



The politics of what works in tackling chronic poverty

Key Points

Politics underpins the success as well as the failure of poverty reduction initiatives. However, such processes are poorly understood. Our comparative research into this question revealed the following findings:

- Building sustainable programmes of support for the poorest groups involves extending the 'political contract' between states and citizens. New or renewed acknowledgements of state responsibility for previously excluded citizens characterise many social protection programmes.
- The processes driving the adoption of such programmes are complex and historically rooted. Donor agencies need to identify emerging political contracts; support them where possible; and crucially, avoid undermining them. This will require the stronger use of political and historical analysis, and better engagement with both political society and broad national discourses.
- Events matter. The 'politics of crisis' – moments of political upheaval where elites need to respond to new pressures – can provide more fertile ground than 'politics as usual' for the introduction of pro-poor policies. Such windows of opportunity cannot be manufactured but need to be closely monitored and responded to.
- Elections may offer opportunities to re-draw such contracts. There are often positive correlations between national polls and anti-poverty interventions. However, the quality of political institutions is critical. Dominant political parties, operating within well-institutionalised and broadly representative party systems, were often vital to success in the cases we examined.
- Within government, social sector ministries often provide a 'natural' home for pro-poorest policies, but require the political backing of key ministries (e.g. finance, planning). Cross-ministry partnerships and hybrid institutional arrangements might be worth exploring.
- Civil society organisations do not emerge as critical to the uptake of pro-poorest policies, although they may play a valuable role in forming a constituency of support for policies and ensuring accountability in implementation.
- Certain policies that reach the poorest rely on productive synergies with patron-client forms of politics, suggesting that trade-offs between the priorities of 'good governance' and poverty reduction may need to be considered.
- There is little evidence that programmes targeted at the chronically poor are politically unsustainable. Such programmes may endure and be expanded, even during economic decline, while more universal programmes can be placed under political pressure on cost grounds.

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.



- Before starting afresh, it is worth exploring the possibility that existing policies may be extended to include the poorest people. This approach was taken in many of the cases studied here, even where existing policies had colonial or discriminatory roots and required dramatic reform, and helps to build a more inclusive contract between state and citizens.
- Ideas about poverty matter. Better data (especially on the persistence of poverty) is important, but the broader battle of ideas in society – on the causes of poverty, or around concepts of development and nation-building – must be engaged with too. Elites need to be convinced that the poor face significant constraints that require public action. A renewed focus on causality within poverty diagnostics can play a role here, e.g. within PRSPs.

Introduction

The role that politics plays in shaping efforts towards poverty reduction has received growing recognition within international development over the past decade, from the ‘good governance’ agenda to attempts to encourage the formation of ‘developmental states’. Nonetheless, there is as yet little firm evidence concerning what sorts of political systems or practices might be more likely to produce pro-poor outcomes. This has left development theory and practice with poorly-grounded assumptions concerning the role of politics, often based more on ideology and wishful thinking than on historical evidence. Politics is still often seen as simply an obstacle to development.

This study seeks to move the debate forward by focusing on the actual politics of ‘what works’, i.e. on policies and programmes that have been successful in terms of reducing extreme forms of poverty (see Box 1 for a list of policy case studies). The first finding is that context matters – it is difficult to find any general conclusions that can offer adequate explanations for every success. However, it has been possible to draw out some general tendencies regarding the key dimensions of politics that have shaped some successful examples of poverty reduction.

Policy design and implementation

The design of a policy clearly has political dimensions, both in terms of whether and how it goes from being a proposal to becoming government policy, and in relation to whether it works in practice. Here we look at issues of targeting, the use of historical precedents to build support, and the institutional arrangements for delivering the policy – in central and local government.

Does more for the poor mean less for the poor?

The design of pro-poor policies can significantly affect the degree of political support that they attain. Firstly, our cases offer little support for the theory that the more closely targeted the programme, the less the poor will get. Several targeted programmes have been sustained for over one or two decades, and have seen their scope and funding rise over that time (e.g. India, Mozambique, South Africa), despite economic decline in some cases. Meanwhile, universal programmes may be more vulnerable to attack due to higher financial costs (e.g. Namibia). The specific character of the beneficiary group may also be important, with the elderly being widely recognised as ‘deserving’.

Building support – institutions, mainstreaming and building on history

The institutional arrangements for delivering pro-poorest policies are critical. Ensuring a good ‘fit’ between the policy and the organisational mission and culture of the delivering agency is central; but it is equally important to consider the relationship between this agency and the ministries of finance and planning. Social sector agencies can provide both advocacy and a natural home for such policies, but they tend to lack the institutional weight to promote or sustain significant policy initiatives. Long-term institutional partnerships, or ‘hybrid’ institutional arrangements for housing pro-poor policies, might be the most promising way forward.

