Role of Impact Evaluation in National Policy: China Perspective
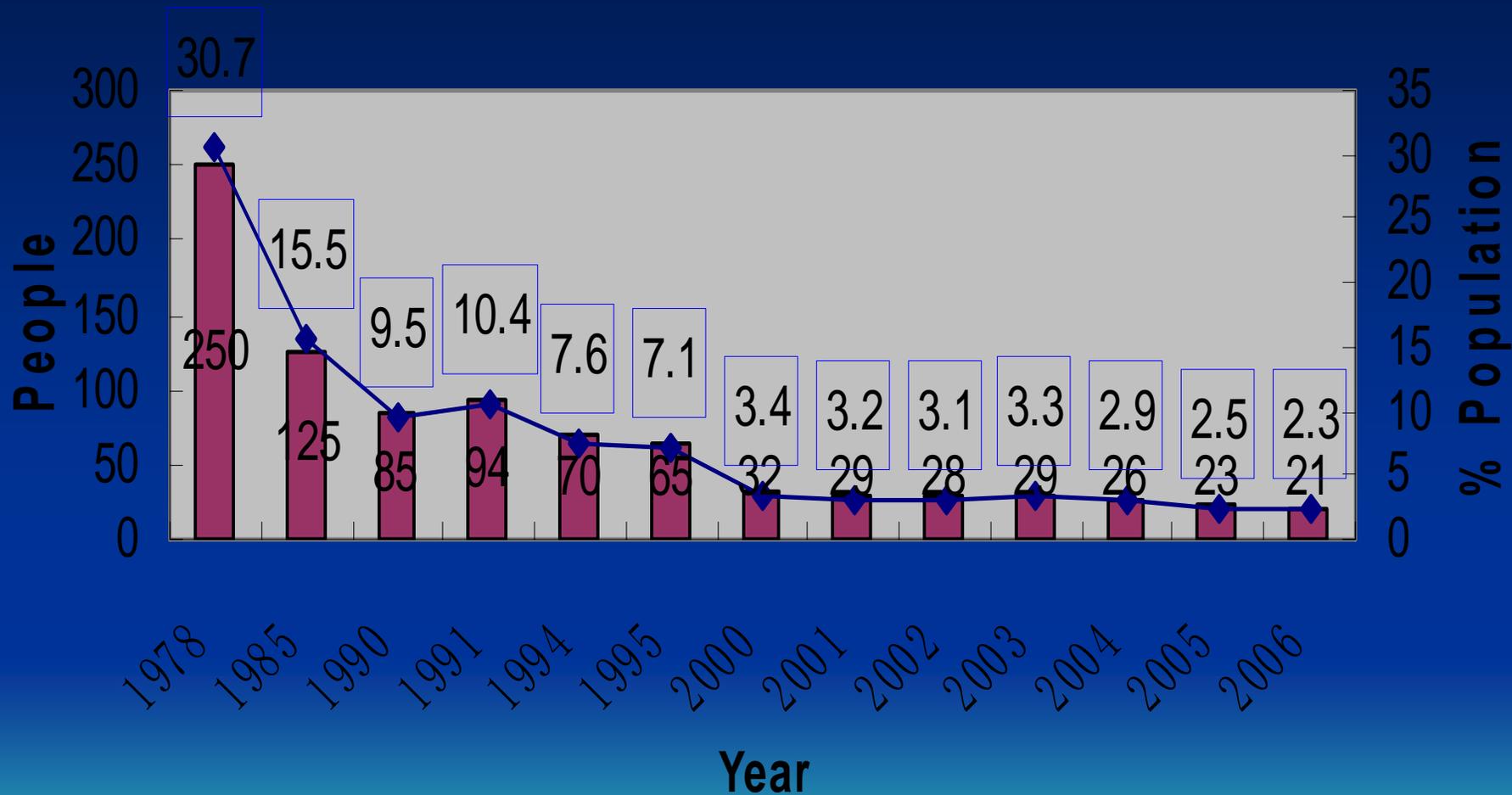
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Impact Evaluation of Poverty Alleviation Policies on Rural Poor

- Background:
  - The PRC has made outstanding achievements in its anti-poverty practice since its reform. Its population of absolute poverty has dropped from 250 million in 1978 to 21.48 million in 2006. Correspondingly, its poverty headcount ratio has dropped from 30.7% to 2.3%. However, poverty reduction has significantly slowed down in recent years in rural areas. One of the reasons accounting for this is the dramatic change of distribution and characteristics of the population remaining in rural absolute poverty (as officially defined), as well as their causes of poverty.
  - Implementation of anti-poverty policies, the economic reform and the development-based approach to poverty alleviation have contributed most to the dramatic drop of absolute poverty population

How are strategic priorities for impact evaluation determined?

