Lessons: Scaling Up Successful Efforts to Reduce Poverty
The Global learning process

A year-long global learning process on scaling up successful efforts to reduce poverty around the world confirms much of what we already know, but it also sheds new light on four key areas:

• Getting the economics and the politics right.
• Getting the focus on clients right.
• Getting the implementation right.
• And getting the support for innovation right.

The main purpose of the year-long process has been to promote South-South exchanges on how to reduce poverty—and to seed ideas in the development community on how to bring innovations to scale. The ideas are grounded in practice, and rooted in the experience of countries of the South. The objective has been to learn how countries and institutions have taken poverty reduction programs to scale, what they did—but more importantly, how they did it.

Practitioners and experts from the developing world prepared 100 cases—11 on how countries have accelerated national poverty reduction through implementing growth-stimulating economic policies, and 89 on interventions to increase poor people’s access to education, roads, finance, markets, water, and other services.

The case studies do more than list achievements; they also document how to get there. In looking at the “how,” they borrow a page from management textbooks—on strategic alliances, information systems, marketing techniques, financing schemes.

Case study authors looked at four factors thought to be common to successful experiences of scaling up poverty reduction.

• Institutional change. Changing institutions—that is, rules, norms, behaviors, and organizations—is at the heart of sustained economic growth and successful interventions targeted to providing services such as education and health to poor people.

• Experimentation and learning. Successful change typically requires a process of experimentation, adaptation, and learning.

• Political leadership and commitment. Because institutional change is difficult, risky and a long-term process, it requires sustained political commitment, typically from a broad coalition of interest groups.

• Supportive external environment. Change is often stimulated by some kind of external shock, and long-term success is facilitated by a supportive external environment (a peaceful region, a stable global economy, thoughtful and predictable external assistance, expanding foreign trade and investment).
Spanning a wide range of development interventions, the cases show that scaling up is not unique to a particular kind of intervention, that many kinds of interventions are scalable. The cases also show that getting to scale is not a short, smooth, linear process—it is long, messy, arduous, and unpredictable.

Scaling up is defined in many ways (box).

### What is scaling up?

Scaling up has three dimensions:

**Scaling up through broad-based growth.** Some developing countries have truly reduced poverty at scale. China and Vietnam each cut poverty in half in a decade, Uganda in more than a decade, and India in more than two. Because China and India are so large, their success translated into unprecedented progress in reducing global poverty (the proportion of developing world population living on less than $1 a day was cut nearly in half from 40 percent in 1981 to 21 percent in 2001).

In each case the acceleration of economic growth, sustained for more than a decade, was the driving force for poverty reduction. And in each case there were deliberate institutional and policy reforms to stimulate growth, as well as a conscious strategy to invest in building human capacity. The Shanghai Learning Process has been predicated on the notion that countries can learn from each other, but that no simple recipe can be pulled off the shelf to stimulate growth. Each country needs to learn through trial and error what works for it.

**Scaling up in space and time.** The creation of processes and projects to improve specific service delivery can lead to widespread adoption and adaptation—and thus to poverty reduction in the broad sense. Communities have reduced poverty using innovative interventions in education, health, targeted transfers, water supply, sanitation, electricity, microfinance, and other important service areas. Experience shows that scaling up successful processes requires a “learning-by-doing” approach, and the Shanghai Learning Process has aimed at stimulating such an approach worldwide.

**Scaling up across countries.** Over the last two to three decades, and for the World Bank specifically starting with *World Development Report 1990*, there has been a growing international effort to create global poverty lines and estimates of global poverty. This global awareness of poverty has led to better monitoring and targets, embodied in the Millennium Development Goals. There is also a growing global effort to create a better environment for poverty reduction through such measures as debt relief, larger and more effective aid volumes, and a development round of trade liberalization through the WTO. The Shanghai Learning Process hopes to continue building global awareness and action.
Policies, programs, and practices

Some cases of scaling up were initiated by significant policy changes. A small number were designed as blueprint programs, with a finely tuned model replicated with little adjustment. A third category of cases includes practices that require customization to local conditions and tailoring based on local knowledge and experience. Most development efforts have elements of all three categories, in different degrees. And many of the cases started in one category and moved into another.