In terms of efforts to mainstream pro-poor policy agendas, both the ‘cross-cutting’ and ‘stand-alone’ approaches to promoting social protection, in the PRSP reviews in Uganda and Zambia, respectively, have their strengths and weaknesses. The cross-cutting approach requires a smaller advocacy group to hold the attention of more powerful policy actors, whilst

the stand-alone approach may allow a new sector to display technical competence and make a reasonable budgetary case. However, it could also breed a degree of insularity that prevents moves towards the wider engagement that will ultimately be required for social protection policies to gain a broader political constituency.

Decentralisation – context is key

The role of decentralisation in policy and political success is highly variable depending on the political context. While positive synergies have developed in some cases (e.g. Bangladesh), and have even been central to success (e.g. India), the same is true of centralised approaches elsewhere (e.g. South Africa). This research supports wider findings that decentralisation can only be linked positively with poverty reduction where certain political conditions are in place, and that the current enthusiasm for decentralisation may be grounded more in ideology than empirical evidence.

Patronage politics: exploiting the progressive possibilities

Patron-client politics may leave more room for manoeuvre than is commonly portrayed. Although clientelism and corruption may undermine poverty reduction policies (e.g. this led to the closure of the GAPVU programme in Mozambique prior to its re-launch), some successful programmes work precisely because of a synergistic relationship

with patron-client politics at the local level. In Bangladesh, the VGD has benefited from the imperatives of both electoral accountability and the moral obligations of local political elites to distribute goods to the poorest groups. A relative lack of social 'distance' between elite and poorer people may be important here. It is important to explore the extent to which policies and programmes can be designed for political as well as technical optimality. This might involve working with local patronage structures, rather than in direct opposition to them, especially where there is evidence of moral reciprocity and accountability that may be stronger than the exploitative characteristics of patron-client relationships.

Reforming existing policies – using history to build support

Many 'new' pro-poorest policies build directly on existing policy initiatives, perhaps indicating a degree of path dependency in policy choices. Even discriminatory social policies, introduced by colonial regimes for the benefit of white citizens, are significant in having cut policy channels that could later be expanded by post-colonial regimes. Deepening and broadening such channels, rather than starting afresh, may have benefits in terms of ownership, continuity and the further development of any 'political contracts' that may have been established around this policy.

Box 1: The Politics of What Works case studies

The following cases of policy success were identified for investigation:

- Vulnerable Group Development Programme, Bangladesh
- Office for Assistance to Vulnerable People / National Institute of Social Action (GAPVU / INAS), Mozambique
- National Old Age Pension Scheme, India
- Old Age Pension, Lesotho
- Old Age Pension, Namibia
- Old Age Grant, South Africa
- Mainstreaming Social Protection in Uganda
- Mainstreaming Social Protection in Zambia.

Each of these cases has either demonstrably achieved a degree of success in reducing levels of extreme and/or chronic poverty, or recently been proposed as a means of doing so. The types of success range from protection from starvation to reducing structural forms of inequality, and include broader gains in terms of human and socio-political capital as well as reducing income poverty. Most cases have been running for ten years or more – a further sign of success. However, some very recent interventions have been included, primarily as a means of offering 'test-cases' for exploring the extent to which current donor thinking on promoting policies intended for the poorest is based on an accurate understanding of the politics of what works.



The power of ideas and data

Poverty policy is rarely just about poverty. Rather it is often a regime response to a wide range of pressures and incentives. Understanding political discourses around development is highly instructive, offering insights into the political project of the regime and the attitudes of the political class more broadly. It is notable that discourses of nation-building were strongly associated with many of the policies we investigated. Such discourses still exist in some poor countries, and could be engaged with more constructively by international actors.

More worrying are discourses that categorise some people as the ‘undeserving’ poor, blaming them for their poverty; and that dwell on elite fears of creating dependency amongst the poor. These can, for example, distort social protection programmes so that transfers to the poor are set at very low levels. In addition, shifts from ‘welfarist’ to ‘developmentalist’ approaches (e.g. the shift from food handouts to microfinance and training in Bangladesh’s VGD programme) may in some contexts move the focus of policy efforts away from the very poorest, for whom a swift progression to ‘development’ activities may be difficult.

The presence, quality and usage of different types of poverty analysis and data are of growing importance in relation to the politics of what works. It is particularly important that poverty is conceptualised in a disaggregated way in policy circles, rather than viewing ‘the poor’ as a uniform group. Evidence of success is critical to long-term political sustainability of policies, and requires close attention to high quality monitoring and evaluation approaches. There is a clear need to promote the construction of panel datasets, vulnerability analyses and more structural understandings of how poverty is caused in order to increase the attention to chronic poverty amongst policy and political elites.

