State Responsiveness to Poverty: The Politics of Pro-Poor Policy-Making and Implementation[1]

The purpose of this research was to reveal to reform-minded policy makers the specific conditions under which organs of the state may be expected to become more responsive to the poor. It explored the politics of policy (formulation plus implementation) with particular reference to health and agriculture, using the method of intensive case study in two Indian states (Andhra Pradesh and Madhya Pradesh) and two medium-sized African countries (Ghana and Uganda). It was undertaken by a team based at ODI and IDS in the UK with partners in India, Ghana and Uganda.[2] It was conducted alongside and integrated conceptually with research into "How, When and Why does Poverty get Budget Priority?" undertaken by the Centre for Aid and Public Expenditure at ODI.

Background and objectives

The background to the project was the state of the policy debate on the politics of poverty reduction at the beginning of the new millennium. The MDGs had been launched. The World Development Report 2000/01, "Attacking Poverty", was in draft. As an input into that report, DFID Governance Department had commissioned a series of state-of-the art papers on the politics of poverty reduction.[3] There was a growing recognition among development practitioners and academics that political factors in poverty-reduction processes need more attention. While, as the WDR work showed, a few basic propositions about politics and poverty were well-established by research, there were many remaining puzzles and a shortage of firm conclusions to guide donor agencies and other policy makers.

As explained below, the proposal identified four specific gaps in understanding as of early 2000. The research questions arising from this have lost none of their relevance. On the other hand, the subsequent evolution of policy-makers' concerns has altered somewhat the context in which such questions need to be asked, making them even more pertinent. Two subsequent developments are particularly worth mentioning.

The first is the emergence within DFID not only of a general awareness that politics matters, but also a specific argument about rooting donor strategies in a

---

[1] UK Department for International Development (DFID) supports policies, programmes and projects to promote international development. DFID provided funds for this study as part of that objective but the views and opinions expressed are those of the authors alone.

[2] David Booth, Joy Moncrieffe (ODI), Anne Marie Goetz, Rob Jenkins (IDS/Birkbeck College), K. Jayalakshmi, Tasnim Khorakiwala, Gopinath Reddy, Ratna Reddy, Vikas Singh (India), E. Gyimah-Boadi, Francis Appiah, Thomas Buabeng, John Larvie (Centre for Democratic Development, Accra), Samuel Kayabwe and Xavier Nsabagasani (Makerere Institute for Social Research, Kampala).

[3] Mick Moore and James Putzel, *Thinking Stategically about Politics*, Brighton: IDS, Working Paper 101, Oct 1999.

more profound understanding of processes of change in countries. This refers to the field of work now known as Drivers of Change (DoC). The DoC agenda calls for intensive research-based reflection on political contexts country by country. The present research is not a DoC exercise. However, the multi-layered comparative enquiry it has attempted provides a useful complementary perspective, contributing especially to the issues about medium-term political dynamics that have been identified as a weak point in the current DoC framework.[4]

The second new element in the context of the research is the PRSP initiative. Since we began our research, PRSP processes have become established as the fulcrum of donor-country interaction in many countries, and as a significant, if not always the most important, institutional focus for national policy making for development. There is now a body of research on the effectiveness of the innovations associated with PRSPs in enhancing the quality of policy processes.[5] Three findings from these studies underscore the relevance of the research reported here:

- actually existing PRSP processes have a tendency not to involve some of the major actors and institutions in the political life of the country ;
- many of the bottlenecks in making PRSPs credible policy instruments have to do with their relationship to the national budget process;
- a PRSP is only as good as the policy thinking within key sectors, such as agriculture and health;
- in many countries, PRSPs have had an impact only at the national, capital-city level; yet key services and significant resources have been or are about to be devolved to local government.

It follows that the politics of national policy, the budget, sector planning and decentralised planning are crucial to thinking about how to make a success of PRSPs.

The research was designed to produce four outputs:

- clarification of how political parties and other features of "political society" mediate between the state and organisations of the poor, at national and local levels;

- better understanding of how reforms of the budget process can change incentives at different levels of government in a pro-poor direction;

- clarification of the conditions under which poverty programmes and related reforms create new rights or entitlements that can be claimed by poor people;

---

[4] Drivers of Change Team, "What Does Drivers of Change Mean for DFID? A Draft Approach Paper", Aug 2003.

