

The Poverty of Development: Prolegomenon to a Critique of Development Policy in Africa*

John F.E. Ohiorhenuan

*UN Resident Coordinator and UNDP Resident Representative in
South Africa*

Abstract

The focus on poverty reduction in Africa may be a case of doing the right thing for the wrong reason. Undoubtedly, directly focusing on poverty as an integral part of macroeconomic policy making is essential and a welcome addition to the narrower prescriptions of structural adjustment programmes. But experience so far with Poverty Reduction Strategy Paper (PRSP) raises the concern that, compared with structural adjustment programmes (SAPs), the real innovation of PRSPs is that they now prescribe, and set conditionalities on, process in addition to content. In consequence, it is difficult to sustain the argument that Africa is (finally) taking charge of its own destiny.

Introduction: Overview

Professor Ojetunji Aboyade had many virtues. The one that stands out is his insistence that a good economist, particularly in a developing country, must be more than an economist. He/she must be firmly grounded in theory, highly skilled in empirical analysis, sophisticated in the use of mathematical and quantitative techniques and willing to dirty his/her hands in collecting primary data. Furthermore, the good developing country economist will be confident enough to take a position without being rigid; open enough to recognize the limits of the economist's box of tools, humble enough to accept that economics is often subsidiary to politics and strong enough to resist dogma from home or from abroad.

This is an impossible task for mere mortals. Not many of us can claim to be good economists by Aboyade's standards. But one can take some comfort in the second best option of treating his definition as a journey rather than a destination. It is in that spirit, and to keep his message alive that I have chosen the title "The Poverty of Development: Prolegomenon to a Critique of Development Policy in Africa."

The number of people living below the poverty line of one US dollar a day is almost 300 million in Sub-Saharan Africa today. According to the UNDP 2002 Human Development Report, in Sub-Saharan Africa, human development has actually regressed in recent years, and the lives of its very poor people are getting worse. The share of people living on \$1 a

day was about the same at the end of the 1990s as at the start (47.7% in 1990 and 46.7% in 1999). And, because of population growth, the number of poor people in the region has actually increased from 242 million in 1990 to 300 million in 1999. Further, while most of the world has increased the share of children who are immunized against the leading diseases, since 1990, immunization growth rates in Sub-Saharan Africa have fallen below 50% (UNDP 2002).

It is not surprising, therefore, that poverty in Africa has become the main concern of the international development community. International financial institutions and the bilateral donor community now base their assistance mainly on the poverty objective. In particular, for most of Africa, the World Bank's Poverty Reduction Strategy Paper (PRSP) has become the dominant vehicle for macroeconomic and structural reform in much the same way that Structural Adjustment Programmes provided the vehicle from the late seventies to the late nineties. Africa itself appears to have adopted poverty reduction as the new development religion, as seen in the New Partnership for Africa's Development (NEPAD).

However, our anti-poverty march appears to be focusing on form, even mere appearances, at the expense of content. And it seems to be misguided in the belief that participation, however ad hoc, translates into ownership. This paper argues that while ownership is fundamental to development, it must go beyond first order compliance with an externally determined set of norms. To be clear, the reduction of poverty in all its manifestations is the essence of development.¹ But, it is futile to focus on the symptoms of poverty rather than its causes; or to target the shadow rather than the substance.

The paper is in five parts. Following this introduction, Section 2 provides a very quick tour of the development literature from its modern beginning when development was simply growth plus structural change to its current history of a more robust understanding of development, which has poverty as its main focus. Section 3 reviews the PRSP approach and provides a broad description of the process in those African countries, which have prepared full PRSPs. Section 4, the core of the argument, juxtaposes against the Washington approach to PRSP a "Curmudgeon's guide." Section 5 provides some concluding remarks based on the old philosophical tension between necessity and discretion.

From Development to Poverty

Fifty years ago, development economics emerged as a distinct field of study concerned with the structure and behaviour of poor economies. At that time, the concept of development was relatively simple. For the economist, development was simply growth plus structural change. Since then, the meaning of development has broadened to include such notions as sustain-

able growth, human development, environmental protection, institutional transformation, gender equity, human rights protection, and poverty reduction.

Development as Growth:

In the early days of the discipline, there was a measure of consensus that economic development meant ‘the process whereby an economy’s real national income increases over a long period of time’, and that this could be attained through active government intervention. It was in this context that the idea of “development as growth” took hold, with Rostow’s “stages of economic growth” and W. Arthur Lewis’ dual economy model as perhaps, the most refined theoretical presentations (Lewis 1954, Rostow 1960). Coupled with the assignment to the state of an activist role in the process, development appeared as a state to be attained and a process to be engineered.

By the end of the sixties, it had become quite clear that, even with relatively rapid growth, the living standards of the vast majority of people in the developing countries did not improve. Thus emerged various re-conceptualizations of development to include equity and poverty issues. In particular, *Redistributive and the Basic Needs Schools* emphasised the reduction of poverty, the expansion of productive employment opportunities, and the reduction of income inequalities.

Towards the end of the 1970s, with radical monetarism emerging in the West, a “neoclassical counterrevolution” was launched. This resurgent neoclassicism, reasserting the virtues of the market and the importance of “getting the prices right”, provided the theoretical underpinnings for structural adjustment programmes which had emerged in the late Seventies. The counterrevolution, led by, among others, Ian Little, Bela Balassa, Anne Krueger, and Deepak Lai,² argued that the policy-induced distortions of developing countries are largely responsible for their poor development performance, and proposed that the problems of economic development can only be solved by an economic system with freely operating markets and a minimalist government. This neo-classical revival was reinforced in the early 1980s by the increase in applications from developing countries for IMF assistance, and the conditions IMF put on these assistance. Eventually, what emerged was the so-called “Washington Consensus” which represented the mainstream development practice throughout the 1980s into the 1990s. The consensus advocated a relatively narrow focus on economic growth based on a balanced budget, exchange rate correction, liberalization of trade and financial flows, privatization and domestic market deregulation. By the early 1990s, criticisms of structural adjustment, as well as the neoclassical theory behind the programmes were coming not only from academics, but also from among some major multilateral and bilateral donors, and later, even from within the World Bank itself.

The United Nations Children's Fund (UNICEF) was one of the earliest and most vigorous critics of the structural adjustment programmes. Its *Adjustment with a Human Face*, (Cornia, Jolly, and Stewart 1987) argued how the policy advice and programmes promoted by the World Bank and the IMF showed little regard for the distributional or poverty implications. UNICEF's message was to integrate poverty alleviation into structural adjustment programmes (Cornia *et al*, 1987: 6-7).³ A practical criticism came from Japan, by the nineties a major player in international development cooperation. A paper by Japan's Overseas Economic Cooperation Fund (OECF) challenged the World Bank's approach to structural adjustment. The paper recognized the importance of efficient resource allocation through the market mechanism but argued that factors other than efficiency are important in economic reform programmes. It challenged some of the major conditionalities attached to World Bank structural adjustment loans (OECF 1991).⁴

Towards the end of the 1990s, voices for a new orientation were emerging from within the World Bank itself. Joseph Stiglitz, who assumed the position of World Bank Chief Economist and Senior Vice President in 1997, argued that there were limits to neo-liberal formulas. In his view, the Washington Consensus "took privatization and trade liberalization as ends in themselves, rather than as means to more sustainable, equitable, and democratic growth" (Stiglitz. 1999). He cites three illustrations of the failure of the Washington Consensus: first, post-communist countries, which went from an over reliance on the state to an over reliance on the market failed to attain viable development; second, there is growing evidence that adherence to the Washington Consensus prescriptions produce dual economies, enabling enrichment of a few but failing to alleviate the poverty of the masses; and third, the 'East Asian Miracle' was actually accomplished by departing from the Washington Consensus prescriptions in certain decisive ways (Martin 2000).