Political Context and Drivers of Change

An understanding of political context – not just in terms of short-term shifts, but also the long-term development of institutions and political economy – is vital for those hoping to stimulate pro-poor change.

Events – including elections - matter

Our research suggests that the ‘politics of crisis’, rather than ‘politics as usual’, can provide more fertile ground for pro-poor policies to emerge. The potential and perhaps sudden opening of windows of opportunity need to be constantly monitored. Moreover, political events matter a great deal, particularly when they lead to changes in the terms of political settlements. It is at these moments that contracts between states and citizens are re-negotiated, and the political space to act is expanded. An obvious example is the transition from apartheid and minority rule to democracy and the election of an ANC-led government in South Africa. Even apart from huge societal changes like that, elections can offer opportunities for such negotiations, with regimes sometimes required to seek popular support from marginal groups.

From civil to political society

However, elections alone are seldom sufficient: parties and political party systems are also central. Parties that introduce pro-poor policies tend to have a broader programmatic agenda, and be either led by populist leaders and/or have strong social movement characteristics. They have often also attained a degree of dominance over other political parties in non-fragmented party systems. Within the executive, powerful ministries are key agents, with the inputs of both ministries of finance and social sector ministries usually required to give interventions both relevance and political sustainability.

With the exception of unions, civil society organisations have historically played a much more limited role in promoting pro-poorest policies than key actors within political society. This suggests the need to break with the current civil society paradigm, to focus more clearly on the role of key political actors, and to re-emphasise representative forms of democracy. However, civil society may prove important in terms of sustaining policies over time and helping to ensure accountability in delivery. There is some evidence that the presence of policies for these groups may create new ‘policy constituencies’ that will seek to protect the policy as a ‘right’, as with the pension system in India.

Policy spaces: context or a causal factor?

Recent debates concerning the spaces in which policy is debated and decided may be overemphasising these factors. Policy spaces do not emerge as defining features concerning



the production and implementation of pro-poor policies. As many of the interventions emerged from 'closed' policy spaces (e.g. within government ministries), as from 'open' ones, into which pro-poor advocates were either invited or have claimed. There is some evidence that this may be changing, and that this change is related to the longevity of democracy in different political contexts. Even so, it is frequently within hidden, informal spaces that the most critical decisions are made.

Longer-term dynamics

In terms of the drivers of change behind pro-poor policy-making, structural factors are central. This suggests that policy analysts need to focus on the long term in order to understand what is feasible for different regimes at particular points in time. Although there are some moves towards a greater recognition of this (e.g. DFID's Drivers of Change approach), this understanding of development as an historical process is often absent in current development thinking. In particular, trends in capitalist development, urbanisation, state formation and the development of the concept of citizenship appear to be important.

It is notable that social protection policies have often emerged at moments when major changes in economic structure create social upheaval – either as the demands of capital alter (as with the introduction of pensions for workers in the expanding mining industry in South Africa in the 1920s) or when the social impacts of liberalised capitalist economies become politically unsustainable (e.g. Mozambique from the late 1980s). This tends to support the idea that the 'impulse for social protection' emerges when some of the social institutions or customs that regulate the working of market forces are weakened or destroyed – what Polanyi termed the 'social disembedding' of markets.

Urbanisation is one of the processes that accompanies capitalist development, and several regimes have sought to counter the perceived ill-effects of urbanisation (e.g. influxes of the rural poor to urban areas) through pro-poor policies. Urban-rural dynamics are at the centre of state formation strategies, and there is often an apparent urban bias in social policy.

Patronage politics: exploiting the progressive possibilities

It is important to explore whether policies can be designed to work with existing political systems, to help ensure efficient implementation. Such political systems are often seen as part of the problem, with political 'patrons' distorting implementation to reward their supporters and their own interests more

generally. However, at least at local level, patron-client politics may leave more room for manoeuvre than commonly portrayed. Although clientelism and corruption may undermine poverty reduction policies (and certainly have done in the past e.g. this led to the temporary closure of the GAPVU programme in Mozambique), some successful programmes work precisely because of synergies with patronage politics at the local level. In Bangladesh, for example, implementation of the VGD has been driven both by electoral accountability and the widely-perceived moral obligations of local political elites to distribute some resources to the poorest groups.

