

BUILDING NGO CAPACITY FOR POLICY ANALYSIS

This paper begins by noting that the NGO sector in Tanzania has already identified its need to build its capacity for policy analysis. This is followed by a short section which outlines what is involved in the process of policy analysis. The next section offers a summary of the executive summary of the Consultative Group meeting May 2000. This sets out the official range of policies which presently apply in terms of poverty reduction in Tanzania. Readers are encouraged to identify particular policy issues that they might like to analyse and critique. The paper ends by offering examples of how some of the policies and their underlying values and beliefs might begin to be re-viewed.

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Policy process engagement – ten hows!

The following list is based loosely on outputs from NGO discussions. The ten items were recorded in the report of the *Policy Forum for NGOs* held at the Courtyard Hotel, Dar es Salaam on November 2002. It was suggested that the NGO sector as a whole needs to:

1. **Have good strategy and action plans**
 - 1.1. Be strategic, focussed, and set priorities
 - 1.2. Develop capacity for analysis and action planning
 - 1.3. Have policy officers of high capacity
2. **Have efficient communication systems**
 - 2.1. Conceptually map the CSO sector
 - 2.2. Make best use of existing structures
 - 2.3. Share information (internally at all levels)
 - 2.4. Build rapid response capability
3. **Harness people power**
 - 3.1. Become more cooperative and less territorial
 - 3.2. Build public pressure for social change
 - 3.3. Channel passion into effective action

This discussion paper focuses on points 1.2 and 1.3 and the need for the sector as a whole to build its **capacity for policy analysis** as the basis for its policy interventions. The capacity is needed at all levels in society where people are socially active (upwards from the individual and the family) but there is a particular need for the voices of the people to influence policy at the macro level where the 'big picture' is being drawn.

Steps to policy analysis

In essence the process of policy analysis is easy to describe. It involves the four steps¹ shown in the box.

In practice, however, the process can be quite subtle and complex. Policy analysis is the study of the sometimes hidden choices a 'nation' makes about what people collectively will do about problems they understand to be public. The options are for people to do it

- for themselves through their collective actions
- through the state and its agencies
- through forms of voluntary association in the third sector.

Policy analysts are interested in how issues come to be framed as public problems; and how we know that some sorts of policy interventions are feasible or appropriate.

A policy is a course of action or inaction chosen by public authorities to address a given problem or interrelated set of problems.

Policy is based on theory. "It involves a **course of action**, yes, but action that is anchored in both a set of **values** regarding appropriate public goals and a set of **beliefs** about the best way of achieving those goals²." The idea of public policy assumes that an issue is no longer a private affair. The "disciplined application of intellect to public problems" reduce to one question: what are we going to do about the problem in view?

Four steps to Policy Analysis

OBSERVATION AND DESCRIPTION

Describe the key facts about the policy issue, process issues and policy context.

ANALYSIS

Identify the major issues, interests, costs and benefits.

OPTION IDENTIFICATION

Identify the most likely choices to satisfy the customers' key interests and avoid their major fears.

ADVICE

Succinct, clear and thoughtful. Should include next steps as well as policy choice.

¹ Source Ian Potter at <http://192.197.77.131/eng/lrncentr/online/policy.htm>

² Based on <http://qsilver.queensu.ca/~wolfer/General/Definition.html>

What are **we** going to **do** about the **problem** in view?

The policy analyst's assumptions will influence which element seems most important to him/her. Policy analysis studies can therefore take many forms.