The Rediscovery of Poverty:

While structural adjustment was being challenged intellectually, international political processes were pushing for a notion of development that focuses more sharply on the poor and vulnerable. In particular, a series of major UN Conferences during the nineties culminated in a broad global consensus on poverty' as the primary concern of development policy.⁵ At the World Summit for Children in 1990, 159 Government representatives, including 71 Heads of State, and representatives of 45 NGOs, signed the World Declaration on Survival, Protection and Development of Children and adopted a Plan of Action to achieve some time-bound goals. These goals included reducing child and maternal mortality rates and providing universal access to safe drinking water and education between 1990 and 2000.⁶ In June 1992, the UN Conference on Environment and Development

brought together 108 heads of State in Rio de Janeiro. The Rio Declaration on Environment and Development and the Statement of Principles for Sustainable Management of Forests were adopted. Perhaps, more significant, however, was the adoption of Agenda 21, as a global blueprint for sustainable development as a framework for addressing the combined issues of environmental protection and equitable development. It called for a comprehensive plan of action to be implemented globally, nationally and locally by organizations of the UN System, Governments, and major groups in even' area in which human activity impacts on the environment. The World Summit for Social Development, held in Copenhagen in March 1995, highlighted the notion of social development and poverty eradication. The Summit brought together 117 heads of State and another 69 Ministerial-level representatives who committed their governments to eradicating poverty "as an ethical, social, political and economic imperative", and committed themselves "to creating an economic, political, social, cultural and legal environment that will enable people to achieve social development" (Commitment 1 of the Copenhagen Declaration).

In the year 2000, two important United Nations General Assembly-meetings took place: one was the Special Session in Geneva to review the Social Summit (Copenhagen plus 5) and the other was the UN Millennium Summit. At Copenhagen plus 5, held in June 2000, UN Secretary General, Kofi Annan launched the report, "A Better World for All," which was co-authored by the UN, the World Bank, the IMF and the Organisation for Economic Cooperation and Development (OECD). The report marked the first time these four international organisations jointly assessed progress and outlined a common vision towards poverty reduction. The Report was also presented at the OECD 2000 Forum in Paris by the Deputy, Secretary's-Gerveral of the OECD and the UN. The report outlined so-called International Development Goals (IDGs): seven interrelated development goals, set during UN Conferences in the 1990s, which, if achieved over the next 15 years, will improve the lives of millions of people. The significance of the report comes from the fact that the donor community as a, whole pledged to foster sustainable growth that favours the poor, and provide more resources for health, education, gender equality and environmentally sustainable development worldwide.

Later in the year in September, 187 UN member states met in New York for the 55th General Assembly, or the Millennium Summit. The Millennium Declaration (Resolution 55/2) was adopted to strengthen peace, development and human rights, and to improve the -UN's ability to act on behalf of humanity's priorities. In particular, in Section III of the Declaration, "Development and Poverty Eradication," the signatories adopted 11 specific goals. At the 56th Session of the General Assembly, "Follow Up to the Outcome of the Millennium Summit" in September 2001, the IDGs and the goals outlined in the Millennium Declaration were

merged to produce the Millennium Development Goals (MDGs).⁸ The MDGs comprise 8 goals, 18 targets and 48 indicators. A table listing the MDG goals and targets, in comparison with the IDGs and the GA resolutions from the Millennium Declaration is provided in Table 1. It is sufficient to note here that all three list poverty reduction as its first target.⁹

The Poverty Reduction Strategy Approach:

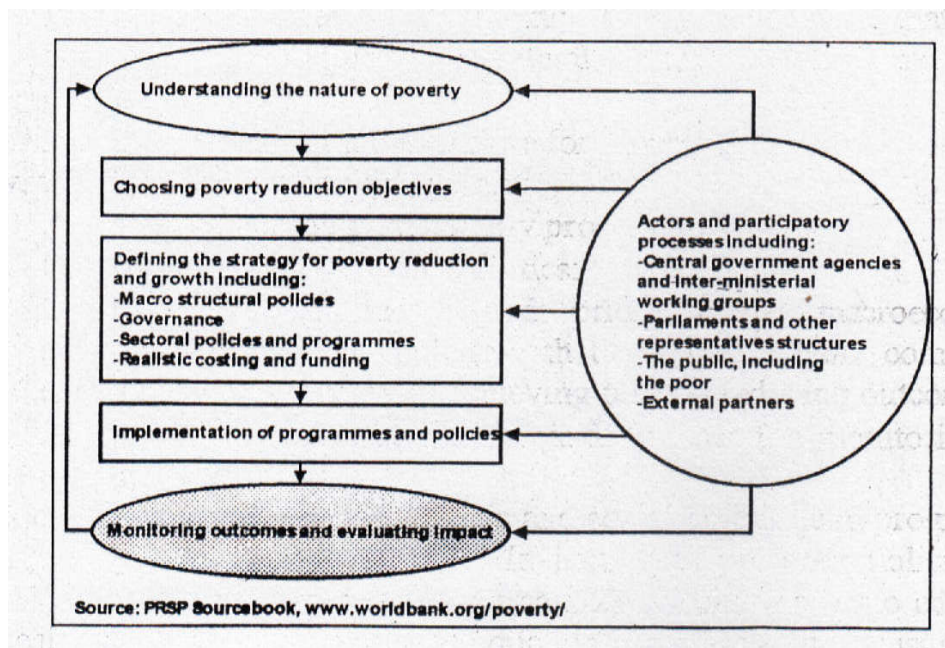
Against the background of these Conferences and in response to critics of the structural adjustment and the “Washington Consensus”, the World Bank and, somewhat later the IMF, undertook some re-focusing of their operations.¹⁰ From 1987, the World Bank’s staff guidelines required Policy Framework Papers (PFPs) for low-income countries to include a “brief description and assessment of the social impact of the government’s intended adjustment programme” (Stewart 1995). In 1993, the World Bank’s *Poverty Reduction Handbook* surveyed the Bank’s experience highlighting best practices in its projects and programmes for poverty reduction (1993b). At the September 1999 Annual Meetings of the World Bank and the IMF, it was announced that the old PFP would be replaced by a new approach emphasizing poverty reduction. It was also announced that nationally owned participatory poverty reduction strategies would henceforth provide the basis for all World Bank and IMF concessional lending and for debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative. This approach, building on the principles of the Comprehensive Development Framework,” was to be reflected in the development of Poverty Reduction Strategy Papers (PRSPs) by country authorities with broad participation of the society.¹² Similarly, the IMF replaced its old Enhanced Structural Adjustment Facility (ESAF) with the Poverty Reduction and Growth Facility (PRGF).

The World Bank’s PRSP Sourcebook argues that “National poverty reduction strategies can improve the poverty impact of expenditures financed by external partners and the effectiveness of technical advice by increasing country ownership and shifting policy to a more results-oriented approach. The objective is to encourage low-income countries to reduce poverty by focusing on a renewed growth oriented strategy.”¹³ According to the IMF, “Poverty Reduction Strategy Papers (PRSP) are prepared by the member countries through a participatory process involving domestic stakeholders as well as external development partners, including the World Bank and IMF. Updated every three years with annual progress reports, PRSPs describe the country’s macroeconomic, structural and social policies and programmes over a three year or longer horizon to promote broad-based growth and reduce poverty, as well as associated external financing needs and major sources of financing” (see <http://www.imf.org>). As proposed by its champions, poverty reduction strategies should be:

- Country-driven - involving broad-based participation by civil society and the private sector;
- Results-oriented - focusing on outcomes that would benefit the poor;
- Comprehensive in recognizing the multidimensional nature of poverty;
- » Partnership-oriented - involving coordinated participation of development partners (bilateral, multilateral, and non-governmental);
- Based on a long-term perspective for poverty reduction. Ideally, therefore, PRSPs should contain:
 - A description of the participatory process used;
 - Comprehensive poverty diagnostics;
 - Clearly presented and costed priorities for macroeconomic, structural and social policies, that together would comprise a comprehensive strategy for achieving poverty reducing outcomes;
 - Appropriate targets, indicators, and systems for monitoring and evaluating progress.

PRSPs describe the country's economic and social policies and programmes over a three-year or longer horizon. In particular, pro-poor policies may cover: 1) broad based access to resources; 2) priority for basic education and health; 3) labor intensive production, trade-related measures and promotion of SMEs; 4) pro-poor redistribution measures; and 5) improvement of gender equity (Swiss Agency for Development and Cooperation 2002). A schematic presentation of the PRSP process is provided in Figure 1.

