

Assessing the Poverty Impact of Transport

Judy Baker, FEU

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How does transport impact poverty?

- Improvements in access to:
 - Jobs
 - Rural - non-farm employment, seasonal opportunities
 - Urban - jobs in other parts of the city, higher wages
 - Markets
 - Rural - agricultural products
 - Urban - selling goods and services
 - Social services
 - Education – especially secondary and beyond
 - Health – specialized care
 - Other – day care, community programs
 - Other services
 - Rural – agricultural extension,
 - Urban - training

Poverty impacts

- Generating economic growth by integrating markets, facilitating trade, creating demand for goods and services, stimulating new investments
- Reducing travel times for the poor – allowing more time for income generation or other activities
- Reduction in seasonal or other weather-related road closures - thus increasing income from farming activities and reducing risks
- Improving the quality of social services through improving access by trained professionals, medical supplies

Poverty impacts

- Improving affordability and safety
- Facilitating empowerment by improving the flow of information
- Promoting social inclusion, both in rural and urban areas
- Improving air quality in poor areas (particularly urban)

Poverty Impacts

- Direct employment generation
 - Road construction, operations and maintenance, bus operators, informal traders, etc.
- Can have negative impacts as well (e.g. involuntary resettlement, increased traffic accidents, the spread of HIV/AIDS, job losses)

Assessing poverty impact

- How well are we doing? Can we quantify this?
- How can we do better? What are the specific design issues?
- Important to link specific interventions to poverty reduction and quantify impact

Existing Impact Studies

- Existing Impact Studies
 - Rural Infrastructure in India, China, Georgia
 - Rural Roads in Morocco, Peru, Tanzania
 - Ongoing studies (Vietnam, Guatemala, Haiti, Nicaragua), and new studies planned (John Hine)
 - Urban Transport in Brazil, Ghana, Colombia, others ?
 - Studies in early stages
 - Others – Highway construction (Vietnam)

But there is still more to learn...

- How to do this ?
- Impact evaluation is the most widely accepted approach. Differs from a process evaluation - it determines if a program had the desired effects on individuals, households, and institutions and whether these effects are attributable to the program intervention.
- Requires the **counterfactual** - what would have happened if the project had not taken place. Achieved through a control group.
- Only feasible/appropriate for some projects, but some results may be generalizable.

What is required?

- Definition of the questions you want to assess
 - Type of project
 - Links to individual/household welfare
 - Links to economy
- Data
 - Household survey data (before and after, treatment and control groups), GIS, Firm level, macroeconomic data, etc.

What is required? (ctd.)

- Political commitment
- Resources (typically from Project)
- Appropriate methodologies (e.g. method for identifying control areas)

Challenges

- Incentives (countries, cities, task managers)
- Financing (who pays ?)
- Capacity (both in-country, Bank)
- Sustainability
- Political Economy (legitimacy of results can be questioned, especially if unfavorable for projects)
- Methodological (identifying control groups, accounting for selection bias, ensuring good quality data, etc.)

Thinking ahead...

- More analytical work on Transport-Poverty links in ESW (poverty studies, transport studies)
- More evaluation of specific project impacts on the poor (e.g. BRTs, rural roads, others?)
- Pulling it all together