[5] David Booth (ed.) *Fighting Poverty in Africa: Are PRSPs Making a Difference*? London: Overseas Development Institute, 2003.

⦙ better understanding of the way the exercise of discretion by front-line service providers can influence the effectiveness of government programmes for the poor.

Political society and political parties

The focus on political society, and political parties in particular, reflected a deliberate effort to break with the rather exclusive and simple-minded treatment of poverty-reduction politics in terms of a dyadic relationship between the state and civil society, to the neglect of intermediate organisations and networks of patronage.

Budget reform and incentives

This output was the responsibility of the CAPE "How, When and Why" project and was completed with the publication of its synthesis report in May 2002. The reporting on this component is separate and is therefore not reproduced here. However, our main findings are quite strongly reflected in the reporting of this complementary project.

Programme designs and the claims of the poor

This focus was prompted by the findings of Joshi and Moore and others on India, suggesting that certain types of programme design can stimulate poor people's organisation and their ability to make enforceable claims. The research also aimed to identify in a broader way benign and negative features of programme design from the point of view of implementation favouring poor people.

Front-line workers: incentives, decisions and outcomes

A major theme of the world literature on the policy process has been the need to focus on implementation, as one of the processes in which policy (*de facto* policy) is made. Within that perspective, a famous proposition is that front-line state agents or "street-level bureaucrats" typically operate within organisational environments and under resource constraints that compel them to exercise a discretion that is not formally recognised.

There is much evidence that the way front-line providers manage their situation is a critical variable in the quality of service delivery in developing countries. Our research design did not permit a close an examination of the subject. However, the research leads to some striking conclusions regarding the way different types of programmes and models of decentralisation affect the parameters of service-provider discretion.

Methods

The research took the form of a multi-layered comparison. At each level, case studies were undertaken on the basis of literature surveys, field visits and interviews. At the sub-continental level, sharp contrasts were expected. They

were likely to be of a fairly obvious kind, but they would ensure that any emerging policy principles could be formulated at a relatively high level of generality.

At the next level, the AP/MP and Ghana/Uganda pairs were each selected on the basis that they exhibited both important similarities and significant differences. For example, there are interesting differences in respect of the institutional locus of poverty-reduction and approaches to decentralisation of pro-poor services.

Within each of the states/countries, we examined overall features of the political environment for pro-poor policy action, and then focused in on particular reform measures or programmes in the agricultural and health sectors. The roles of central and local government, and the corresponding political issues, were explored.

In India, these issues were explored across selected locations with different characteristics. In Africa, they were investigated in two contrasting districts in each country.

Implications of the findings for policy and practice

In this Research Report, we organise the findings under the three "output" headings of the original proposal. In each case, we provide bullet points on the implications for policy and practice, with a very brief indication of the nature of the findings themselves. The appended "Long Version/Draft Briefing Note" gives a slightly fuller account of the findings and the types of evidence and reasoning that were used in drawing the implications

Political society and political parties

❏ Movements of the poor are relatively rare. In typical environments, few NGOs are good at facilitating such processes.

Movements of or on behalf of the poor were not observed at all in the research, even in the Indian cases. This tends to confirm that the famous examples of such movements from parts of Latin America and Asia are exceptions that prove the rule. That is, the poor as such will be hard and risky to mobilise.

❏ The development of political parties and movements linked to parties is of critical significance to getting political backing for reforms that favour poverty reduction and the poor.[6] The relative neglect of this topic by donors needs to be corrected.

❏ The context in which party competition occurs exercises a strong influence on the attractiveness to them of pro-poor policies. Therefore, remedial action should be focused on changing the context, not circumventing the party system (e.g. by focusing on civil society organisations instead).

---

[6] Issues include the institutionalisation of competitive party *systems* and parties as machineries of interest-aggregation and policy formulation.

