

SUMMARY REPORT:
EURODAD electronic conference on poverty and social impact analysis

Introduction

The European Network on Debt and Development hosted a three week electronic conference to discuss poverty and social impact analysis from 1st – 22nd November. This e-conference was an open space for discussion and aimed to take into account the different roles of civil society organisations, donors and government actors in using evidence to influence policy reforms. It was also an opportunity to debate some of the issues that arose from Eurodad's monitoring and research of donor analytic work in 2005. This short report summarises the main points of discussion from the conference. The full debate is accessible and can be read online at www.eurodad.org/forum.

Each week the discussion focused on a different aspect of using evidence to influence pro-poor policy making. Contributions from different discussants initiated each week's debate. The first week reviewed the experience of poverty and social impact analysis (PSIA) to date; the second week debated how the process of carrying out such analysis can be improved and the third week focused on the challenges that exist for feeding research and evidence into the policymaking process.

Statistics....

Week one: Assessment of Poverty and Social Impact Analysis to date

The first week's discussion assessed poverty and social impact analysis to date. The WB, the IMF and other bilateral donors have made commitments to ensure that the policies they support in developing countries are supported by analysis of the potential poverty and social impacts of reforms. Olivia McDonald from Christian Aid and a contribution from the World Bank initiated the discussion on the achievements, challenges and lessons learned from this process.

Most of the participants seem to agree that a lot of progress has been made since the time PSIA was initiated, however much more needs to be done. Indeed, they are still several challenges and obstacles that need to be overcome to allow PSIA to realize its potential in identifying the frontline policies for the battle against poverty. Olivia McDonald considers that PSIA must be more rigorous, participative and consider non-orthodox policies.

For some Southern participants, one of the challenges in carrying out PSIA is the lack of relevant data and information, such as for example household surveys data which are particularly relevant to undertake distributional analysis and which is often out of date or nonexistent. It is thus very difficult to analyze the impact of macroeconomic and structural reforms at the microeconomic or household level. Indeed, addressing these analytical challenges requires the right economic and social tools which are often lacking in most development programs.

As the Eurodad report pointed out, the PSIA process is not only characterized by its lack of integration into the national policymaking process but also by the lack of participation from the key stakeholders. To some participants, this lack of participation is essentially due to the fact that PSIA is viewed as a bureaucratic conditionality imposed by the

donors pegged with grants, aid or loan. Therefore national stakeholders are not really aware about the PSIA, despite its potential as a good tool for measuring the likely impact of specific reforms on the poor and to promote evidence-based policy choices. To overcome this issue, it has been proposed that information about the PSIA and the related reform should be popularised in order to facilitate national debate and policy dialogue

But is this open and national policy dialogue fostered by the PSIA possible in a non democratic country? A Nepalese participant was very skeptical about this, noting that in Nepal, PSIA has been done by a few experts with the blessing of the government in a very secretive manner. This gives room for vested interests to be championed and closes the door to broad discussions.

Week two: Improving the process of carrying out ex-ante analysis

The second week of our PSIA E-Conference focused on what should be done to improve the process of carrying out ex-ante PSIA. Indeed the Eurodad report “Open on Impact: Slow Progress in World Bank and IMF policy analysis” (available at www.eurodad.org) argues that the process of doing PSIA needs to be improved in order to open up policy making in developing countries and to help ensure that reforms have a positive impact on improving the lives of poor people.

The discussants for the second week of the conference were: Karen Joyner, independent consultant based in Washington DC, Vitus Azzeem from ISODEC in Ghana and Sabine Schnell from GTZ, the German development agency.

One of the discussants, Karen Joyner, argued that if PSIA is to improve the development policy dialogue, more attention must be paid to getting the process right. She acknowledges that so far this has simply, sadly, not been the case.

Many of the problems encountered by the PSIA process are also faced by people working on Strategic Environmental Assessments (SEA), especially as the objectives of PSIA and SEA are to influence the way in which the decisions are taken. Because of these similarities between the socio-economic focus of PSIA and the socio-ecological focus of SEA, one participant proposes that ‘both should merge to form an integrated assessment which leads to a more sustainable development’. This participant also agrees with #Karen Joyner when she says that PSIA (and he adds SEA) can be conducted by anyone who has a stake in the development process of a country. In other words anyone active and influential in a country’s development or reform program should be expected to undertake this type of work on their own or in partnership with others. A key role of donors, according to one participant, should be to support citizen initiatives to do so and thus increase the demand side of pro-poor policy making.

One of our participants considers that the problem with the World Bank funding the majority of PSIA to date, is that it dictates the process and then manipulates it to define its own interest. In other words, according to him, if we want to do PSIA and really gauge the situation, we need to keep the Bank out of it. This intervention was countered by another participant for whom the question is not whether to keep the Bank in or out but rather to encourage the Bank to build capacity in the South to carry out PSIA. Indeed we can expect the participation in the PSIA of all the stakeholders only if they fully understand the process.

In seeking to encourage the implementation of more effective policies rather than solely fostering discussions about policies, Sabine Schnell, raises a very interesting point when she argues that if PSIA wants to have any impact on decision-making, it needs to become an integral part of the national policy cycle. She highlights that this must entail the process becoming more open and inclusive in order to promote consensus around specific and sometimes contentious issues, pooling expertise and insider knowledge and empowering otherwise neglected stakeholders.

But this process is far from being cost free and as Alan Hudson points out, there is a significant trade-off between encouraging discussions about policies and fostering debate and the need to inform policies in a timely manner. Indeed, in some situations participation may be constrained by donor's demands for information in a short period of time whilst in others the national policymakers may not be interested in listening to the voices of the poor.