Figure 1: The Process of Developing a Poverty Reduction Strategy



For those countries that are not in a position to develop a full PRSP, an Interim PRSP (I-PRSP) can be formulated to avoid delays for countries seeking debt relief under the HIPC Initiative. An I-PRSP would outline a country's existing poverty reduction strategy and provide a road map for the development of the full PRSP. The PRSP, I-PRSP or an Annual Progress Report, supported by the Boards of the World Bank and the IMF within the preceding 12 months is a condition for:

- HIPC countries to reach a decision or completion point;
- Assistance under the IMF's Poverty Reduction Growth Facility (PRGF);¹⁴
- Access to the World Bank's concessional lending scheme, the International Development Association (IDA);¹⁵ and
- Poverty Reduction Support Credits (PRSCs), a series of annual programmatic structural adjustment credits, provided by the World Bank to support the implementation of PRSPs.

Furthermore, since July 1, 2002, the World Bank's business plan for low income countries, the Country Assistance Strategy (CAS), is based on PRSPs, and all lending and non-lending activities in IDA countries is organized under a CAS business plan responding to the PRSP.

PRSPs in Africa:

PRSPs have become the dominant vehicle for development policy in Sub-Saharan Africa. Thirty Sub-Saharan African countries have committed to the PRSP process (through full or interim PRSPs) since 1999. A total of 33 countries¹⁶ are potential PRSP candidates by virtue of their HIPC and/or LDC status (see Table 2). In addition, some unlikely countries like Nigeria have also committed to the PRSP process.¹⁷ By mid-2002, 11 African countries had completed the full PRSP - Burkina Faso, Gambia, Guinea, Malawi, Mauritania, Mozambique, Niger, Rwanda, Tanzania, Uganda and Zambia. Burkina Faso, Mauritania, Tanzania and Uganda are implementing their PRSPs. A few, including Burkina Faso and Uganda have already benefited from the World Bank's PRSC, and Rwanda and Uganda from the IMF's PRGF. Table 3 presents a schematic overview of the content and process in those countries which have completed the full PRSP. In all countries, the process is anchored at a high level in the government's institutional structures, normally at the ministerial level. In the case of Mauritania, Niger and Rwanda, the inter-ministerial committee is chaired by the Prime Minister. In Rwanda, the PRSP was launched by the President.

The role of parliament varied significantly. In most countries, the document was presented to Parliament. In many, parliamentarians participated in the design consultations in several ways: in working/thematic groups or in regional or local workshops. In Uganda, however, while briefings were given to parliamentary sessional committees,

a formal parliamentary review was neglected.

Most PRSPs attempted to involve civil society organizations (CSOs) in one form or another. Again, the practice varied. In Burkina Faso, CSOs were mainly involved in the dissemination of the PRSP and in the review process, rather than in the design. On the other hand, in Tanzania, extensive CSO lobbying resulted in the abolition of primary school fees. The same thing happened with healthcare user fees in Uganda. In Rwanda, the PRSP process provided the occasion for re-constituting a traditional system of community development and self-help.

In general, the Africa PRSPs were rather weak on poverty diagnostics. Several were based on outdated statistics. For instance, Burkina Faso leaned heavily on a poverty map that depicted regional disparities and changes in poverty incidence between 1994 and 1998. Similarly, Guinea relied on a budget survey of 1994-95. Not surprisingly, the PRSPs tended to be more descriptive than analytical. There was very little investigation of causal relationships.

The setting of economic targets was equally weak. All the PRSPs set growth targets ranging from 3.5% (Malawi) to 7.8% (Burkina Faso and Uganda). However, these growth rates were not rigorously grounded in an analysis of the structural sources of growth. Inflation targets were also relatively ambitious. Except for Malawi which aimed to bring inflation down to under 10%, most countries had targets ranging from 2.4% for Mauritania to 5.7% for Mozambique and Uganda. Not surprisingly, perhaps, the area of governance and public expenditure management was quite weak in African PRSPs. Most focused on intentions to strengthen administrative and public sector financial mechanisms. A few, like Mozambique and Burkina Faso, touched on judicial reform, while Mauritania paid some attention to electoral reform and political party financing. Sectoral priorities for most countries, as expected, were in basic education and health. Some also highlighted rural infrastructure, such as rural water in Mauritania and rural transportation in Mozambique. Mozambique also highlighted the importance of small and medium-sized enterprises (SMEs), and Uganda emphasized agricultural modernization.

This broad picture of the status of PRSPs is confirmed by the recent review of I-PRSPs and PRSPs conducted under the auspices of the World Bank and the IMF.

The Poverty of PRSPs

When the PRSP approach was adopted by the Bretton Woods Institutions in December 1999, their Boards called for a joint assessment of its implementation by the end of 2001. The assessment was to draw on contributions from countries, international organizations and civil society.

The review solicited these contributions through papers, workshops and seminars. The World Bank and IMF staff also provided thematic reviews, summaries of Executive Directors' views and an issues paper. The process culminated in an international conference in January 2002.¹⁸

The Washington Guide to PRSPs:

The review re-affirmed the importance of participation in the PRSP approach, but stressed the need to better involve parliaments and other groups, including civil society organizations out of favour with government, private sector representatives, women's groups' and direct representatives of the poor. Good practices identified include sustaining stakeholder involvement by making information available and easier to understand, improving feedback mechanisms and presenting PRSPs to donor round tables before submission to the World Bank and IMF Boards. Development partners were urged to give timely and constructive feedback and support civil society capacity building. It was also recommended that the World Bank and IMF link the whole country team to the PRSP, inform stakeholders about their activities and indicate in Joint Staff Assessments stakeholder views on the PRSP process.

On monitoring and evaluation, the Review noted some progress in these areas but also highlighted weaknesses. Specifically PRSPs have not included poverty and social impact analysis of major policies and programmes, largely because of capacity constraints and technical difficulties. • Furthermore, while measurement of final poverty outcomes is improving, PRSPs often lack good intermediate indicators to track the implementation of public programmes. The main recommendations included developing the necessary institutions, analysing the social and poverty impact of major policies and programmes, setting realistic targets and developing appropriate intermediate indicators. Development partners were encouraged to support and assist such work. It was also suggested that the World Bank should lead in assisting governments with poverty and social impact analysis.

The Review noted a lack of prioritisation and specificity regarding priority public actions. While recognising macroeconomic stability as essential to growth and poverty reduction there was little discussion in PRSPs of the links between macroeconomic and structural policies and poverty reduction. Moreover, analysis of the sources of growth underpinning the ambitious growth targets was lacking.

Several PRSPs acknowledged the importance of the private sector for growth and poverty reduction but the coverage of related structural issues tended to be perfunctory. Some PRSPs included measures to improve the environment for SMEs, emphasising better credit and savings opportunities for the poor and the provision of rural infrastructure.

While all full PRSPs supported trade liberalisation, they were limited in addressing the issues and did not deal specifically with the experience of past trade reforms. Some, including Mozambique, proposed specific measures to support trade liberalisation but did not clarify the link between these reforms and growth and poverty reduction.

The allocation of public spending to poverty reducing activities including health and education was not backed up, except in the case of Mozambique, with a discussion of revenue measures. Gender issues were generally under-emphasised outside the health and education sectors and HIV/AIDS coverage was weak. Also while most PRSPs featured governance and corruption, they generally failed to identify major challenges or indicators to monitor progress.

Another important concern in PRSPs was the access of the rural poor to economic assets and to health and education. However, the discussion of rural issues tended to be brief and vague on implementation. Social protection programmes received little coverage in African PRSP programmes.

The Review stressed the need for PRSPs to include detailed discussion of macroeconomic frameworks and pro-poor growth strategies; developing alternative macroeconomic scenarios including contingency spending plans and alternative revenue paths, policies to reduce risks from external shocks and/or ensure debt sustainability; improving the efficiency of services to the poor, improving prioritisation and specificity with consideration of cross cutting and sectoral issues; reviewing governance and institutional development problems to build consensus on the main governance challenges to poverty reduction; developing core skills including public expenditure management (PEM), poverty diagnostics, monitoring and indicators in sectoral ministries.

For development partners, suggestions included: fostering civil society capacities for prioritising, benchmarking and monitoring progress on governance; investing in tools for sectoral and governance-poverty links; supporting line agencies to produce sectoral strategies based on the PRSP approach; deepening efforts to understand the links between policy action and pro-poor growth. The World Bank and IMF undertook to devote additional resources to support training, economic sector analysis and technical assistance.

The Review noted that the poor state of PEM systems in most countries compromised the presentation of public expenditure programmes in PRSPs, and the quality of implementation monitoring. It recommended the outlining in PRSPs of the current state of the PEM and plans for improving it. PRSPs should also outline plans for developing a medium term expenditure framework where this does not exist.

