A New Dynamic in the Struggle Against Poverty

Researchers in Bangladesh help policymakers find new strategies to reduce poverty

Poverty has been an endemic problem in Bangladesh throughout the country's 33-year history, and remains so despite an encouraging annual economic growth rate of more than 5% in recent years. Now researchers and policymakers are collaborating to better understand the root causes of this stubborn economic malaise and design practical solutions.

Bangladesh, with its population of 142 million, is by far the largest member of the group of 50 so-called Least Developed Countries. Despite decades of sustained domestic and international efforts to improve the nation's economic prospects, Bangladesh remains one of the world's poorest countries.

It must be said that nature has not been kind to Bangladesh. About one-third of the country is flooded every year by the rains of the monsoon season, and catastrophic cyclones are common. This is a major impediment to economic development, and seriously affects the livelihoods of the two-thirds of the population who are employed in the agricultural sector.

By no means can all the blame be placed on the forces of nature. The causes of poverty are deep-rooted and complex. Even the definition of poverty can be hard to pin down. One dictionary defines it as "the state of one who lacks a usual or socially acceptable amount of money or material possessions." Economists, it seems, read dictionaries. They have traditionally measured poverty solely on the basis of income and consumption. Unfortunately these measures do nothing to suggest the causes of poverty, nor do they point to solutions.

MIMAP

The search for solutions based on a clearer understanding of the root causes of poverty led Bangladesh to become the second country to participate in the Micro Impacts of Macroeconomic and Adjustment Policies Program (MIMAP) in 1992. Created by the International Development Research Ce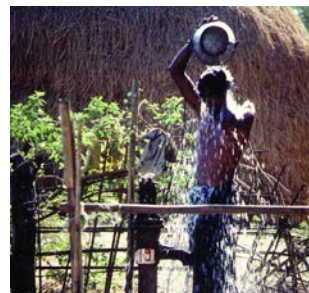ntre (IDRC), the MIMAP network pioneered the application of economic modeling techniques and poverty monitoring (*see sidebar*).

The resources offered by MIMAP enabled researchers and policymakers in Bangladesh to work together in the search for policy solutions. The innovative research involves poverty monitoring that goes well beyond simply measuring income and consumption to include indicators such as health, access to drinking water and land, quality of housing, and a myriad of other factors.

The resulting knowledge-related production has become a key source of information for policymakers regarding poverty reduction, according to María Pía Riggirozzi, who prepared a report on an evaluation of the MIMAP project in Bangladesh for IDRC based on research carried out by Kirit Parikh. The report states: "One of the most striking problems combating poverty in Bangladesh has been related to the lack of adequate sources of information on poverty-related issues."

"Access to information on poverty has been a critical challenge to the design of effective and sustainable economic policies that can have a positive impact on the poor. Access to adequate information on poverty-related issues and understanding the dynamics of poverty was considered a key priority in the government's antipoverty agenda."

Although Bangladesh has initiated a number of antipoverty programs, sources of information were both outdated and unreliable. Authorities had traditionally relied on only one source of data collection, the Household Expenditure Survey (HES) prepared by the Bangladesh Bureau of Statistics (BBS). Dr Mustafa Mujeri, leader of the MIMAP team

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at the Bangladesh Institute of Development Studies (BIDS) in Dhaka, comments: "This survey was of little use to policymakers because it was produced irregularly – every five or 10 years – and its results were published with a time lag of three or four years so the available data was out of date. Moreover, the HES offered limited, one-dimensional information as it looked solely at income and consumption."

New research tools

Researchers developed a new tool, the Poverty Monitoring System (PMS) which tracks a wide-ranging set of indicators. These include income, employment, health, education, housing, access to community services, access to land, and so on. Several rounds of surveys are conducted to assess the situation of the same set of households over time. New indicators were added over the life of the project as the system was refined. The system now includes a multi-dimensional core set of 12 indicators that are used to collect data in 21 districts through a continuous series of surveys.