'Schools' of Policy Analysis

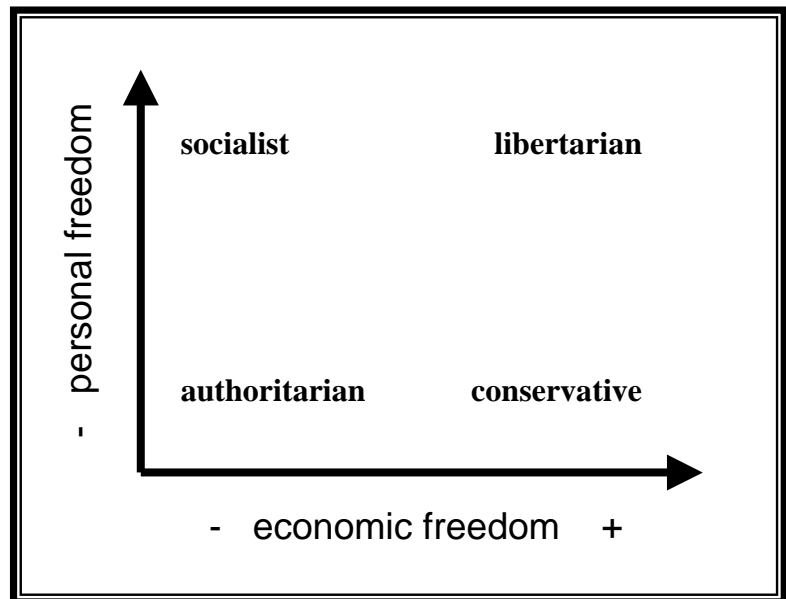
- **Social scientists**—political scientists, economists, lawyers, geographers, sociologists—will ask questions structured by their disciplinary approach to social inquiry and their own assumptions about the sources of social order.
- Scholars rooted in the **natural sciences** may sometimes ask quite different questions about how people should behave with respect to the environment: global warming might seem different as a political, economic or meteorological issue.
- Most analysts in the **rational tradition** are interested in how something comes to be seen as a policy problem, how policy objectives are identified, and how decisions are made.
- Scholars in the **postmodern traditions** will be more interested in policy discourse, in how people tell the story of a policy problem.
- Scholars in the **critical tradition** will be interested in the transformative potential of public action.
- For most analysts there will be a close connection between the objectives of policy, and the instruments chosen.
- Depending on the purpose of the analysis, greater attention might be paid to questions of policy design or to evaluating whether it achieved its stated objectives, including whether a policy's identifiable consequences are beneficial.

- *To what extent should Tanzania's NGO - Policy Group speak with one voice?*
- *If it is to speak with one voice, from which direction should it come?*
- *If it is to speak with several voices coming from different perspectives then how can these be presented in public forums?*

Four political persuasions

As was mentioned above a person's policy preferences will be rooted in their system of values and beliefs. Some of these will be 'political'. Different people have different ideas about the 'correct' form of politics. The diagram charts four broad options³ – where would you the reader place yourself?

Note that *Economic freedom* ranges from state control at the low end through to free-market policies at the other. *Personal freedom* ranges from much government intervention at the low end through to total freedom of individual choice at the other. Note also that



'Socialists' want state intervention in economic life, but are distrustful of markets and are wary of government as far as moral issues are concerned.	'Libertarians' want individualism, and low state involvement on all fronts.
'Authoritarians' want the government to have a firm hand in all areas including both the economic and the moral.	'Conservatives' want market freedom, but also strong state control over issues such as family, drugs and abortion.

Where would you place the officials from the World Bank and the IMF?

³ Based loosely on: John Blundell and Brian Gosschalk (1997) *Beyond Left and Right*; London: Institute of Economic Affairs

Three Development Discourses

In the section above on ‘Schools of Policy Analysis’ it was noted that “Scholars in the **postmodern traditions** will be more interested in **policy discourse**, in how people tell the story of a policy problem.” The concept of discourse needs demystification.

A ‘*discourse*’ is a set of words, ideas and labels which groups use to describe the world as they understand it. Using their ‘discourses’ different groups describe situations in different ways and therefore see different people and situations as more or less important.

The ‘*dominant discourse*’ in a given country will set out ways of classifying people and of defining problems. This has serious consequences for the process of policy making.

A ‘*development discourse*’ is a particular way of thinking and arguing that involves naming and classifying. The dominant development discourse at any particular time in history tends to exclude, or at least marginalize, other ways of thinking.

There have been three major development dialogues in recent times⁴:

State-engendered Planned Order	This involved intervention by experts from UN, multilateral and bilateral agencies. It was common in the era after World War II and has been labelled as an ‘elaborated, authoritative, interventionist ideology’.
Market-engendered Spontaneous Order	This developed in the 1970s along with faith in the legendary trickle-down effect. It was and is the basis of IMF and the World Bank structural adjustment programmes.
Discourse of the Public Sphere	This is a recent development built on what has been labelled the ‘optimistic, reason-informed pursuit of formal and substantive democracy’. It is found particularly in many NGOs and research institutes.

Discourses serve the interests of some groups more than others. The ‘conventional wisdom of the dominant group’ (COWDUNG for short) is powerful because it:

- defines the issues about which policy is made,
- provides the framework in which alternatives are considered,
- influences the options which are chosen, and
- has an influence on the process of implementation.