The integration of PRSPs into other decision making process was a particular concern. The Review noted that in general, governments are

committed at the highest levels to preparing PRSPs. In most countries however, the PRSP is not clearly linked to established government planning and strategy processes and is primarily driven by HIPC and Poverty Reduction and Growth Facility (PRGF) schedules. Countries were urged to integrate the PRSP with other government decision-making processes, including the budget.

Arguing that aligning donor processes with PRSPs is crucial for their success, the Review urged countries to involve donors in PRSP preparation; actively coordinate the local donor community, and disclose PRSP-related lending and grant documents. Recognising the “special responsibility” of¹ the World Bank and the IMF, the Review called for aligning their business plans with PRSPs, identifying alignment issues and encouraging openness and transparency on funding issues, simplifying access to donor aid, expanding programmatic lending and improving the predictability and timeliness of aid flows.

Responding to the common criticism that the governments, especially of HIPC s, are induced to sacrifice quality in order to access debt relief quickly, the Review noted that in many cases the interim debt relief available between decision and completion points in the HIPC process is a substantial share of the relief available after completion of the PRSP.

Recognising the possibility of implementation lapses, the Review noted that effective implementation is more likely with regular monitoring, evaluation and revision of strategy. It also recognised, however, the burden this will place on government capacity. It urged countries to prepare and publish annual progress reports with forward looking policy matrices in parallel with the annual budget process; decide on appropriate periods for revision (up to five years) in line with existing planning cycles, and publicly announce a new government’s intentions for the PRSP after a change of government. On their part, the World Bank and IMF will maintain the annual PRSP reporting requirement, but will develop simpler guidelines for these reports that would focus on key results, implementation status and revisions to the strategy.

A Curmudgeon’s Guide to the ERSP:

The broad based World Bank / IMF assessment of the PRSP process is accurate in the main. The problem, however, is that while the issues highlighted are important, the deductions therefrom are not the most fundamental. There are at least three basic questions which may be inferred from the manifest problems in the PRSP process. First, are we not substituting populism for effective representativeness? Second, are we not undermining traditional mechanisms of economic governance by creating ad hoc parallel structures? Third, are we not mistaking desperation-fed compliance for ownership?

The Myth of Participation:

Participation requires knowledge and opportunity. It is hard to see how the old woman in the village can effectively participate in a process that is objectively alien to her. At least she can convey her immediate concerns and those of her family and community. Beyond that her capacity to influence the outcome of policy consultations is close to zero. Indeed, that influence is exercised, on her behalf, by self-selected individuals and groups.

Consider the most recent (September, 2002) World Bank / IMF Progress Report on PRSP implementation (IDA/IMF, 2002). In the section on institutionalising stakeholder participation, the evidence adduced for deepening participation is that CSOs were invited to join working groups on the PRSP contexts (Albania); or have developed methodologies to influence budget processes (Malawi, Ghana); or that legislation to formalize CSO participation is being drafted in some countries (Mauritania, Yemen). A fundamental, but hardly original question is, whose interests are really served by CSOs? Cynics may point out how in Africa many CSOs are merely a new form of private enterprise to generate income for their founders. But even a more generous perception of the role of CSOs still leaves open the question of what objectives they serve.

It may have been argued a few years ago that CSOs represent the only viable alternative in the absence of representative democracy. But, the global movement for democratisation since the fall of the Berlin Wall also had the results in Africa of replacing military and one-party rule with multi-party systems. Indeed between 1989 and 1995, 35 presidential and parliamentary elections were held in Africa, prompting reference to the continent as “the world’s most democratically contested continent” (UNDP 1997). Thus, while a focus on the role of CSOs may have been justified under autocratic rule, it should perhaps now be seen as only supplemental to the role of elected representatives. Accordingly, in the PRSP process, much more emphasis needs to be placed on building the capacity of parliamentarians and parliamentary committees; of local government councilors and of community organisations.¹⁹

The Crowding Out of Policy Processes:

As noted above, the PRSP was seen as the operationalisation of the Comprehensive Development Framework championed by the World Bank President in 1997. Accordingly, the World Bank Bank/IMF Staff Review expects the PRSP to serve as a reference point and framework for a wide variety of governmental decisions about budgets, policy measures and institutional reforms. It should therefore be clearly linked to other strategic documents and planning exercises, particularly the annual budget process (IDA/IMF 2002 b, p. 19).

But, given the well-known capacity constraints of most African countries, it is highly improbable that PRSPs and the traditional planning and budgetary can be simultaneously pursued with adequate vigour. Nor should it be necessary to have parallel processes. In practice the outcome has tended to be the relative marginalisation of traditional planning and budgetary processes during the preparation of PRSPs. In the days before structural adjustment the planning and budget processes in African countries had institutionalised mechanisms for inter-departmental dialogue, central-local government consultations and conversations with the private sector and civil society.²⁰

In the first decade and half after independence, the macroeconomic policy paradigm was essentially one of medium-term planning. The typical planning model was a more or less sophisticated version of the two-gap model. Accordingly, the critical macroeconomic policy variables were the growth rate, the corresponding capital-output ratios by sector and the derived financing gap. Short-term macroeconomic issues tended to be treated as derivatives of the medium-term growth problem except when exogenous shocks presented urgent balance of payment or recurrent budget problems. Inflation and unemployment hardly ever figured as crucial macroeconomic issues. The focus of macroeconomic policy in planning also meant that the preferred instruments were mainly those of control. Monetary policy tended to be dominated by credit guidelines and tariff regimes were complex and administratively cumbersome. Furthermore, with fixed exchange rates in most countries, the occasional devaluation was the only option for currency re-alignment and foreign exchange was , “cleared “by rationing. At the same time, tax regimes focused on agricultural and/or mineral export taxes and, to a lesser extent, income taxes on the small “modern” sector, i.e. the public and corporate sectors.

Since the early 1980s, however, a radical shift in the macroeconomic agenda has taken place. First, with most African countries undertaking structural adjustment programmes, the macroeconomic agenda , shifted more towards the short term. Governments are now typically pre-occupied with the recurrent budget deficit, inflation and, in general, learning to facilitate rather than control. Increasingly, also, as the reform programmes have deepened, attention is focusing on questions of broadening the revenue base and eliciting supply responses through institutional support to investors and exporters.

Unfortunately, however, one of the, perhaps unintended, outcomes of African structural adjustment programmes was a disintegration of capacity in the administrative machinery of government. Though somewhat crippled, the planning, budgeting and policy implementation processes have hobbled along. The PRSP, superimposed on this weak frame, has merely weakened it further. Effective poverty-conscious macroeconomic policy requires rigorous analysis of who the poor are; why they are poor; and what

the experience and prospects are for their moving out of poverty; what the barriers are and how they can be eliminated. In addition, the government must be able to explore alternative policy options and construct alternative scenarios.

According to the World Bank/IMF progress report,

[E]arly PRSPs often contained overly optimistic macroeconomic assumptions...tended to have only a limited discussion of the macroeconomic framework, alternative policy options or contingency plans to deal with shocks, the linkages between policy shocks and poverty reduction goals, and the trade-offs underpinning these choices (IDA/IMF 2002c, p. 17).

It also noted that existing institutional capacity constraints and the weakness of analytical and technical support realistically limit the pace of which these problems can be resolved. The question is: shouldn't we be addressing the capacity of the state to substantively manage macroeconomic and macro-social processes? Why should there be "a disconnect between the macroeconomic framework underlying a country's PRSP and that upon which its annual budget is based" (ibid)? Indeed, why should there be parallel processes? It may be because countries in general remain skeptical of the superiority of the PRSP approach. It may also be that they perceive the PRSP as only an add-on (albeit a required add-on) to the real business of macro policy design and implementation. The report noted that Vietnam is pushing for "ministries, sectors and provinces [to] integrate the Comprehensive Growth and Poverty Reduction Strategy [CPRGS, Vietnam's PRSP] into their annual and five year socio-economic development plans" (IDA/IMF 2002c, p. 15). It is not clear, nor does it seem efficient for a resource-constrained country to undertake a PRSP independently of (even if linked to) the normal budget and planning process.

It may be conjectured that if countries really had a choice, their efforts would be focused on modifying, as necessary, the regular policy process to better focus on poverty reduction.