❑ Among the principal obstacles, and potential areas for remedial action, are:
1) ethnic voting traditions;
2) clientelistic mechanisms for delivering the mass vote which dilute the link between voter choices and the content of party election platforms; and
3) the tendency for pro-poor policy measures to take the form of large-scale programmes that provide big opportunities for the diversion of state resources to powerful groups within or outside the structure of the governing party (see next sub-section).

The Indian examples considered include contrasting cases within a well-established party system, whereas the two African countries exhibit important contrasts within the framework of poorly-established systems. Across the whole range of variation, however, party competition under a universal-franchise constitution offers reasonable prospects, on balance and on the appropriate time-scale, of pro-poor initiatives being adopted into the mainstream of policy.

❑ Across all the cases, there is support for the observation that pro-poor reforms can be seriously intended by leading political actors, but that this intention will invariably be *mediated* by calculations of political advantage. Political advantage will normally come from allowing some measure of diversion of state resources to groups with power.

Differences between the cases mainly concern the degree to which non-core power groups are able to share in these advantages. In the Indian studies, a significant finding is that the beneficiaries are not restricted to members of the governing party but also extend to opposition elite groups. Perhaps because party systems are less mature, this is not apparent in the African cases. Major benefits seem to be restricted to governing cliques, with only petty favours being distributed to supporters to sustain their allegiance. In other words, there is little to contradict van de Walle's thesis that African neo-patrimonialism is fundamentally elitist and not redistributive.[7]

❑ As a rule, one should expect both a "system" that corrupts efforts to maintain the pro-poor thrust of policies, and room for variation and non-systemic behaviour. Reform policy should do what it can to make the exceptions more frequent but should concentrate on addressing the systemic properties in feasible ways.

In all the countries covered by the study, there are observed differences between local-government areas reflecting the ability of a key individual or pair of individuals to "make a difference". An honest Collector, until he is transferred out, or a dedicated Chief Administrative Office allied with a politically astute District Chairman, can and do make local administration more effective or fairer in one place than in otherwise comparable locations. In some cases, the factors have more to do with physical or political geography, but the important distinction between system and variations within the system still applies.

---

[7] Nicolas van de Walle, *African Economies and the Politics of Permanent Crisis, 1979-1999*, Cambridge: University Press, 2001.

Programme designs and the claims of the poor

❏ Complex programme designs are not likely to be helpful to poor people, and should be avoided as far as possible.

❏ Highly consultative programme design processes do not give a particular advantage to poorer stakeholder groups.

Complex programme designs create multiple entry-points for non-poor actors, which will normally have the effect of pushing them off their formally-intended course. Subversion of programme designs by more powerful stakeholders should be expected and planned for, but involving the poor or their representatives in the design process is not an effective guarantee.

❏ Preventing "capture" of programme benefits by local elites or the non-poor is unlikely to be achieved by by-passing the formal structures of local democracy. Building parallel programme institutions is unlikely to improve the relation of political forces in a way that favours the poor and can easily have the opposite effect.

Across all the cases, actors have political incentives to build programme-implementation institutions in parallel with the constitutionally-mandated structures of local government. In both Indian states, the *Panchayati Raj* institutions that are constitutionally mandated are largely by-passed when it comes to implementing major programmes. In the African cases, the political coalition behind pressures to build in parallel is likely to include bilateral donors or multilateral lending institutions. Impatience at the pace of change, the desire to deliver benefits directly to poor people and other laudable motives can interact with "disbursement pressure" to disfavour the long, hard slog of institutional change and legitimise short-cuts.

Front-line workers: incentives, decisions and outcomes

❏ The rhetoric surrounding decentralisation programmes should not be taken at face value, and decentralisation should not be identified in a simple way with responsiveness to the poor.

Decentralisation of major service-delivery responsibilities is a feature of all the programme areas investigated, across all the locations. However, the degree of real decentralisation is not closely correlated with reputation for decentralisation.

❏ The relation between formal policy and informal norms in decentralised systems is typically not synergistic.

In India, decentralisation has fuelled the development of a powerful "contract culture" in development activities at the local level, leading to decision making that is driven by clientelism and influence. Our case studies show how this applies in agriculture. In health services there is a "micro-politics" of distribution that works against those without economic resources or influence and determines the allocation of postings. In the African cases, there are no signs of a market in

postings, but plenty of evidence that health personnel exercise discretion in a way that enhances their own incomes to the detriment of quality service to the poor.

