

Poverty reduction in Rwanda: focusing on chronic poverty

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introduction

We will argue that there is a need to consider poverty reduction in Rwanda through the lens of a chronic poverty perspective

- ⌘ Inequality and continued persistent deep-rooted poverty among (large) marginalised groups as a serious risk to stability
- ⌘ There is a lot of chronic poverty in Rwanda (see below)
- ⌘ Experience of other countries, notably Uganda
- ⌘ Current policy discussions are not considering this, and there are serious risks

There is more than enough evidence to make this case now

And now is an appropriate time to be raising these issues in Rwanda

success and fragility

Nine Years Post Genocide

- ⌘ Peace, democratisation, functioning state and reintegration
- ⌘ But rights, political freedoms, division, conflict and poverty

Understanding Poverty

- ⌘ Structural: land, environment, geography, economic shock
- ⌘ Conflict: 1959 to 1994

Locating the PRS

- ⌘ National agenda : political , social, economic transformation : long-term with short-term fragility and risks
- ⌘ Political transition, constitution, *gacaca*, decentralisation, conflict ...AND internationally endorsed PRS

implications for thinking about cp

mixing little and big pictures

Livelihoods 'plus'

- ⇒ Capitals work but.....
- ⇒ politics and big pictures matter
- ⇒so does context of trends and shocks

Conflict, rights, transparency

- ⇒ Conflict to CP
- ⇒ CP to conflict : 'grievance and greed', exclusion and inequity
- ⇒ Freedoms: transparency guarantees and protective security

Assets

- ⇒ Highly applicable markers
- ⇒ Clarity in approach
- ⇒ Analysis to action : driving, maintaining, interrupting

current policy + implications

Questioning Assumptions

- ⌘ Need to interrogate , opportunities to do so

Delivering the PRSP, good governance, peace and security

- ⌘ Vision 2020, PRS, Framework for Good Governance
- ⌘ Policy absence to beginnings, architecture: education, poverty monitoring
- ⌘ Linking up – District plans, *Ubudehe*, CDF, policy

Policy and strategy level : identifying the nexus

- ⌘ Rural development, agricultural transformation and employment generation
- ⌘ Land
- ⌘ Agricultural commercialisation
- ⌘ Labour-intensive public works

evidence on chronic poverty (i)

Sources of information

- ⌘ Good information base on poverty: qualitative and quantitative
- ⌘ No longitudinal survey data ... but can still assess CP

Poverty in Rwanda

- ⌘ Very strongly rural
- ⌘ 41% with very low consumption levels
- ⌘ Very high levels of inequality, including land inequality

PPA gives valuable insights re . different categories of poor

- ⌘ Six distinct categories, two clearly CP, third with substantial CP
- ⌘ Severe, persistent deprivation in multiple dimensions
- ⌘ Destitute, casual labourers and very small scale farmers
- ⌘ Lack of land, livestock, hunger, insecurity, illness

Table 2.3. The Characteristics of Households in Rwanda

Category of Household	Characteristics
<i>Umutindi nyakujya</i> (those in abject poverty)	Those who need to beg to survive. They have no land or livestock and lack shelter, adequate clothing and food. They fall sick often and have no access to medical care. Their children are malnourished and they cannot afford to send them to school.
<i>Umutindi</i> (the very poor)	The main difference between the <i>umutindi</i> and the <i>umutindi nyakujya</i> is that this group is physically capable of working on land owned by others, although they themselves have either no land or very small landholdings, and no livestock.
<i>Umukene</i> (the poor)	These households have some land and housing. They live on their own labour and produce, and though they have no savings, they can eat, even if the food is not very nutritious. However they do not have a surplus to sell in the market, their children do not always go to school and they often have no access to health care.
<i>Umukene wifashije</i> (the resourceful poor)	This group shares many of the characteristics of the <i>umukene</i> but, in addition, they have small ruminants and their children go to primary school.
<i>Umukungu</i> (the food rich)	This group has larger landholdings with fertile soil and enough to eat. They have livestock, often have paid jobs, and can access health care.
<i>Umukire</i> (the money rich)	This group has land and livestock, and often has salaried jobs. They have good housing, often own a vehicle, and have enough money to lend and to get credit from the bank. Many migrate to urban centres.

