STRATEGIES FOR POVERTY REDUCTION:
With special reference to Sub-Saharan Africa

By

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Note

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Executive Summary

The people in sub-Saharan Africa (SSA) are, along with those in South Asia, among the poorest in the world. In 1992, between 45 and 50 percent of the approximately 525 million people in SSA were estimated to be living in poverty. Further, the depth of poverty in SSA is higher than elsewhere in the world. This is exacerbated by inefficient institutions with low capacity to deliver, inadequate social services, high population growth, environmental degradation, low economic growth and subservient women's roles.

The framework presented in this report aims to help UNDP Country Offices to assist sub-Saharan African governments and civil society to carry out the pledges made in the Social Summit on poverty. The attempt, therefore, is to provide a reference document that synthesizes the main literature on poverty today and then to suggest various ways in which this can be utilised in elaborating and implementing national anti-poverty strategies and programmes with the support of existing, or future, UNDP projects and programmes.

The report is organised in three main parts. First, an overview of the main poverty concepts and its measurement is presented. Second, poverty alleviation strategies are discussed and suggestions for a UNDP approach at both overall and thematic levels are made. Third, how the foregoing can be implemented through specific UNDP and other donor supported government actions are spelled out and are considered in relation to the work by other international agencies - the World Bank in particular.

In Part I of the report, three sections are included: one providing a list and discussion of the main poverty concepts and definitions, the second covers the main manifestations of poverty and the third summarises its main causes. This part of the report concludes that the definition and identification of poverty are fraught with difficulties and that there is *no* general consensus on concepts, terms and definitions. To complicate the lack of consensus on concepts, and contrary to popular view, there is *no* objective way in which to identify poverty. Consequently, all poverty measurements contain some subjective interpretations and that people drop into and out of poverty further complicates the measurement problem.

Part II of the report formulates some strategic principles and operational strategies aimed at combating poverty. It is divided into five sections of which the first identifies

the major components of a strategy for poverty alleviation from an *analytical point of view* (the *process* of developing a strategy is covered in Part III). Second, a section is devoted to how other multi-lateral organizations, particularly the World Bank, have approached a poverty alleviation strategy. Third, ideas and theories supporting the formulation of anti-poverty strategies are briefly presented. Fourth, taking into account the comparative advantage of the UNDP in provision of assistance to support anti-poverty strategies and programmes, the question is explored whether UNDP has (or should have) a distinct anti-poverty strategy. A fifth section is devoted to a number of thematic areas of intervention in poverty alleviation - from population to the environment to employment creation for the poor. The section also briefly covers the issues of social safety nets and targeting.

This second part of the report suggests that, from an *analytical* point of view, any poverty alleviation strategy consists of at least five main components:

* identification
* objective
* strategic framework
* actions (policies, projects, programmes)
* monitoring & evaluation

From a *process* point of view these translate into:

* poverty assessment
* dialogue
* preparation of a strategy and programme
* sub-programme & policy formulation
* implementation
* monitoring
* evaluation

It is proposed that any strategy should cover at least three levels of operation: macro, meso and micro levels or, as shorthand, a ***3-M*** framework.

The main actor in formulating macro anti-poverty strategies has been the World Bank. The basis for the Bank's strategy has been, and continues to be, accelerating the rate of economic growth. The Bank is aware that growth is a necessary but not a sufficient condition to ensure that the poor participate in the fruits of economic growth. However, a review of Bank projects in SSA over FY92 - FY 94, and of FY 1995-97 proposals revealed that while the Bank encourages community participation and local involvement in such activities as the Bank's poverty assessments, these have not been a major **focus** of its work if we look at what they **actually do** in their lending operations which are heavily weighted toward non-poverty alleviation concerns.

Thus, we believe, there is a distinct role for a UNDP-supported poverty alleviation strategy. Since economic growth and poverty alleviation are not synonymous, the UNDP can help to illustrate and implement anti-poverty policies and programmes, which need not necessarily increase government expenditure, through more efficient use of existing instruments and utilisation of NGOs, and substantial reorientation in favour of the poor.

