

TRAINING NOTES ON POVERTY ANALYSIS AND ASSESSMENT

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In these ‘training notes on poverty analysis and assessment’ Dr Mullen makes a broad and comprehensive tour of the main concepts and ideas that underpin this vital topic. He begins by noting what social development is and is not and sets poverty analysis and assessment within that context. He then tackles the concepts of ‘vulnerability’ and ‘livelihoods’ within the broad framework of sustainable development. On those solid foundations he goes on to review existing policy instruments for poverty reduction. The review includes topics such as participation, empowerment, the role of the state and NGOs, and the thorny topics of decentralisation and stakeholder analysis. The notes end with a review of what is involved in creating an enabling environment for poverty alleviation. This review includes such cross cutting topics as gender, the environment, land, credit, safety nets, technology transfer, food security and civil unrest.

These notes offer crucial background reading in support of the manual “Auditing Poverty in Tanzania – a joint approach at local government level” which was produced in December 2003 by the UAPP in support of the Local Government Reform Programme.

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A PERSPECTIVES ON SOCIAL DEVELOPMENT POLICY

1 *What Social Development Is*

The concerns of social development are multi-dimensional: political, economic, ethical, spiritual and value-related, that is based on “human dignity, human rights, equality, respect, peace, democracy, mutual responsibility and cooperation, and full respect for the various religious and ethical values and cultural backgrounds of people” (UN Social Summit No 25).

Social development is concerned with all the social dimensions of development and covers every aspect of human development and relations among people at every level from individual to nations. It is central to every type of aid relationship, investment or service and, in a way, represents the human conscience of all economic, political or institutional policy interventions. While it is concerned with issues of poverty, gender, participation, social protection and exclusion, it is equally concerned with equitable distribution, empowerment, human rights and equitable relations between households and communities.

2 *What Social Development Is Not*

Given that there are many misconceptions about social development and the tendency to equate social development with welfare, it may be helpful to state what social development is not.

Social development is <u>not</u>	
a residual category to mainstream economic or technical development	because all forms of development should be analysed in view of their compatibility with social values.
just concerned with poverty and social exclusion	it is also concerned with the analysis of the root causes of poverty, how these can be addressed through affirmative, people-based initiatives and people-friendly structures.
just concerned with welfare services for dependants, and the marginalised	while care of the weak is a social obligation, social development is also concerned with the productive capacity of the poor and the supportive human investments required to create asset enhancement.
just concerned with women’s issues	gender relations equally affect men and women and cannot be viewed as isolated from the mainstream forces in society.
just concerned with human capital development	people cannot be treated just as a capital resource or as a commodity; the social fabric of their lives include cultural, ethical and family value systems which are irreducible to monetary or market values.

3 Social Development Policy Framework for Action

A social policy framework of action requires a holistic approach which is inclusive of and complementary to other disciplinary approaches. These are spelt out in the World Summit (No 26) and are summarised as follows:

- people are central to development and economies should serve peoples' needs
- adopting futuristic perspectives on resource utilisation by ensuring inter-generational equity and patterns of sustainable resource use
- integration of economic, cultural and social policies and recognition of the interdependence of public and private spheres of activity and economic and social issues
- promotion of equitable income distribution and equitable access to opportunities
- support and respect for indigenous peoples and their cultural practices and religions
- promotion of social development values in national policies, i.e. democracy, human dignity, social justice, tolerance, non-violence, pluralism, social inclusion of disadvantaged and vulnerable groups, protection of human rights, fundamental freedoms and security
- transparent, accountable and honest government
- empowerment of people including women, is perceived as an objective of social development
- recognition of the right of refugees and internally displaced persons to return voluntarily to their places of origin

4 Poverty Analysis

1 Introduction

Poverty analysis is the activity by which poverty criteria are applied to mainstream policies, at macro, meso and micro levels to ensure consistency between poverty values and investments, interventions, markets, goods and services and corporate practices. Poverty analysis is a form of 'poverty proofing' or 'poverty screening' of mainstream economic and political activities and as such examines social relations. It is not confined to social services, the poor or marginalised but examines resource and power distribution within society as a whole and the structure of disadvantage or institutionalised deprivation. Techniques, with a wide application, include Participatory Poverty Assessment and Poverty Analysis.

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2 General Guidelines for Poverty Analysis

The following lead considerations contribute to a more robust poverty analysis:

- Stakeholder Profiles
- Participatory Poverty Assessments
- Analysis of Participation of Beneficiaries and Non-Beneficiaries
- Role of Women
- Mitigation of Negative Conflicts
- Good Governance

3 Guidelines for Social Analysis

Guidelines for Analysis of Poverty Reduction Projects

- The sociocultural and demographic characteristics of the beneficiary community, its size, sex distribution, and social structure including ethnic, tribal, and class composition.
- The way in which the beneficiary community has organized itself to carry out productive activities, including the structure of households and families, availability of labour, ownership of land, and access to and control of resources.
- The project's cultural acceptability; that is, its capacity for both adapting to and for bringing about desirable changes in the beneficiary groups' behaviour and in how they perceive their needs.
- The strategy necessary to elicit commitment from the beneficiary population and to ensure their sustained participation from design through to successful implementation, operation and maintenance.
- The need and concerns of sensitive beneficiary groups such as minorities, women, and so on.

Source: Baum and Tolbert (1985).

A Checklist of Project Social Criteria

- does the project contribute to a balanced mix of social and economic projects?
- how does the project contribute to the satisfaction of basic human needs?
- is the project to be located in a depressed rural area?
- who will be the principal beneficiaries of the project?
- what is the role of the community in project identification and design?
- what is the role of women?
- what is the job creation effect?
- what is the project's impact on the alleviation of poverty?
- what are the foreign exchange effects?
- is the technology to be used labour-intensive or capital intensive?
- what is the management structure and capability?
- will it damage the environment?

Box 1: Case Study - Social Values in National Policy: the New Development Policy in Malaysia (NDP)

The NDP in Malaysia has a basic strategy of eradicating poverty and restructuring society 'so as to correct social and economic imbalances and thereby contribute to national unity' (Malaysia's Vision 2020, p430). Key characteristics of the NDP which have a substantial social dimension are¹

- optimum balance between economic growth and equity
- reducing and ultimately eliminating social and economic inequalities and imbalances
- reducing disparities between urban and rural areas
- greater welfare imbued with social and spiritual values
- culture of merit and excellence
- protection of the environment
- establishing a mature and tolerant society
- establishing a moral and ethical society, strong moral and religious values, while remaining liberal and tolerant

The extent to which pronouncements on social values are actually integrated into the political and economic life of the nation is dependant upon an empirical study of a country's record on the issues in question.

¹ Fadil Azim Abbas (1999) 'Poverty Reduction Strategies in Malaysia' pp 115-116 in *Rural Poverty, Empowerment and Sustainable Livelihoods*, J Mullen (ed), Aldershot: Ashgate

B VULNERABILITY AND LIVELIHOODS

The concept of sustainable livelihoods is increasingly prominent in social development discourses. This section will examine some of the conceptual and methodological issues related to vulnerability and livelihoods. The section will conclude with some reflections on how policy can adversely or favourably affect livelihoods.

1 *Towards an Understanding of Vulnerability*

The concept of vulnerability is closely associated with exposure to risk and a certain fragility through a lack of social, physical or economic defence mechanisms to cope effectively with the risk. The nature of vulnerability may differ and include gender dimensions or status. There is a definite correlation between dependency and vulnerability: children, young girls, the elderly refugees; victims of war and of violence are particularly vulnerable. Rahman² for Bangladesh has particularly focused on the vulnerability of women.

Vulnerability is not considered as synonymous with poverty but according to Wratten (1994)³ includes exposure to risks, shocks and stress, and states of defencelessness and insecurity. It is closely associated with social assets such as access to basic services of education and health and access to productive assets of wealth, employment, land and incomes. The link between vulnerability and poverty, particularly in relation to risk aversion to borrowing is perceived as increased indebtedness (Chambers R, 1989).⁴

The understanding of how external factors of policy shocks, environmental disasters such as droughts, floods, cyclones, religious or ethnic discrimination can effectively undermine livelihoods of particular vulnerable groups is helpful in explaining how livelihoods of households may decline particularly at times of economic reform and liberalisation. Seldom, one single factor may be associated with vulnerability; more often it is a fluctuating set of conditions creating a systemic state of deprivation. For example fragile ecosystems are closely associated with poverty; approximately 60 per cent of the world's poor population are to be found in fragile ecosystems and remote, ecologically vulnerable areas. It is estimated that 50 per cent of the poor in Asia live in these areas (IFAD, 1992).⁵

A related concept germane to vulnerability is that of 'entitlement' which has been developed by Sen (1981).⁶ Entitlement refers to the various ways in which individuals or households command resources. Sen argues that it is the capability or right to use the resources rather than their existence. In the case of famine, Druze and Sen (1989)⁷ postulate that it is caused, not by shortages of food, but by limitations in entitlements to food production.

Box 2: Vulnerability

“Poverty is not only a state of deprivation. It is equally a state of vulnerability. For the female half of the rural population, vulnerability without doubt constitutes a core element of the poverty experience ... the sources of vulnerability may lie in the specific nature of the social and institutional environment in which households and individuals live and hence have to be recognised as such.”

² Rahman Hossain Zillur (1995) 'Crisis and Insecurity: The "Other" Face of Poverty' in *Rethinking Rural Poverty: Bangladesh as a Case Study*, Dhaka: University Press

³ Wratten E (1994) 'Conceptualising Urban Poverty', paper for United Nations Centre for Human Settlements (Habitat) *Global Report on Human Settlements 1996*, London: London School of Economics

⁴ Chambers R (1989)

⁵ IFAD (1992) *World Poverty Report*, London: Intermediate Technology

⁶ Sen A K (1981) *Poverty and Famines: An Essay on Entitlement and Deprivation*, Oxford: Clarendon Press

⁷ DrÈze J and A K Sen (1989) *Hunger and Public Action*, Oxford: Clarendon Press

2 Sustainable Development and Livelihoods

(a) Sustainability And Resource Conservation

Sustainable development is defined by the World Commission on Environment and Development (1987) as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”, page 8.

This definition of sustainability contains a number of key concepts relating to our understanding of sustainability in the context of environmental preservation and natural resource management. The first refers to the concept of needs, how needs fulfilment are achieved in a form of inter-generational equity and how the scientific and social capacities to meet these needs both in the present and future are established.

Sustainable development is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”

Sustainable development is predicated upon a premise of meeting basic human needs of all and by inference of eradicating absolute poverty - a perspective which is further reinforced in the World Summit on Social Development (United Nations), 1995. Lessons from experience of focusing development efforts in a single-minded manner on meeting basic human needs in terms of food security, clean drinking water, housing, basic health services, education and jobs in a supply driven manner have shown the difficulties of maintaining high levels of recurrent expenditure and the interdependence between social expenditures and the levels of growth within the economy as a whole. Hence, the basic needs approach has been confronted by the dynamics of its own sustainability, but within the context of economic and administrative reforms that advocate enhancing economic growth and productivity, reducing public expenditures and social service delivery.

The World Commission on Environment and Development (WCED) Report (otherwise known as the Brundtland Report) addresses equity also within generations (intra-generational) as well as between generations (inter-generational). It reflects a concern for rectifying imbalances between a skewed distribution pattern of resources between countries and within countries. The principle of intra-generational equity is addressed more specifically in the Rio Declaration’s definition of sustainable development “to equitably meet developmental and environmental needs of present and future generations”.

The principle of **intra-generational equity** is addressed more specifically in the Rio Declaration’s definition of sustainable development “to equitably meet developmental and environmental needs of present and future generations”.