The Limits of Ownership:

Whatever the antecedents, the genesis of PRSPs lies in the resolutions of the World Bank and the IMF. There is some significance in this fact, namely that, however well intentioned, the instruments represent the perception by external partners of what is good for Africa and the developing countries. Secondly, these instruments are not optional: they are mandatory for access to the financial window, not only of the Bretton Woods Institutions, but also of the major bilateral partners: HIPC/LDCs must do it; other poor countries need to do it. Thirdly, as is the nature of such broad instruments, they are essentially standardised. Several questions may, therefore be asked: what is the meaning of ownership if, at the end of

the process some external agency has the right to approve or not approve a PRSP? What are the implications of this implicit right of refusal on the PRSP process? Can a country conceivably propose and obtain financing for a strategy it believes to be appropriate to its situation, but is not favourably received by World Bank/IMF staff? In these circumstances, do countries really have ownership?

The World Bank/IMF review cites Zambia's recent public expenditure review as an example of increased country ownership.

[N]ovel features that increased country ownership...joint working groups, technical assistance, coaching and training, initial studies/drafts by government, a simulated budget exercise with key stakeholders to critically review sectoral priorities, retreats, and workshops have all contributed to increasing local analytical capacity. By maintaining a joint process and product, with the Bank acting as secretariat to the final draft, it is expected that accountability systems and public expenditure management will have been strengthened through learning by doing (IDA/IMF 2002c, p. 24).

It must be re-emphasised: it is not that these processes are not useful. The question is whether they constitute effective ownership when they clearly derive from externally prescribed mechanisms, externally determined blueprints, externally provided anchors, and the outcome will be judged acceptable or not by external agencies. There is a real tension between developing nationally owned strategies and programmes and requiring the endorsement of the Boards of the World Bank and IMF. It would be entirely rational for governments to produce programmes they know (from experience or advice) would be accepted, even if these conflict with internally identified and broadly agreed priorities. The irrational exuberance about PRSPs needs, perhaps, to be tempered by the consideration that compliance does not necessarily mean acceptance.

Conclusion: On Discretion and Necessity

The main objective of this paper has been to show that the focus on poverty reduction in Africa may be a case of doing the right thing for the wrong reasons. Directly focusing on poverty as an integral part of macroeconomic policy making is essential and a welcome addition to the narrower prescriptions of structural adjustment programmes. But the experience so far with PRSPs raises the concern that, compared with SAPs, the real innovation of PRSPs is that they now prescribe, and set conditionalities on, process in addition to content. In consequence, it is difficult to sustain the argument that Africa is (finally) taking charge of its own destiny.

The problem with the PRSP stems not from its lack of good intentions but from its not being genuinely endogenous. One lesson from history is that successful economic transformation has almost always been

the product of a nationalist project. Soviet, Japanese, South Korean, Taiwanese and Brazilian experiences illustrate clearly the strong, perhaps even obsessive commitment to building a strong economy. There was *a non-negotiable commitment to the role of nationals as prime movers and beneficiaries* of the process (Ohiorhenuan. 1990).

The society must be willing to take ownership of its own development problem. The responsibility of a people to articulate the nature of its problem, define its own vision and seek solutions cannot be ceded to any external agent, however sympathetic. In the case of Africa, for instance, the great, even excessive external interest in its development cannot always be assumed to be wholly advantageous. Indeed it has tended to undermine the self-confidence of the continent, substituting guilt for being poor for the determination to improve its existential conditions. The real dynamic of development lies in the empowerment that comes from taking ownership.”¹

Africa has spent the greater part of the last 40 years negotiating its development, or at least talking about it, with external partners. The African pitfall is that this often substitutes for action. This externally oriented approach to African development already appears to be undermining NEPAD. The main message of NEPAD that “the bulk of the needed resources will have to be obtained from outside the continent”,²² is not sustainable historically: external resources can only play a supplementary role. More important, were African leaders to actually commit to responsible governance, guarantee basic freedoms, and nurture their citizens’ creativity, the bulk of needed resources would be generated domestically. African leaders’ search for partnership should be based on the aspirations of the internal constituency rather than the expectations of an external constituency that is *objectively* unreliable.

To conclude, consider two contrasting African attitudes towards Europeans in the late 1800s. On the one hand, there were those that were clamouring for European tutelage in the process of reorganizing their societies, and on the other hand there were those who fought to the death rather than allow the Europeans to usurp their power. The following is an excerpt from a letter written by the Chiefs in present-day Southern Cameroon, to the British Queen Victoria in 1879:

Dearest Madam:

We your servants have join together and thoughts it better to write you a nice loving letter which will tell you about our wishes. We wish to have your laws in our towns. We want to have every fashion altered, also we will do according to your Consul word. Plenty wars here in our country. Plenty murder and plenty idol worshippers. Perhaps these lines of our writing will look us an idle tale. We have spoken to the English Consul plenty times about having an English Government here We never have answer from you, so we wish to write ourselves. When we heard about Calabar

River, how they have all English laws in their towns, and how they have put away all their superstitions, oh we shall be very glad to be like Calabar now (Omotoso, 1994:17).

Among the rejections of European offers to act benevolently on behalf of the Africans, is the response of the King of Mosi (in present-day Burkina-Faso). In 1895, he answered the French Captain Destenave thus:

I know the whites wish to kill me in order to take my country, and yet you claim that they will help me to organize my country. But I find my country good just as it is. I have no need of them. I know what is necessary for me and what I want: I have my own merchants: also, consider yourself fortunate that I do not order your head to be cut off. Go away now, and above all, never come back (Omotoso, 1994:20).

We seem in Africa, in this new Millennium, to be still oscillating between these two extremes. We must find our own middle ground between naivety and paranoia.

Tables

Table 1: MDGs, IDGs and the Millennium Declaration

MDG Goals	MDG Targets	IDGs	Millennium Declaration Resolutions
1. Eradicate extreme poverty and hunger	1) Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.	Reduce the proportion of people living in extreme poverty by half between 1990 and 2015.	Halve, by the year 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger and, by the same date, to halve the proportion of people who are unable to reach or to afford safe drinking water.
	2) Halve, between 1990 and 2015, the proportion of people who suffer from hunger.		
2. Achieve universal primary education	3) Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.	Enrol all children in primary school by 2015	Ensure that, by the same date, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling and that girls and boys will have equal access to all levels of education.
3. Promote gender equality and empower women	4) Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015.	Make progress towards gender equality and empowering women by eliminating gender disparities in primary and secondary education by 2005	Promote gender equality and the empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that is truly sustainable.
4. Reduce child mortality	5) Reduce by two thirds, between 1990 and 2015, the under-five mortality rate.	Reduce infant and child mortality rates by two-thirds between 1990 and 2015	By the same date, have reduced maternal mortality by three quarters, and under-five child mortality by two thirds, of their current rates.
5. Improve maternal health	6) Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio.	Reduce maternal mortality ratios by three-quarters between 1990 and 2015 Provide access for all who need reproductive health services by 2015	

MIDG Goals	MIDG Targets	IDGs	Millennium Declaration Resolutions
6. COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES	7) Have halted by 2015 and begun to reverse the spread of HIV/AIDS		To have, by then, halted, and begun to reverse, the spread of HIV/AIDS, the scourge of malaria and other major diseases that afflict humanity
	8) Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.		To provide special assistance to children orphaned by HIV/AIDS.
7. Ensure environmental sustainability	9) Integrate principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.	Implement national strategies for sustainable development by 2005 so as to reverse the loss of environmental resources by 2015	By 2020, have achieved a significant improvement in the lives of at least 100 million slum dwellers as proposed in the "Cities Without Slums" initiative.
	10) Halve by 2015 the proportion of people without sustainable access to safe drinking water. 11) By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers.		
8. Develop a global partnership for development	12) Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally.		Develop strong partnerships with the private sector and with civil society organizations in pursuit of development and poverty eradication.
	13) Address the special needs of the least developed countries. Includes: tariff and quota free access for least developed countries' exports; enhanced programme of debt relief for HIPC's and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction.		
	14) In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.		Develop and implement strategies that give young people everywhere a real chance to find decent and productive work.
	15) In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.		Encourage the pharmaceutical industry to make essential drugs more widely available and affordable by all who need them in developing countries.
	16) In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.		Ensure that the benefits of new technologies, especially information and communication technologies, in conformity with recommendations contained in the ECOSOC 2000 Ministerial Declaration, are available to all.

