorly disseminated.

Problems might be fully understood and the scale and severity of the problem recognised, but policy makers may still be reluctant to respond, perhaps because they think that existing policies will be effective in tackling the problem. Alternatively policy makers and other elites may perceive some poor people to be undeserving of attention and resources. National political realities may

² This section draws heavily on Bird and Pratt (2004) 'Fracture Points in Social Policies for Chronic Poverty Reduction' ODI Working Paper No. ODI Working Paper No. 242/ CPRC Working Paper 47.

contribute to the failure to act. There may not be enough people facing the problem in key constituencies or democratic processes may be weak. Reducing poverty is complex and can be expensive, making it unattractive to politicians, who tend to want to appear decisive and effective over the short term.

2.2.2 Poverty reduction and the 'developmental state'

Democratic structures of governance are widely viewed as being best suited to addressing poverty and inequality, but representative democracies do not necessarily have a better record in poverty reduction (Moore & Putzel, 1999) and regime type does not necessarily matter as long as the state is 'developmental' in nature. A developmental state is a strong state, which has a political leadership with the vision, political will, policy instruments, institutions and capacity to pursue the medium- to long-term national "project" of development.

Where the 'developmental state' is absent the international community may support measures to improve governance and accountability over the long term and the introduction (or continuation) of universal policies, welcomed by policy elites, which will nevertheless benefit the poorest (e.g. improved education and health service quality and access). (See Box 4.)

Box 4: Characteristics of a developmental state.

State control and legitimacy

State authority and systems are strong and viewed as legitimate, maintaining political stability. Progressive taxes are collected, labour is regulated and the chronically poor protected. There is a sense of nationhood. Investment is attracted and promotes national development goals.

Public service

A powerful, competent, autonomous and stable bureaucracy exists. Its political loyalty is not tested and it has the authority to create, direct and manage economic and social development. Other effective institutions and networks exist to promote and implement economic policy.

Government legitimacy

Government has legitimacy and support and is not required to redistribute public goods or to change or block development policies or processes in order to retain support and power.

State and non-state actors

The state is relatively independent of special interests although it is well linked with non-state actors who contribute to policy formation.

Policy priority

Economic development is consistently prioritised by government policy, which promotes productive entrepreneurship.



National behaviour and attitudes

Social and technical innovations are generated domestically, or adopted from overseas, then adapted and used to solve problems and create functional institutions and systems. Tolerance, meritocracy, social mobility and high levels of education are valued and promoted.

Elite: Leaders promote development (which may also benefit them) and corruption is limited or at least not predatory.

Source: Cammack (2007).

2.3 Challenges in implementation

Once a policy has been designed, even if it is pro-poor in orientation, there are numerous factors that may prevent its implementation from being pro-poor. The political economy of a country not only influences policy formulation, it can also have a very substantial effect on whether policy implementation is pro-poor or not. The policy may not be implemented at all because it is politically contested and/or opposed by powerful vested interests. Alternatively, policy makers may have failed to build a constituency around the policy: the intended beneficiaries may not recognise that the policy is aimed at them or that it is an adequate response to their needs. The policy may not have been budgeted for, or implementation may fail because of weak administrative structures; distortion of policy by 'street-level bureaucrats' (i.e. front line staff) or due to inadequate human resources, corruption and institutional failures. Even where policies are implemented, their implementation may be partial or distorted, limiting the gains experienced by poor people.

2.3.1 Weak institutional capacity

The organisational structures of the state clearly matter but so too does the quality of a country's institutions (i.e., norms and practices). Globally, it tends to be institutions rather than the mode of government that underpin patterns of prosperity. Dominant economic institutions affect the distribution of resources and determine the incentives and constraints faced by economic actors. As a result, they shape economic outcomes. It is no coincidence that in rich countries, economic actors have secure property rights and can feel confident about law and order, that governance and monetary and fiscal policies are generally good or that various forms of insurance are available to mitigate risk. Nor is it a coincidence that in many poor countries, these arrangements are less strongly present.

Policy implementation depends on institutional capacity and the effective combination of financial resources, human resources and supplies. Implementing institutions require systems that mobilise and allocate resources, process information and act on findings and

regulate and monitor the delivery of services effectively (Lewis, 2006).

2.3.2 Public spending and budgets

A policy may have been formed and accepted by key stakeholders but unless the money is made available to implement it, nothing will happen. This makes national budgetary processes crucial. In many developing countries, there is a substantial discrepancy between the publicly-announced annual national budget and the figures disbursed to line ministries and implementing agents. This discrepancy is rarely even across different sectors and the decisions of who gets what resources and when can become highly political. Pro-poor budgeting, which is "deliberately biased in favour of the poor", can attempt to incorporate the interests of poor people in the budget process (Cagatay et al., 2000). But without accountability, there is little incentive to make the budget realistic and the leakage of funds means that allocated resources often do not reach the intended beneficiaries (Norton & Nelson, 2002).

2.3.3 Corruption

Corruption, or the use of public office for private gain (Gray & Kaufmann, 1998), not only affects economic efficiency but also increases income inequality and poverty. Corruption damages the level and efficiency of private investment and public spending, with negative effects on economic growth and development. It affects poor people's daily lives, with payments to corrupt officials putting basic services beyond their reach (Hardjono and Teggemann, 2003), and having to pay bribes can make people feel voiceless and powerless (Narayan, 2000).

Tackling corruption requires a good understanding of its structural drivers. These include low civil service salaries, weak downwards accountability and the absence of the rule of law (Gray & Kaufmann, 1998). Also, fiscal constraints in poor countries limit the redistribution possible through the budget and can lead to off-budget transfers within patron-client networks (Khan, 2006).