Policies. The learning process has confirmed and re-confirmed what is by now a development adage: Growth has been the single most important factor in reducing poverty on a national scale. Growth-oriented economic policies matched with progressive social policies are ideal partners for growth-led poverty reduction.

Blueprint programs. Modular, simple, and standard, a “blueprint” can be easily replicated and expanded by providing a uniform service to everyone targeted by the program. Once the basic model is perfected, the constraints to scaling it up are logistical and financial. How many staff can be recruited? How fast can they be trained? How much money is available to roll out the template?

It is possible to scale up through “blueprint models” but the opportunities to do so are limited to a few interventions, such as delivering vaccines or providing conditional cash transfers. Examples of the latter include Mexico’s Oportunidades and Brazil’s Bolsa, where the state provides conditional monthly cash transfers to poor families for education, health visits, and nutritional supplements.

Practices. Most of the cases fall into this category, providing many of the lessons from this learning process. They are based on generalizable principles but locally tailored practices. They require on-the-ground judgment and decision making, with significant upstream and ongoing investment in capacity building and training—typically for service providers but often also for clients.

An example is Iran’s primary healthcare, delivered by locally recruited community health workers with primary education, selected with a high degree of community involvement. The health workers are trained intensively for two years, in locations close to home, with a focus on being able to collect and interpret local health data to design preventive and curative programs. Because of this customized approach to local decisions, Iran has improved health indicators and reduced the disparity between rural and urban areas.
Message 1: Get the economics right—and get the politics behind the economics right

加速减贫需要全面而包容的增长，如中国、智利和波兰所体现的那样。中国，自1981年以来，已将4亿多人提升到每天1美元的贫困线以上，它增加了农业领域的经济机会，开放了对外贸易和投资，并鼓励农村贫困人口的劳动力流动。分散农业的私有化和家庭农业的回归为随后的有针对性的减贫项目奠定了基础。

智利1990年至2000年的6.1%年增长率，以及同期20%的减贫率，是通过结合宏观经济政策与重点的社会投资和坚实制度性改革而实现的。波兰的增长策略主要基于就业创造，同时为适应调整的负面效果而对贫困人口提供暂时的社会安全网。这导致了1992–1998年期间6%的增长率和相应的减贫率。

有较少的分歧在较广泛的一套经济政策应遵循。但使政治正确更富有挑战性。

- Foster commitment, continuity, stability, and consistency. 中国、乌干达、哥斯达黎加、韩国和马来西亚允许改革生根发芽，产生了可见的结果，并扩大了对改革的支持。使中国、印度尼西亚、韩国和马来西亚与许多其他发展中国家区别开来的是，它们系统性地避免了缓慢增长的时期。韩国自1961年以来只有一年的人均国民生产总值下降，即1998年金融危机。

- Follow an early win with phased and sequenced reforms that mirror citizen priorities. 乌干达首先解决了安全问题，这是在内战之后和为准备更困难的经济改革以实现持续增长的第二阶段而实施的更困难的政策之后而实现的。在智利，初始重点是实现宏观经济稳定性，随后是启动增长引擎，之后是减贫政策和工具的引入。1990年的税收改革带来的更高收入使得教育、健康和转移支付方面的支出能够增加。但值得注意的是，智利的改革是在进行了长期的人力资本投资的基础上实现的，为随后的改革奠定了基础。

- Be sure reforms are homegrown. 基本的经济政策成分是一致的，但数额、顺序和时机是根据各国的具体情况而定的。因为至关重要的是维持政治支持，并从改革中产生一些早期的益处。关键的顺序和改革的具体细节对各国都具有具体性。

- Turn adversity into a window of opportunity for reform. 1998年金融风暴时，韩国的回应是放松对外直接投资的限制。印度尼西亚面对的每个外部冲击——在商品价格或其他外部方面——都显著地通过在国民资本中进行显著的长期投资而实现了改革，这为随后的改革提供了基础。

Accelerating poverty reduction requires broad-based and inclusive growth, as China, Chile, and Poland exemplify. China, which has lifted 400 million people above the $1 a day poverty line since 1981, increased economic opportunities in agriculture, opened to foreign trade and investment, and encouraged labor mobility for the rural poor. The decollectivization of agriculture and the return to family farming caused an avalanche of investment to set the stage for the targeted poverty programs that followed.