For a Southern consultant, the issue is not whether the participation of all the stakeholders is too costly, but rather whether all stakeholders' knowledge or reality matters and is useful in determining policies.

The Eurodad report 'Open on Impact' highlighted some of the World Bank's limitations in facilitating stakeholder participation. For example, the report expressed some concerns about the way preliminary results on cotton were disseminated in Mali. The presentation was very technical, which did not facilitate meaningful discussion from all the stakeholders. On this point, the Eurodad report states that however, simple practices, such as providing participants with printed copies of a presentation in a comprehensible language make it easier for people to engage meaningfully in a discussion. Vitus Azeem also recommends circulating summaries of PSIA reports or key findings alongside national radio or television programs. This would be an effective way to disseminate information to the people of the street and to foster national debate and country ownership.

This session also highlighted that consensus between all the stakeholders is not always possible. Sabine Schnell argues that it is important to understand the incentives and constraints different stakeholders face, and the reasons behind their opinions in order to avoid simplistic or romanticized notions of monolithic country ownership. Regarding the current situation, the road to getting the PSIA process right seems still very long but let's share Karen Joyner's optimism when she says that it may still be early enough in the evolution of this way of working to promote substantial reform on process issues.

Week 3 : How to connect analysis and policymaking?

The third week of our E-Conference discussed the many challenges facing feeding poverty impact analysis into the decision-making process. Sabine Beddies from the World Bank and Alan Hudson from the Overseas Development Institute initiated the debate.

In developing countries, policies are debated and agreed in different places such as PRSP consultations, loan and grant negotiations with donors, national budget or lawmaking processes. One key aim of analyzing the potential poverty and social impacts

of policy reforms is to design policies that are going to contribute to less poverty and more equality. However the fact that many useful studies have been done but have never been used by governments shines a light the difficulties that exist to connect analysis and policymaking. In some cases this may be that because it is just not politically realistic or there is no political will for change.

In theory, PSIA promises much in the way that is supposed to be as inclusive, transparent and evidence-based as possible in order to enhance policy processes and in the longer-term to build the capacity of organizations in developing countries to conduct policy analysis and to foster a greater sense of national policy ownership. But in the reality, we can't deny that PSIA have rarely fed into public debate and have seldom led to the implementation of different and more context-specific policies. Why it doesn't work as it should? In other words why do decision-makers not automatically respond to such evidence-based research?

Alan Hudson, drawing on the work of the Research and Policy in Development group at ODI over the last few years to explore the interface between research and policy, argued that there are three sets of overlapping factors which shape the chances of research informing policy:

- 1) Context-politics and policymaking
- 2) Evidence-research, learning and thinking
- 3) Links between policy and research communities

This framework that ODI has developed based on these factors focuses attention on the messiness of policy processes and the importance of the political context and the politics of policymaking. This involves a range of implications for all the stakeholders involved in the policy process.

Most of the e-conference participants agreed that these stakeholders should include the governments and its institutions, the donors, civil society groups and citizens affected by reforms. Some participants were concerned that poor peoples' genuine needs and realities are not heard. They emphasised the problems associated with representation of the poor through civil society groups whereby grassroots leaders are crowded out from the process because they are not sufficiently connected to NGOs or CSOs.

To translate policy advice into policy documents, several participants emphasized the importance of a continuous policy dialogue amongst all the stakeholders and with the local researchers, during design and implementation. Indeed, knowing what kind of policy advice is requested and directing and presenting the results specifically to these needs enhances the likelihood of it being integrated into policy reforms.

One participant suggested that better links between policy and research communities could be created and the policy dialogue improved by putting in place a platform of civil society groups that included independent research organisations at a national level. This platform could provide the government with valuable inputs for pro-poor policies. Here the role of donors and creditors would be to support the CSOs and research initiatives, citizen monitoring initiatives and to put pressure on governments to make them take into account these diverse initiatives. It is interesting to highlight here the WB initiative in Bangladesh to form a joint monitoring committee consisting of donors and

government representatives. It was argued that this is a good opportunity to include CSOs in this monitoring process which could then be institutionalised.

Even if PSIA can do much to ensure that political choices are made on the basis of sound evidence and information, it won't remove the politics – the clash of competing interests and values – from development. Indeed, there is no doubt that politics is crucial in determining what use is made of evidence in policy processes. Therefore as one participant reminds us, connecting analysis and pro-poor policymaking is a much easier process in a democratic state that aims to ensure that the socioeconomic rights of its people are respected.

Conclusion

The e-conference was a valuable exercise to share experiences to date in participating in poverty and social impact analysis, examining the challenges for improving the process of doing impact analysis for pro-poor policies and the challenges for getting policy makers to respond to evidence when taking decisions.

Eurodad believes there are some lessons learnt from moderating this e-conference which will be useful for the future. Some aspects which could have improved the extent of participation include: improving the layout of the website and/or improving the instructions for participation; requesting all participants to complete basic personal information on registration so that participants know where the interventions are coming from; and enabling default feeds on registration of postings from the conference website into participants email boxes.

Some of these difficulties aside, the e-conference was overall a successful experience. Indeed, around 600 participants had a look every week on our conference and 56 comments have been posted. This conference was definitely the opportunity to bring together a large number of people from all corners of the world in an open space for debate where different views could be expressed. The e-conference was also an opportunity to raise awareness of the relevance and importance of doing poverty and social impact analysis of reform programmes and how evidence can be used to influence policies, hopefully in favour of the poor and vulnerable in a society.

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