‘a key concern is who has the ‘power to define’: dominant discourses work by setting up the terms of reference by disallowing or marginalizing alternatives’

‘discourses identify appropriate and legitimate ways of practicing development as well as speaking and thinking about it’

- *With which development discourse are you most comfortable?*
- *How do you view the strengths and weaknesses of the other discourses?*
- *What impact will the answers to the above two questions have on your advocacy strategies?*

Simple ideas close lazy minds

Be reasonable – do it my way!

⁴ Based loosely on Sutton, R (1999) *The Policy Process: an Overview*; ODI, Working Paper 118 <http://www.odi.org.uk/publications/wp118.pdf>

STEEP horizons and the big picture

“No man is an island unto himself”. Individuals are part of families which are part of communities which form towns and regions and nations scattered over the surface of the planet. Any given individual ‘belongs’ in some way to all of these expanding levels or horizons.

“The more I know the more I know that I don’t know”. Our understanding of the world is becoming increasingly complicated. There is thus increasing division of labor and individual people come to know more and more about less and less.

There is thus a need for some people to see the big picture ie to rise above the specialisms of fine tuned expertise and to holistically embrace *all* the issues ie *the social, technological, environmental, economic and political (STEEP)*. Global concerns, local action - a STEEP learning curve!

To understand life, the universe and everything is a daunting task. How much easier then to focus on a particular policy. How does your particular concern, or that of the relevant ‘experts’, fit into the larger scheme of things? The following table points to the areas of thought, policy and action which you might care to consider when you are designing, or making an analysis of, a policy.

STEEP Horizons
S ocial
T echnological
E nvironmental
E conomic
P olitical

	S	T	E	E	P
INTERNATIONAL					
Government					
Private Sector					
Civil Society					
NATIONAL					
Government					
Private Sector					
Civil Society					
REGIONAL					
Government					
Private Sector					
Civil Society					
DISTRICT					
Government					
Private Sector					
Civil Society					
WARD					
Government					
Private Sector					
Civil Society					
VILLAGE					
Government					
Private Sector					
Civil Society					

Say for example you work for a CSO dealing with primary education at the village level. Consider each of the STEEP issues in turn. How many of them are relevant to what you want to do? Now consider the macro levels in turn. How are Ward level policies affecting what you re trying to do? What about District, Regional, National and International policies? Are they good or bad from your point of view? Is the national policy good in theory but it is not being practiced at the District level? If you expand your horizons in this way you are likely to come up with convincing arguments in favour of your policy position.

Tanzania at the turn of the century

This section offers a summary of the executive summary of the Consultative Group Meeting held in Dar es Salaam in May 2000⁵. The paper captures in a nutshell the main values underlying the 'official' thinking about pro-poor development. It also highlights the main approaches and actions which were being proposed as remedies to the situation.

If the NGO Policy Group is to serve as a 'loyal opposition' then it must critically analyse not only the underlying values and assumptions but also many of the implied 'truisms', and the robustness of the 'facts and statistics' which are used to back up the various arguments and opinions.

As you read through the policy statements try to think like a policy analyst. Use some of the techniques and procedures mentioned earlier. Remember that it is your duty as part of the 'loyal opposition' to try and find fault (see box). If there is fault to be found then it is good that it should be found. If you cannot find fault then those in authority can go forward with greater confidence and an enhanced mandate.

Beyond 'Truth'

Scientists no longer talk of 'truth' but rather of the 'best working hypothesis in the light of evidence presently available'. It is the duty of all scientists to give other scientists a hard time. In this way we can be sure that the working hypotheses are in fact the 'best' given the circumstances.

Following the summary of the executive summary there is a table which lists a few of the official statements and some examples of possible critical responses to them.

The Challenges of Development in Tanzania

1. At independence Tanzania declared war to rid the nation of the three arch enemies, "Poverty, ignorance, disease". At independence life expectancy was 42 years, infant mortality was a high 155 per 1000, only 10% of adults were literate and 25% of school age children were actually enrolled for primary education. Forty years later the human development status has improved considerably but the war is far from having been won.

Where is Tanzania today after four decades of independence?

2. After four decades since independence, Tanzania remains one of the poorest 10 countries in the world.
3. Poverty remains widespread and deep with half of Tanzanians today living under poverty conditions
4. Very marginal gains have been achieved in structural transformation.
5. The above situation obtains in spite of the facts that Tanzania
 - is endowed with a rich natural resource base;
 - has geographically easy access to the international market;
 - has had a peaceful and politically stable environment; and
 - managed to forge a cohesive national identity with a common language.