The concept of bequeathing a resource to succeeding generations implies also a conservation and preservation of capital by which the capital stock passed down must be at least as great as that inherited by the present generation. Here there are considerable variations between high income and low income countries. High income countries have, relatively speaking, already transformed their natural capital into industrialised and financial capital whereas low income countries have retained their natural capital in terms of nature and habitats. This process raises a set of questions which are beyond the scope of this paper:

- what are the decision processes in government and in relation to civil society to determine whether a country’s natural capital should be conserved?
- how should risks affecting the irreversibility of processes be assessed?
- how should benefits be calculated in the decision process to convert natural capital into social or economic capital, e.g. investment decision regarding logging, which in turn affects loss of biodiversity, natural habitats and climate change.

(b) Sustainable Livelihoods

The term sustainable livelihoods suggests an aggregate of different social development concepts mirroring substantially the content of sustainable development but with “little clarity about how contradictions are addressed and trade-offs are assessed” (Scoones, 1998).⁸

A working definition is suggested by Chambers and Conway (1992).⁹ A livelihood comprises the *capabilities, assets* (including both material and social resources) and *activities* required for a means of living. A livelihood is *sustainable* when it can cope with and recover from *stresses and shocks, maintain or enhance* its capabilities and assets, while not undermining the natural resource base. (italics mine)

The definition highlights a web of concepts which have been developed above; capabilities and capacities which are closely related to Sen’s entitlements and also form a key theme in the UN Human Development Report of 1997¹⁰. Assets are both social and economic; the social could include social services, human development and institutions; economic refers to capital, production infrastructure and markets.

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Activities provide tangible evidence of the presence of capabilities or active user access to opportunities and the exercise of choices. Sustainability reflects our previous analysis of the concept above and is linked to the coping strategies of vulnerability. The literature often emphasises the environmental dimension of sustainability and its relationship to natural resources (Mullen 1999)¹¹. However, rural and urban livelihoods overlap and each livelihood is embedded in its own geographical, social and spatial setting. This is illustrated in Figure 1.

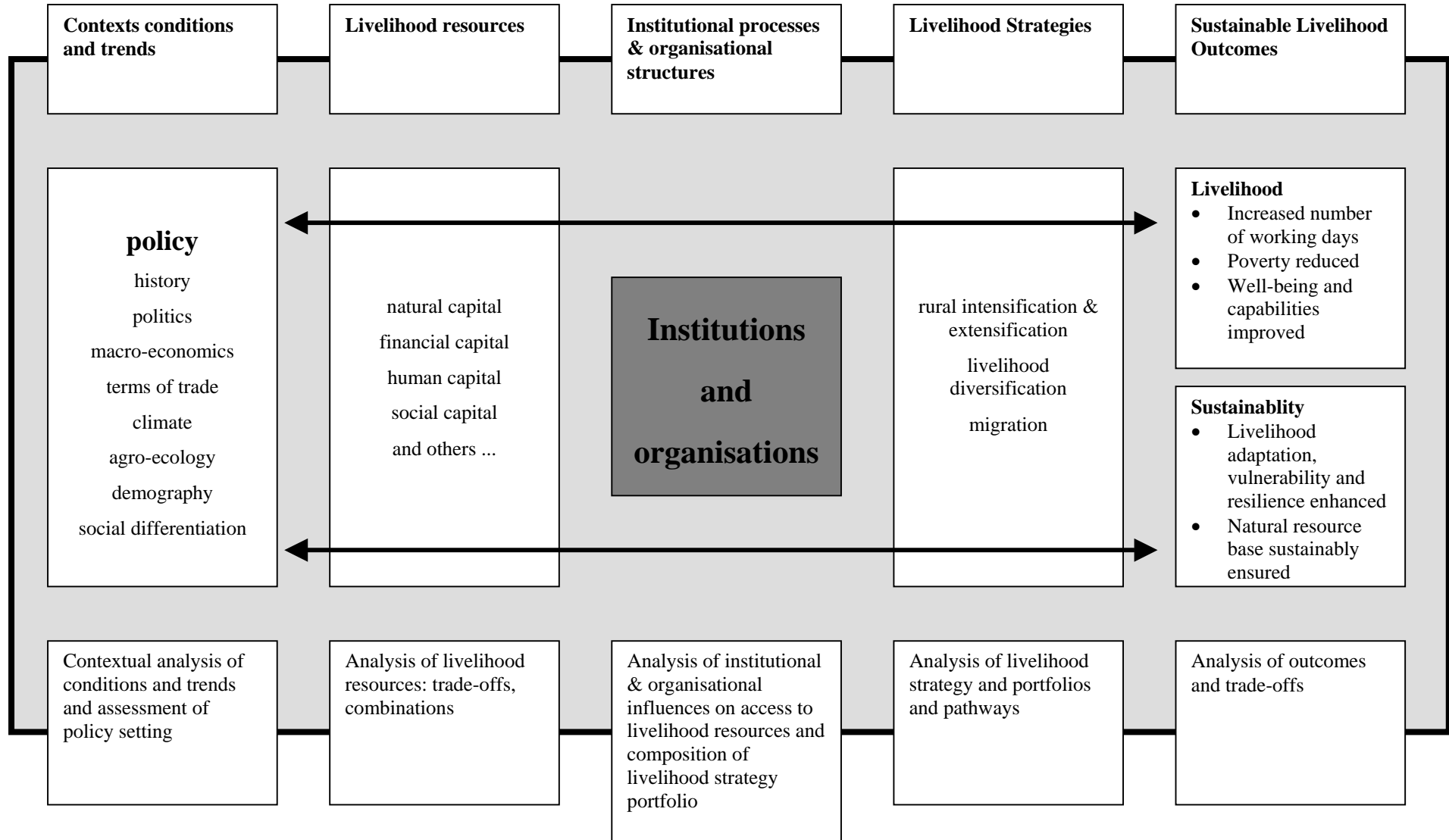
⁸ In Scoones (1998) ‘Sustainable rural Livelihoods: A Framework for Analysis’, IDS Working Paper No 7, Brighton: IDS

⁹ R Chambers and G Conway (1992) ‘Sustainable Rural Livelihoods: Practical Concepts for the 21st Century’, IDS Discussion Paper 296, Brighton: IDS

¹⁰ United Nations, Human Development Report 1997

¹¹ Joseph Mullen (1999) ‘Environmental Conservation and Natural Resource Management: Implications for Livelihood Security and Poverty Alleviation’, NECTAR Research Paper for European Commission, Belgium: University of Louvan

Figure 1: Sustainable Livelihoods – a framework for analysis



(c) Role of the State and Civil Society in Combating Livelihood Degradation

Threat to Social Fabric.

Environmental degradation leads to a dislocation of people away from exhausted soils in drylands and mountain areas to relatively better off rural areas and urban centres and even to international migration. In these areas the cycle of resource depletion may then be repeated, eventually leading to political and social instability, with the potential to perpetuate poverty. Other contributory factors to resource depletion go beyond the population flows of marginalised peoples and include also careless management of irrigation systems, pollution, illegal dumping of toxic waste and chemical infiltration of the water table (e.g. arsenic in Bangladesh).

Role of the State.

The government of the country has the ultimate responsibility of drawing up a comprehensive legislative framework to promote environmental conservation and preserve natural resources from misappropriation and misuse. More often than not, national legislations alienate communities from their natural resource base but fail to control the misuse of the resources, as the instruments of control e.g. licensing, permits, planning consents, are open to patronage or corruption. It is also often the case that the legislature may be composed of individuals who retain a commercial interest in maintaining a laissez-faire attitude to environmental preservation. Existing hierarchies of executing government agencies often preclude peoples participation and the policy environment does not give due recognition to resource management capability of local communities. Disabling policies can also undermine local initiatives.

Policy Framework for the Operationalisation of State and Civil Society Action for Sustainable Development.

It has become evident that a compact is essential between the State, which provides an enabling policy environment and civil society, which becomes involved as a primary stakeholder in sustainable development. Policies therefore should be people friendly and induce supportive participation in mutually beneficial care of the environment. This often requires education and awareness both by government and civil society.

The following suggestions are given, drawn on best practice, as possible elements in the collaborative state-civil society partnership and people's empowerment:

- decentralisation of decision making to the lowest level in order to legislatively empower local control and autonomy
- central legislative framework that is pro-people and pro-environment and validates civil society's involvement in resource conservation and management
- partnerships between government and civil society organisations or between various non-governmental organisations
- training of people in organisation techniques and environmental issues so as to expand capabilities
- development of technologies appropriate to local conditions
- area-based approach consistent with the capabilities of the peoples organisations concerned, such as micro-watersheds, villages or agro-ecological zones.

Role of Traditional Communities.

Some traditional communities have developed, over many generations, complex systems of sustainable natural resource management that have stood the test of time. Examples of these are water harvesting techniques in Somalia, bunding in West Africa, and rotating cultivation in East Africa. These proven practices have much to offer in addressing contemporary concerns over long term resource sustainability. In asserting the importance of local knowledge, the case for the involvement of peoples organisations, in partnership with central authorities, has been argued above. Furthermore, the cultural and ecological heterogeneity of people and locations underline the need for decentralised, local level decision-making capabilities.

C POVERTY POLICY INSTRUMENTS FOR POVERTY REDUCTION

Translating social development policies into practical processes and actions requires discussion of a series of modalities or instruments by which stated policy objectives can be embedded in empirical realities at the micro level. These will be outlined as policy instruments in this section and then developed as skills in the second part.

1 *Participation and Empowerment*

(a) Introduction

The key social themes of this section, viz participation, stakeholder analysis and empowerment relate to critical dimensions of social relations within civil society and civil society vis-a-vis the state. These are key dimensions of peoples' response to policy in general and also relate to broader issues of the distribution of power and resources within society - germane to which are the issues of good governance and democracy.

Experience has indicated that unless social dimensions are taken into consideration at the stage of planning resource conservation projects, serious problems are likely to occur at implementation, leading to popular resistance, non-participation and ultimately project failure. The lack of consideration of social dimensions has recently led to the withdrawal of the World Bank as the lead donor in two mega irrigation projects in Asia; the ARUN project in Nepal and the Nermada project in India.

This particular section will explore the conceptual basis of three key social themes, not as a residual category to mainstream economic and natural resource development but as a central issue in our debate on natural resource conservation. Conceptually, all three themes of stakeholder analysis, participation and empowerment represent a continuum of increased control by participants of policy formulation, programming of project implementation and the equitable distribution of the benefits generated by the project.

The three themes of stakeholder analysis, participation and empowerment represent a continuum of increased control by participants over policy formulation, programming of project implementation and the equitable distribution of the benefits generated by the project.

(b) Terminology and Concepts

A **stakeholder** may be defined as any person, group or institution that perceives itself to have an interest in or be affected by a specific policy or activity. This group may include participants, intermediaries, institutions, interest groups and those involved or even excluded from the decision-making processes. The direct project beneficiaries or those people directly affected by the project are primary stakeholders. Secondary stakeholders include intermediary institutions that facilitate or organise the project e.g. the funding agency, the implementing body, local government, NGOs etc.

Participation denotes a degree of involvement in order to achieve a particular purpose. Participation may be viewed as a process which may lead to empowerment and control or a means to achieving an output or product such as project sustainability, user participation or self-management. Different activities are situated at different points along the spectrum that considers participation as either a means or an end.

Participation is "a process through which stakeholders influence and share control over development initiatives, decisions and resources which affect them".

The World Bank's Learning Group on Participatory Development¹² defines participation as "a process through which stakeholders influence and share control over development initiatives, decisions and resources which affect them".