In Part III of the report, the *process* of developing, implementing, and monitoring a national poverty-reduction strategy and supporting programme is presented i.e. what could UNDP do in practice. The integration of the strategy and program within the framework of national socio-economic and financial planning is emphasized. The proposed process pays particular attention to the importance of ensuring the active participation of all Stakeholders' in the design and execution of the strategy and program, each according to its comparative advantage. At the implementation stage, the critical importance of transparency in the management of the programme is emphasized.

The process proposed here, although independently developed, has the merit of conforming to the procedures followed by the UNDP in its new programming approach in provision of assistance to member states. In the elaboration of country poverty-alleviation strategies and supporting programme and sub-programmes, a systematic approach utilising seven stages of action is proposed. At each stage, the nature of the action required by each country and the scope for participation by Stakeholders' at both country and international level are examined for a typical sub-Saharan country.

With country offices in each of the 48 sub-Sahara African countries, the UNDP is in a more favoured position than the World Bank to initiate continuous dialogue with governments on the scope for provision of assistance for an anti-poverty strategy.

No sub-Sahara African government has the means, at least in the short-term, to cover entirely the financial costs of implementing an ambitious anti-poverty strategy/programme and its sub-programme components. For this reason, it must turn to the international donor community for co-financing of its anti-poverty interventions. Furthermore, within its own existing budget levels, internal sectoral shifts of expenditures to favour activities whose direct or indirect effects will impact on the poor favourably should be carried out. Such a re-focus will require a restructuring of current national spending priorities directed more to meeting the needs of the poor.

An anti-poverty strategy will also need to include policies to provide the incentives for the private sector to make investments. Most important is the creation of an Enabling environment' favouring private sector investment and in the form of legislation and reform measures aimed at reducing administrative restrictions and bureaucratic procedures impeding investment and productive activity. Other policies should seek to give the private sector a role in decision-making in the country, particularly small entrepreneurs at grassroots level. Practical support measures could include priority access of the private sector to critical production inputs and to credit, including the international capital market.

Finally, the report notes that popular participation should not be regarded as the *sine qua non* of economic development, nor as the main force for reducing overall poverty levels in a country. It is an essential emphasis in community-based projects but is not the only possible approach to the elimination of poverty. At any rate, the argument for following a participatory approach to development extends beyond purely economic considerations into the realm of social and political factors. The poor should not be considered only as a source of labour for production leading to higher growth rates, but as partners in the decision-making process of socio-economic development. Their participation is particularly critical for the success and sustainability of a government-sponsored anti-poverty strategy/programme.

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I. Introduction

Poverty in Sub-Saharan Africa (SSA) has been persistent and there, along with South Asia, can be found some of the poorest people in the world. The World Bank has estimated that between 1987 and 1993, the incidence of poverty remained at around 39 percent of the approximately 590 million people in SSA. They also estimated that although there was an increase during the late 1980s, the incidence of poverty remained relatively steady in the early 1990s. The reduction in poverty in Nigeria and Ghana, which together accounted for about a fifth of the region′s population, explain in part the reduction in the incidence of poverty overall in the early 1990s. But, out of forty three countries in SSA for which information was available, twenty-three had negative growth in per capita consumption during 1989-1992, and only five countries had per capita growth rates above 2 per cent a year [World Bank (1996)].

Growth alone will not allow a significant reduction in poverty in SSA within a reasonable time. For example, the World Bank has forecasted the average growth rate of GDP for SSA to be 3.8 per cent a year for the next decade, implying at best a per capita growth rate of approximately 1.3 per cent per capita per year. This means that it will take half a century to double income and that this is a growth performance that is not even remotely adequate for meaningful poverty reduction [World Bank (1995h)]. Clearly, policies to reduce poverty will have to emphasise both growth and its efficient distribution to make any meaningful reduction in poverty in SSA within a more reasonable time than half a century.