Source: PPA

evidence on chronic poverty (ii)

Use PPA insights plus survey to identify clear CP groups

- ≡ Primarily reliant on wage labour, farming or without work
- ≡ Landless or near landless (<0.2ha); and
- ≡ No large livestock (goats plus)
- ≡ Only part of CP – chronic ultra poor?

Numbers and characteristics

- ≡ 13.4% of population
- ≡ Clearly deprived in multiple dimensions cf. others in same activities: schooling of children, housing, consumption poverty etc.
- ≡ Include one third of hhs primarily reliant on agric. wage labour

Various distinctive characteristics including

- ≡ Very strong gender dimension: female headed, “missing men”
- ≡ Smaller households on average
- ≡ Apparently include both under- and over- employed

evidence on chronic poverty (iii)

Other identifications of CP given broadly similar patterns

- ⌘ Extreme consumption poor or larger land threshold (0.5ha)

Other associations

- ⌘ Insecurity and after-effects of conflict major issue in PPA: security precondition for reducing risk and for poverty reduction
- ⌘ Issues include land, having hh members in prison
- ⌘ Loneliness, lack of social support and dignity

Strong evidence for deprivation in different asset categories identified by Hulme et al (2002)

Labour markets and the poor

- ⌘ Agric wage jobs important for poor (PPA, survey), esp. women; but irregular/unpredictable
- ⌘ Jobs out of agriculture as key escape from poverty (PPA)
- ⌘ Mixed evidence on extent of underemployment and diversification

land and livelihoods (i)

Policy and Law : Land

- ⌘ “the establishment of a secure land system for all Rwandans and to ensure proper and sustainable land use”
- ⌘ Stop fragmentation, promote consolidation: min 1 : max 50 ha
- ⌘ Land to the landless but not all Rwandans can be farmers

Questions

- ⌘ Policy contradictions : professionalisation, redistribution
- ⌘ Dispute: elite capture, land registration for the poor
- ⌘ Poor evidence link to livelihoods
- ⌘ Contribution to conflict vulnerability

Impact on CP

- ⌘ Small sizes economically non-viable (PPA)
- ⌘ Collective registration economies of scale
- ⌘ Need for continued holding as coping strategy

No evidence that policy will benefit the chronic poor and significant risks

land and livelihoods (ii)

Policy : Agricultural Commercialisation

- ⌘ Agricultural growth = strong spillover effects = local non-farm activities increased fertiliser potatoes, coffee, tea
- ⌘ Importance of inputs: traditional/non-traditional: livestock
- ⌘ Developing infrastructure, including environmental

Questions

- ⌘ PPA shows importance of livestock: absence in CP households
- ⌘ Plot sizes, profitability and ability to capture benefits of incentives
- ⌘ Direct and indirect benefits and timescale
- ⌘ Agriculture and non-agriculture wage labour : little known

Impact on CP

- ⌘ Unknown , will vary with land use, incentives and h/h capability
- ⌘ Household composition important : gender, children
- ⌘ PPA confirms : labour may be an interrupter but non ag. wage labour

land and livelihoods (iii)

Policy : LIPW

- ≡ Rural public works, provide employment, build infrastructure, low wage rates at present
- ≡ PRS: based at local level , investigate guarantee schemes
- ≡ Cost of programme > \$100m

Questions

- ≡ Programme under development : policy and imp. unclear
- ≡ Based on assumptions on under/unemployment : little evidence on 2ndary activity
- ≡ Targeting
- ≡ Tensions between redistribution/social protection and efficiency

Impact on CP

- ≡ Issues of inability to participate
- ≡ Gender important
- ≡ Seen as highly significant by the poor

Likely to be very important for CP impact of whole PRS

conclusions

CP is of critical importance

- ≡ Identifiable groups that are CP by any definition
- ≡ Real links to conflict vulnerability, and social and political stability

CP is critical importance for the PRS

- ≡ PRS will not achieve its poverty reduction aims or contribution to social stability without a focus on CP
- ≡ Given this CP perspective, growth with redistribution is essential

Need to consider all public actions from CP perspective

- ≡ Calls for ex ante analysis of CP impacts; this is feasible now
- ≡ Implications for
 - ≡ public policy dialogue
 - ≡ data collection and analysis (qual and quant)
 - ≡ financing