The school of thought represented by Participatory Action Research (PAR) would consider that the aim of such participation is to achieve power, 'a special kind of power - people's power - which belongs to the oppressed

¹² World Bank (1992)

and explicit classes and groups and their organisations, and the defence of their just interests to enable them to advance towards shared goals of social change within a participatory system’.

UNRISD has argued that participation was primarily a means to establishing control ‘over resources and movements of those hitherto excluded from such control’.¹³

Participation thus emerges with a politico-economic dimension, with an objective to become involved in controlling resource distribution and effecting social change based on participatory principles. A logical consequence of this analysis, which is shared by protagonists as far apart as the World Bank and the PAR group, is that participation should lead to stakeholder empowerment.

Empowerment therefore emerges as a principal objective of development which approach has been endorsed by the World Summit for Social Development.¹⁴ It stated that ‘empowering people, particularly women, to strengthen their own capacities, is a main objective of development and its principal resource. Empowerment requires the full participation of people in the formulation, implementation and evaluation of decisions determining the functioning and the well being of our societies’.

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(c) Implications Of The Continuum: Stakeholders Participation → Empowerment

Empowerment: Stakeholding, participation and empowerment are mutually dependent on each other for their effectiveness and on access to participation in public life and decision-making processes. Participation will also be limited if the group does not gain certain entitlements and operate within a framework of basic human rights. The effectiveness of stakeholder participation is therefore contingent upon an enabling socio-political framework, which is supportive of civil society initiatives at both the national and local levels - in which decentralisation and devolution of powers makes a significant contribution. Totalitarian regimes which autocratically suppress societal dialogue and structural change cannot, per se, provide a conducive environment for meaningful participation.

However, to go from participation to empowerment there is a qualitative progression from implementation to distributive policy-making. Empowerment of the poor has two main characteristics: participation in decision-making and access to productive resources. It is predicated upon the development of enabling policy and institutional environments that are supportive of a robust participation of local communities in the process of resource allocation and policy implementation by government and other agencies. The ultimate outcome is that it provides the poor, women and men, with access to the necessary productive resources to build sustainable livelihoods and reduce poverty. This would be largely contingent upon:

- the level of decentralised devolutionary powers to local representative bodies;
- participation in planning local development activities;
- management of common property resources;
- local fiscal revenue-raising powers and monitoring mechanisms over public sector personnel at local level.

The World Bank (ibid.) considers empowerment as an objective of popular participation in the context of a more equitable sharing of power and a higher level of political awareness and strength for disadvantaged people.

¹³ Strefel and Wolfe (1984)

¹⁴ World Summit for Social Development (1985) (art 26)

Resistance to institutional change supportive of civil society empowerment could come from three sources in particular:

- local bureaucracies,
- local elites and
- the community.

The political economy of power sharing would suggest that power is centripetal and self centralising; it's diffusiveness is dependant upon cooperative administrative behaviour and legislative reform. In this context, the status and influence of local bureaucrats is often dependant upon the level of power they wield. Local elites are also a potential source of resistance and their use of local economic and political power structures can delay or obstruct reforms which would make their clients more articulate or self-reliant. Finally, communities themselves may constitute a barrier or obstacle. Because of ethnic, religious, political, racial or social differences, or jealousies, communities themselves may obstruct reforms that could favour other groups within the community.

Responses to resistance to institutional change would be best coordinated by a developed and resilient civil society. Local citizen groups, associations or organisations are often effective within their area of operation. However to be influential in relation to change on a broader front, there will be a need for inter-group consolidation which will benefit from the economics of scale and representative power capable of exercising influence in policy decisions, particularly relating to equitable resource distribution.

The second major dimension of empowerment complementary to participation is **access to resources**, participation could become a key strategy and an outcome to be pursued. Resources however are not all exogenous to the poor; resources available to poor people are their labour, local knowledge systems and creativity. However it is also recognised that these resources are often dependant on other sources for their full development e.g. education, health, financial.

Key resources to which civil society, particularly the poor, should have access, are both social and economic.

Primary needs at the social level include:	At an economic level, access to income and wealth generating assets and opportunities are critical to empowerment. Basic to these are
<ul style="list-style-type: none"> • access to food • security • balanced nutritional food intake • clean water • health and education 	<ul style="list-style-type: none"> • employment and small enterprise development • land based activities and related concerns of ownership patterns • land reform, tenure arrangements and rights issues

Land use, in turn has key environmental and ecological dimensions, which are often shaped by the pattern and size of holdings. Inequalities in landholdings, compounded by high population growth rates have, typically, led to the over-exploitation of marginal lands and a fragmentation and reduction of landholdings. Resulting over-exploitation and land degradation have reduced rural productivity and increased the landless population.

Lack of access to land often contributes to lack of access to financial services as land is commonly used as a collateral. The provision of financial services mainly through micro-credit schemes such as the Grameen Bank example, which utilise group guarantee rather than individually-owned physical asset collateral, constitute a major resource to the poor and access to financial resources are critical. Furthermore access to finance also governs access to market opportunities.

In conclusion, the continuum from stakeholder participation to empowerment, builds on both social and economic perspectives and provides both process and output outcomes in an integrated progressive manner.

(d) Six Principles of Participatory Development¹⁵

1	Primacy of people
2	Value people's knowledge and skills
3	People's participation must empower women
4	Autonomy to be preferred to control
5	Local actions to be preferred to local responses
6	Allow for spontaneity and reflection in project implementation

(e) Six Benefits of Community Participation

1	Stakeholder commitment
2	Improved targeting
3	More realistic data
4	Improved negotiating skills
5	Cost reduction
6	Enhanced sustainability

2 The Role of State and Civil Society

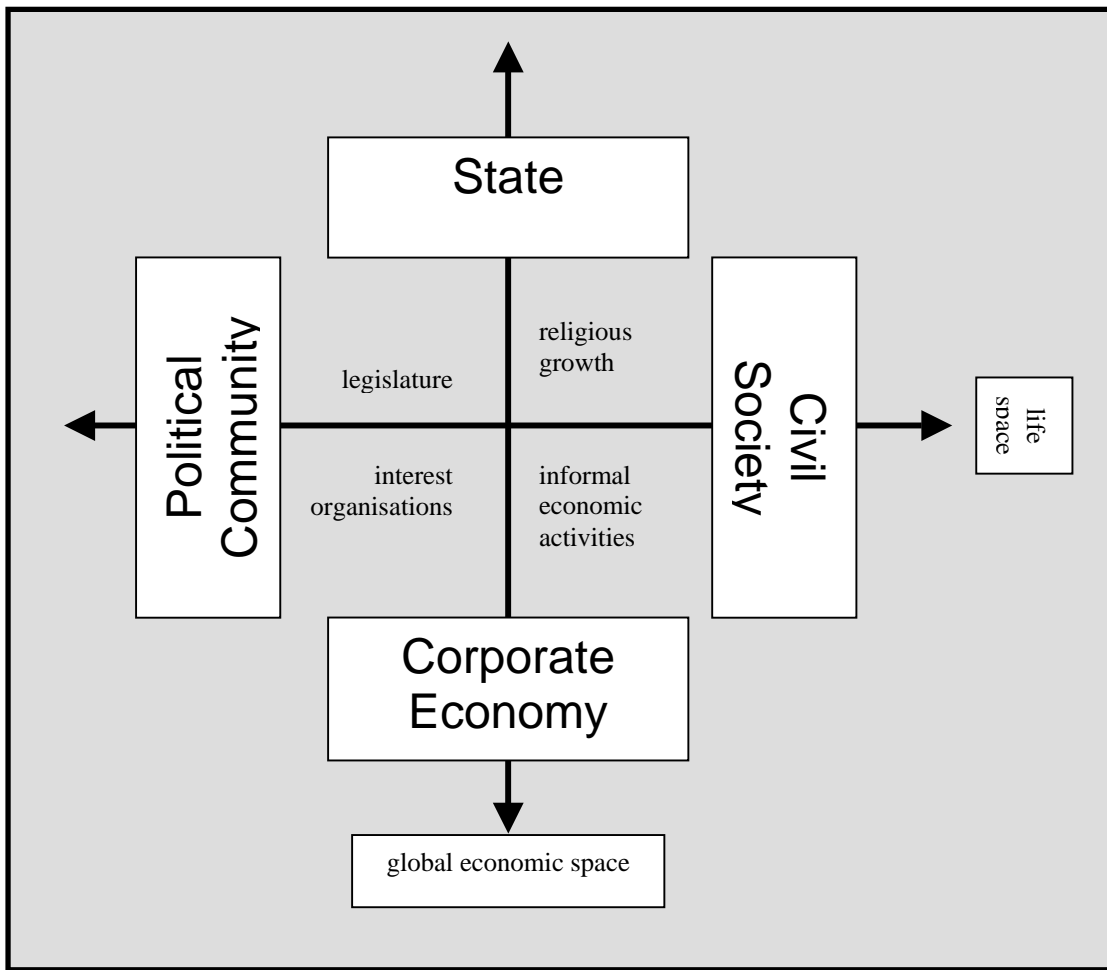
A logical consequence of social empowerment is to rebalance the structure of power in society by making state action more transparent and accountable and by strengthening the power of civil society in self-managing its own affairs as well as making the corporate commercial sector more socially responsible. Social empowerment should focus in particular on the more vulnerable sectors of society particularly that of the poorest communities, the ethnically and/or religiously disadvantaged. This implies a redefinition of functions and expectations between the state and civil society, civil society and the corporate economy and new forms of active political participation in policy-making, planning and implementation of local development programmes.

The spatial context of such revised state/civil society partnerships is, in the first instance, the local community level, involving both households and representative civil society organizations. This grass root movement, could, according to the pace of development, slowly include higher levels of the economy.

On the basis of Friedmann's thinking a diagrammatic outline is presented of the interaction in geographical space of the domains of social practice in relation to the state and civil society, including sub-centres of power such as organizations, religious groups and the corporate economy.

¹⁵ See in particular UNDP Guidebook on Participation, Ch 2

Figure 2: The Four Domains of Social Practice



DOMAIN	Type of Power
STATE	state power: executive and judicial branches
CIVIL SOCIETY	social power: natural persons, households, and civil associations (the domain of culture and social structures)
CORPORATE ECONOMY	economic power: corporations and financial institutions (i.e. judicial persons)
POLITICAL COMMUNITY	political power: social movements and political organizations

Source: Friedman, J. (1992)

In conclusion, an enabling social environment should aim for decentralisation and democratisation in local governance in order to access economic opportunity. The social strategy should therefore incorporate the following characteristics:

- decentralisation
- participation
- demand-driven and differentiated
- market orientation
- distinct from welfare in most cases
- aim for a partnership between the state and civil society
- transparency
- integrity

This may be summarised in what the Human Development Report (HDR) 1994 calls a new paradigm of development which “puts people at the centre of development, regards economic growth as a means and not an end, protects the life opportunities of future generations as well as the present generations and respects the natural systems on which all life depends”, p.4. The new paradigm is “pro people, pro jobs and pro nature” and gives priority to “poverty reduction, productive employment, social integration and environmental regeneration”.

The new paradigm of development

- puts people at the centre of development
- regards economic growth as a means and not an end
- protects the life opportunities of future generations as well as the present generations
- respects the natural systems on which all life depends

3 Poverty Policy Instrumentalities and Issues of Governance

Policy makers have available to them a range of policy instruments capable of reducing social differentiation. Typically these would include

- asset redistribution, particularly land,
- increasing the proportion of public expenditure committed to rural areas,
- decentralising investment and public services,
- increased levels of public provision of health and education services,
- subsidisation of production inputs and essential consumer goods,
- price support mechanisms for goods produced by the poor and
- public employment programmes.

