

# **INTERNATIONAL SEMINAR ON RURAL ROAD TRANSPORT**

Poverty and Transport

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ASSESSING THE IMPACT  
OF TRANSPORT AND  
ENERGY  
INFRASTRUCTURE ON  
POVERTY REDUCTION

An ADB/WB/DFID/JBIC Study

# Background

- ADB Four Strategic Objectives
  - Promoting Economic Growth
  - Human Development
  - Sound Environmental Management
  - Improving the Status of Women
- ADB's commitment to poverty reduction is its top priority for the future – Three Pillars
  - Pro-poor, sustainable economic growth
  - Promoting social development
  - Promoting good governance
- Handbook on Poverty and Social Analysis
  - Analytical Tools to Understand and Address Poverty and Social Exclusion Issues
- ADB plays a traditionally important role as a lender for transport and energy projects
- ADB to collaborate with donor partners and to strengthen research capacity in Developing Member Countries

# Study Objectives

- Develop an improved understanding of how transport and energy investments contribute to poverty reduction
- Establish benchmarks for quantifying this contribution in project analysis
- Examine how private sector participation in transport and energy can contribute more to poverty reduction

# Study Work Plan

- Stage 1: Review of literature and project experience to identify knowledge gaps (May-October 2001)
- Stage 2: Conduct case studies in three Asian countries to fill knowledge gaps (January - June 2002)
- Stage 3: Disseminate general and country-specific findings (July-December 2002)

# Types of Transport Interventions

- Sector policy (regulation, taxes, subsidies)
- Infrastructure
  - Roads (highways, urban streets, rural roads)
  - Railways
  - Ports and shipping
  - Airports and aviation
- Transport services
  - Role of the private sector

# Defining and Measuring Poverty

- Measures of income/consumption and of income inequality
- Access to resources (physical capital)
- Access to services (human capital)
- Access to support systems and networks, political participation (social capital)

# Disaggregating Poverty

- Structural poverty, due to lack of assets (physical, human, social, financial capital)
- Transitional poverty, due to external shocks
- Chronic poverty, due to disability
- Rural vs. urban poverty
- Gender dimensions
- Vulnerable groups



# Stage 1 Findings (1)

- Much research on transport and energy in relation to rural development, but little on poverty impacts *per se*
- Transport research focuses heavily on rural roads and rural transport services

# Stage 1 Findings (2)

- Research tends to focus on income effects, with some attention to human capital
- Ongoing studies will address issues of exclusion, risk, power and participation
- Impacts on poor people differ by gender
- Impacts on physical environment have important consequences for poor

# Key Knowledge Gaps

- Impacts of sector policy change
- Impacts of changes in service provision
- Impacts of transport modes other than roads
- Impacts of energy sources other than electricity
- Impacts on the urban poor
- Importance of rural-urban linkages

# Stage 1 Workshop Recommendations

- Research should focus on *services* as the mechanism of transmission of benefits to the poor
- Research should cover direct employment benefits to the poor of (especially, labor-based) infrastructure construction and maintenance
- Research should consider a broad range of infrastructure investments, particularly irrigation, water supply, and telecommunications
- Research should evaluate the complementary investments needed to ensure that benefits reach the poor
- Research should include policy and institutional requirements for directing transport and energy benefits to the poor
- Stakeholders should be involved in identifying policy goals and “success stories” for detailed analysis

# Key Parameters: Stage 2 Research

- “Framed” by IFPRI econometric studies on public expenditures and poverty reduction
- Compare contextual variables (e.g. sector policy) across countries or regions
- Compare situational variables across communities, households and individuals
- PRC, India, Thailand

# Stage 2 Schedule

- Field Methodology Workshop for all three DRIs, Bangkok, February 28-March 1, 2002
- Field Research, March-June 2002
- Preliminary Findings Workshop, July 2002
- National Seminars, August 2002
- Stage 2 Draft Report, September 2002
- Stage 2 Report Workshop, Manila, October 2002
- International Symposium, January 2003

# ADB Transport Sector Policy

- Current work feeding into development of Transport Sector Policy Paper – background papers
- Recent years, shift from narrow primary road networks to road systems, a strategic approach emphasizing sector policy dialogue: accessibility, institutional development, participatory processes (communities and NGOs), gender, environment, employment-intensive construction and maintenance methods, competitiveness in rural road transport services, appropriate design standards
- For rural roads, network complementarity, focus on community development efforts to bring markets, services and employment opportunities closer to poor communities, and small contractor capabilities