Downward accountability, transparency in the management of public finances and participatory budgetary planning and monitoring have been advocated as anti-corruption strategies (Hardjono & Teggemann, 2003). But where there are severe financial constraints, increased transparency and accountability are unlikely to solve corruption on their own (Khan, 2006)

2.3.4 Elite capture

Resources can be captured by the powerful. Inequality within households and communities can lead to the misappropriation of targeted assistance. There is also



often a bias in favour of high-potential, well-integrated and politically-influential areas and away from spatial poverty traps (economically and politically marginalised areas which have low potential and are geographically remote). Powerful sectoral interests can also distort redistributive programmes, particularly where governments struggle to allocate limited resources between key productive sectors and social programmes (Johnson & Start, 2001). Overt opposition to poverty reduction is less common, however, than indifference. The wealthy can be persuaded to support pro-poor policies and programmes if they see such changes as being in their interests, for example, if a link is identified between poverty and crime, social unrest or poor economic performance; by describing poverty as having implications for the country's reputation; or by demonstrating the political gain to be made from pro-poor measures (Hossain and Moore, 1999, 2002).

3. Linking lessons from practice to pro-poor policy processes

In this section we explore how to engage in policy processes using lessons from developing and implementing projects and programmes. SDC staff may find it useful to draw on a range of sources of evidence in order to develop strong (and pro-poor) messages to feed into policy processes. This is likely to include lessons from SDC's own programmes and a range of studies. These might include studies about political context; the macro-economy; poverty trends and dynamics and the drivers and maintainers of poverty and inequality; specific sectors, social and livelihood groups and localities.

3.1 Learning lessons from practice

The nature of SDC's international development assistance means that the organisation has access to wealth of information and lessons about poverty and pro-poor development. A challenge is to identify and consolidate these lessons and then to communicate them clearly. Data and evidence from project and programme monitoring systems can provide staff with robust evidence about the experiences of poor people, their access to (and the quality of) public services, the challenges they face in accessing opportunities for sustainable livelihoods (for instance through access to land, labour markets, credit, information, social networks and decision-making). Combined with this, of course, is the diversity of staff's own experience of the field.

3.2 How to translate findings into clear policy-related messages

Studies are often long and difficult to digest. Data may provide powerful evidence, but be in a format which is obscure to the lay person. For example, national

participatory poverty assessments show that access to decision-making is a real concern of poor and low status households, but the reports are hundreds of pages long.

SDC staff, or their partners, will need to translate evidence from relevant sources into clear policy-related messages. A first step is likely to be to discuss policy priorities: who do you want to communicate with, about what and why? Once priorities have been identified (issues, people/ groups/ organisations, timings) it will be easier to know which kind of issues need to be explored, what kind of evidence SDC's audience is likely to be more or less convinced by (human interest stories, statistical data), how stories or arguments should be presented, when it will be delivered and to whom.

4. Communicating pro-poor policy messages

Better communication is more than simply providing more information. Instead, it is about tailoring the information to different audiences and delivering it in a timely and persuasive manner. In this section we provide a brief overview of some approaches to communication that SDC staff have used when working to influence policy debates in a pro-poor way.

4.2 Making policy recommendations

When contributing to policy debates it is important to state clearly what SDC believes the problem to be, what the range of possible solutions are, and which one SDC would recommend. In stating the problem, the SDC representative should make a claim, then support it with evidence and make sure that the steps in their argument are linked in a coherent manner (Hovland, 2005). When outlining policy options, possible policy alternatives should be evaluated and compared and then a convincing argument for SDC's preferred policy alternative should be provided (Hovland, 2005). This objective and incremental approach can be very powerful.

4.3 Communication on behalf of poor and marginalised people

Many voices are competing to be heard in policy debates and if SDC is going to be heard, it helps to surprise your audience: 'All interesting theories share the quality that they constitute an attack on assumptions taken for granted by an audience. People find non interesting those propositions that affirm their assumption ground (that's obvious), that do not speak to their assumption ground (that's irrelevant), or that deny their assumption ground (that's absurd).' (Davis, 1971:331, in Hovland, 2005).

This suggests that SDC and its partners needs to make good use of evidence from projects and programmes



and that having a policy engagement strategy will increase effectiveness when talking on behalf of poor and marginalised people.

4.4 Enabling poor people to speak for themselves

While speaking on behalf of poor people, enabling them to contribute directly to policy making is arguably even more important. A member of the international development community might seek to increase voice by supporting trade unions and social movements. Alternatively they might empower poor people to participate in local decision-making. This might be complemented by projects and programmes to build local and national democratic processes.

4.5 Lobbying in a crowded field

When engaging in policy discussions SDC may wish to lobby other actors (donors, civil society organisations, parliament, government ministries), or support social movements, civil society organisations or the media in their lobbying activities. Lobbying allows organisations to further their objectives by influencing the direction and content of government (and other parties') policy decisions. To do this effectively SDC should aim to consolidate its reputation as having expertise and authority in fields relevant to pro-poor policy change. SDC can do this by seeking to have a consistent and well-informed involvement in steering committees, multi-stakeholder fora and sectoral committees (etc). At the same time SDC should continue to build strong relationships with relevant individuals and organisations (e.g. within government, within the international development community, in civil society). This will strengthen SDC's position in policy dialogue and increase the likelihood that SDC's staff and their partners will be invited to give advice on policy issues and to contribute to crucial discussions. SDC might also wish to influence other groups involved in policy processes and work in collaboration with others, as this helps to illustrate the weight of support for SDC's cause (Hovland, 2005).

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