However, the feasibility of introducing a broad selection of these policies simultaneously would have serious repercussions on the economy and on stakeholders in the political system¹⁶. A number of policies are high cost in both capital and recurrent terms, inflationary and unsustainable without substantial growth within the economy. Furthermore within the context of policy reform which advocates;

- export-led growth,
- contraction of public expenditure,
- reduction of budgetary deficits,
- increased participation of the private sector and
- market liberalisation,

a balance needs to be struck between public consumption and market-led growth.

With due consideration to the conditionalities of policy reform, redistributive policies will be examined within the context of enhancing growth and promoting the institutional capacities of government and citizens groups.

4. Changing Role of the State: Governance, Decentralisation and Participation

At the meso level, which concerns the institutions mediating between the national level (macro) and the local communities (micro), the role of the state and forms of governance are examined.

A need for a balanced approach between two competing ideologies, is required.

One represents a strongly interventionist state that regulates the economy, controls markets and provides comprehensive social services (the ujamaa model).

The other is a market-driven approach that values freedom of choice exercised through a self-regulatory market determined by supply and demand, reduced fiscal powers and withdrawal of the state from the provision of services (PRSP model).

It has been recognised in the WDR that the state has a positive role to play in providing the overall policy framework conducive to poverty reduction and environmental conservation, incorporating market liberalisation in order to enhance the economic growth potential of the poor while advocating measures of social protection from exclusion or alienation from civic life.

In particular, the state retains responsibility as the main provider of health and education services accessible to the poor but operates parallel to and in collaboration with other institutions, such as NGOs or private organisations who also meet the needs of the poor.

Issues of fiscal discipline remain paramount which leads to the two track system of cost recovery of services and a safety net for those who cannot afford essential services, mainly in health and education. The level and affordability of the latter is determined in each particular economy.

¹⁶ See FAO (1986) Guidelines for designing development projects to benefit the Rural Poor, Rome.

While recognising the continuing role of the state in generating a conducive policy environment for economic growth, there is the expectation that the state exhibits qualities of ‘good governance’, understood to include

- public accountability,
- effectiveness and efficiency,
- transparency and democracy.

Three qualities of good governance:

- public accountability,
- effectiveness and efficiency,
- transparency and democracy.

As part of the general trend to bring government closer to the people, decentralisation has become a key policy to favour participation of the poor in micro-level policy and decision making processes.

The involvement of stakeholders with a power to affect outcomes such as policy formulation presupposes a number of policy parameters at macro, meso and micro levels.

- At **macro** level, policies supportive of optimal beneficiary involvement would imply labour intensive technology, higher proportions of national expenditure being committed to local level bodies, employment generation and local revenue raising powers.
- At the **meso** level we would consider the institutional implications in terms particularly of decentralisation, or the transfer of authority to plan, commit funds and implement projects from the centre to the district or community level.
- There would also be a qualitative institutional change at the lowest administrative levels which would interface with the local population (**micro**) in terms of constructing a meaningful collaboration and partnership.

People-centred development implies decentralisation of power from the centre to beneficiary communities in terms of strengthening capacities and capabilities to analyse development issues but also to exert power over policy design issues and weld together indigenous knowledge and cultural values with externally-generated change patterns. In the following section we will analyse the concepts and policy implications of decentralisation.

(a) Concepts of Decentralisation

Decentralisation as a generic concept, is the transfer of authority to plan, make decisions and manage public functions from the national level to the sub-national. One may distinguish four forms of decentralisation according to the degree of transfer delegated from the central to the sub-national agency.

Four forms of decentralisation

Deconcentration	is the transfer of functions within the central government hierarchy, from the centre to field levels or to local administrative units that are an integral part of central government structure.
Delegation	is the transfer of functions within the central government hierarchy, from the centre to field levels or to local administrative units that are an integral part of central government structure.
Devolution	is the transfer of functions or decision making authority from central government to legally incorporated and autonomous local government such as states, divisions, regions etc. Implied in this is a large measure of independence from central government in discharging the function and the existence of parallel systems of authority in a non-hierarchical order.
Transfer to non-government institutions	of specific planning, administrative or management responsibilities. Cooperation between government and private, voluntary or self-management groups in planning or delivering services is an example of this form of transfer. Citizens groups, non-governmental organisations, grassroots organisations are also included in this category; implying that NGO power is essentially derived from the state.

Decentralisation and Local Government Reform (LGR)

One of the main objectives of decentralisation in LGR 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 decentralisation could be considered a development strategy, or means by which a development objective is to be attained. Thus it is *instrumental* in facilitating implementation of major development policies, such as

- increased production and enhancing livelihoods, in terms of an improved health delivery system,
- the elimination of malnutrition,
- the provision of clean water and sanitation,
- increased access to education and employment opportunities and
- a share in democratic decision-making; thereby strengthening the income-generating potential and productivity of the rural poor.

Decentralisation should bring government closer to the people so that the delivery of services to the rural poor is more effective and sensitive to their needs.

There should also be an increased level of participation by the population, both in the process of decision making itself and in the benefits thereby generated.

The appraisal of a decentralisation strategy cannot be taken in isolation from the macro policy context of its introduction, the political and economic forces which gave birth to it and the rationale for its adoption in one particular form rather than another. Decentralisation concerns the relationship between the centre and the periphery in its social, economic, political and spatial dimensions.

The periphery is largely synonymous with deprivation, social exclusion and inadequate opportunities of a social, political or economic nature. Opportunities often increase as one progresses through the hierarchy towards the centre, one moves then from a situation of powerlessness to one of 'powerfulness'. (Political institutions may also serve as forces of centralisation, thus contributing to a consolidation of élitist interests).

On the other hand the causes of rural poverty may be partially internal to the periphery itself, e.g. a money lending class which manipulates decentralised power structures to consolidate their advantage, and in this case, decentralisation may only serve to legitimise oppression while decentralisation is often seen as a panacea in the literature its ambivalence as an administrative measure is often overlooked.

Perhaps more realistically, decentralisation may be viewed as a policy measure with a *potential* for development, in view of the fact that a decentralised sub-centre is more amenable to local influence from a periphery than a centre from a periphery.

But the empirical realities of decentralisation dictate that a factual investigation be undertaken to assess its potential effectiveness either as a poverty alleviation or a growth-oriented strategy or both. It must also be borne in mind that as the costs of decentralised government are considerable, the level of actual participation may not be commensurate with the outlay, nor the level of benefits attained justify the cost at a time of severe budgetary constraint

A major argument for decentralisation is that it provides a mechanism by which resources can be shifted from the centre to the periphery, thus contributing to reducing inter-regional inequalities, providing a strengthening of sub-national institutions, enabling greater regional advocacy for the poor and a restructuring of the economic life of the region while concurrently expanding operational capacity. But, in order to translate this policy objective into administrative reality, it presupposes that robust measures be designed to ensure implementation.

However, given the fact that power is centripetal, in that it tends towards the centre, the reversal of this process is like defying the law of gravity. The critical areas of transfer are those of financial and human resources, both of which require a strong political commitment. **The granting of financial, fiscal and budgetary control to the regional level, allied to a substantial degree of autonomy, forms the basis of a sound management and administrative approach to decentralised government,** assuming consistency with macro economic policy reforms.

(b) Participation as a Means to Building Project Planning Capacity at Community Level

Participation has a key role to play in strengthening capabilities in organizations involved in social development. A necessary prerogative to participation is a gradual process of growth and maturation among the local people. This should lead to

- an increased consciousness of development bottlenecks,
- the analysis of structural relationships of external dependency, and
- a developed skill of advocacy and organisational effectiveness.

The selection and training of community leaders deserves special attention as they play a role as catalysts in communicating the need to participate actively in promoting development, and the opportunities that this may present.

Participating taps local expertise and thus supplies a valuable cost-free source of knowledge. Local people generally understand the real constraints that they face in attempting to improve their well-being. They possess from personal experience a concrete knowledge of the difficulties that a hostile environment imposes upon them. They are also aware of the resources that they themselves can provide and what inputs are required from outside.

There are clear limitations however on community participation that should be taken into account.

- Often communities can be too close to their environment and fail to appraise the total situation in the light of all the available options.
- The technical know-how for project implementation may also be lacking, in addition to the administrative resources for project implementation.

A major objective of participation, then, is to incorporate the acquired wisdom into project design and develop the human and technical resources available to the optimum, so that participation may be extended to the highest level.

Participation in the Project Planning Cycle

In order to plan effectively for participation it is necessary to integrate it in a detailed format into the project planning cycle so as to ensure that it becomes central to the administrative and management process. An example of how this may be done is shown in the following table.

The selection and training of community leaders deserves special attention as they play a role as catalysts in communicating the need to participate actively in promoting development, and the opportunities that this may present.

Figure 3: The Role of Participation in the Project Planning Cycle

Planning Sequences	Implementation Activity	Participatory Activity	Information Needs
Project identification	<ul style="list-style-type: none"> • Identify critical elements in project implementation • Establish consensus among project administrators, beneficiaries and funding agencies 	<ul style="list-style-type: none"> • Needs assessment • Situational analysis • Spatial criteria 	<ul style="list-style-type: none"> • Use existing data where relevant and available • Complete information gaps with participatory research and reduced data
Project preparation and design	<ul style="list-style-type: none"> • Examine project feasibility study in terms of alternative scenarios for project implementation • Liaise with project beneficiaries 	<ul style="list-style-type: none"> • Participation in selection criteria • Consultation in technological choice • Use of local knowledge 	<ul style="list-style-type: none"> • Collect data for feasibility study to cover economic, social, financial, organisational and managerial aspects • Collect baseline data as reference for ex-post evaluation
Project appraisal	<ul style="list-style-type: none"> • Analyse project according to criteria in national policy guidelines from economic, financial and social viewpoints 	<ul style="list-style-type: none"> • Human and social aspects of PA • Social appraisal activities • Compatibility with environment 	<ul style="list-style-type: none"> • Review information requirements
Project implementation and management	<ul style="list-style-type: none"> • Effective management of implementation and problems arising e.g. delays, cost overruns, personnel shortfall • Ensure appropriate training and institution building activities • Encourage public participation 	<ul style="list-style-type: none"> • Participatory management structure • Community involvement • Self help 	<ul style="list-style-type: none"> • Collect data from field for project monitoring and ex-post evaluation • Participatory evaluation
Project evaluation	<ul style="list-style-type: none"> • Ascertain success or failures in project implementation 	<ul style="list-style-type: none"> • Undertake participatory evaluation • Perform social impact analysis 	<ul style="list-style-type: none"> • Collect data for social impact

The validation of this approach presupposes strong policy commitment, without which its incorporation into the administrative planning process could never take place. At each stage of the cycle an appropriate participatory activity is indicated so that the total result may be community participation at each critical decision-making level. The figure also illustrates how participation interfaces with the other major project planning sequences from identification through to evaluation.

It is however important to distinguish between *capital investment projects* and *micro-projects* as the role of participation varies between the two types of projects. Projects may also be divided according to sources and terms of financing as borrowing or recipient countries are not always in a position to determine the organizational format of project planning and implementation. While sponsors have their own specific format,

and this applies equally well to central and local governments, two approaches dominate the project planning format, namely: the blueprint approach and the process approach.

The **blueprint approach** is characterized by a hierarchical systematised approach represented by the classical project cycle of identification, preparation, appraisal and approval (negotiations), implementation and monitoring and evaluation. This cycle has been utilised by a majority of the international financial institutions (IFI) since the mid 1960s, including the World Bank, Asian Development Bank and IFAD. As such, a large proportion of each country's loan financial commitments and debt servicing has been linked to the project cycle

By contrast the **process approach** emphasises client participation and control of the planning and implementation processes. As such it sets out to be flexible, responsive, adaptable and empowering. A large proportion of activities associated with civil society and NGOs utilise this format.