- Annual Poverty Monitoring Report

- Scholarly discussions on poverty reduction policies (large sample surveys)

- Effort to expand social assistance programs (cash benefit) from urban to rural area

- Other public programs: health, education, labor market programs

Changing Distribution and Characteristics

- Poor in non-poor areas
- Chronic poor: disabled or poor health, lack of labor force, children, elderly, low educational level
- Challenge to development-based approach for poverty reduction: requires two conditions: (1) poor population is geographically concentrated; and (2) they have the abilities for self-development.

Changing Causes of Poverty

- For a long time, poverty out of natural causes (scarce resources, natural disasters, etc.) remained prominent in rural areas, and has been targeted in development-based poverty reduction projects. However, in recent years, lack of labor, illness and education for children have become important factors contributing to the poverty of farmers.

- According to the third National Health Service Survey, lack of labor, illness and natural factors accounted for 77.7% of poverty in 2003, rising from a 61.6% share in 1998. Illness-related poverty increased the most, surging from 21.6% in 1998 to 33.4% in 2003.

Main Recommendations

- Cash benefit of the chronic poor who lack the abilities for self-development.

- Raise the poverty line for development-based approach. $1 or $2 per day?

- Provide free education and health insurance

- Child poverty: multi-dimensional approach

- Policy coordinations

How do results feed into policy?

- Internal briefs
- Face to face communications
- Pilot test
- Separate discussions and consensus building
- Making sure the recommendations are constructive and beneficial for all agencies involved

Constrains for Impact Evaluation

- Low demand from the government agencies

- Data Gaps

- Access to Administration Data

- Resources are limited: governments are not very interested, very few independent foundations, development agencies are more interest in new initiatives

Where has demand for impact evaluation originated, and what has caused it to spread?

- Conditions identified by governments or researchers or media
- Then identify policy gaps and agencies who bear the most relevant responsibilities
- Fragmentation of policies and coordination
- Strong support from one or two agencies and chain effect

What would increase demand or support for impact evaluation?

- Independent voices are needed: are the policies working? Which groups are benefiting?

- Forward looking approaches: impact of the current policies when conditions change?

Impact evaluation fit into the larger national monitoring and evaluation framework: A Case of Child Poverty

- Agenda is set to look into the issue of child poverty
- Design the framework of child poverty
- Field visit and identify key issues and key policies related to child poverty
- Pilot in two provinces: data collection and estimate the impact of various policies on child poverty: health, education, poverty alleviation, rural MLS, etc
- Recommendations and National Child Poverty M&E System

How was broad support developed?

- Government normally is busy to push the implementation of policies, and there are always new policies issued
- Started to look into the impact of policy: free education is one. Pre-Post comparison of enrollment rate, poverty is another one, as well as MFA & CMS.
- Statistics based on administrative records.
- Resources are limited to push rigor impact evaluation

Relationship between results-based management and impact evaluation?

- Rarely done impact evaluation, but with rapid development of the information system, impact evaluation will be made possible

- Most the evaluation is still results-based (reporting system is still dominate)

How do you work with other development partners?

- Linkage between development partners and government (Child Poverty, ADB-MFA)
- Identify the needs of the government and seek support from the development partners (MLS)
- Identify the needs of the development partners and work with government agencies (Child Protection)

Has your country benefited from impact evaluations done in other countries?

- Based on the rural MLS program, while the conditional transfer program has been discussed occasionally, however, the applicability of this approach in China is still not convinced. Currently effort is underway to evaluate the cash transfer program in urban China, but almost no mentioning of impact evaluation results done in other countries. (empirical evidences from urban China: 12% reduction of poverty, 20% child poverty)

Key Issues

- Coordination and fragmentation of policies
- Agency self-interest
- Rapid changing environment (social, economic and political)
- Pilot method is widely used with some form of evaluations
- Short term, rather than long term view when making policies
- Reactive rather than proactive
- Lack of concrete measures to evaluate the policy, especially when policies have broad impact
- How much scientific findings can be used: not conclusive
- Channels to feed the data in to the policy making: individual policy maker, institutions to focus. Internal is more effective