What accounted for the slow progress in Tanzania's development?

Policy environment was not conducive to supporting robust growth performance

6. The control model was generally unsuccessful in spurring sustained growth and macroeconomic stability
7. Much as significant success had been achieved in stabilizing the economy and removing most gross

⁵ Source: World Bank, GoT, Donors (May 2000) *Tanzania at the Turn of the Century: from Reforms to Sustained Growth and Poverty Reduction*; 2000 Tanzania Country Economic Memorandum – Executive Summary – out puts from Consultative Group Meeting of May 24-25 2000 in Dar es Salaam.

policy distortions, concern now needs to turn to sustaining this positive environment and **removing the underlying pressures to possible reversals.**

Capital accumulation and productivity growth were inadequate

8. The contribution of physical capital accumulation to growth fluctuated significantly during the past four decades.

9. Although gross domestic investment in Tanzania increased from about 13 percent of GDP in 1964 to 30 percent in 1991, it is contended that actual capital accumulation was much lower due to poor choice of investment (white elephants) and incomplete investment affecting economy-wide returns to the investment.

10. Private investment did not respond quickly to the reform measures undertaken since the late eighties and did not compensate for the decline in public investment.

11. Tanzania suffered tragic losses in investment productivity during the 1970s and first half of the 80s and is recovering from that loss only slowly. (see box)

Support for the transformation of agriculture was weak

12. In spite of being the backbone of the economy and a source of livelihood for the majority of Tanzanians, agriculture was overtaxed during the control regime, and its revival is still constrained by inadequate public support for productivity growth in the sector and stagnant participation by agribusiness.

13. Constrained access to inputs, credit and timely advice to a large extent holds back progress in the intensification of agriculture.

14. The main constraints to commercialisation relate to

- the poor availability of price information,
- wide marketing margins on account of poor infrastructure and
- weak competition in the markets.

15. Under-provision of rural road networks and connectivity to the main road arteries limit accessibility of markets and raise costs to the producers, suppliers of inputs and crop procurement

16. The lack of clearly defined and coordinated strategies among the various GOT institutions for the development of agriculture, and rural development more broadly, has constrained the development of a coherent strategy for the transformation of agriculture.

17. The contribution of human capital to growth declined from 0.3 percent during the 60s to 0.1 percent during the 1980s, despite the government's efforts to strengthen human resources and to increase access to formal education.

18. While Tanzania was successful in expanding access to primary education, high drop out rates and high failure rates at the Primary School Leavers Exam result in a high share of the population that has not acquired the necessary skills and knowledge to be able to engage gainfully in a modern economy.

19. With respect to secondary and higher education, Tanzania's attainment rates are among the lowest in Sub-Saharan Africa.

Delayed demographic transition has resulted in an excessive burden on the labour force and the spread of HIV/AIDS complicates the demographics further.

20. The **dependency ratio** in Tanzania, at 50 percent, is too high and in combination with a population growth rate averaging 3 percent over the four decades it puts an immense pressure on the existing labour force to provide for the dependents and undermines progress in living standards.

21. The spread of the **HIV/AIDS** epidemic in Tanzania is fast. HIV infection already ranks at the top of health problems in Tanzania's urban populations.

The imperatives for sustained growth and poverty reduction

Overview

22. In looking forward, the report takes as its point of departure, Tanzania's intention to build on the strengths of peace, unity and self esteem; and to break with the past weaknesses.

The Ambition

23. During the last decade and a half Tanzania has been developing an environment of **macroeconomic stability**, reorienting its economy to a **market based operation** and creating space for exploiting the large potential of **private initiatives**.

24. Tanzania can achieve a **6-7 percent sustained growth** given its natural resource potential, sustained peace and tranquillity and initial low level of income through a combination of sustained conducive policy environment, maintaining an investment rate of 25 percent (not a difficult task given the history), and even more important, by **raising investment productivity** to levels achieved in the 1960s and early seventies.

25. In spite of the recent emergence of new high growth sectors, eg tourism and mining, the backbone of the economy will continue to be **agriculture** for the foreseeable future

26. The **industrial sector** likewise remains **the backbone of modernisation**. Despite the massive closure of failed enterprises, industry has managed to continue posting a growth rate on average of 5 percent or more in the past decade.