There are then a number of **hybrid systems** which reflect different financing arrangements: these include bilateral donors which extend financing on a grant basis, usually utilise abbreviated or 'telescoped' versions of the project cycle and offer differing levels of flexibility. Authors have attempted to bridge the gap between the various systems, e.g. Birakheroff and IFIs have also responded by introducing flexible lending mechanisms.

Problem Identification and Needs Appraisal

The objective of this exercise is to identify, and to list in order of priority, the constraints affecting village development and the perceived needs of the people. A variety of methods may be pursued simultaneously to achieve these objectives.

In the first place is *situational analysis* in which the development environment as a whole is analysed:

- the resource base,
- the ownership and use of these resources,
- the interface between village and government, and
- the resource flow characteristics.

This would presuppose a communal analysis of the development status quo in relation to the centre and an identification of the developmental bottlenecks. Informal survey work, collecting specific data relating to a particular scenario or investigating an obstacle should be undertaken. A reduced data approach is suggested which clearly focuses on specific problem solving, and a prolonged visit to project site is recommended.

Perhaps the method which deserves the greatest emphasis is that of **participant observation**, which presupposes a substantial period of residence in the village and participation in all of the village activities, leading to a first-hand knowledge of the constraints. Organization techniques could be taught to village leaders who could then increase their effectiveness in the community and acquire skills in persuasion, analysis, negotiation and organization. Perhaps the most important virtue is that of sensitivity and responsiveness to community feelings that may or may not be expressed verbally.

Finally, as a result of a thorough analysis undertaken communally, project ideas will emerge which will inevitably require further technical refinement; but the first steps towards identification will already have been completed.

Strengthening Project Planning Capacity at Community Level

The next logical step following on from the identification of problems and needs is to plan the specific intervention designed to solve the problems and meet the identified needs. Community leaders require training to further the analysis of critical constraints to the point of planning responses in the shape of projects or actions.

This is where some of the most difficult decisions in the planning process need to be made, and these expose some of the severe limitations of participation: the helplessness and powerlessness of communities to change the structural socio-economic relationships of production within their environment which may be a root cause of underdevelopment.

If macro policies contribute to an impoverishment of the rural sector, it is not the extra health centre or the odd rural feeder road that is going to alleviate that problem. But the same applies to national policies vis-a-vis the international marketing networks. It is an acknowledged fact that while the tentacles of the international marketing system may extend downwards to the remotest village, the reverse is not true.

Hence within the constraints imposed by a macro framework, a community planning capacity based upon optimum popular participation could be developed. For this to be fully effective it requires

- a sound base in policy or ideology,
- technical competence and
- a supportive administration.

While the tentacles of the international marketing system may extend downwards to the remotest village, the reverse is not true

Participation is enhanced when supported by the development strategy of the country concerned. But even then there is real danger of the participatory power being usurped by the administration. More commonly the participatory power will be confined to the more ordinary tasks of self-help contributions or other low quality decisions. Participatory power may however be radicalised as a result of the analysis of underdevelopment and could influence the planning process in order to achieve a certain

Technical Competence in Community Project Planning

The requirement of technical competence in participatory planning is often overlooked; although participation performs a valuable function in stimulating a cross-fertilisation of ideas in devising solutions to problems, it also requires a sound technical approach. In most developing countries the technical expertise in planning and implementation often lies with non-villagers - the government administration, individuals or non-governmental organizations.

As the government will probably have eventually to assume recurrent cost components of the projects, it is generally advisable that the government department concerned be involved in the participatory planning process from the outset to ensure correct standards and acceptability of the technical quality of the project to the administration.

Pilot projects with an innovative and high demonstration effect, touching as many beneficiaries as possible, are particularly useful in establishing village self-confidence in the participation process. These also help to develop consciousness and awareness among the villagers of the power of participation and of its tangible benefit to the people. Without the benefits being evident, the people will not be prepared to invest their time or resources in participatory projects.

The administration's role in the process should be that of a catalyst, and at the same time it should perceive the vast human potential and possibilities of capital formation. There are possibilities of resource mobilization, both human and financial, which are attractive both from the returns on capital invested and also insofar as participation is a sure vehicle of orienting the benefits towards those in greatest need. The step-by-step approach (hatua-kwa-hatua) as practised in parts of Mbeya region and Kilosa District has often proven to be effective.

5 Stakeholder Analysis and how to carry it out¹⁷

What is stakeholder analysis?

Stakeholder analysis is

- the identification of a project's key stakeholders,
- an assessment of their interests, and
- the ways in which these interests affect project riskiness and viability.

It is linked to both institutional appraisal and social analysis: drawing on the information deriving from these approaches, but also contributing to the combining of such data in a single framework. Stakeholder analysis contributes to project design through the logical framework, and by helping to identify appropriate forms of stakeholder participation.

Definitions

Stakeholders are persons, groups or institutions with interests in a project or programme. **Primary** stakeholders are those ultimately affected, either positively (beneficiaries) or negatively (for example, those involuntarily resettled). **Secondary** stakeholders are the intermediaries in the aid delivery process. This definition of stakeholders includes both winners and losers, and those involved or excluded from decision-making processes. **Key** stakeholders are those who can significantly influence, or are important to the success of the project.

Stakeholders are persons, groups or institutions with interests in a project or programme

Why do a stakeholder analysis?

Stakeholder analysis helps administrators and advisors to assess a project environment. More specifically, doing a stakeholder analysis can:

- draw out the interests of stakeholders in relation to the problems which the project is seeking to address (at the identification stage) or the purpose of the project (once it has started).
- identify conflicts of interests between stakeholders, which will influence assessment of a project's riskiness before funds are committed (which is particularly important for proposed process projects).
- help to identify relations between stakeholders which can be built upon, and may enable "coalitions" of project sponsorship, ownership and cooperation.
- help to assess the appropriate type of participation by different stakeholders at successive stages of the project cycle.

When should it be done?

Stakeholder analysis should always be done at the beginning of a project, even if it is a quick list of stakeholders and their interests. (Most people do this already, if only informally). Such a list can be used to draw out the main assumptions which are needed if a project is going to be viable, and some of the key risks. Thus, stakeholder analysis will contribute to the drafting of a log frame.

Whenever log frames are re-considered during the life of a project, a stakeholder analysis will be useful. This means that annual monitoring missions and mid-term reviews should include stakeholder analysis as part of their tool-kit.

¹⁷ Based on ODA (1995) Guidance Note on Indicators for Measuring and Assessing Primary Stakeholder Participation

How to do a Stakeholder Analysis

There are several steps to doing a stakeholder analysis:

- draw up a "stakeholder table";
- do an assessment of each stakeholder's importance to project success and their relative power/influence;
- identify risks and assumptions which will affect project design and success.

This section outlines the above steps in a little more detail, providing some rules of thumb and checklists.

Stakeholder Tables

To draw up a stakeholder table:

- identify and list all potential stakeholders.
- identify their interests (overt and hidden) in relation to the problems being addressed by a project and its objectives. Note that each stakeholder may have several interests - briefly assess the likely impact of the project on each of these interests (positive, negative, or unknown.)
- indicate the relative priority which the project should give to each stakeholder in meeting their interests (this refers to priorities derived from ODA's policy and project objectives).

Primary stakeholders are those people and groups ultimately affected by the project. This includes intended beneficiaries or those negatively affected (for example, those involuntarily resettled). In most projects primary stakeholders will be categorised according to social analysis. Thus, primary stakeholders should often be divided by gender, social or income classes, occupational or service user groups. In many projects, categories of primary stakeholders may overlap (e.g. women and low-income groups; or minor forest users and ethnic minorities).

Secondary stakeholders, including donor agencies, are intermediaries in the process of delivering aid to primary stakeholders. They can be divided into funding, implementing, monitoring and advocacy organisations, or simply international, NGO and private sector organisations.

In many projects it will also be necessary to consider **key individuals** as specific stakeholders (e.g. heads of departments or other agencies, who have personal interests at stake as well as formal institutional objectives). Also note that there may be some **informal groups of people** who will act as intermediaries. For example, politicians, local leaders, respected persons with social or religious influence.

Within some organisations there may be **sub-groups** which should be considered as stakeholders. For example, public service unions, women employees, specific categories of staff.

Box 2: Checklist for identifying stakeholders

- have all primary and secondary stakeholders been listed?
- have all potential supporters and opponents of the project been identified?
- has gender analysis been used to identify different types of female stakeholders (at both primary and secondary levels)?
- have primary stakeholders been divided into user/occupational groups, or income groups?
- have the interests of vulnerable groups (especially the poor) been identified?
- are there any new primary or secondary stakeholders that are likely to emerge as a result of the project?

Drawing out stakeholders' interests in relation to the project

The resulting list of stakeholders forms the basis of a tabulation of each stakeholder's interests in the project, and the project's likely impact on them.

Box 3 provides another checklist to help think about the possible interests which a stakeholder has. By going through this checklist, interests for each stakeholder in the initial list can be drawn out.

The likely or actual impact of the project on these interests should also be assessed (only in simple terms). Expected project impacts on various stakeholders' interests can be classified into positive, negative, uncertain and unknown.

A recent draft stakeholder table for a proposed private sector population project in Pakistan provides an illustration (see appendix 1). This shows how each stakeholder has several interests. The proposed project will have a positive impact on some of those interests - but not all. The table also identifies the relative priorities to be given to each stakeholder, according to policy and project objectives.

Box 3: Checklist for drawing out interests

Interests of all types of stakeholders may be difficult to define, especially if they are "hidden", or in contradiction with the openly stated aims of the organisations or groups involved. A rule of thumb is to relate each stakeholder to either the problems which the project is seeking to address (if at an early stage of the project), or the established objectives of the project (if the project is already under way). Interests may be drawn out by asking:

- what are the stakeholder's expectations of the project?
- what benefits are there likely to be for the stakeholders?
- what resources will the stakeholder wish to commit (or avoid committing) to the project?
- what other interests does the stakeholder have which may conflict with the project?
- how does the stakeholder regard others in the list?

Information on secondary stakeholders should be available from institutional appraisals; information on primary stakeholders should be available from social analyses. Especially in the case of primary stakeholders, many of the interests will have to be defined by the persons with the best "on-the-ground" experience. Double check the interests being ascribed to primary groups, to confirm that they are plausible.

Assessing the Influence and "Importance" of Stakeholders

Key stakeholders are those which can significantly influence, or are important to the success of the project. Influence refers to how powerful a stakeholder is; "importance" refers to those stakeholders whose problems, needs and interests are the priority of aid - if these "important" stakeholders are not assisted effectively then the project cannot be deemed a "success".

Influence is the power which stakeholders have over a project - to control what decisions are made, facilitate its implementation, or exert influence which affects the project negatively. Influence is perhaps best understood as the extent to which people, groups or organisations (i.e. stakeholders) are able to persuade or coerce others into making decisions, and following certain courses of action.

Power may derive from the nature of a stakeholder's organisation, or their position in relation to other stakeholders (for example, line ministries which control budgets and other departments). Other forms of influence may be more informal (for example, personal connections to ruling politician.) It may also be necessary to consider stakeholders whose power, and therefore influence, will increase because of resources introduced.

Assessing influence is often difficult and involves interpretation of a range of factors. By way of example, some of the factors that may be involved are illustrated in box 4 below.