The poor are not an homogeneous group and some fall into and out of poverty depending on varying economic, seasonal, social and natural calamity conditions. Thus policies directed to helping them must be carefully aimed. Moreover, their heterogeneity explains why so many people remain poor even when economic conditions through increased growth, for instance, occurs. Poverty can be found in both urban and rural areas in SSA. In the urban areas these are the homeless, many informal sector workers, those unable to fend for themselves through ill-health or those displaced and/or handicapped through war. Yet, findings from household surveys show that rural people are uniformly poorer on a per capita expenditure basis than those in urban areas [World Bank (1995h)]. In 1988, 73 per cent of the population in SSA were in the rural areas of which 60 per cent were below a poverty line calculated by IFAD [IFAD (1993)]. Numerically, the most important are smallholder farmers and the landless. In addition, there are groups like artisanal fishermen, nomadic pastoralists and indigenous ethnic tribals. The reasons underlying the poverty of these different groups are various. Smallholder farmers are often in marginal areas where precipitation is inadequate, the soils fragile and vulnerable to erosion. The most marginal of these small farmers have over time been pushed into the ranks of the landless [IFAD (1993)]. Poverty is also characterised by inefficient institutions and delivery capacity, inadequate social services, high population growth, massive underemployment, environmental degradation, inefficient production processes, subservient roles of women, low economic growth and an unsatisfactory legal framework.

It was against this backdrop that, at the 1995 Copenhagen Social Summit, Governments committed themselves to the goal of eradicating poverty by ensuring that people living in poverty have access to productive resources, including credit, land, education and training, technology, knowledge and information, and to public services. They further pledged to formulate or strengthen national policies and strategies geared to reduce poverty substantially in the shortest time possible, to reduce inequalities, and to ensure that national budgets and policies are orientated to meeting basic needs, reducing inequalities and targeting poverty as a strategic objective [UNDP (1995c)]. Anti-poverty is now the major theme of UNDP operations since, and as a consequence of, the Social Summit.

The framework presented in this report aims to help UNDP Country Offices to assist SSA governments and civil society to carry out the pledges made in the Social Summit. In particular, this report aims to assist the UNDP Regional Bureau for Africa and UNDP country offices in Africa in their efforts to orientate their assistance toward poverty alleviation. One could reasonably ask that since the UNDP in Africa has been carrying out projects on, or associated with, poverty reduction for several decades what new can be learnt from a document such as this? The authors do not pretend that what they have embarked upon is "new" given the already vast and burgeoning literature on poverty both within UNDP itself and the outside world. Nor do they pretend to have captured all points of view in the poverty debate. The attempt, therefore, is to provide a reference document that synthesizes the main literature on poverty today and then to suggest various ways in which this can be utilised in elaborating and implementing national anti-poverty strategies and programmes with the support of existing, or future, UNDP projects and programmes.

To do this, the authors have decided to be direct and to present what they believe is current best practice, even if this may differ from current conventions within the UNDP and its sister organizations such as the World Bank, UNICEF, UNFPA, ILO, and the IFAD. To present ideas in this way allows for readers to decide for themselves what to accept and what not. Where alternative views or controversy arise these will be presented in the text. It is anticipated that the document will identify for busy people the main areas for action within a poverty framework that take into account the most recent literature and ideas of its leading actors. This is, of course, ambitious if not controversial. Nevertheless, the authors hope that the document can help if it is clear and not dependent on fashion or confused by many similar and competing concepts that appear in the literature on poverty from time to time.