"These surveys have emerged as a primary source of information on trends in poverty, with strong policy implications," writes Riggirozzi. "The PMS results are available within a year of the survey allowing policy formulation to be based on reliable and timely information, enhancing efficiency in poverty-related policies. In this context, decision-making on poverty-related issues has improved as policies can be based on alternative scenarios, and their implementation monitored and adjusted along the process."

The PMS tool has since been adapted for use at the local level. This is a considerable challenge in a country that is divided into 64 districts with a total of 60 000 villages. Initially, the surveys were conducted at the district level, with the results made available to local nongovernmental organizations (NGOs) and civil society organizations. A small number of village-level surveys were conducted, and the Bangladesh Academy of Rural Development expressed confidence that the experience could be replicated on a broader scale with the involvement of local NGOs.

The MIMAP Network: Promoting Innovation and Understanding

The MIMAP approach is founded on the conviction that poverty reduction strategies and programs will succeed only if reliable and timely information about poverty indicators is provided; and the belief that such programs will not succeed without a comprehensive understanding of the impacts of macroeconomic policies on the poor.

MIMAP helps developing countries design policies and programs that meet economic stabilization and structural adjustment targets while alleviating poverty and reducing vulnerability through research, training, and dialogue. Created by IDRC in 1989, the MIMAP Network now connects developing-country researchers, policymakers, NGOs, and international experts in a dozen countries of Africa and Asia.

Specifically, the MIMAP programs aim to:

❏ Enhance the research capacity of developing countries to analyze the impact of macroeconomic policies on their citizens;

❏ Provide new instruments for policy and program design and analysis by developing rigorously analytical tools and poverty monitoring systems;

❏ Assist the development of community-based monitoring and local development mechanisms;

❏ Strengthen the ability of policymakers to negotiate with international players such as the banks and other multilateral and bilateral organizations;

❏ Bring together researchers, politicians, government officials, and NGOs in policy dialogue at the national and regional levels; and

❏ Promote the exchange of research knowledge, tools, results, and policy dialogue among countries, institutions, and donors.

For more information visit www.idrc.ca/mimap

Computers are an invaluable aid when dealing with the volume of complex data produced by such surveys. Two computer-based tools were developed as part of the MIMAP project. The Computerized Information System (CIS) was created for the development of an integrated database to process, archive, and disseminate poverty-related information. Riggirozzi reports that capacity-building in the management of the CIS was important to ensure that users were able to take full advantage of the system.

In addition, the MIMAP team developed a Computable General Equilibrium model (CGE), an analytical tool to help monitor and analyze the impact of macroeconomic policies on poverty. The model proved to be particularly useful as the country embarked on a process of structural adjustment and macroeconomic reforms, reports Riggirozzi. "Antipoverty policies can be followed as the government implements necessary economic reforms, observing macro and micro aspects of economic impact, such as the consequences of macroeconomic policies on household welfare and income distribution."

The MIMAP program also included a series of focus studies designed to supplement the modeling and poverty monitoring efforts. These studies generated numerous working papers, technical papers, policy papers, and newsletters. These and other documents were widely disseminated as part of a strategy to keep those closest to the policy-making process up to date on the latest research results.

Policy influence

The point of all this information gathering and analysis, of course, is to influence government policy. Riggirozzi reports that "The objective of influencing policy has been implicit in the content of the IDRC-supported program. Its key aim in this sense is to articulate research that has the potential to inform policymakers in a linear manner and to contribute to the formulation of sound policy options."

Dr Mujeri, former leader of the MIMAP team at BIDS, puts it more bluntly. "At the end of the day," he says, "it is not whose research has got to the policymakers, but whether the policies have been developed or not − and if they are the right policies."