Table 2: HIPC/LDC/PRSP Country Overview

Country	Classification (HIPC)	Classification (LDC) ²³	PRSP Status	Debt Service PV %GNP ²⁴ (1999)	Debt Service PV %Exports ²⁵ (1999)	HDI Rank ²⁶ (2001)	CDI Rank ²⁷ (2001)	Over-all Poverty Rate (%) ²⁸	Extreme Poverty Rate (%) ²⁹
Angola	HIPC	LDC	IPRSP expected 2001	244	178	146/162		63.2 (2000)	13.4 (2000)
Benin	HIPC	LDC	IPRSP Jun 2000 PRSP expected 2001	42	251	147/162	134/146	34 (1996)	--
Burkina Faso	HIPC	LDC	PRSP May 2000	25	204	159/162	144/146	45 (1994)	28 (1994)
Burundi	HIPC	LDC	IPRSP Sep 2001	80	850	160/162	145/146	69 (1999)	30 (1999)
Cameroon	HIPC		IPRSP Aug 2000	77	271	125/162	114/146	50 (1997)	--
Central African Republic	HIPC	LDC	IPRSP Dec 2000 PRSP expected 2001	55	357	154/162	139/146	63 (1996)	36 (1996)
Chad	HIPC	LDC	IPRSP Jul 2000	42	189	155/162	140/146	54 (1996)	--
Congo, Dem. Rep. of	HIPC	LDC		226	717	142/162	128/146	--	--
Congo, Rep. of	HIPC		IPRSP expected 2001	327	280	126/162	115/146	--	--
Côte d'Ivoire	HIPC		IPRSP expected 2001	119	230	144/162	132/146	3.6 (1998)	10 (1998)
Eritrea		LDC		18	52	148/162	133/146	--	--
Ethiopia	HIPC	LDC	IPRSP Nov 2000	55	347	158/162	142/146	46 (1996)	--
Gambia, The	HIPC	LDC	IPRSP Oct 2000	64	215	149/162	136/146	55 (1998)	37 (1998)

Country	Classification (HIPC)	Classification (LDC) ²³	PRSP Status	Debt Service PV %GNP ²⁴ (1999)	Debt Service PV %GNP ²⁵ (1998)	HDI Rank ²⁶ (2001)	GDI Rank ²⁷ (2001)	Overall Poverty Rate (%) ²⁸	Extreme Poverty Rate (%) ²⁹
Ghana	HIPC	LDC	PRSP expected 2001						
			IPRSP Jun 2000	68	216	119/162	108/146	30 (1992)	15 (1992)
Guinea	HIPC	LDC	PRSP expected 2001						
			IPRSP Oct 2000	65	306	150/162	--	40 (1995)	13 (1995)
Guinea-Bissau	HIPC	LDC	PRSP expected 2001						
			IPRSP Sep 2000	327	1,508	156/162	143/146	49 (1997)	--
Kenya	HIPC		PRSP expected 2001						
			IPRSP Jul 2000	48	181	123/162	112/146	42 (1992)	23 (1992)
Lesotho		LDC	PRSP expected 2001						
			IPRSP Dec 2000	40	79	120/162	111/146	49 (1993)	26 (1993)
Liberia	HIPC	LDC		--	--	--	--	76.2 (2000)	52 (2000)
Madagascar	HIPC	LDC	IPRSP Nov 2000	81	354	135/162	122/146	74 (1993)	--
Malawi	HIPC	LDC	IPRSP Aug 2000	74	268	151/162	137/146	65.3 (1998)	28.7 (1998)
Mali	HIPC	LDC	IPRSP Jul 2000	56	221	153/162	138/146	69 (1998)	--
Mauritania	HIPC	LDC	PRSP expected 2001						
			IPRSP Dec 2000	160	374	139/162	126/146	51 (1996)	33 (1996)
Mozambique	HIPC	LDC	PRSP Feb 2000	29	195	157/162	141/146	69 (1997)	53 (1997)
Niger	HIPC	LDC	PRSP expected 2001						
			IPRSP Oct 2000	55	365	161/162	146/146	63 (1993)	34 (1993)
Rwanda	HIPC	LDC	IPRSP Nov 2000	35	575	152/162	135/146	70 (1997)	--
São Tomé and Príncipe	HIPC	LDC	IPRSP Apr 2000	486	1,461	132/162	--	46 (1994)	35 (1994)
Senegal	HIPC	LDC	IPRSP June 2000	54	165	145/162	130/146	65.3 (1995)	--
Sierra Leone	HIPC	LDC	IPRSP Jul 2001	124	1,157	162/162	--	--	--
Tanzania, United Rep. of	HIPC	LDC	IPRSP Mar 2000	55	396	140/162	124/146	--	36 (1993)
Togo	HIPC	LDC	PRSP Oct 2000						
			IPRSP expected 2001	79	209	128/162	116/146	72 (1995)	57 (1995)
Uganda	HIPC	LDC	PRSP Mar 2001	26	240	141/162	125/146	46 (1996)	--
Zambia	HIPC	LDC	IPRSP Jul 2000	158	518	143/162	127/146	72.9 (1998)	57.9 (1998)

Table 3: Overview of Sub-Saharan African Full PRSPs

Countries with Full PRSPs	Elements of PRSPs							
	Institutional Arrangements	Participation		Poverty Diagnostics	Priority Public Actions			
	Anchor	Parliaments	CSOS	Participatory Poverty Assessment (PPA) or Other	Growth Target	Inflation Target	Governance and Public Expenditure Management (PEM)	Sectoral Priorities
BURKINA FASO (MAY 2000)	Inter-ministerial Committee under the Ministry of Economy and Finance	Parliamentary ratification needed prior to submission	Role in the PRSP dissemination and PRSP review process	- Poverty Map for 1994-98 presented. - PRSP undertook to develop an action plan to formalize process for systematic consultation with the poor via a PPA	7-8% (revised to 6% a year later)	Below 3%	National Plan for Good Governance, Strategy for judicial reform, Public administration reform and decentralization, improve access to social/economic information	Social sectors (basic education, health and rural development)
Gambia (July 2002)	National Task Force chaired by the Dept. of State for Finance and Economic Affairs (DOFESA)	Members of the National Assembly participated in the launch of the consultative process (Nov. 2000), led by the President	Pre-budget consultations with DOFESA	Series of PPAs undertaken since 1998	6%	3-4%	Strategies for strengthening social sector investment programming & Comprehensive Action Plan to upgrade public expenditure management are in the process of being prepared	Social sectors (health and education), HIV/AIDS, agriculture, rural development, and nutrition
Guinea (July 2002)	Consultative Steering Group chaired by the Minister of Economy and Finance / Inter-ministerial Committee	Government organised a National Workshop (March 2000)	Regional workshops included CSO participants	Comprehensive Consumption/Budget survey 1994-95	5.2%	Below 5%	Implementation of a national good governance and capacity building programme is part of the overall poverty reduction framework	HIV/AIDS placed at the centre of the PRSP in addition to basic services development.
Malawi (April 2002)	Ministerial Committee, chaired by the Ministry of Finance and Economic Planning	District consultations held with Members of Parliament and local political leaders	District consultations held with various stakeholders including local NGOs	1998 Integrated Household Survey and district consultations	3-5%	Below 10%	Strengthening Medium Term Expenditure Framework (MTEF), in place since 1997, and improving public expenditure planning, budget preparation and implementation, included in the PRSP	Social sectors (health and education), agriculture, rural development, rural infrastructure development