It is not intended to dwell upon successful (nor unsuccessful) country experiences in reducing poverty in sub Saharan Africa. This is not because none exist, simply that the authors will not have the opportunity to do the necessary research that such an effort entails nor to verify the plethora of documents that purport to document such experiences. Eventually it is anticipated that this effort will be made in a companion volume to illustrate the arguments in this document. This does not mean to say that country experiences will not be referred to here, simply that the authors felt it would be misleading to present successful experiences without being sure that all the necessary homework had been done. For instance, one could argue that the East Asian countries had successfully combated poverty during their "miracle". However, did this come about as a direct result of poverty alleviation strategies as, for instance, advanced by the donor community; or was it because of a combination of factors that enabled these countries to achieve very rapid economic growth rates?

This report is organised in three main parts. First, an overview presentation of the main poverty concepts and its measurement is made. Second, poverty alleviation strategies are discussed and suggestions for a UNDP approach at both overall and thematic levels are made. Third, how the foregoing can be implemented through specific UNDP actions are delineated.

PART I: THE CHARACTERISTICS AND MEASUREMENT OF POVERTY

In this first part of the report, we provide an overview of the main definitions, causes and measurements of poverty. We have restricted the discussion to an overview since full presentation would be too lengthy and duplicate the many texts in these areas. But we have also attempted to guide the reader and practitioner into feasible and pragmatic things to do.

I.1 Definitions and causes of poverty

Three sections are included here, one providing a list and discussion of the main poverty concepts and definitions, the second covers the main manifestations of poverty and the third summarises its main causes.

I.1.1 Definitions of poverty

The definition and identification of poverty are fraught with difficulties. There is *no* general consensus on concepts, terms and definitions as, for instance, the generally agreed (although not undisputed) definitions of unemployment, employment etc. that have emanated from the International Labour Statistician Conferences hosted by the ILO. There is a need to identify the poor and to see how they are faring over time, which has led to a large and burgeoning literature on the subject. The UNDP has made a welcome start in putting together material on this subject and distributing it to country offices [see Lok (1995)] and this work goes further than the standard texts found within the World Bank [see for instance Ravallion (1992)] which tend to confine themselves to a narrower consumption orientated definition of poverty. The UNDP and ILO see eye to eye on most concepts connected with poverty but their methodology tends, unlike that of the World Bank, to be more difficult to define and therefore to obtain agreed concepts and operational definitions [see, for instance, van der Hoeven and Anker (eds., 1994)].

To complicate the lack of consensus on concepts, and contrary to popular view, there is *no* objective way in which to identify poverty. Consequently, all poverty measurements contain some subjective interpretations. There are, however, different ways to measure poverty, ranging from use of harder or qua*n*titative information (such as consumption per head, anthropometric measures of infant malnutrition) to softer or qua*l*itative measures (such as self or group assessment of their own poverty -

sometimes referred to as participatory poverty assessment).

The most common measures of poverty concern those living in *absolute poverty*. This exists when an individual, family or household has one or more attributes which fall below those indicated by some pre-defined standard such as a *poverty line*. This line is fixed in real terms over time so that the numbers below it can be counted - obviously the line should not be changed over time in real terms (as is done in many countries) since then absolute poverty can be judged to have increased or decreased solely on definitional changes rather than real changes. The vexed question of adjusting a poverty line for inflation must be treated with care. The consumer price index is normally used for adjusting income and consumption measures, but the poor's consumption habits are different from the country as a whole and, if available, the absolute poverty line when used over time must be deflated (or inflated) with the appropriate index.

The numbers below a poverty line are frequently further disaggregated into the *ultra-poor* and the *poor*. This probably dates back to some of the earliest known poverty measures - those of Seebohm Rowntree in York, UK, in the beginning of the twentieth century [see Rowntree (1901)]. He divided poverty into primary and secondary poor. *Primary* poverty was defined as the inability to command enough income to buy the bare necessities of life such as those for food and shelter. *Secondary* poverty was due to poor household management that prevents inherently sufficient resources from meeting those requirements. This distinction, according to Lipton (1996) now sounds unfashionably paternalistic yet there is no doubt that many households suffer poverty despite having, in principal, adequate resources. Reasons, again following Lipton, vary from addictions (cigarettes, alcohol and other soft and hard drugs), through intra-household maldistribution to energy dispersion via long walks to, from, and among workplaces. The primary poverty line was constructed by Rowntree by estimating the cost of a minimum diet of essential food items and the fuel needed to prepare it.

