

Issues and methods in poverty auditing

This section draws heavily on an original article by J Mullen (2002)¹

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Introduction

Tanzania’s Local Government Reform Programme (LGRP) is committed to decentralisation. The intention is to improve the delivery of services to everybody but to poor people and women in particular.

Service delivery will be improved, at least in part, by (a) empowering communities and (b) making sure that local authorities are more open about what they do and can therefore be held to account for their actions.

The LGRP Restructuring Manual describes the 17 steps that Councils have to go through to become decentralised. This includes the need for them to evaluate their own performance. They have to recognise where and when global influences and the macro-economic environment will affect them in ways that they cannot control. They have also to recognise the opportunities which the decentralisation process presents for developing a pro-poor system of development at the various local levels.

The UAPP’s three-into-one poverty auditing process was designed to assist the LGRP self-assessment system. This section considers some issues and methods associated with the overall process and highlights the ways in which it is linked to the LGRP.

One of the main objectives of decentralization is to bring government closer to the people so that the delivery of services to the rural poor is more effective and sensitive to their needs, and that there is an increased level of participation by the population, both in the process of decision making itself and in the benefits thereby generated. As such decentralization could be considered a development strategy.

Mullen (2002)

¹ Joseph Mullen (2002) Poverty Auditing for District/Municipal Development Programmes within the Local Government Reform Programme: Tanzania (LGRP) – Issues and Methods

The history of poverty

Many of the present poverty problems have their roots in history. It is easier to find solutions when we understand the historical background to the difficulties. The poverty auditing process will therefore find out about some of the following topics.

- How was access to land and water organised before the outsiders came? How were production and marketing systems organised? What were the roles of traditional leaders? How did people cope with problems such as epidemics and slavery?
- What was the impact of the Europeans on the pattern of local production? How were the traditional way of doing things affected by taxation, labour migration, cash cropping, and becoming part of an international economic system?
- How are present patterns of living different from the past? Not only in terms of agriculture, manufacturing and trade, but also in terms of health, education, employment opportunities, and safety nets for vulnerable groups?
- What do people think are the good and bad things in the past and the present? How could the good things be built into future ways of living and working?

(Studies) in Tanzania suggest that carefully crafted village level plans for poverty reduction, involving local communities, have led to high expectations but low levels of actual implementation.

In many instances this was not due to a lack of decentralized authority to plan, nor lack of participation, or good projects, but due to a lack of budgetary resources, implementation capacity or lack of commitment by the district authorities to decentralize its powers to the Ward and Village Levels.

It is only in the Village Assembly that the population at large has a voice.

(Mullen, 2002)

‘Decentralisation’ is a key feature of the LGRP. Tanzania has experimented with various form of decentralisation in the past. The 1975 Villagisation Act dreamed of “the creation of real multi-functional government at the local level”. What lessons have been learned?

Governance and poverty

Governance is about influencing and regulating how people interact with each other. This applies from the local level all the way through to the international level. Amongst other things it deals with the relations between rich and poor.

The two biggest governance issues involve figuring out how much a government should:

- control the means of producing wealth (free market v state control), and
- redistribute wealth and therefore close the gap between the rich and the poor

Over the centuries a lot has been said for and against the various options for governance. The present fashion is for a basically free-market system with safety nets to protect the most vulnerable. There is also a preference for decentralised forms of government. The success of whatever theory is tried will of course depend on the people who work in the system being willing, able and honest!

Governance is necessary because different people have different ideas about what is best for themselves personally and for the greater good of everybody. Compromises have to be made. This leads to some people saying one thing but doing something else.