Countries with Full PRSP's	Elements of PRSPs						
	Institutional Arrangements	Participation		Poverty Diagnostics	Priority Public Actions		
	Anchor	Parliaments	CSOs	Participatory Poverty Assessment (PPA) or Other	Growth Target	Inflation Target	Sectoral Priorities
Mauritania (Dec. 2000)	Inter-ministerial Poverty Reduction Committee presided over by the Prime Minister	- Parliamentarians were members of the PRSP working parties and of the monitoring committee - Parliamentary approval of the PRSP subsequently elevated PRSP to the status of Law	Legal framework for CSO participation designed	Integrated M&E system for PRSP in the process of being finalised	7-8%	2-4%	Increased budget allocations to health and education sectors. Development of infrastructure. Preparations of ten-year Education programme and Rural waterworks plan underway
Mozambique (April 2001)	Ministry of Planning and Finance	- Central, Provincial and Local Government representatives consulted - Annual Poverty Report, to be presented to Parliament along with the budget	Between Dec. 2000 and Feb. 2001, an estimated 30 formal meetings among Government, CSOs, donors took place	1996-97 Baseline Study on "Understanding Poverty and Well-Being in Mozambique: First National Assessment"	7-8%	5-7%	Improvement of the rural transportation network, continued liberalization of foreign trade and expansion of trade flows, and support to rural producers and SMEs
Niger (Jan. 2002)	National Steering Committee chaired by the Prime Minister	Extensive National Assembly involvement: Member participation in the thematic groups; submission of PRSP documents to National Assembly for information and discussion; and Validation of PRSP in a National Workshop (Nov. 2001)	Civil society representatives involved in Regional Steering Committees and Sub-Regional Committees for Domestic Dialogue and Joint Action	National Budget-Consumption Survey (89/93), Qualitative Survey on people's perceptions of poverty (2001) and various other surveys	4%	3%	Budgetary process that operates within a medium term expenditure framework to be PRSP implementation vehicle
							Provision of basic social services in health, education and sanitation, and Rural Development

Countries with Full PRSPs	Elements of PRSPs						
	Institutional Arrangements	Participation		Poverty Diagnostics	Priority Public Actions		
		Parliaments	CSOS		Growth Target	Inflation Target	Sectoral Priorities
Rwanda (June 2002)	Inter-ministerial Committee chaired by the Prime Minister	PRSP launched by the President in the National Assembly (June 2000)	Institutionalisation of community-action planning within the Government's decentralization programme	Participatory Poverty Assessment (PPA) or Other Demographic Health Survey (DHS) 2000, Household Living Survey 2001, Core Welfare Indicators Questionnaire (CWIQ) Survey 2001 and PPA	6%	4-6%	Through strengthening and implementation of a more integrated MTEF process, sector strategies will be developed to reinforce planning and budgeting processes. Social sectors (health and education), housing, agriculture, rural development, and private sector development
Tanzania (Oct. 2000)	National Steering Committee	Parliamentarians reviewed the findings of the Zonal Workshops and recommended taking into account regional disparities	Extensive CSO lobbying resulting in abolition of primary school fees	Two PPAs undertaken in 1995 ("Voices of the Poor" by World Bank) and in 1997 (by UNDP)	6%	2-4%	The Public Expenditure Review (PER), MTEF and annual budget process will be used for budget allocations and monitoring of poverty related expenditures Education (an Education Sector Development Programme was developed)
Uganda (March 2000)	National Task Force comprised of Ministry of Finance Planning and Economic Development (MFPED) Officials, Sectoral ministries and civil society.	Briefings made to parliamentary sessional committees. However, formal parliamentary review neglected.	- Member of National Task Force - Extensive CSO lobbying - For example, lobbying resulted in abolishment of health user fees. Also, results of the Uganda Poverty Assessment Project (UPAP) fed into the policy-making process.	Findings from the UPPAP Surveys (UPPAP was established in 1998-99 under the MFPED for facilitating direct consultations with the poor), 2000 National Household Surveys, and other studies were integrated into the Poverty Status Report of 1999 by the Poverty Monitoring Unit (established in 1999 under MFPED)	7-8%	5-7%	Adequate tracking and reporting of pro-poor spending and use of Heavily Indebted Poor Countries (HIPC) funds through the Poverty Action Fund, with both civil society and government involvement. However, local expenditure management capacity is still low. Food security (Plan for Modernisation of Agriculture formulated).

Countries with Full PRSPs	Elements of PRSPs							
	Institutional Arrangements		Participation		Poverty Diagnostics	Priority Public Actions		
	Anchor	Parliaments	CSOS	Participatory Poverty Assessment (PPA) or Other	Growth Target	Inflation Target	Governance and Public Expenditure Management (PEM)	
Zambia (March 2002)	The Planning and Economic Management Department within the Ministry of Finance and National Planning	A National Summit to discuss the first draft of the PRSP was held (Oct. 2001) with participation from Government, civil society, private sector and donors	Civil society inputs were consolidated into a report, "PRSP for Zambia: A Civil Society Perspective" which was submitted to Government and partially used for the first PRSP draft	Monitoring will primarily be done by the Poverty Monitoring and Analysis component of the Zambia Social Investment Fund and the Living Conditions Monitoring Unit at the Central Statistical Office, with additional inputs from implementing agencies, NGOs, academia, research centres and donors	4%	5%	PRSP is linked to the Zambia Vision 2025, the MTEF, Public Investment Programme (PIP), provincial and district medium-term development plans and the annual budget.	Social sectors (health and education), rural development, HIV/AIDS, and productive sectors (agriculture, tourism, transport, energy and infrastructure)

Endnotes

- Lecture delivered under the auspices of the Nigerian Economic Society in honour of the late Professor Ojetunji Aboyade. The author is indebted to Barbara and Reiko Matsuyama for research assistance.
- 1 See John Ohiorhenuan, "The Past and Future of Development." August 2000.
 - 2 Deepak Lai was, perhaps, the most polemical in his attack. He attacked development economics as "dirigist dogma" based on four fallacies: first, that the price mechanism needs to be supplanted, not merely supplemented; second, that the resource allocation concern of microeconomics is of little relevance in the design of public policies; third, that the case for free trade is invalid for developing countries; and fourth, that the alleviation of poverty requires massive and continuous state intervention. He contended that it is these fallacies which have provided the basis for development policies and that the policy-induced distortions of dirigisme turned out to be much more serious than market distortions would have been. He therefore argues for a return to basic market principles in development theory and practice (Ohiorhenuan, 1998a).
 - 3 Based on ten country studies, Adjustment with a Human Face noted that most countries had to adjust to exogenous shocks and that whatever the nature of the shock, the failure to adjust entailed huge losses in output and human welfare. The study noted, however, that while growth-oriented adjustment was necessary, it was not sufficient to protect the welfare of children and other vulnerable groups. It called for targeted programmes, arguing that most programmes aimed at protecting the poor are relatively inexpensive. It also stressed the importance of foreign finance in easing the burden of adjustment (Cornia et al, chapter 5).
 - 4 First, arguing that deregulation may not bring about the expected big wave of investment, OECF stressed the promotion of investment (through such measures as preferential tax treatment and development finance institutions lending, as was done in the post-WWII era in Japan). Second, it cautioned against excessive reliance on trade liberalization based on static comparative advantage, arguing that it is too optimistic to expect high value-added industries to automatically emerge from the private sector in the absence of deliberate nurturing measures. Thus, protecting chosen industries for a specific period is indispensable. Third, OECF considered lending at subsidized interest rates by development finance institutions an important role of the financial sector in developing countries that the World Bank overlooked. Lastly, OECF was critical about privatization being carried

out before adequate conditions were in place, risking the monopolization of the domestic market by foreign capital and the subsequent repatriation of rents. Overall, the paper questioned the assumption that conditions in developing countries are similar to that in the industrialized world, and thus advocated certain government intervention, especially in creating a viable domestic industrial sector, for developing countries.

- 5 The major UN Conferences during the nineties include; The UN Conference on Environment and Development in Rio de Janeiro (June 1992), The World Conference on Human Rights (Vienna, June 1993), The International Conference on Population and Development (Cairo, September 1994), The World Summit for Social Development (Copenhagen, March 1995), The Fourth World Conference on Women (Beijing, September 1995), The Second UN Conference on Human Settlements (Istanbul, June 1996), The UN GA Special Session on Small Island Developing States (New York, September 1999), The UN GA Special Session, "World Summit for Social Development and Beyond: Achieving Social Development for All in a Globalized World" (Geneva, June 2000), The Millennium Summit (New York, September 2000), The Third UN Conference on the Least Developed Countries (Brussels, May 2001), The World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance (Durban, August-September 2001), The International Conference on Financing for Development (Monterrey, March 2002), and The World Summit on Sustainable Development (Johannesburg, August-September 2002).

