



POVERTY AND SOCIAL IMPACT ANALYSIS: INNOVATIONS AND BEST PRACTICES

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Mexico: Analysis of the Existing Water and Sanitation Services among Urban Poor and Indigenous Peoples in Oaxaca

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Background

The State of Oaxaca, Mexico, is the third most marginalized state in the country. It has the third lowest drinking water coverage in the country (79%), after Chiapas and Guerrero, and the lowest sanitation coverage (71%). Only 85% of Oaxaca's urban population and 63% of the rural population has access to drinking water and sanitation, only 84% in urban areas and 39% in rural areas receive this service.

Uneven and poor quality of water and sanitation services is major barrier. The lack of a systematic disinfection of water and intermittent service provision lead to water that is unsafe for human consumption. This pushes users, those who can afford it, to buy more expensive water from private sources. On the supply side, the multiplicity of actors in the sector, lagging capacity of agencies responsible for providing water and sanitation services, and poor interagency coordination make service provision more expensive.

Earlier evaluations have identified a gap in knowledge regarding the disposition and ability to pay and the patterns of use of water and sanitation system of the urban poor and indigenous migrants from rural areas to cities, and even more of Afro-Mexicans in the city. This PSIA built on this knowledge to inform the implementation of the Modernization of the Water and Sanitation (MAS) Sector Program.

Objective

The PSIA aimed to investigate the use of water and sanitation services, satisfaction and ability to pay for population in poverty, indigenous peoples and the Afro-Mexican population in 19 urban areas that are of interest for the MAS Oaxaca program, as identified by the Government of the State of Oaxaca and the World Bank Group (WBG).

Methods

The PSIA was based on a household (face to face) survey of over 2,060 households in 19 urban centers in the state of Oaxaca. It specifically targeted female heads of households or adult women who were responsible for providing water to the household (buying it, carrying it, etc.). The survey coverage was impressive given the relatively modest resources available and the difficulties reaching some of the areas due to flooding and political barriers associated to the elections. The sampling method used involved drawing a probabilistic multi-staged sample representative of the poor population living in urban areas of the State of Oaxaca. This methodology is replicable.



Contribution to Policy Dialogue, Country Capacity, and Bank Operations

The PSIA was designed to complement the implementation of the Program for Results (P4R) operation for the Modernization of the Water and Sanitation Sector in the State of Oaxaca, which includes a component (results area) on modernization of the institutional and legal framework, improvement of service continuity and commercial efficiency in Oaxaca City and 18 secondary towns, as well as complementary investment project financing for technical assistance.

The results of the study provide a solid evidence base for policy design and service provision planning in the most disadvantaged urban neighborhoods. The WBG worked with the State Water Committee (SWC) and the Secretariat of Indigenous Affairs (SAI), in particular, in designing the survey instrument and sample selection. This has helped to enhance the SWC's capacity and also provided the WBG team an opportunity to learn from it, and it helped strengthen inter-institutional collaboration between SWC and SAI. Other stakeholders such as the Potable Water Supply Service for the City of Oaxaca, the Municipality of Oaxaca, the State Secretary for Infrastructure, the State Secretary for Finance, the Federal Water Committee, and Civil Society (represented by the *Instituto de la Naturaleza y Sociedad de Oaxaca - INSO*) also benefitted from a final workshop to disseminate findings of the study. The workshop filled an important knowledge gap on water and sanitation service provision to poor urban neighborhoods in the state of Oaxaca.

Key Findings

Most surveyed households have drinking water services, as well as sanitary facilities (toilet/latrine). Water tank trunks service is used as a complement of the drinking water system, which tends to be better evaluated and to generate a better satisfaction level than the public drinking water system. Water quantity available for households is the main concern among respondents.

Overall, services are better evaluated by those who do not consider themselves indigenous compared to those who do. Further qualitative studies are needed to understand this difference and assess whether issues of lack of trust, misinformation or exclusionary practices in the provision of services could be leading the differences. Respondents that self-identified as indigenous did not consider the need of conducting the interviews in indigenous languages in the cities. It was impossible to identify significant differences in the African-Mexican population, since a minimal portion of surveyed women considered themselves as African-Mexican. Likewise, the evaluation tends to be better in high social marginalized/poorer areas compared to mid marginalized ones. This, again, requires further studies to better understand what is driving the result.

Recommendations

Service regularity is the main demand made by the population. A portion of the population experienced water service cuts or interruptions caused mainly by pipes or wells repair. Communication of repairs is an improvement opportunity for the service. Customer Service and grievance redress mechanism represent also an opportunity area, especially the phone assistance service. Most respondents would use an improved drinking water and drainage system; however, they show reticence to pay more for this service. Follow up qualitative studies are needed to understand why the dissatisfaction is greater amongst indigenous peoples.



Turkey: Impact of Syrian Refugee Influx on Turkish Host Communities

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Background

The presence of Syrian refugees in the local labor market has led to large-scale displacement of Turkish workers in informal jobs, particularly women, the low educated and workers in agriculture. At the same time, there is a refugee-induced increase in employment and wages of Turkish workers in formal jobs.