Chile’s annual growth of 6.1 percent from 1990 to 2000, accompanied by poverty reduction rates of 20 percent over this period, was achieved by combining sound macroeconomic policies with priority social investments and solid institutional reforms. Poland’s growth strategy was based mainly on employment creation, while providing temporary social safety nets to reduce the negative effects of adjustment on poor people. This led to a growth rate of 6 percent and an accompanying reduction in poverty over 1992–1998.

There is little disagreement on the broad set of economic policies to be followed. But getting the politics right is more challenging.

- Foster commitment, continuity, stability, and consistency. China, Uganda, Costa Rica, Korea, and Malaysia allowed reforms to take root, produced visible results, and widened the buy-in and commitment to the reforms. What sets China, Indonesia, Korea, and Malaysia apart from many other developing countries is that they have systematically avoided episodes of slow growth. Korea has had only one year of negative per capita growth since 1961, during the crisis in 1998.

- Follow an early win with phased and sequenced reforms that mirror citizen priorities. Uganda first addressed security, critical after civil conflict, in preparation for the more difficult agenda of economic reforms for sustained growth in the second phase of reforms, followed by the third phase of reducing poverty. In Chile too the initial focus was on achieving macroeconomic stability, jump-starting the growth engine, after which poverty targeting policies and instruments were introduced. The higher revenue from tax reforms in 1990 allowed for greater expenditures on education, health, and transfer payments to poor families. But, critical to note is that Chile’s reforms were preceded by significant long-term investment in human capital that provided the grounding for the reforms that followed.

- Be sure reforms are homegrown. The basic economic policy ingredients are consistent across the sample, but the amounts, sequencing, and timing were locally concocted. Because it is crucial to maintain political support and generate some early benefits from reform, the specific sequencing and details of reform are country-specific.

- Turn adversity into a window of opportunity for reform. Korea’s response to the 1998 financial crisis was to relax restrictions on foreign direct investment. Each of the external shocks Indonesia faced, in commodity prices or in other external
developments, provided the stimulus to strengthen the policy regime. With the fading of the second oil boom in the early 1980s, it devalued the rupiah twice and introduced microeconomic reforms to diversify exports and strengthen productivity growth. When growth began to falter in China in the late 1990s, the government expanded public investment and rationalized the export regime.

- Be open to international trade, investment, ideas, and a culture of learning and experimentation. All the country successes, especially China’s, involved deep integration with the global economy to bring new technologies and ideas. And lessons can travel across borders—Brazil’s Bolsa Familia program of cash transfers to poor families had its seeds in Mexico’s earlier Oportunidades program. And El Salvador’s 13-year-old EDUCO rural education program, which engages parent associations to increase coverage and quality, inspired adaptations in Honduras, Guatemala, and elsewhere.

- Stimulate competition to encourage adaptation, innovation, and better service delivery. China shows how the local government in Wenzhou worked with the private sector to protect individual property rights and create a hospitable environment for private enterprise to induce competition and boost farm incomes from RMB 113 per capita in 1979 to RMB 4,680 in 2001. Chile used private provision of education to encourage more competition and produce better educational outcomes. And the dramatic growth of the Kenyan horticulture industry—led by smallholder farmers, making Kenya the second largest flower exporter in the world—is a story of innovation and competition driving quality standards and attracting local and foreign private investment.
Message 2: Get the focus on clients right—and keep the focus on clients

The starting point for service delivery is to acknowledge that clients know best and to let them vote with their feet. This is by now commonly accepted, but the cases demonstrate many ways to translate principle into practice.

