

POLICY FORMULATION AND ACTION PLANS

3.1 INCORPORATING POVERTY INTO TRANSPORT POLICY

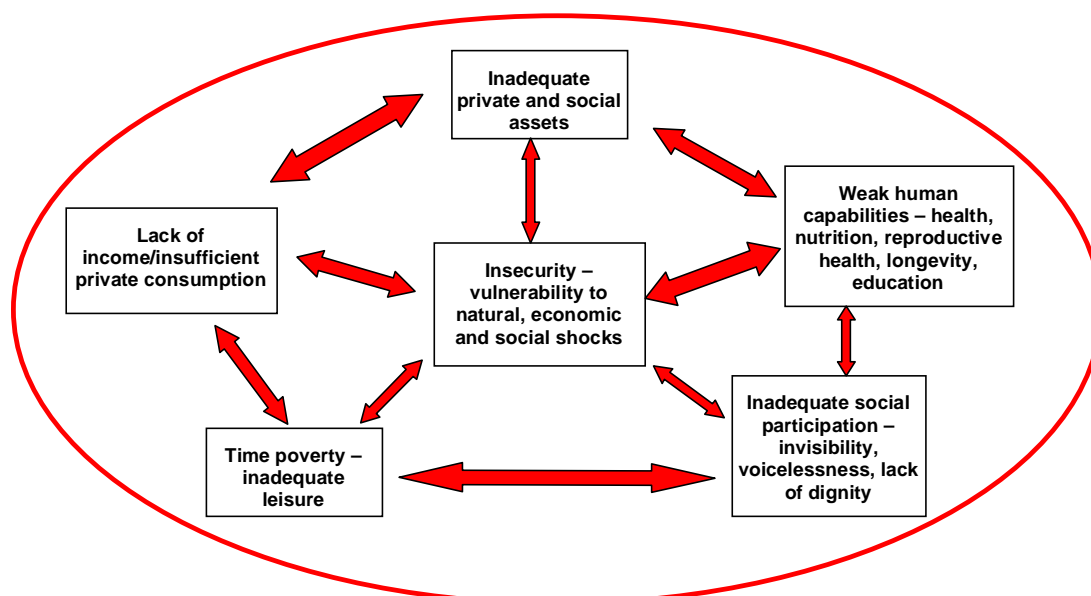
Problem: The ways in which transport development impacts on the poor are not fully understood, and hence transport policies aimed at poverty alleviation may not be sensibly framed.

Solution: The distributional effects of transport development need greater attention, and one way to achieve this is by involving the participation of all sectors of the community affected, particularly the poor, in understanding their transport problems, needs and aspirations.

BACKGROUND

The poor are those whose basic needs, rights, assets and income are insufficient to provide either a sustainable livelihood or a sense of well-being. **Figure 1** shows how this definition can be made in relation to six dimensions and their interactions.

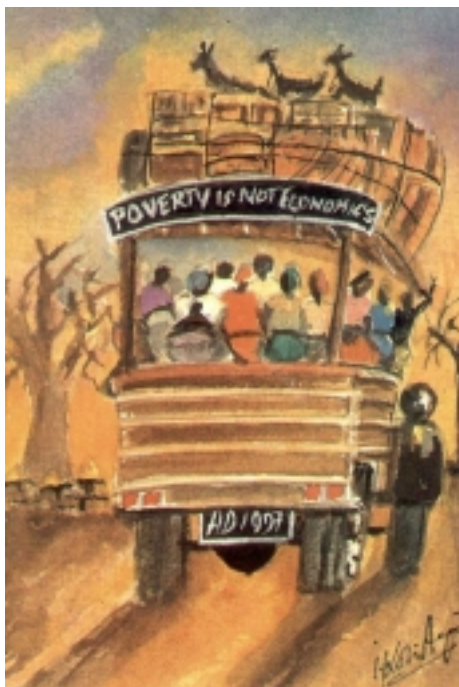
Figure 1: Dimensions of poverty and their interactions



Source: Hanmer et al (2000)

Links between transport infrastructure and services and these poverty dimensions include:

1. **Inadequate infrastructure** - a common symptom of the inadequacy of the poor's access to social (common property) assets. Provision of transport infrastructure alone may not necessarily alleviate this constraint; means of transport or affordable transport services may be lacking.
2. **Lack of transport infrastructure and services may constrain access to facilities and resources** (schools, health centres, water) by the poor, particularly in rural areas.
3. **Poor people's lack of access to assets and technology** means that production for market and household is time and energy intensive.
4. **Lack of individual/household ownership of transport assets** is often cited by the poor which differentiate them from the non-poor of the community.