27. If there is one area where external assistance can play the most effective role in promoting growth and alleviating poverty, it is in **infrastructure**.

Pacemakers for growth and poverty reduction

28. Further improvement in the policy environment and a **market-friendly institutional framework** are key to scaling up growth and reducing poverty to a significant extent. The key to significant poverty reduction in Tanzania is **accelerated growth**.

29. Achieving the target of accelerated growth will require significant efforts to enhance productivity and increase investment in both **human and physical capital**.

30. Increasing investment in human capabilities requires measures to increase the incentives and returns for undertaking such investments, and increased public support in areas where externalities are large, such as **primary education** and **primary health care**.

31. **HIV/AIDS** control activities need to become an integral part of development policy and practice.

32. Investment in **physical capital** is necessary to sustain high growth rates.

33. **Structural transformation** (ie an increase in the share of value added by industry and services with a matching relative decline in the importance of agriculture) can be expected to occur alongside accelerated growth.

34. A cohesive long-term strategy for **agriculture-led growth** in Tanzania involves at least five elements namely

- sustained macroeconomic stability
- more effective research and extension
- improved infrastructure
- a tax and regulatory environment that is conducive to investment by both enterprise and individual farmers, and
- developing a coherent institutional framework for supporting the transformation of agriculture, and rural development more broadly.

35. Tanzania's rich resource endowment offers the opportunity to garner additional growth from the more **intensive exploitation of its resource base**.

36. Given the small size of the Tanzanian economy, growth will only be sustainable if it is firmly **rooted in international competitiveness** and the **aggressive pursuit of export opportunities**.

“It can be done.

What is needed is resolve to proceed, paying increased attention to effectiveness in application of resources, and creating space for private initiative.”

Towards an analysis and re-view

The underling value system of the CG document is that 'modernisation' (ie becoming like America?) is a good thing. There also seems to be a failure to note that there is a huge difference between 'sustained growth' and 'sustainable growth'. The following table offers some examples of how the policy might be analysed and re-viewed.

Official statement	Critical response
2. "Tanzania remains one of the poorest 10 countries"	How is this poverty measured, by whom, and for what purpose?
5. Tanzania has had "a peaceful and politically stable environment; and has managed to forge a cohesive national identity with a common language".	These are priceless possessions - would they have been possible, and will they survive, under an open market system?
6. "the control model was generally unsuccessful"	It had its weaknesses but it also had its strengths - are these being lost under the new system?
12. "agriculture was overtaxed during the control regime"	What is the 'correct' level of taxation and what is the 'best form' of taxation?
18. "a high share of the population ... has not acquired the necessary skills and knowledge to be able to engage gainfully in a modern economy"	What are these skills and knowledge and are we sure that we really want to fill our children with them?
20. "The dependency ratio in Tanzania, at 50 percent, is too high"	Who says? Is it better to lock old people away in institutions like they do in 'modern' countries?
22. "Tanzania's intention is to build on the strengths of peace, unity and self esteem; and to break with the past weaknesses "	This seems reasonable but we must beware of breaking with the past strengths - what were these? Are we in danger of losing them?
23. "During the last decade and a half Tanzania has been developing an environment of macroeconomic stability, reorienting its economy to a market based operation and creating space for exploiting the large potential of private initiatives"	It could be argued that this amounts to letting the wealth of the nation fall into the hands of private individuals where it is beyond democratic control. Can government patterns of regulation and taxation compensate for this national loss?
28. "The key to significant poverty reduction in Tanzania is accelerated growth."	There is a school of expert thought that says there are "Limits to growth". The planet does not have the resources to let us all consume at the same level as present day Americans. Is anyone giving serious thought to alternative development models for Tanzania?
30. "increased public support in areas where externalities are large"	If the government pays to educate people and keep them healthy then private businesses do not have to. Do private businesses pay enough in taxes to support this huge 'externality'?
35. "Tanzania's rich resource endowment offers the opportunity to garner additional growth from the more intensive exploitation of its resource base."	Fair enough but who gets to exploit it, how quickly, and what should happen to the profits made from the process of exploitation?
36. "Given the small size of the Tanzanian economy, growth will only be sustainable if it is firmly rooted in international competitiveness and the aggressive pursuit of export opportunities."	What happened to thoughts of autonomy and self reliance? Is it absolutely essential that Tanzania should be totally plugged into the international economy? Is it a black and white issue or are there shades of grey?