In late 2014, reliable information on the number and distribution of Syrian refugees across subregions of Turkey became available. This PSIA filled an important knowledge gap by examining the impact of Syrian refugees on Turkish host communities.

Objective

The PSIA aimed to assess the distributional impact of Syrian refugees in different segments of Turkey's formal and informal labor markets, with particular attention to the poor and vulnerable.

Methods

The PSIA combines key data from 2014 on the number and distribution of Syrian refugees in Turkey with a survey from the Disaster and Emergency Management Authority (AFAD) on the origin cities of Syrian refugees, and with the 2011 and 2014 Turkish Household Labor Force Surveys to assess the impact of the refugee influx on Turkish labor market conditions. The instrumental variable estimates are consistent with one-for-one displacement of Turkish workers by Syrian refugees in a local labor market.

The PSIA uses an innovative instrument to assess the wage and employment effects related to the influx of refugees into Turkish labor markets. The team benefited from the availability of quality data on both Syrian refugees' origins and destination regions. The instrument uses a measure of travel distance to make sure that the labor market impacts are not confounded with other place-specific characteristics that influence economic trends and are correlated with distance from the border. The strategy behind this instrument is based on the idea that travel distance from the Syrian governorate (from which the refugee is fleeing) to each potential destination region on the Turkish side is a key determinant of refugee location decisions and thereby can be used to control for certain unobservable characteristics.



Contribution to Policy Dialogue, Country Capacity, and Bank Operations

The analysis is part of a larger research project with development partners that involved intense cross-sectoral work within the World Bank Group (WBG) and with different ministries in the government of Turkey. The PSIA also contributed to (a) the establishment of a steering committee, consisting of different government agencies and international organizations, to share knowledge and oversee the research; (b) the development of a representative sampling methodology that will be used for future research; (c) a forthcoming quantitative survey with a greater emphasis on the labor market challenges and opportunities for Syrians and host community Turks, which will likely be undertaken in the first half of 2017; and (d) a forthcoming qualitative research survey that will also focus on labor market challenges and opportunities, scheduled to be conducted during early 2017.

The PSIA has had long-reaching influence already: (a) it contributed to a working paper “*Turkey’s Response to the Syrian Refugee Crisis and the Road Ahead*” (Benner et al, 2015) which was commended by the Prime Ministry and Presidency of the Republic of Turkey, (b) it has had an impact on the ongoing Systematic Country Diagnostic (SCD) of Turkey; it is expected to provide inputs to the next Country Partnership Framework; (c) it has supported the policy dialogue with the Ministries of Labor and Education, the Directorate General of Migration Management, and the Disaster Prevention Agency on structuring programs for refugees. Sessions have been held with these institutions to discuss experiences of development programs targeted toward long-term displaced individuals around the world.

The WBG continues its close engagement with the Government of Turkey’s response to the Syrian refugee crisis through policy dialogue, analytical work on assessing the impacts of displacement on host communities through qualitative and quantitative surveys and lastly, operationalizing emergency response projects in Turkey to support refugees’ socio-economic integration into labor markets and better education facilities where children of refugee and host communities can equally benefit.

Key Findings

The full impact of the presence of Syrian refugees on the labor market has yet to be analyzed. Nevertheless, preliminary findings suggest that the refugees, who overwhelmingly do not have work permits, result in the displacement of informal, low-educated, frequently unpaid, female Turkish workers, especially in agriculture. The fact that the magnitude of the estimated displacement effect is very large reflects the high degree of substitutability between refugees and certain Turkish workers (informal, part-time, and field workers). It also likely reflects the relocation of Turkish workers across provinces.

Although there is net displacement, the inflow of refugees also creates higher-wage formal jobs, allowing for occupational upgrading of Turkish workers. This is likely because refugees decrease the costs of production for Turkish firms (an expansion of the supply of certain types of labor), resulting in a scale effect that appears to outweigh the substitution effect for formal, regular jobs, thus increasing the demand for those types of



jobs. In the same vein, all the negative employment effects of the refugee flow are on part-time work, with the number of full-time jobs practically unaffected.

Among women, the displacement from the labor market is also associated with an increase in school attendance. The resulting average wage increase is likely because some of those who would have experienced wage losses exited the labor market.

Recommendations:

To fully assess the potential impact of work permits, allowing the Syrian refugees to join the formal Turkish labor market in the longer term, would require an understanding of the skill set of the refugee population. Currently, little is known about the refugees who have arrived in Turkey, making data collection a priority.

Moreover, the key challenge facing the government of Turkey now is to mitigate the potential negative socioeconomic impacts of hosting SuTP while building on the positive contributions refugees can make and supporting them to be self-reliant until they are able to return to Syria. Investments should be designed to relieve the socioeconomic pressures on host communities and ensure the spread of benefits to them. This should include lessons on how municipalities can be supported to respond to refugees.