Source: Artmatter Productions, Ghana

The first step in making transport policy *poverty focused* is to gather information on the nature and extent of the poverty problem. A number of poverty indicators are often collected by government statistical services. Other information available in most countries includes:

- Poverty Assessments (often World Bank)
- Participatory Poverty Assessments (World Bank and others)
- Human Development Report (UNDP)
- Demographic and Health Surveys (Macro International, Department of Health)
- Population Census

TRANSPORT AND THE ENABLING ENVIRONMENT: PRO-POOR GROWTH

Sustained increases in real per capita income are needed to reduce poverty. *Investment in infrastructure can contribute to economic growth* through a number of factors, including creation of employment opportunities in transport and other infrastructure and lowering costs of inputs for the production of almost all goods and services. However, for effective poverty reduction, policies must ensure that poor people actively participate in the growth process and that certain institutional aspects of government on public transport services which make them unsustainable be reviewed.

Also needing to be addressed are the negative impacts which rural infrastructure projects may have on people's livelihoods, including:

- Environmental destruction and depletion of valuable local resources through international trade
- Displacement of communities
- Exposure of indigenous people to conflicts or new diseases with new migrants to their areas
- Destruction of cultural or national heritages.

PRO-POOR APPROACHES TO TRANSPORT INTERVENTION

Types of pro-poor policy interventions can be categorised into:

- **Direct or targeted actions:** those actions that aim directly and prominently to focus on the rights, interests and needs of poor people; e.g. building rural feeder roads
- **Indirect or inclusive actions:** actions which aim to benefit broad population groups including poor people, but which also address equity and barriers to the participation or access of poor people; e.g. ensuring the informal sector is free to operate transport services

- **Enabling actions:** are structural measures aimed at underpinning pro-poor economic growth or other policies leading to social, environmental or economic benefits for poor people; e.g. investing in transport infrastructure that links the poor and their products to national and international markets

Targeted and inclusive policy actions

There are six key areas where well-designed transport policy can help the poor through direct or indirect actions:

- Providing adequate transport to places of employment
- Eliminating impediments to non-motorised transport
- Ensuring the informal sector is free to operate transport services
- Eliminating gender bias in transport provision
- Focus on increasing accessibility with complementary measures to increase mobility
- Increasing local participation in policy formulation and supply

In addition measures need to be taken to avoid or compensate for the adverse social effects of large infrastructure projects on communities and integrate HIV/AIDS awareness and prevention into transport sector activities.

Providing adequate transport to places of employment

For poor people the cost and availability of transport to work is a major determinant in their ability to participate in the labour markets. However, this is of importance in urban areas, rather than remote rural communities where most members are likely to be engaged in small-scale farming, rather than regular employment.



Eliminating impediments to non-motorised transport

As the *poor do not own motorised transport* pro-poor transport policy need to address non-motorised modes. A major impediment to non-motorised transport along roads is the volume and speed of motor traffic which poses more of a threat in urban areas and, perhaps on inter-urban routes rather than rural areas. In rural areas it is the *quality of the road surface and its susceptibility to erosion and ponding* in the wet season, together with *unsafe water crossings*, which restrict non-motorised, as well as motorised modes.

Ensuring the informal sector is free to operate transport services

The informal transport sector may provide more affordable transport services than the state or formal private sector operators whose charges place their services out of reach of the poor. It is also an important provider of employment opportunities for many poor people. Issues to be considered in the transport sector policy include:

- Revision of government policies which restrict operating licenses of the informal sector

- Revision of government policies that impose direct bans on the forms of transport used by informal sector operators
- Measures to reduce the incentives for corrupt behaviour of transport officials.

Eliminating gender bias in transport provision

Key policies for including the gender sensitivity of transport interventions include:

- Involving women in transport planning
- Targeting credit schemes to buy means of transport at women

Some policies that can reduce the transport burden of women lie outside the transport sector; relocating some services closer to home may be preferable than increasing mobility through transport improvements.

Negotiated participatory approaches are of central importance. Findings from participatory evaluations (Derbyshire and Vickers, 1997) show that the introduction of women into formal structure should be done gradually and cautiously to prevent a male backlash.

Gender training and awareness needs to respond to demand from transport planners and communities. Awareness and sensitivity workshops should be organised for *both male and female* opinion leaders to prevent hardening of male resistance.