Context matters, of course: a relative lack of social 'distance' between village elites and poorer people may be important in rural Bangladesh. Things might be different where caste-type systems are stronger, for example. However the possibility of working with local patronage structures, rather than in direct opposition to them, should be explored rather than discounted. In some cases, moral reciprocity and cultures of elite accountability may be stronger than the exploitative characteristics of patron-client relationships.

Towards a social contract for the poorest people

The strongest political underpinning for pro-poorest policies involves the formation of a 'contract' between the state and citizens. By 'contract' we mean a tacit agreement concerning state responsibility for certain groups, where a policy is seen as the right of the beneficiaries, and state failure to implement the policy has potentially serious political consequences. For example, the pension scheme in India is moving towards a position where it is expected and demanded by elder citizens as a right, as it is in South Africa and Namibia. The VGD in Bangladesh is underpinned by a two-fold contract: between recipients and local elites on the one hand, and between local and national elites on the other.

Challenging ways forward for development actors

There is an increasingly important global dimension to the politics of reaching the poorest, with global actors and thinking exerting a significant influence over national-level policies and institutional arrangements in many poor countries. However, and



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

Overseas Development Institute, UK

Programme for Land and Agrarian Studies, South Africa

University of Legon, Ghana

University of Sussex, UK

Contact:

Julia Brunt,
CPRC Programme Manager
j.brunt@odi.org.uk

although mainstream development actors have become more attuned to the politics of poverty reduction in poor countries, they continue to look in the wrong places at least some of the time. This is particularly the case regarding the significance of political society as compared with to the role of civil society, the importance of poverty analysis and political discourse, the potentially progressive role of patron-client politics and the importance of political contracts.

Supporting the development and deepening of political contracts is not easy for external actors. They could perhaps focus most usefully on avoiding doing damage to their emergence, and on supporting stronger political institutions

capable of developing these contracts. This will require better engagement with political society and understanding of social relations. Relevant actions might include: integrating social assistance programmes within well-supported policy channels; direct budgetary support; and by making links in their discourse between vulnerable groups, citizenship and nation-building. However, these findings also need to be tested more fully through more in-depth case-study research, which seeks to uncover more of the informal as well as formal aspects of policy-making in poor countries and studies a range of policies beyond those associated with social protection.

This policy brief was written by Sam Hickey and Tim Brauholtz-Speight

Endnotes

- ¹ DFID, 2004.
- ² Polanyi, 2001.
- ³ This is somewhat contrary to the findings of Grindle and Thomas, 1980.
- ⁴ Corbridge et al, 2005.
- ⁵ This is the argument forwarded by Gelbach and Pritchett, 1997.
- ⁶ Jutting et al, 2005.
- ⁷ De Waal, 2000.
- ⁸ Booth, 2005.

References and further reading

- Booth, D. (2005) 'Missing Links in the Politics of Development: Learning From the PRSP Experiment', ODI Working Paper 256. London: Overseas Development Institute.
- Corbridge, S., G. Williams, M., Srivastava, M., and Véron, R. (2005) *Seeing the State: Governance and Governmentality in India*. Cambridge: Cambridge University Press.
- de Waal, A. (2000) 'Democratic Political Process and the Fight Against Famine', IDS Working Paper 107. Brighton: IDS.
- DFID (2004) *Drivers of Change*. A public document. Available via: <http://www.gsdrc.org/>
- Gelbach, J. B. and L. Pritchett. (1997) 'More for the Poor Is Less for the Poor: The Politics of Targeting', World Bank Development Research Group. Washington DC: World Bank.
- Grindle, M. and J. Thomas (1980). *Politics and Policy Implementation in the Third World*. (Princeton: Princeton University Press).
- Jutting, J. et al (2005), 'What Makes Decentralisation in Developing Countries Pro-Poor?', *European Journal of Development Research*, 17(4): 626-648.
- Nelson, J. (2000) *The politics of social sector reform*, Washington DC: Overseas Development Council.
- Polanyi, K. (2001/1944) *The Great Transformation: The Political and Economic Origins of Our Time*. Boston MA: Beacon Press.

This briefing paper summarises the findings of the CPRC research programme "The Politics of What Works in Tackling Chronic Poverty", undertaken in preparation for the forthcoming Chronic Poverty Report 2008.

It was funded by the Netherlands Ministry of Foreign Affairs, and led by Sam Hickey (University of Manchester, UK), with Tim Brauholtz (ODI, UK), Naomi Hossain (BIDS, Bangladesh), Anand Kumar and Navneet Anand (Jawaharlal Nehru University, India), Claudio Massingarella and Virgulino Nhate (Ministry of Planning, Mozambique), and Lissa Pelham (independent consultant).

Full details will continue to be updated at: www.chronicpoverty.org
Comments to: sam.hickey@manchester.ac.uk