

APPENDIX TWO: Poverty Focus in the Sectoral Studies¹

Notes from the TDP Project Proposal

According to the original project proposal, “International trade is perceived as a means to reduce poverty, but not an end in itself. Linkages between trade and economic growth, and economic growth and poverty reduction are well established in the economic literature. However, though there is theoretical literature explaining the linkages between trade, development and poverty reduction, not much empirical evidence are available to prove the robustness of this linkage. At the same time, in this era of globalisation, the role of international trade in poverty reduction cannot be denied and more research and discussions are required to look into these issues objectively.”

To generate this empirical evidence perception surveys were to be carried out to obtain stakeholders’ views and concerns about TDP linkages. The stakeholders mentioned included civil society representatives, producers, consumers, trade and investment policy officials, development policy officials, academia, media and business representatives. The purpose of these surveys was to help in understanding the agenda for policy coherence vis-à-vis trade and development, in particular from the point of view of poverty reduction.

The surveys were to focus on specific sectors in different countries to be chosen in consultation with project partners and members of the Project Advisory Committee and would be participatory in nature.

Actual Activities Implemented

In the event, the second round of sectoral/perception studies by partners looked at two specific sectors in each country to see how changes in trading conditions and trade and development policies were affecting the lives poor people and communities including women. CUTS sometimes tried to influence which sectors were studied but the final choice was left to the partners, something which they appreciated greatly.

The result was an interesting mix of studies (see table below)

Table One: List of Sectoral/Perception Studies

| COUNTRY | FIRST SECTOR | SECOND SECTOR |
|----------------|---------------------|----------------------|
| Bangladesh | Readymade garments | Cell phones |
| Cambodia | Garments | Fisheries |
| China | Agriculture | Home appliances |
| India | Oilseeds | Carpets |
| Kenya | Telecoms | Cotton textiles |
| Nepal | Garments | Tea |

¹ NB The Ace Global report on the TDP project includes an analysis of the case studies from the five countries visited during the evaluation. The results of this assessment have been taken into account here, but not repeated. For further information on the case studies from Bangladesh, India, Uganda, Vietnam, Zambia see the Ace Global report which provides a thorough review plus additional information from the knowledge of the evaluator (see points 270-298 Bangladesh; 417-441 India; 383-402 Uganda; 236-247 Vietnam; and 333-344 Zambia).

| | | |
|--------------|-----------|-----------------------|
| Pakistan | Telecoms | Cutlery |
| Sri Lanka | Garments | Textiles |
| South Africa | Clothing | Tourism |
| Tanzania | Fisheries | Cotton and Textiles |
| Uganda | Dairy | Maize |
| Vietnam | Shrimp | Footwear and garments |

Guidance to Research Partners from CUTS

Guidance given to partners re the analytical framework for studies, methodologies for collecting data, was minimal beyond making it clear that the research was to include the perceptions of different sector stakeholders, including poor people, regarding the social and economic factors and policies that had influenced positive and negative changes in the sector and in their lives.

Given the potentially vast scope of the research, it would have been helpful to hold a discussion with all research partners present to agree the parameters for the research, that is, what would be covered and what would not. For example, should the research try to cover different geographical regions, to understand and analyse the interests of minority groups and assess who was being excluded from potential benefits, to consider how the environmental impacts of production were affecting communities not directly involved, etc. Since this was not done, researchers had to make their own choices.

Furthermore, joint discussions could have resolved some of the more difficult theoretical and analytical issues facing the researchers including:

- the range of analytical frameworks for exploring TDP linkages that should be employed
- how the impact of trade reforms and changes in trading conditions caused by other macro economic factors would be disaggregated
- how to disaggregate changes in the economic circumstances of poor women and men caused by trade and development policies and practices from other significant factors, e.g. climatic conditions, etc.
- how to assess whether growth in one sector was at the expense of contraction in another and the consequences for overall development and poverty
- the most effective ways of engaging with the wide range of stakeholders to be contacted to ensure different views were taken into account
- the methods that could be used to gather information from, and assess the different interests of, poor and marginalised people including women and men, young and old, etc.

This, plus a facilitated information flow between researchers in different countries during the course of their work might have produced breakthroughs in how trade, development and poverty linkages can be conceptualised and was an opportunity missed.

Quality and Poverty Focus in the Case Studies

Without significant levels of guidance, it is not surprising that the collection of sectoral/perception studies was very diverse in style and quality. Some are descriptive rather than analytical. Others appear to have consulted a very limited number and range of stakeholders. Some demonstrate a limited knowledge of the sector studied, resulting in misinterpretation of information or failure to gather important information. (See, for example, Indian oilseed case study discussed in the Ace Global evaluation, sections 68 and 417- 429.)

While all the papers contain interesting information that will be of use to others interested in the sectors studied, some fail to capture the interests of poor individuals and communities. Thus,

although the case study on cutlery in Pakistan provides practical information for those wishing to develop the sector, it only mentions poor people as consumers of cutlery. Others do much better and place the sector within a broader understanding of poverty, see for example the case study on China's agriculture, rural areas and farmers.

Those that focus on poverty issues often use the lens of employment and wages. Good examples of this approach are the case study on the garments industry in Sri Lanka and the very thorough case study on the cotton and textiles sector in Tanzania. The latter study also includes a review of complementary and compensatory policies and provides a wealth of useful material for policy makers.

However, in most case studies a broader approach that also considered impacts on households, markets, government revenues and spending (especially spending targeted at poverty alleviation) would provide a better account of the advantages and disadvantages experienced by different parts of the population.

Disappointingly the Tanzanian cotton and textiles study mentioned above lacks any in depth analysis regarding the different experiences of women and men. This is in contrast to the case study on fisheries in Tanzania conducted by the same organisation that contains a useful section on gender. Other studies are also weak regarding the description and analysis of the different impacts on women and men with, for example, the Nepal case study on tea discussing farmers without mentioning women at all. This weakness is repeated in the Nepal case study on garments which includes information on impact of quota phase out on employment and wages but does not disaggregate impacts by gender.

Where studies extended the poverty perspective to include the welfare not only of individual women and men but the wider household, as well as the impacts on other businesses, the results are instructive. See, for example, the admirable studies on the clothing industry in South Africa and garment industry in Cambodia.

Despite the limitations raised, taken together the case studies make a valuable contribution to the literature on TDP linkages and the direct impacts of policy changes on specific sectors.

Furthermore, the difficulty of conducting such studies should not be under-estimated. In many Least Developed and Developing countries obtaining the basic data needed involves a significant effort. Such data is generally hard to find and may not exist at all. .

The relevance of the studies has been increased by the fact that many of them have been updated in the course of the preparation of Volume II of Trade-Development-Poverty Linkages. This contains an analysis and synthesis of the findings which also can be found in the 2nd advocacy document and provides useful pointers for policy makers.

NOTE: CUTS CITEE has been urged by the evaluation team to keep the original case studies on their website as they contain valuable information that has been edited out in the process of shortening and standardising them for Volume II.