Box 4: Variables affecting stakeholders' relative power and influence	
Within and between formal organizations	For informal interest groups and primary
Legal hierarchy (command and control, budget holders)	Social, economic and political status
Authority of leadership (formal and informal, charisma, political, familial or cadre connections)	Degree of organisation, consensus and leadership in the group
Control of strategic resources for the project (e.g. suppliers of hardware or other inputs)	Degree of control of strategic resources significant for the project
Possession of specialist knowledge (e.g. engineering staff)	Informal influence through links with other stakeholders
Negotiating position (strength in relation to other stakeholders in the project)	Degree of dependence on other stakeholders

Assessing importance to project success

Importance indicates the priority given to satisfying stakeholders' needs and interests through the project. Importance is likely to be most obvious when stakeholder interests in a project converge closely with its objectives. In general terms, these objectives are defined by the PIM System, but in relation to a project, can be taken from the logical framework's goal and purpose.

Importance is distinct from influence. There will often be stakeholders, especially unorganised primary stakeholders, upon which the project places great priority (e.g. women, resource poor farmers, slum dwellers, ethnic minorities etc). These stakeholders may have weak capacity to participate in the project, and limited power to influence key decisions. A checklist for assessing "importance" to the project is provided in box 5. The matrix example overleaf, for a proposed population project, shows that satisfying the interests of women and lower-middle income couples (unorganised primary stakeholders) is of high importance to the success of the project, even though they are weak in terms of their influence (see also the stakeholder table in the appendix).

Box 5: Checklist for assessing which stakeholders are important for project success

When assessing importance to project success, use these "checklist" questions, the answers to which may already be suggested by the information existing in stakeholder tables:

- which problems, affecting which stakeholders, does the project seek to address or alleviate?
- for which stakeholders does the project place a priority on meeting their needs, interests and expectations?
- which stakeholder interests converge most closely with policy and project objectives?

6 Participatory Rural Appraisal / Participatory Poverty Assessments

What is PRA?

PRA is a central technique in Participatory Poverty Assessment. It can be described as a family of approaches, methods and behaviours that enable people to:

- express and analyse the realities of their lives and conditions,
- plan themselves what action to take, and
- monitor and evaluate the results.

Its methods have evolved from Rapid Rural Appraisal (RRA). The difference is that PRA emphasises processes which empower local people, whereas RRA is mainly seen as a means for outsiders to gather information.

The terminology is confusing and there is much debate about what constitutes 'real' PRA. The key elements of PRA are the methods used, and – most importantly – the behaviour and attitudes of those who facilitate it.

Methods – PRA employs a wide range of methods to enable people to express and share information, and to stimulate discussion and analysis. Many are visually based, involving local people in creating, for example:

- **maps** showing who lives where and the location of important local features and resources such as water, forests, schools and other services;
- **flow diagrams** to indicate linkages, sequences, causes, effects, problems and solutions;
- seasonal **calendars** showing how food availability, workloads, family health, prices, wages and other factors vary during the year;
- **matrices or grids**, scored with seeds, pebbles or other counters, to compare things – such as the merits of different crop varieties of tree species, or how conditions have changed over time.

PRA activities usually take place in groups, working on the ground or on paper. The ground is more participatory, and helps empower those who are not literate. Visual techniques provide scope for creativity and encourage a frank exchange of views. They also allow cross-checking. Using a combination of PRA methods a very detailed picture can be built up, one that expresses the complexity and diversity of local people's realities far better than conventional survey techniques such as questionnaires.

Behaviour and attitudes – PRA depends on facilitators acting as convenors and catalysts, but without dominating the process. Many find this difficult. They must take time, show respect, be open and self-critical, and learn not to interrupt. They need to have confidence that local people, whether they are literate or not, women or men, rich or poor, are capable of carrying out their own analysis.

The use and abuse of PRA

Unfortunately, there has been much abuse of PRA by outsiders keen only to extract information quickly, and use it for their own purposes. Such practice is unethical because local people are brought into a process in which expectations are raised, and then frustrated, if no action or follow-up results. To avoid this, those wishing to use PRA methods in a purely extractive way need to be transparent about their intentions, and refrain from calling what they do PRA.

In PRA, facilitators act as a catalyst, but it is up to local people to decide what to do with the information and analysis they generate. Outsiders may choose to use PRA findings – for example, to influence policy or for research purposes. In all cases, however, there must be a commitment on the part of the facilitating organisation to do its best to support, if requested to do so, the actions that local people have decided on.

Practical applications

Since the early 1990s, PRA approaches and methods have evolved and spread with astonishing speed. Originating mainly among non-government organisations (NGOs) in East Africa and South Asia, they have since been adopted by government departments, training institutes, aid agencies, and universities all over the world. They are now being used in at least 100 countries, with PRA networks existing in over 30.

PRA has been applied in almost every domain of development and community action, both urban and rural. Examples include natural resources management, establishing land rights of indigenous people, slum development, HIV/AIDS awareness and action, anti-poverty programmes, disaster management, negotiation and conflict resolution, and adult literacy.

Using PRA in Poverty Assessments

Participatory methods have been increasingly used in the national Poverty Assessments promoted by the World Bank. This has stemmed from concerns about the limitations of conventional methods used in earlier assessments, including their failure to capture aspects of the complexity and diversity of poverty.

So far, variants of PRA have been used in 'Participatory Poverty Assessments' in six African countries. Different approaches have been tried. In Kenya and Tanzania, the approach included sampling a larger number of communities, using predesigned scoring cards and categories, the aim being to produce statistically comparable results. In Ghana, Zambia, South Africa and Mozambique, fewer communities were covered but in more depth and with a more open-ended approach.

The objective was to enable poor people to express and analyse their realities and priorities, so that these could be fed into the design of anti-poverty policies. Local teams of researchers and facilitators were first trained in participatory techniques. Fieldwork was then conducted, in some cases in communities where NGOs in the team already had working relations. This helped establish rapport and provided an avenue for follow-up later on. The process brought out important aspects of poverty and vulnerability which conventional analyses had ignored. The disabled and sick, for example, were often identified as a particularly vulnerable category, while food security emerged as a prime indicator of poverty. Other common findings were the significance to poor people of:

- the sharp seasonality of poverty, sickness, stress and demands for money (such as school expenses);
- the isolation of rural communities, and the importance of all-weather roads and transport;
- access to healthcare, and how user fees and rude staff keep poor people from using health services;
- differences in perceptions, realities and priorities between women and men;
- the value of safety nets in bad seasons and bad years to supplement people's coping strategies;
- having multiple sources of food and income, including part-time agriculture and home gardens.

The richness and diversity of the findings posed problems when it came to synthesising the information. It also raised questions about how insights covering such a broad range of issues could be translated into practical policies. But the general consensus was that use of participatory methods had greatly improved the value of the exercise.

Perhaps the key point is that sustainable, grassroots participation requires changes in the whole culture and procedures of the organisations facilitating it, whether they be NGOs, government departments, donor agencies, universities or training institutes.

As they are learning to operationalise participatory development, organisations are realising that the true challenge lies in transforming themselves – so that they are willing to share power and be receptive to new ideas, listening to people instead of lecturing them, and taking risks by opening the process up rather than always trying to control it.

(Source: IDS Briefing)

D THE ENABLING ENVIRONMENT FOR POVERTY ALLEVIATION

1 Dominant Causal Factors to Social Exclusion

(a) Gender Dimension to Disadvantage

In many regions of the world women constitute the numerical majority in the labour force as well as providing the bulk of the energy input to crop cultivation and husbandry. In many African countries rural women are said to account for 60% of agricultural labour and 80% of food production (IFAD, 1993, p.274). While gender-specific issues will be dealt with in another section of this work, it is appropriate at this juncture to signal key areas of gender inequality that exist.

The difficulty in isolating the gender-specific contributions in aggregate data such as GDP does not permit easy comparisons, however, micro-studies of household income/expenditure surveys suggest that while women's income is lower than men's, they also assume a pivotal role in household budgeting. There is a dearth of gender-specific data for many countries. Where gender-specific data is available, it relates to longevity and in this instance women overall register a longer life span than men (with the exception of Bhutan, Nepal and Bangladesh, and in these instances there may be a strong correlation to levels of poverty).

An analysis of female-male gaps in 44 least-developed countries shows that, with the exception of life expectancy, women are seriously disadvantaged in relation to men. For example, their literacy rate is 52% that of men, primary school enrolment 71%, secondary school enrolment 53% and participation in the waged labour force at 39%

An analysis of female-male gaps in 44 least-developed countries suggests that, with the exception of life expectancy, women emerge as seriously disadvantaged in relation to men. For example, their literacy rate is 52% that of men, primary school enrolment 71%, secondary school enrolment 53% and participation in the waged labour force at 39% (Source: HDR, 1990).

In the case where a separate male and female Human Development Index is attempted, two conclusions emerge.

1. As countries' HDI increases, there is a stronger female performance on a par with the increase, so that at the top of the scale, differentials are substantially reduced.
2. Countries with a similar HDI, there can be substantial variation between the male and female index.

For example, the three countries, Namibia, Tanzania and Pakistan, have virtually identical HDI composite scores. However, the female HDI of the three countries vary considerably (expressed as a percentage of the male). In the case of Namibia there is parity between female and male scores, Tanzania registers 96.7% of the male index, and Pakistan's female HDI is 82.7% of the male. Parity is commonplace among countries with a high HDI, including a large number of middle-income countries; although Namibia is the sole example among developing nations, the cases of Honduras, Lesotho, Botswana and El Salvador are noteworthy also for the near parity of indices.

Women, however, also face in certain contexts forms of discrimination before the law in relation to legal rights, land rights, or capacity to conduct business transactions. Religious, cultural or social norms often prevent them from fully participating in the economic life of the nation.

(b) Landlessness

Land is predominantly the most vital force of production in rural areas; it often determines social as well as economic relations, it defines social status, income levels and purchasing power. And since 68% of the poor in developing countries live in rural areas, land and landholdings hold a central place in determining levels of poverty.

The rural population growth rate in many countries is compounded by inheritance laws which often prescribe the sub-division of small land lots into parcels or strips separate from each other. This, in turn, leads to proliferation of minuscule uneconomic holdings, often distant from each other and with problematic rights of way, which access is necessary to maintain productive agricultural activities.

Landlessness is increasing, particularly due to the rapidly increasing population growth, rapid urbanisation and use of land for non-agricultural purposes. However, there are also structural causes linked to wide disparities in landholding patterns and the rising viability land area thresholds for commercial agriculture in order to achieve economies of scale and justify technological investments.

Land is the most vital force of production in rural areas; it often determines social as well as economic relations, it defines social status, income levels and purchasing power.

Traditional landlords, investment corporations and multinationals often own huge tracts of land where export crops are produced using capital-intensive technology, while surrounding rural populations are utilised as labour reservoirs or have share-cropping or tenancy agreements, more often than not on highly disadvantageous terms. This latifundia-minifundia syndrome is a powerful contributory factor to poverty in terms of assetlessness, low earning capacities, and congested and inadequate living conditions.

Policies of economic reform which emphasise the production of tradables may also lead to an adverse impact upon vulnerable groups such as marginal farmers of landless labourers. Export crops, particularly tree crops such as coffee, cocoa, tea and similarly cotton, usually benefit from economies of scale which implies that small landowners may be extremely vulnerable to predatory purchasing by large landowners.

Policies leading to the removal of subsidies on agricultural inputs, of subsidised credit, or a reduction in the level and coverage of extension services could lead to a decline in small farmer productivity, thus making marginal holdings uneconomic.

Other major contributory factors to landlessness include the following:

- high rates of population growth which is a characteristic of low-income populations;
- soil exhaustion caused by over-intensive land use leading to environmental degradation and infertility;
- uneconomic landholdings due to size, dispersion, cost of inputs, or vulnerability to inclement weather where the value of output is far below alternative wage-earning opportunities, compelling sale or abandonment of the holding.