❏ In view of these generalisations, national policy making needs to be informed by a sense of "the way things are" at the front line of service delivery.

Decisions about the pace of decentralisation, or the abolition of user fees, for example, should be based on anticipation of the likely effects on the incentives facing front-line providers.

❏ The first instinct of pro-poor policy makers managing a process of decentralisation is to introduce mechanisms of financial control that limit discretion and attempt to ensure that central-government priorities, including poverty reduction are respected. This is understandable but wrong.

In both Uganda and Ghana, the institutional dynamics are very different between distant areas with a big NGO presence (Kabale, Bongo) and more central areas with none (Mukono, Birim North). This raises the question of whether any single policy design could ever cover both without a significant misallocation of resources.

❏ Arrangements for user involvement in monitoring service provision are often the weakest elements of programme design. This may mean that it is more likely that users will make claims on service providers as citizens via general democratic processes and the mass media than via specialised user bodies.

The reasons for the lack of success in user councils are some combination of their being profoundly counter-cultural, and the fact that no significant actors have any incentive to make them work.

❏ To the extent that the formation of beneficiary groups is essential to the delivery of the service, it will normally be preferable to facilitate the empowerment of natural groups, even if they are led by local elites.

While this may interfere with targeting, the first-best solution of functioning groups of the poor will often be completely non-feasible. Groups formed artificially in order to be a conduit for funding, and on a schedule determined by disbursement targets, will be last-worst.

❏ All of the above suggests that both control-oriented and by-passing approaches to preventing local elite capture have major limits. It is therefore better to "wager on democracy" – that is encouraging formal constitutional bodies to assume their responsibilities fully – while taking action to improve the terms on which poor people engage in such contexts.

Suitable actions include well-targeted civic education, literacy programmes and affirmative action to secure representation of groups likely to be under-represented. Unless a culture of rights is well-developed, providing information about administrative entitlements will be sufficient and most effective.

Dissemination

Planned dissemination consists of:

- 3 extended papers published in interim form as ODI Working Papers;
- a short statement of findings published as an ODI Briefing Paper;
- 3 academic articles submitted to refereed journals and/or an edited book;
- 2 lunchtime meetings.

The two large papers attached are first drafts for the published Working Papers. These are now being peer reviewed under the standing ODI arrangements. The synthesis paper of the complementary research on "How, When and Why does Poverty get Budget Priority" is also attached for information.

The Briefing Paper and one of the journal articles will be based on the long version of this research report, which is also attached.

Ratna Reddy has published a number of articles in the *Economic and Political Weekly* on watersheds in India, which draw on the research for this project. Vikas Singh has submitted an article to the *Economic and Political Weekly* special issue on service delivery, drawing on the Madhya Pradesh study. Gopinath Reddy and K. Jayalakshmi are submitting an article to the *EPW* on the subject of the AP-based community health worker scheme studied for this project. Details are being obtained. Jointly authored journal or book submissions have been discussed with the Ghana and Uganda teams.

We wish to organise dissemination and discussion meetings with policy makers and authors of cognate research in Kampala and Accra, using the modest budget for meeting arrangements for this instead of the proposed London lunchtime meeting.

List of attached documents

"Research Report R7609 (Long Version/Briefing Paper Draft)"

Foster, Mick; Adrian Fozzard; Felix Naschold, and Tim Conway, *How, When and Why does Poverty get Budget Priority: Synthesis Paper*, London: ODI, Working Paper 168, May 2002, 54 pp.

Jayalakshmi, K.; Tasnim Khorakiwala; Gopinath Reddy; Ratna Reddy; Vikas Singh; Anne Marie Goetz, and Rob Jenkins, "A Comparative Study of Development Interventions in the Indian States of Andhra Pradesh and Madhya Pradesh", Brighton: IDS, Oct 2003, 130 pp.

Moncrieffe, Joy; Xavier Nsabagasani; Samuel Kayabwe, and David Booth, "Country Report: Uganda", Updated First Draft, June 2003