The simple principle of customer service—providing products and services that people want—leads to participation, ownership, and purchases by clients. It underpins every story of scaling up, irrespective of the service.

- Treating people as clients, consumers, citizens, assets, and agents of change - and an important part of the market to be served - can lead to such institutions as the Bhoomi land titling program in India. The program computerized 20 million land ownership records and became financially sustainable thanks to user charges.

- The Equity Building Society of Kenya and the National Development Bank of Egypt have grown, expanded, innovated, and reached financial profitability by providing quality financial services to poor people, mostly women. They have tailored services to their needs and demands: a safe place to save, and small loans for working capital, home improvement, and children’s education. And they discovered, initially by accident and then by conscious design, that women are more responsible clients and serving them was good for the institutional bottom-line.

- Indonesia’s Kecamatan Development Program reached 35 million people in just seven years by allowing communities to choose how best to apply funds intended for them. The Yemen, Malawi, and Zambia Social Funds all reached nationwide coverage since their launches in the 1990s by turning top-down centralized service provision models on their head—and putting communities in charge. Communities in Ghana and South Africa are expanding the supply of rural water by managing the contracting, operations, and management, and achieving full cost coverage. They pitch in with their own funding, typically in excess of the project requirement, and with their own sweat equity.

- EDU CO in El Salvador transfers a portion of the national education budget (12 percent in 2003) to parent committees for teacher recruitment and management of community schools. The schools have enrolled 362,000 children, or 40 percent of all rural enrollments. In East Africa, involving parents and eliminating school fees have increased enrollments and made schools more inclusive and responsive.

- Egypt and Bangladesh sharply narrowed gender disparities in school enrollment. How? By increasing parental demand for girls’ education through community awareness campaigns, by reducing the distance girls travel by building schools closer to where families reside, by paying poor families to send children (especially girls) to school, and by providing sanitation facilities and increasing the number of female teachers. Research findings provided the basis for these programs to overcome the practical and cultural challenges that were keeping girls out of schools.
Transparent rules of the game - budgets, processes, procedures - lead to increased accountability to clients and in turn empower them to demand what is their due, a principle re-enacted many times in the case sample.

- Uganda put information on the transfer of public funds to local governments in the public sphere through newspapers and notice boards, which led to improved service delivery, and increased the amount of money reaching primary schools from 13 percent to over 80 percent.

- A hallmark of the community driven development programs of KDP in Indonesia and of Brazil is to build transparent systems of governance to reduce corruption. This means giving the budgets directly to communities to invest in projects of their choice, having public billboards in each KDP village outlining the investment being undertaken in that village including contracting mechanisms and budget amounts, and giving the media a blanket and unedited license to report on corruption.

- In India, the Bangalore Agenda Task Force is a powerful example of a partnership between private sector, civil society, civic service organizations and government leaders to improve government performance and make their city more livable, and monitor progress through a citizen report card. The third report card showed a dramatic improvement in services.

- In Russia, the Administrative Barriers Survey, which gets published in the press, is a good example of civil society monitoring the implementation of business deregulation.
Message 3: Get the implementation right—the devil is in the details

Many of the new lessons from Shanghai lie in implementation. The development literature, in contrast to the management literature, has largely ignored the underlying processes and systems for institutions to innovate, fail along the way, learn from that failure, and continue to expand.

- **Foster a culture of continuous learning, calculated risk taking, and monitoring and evaluation.** Brazil’s land reform program was piloted and refined over two years before the scaling up to 14 states. BRAC in Bangladesh piloted 22 one-room schools before scaling them up to the 34,000 it now operates. Bhoomi in India began computerizing land records in a few pilot districts before spreading to all districts. The Pakistan Rural Support Programs took more than 10 years of patient effort at the community level to generate the level of social, financial, human capacity and other results needed for a convincing basis for scaling up. Shutting down failures is also important. The Southwest Poverty Reduction Project in China dropped two of its eight components when they were found not to be working and transferred the funds to the remaining six that were.