(c) Internal Conflict and Displacement

A consequence of internal conflict, oppression and discrimination on religious, political or ethnic grounds is the flow of displaced persons either within the country or more commonly across international boundaries. While specific conditions have to be fulfilled under the UN Convention of Human Rights to gain official refugee status in the eyes of the international community, there are also internal movements of populations in response to local crises which could include famine, drought or vulnerability. It is estimated that over two million people were internally dislocated during the civil war in Mozambique, probably many more in Angola. Events in Zaire, Rwanda, Sudan, Somalia and Liberia also have led to substantial numbers of displaced persons.

Refugees in the broad sense qualify for consideration in many safety-net categories, such as the poor, landless and displaced. A report of the Humanitarian Department of the UN stated (May 1994) that \$1 billion was needed to cope with the effects of drought and civil war in sub-Saharan Africa, which is said to affect some 21 million people,

many of them refugees mainly in the Horn of Africa: \$325 million in food and \$673.3 million for non-food aid for six months June to December 1994.

Dispossessed and displaced groups depend on food aid for survival. However, given the difficulties of food distribution, the leakages and pilferages which often occur, it may sometimes be preferable to provide support for the coping strategies of vulnerable populations rather than rely on inadequate quantities of food aid getting through.

A distinguishing feature of refugees and displaced persons is that, typically, they can generate little savings as well as having limited capital absorption capacity. Essential consumption needs dominate in the short-term and investment in productive capacity is seldom feasible during the first phase of displacement. They therefore qualify for consideration of safety net measures. The provision of humanitarian aid to the destitute ought to be a constant, irrespective of policy reforms.

2 Access to and Control over Productive Resources

The key output of enhanced participation by the disadvantaged in policy formulation, institutional reform and empowerment is increased access to and control over productive resources. The critical social question is the factor of access, control and opportunity. It is control over assets that gives household members, on the basis of age and gender, the opportunity to generate income. Assets are varied and these include, in particular for smallholder farmers,

- land and water rights,
- technology (often tools and inputs),
- human capital including health, education, skills and life experience,
- access to financial capital on the basis of group or social collective.

Factors relating to key resources are outlined below:

(a) Land Reform

This could include

- land redistribution (either belonging to the state or large landholders),
- ownership ceilings (as in India and Egypt),
- resettlement schemes or
- tenurial reform, to include usufruct rights and common property resources.

Considerable difficulties have faced land redistribution which have not been accompanied by programmes of credit, technology transfer and training. Singular success has been achieved by Malaysia for the resettlement of the landless on rubber and oil plantations¹⁸. Land reform in India, and in particular West Bengal, has enabled individual tenants to assume rights of owner cultivation. Land reform has also been identified as a key factor in the economic development and reduction of poverty in Taiwan and South Korea.

(b) Financial Services

Over the last decade a number of specialist institutions have evolved offering credit and savings services to people who were viewed as being 'too risky' for orthodox banks. NGOs and donors have spearheaded these initiatives to prove that 'the poor are bankable' and there has been particular success in South Asia. Although the Grameen Bank approach is now the best-known model, there are other effective approaches: solidarity groups, co-operatives and schemes for individuals.

There are important distinctions between schemes that seek to promote incomes of poor women and men by granting them an income-generating loan and others that seek to help them accumulate personal savings that can be used for investment, or to cope with adversity, in the future.

¹⁸ See Govt. of Malaysia (1995) *National Report to World Summit for Social Development*, p.17.

These innovations have attracted support for two particular reasons. *First*, because of the evidence that they can improve livelihoods or poor people in areas where more radical approaches (e.g. land reform) are not feasible. *Second*, because they promise the possibility of being ‘self-financing’ poverty-reduction mechanisms if the spread between their deposit and lending rates is sufficiently wide.

In reality, financial sustainability for such institutions must be viewed as a long-term (15 to 25 years) goal and they are more appropriately viewed as having a high potential for cost recovery¹⁹.

While well-designed institutions can help relatively large numbers of poor people, especially women, to improve their livelihoods, the claims that such initiatives are a virtual panacea for poverty need to be treated with caution. Attempts to replicate such schemes have met with problems²⁰; in most cases successful participants only go ‘one step up’ the economic ladder and do not experience sustained income growth; and, these schemes do not reach the poorest because of the particular constraints they face and the processes of self-exclusion, social exclusion and professional bias²¹.

(c) Technology Transfer and Food Security

Food generally absorbs from 75 per cent upwards of total expenditures of the hard-core poor²². It is a critical resource, both in terms of biological survival and as a determinant of labour productivity.

Increasing the control of the poor over food resources would focus primarily on rural markets and improving their productivity and output in a situation where land availability is diminishing, environmental degradation increasing and population growth is at unacceptably high levels.

Food generally absorbs from 75 per cent upwards of total expenditures of the hard-core poor. It is a critical resource, both in terms of biological survival and as a determinant of labour productivity

IFPRI studies indicate that a huge food gap is developing; in its 2020 Vision document²³ it identifies an increased demand for food grains of 75 per cent and for animal products of 155 per cent and suggests that “productivity gains will be possible only if:

- agricultural research systems are mobilised to develop improved technology;
- extension services are strengthened to assure passing on the improved technology to farmers; and
- farmers’ own capacities for innovation and creativity are recognised and bolstered²⁴.

The following mechanisms are therefore suggested as critical to increasing food and agricultural production generally for small-scale farmers:

1. farm-based adaptive research responsive to farmers’ needs;
2. improved varieties commensurate with smallholders’ absorptive capacities;
3. diverse extension approaches consistent with poor farmers’ resource base;
4. incorporation of traditional knowledge in matters such as environmental management, plant diversity, water resource management and climatic cycles;
5. micro-irrigation systems and bio-mass regeneration;

¹⁹ For example, the Grameen Bank absorbed US\$156 million of grants before it acquired its millionth borrower, and only Indonesia’s BRI unit *desas* have achieved a negative score on Yaron’s subsidy dependence index, to date.

²⁰ In Malawi the Mudzi Fund has collapsed, whilst the Grameen Bank approach adopted by Sarvodaya in Sri Lanka is facing major problems.

²¹ See Hulme and Mosley (1996) Volume 1, Chapters 5 and 8.

²² See World Bank (1994) Tanzania: A Poverty Profile.

²³ IFPRI (1995): A 2020 Vision for Food Agriculture and the Environment, Washington DC. Also reiterated by the Director General of IFPRI to the Capetown Conference of SADC Countries, February 1996.

²⁴ IFAD (1995) Conference on Hunger and Poverty, Brussels, p.16.

6. farmer-controlled marketing systems;
7. provision of off-farm employment opportunities;
8. achievement of household food security with appropriate investment in regional and national early warning systems, climate and crop forecasting, strategic grain reserves and off-farm employment opportunities, crop storage facilities and reduction of post-harvest losses;
9. market information being made available to low-income producers, free movement of foods and services and liberalisation of marketing systems²⁵.

(d) Environmental Conservation

It is estimated that around 60 per cent of the world's poor live in areas which are either marginal or at least environmentally sensitive. The displacement of population due to land degradation, population growth rates or emergencies has led to new concentrations of poor populations in ecologically fragile zones. The livelihood security of these populations is constantly threatened by uncertain precipitation and cyclical drought patterns.

Poverty and environmental degradation are closely interlinked. The intensive exploitation of natural resources in arid and semi-arid areas often leads to soil exhaustion and productivity decreases which in turn trigger further human migration. "Poor people press on the land and forests, over-exploiting them to survive and undermining the resource base on which their well-being and survival depend"²⁶. Recurrent drought and natural disasters lead to a worsening of food security, thus increasing pressure on an already stretched natural resource use, forcing a choice between immediate food requirements and environmental sustainability. However, while poverty is instrumental in causing environmental stress, a major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production in many industrialised countries.

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The emerging strategy of sustainable development, addresses the multiple factors leading to population concentrations of poor people in marginal areas of both urban and rural locations. International support for the effective implementation of Agenda 21 of the UN Conference on Environment and Development held in Rio in 1992 should be matched with specific aid packages to low-income countries in order to be effective at national level, particularly through the Global Environmental Facility. Other actions leading to an enhancement of purchasing power of the poor, off-farm employment, land reform, demand driven production services, social infrastructure, promotion of the rural and urban informal sector, could all lead to reducing population pressure on marginal lands.

(e) Safety Nets and Targeting

Cost-sharing or cost recovery from users of social service provision is a common recommendation during a period of economic reform²⁷ and public expenditure constraints. Within this context, safety nets are provided as a mechanism for preserving access to these services by the vulnerable section of society such as the elderly, the infirm and the destitute. However, the costs of emergency care provision have to be realistically costed and budgeted for, as too often the affordability of safety nets provision becomes problematic over the long term due to political pressures to widen their constituency of users.

Targeting benefits to the poor promises to be a more cost-effective way of reaching the most needy, provided it is administratively feasible and recurrent cost levels are sustainable. Screening mechanisms such as means testing, are difficult to operate due to weak fiscal databases and problems associated with cross-eligibility from other poverty

²⁵ FAO (1995) *Food for Consumers: Marketing, Processing and Distribution*, provisional paper for World Food Summit, p.9; outlines a successful case study of the communication of market information to farmers on local radio.

²⁶ Report of the Commission on Global Governance (1995) *Our Global Neighbourhood* OUP, p.29.

²⁷ Market-led structural adjustment measures which many African and Asian countries have adopted, create an economic environment in which resources are allocated by markets and state intervention is perceived as providing an enabling environment for investment and complementing the lacunae of the market.

programmes whose criteria of assessment are equally unreliable (food stamps or ration cards are among the most common). This has led to a high level of leakage of benefits to middle-income groups.

Self-targeting remains a more cost-effective way of reaching the poor, either at the household level or even at the area level when this is justified. Examples may be food-for-work or school meals in food deficit areas. Similarly, programme targeting towards production or social sub-sectors, such as off-farm income generation for the landless or near landless, could provide the basis for improved productivity.

3 Non Governmental Organisations (NGOs) and Local Level Participation

The transfer of functions to NGOs is one particular form of decentralisation often advocated by policy reform. Evidence suggests that NGOs "have a positive record of encouraging local participation". Their effectiveness has also resulted in their involvement in partnerships of various kinds. International organisations, including IFIs, are inviting NGOs into working partnerships. A similarly growing trend is also evident among bilateral agencies. UNDP have a Partners in Development programme with NGOs, similarly IFAD funds an Extended Cooperation Programme (ECP). The World Bank has an NGO liaison unit, located within the External Affairs section of the International Economic Relations Division.

While NGOs are involved in policy advocacy, relief and development, it is particularly in relief work that they have earned a high profile in terms of rapid responsiveness to critical situations, speedy mobilisation of personnel, resources and relief supplies and often a disregard for personal safety. Current crises in Somalia and Rwanda have seen up to 200 NGOs in the field at any one time, both local and international, often complementing the work of international aid organisations but also taking the lead after international personnel from these organisations had been evacuated.

Similarly, many bilateral organisations chose to channel their humanitarian relief through NGOs. However, there is also a danger of the politicisation of humanitarian aid by too close a relationship between governments and NGOs, particularly when working with military personnel.

Conversely, campaigning NGOs, as distinct from service NGOs can hold governments publicly accountable for the administration of Official Development Assistance. A particular example of this is the World Development Movement's successful legal challenge to the propriety of the UK Government's funding of the Pergau dam in Malaysia and the alleged links to arms sales.

The relations between policy and NGO grassroots activity are often overlooked. Since NGOs interface directly with communities of the poor and deal with their immediate needs in the here and now, there is a sharp focus on service delivery and the short term alleviation of poverty. This is not to say that NGOs do not pass from relief to development. However, relief work raises funds rapidly from the public as it is often accompanied by media exposure, so this aspect of the work often receives a disproportionate level of attention.