The poverty auditing process has to find a way through this confusing area of theory and practice. It can do so by finding answers to questions such as:

- Where does poverty reduction figure in the Vision, Mission Statement, Goals and Objectives of each Council?
- Is there a deep ethical or cross-party commitment to reducing poverty by redistributing wealth at Council level or are decisions based on free market forces or political convenience?
- Does the Council have a user-friendly way of involving Civil Society Organizations in helping it to provide services?
- Does the Council (or its sub-committees) organise consultations with stakeholders who are affected by policies, particularly those from deprived or marginalized remote communities?
- What formal channels of communication operate between Ward Councillor, vijiji and vitongoji/mitaa in relation to Council policy and operation decisions?
- Is ndugunisation a real threat to recruitment for Council positions or are current LGSC regulations adequate to ensure equal opportunities for all - including women and non-locals?
- Does the Council/Municipality publicize its meeting in advance and are these open to the public?
- Does the IFMS (Platinum) system provide a better way for people to inspect financial efficiency?
- Is there transparency and accountability in granting tenders for public works and in supervising the quality of the work?
- Are records on collection of the development levy made public? For example - number of tax books issued and returned, amount collected and retained by village/ward/mitaa; names of recipients of tax collection books; comments of the CAG's Report on tax collection in the District?
- Are vijiji/mitaa encouraged to assume ownership of local initiatives through matching grants, use of hatua kwa hatua and kijitegemea approaches?
- Is the system of allowances sensibly administered in relation and in proportion to the different sources of financing for both councillors and LG personnel?

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The assets of the poor

Assets are the resources and possessions that people can use to make a livelihood and a life worth living.

The main assets of poor people are:

- land
- labour
- social capital
- consumer goods (radio, bicycle etc)

For poor people to make good use of their assets they need a range of support services which the Council might provide.(see the box).

The Council might also be needed to protect the assets of the more vulnerable members of society ie women, children, the elderly and the disabled.

The poverty auditing process could find how well the Local Authorities are helping to protect the assets of the poor by seeking answers to the following questions.

- Does the Council provide a legal framework to ensure security of land tenure for housing and agriculture in both rural and urban areas? Are false land claims and attempted privatisation of common property resources stopped despite the status of, or incentives offered by, the people involved?
- In protecting, conserving and managing the environment, are licenses carefully monitored and discussed in the full Council eg for logging water use, chemical waste disposal, change of pastoral land use?
- Taking the poorest wards in the district, what is the condition of the road/track network during (a) the rainy season and b) the dry season from the vitongoji to the vijiji and on to the market location.
- Does rural farming face labour shortages? What has been the impact of AIDS on agricultural or industrial output? Is there a gender and age dimension to this? Are appropriate education programs put in place by the relevant LG departments
- In poor areas, how many jobs have been created locally, how many unemployed have become self-employed, how many new business have started-up, in how many cases has vocational training led to people getting finding jobs?
- Are there biases which work against products sold by the poor; eg disproportionately high levies on small quantities, lack of marketing information, monopoly purchasers offering promises to pay rather than cash, ridiculous labour rates during the 'hungry season', different labour rates for men and women for the same work?
- Can the Council development services get to the poorest areas on a regular basis; what is the average frequency of visits and numbers of schemes eg e.g. extension, livestock, women's development, business development, community development?
- Is there a cultural strategy in partnership with local communities to record local history, values, beliefs and traditional knowledge; for example local dance and performing arts groups, communal working practices, and patterns of family solidarity?
- Does the Council have a Ward-based community poverty reduction plan, which was designed in partnership with local organizations? Has the plan led to an improvement in social and economic services? Has it created a strong, caring and sustainable local economy.

Council support

- regulation of land titles
- water development
- forest management
- agricultural extension
- rural roads
- promotion of smallholder business
- creating employment
- licensing
- financial markets
- health services
- schools
- services and utilities
- empowerment of women

Local Government Spending

How and where does the Local Authority spend its money? It never has enough money for all the work that needs to be done. People have to decide how much to spend on which sectors (education or health or roads?) and how much to spend in the various different wards and villages.

The Local Government Reform Programme believes that decisions about how the budget is spent should be based on policy, hard facts (statistics) and participation. Broad based participation and partnership will make sure that the process is open and that everyone knows about and agrees to what is going on.

Broad based participation and partnership makes sure that the Local Authority budgeting process is open and that everyone knows about, and agrees to, what is going on.