- **Invest in and use an early warning management information system.** BRAC in Bangladesh, the Social Fund in Yemen, and the market-based land reform program in Brazil track progress and change course based on data, results, and client feedback loops.

- **Invest in building the capacity of staff, and in the wider set of institutions involved in making it work, be they government, nongovernmental, or private.** K-REP Bank in Kenya invests in training for staff excellence in program execution, and as the first commercial microfinance bank in Africa, it trained Kenyan bank regulators on microfinance principles so that the banking regulations could be adjusted for this service delivery model, opening up the regulatory space for a whole cast of such institutions. The Yemen Social Fund for Development seeks to build the capacity of a nascent civil society sector to hasten service delivery. And the Kecamatan Development Program in Indonesia has invested in building the capacity of 45,000 private contractors—facilitators, engineers, technicians—to scale up the community driven development.

- **Decentralize management structures and systems to scale up service delivery.** The Rural Support Programs in Pakistan grew from a single program in 1990 to 10 today. BRAC in Bangladesh operates a nationwide network of branches. And the decentralization of budgets from the national to regional and local governments in Africa improved service delivery and reduced poverty.

- **Spread lessons on what’s working.** Communication matters. Turkey achieved universal enrollment in primary education and broadened support in part by publicizing its early wins through a media plan to keep all beneficiaries and implementers informed about results. Peru launched a wide dissemination campaign on the benefits of formalization to scale up the land titling reform program, delivering titles to 1.4 million families between 1996 and 2003. The
profitable production of fodder and the raising of livestock spread rapidly from a few initial pilots on the China Loess Plateau as a result of transmitting the lessons. The massive information campaign to get AIDS in the public eye in Thailand—through the media, student peer education programs, and the Business Coalition on AIDS—built a solid foundation for prevention messages, reducing prevalence rates dramatically.

- Institute cost sharing or full pricing to keep the provider honest and sustainable, and the client empowered. User fees or matching fund contributions are used in many successful interventions, partly to stretch limited public resources and build towards financial sustainability from the start, but equally to verify that services are truly demanded by the people they are aimed at. The cases range from communities providing matching grants up to a percentage to full cost recovery by microfinance institutions. This shifts the power structure relationship from donor and beneficiary to a contract between provider and buyer.
Message 4: Get the support for innovation right—and back the right leadership and management

Behind every success is a leader or a group of visionaries and champions backed by a significant interest group, who not only started something, but also institutionalized and sustained it over time.

- In Uganda enlightened political and technocratic leaders formed the “dream team,” driving the reform agenda.
- After the genocide in Rwanda President Paul Kigame focused on the urgency of replacing ethnic identities with a national Rwandan identity, both through the political system and new inclusive institutions.
- Egypt demonstrated its commitment to universal primary school enrollment and to eliminating gender disparity in enrollments by increasing the resources for education in a shrinking budget.
- In West Africa a strategic alliance of political and civil society leaders, donors, and the private sector came together 30 years ago to fight riverblindness.

Leadership also came from such social entrepreneurs as Muhammad Yunus of Grameen, Fazle Hasan Abed of BRAC in Bangladesh, Ela Bhatt of SEWA in India, and Kimanthi Mutua of KREP Bank in Kenya who forged ahead in transforming financial and other service delivery to the poor in the face of absolute disbelief and even ridicule. Leadership came from such private firms as Merck & Co., which created the drug to control riverblindness across Africa and have donated it for as long as is necessary. And leadership came from select donor staff who quietly worked tenaciously behind the scenes, pushing their own agencies to do things differently.

Once leadership and political commitment are in place, external support can help in scaling up. External financing helped in almost all the cases, in varying degree. It was especially critical for the very poor countries. And without it, many of these experiences would have perished in infancy.