Similar to the concept of primary and ultra poverty is the concept of *indigence* or *extreme poverty*. Households are considered extremely poor or in a situation of indigence when their incomes are insufficient to purchase enough food to satisfy the nutritional requirements of all its members. The 'poor' are then those below the 'poverty line' but above the 'ultra-poor'.

Since it makes sense for operational reasons to disaggregate or specify more precisely who are the poor below the poverty line, the authors of this framework report prefer a definition based on two main aspects of poverty - the poor divided into *incapacitated poor* and the *non-incapacitated poor*. The former are those below the poverty line who are incapacitated in some way: the handicapped, old, sick, female single parent large households with a preponderance of young children, and the infirm i.e. those who cannot be helped to help themselves. The other group is one who can be helped to help themselves. The advantage of this definition is that it is operational. The former group will need to be recipients of targeted funds for at least some of their incomes, while the latter group with some capacity to help themselves can be reached via the creation of income-generating opportunities. The types of polices we recommend will be discussed later in Part II of this report.

Relative poverty is the level of one's poverty relative to that of others either within the household, to others in the same country or even to others in different countries. It is rarely measured in studies of poverty, the concern of policy being more with the notion of absolute poverty. Numbers in relative poverty, when an income definition of poverty is used, are closely related to the distribution of income and some measures determine a poverty line that is based on something like 50% of the national mean income.

Subjective poverty explicitly recognises that poverty lines are based upon subjective judgements. Clearly any setting of a poverty line is based upon a value judgement even those that purport to be scientifically based upon food nutrition requirements (the FAO 'reference' man on which nutrition requirements are based is arbitrarily chosen). Thus poverty measurements go from a scale of measurement ranging from nearly scientific (as in food nutrition poverty) to totally subjective such as self-assessments of poverty. A subjective poverty measure can be recognised since it is based upon survey questions [following Ravallion (1992) op.cit.] such as 'What income level do you personally consider to be absolutely minimal? That is to say that with less you could not make ends meet?' The answer tends to be an increasing function of actual income. The question could be widened to other basic needs and a list fashioned accordingly. This helps establish a poverty line but does not tell who is below the line. Imagine, a survey takes place in which both subjective and objective (i.e. consumption information) questions are posed. The survey must then be analysed before the numbers in poverty can be assessed. Thus subjective poverty measurements although attractive do not reduce the complexity of the task in assessing who is in poverty.

Disadvantaged, marginalized and vulnerable groups are also often mentioned in the context of poverty. As Lok mentions, not all members of a particular vulnerable group are invariably poor - hence the need to distinguish between the two when dealing with indicators. Some groups are more vulnerable to poverty than others and this can change quite rapidly. Those below a poverty line will change as seasons progress, as relative prices change, as circumstance either improve or worsen. Those who drop in and out of poverty might be considered to be the most 'vulnerable'; but should they be treated differently than those who are *chronically* poor, i.e. those whose poverty is persistent?

Similarly, a *disadvantaged* group might not be poor, e.g. new redundancies from the public service who may have some savings to tide them over. Nor need a *marginalised* group, such as all women in some African countries or a tribe in others, for instance, necessarily be poor. If it is found (through a *poverty assessment*, discussed below in section III.1.1.a) that certain marginalised groups (rice farmers, ambulant informal sector workers, children of tribes in mountainous areas, indigenous people etc.) have a higher incidence of poverty than others, it would be useful to know so for policy purposes (e.g. design of targeted intervention programmes) although not all will be poor even if the majority might be. Consequently, poor identification or analysis will lead to mis-directed anti-poverty policies. This is the problem of targeting all in a socio-economic group or in a geographical area, since it can lead to the non-poor receiving benefits as well as the poor.