Focus on increasing accessibility with complementary measures to increase mobility

Access to the primary transport network is provided by paths, tracks, unpaved and unclassified roads, and, in some cases, waterways. Policy makers need to identify the best solutions to increasing accessibility. Participatory approaches and information from key informants can be used to decide access weights for facilities and most important ways to address particular access problems.



Increasing local participation in policy formulation and supply

Involvement of the poor in transport planning entails:

- Consulting with communities about priority needs
- Allocating more expenditure at the local government level to invest in more small scale constructions
- Devolving more decision making power to local government regarding transport priorities
- Using more labour intensive techniques
- Using local transport firms to construct local road and other local infrastructure

PRIORITISING POLICY ACTION

The first step is to assess whether or not current policy is *working*:

- to reduce poverty
- to alleviate transport related constraints to pro-poor growth, and
- to attain fiscal stability.

The check list in **Box 1** shows the sort of issues which must be considered.

Box 1 Transport growth and stability checklist

- Examine the distributive impact of transport policy – distribution of spending and poverty impact across regions, rural/urban, social groups.
- Isolate sources of particular problems, whether supply side (cost effectiveness, efficiency, profitability of provision) or demand side (constraints facing groups or individual users).
- Assess effectiveness and efficiency of public spending on transport.
- Assess the poverty incidence of public spending on transport
- Consider potential for private sector solutions
- Establish linkages between key sectoral and structural policies and programs and identify a priority list of policies to be enacted /changed.
- Assess whether transport sector regulations and policies create opportunities for corruption
- Assess whether transport duties and taxes are regressive. Are duties higher on small vehicles used mainly for local trips that large vehicles used for national freighting? Are non-motorised forms of transport taxed excessively?
- Assess if government regulation supports the means of transport used by the poor.
- Assess if regulations and standards are appropriate for a low-income country. Are standards too high? Could revising standards release money to be used to increase supply?

PLANNING TRANSPORT POLICY IN THE WIDER CONTEXT

To maximise the impact on poverty road programmes should not be designed in isolation from the provision of other rural infrastructure. Transport infrastructure and service development must be assessed in terms of their wider effects on livelihoods, resources, knowledge and rights and be planned within the context of wider development interventions. In rural areas these might include:

- Support the development of rural entrepreneurs
- Seed multiplication and marketing
- Small scale irrigation
- Infrastructure development (roads, water supply, and buildings)
- Pilot agricultural development schemes
- Fertiliser supply
- Institutional support and capacity building
- Primary education and adult literacy
- Primary health care and child immunisation
- Access to clean water and sanitation



POVERTY REDUCTION STRATEGY PAPERS

Many developing countries are now part of the Highly Indebted Poor Countries (HIPC) initiative that provides a framework for debt relief. HIPC has been the first comprehensive approach to reduce the external debt of the world's poorest, most heavily indebted countries, and represents an important step forward in placing debt relief within an overall framework of poverty reduction. This framework is set out within Poverty Reduction Strategy Papers (PRSP) that describe a country's macroeconomic, structural and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs. Governments through a participatory process involving civil society and development partners prepare PRSPs.



In the case of Malawi the HIPC Initiative will provide significant support to the country's poverty reduction efforts by releasing resources for expenditures on health, education, rural development and other priority areas. Total debt service relief from all of Malawi's creditors will be worth around \$1 billion. Malawi will save an average of US\$50 million per year in debt service payments over the next 20 years, an amount equivalent to around 2.5 percent of annual GDP for the 2001-09 period. Malawi will receive the bulk of the assistance under the HIPC Initiative when it satisfies a number of conditions, including adoption and implementation of a participatory poverty reduction strategy.

Therefore in considering policy interventions in rural transport it is important to understand how these investments are likely to impact on poverty and on people's livelihoods. It is important that co-ordination is maintained with other agencies involved in development and poverty reduction and that the transport sector is a key player in developing PRSPs. Evidence from some countries suggest that transport policy measures that are reflected in a PRSP can have a good chance of being implemented at the national level.

For example, the transport section of the Kenya PRSP stated the need to reduce the heavy import duties that were being imposed on bicycles. It stated that bicycles were the primary form of transport for most poor people, particularly those in rural areas, and that price was a significant barrier to their continued adoption. The government in Kenya has now reduced import duties and there has been a large growth in the use of bicycles in the country both for private and commercial uses.

KEY REFERENCES

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