Ideally, this financing comes in multiyear commitments, and in predictable and timely disbursement streams so that countries and institutions can launch longer-term strategies. For many countries, coordinating external financing with their budget cycle was particularly useful. And the importance of sustained commitment is illustrated by the experience of riverblindness, defeated in large parts of West Africa through a concerted international partnership formed in 1974. Remarkably, seven of the original nine donors are still with it, providing the long-term commitment for a disease that takes up to 20 years to interrupt its transmission.

Simplifying donor procedures facilitates scaling up. Simplifying the World Bank’s rules on procurement and disbursement was quite fundamental to the scaling up processes of the Brazil community development program and to KDP: funds were directly transferred through the government system from treasury to village accounts; funds could be
disbursed against plans over actuals; counterpart funds include non-monetary contributions; there are no to few prior reviews of individual village projects; and a modular system of disbursement where each village unit operates independently of others allows the system to move and not get slowed down by laggard units. Another key factor has been the on-site presence of a core project team that provides policy and implementation continuity, country knowledge and timely support as illustrated by China’s Loess Plateau project.

**Providing support for capacity enhancement.** Simply throwing money at the problem does not work. The constraint to scaling up is more typically human or institutional, not financial. So funding should be made available for investing in human and institutional capacity. Policy advice, technical assistance, capacity building and other support that accompanied external financing were valued, and investments in developing human and institutional capacity in many of the cases—training loan officers, community health workers, teachers—helped scale up the development effort.

**Ensuring efficiency in using resources.** Roads, water, social infrastructure, education, land title records all were almost always provided at lower cost in these examples than the alternative, typically public sector providers. Tracking the efficiency of fund use (and benchmarking these efficiencies across peers) should be a criterion for providing additional funds.

**Support for good learning processes is key.** The cases are rich in examples of how countries have learned from each other in creating these experiences, and donors have often facilitated that process. Yet too often donor procedures get in the way of adaptation and learning. If donors require a detailed specification of the program in advance, that tends to lock the implementer into a particular blueprint, rather than supporting learning and flexibility. An important lesson for donors from all of this work is that they need to support good processes and learning, rather than supporting a “project” that is exactly specified in advance.

**Donor harmonization facilitates the scaling up process.** Uganda exemplifies how donors, in partnership with civil society and the private sector, coalesced around its framework and vision for growth and poverty reduction, and became effective and unified partners in support of the reforms. The approach used in Bangladesh with Grameen, BRAC and other institutions, of establishing donor consortia and program finance rather than project financing helps reduce the transaction costs of the donor/partner relationship and puts everyone on a similar page from which to move forward.

**Encouraging cost-effective and practical impact evaluations.** A small number of cases used a very rigorous evaluation methodology that includes baseline and control group data to make “before and after” and “with and without” analyses, with Mexico’s *Oportunidades* deserving mention. But most of the cases relied on lower cost and less rigorous systems. Because of their client focus, reliance on the very effective market test of client demand and satisfaction, especially if expressed through user fees and other
contributions, serves as a proxy. To assess impact on poverty reduction would require a concerted effort by donors to invest in building local capacity for data collection and analysis — a national and global public good. Also considered important was the selection of contextualized indicators – women clients of BRAC in Bangladesh defined their empowerment as “now being able to eat the head of the fish without seeking permission from their husbands.”

Domestic and private funds are at the core. In many cases external assistance was used to leverage significantly larger amounts of domestic capital. The World Bank’s investment in Brazil’s community-driven development in the Northeast is leveraged tenfold with state budget allocations. And the reverse is true too. Mexico’s Opportunidades was launched with government funds and attracted external funds only after demonstrating results – servicing 2 million poor families. And while external finance kicked off some processes, its significance decreased over time as other sources kicked in. A similar point can be made about foreign private investment in the successful macroeconomic cases. In China and Chile, for example, foreign investment was an important catalyst but never a large share of total investment.

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This learning process has generated a rich sample of real life experiences of how countries and institutions have scaled up poverty reduction efforts. It has confirmed that there are no simple blueprints for success, and that success and failure depends primarily on the government and the institutions in that location. But it has also confirmed that many of the successes arose in part from countries and communities learning from each other, and refining those lessons with adaptation and experimentation.