Social exclusion is another term that has grown to prominence in recent years and was a key concern of Jacques Delors, the former President of the European Commission (EC). According to Burle de Figueiredo and Gore (1996) in their project on social exclusion for UNDP, a precise definition of social exclusion depends on 'the paradigms of social integration and citizenship and the cultural environment prevailing in a society. These structure people's sense of belonging and membership and consequently the perception of what is exclusion and inclusion in their society.' The two authors continue: 'It is debatable whether it is desirable (analytically and operationally) to develop the notion of social exclusion as an alternative policy paradigm and a distinct approach. But perhaps not too much time should be spent on this. For whether or not it is seen as a distinct approach to the design of anti-poverty policies, it is possible to 'unpack' the various elements of an institution-centered approach to poverty reduction and thus isolate some key policy issues which arise from introduction of social exclusion into questions of anti-poverty policy design.'

The authors here wonder if social exclusion is not yet another concept that requires explanation on why it is different from poverty alleviation concerns. It is not clear, as Burle de Figueiredo and Gore both admit, that the concept adds much if anything to the poverty debate that is not being covered anyway.

What does the phrase *poverty profile* mean? A profile is simply a poverty comparison, showing how the incidence of poverty varies across sub-groups of society, such as according to region of residence, socio-economic category, employment status etc. Clearly, the key problem in presenting a poverty profile is the establishment of the poverty line. Again, a poverty profile is useful in a *poverty assessment* to determine who should be the main beneficiaries of new or changed policies. A checklist for what should be included in a poverty profile is given in Box I.1 [which is based upon a similar table in Ravallion (1992)].

Are all those who do not satisfy their *basic needs* in poverty? It depends on the

A poverty profile should address the following questions:

- X What is the poverty line?
- X What data are available to map poverty?
- X How many people are in absolute poverty?
- X What is the relative poverty line?
- X What is the depth of poverty?
- X What are the characteristics of the poor (rural/urban, gender, socio-economic group, occupational characteristics, race, ethnic composition etc.)
- X What is the migration status of the various groups?
- X What are the main sources of income of the poor?
- X What products/services do they sell?
- X How large is unemployment and underemployment?
- X What is the composition of the consumption basket of the poor/non-poor?
- X What is the composition of the household or extended family of the poor/non-poor?
- X What is the basic needs status of the poor/non-poor?
- X What are the population characteristics of the poor/non-poor (fertility rate, mortality rate, fertile ages, child spacing, contraceptive prevalence)
- X To what public services do the poor have access? What is the quality of the services? (Health, education, transport, benefits and subsidies)
- X What assets - land, housing, animals, food stocks, financial, access to credit do the poor have?
- X How secure is the poor′s access to natural resources? Energy? Water?
- X What environmental problems do the poor face?
- X What are the main coping strategies of the poor? To where do they turn when times get even harder?

definition of the poverty line and the level and composition of basic needs. Basic needs[1] have been defined to consist of material needs such as food, housing, clothing, safe water, adequate health and education; and non-material needs such as the right to participate, human freedom, and social justice. Some people may be in basic needs poverty - say below a housing poverty measure - yet exceed another measure such as food consumption. Are these people in poverty? As noted above, poverty and the setting of poverty lines are value judgements *i.e. there is no objective way of setting a*

[1]For an attempt to define basic needs, indicators to measure them and the setting of basic needs levels or targets see MJD Hopkins and R. Van Der Hoeven: Basic Needs in Development Planning, published for the ILO by Gower, London, 1983.

poverty line. If some countries wish to place all citizens who do not satisfy *any* basic need to be in poverty then it is obvious that they will find many more poor than if they set the line on the basis of food consumption poverty [see Lipton (1996)]. It is more pragmatic, as the World Bank normally does, to set a poverty line on the basis of food consumption because one does not then get into the debate on relative degrees of poverty. For instance a household could be food poor but live in housing above some minimum level and be, therefore, considered, non-poor on housing criteria. An alternative is to consider a household or individual poor if for a chosen material basic need they are below the line on at least one criteria. But then what does one do about non-material needs. Even if we could obtain an agreed measure of 'freedom' or 'participation', would whatever line chosen not then include virtually all the population in some African countries? Best to be pragmatic, as we shall argue below, and use a simple rather than a complex measure of poverty. Think complex but present simple!