The problems of poverty in both relief and development modes of intervention may not be adequately, addressed without getting to the fundamental policy choices which cause and aggregate poverty. If the terms of trade of primary crops cultivated by subsistence farmers have sharply deteriorated against cash crops or essential consumer items, then their purchasing power will also have appreciably declined. Poverty will continue to persist unless this fundamental issue is addressed. NGOs in the field may fail to have the required expertise to analyse policy issues

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such as devaluation, removal of subsidies, privatisation, exported growth. An additional dimension of policy analysis and access to policy-making institutions would be required in order for their activities to be built upon a sustainable basis.

Another requirement of NGO action in relation to sustainability is their accountability to local communities which they serve. Short cuts to project implementation or participation imposed from above may lead NGOs to initiate supply-driven projects under pressure from external donors or in order to show results for money donated. There may also be a trend to seek out the more responsive communities to external inputs or ones that have a proven record of managing externally-funded projects. There is no evidence to suggest that the responsive communities are actually the poorest or those in greatest need of assistance. Certain parts of a district may have adequate health coverage but continue to attract health workers whilst more remote areas may be entirely neglected, particularly if health is not perceived to be a priority by 'backward' communities as a result of a lack of awareness-raising.

The issue therefore of correcting market trends in NGO services in order to ensure distributional equity is closely aligned with public accountability of NGOs to their constituents. While the issue of NGO accountability to those who contribute voluntarily to their fundraising is also of legitimate concern, it falls outside the scope of a detailed debate within the confines of this manual. A coordinating mechanism is therefore called for which can ensure a level of accountability to the broader local community who should be involved in the decision-making affecting the rational distribution of resources within the geographical zone or administrative unit.

Meso-level institutional reforms typically include a level of decentralisation of authority to plan and budget from national to regional/provincial or district levels (see above). The coordination of resource distribution would therefore be ensured by local administrations. In cases of statelessness or when a national government is unable to function due to lack of legitimacy, traditional authorities such as councils of elders often assume the role of coordination of relief, mediation and order based on customary norms²⁸. Where a state is weak, NGO activity could, perceivably, be strong. However, the need for accountability of NGOs to the local communities still remains valid. In instances of administrative normalcy such coordination functions of NGO activity ought normally be regulated by the District authorities within the framework of a prioritised plan of action or at least a listing of projects consistent with established needs. The operational problem of administrative capacity to cope with or regulate a large number of NGOs simultaneously, as has been noted in Mozambique, remains intractable.

However, the need for intervention in regulating the flows of goods and services by NGOs so that equitable distribution can be achieved, duplication avoided and wastage through oversupply diminished, requires a locally administered system of NGO coordination and rationing.

Overall, therefore, while the efficacy of NGOs in reaching poor populations is to be acknowledged, a number of desirable conditions are also to be verified in situ. Among these are the need for the participation of local institutions in NGO activity as a precondition of sustainability; the transitional arrangements from relief to development; the equitable spatial distribution of NGO resources; public accountability and coordination in planning in partnership with local development institutions.

²⁸ Somalia and Afghanistan are recent examples where such has taken place.

Appendix: Example of Stakeholder Analysis: Faisalabad Area Upgrading Project, Pakistan

STAKE HOLDER	INTEREST	IMPACT ON THE PROJECT	IMP	INF	MITIGATION/PARTICIPATION RESPONSE
A.1 MARGINALISED GROUPS AND POTENTIAL POOR					
Marginalised social groups & categories (Changars, female sex workers and others)	<ul style="list-style-type: none"> Fulfilment of basic needs (food security, health, income generation activities, infrastructure development, education opportunities, and shelter. Increased awareness of employment opportunities. Improved access and mobility. Improvement in economic and social condition. Elimination of discrimination because of class differences. Increased opportunities to mobilise own resources. To reduce dependency on others and to establish links with others institutions. 	<ul style="list-style-type: none"> Project not achieving its objectives if above is not achieved (-VE). Criticisms on the project if category are not included in Phase II (-VE). Increases awareness among project staff of the diversity of the poor (+VE). Stimulates greater awareness among project staff of the mechanisms that exclude marginalised groups (+VE). 	3	2	<ul style="list-style-type: none"> Ensure significance and magnitude of different groups is verified in the citywide poverty study. Validated in existing areas. Clarify if it is possible within the mandate of the project to work with the different groups, if it is outside the mandate of the project ensure clear rationale and explanations why. If the project mandate encompasses the groups and the project has the means to facilitate demand from groups to service providers, then include in all interventions. If the project mandate encompasses this group then facilitate links between involved families/ individuals and appropriate NGOs dealing with marginalised groups and that MPCOs do not exclude these groups.
Women in prison	<ul style="list-style-type: none"> Improved economic condition and attaining marketable skills. Employment opportunities, awareness. A respectable place in society. Improved health, physical and mental abilities for improved lives. Improved access. Economic condition improvement and uplift of social condition. Getting their legal rights. Financial support to cover dues and debts. Rehabilitation - after bail/completion to punishment. Better environment for their 	<ul style="list-style-type: none"> Project not achieving its objectives if above is not achieved (-VE). Criticisms on the project if category are not included in Phase II (-VE). Increases awareness among project staff of the importance of this among the poor and poorest (+VE). Stimulates greater awareness among project staff of the mechanisms that exclude families and individuals with members who are prisoners or ex-prisoners (+VE). 	2	1	<ul style="list-style-type: none"> Ensure significance and magnitude of different groups is verified in the citywide poverty study. Validated in existing areas. Clarify if it is possible within the mandate of the project to work with the different groups, if it is outside the mandate of the project ensure clear rationale and explanations why. If the project mandate encompasses the groups and the project has the means to facilitate demand from groups to service providers, then include in all interventions. If the project mandate encompasses this group then facilitate links between involved families/ individuals and appropriate NGOs dealing with people in prison and ensure on returning to communities from prison that MPCOs do not exclude these groups.

STAKE HOLDER	INTEREST	IMPACT ON THE PROJECT	IMP	INF	MITIGATION/PARTICIPATION RESPONSE
	children (education). <ul style="list-style-type: none"> • Better surroundings in jail. • Getting some skills for use out of jail. • Legal aid/advise for protection and freedom. 				
Orphans, mentally & chronically ill, and disabled	<ul style="list-style-type: none"> • Self sustained member of society/ community. • Improved economic condition and attained marketable skills for livelihood work. • Improved health, physical and mental abilities for improved lives. • Improved access to basic facilities including medical & psychological help. 	<ul style="list-style-type: none"> • Project not achieving its objectives if above is not achieved (-VE). • Criticisms on the project if category are not included in Phase II (-VE). • Increases awareness among project staff of the importance of this among the poor and poorest (+VE). • Stimulates greater awareness among project staff of the mechanisms that exclude families and individuals with members who are mentally and chronically disabled (+VE). • Stimulates greater awareness of the mechanisms that exclude orphans from being involved in project activities. 	3	3	<ul style="list-style-type: none"> • Ensure significance and magnitude of different groups is verified in the citywide poverty study. • Validated in existing areas. • Clarify if it is possible within the mandate of the project to work with the different groups, if it is outside the mandate of the project ensure clear rationale and explanations why. • If the project mandate encompasses the groups and the project has the means to facilitate demand from groups to service providers, then include in all interventions. • If the project mandate encompasses this group then facilitate links between involved families/ individuals and appropriate NGOs dealing with people in prison and ensure on returning to communities from prison that MPCOs do not exclude these groups.
Mosque shrine servants	<ul style="list-style-type: none"> • Improved economic condition and attaining marketable skills. • Improved health, physical and mental abilities for improved lives. • Improved access. • Economic condition improvement and uplift of social condition. 	<ul style="list-style-type: none"> • Can be seen as negative if a particular religious sect needs will be favoured over other sects (-VE). • Project not achieving its objectives if above is not achieved (-VE). • Criticisms on the project if category are not included in Phase II (-VE). • Increases awareness among project staff of the importance of this among the poor and poorest (+VE). • Stimulates greater awareness among project staff of the mechanisms that exclude particular religious groups (+VE). 	1	1	<ul style="list-style-type: none"> • Ensure significance and magnitude of different religious and ethnic groups in relationship to poverty is verified in the citywide poverty study. • Validated in existing areas. • Clarify if it is possible within the mandate of the project to work with the different groups, if it is outside the mandate of the project ensure clear rationale and explanations why. • If the project mandate encompasses the groups and the project has the means to facilitate demand from groups to service providers, then include in all interventions. • If the project mandate encompasses this group then facilitate links between involved families/ individuals and appropriate NGOs dealing with people in prison and ensure on returning to

STAKE HOLDER	INTEREST	IMPACT ON THE PROJECT	IMP	INF	MITIGATION/PARTICIPATION RESPONSE
					<p>communities from prison that MPCOs do not exclude these groups.</p> <ul style="list-style-type: none"> • Ensure conflict skills are developed among project staff and MCPO activists.
Homeless	<ul style="list-style-type: none"> • Fulfilment of basic needs (food security, health, income generation activities, infrastructure development, education opportunities, and shelter. • Improved economic condition and attaining marketable skills for household individuals. • Employment opportunities, awareness. • Improved access and mobility. • Economic condition improvement and uplift of social condition. 	<ul style="list-style-type: none"> • Project not achieving its objectives if above is not achieved (-VE). And are among the poorest. • Criticisms on the project if category are not included in Phase II (-VE). • Increases awareness among project staff of the importance of this among the poor and poorest (+VE). • Stimulates greater awareness among project staff of the mechanisms which exclude the homeless from participating in project activities (+VE). 	1	1	<ul style="list-style-type: none"> • Ensure significance and magnitude of different religious and ethnic groups in relationship to poverty is verified in the citywide poverty study. • Validated in existing areas. • Clarify if it is possible within the mandate of the project to work with the different groups, if it is outside the mandate of the project ensure clear rationale and explanations why. • If the project mandate encompasses the groups and the project has the means to facilitate demand from groups to service providers, then include in all interventions. • If the project mandate encompasses this group then facilitate links between involved families/ individuals and appropriate NGOs dealing with people in prison and ensure on returning to communities from prison that MPCOs do not exclude these groups. • Ensure conflict skills are developed among project staff and MCPO activists.
A.2 GEOGRAPHIC AREAS					
Recognised katchi abadis	<ul style="list-style-type: none"> • To be included in the project to get more and more from the project (in terms of projects/schemes). • Improved economic condition and attaining marketable skills for household individuals. • Employment opportunities, awareness. • Improved access and mobility. • Economic condition improvement and uplift of social condition. 	<ul style="list-style-type: none"> • Active interest focuses attention on specific community projects offered as a menu of schemes from the project rather than on their priority development. Increased dependency (-VE). • High expectation from the project (-VE). • Vocal recognised areas may distract project from poorer areas (-VE). • Criticism on project if the category is not included and contains many poor (-VE). 	3	3	<ul style="list-style-type: none"> • Mechanisms developed enabling the project to ensure services are in response to demand. • Mechanisms developed which ensure priority listing of areas based on poverty indices. • Broader impact achieved through partnerships with NGOs. • Clear rationale explaining why the project can only work in set areas well articulated and publicised.

STAKE HOLDER	INTEREST	IMPACT ON THE PROJECT	IMP	INF	MITIGATION/PARTICIPATION RESPONSE
	<ul style="list-style-type: none"> • Getting their legal rights. • Elimination of disparities among class. • Better environment for their children to grow up in. • Improved access to basic facilities including health, income generation activities, infrastructure development, education opportunities, and shelter. • To uplift in social status and to reduce dependency on others and to establish links with others institutions. • To get some recreational activities. 	<ul style="list-style-type: none"> • Participation stimulates success and demand from the project (+VE). • Copying of project approach increase awareness of opportunities for replication. 			