- 6 These goals include (from UNICEF website, <http://www.unicef.org/wsc/goals.htm>):

- Between 1990 and the year 2000, reduction of infant and under-5 child mortality rate by one third or to 50 and 70 per 1,000 live births respectively, whichever is less;
- Between 1990 and the year 2000, reduction of maternal mortality rate by half;
- Between 1990 and the year 2000, reduction of severe and moderate malnutrition among under-5 children by half;
- Universal access to safe drinking water and to sanitary means of excreta disposal;
- By the year 2000, universal access to basic education and completion of primary education by at least 80 per cent of primary school-age children;
- Reduction of the adult illiteracy rate (the appropriate age group to be determined in each country) to at least half its 1990 level with emphasis on female literacy;

- Improved protection of children in especially difficult circumstances.
- 7 The delegates adopted the Copenhagen Declaration on Social Development and the Programme of Action. These two documents integrated the decisions of previous conferences into a comprehensive plan around ten commitments:
- Create an economic, political, social, cultural and legal environment that will enable people to achieve social development;
 - Eradicate absolute poverty by a target date to be set by each country;
 - Support full employment as a basic policy goal;
 - Promote social integration based on the enhancement and protection of all human rights;
 - Achieve equality and equity between women and men;
 - Attain universal and equitable access to education and primary health care;
 - Accelerate the development of Africa and the least developed countries;
 - Ensure that structural adjustment programmes include social development goals;
 - Increase resources allocated to social development;
 - Strengthen cooperation for social development through the UN.
- 8 According to the report of the Secretary-General, “Road map towards the implementation of the United Nations Millennium Declaration,” consultations were held among representatives of the UN Secretariat, the IMF, OECD and the World Bank in order to harmonize reporting on the two sets of goals agreed upon during 2000. The group discussed the respective targets and selected relevant indicators to come up with the Eight MDGs.
- 9 Among African decision makers too, poverty reduction is now the foremost objective on the development agenda, as indicated in the New Partnership for Africa’s Development (NEPAD).
- 10 One reflection of this refocusing is the choice of “poverty” as the topic for both the 1990 and 2000 World Bank Development Reports, and the more robust definition of “poverty” given in the latter. The 1990 report’s definition of poverty included: low levels of income- and consumption; and low levels of achievement in education, health and nutrition status. It prescribed governments to increase public spending to programmes that target the needs and environment of the poor (1990). Ten years later in the 2000 report, the dimensions of poverty include: living without the fundamental freedoms of action and choice; lacking adequate food and shelter, education and health; vulnerability to ill health, economic dislocation and natural disasters; and exposure to ill

treatment by institutions of the state and society and powerlessness to influence key decisions affecting ones own lives. Then, the report proposes anti-poverty strategies in three ways: promoting opportunity (achieve material opportunities such as jobs, credit, roads, electricity, markets for produce, schools, water, sanitation and health services), facilitating empowerment (achieve access, responsibility and accountability), and enhancing security (reduce vulnerability to economic shocks, natural disasters, ill health, disability, and personal violence).

- 11 The Comprehensive Development Framework (CDF) is an approach that aims to facilitate achievement of effective poverty reduction, emphasizing the interdependence of all elements of development —social, structural, human, governance, environmental, economic, and financial. The CDF is based on four inter- related principles—long-term holistic vision; country ownership; partnership; and a focus on development results.

The CDF has its genesis in the World Bank President, Mr. James D. Wolfensohn's speech at the 1997 Annual Meeting, where he outlined a vision of the Bank as an institution committed to forging closer partnerships with other actors to enhance development effectiveness. Following up on this, a series of consultations were carried out in the summer of 1998, including four round-tables, in the Americas, Europe, Asia, and Africa. Participants included representatives from governments, bilateral donor agencies, multilateral financial institutions, academia, non-governmental organizations, and other civil society organizations as well as the private sector. Returning to the theme of closer partnerships for development, Mr. Wolfensohn, in his 1998 Annual Meetings Speech *The Other Crisis*, suggested the need for a more integrated approach to development based on a framework articulated and "owned" by the country itself, known as the Comprehensive Development Framework.

- 12 As of August 2002, 30 countries in Sub-Saharan Africa, 1 country in Middle East and North Africa, 4 countries in East Asia & the Pacific, 1 country in South Asia, 10 countries in Europe and Central Asia, and 4 countries in Latin America and the Caribbean have presented Interim PRSPs (I-PRSPs) and/or PRSPs (see <http://www.worldbank.org/poverty/strategies/>).
- 13 For the PRSP Sourcebook, see <http://www.worldbank.org/poverty/strategies/sourctoc.htm>.
- 14 Eligibility is based principally on a country's per capita income and eligibility under the IDA (as of July 2002, 80 countries are eligible to borrow from IDA - see the following footnote). Loans under the PRGF carry an annual interest rate of 0.5 %, with repayments made

- semiannually, beginning five-and-a-half years and ending 10 years after the disbursement (see <http://www.imf.org/external/np/exr/facts/prgf.htm>).
- 15 As of July 2002, a total of 80 countries are eligible to borrow from IDA. The operational cutoff for IDA eligibility for FY03 is \$875 (2001 GNI per capita). IDA credits have maturities of 35 or 40 years with a 10-year grace period on repayment of principal. There is no interest charge, but credits carry a service charge of 0.75% on disbursed balances (see <http://www.worldbank.org/ida/>).
- 16 Not including Sudan, Somalia, Djibouti and Yemen.
- 17 Nigeria's commitment was conveyed to the IMF in its Letter of Intent and Memorandum on Economic and Financial Policies of the Federal Government for 2000 (dated 20 July 2000). It states in this letter that the Nigerian Government will initiate in 2000 the formulation of a comprehensive poverty reduction strategy with the participation of international donor agencies, and local institutions, that is intended to be developed into an interim PRSP by the end of 2000 (see <http://www.imf.org/external/np/loi/2000/nga/01/index.htm>).
- 18 See International Development Association and International Monetary Fund, "Review of the Poverty Reduction Strategy Papers (PRSP) Approach: Main Findings" (March 15, 2002) and "Review of the Poverty Reduction Strategy Papers (PRSP) Approach: Early Experience with Interim PRSPs and Full PRSPs" (March 26, 2002). Both documents may be found at <http://www.worldbank.org/poverty/strategies/review/>
- 19 A promising example of community organisation capacity building is the Ubudehe from Rwanda. Prior to colonization, Rwanda had a highly organized traditional system of community based development and self-reliance which centered on collective action, known locally as Ubudehe. This practice was quite effective in community mobilization and served to build social capital. As part of the PRSP process, this traditional value was revived as a key aspect of the decentralization. The application of Ubudehe is based on the principle that the poor and the communities, in which they live, understand the problems they face and know their priorities, but do not have sufficient information and resources to design the best solutions and may not be aware of all the options available. A pilot in the province of Butare conducted during the PRSP process involved the direct funding of projects identified by communities or households. A European Commission pledge to support each community project with a maximum of \$1000 served as a guarantee to external financing and to meeting some of the expectations of the poor in this province. The pilot was successful and has now been taken up by the Government which intends to adopt this programme country wide. This is a promising example in that it strengthens already-existing structures and capacities. The risk, however, is in the

- way the system was revived, tied as it was to project grants; it may generate a culture of entitlements rather than ge'nune self-help.
- 20 The mechanisms may have been misused in some countries, particularly under military regimes. The fact remains, however, that more home-grown, or at least well-ried, approaches exist which should be built on.
- 21 Why one may well wonder would a country like Nigeria feel it needs IMF technical expertise to develop its "home-grown" programme (see "Nigeria - Concluding Statement. IMF Staff Visit to Review Staff Monitored Program, March 6, 2002, <http://www.imf.org/external/np/ms/2002/030602.htm>)
- 22 Paragraph 144
- 23 In 2001, following the triennial review of LDCs, Senegal was added to the list, bringing the total number of Least Developed Countries to 49. (Source: UNCTAD (<http://www.unctad.org/en/pub/ldeprofiles2001.en.htm>)
- 24 Global Development Finance 2001 (World Bank, 2001), Appendix 1. <http://www.worldbank.org/prosperts/gdT2Q01/>
- 25 Human Development Report 2001 (UNDP, 2001). <http://www.undp.org/hdr2001/>
- 26 Poverty estimates taken from Table 1, Overcoming Human Poverty, UNDP 2000, <http://www.undp.org/povertyreport/chapters/chap1.html>, with additional/ updated figures provided by the country offices.

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