According to Riggirozzi all this activity − the PMS surveys, computer modeling, capacity-building, focus studies, dissemination − has been important

to broadening the understanding of poverty. "MIMAP activities not only filled the gaps in the existing knowledge of researchers and policymakers but also introduced new fields of policy inquiry, putting these issues on the agendas of policymakers," she reports.

For example, she notes that, in one instance, information gathered by the PMS surveys was the main source underpinning the Finance Minister's budget documents. It is also an important input for the work of the Planning Commission. "The Planning Commission has significantly relied on MIMAP modeling work ... Moreover, the fact that a CGE model was managed in the Planning Commission has enhanced the ability of government officials to use instrumental data on issues of micro impact of macro policy."
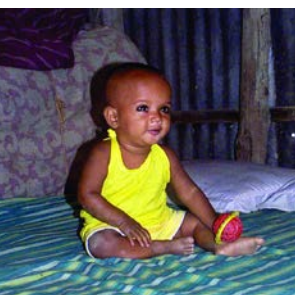
Another example of the direct use of knowledge generated by MIMAP is the contribution of CGE survey data in the preparation of Bangladesh's Poverty Reduction Strategy Paper (PRSP). The paper was developed by the Planning Commission, and outlines a detailed five-year planning process. Dr Mujeri, who participated in the preparation of the PRSP, highlights the impact of MIMAP research inputs. "Bangladesh is now allocating 26% or 27% of its total budget to social sectors. When we started, the allocations were 15% to 17%," he says. "MIMAP has stressed the importance of social development since the beginning."

MIMAP findings have also proved useful in capacity-building. Based on interviews (conducted by Dr Kirit Parikh) with many of the participants, Riggirozzi concludes that MIMAP has strengthened the professional capacities of researchers and research institutions to conduct high quality, policy-relevant research. It has also increased the ability of decision-makers to use the research for poverty alleviation programs on the ground. And because government agencies and MIMAP project members worked together on poverty-monitoring activities, capacity-building has significantly contributed to the skills of government officials.

Affecting policy regimes

The success of MIMAP-Bangladesh in influencing policy is based on the close links that developed between research producers and research users. This collaboration was something new, according to Dr Mujeri. "When the MIMAP project started there was no culture of informed research on policy in Bangladesh, no tradition of consulting

researchers. We had to convince policymakers that they need research. One of the keys to bridging the research-policy divide lies in close relationships."

Dr Mujeri believes that involving government officials in MIMAP activities helped to create a sense of ownership. Taking the PMS surveys as an example, he says, "We could have carried them out ourselves and there would have been a report, but continuity would not have been there." He believes that dialogue between the policy and research communities has had a direct impact on decision-making processes.

María Pía Riggirozzi supports that belief in her report, arguing that "in Bangladesh a major contribution of MIMAP has been the development of dynamic channels and mechanisms in favour of greater research use by policymakers." She adds

that the main project outcomes have contributed to fostering policy change.

In effect, she writes, from the beginning, the implementation of MIMAP, "was based on coordinated work bridging the needs of policymakers in terms of policy instruments and the expertise of research institutions and experts in the development of new methodologies to approach the issue of poverty.

As such, researchers and policymakers developed close links in the process of policy formulation, monitoring, and assessment. In the process, a culture of research usage and ownership in the development of economic policies was strengthened."

Some lessons

❏ Adopting a coordinated approach to bridge the gap between the policymakers and the researchers helped to create a culture of research usage and ownership.

❏ The collection and analysis of data on poverty-related issues was not relegated to academic experts, but was based on partnership as a practical principle.

❏ The availability of reliable, timely data created a sense of ownership in government agencies and has been an invaluable instrument for policymakers in dialogue with multilateral donors and aid agencies.

❏ "Learning-by-doing" had a crucial impact on the researchers, strengthening their ability to participate in formulating and implementing strategies for poverty reduction.

❏ The local level approach to poverty issues helps to increase public awareness and to empower local actors in the search for practical solutions that help to alleviate poverty.