Democratic Republic of Congo: Interventions against Sexual & Gender-Based Violence

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Background

Small-scale, cross-border traders provide critical trade links across neighboring countries in the African Great Lakes Region. Yet in the Democratic Republic of Congo (DRC), these traders, the large majority of whom are women, frequently face harassment and demands for bribes at the border. They also face a volatile security situation inside DRC's territory, as conflict in the eastern part of the country continues to pose a threat to their lives and livelihoods.

This PSIA is also motivated by an increased interest in regional trade integration in Sub-Saharan Africa, where the existence of fragmented national markets lowers opportunities for trade gains and agricultural value chains. While contributing to economic growth, the facilitation of cross-border trade for small-scale women traders will also portray an important gender empowerment component if trade facilitation is not at the cost of sexual and gender-based violence (SGBV). In 2011 the World Bank Group (WBG)'s Africa Region Gender Innovation Lab embarked on a quantitative study with the goal of informing the discussion about the constraints these small-scale traders face.

Objective

In an exceedingly challenging operating environment, this PSIA aimed to explore the nexus between trade and gender by testing the effectiveness of specific interventions. The work built on a qualitative survey from 2009 and aimed to further the understanding of corruption and SGBV taking place at the border. The PSIA supported data collection and implementation activities for an impact evaluation of a cross-border training program designed to facilitate the smooth passage of small-scale traders and their goods and to enhance the traders' economic empowerment. This program aimed to help policy makers devise gender-smart interventions in the trade sector, with the goal of replicating the model in other border posts in the Great Lakes Region.

Methods

In addition to quantitative data collection through baseline and endline surveys (in 2011 and 2013), focus groups were conducted in May 2012 to prepare traders for a mobile-phone data collection element of the project. The impact evaluation used a randomized control trial to assess the impact of the trader training on corruption, SGBV, and income indicators for small-scale traders in Rwanda and the DRC.



The PSIA faced a number of challenges related to the sensitivity of the topic, political instability, and the fragile and conflict-affected environment.

Contribution to Policy Dialogue, Country Capacity, and Bank Operations

This work spurred the policy dialogue on gender-informed programming to improve the conditions of cross-border traders in the region. This dialogue was carried out not just at the local and national level, but also extended regionally and influenced the operations of the WBG and relevant partners. Collaboration with civil society organizations, particularly the partnership with International Alert, helped to strengthen advocacy and raise the issue of SGBV in the dialogue around trade reforms. Within the WBG, the engagement led to the integration of a conflict prevention strategy into the national strategy of the World Bank in the DRC. The accompanying analytical work was used to inform the design of a regional operation on cross-border trade in the Great Lakes region.

The project and analytical work was conducted in close collaboration with national and local government entities in the DRC as well as in partnership with the Catholic University of Bukavu and with International Alert, a nongovernmental organization (NGO) that has been working with small-scale traders in Eastern DRC since 2009. The evaluated interventions included (a) workshops that trained cross-border traders on taxes and tariffs, information related to sexual harassment and bribes at the border-crossings, and formation and management of cooperatives; and (b) workshops that trained border officials on taxes and tariffs and on traders' rights.

Key Findings

The surveys and focus group discussions indicate that corruption and SGBV are predominant trade barriers. The findings from a randomly selected sample of traders in the DRC towns of Goma and Bukavu revealed that 67 percent of respondents reported having experienced some form of corruption; 10 percent reported having undergone some form of physical violence; 31 percent reported having been insulted; and approximately 5 percent of traders reported having experienced some form of SGBV while crossing the border during a 30-day recall period. Structured interviews with 66 border officials from the four main border agencies (customs, immigration, hygiene, and arms control) and focus group discussions with traders revealed that the officials demonstrate higher socioeconomic welfare than the traders. They also report low job satisfaction and poor working conditions, have limited knowledge about correct fees and border crossing procedures, and have reported conflicting information on border payments. Finally, contrary to the traders' accounts, they also reported low rates of SGBV at border crossings.

The impact evaluation results indicate a drop in (self-reported) bribe payments and SGBV, which was possibly related to a change in trading patterns among those traders who participated in the workshop: that is, some traders opted to cross the border at times when the guards were not present. Paradoxically, desired results can be attained through non-desired channels, without changing the nature of legal cross-border trading activities. However, in this case, the results may not be sustainable. A major limitation of this PSIA was the



difficulty in evaluating the training of border officials. In fact, the training and incentives of border authorities may prove critical for sustained change in this area.

Recommendations

Interventions that target training on taxes, tariffs, and trade regulations are not always straightforward. The general ambiguity around the tax regime could only be partly addressed, because it is to some extent deliberate: the lack of clear information benefits certain actors who wish to extract rents. It also appears that addressing information constraints may be necessary but insufficient to address the challenges faced by small-scale traders in the Eastern DRC.

It is equally important to create permanent mechanisms that ensure both social accountability and access to critical information. The informality of tariff mechanisms and regulations on the borders in the Great Lakes regions requires extensive reforms, including improvements in enforcing and monitoring existing regulations. Yet, there is clearly a need for further analysis of the causality of corruption and SGBV and its nexus to ongoing trade reforms.

To learn more about this PSIA: www.worldbank.org/en/programs/africa-gender-innovation-lab

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