The poverty auditing process will check to see how well the theory is being turned into practice. It will look for answers to questions such as:

- When people are deciding how to spend the budget, to what extent are they influenced by (a) political pressure and (b) how far the area falls short of national standards?
- How are budgets divided up between Wards? What proportion of the development and revenue budgets goes to the poorest wards?
- To what extent are the needs of the poorest groups of people represented in the Finance and Planning sub-Committee of the Council? Are they represented directly or through civil society organizations?
- Does the Council deal with households of all income levels or does it reach out to the poorest ones?
- Do cost-sharing arrangements mean that the poorest families cannot afford basic services like education and health?
- What safety nets are put in place by both public and private providers?

Involving the community in auditing poverty

Poor people are the real poverty experts. They live with their problems every day and know whether or not poverty reduction strategies are working. It is therefore essential that poor people are involved in defining the problems, designing the solutions and monitoring and evaluating the results.

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Special methods have been designed to make sure that communities can participate effectively in development processes. Some of them are listed here.

Participatory Rural Appraisal (PRA)

PRA involves a group of methods that encourage local people to talk about and analyse their lives and conditions. This leads people to planning what action to take and how to monitor their performance, achievements and progress. The process takes quite a lot of time and uses maps, discussions, simulation, cause-effect sequences, and pictures drawn on the ground. (Note - PRA can also be used in urban areas.)

Participatory Poverty Assessment (PPA)

The goal of PPA is to describe the local pattern of poverty as local women, men, civil society organisations and government people understand it. PPA uses many PRA techniques.

There are several problems with both PPA and PRA

- the results depends on who participates (men are often more vocal than women),
- seasonality influences who is free to participate, and
- the interests of the researcher often influence the results.

Facilitated Self Assessment

This approach uses bits of PRA and PPA but it is more structured. It involves a predefined list of questions (a questionnaire or profile) which is used to guide discussions. Different versions of the profile are used with different stakeholders eg village people, civil servants and NGO staff. The results from the different profiles can be compared so as to highlight the claims, concerns and issues of the different stakeholders.

Stakeholder Analysis

Stakeholders are people who are affected by a development process. Stakeholder analysis involves making a list of all stakeholders so they can be included in the process. It is useful to think of primary and secondary stakeholders.

Stakeholders are people who are affected by a development process.

The **primary stakeholders** in a poverty audit are poor people. It is important that they are involved because they know a lot about poverty at the Ward level. When they are included the strategies for poverty reduction can be worked out on the basis of wide agreement and commitment.

The **secondary stakeholders** include local government departments, civil society organizations including NGO's and religious groupings, opponents of empowerment of the poor such as vested interest, and other winners and losers in the process.

It is also possible to think about stakeholders in terms of being rural or urban, male or female, old or young. It is often useful to also think of them in terms of level of market integration and access to services, livelihood and production patterns, and cultural and ethnic characteristics.

Unless you have done a thorough stakeholder analysis you might miss key stakeholders when you use PRA, PPA or Facilitated Self Assessment methods.

Community involvement in Strategic Planning

The LGRP Restructuring Manual gives detailed guidelines on stakeholder analysis, objective setting, data collection, organisational review and the overall process of change management. These are all topics to be covered as part of a full poverty audit and they can be investigated by using questions like the ones listed below:

- Are poor people represented in the Village and Ward Development Committees; how can their representation be strengthened?
- Are health, education and water services physically and socially accessible to the poorest people in the community? If not, how can these be improved?
- Has a Participatory Poverty Assessment (PPA) been carried out in the poorest wards of the district? What conclusions can we draw from it?
- What percentage of established posts are filled in the poorest wards? Where are the main gaps in service provision?
- Has the council developed SMART objectives for poverty reduction for every ward of the district?
- Have the costs of implementing the SMART objective been worked out and a partnership agreement discussed with the communities to establish ownership and commitment.
- Has the Council developed a system for cost sharing, pooling of resources and shared implementation (e.g. hatua kwa hatua) with local level communities and NGO's.
- Does the Village Council give financial and project progress reports to the Village Assembly - for example about the locally held levy and other financial matters as discussed in the WDC.

SMART Objectives

S = Specific
M = Measurable
A = Agreed
R = Relevant
T = Time bound