I.1.1.1 Level of measurement

Should poverty be measured at the individual, household, family or extended family level? Normally one thinks of poverty in terms of individuals. Yet, most data sources are based on household as the unit of measurement i.e. members of the same unit who habitually share the same hearth and/or eat together. This is because the usual source for poverty measurement is the household consumption survey wherein questions are asked about household food consumption and, more rarely, about individual food consumption. Often the number of households in poverty given by the household consumption measure of poverty is converted to poverty at an individual level simply by multiplying this number by the average household size[2] (a method commonly used by the World Bank). The number of individuals in poverty is the preferred choice since households differ in size and composition and so numbers in household (or extended family) poverty are misleading.

Most poverty measures ignore the distribution of income or consumption within the household. A common practice is to assume a uniform distribution within households

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[2] More refinement can be introduced through using adult equivalent scales. This gives different numbers in poverty than simply dividing by average household size, although Christiaan Grooteart at the World Bank has noted that it does not change the *proportion* in poverty significantly (personal communication).

or families when constructing the estimated distribution of individual consumption (Ravallion, 1992). In households where the males have a greater command over household resources than females, for instance, the distribution within a household could conceal individual poverty, even when the household, on average, is above the poverty line. Without in-depth and administratively expensive open-ended surveys this is a persistent problem of poverty surveys.

I.1.1.2 Welfare or non-welfare approach?

Sen (1979) noted that an important distinction in poverty analysis is between the 'welfarist' and 'non-welfarist' approaches. The former aims to base comparisons of well-being solely on individual 'utility' levels, as assessed by the individuals themselves, while the latter approach pays less, or even no, attention to the notion of utility. For instance, poverty analysis in developing countries typically place a high weight on nutritional attainments. While every individual clearly values the importance of nutrition to his/her well-being, sacrifices are sometimes made to prepare, for example, for a decent funeral. Taking a non-welfare approach might then deem that a family with adequate food but not enough resources to bury their dead might be non-poor while the household themselves might not agree. Economists and the UNDP in particular, typically shun non-welfarist ideas so as to put the individual or household at the centre of decision making. This latter approach is, of course, attractive, but difficult to implement in practice. Consequently, most poverty measures tend to adopt the non-welfare approach despite its unpopularity!

I.1.2. The various manifestations of poverty

On a world scale, according to Lipton (1996), the risk, intensity and severity of poverty have fallen more sharply in the past fifty years than in the preceding thousand years. Lipton presumably means as a proportion of the total population since there are more people in absolute poverty today than fifty years ago simply because the world's population is much bigger even though the proportion has fallen. Yet in large parts of the world the proportion of people who are too poor to afford enough food regularly, and the intensity of their poverty are no less - and in some cases more - in 1995 than in 1945. These areas include almost all of Sub-Saharan Africa.

Whatever the figures say, they somehow sanctify or gloss over the ugliness and desperation of poverty. When we look at what poverty is really like we can think of at least a dozen major forms:

(1) in personal physical attributes such as a ragged appearance and an unhealthy and sometimes crippled body. In children it can be seen in stunted growth, pot bellies and staring eyes.
(2) the housing situation means living in a shack or hut, and in a location that is precarious such as in or near to a rubbish dump, open sewer or on land that is subject to regular flooding or subsidence
(3) the level of literacy is often rudimentary or non-existent, with primary schools located beyond the reach of families.
(4) children forced into family handicrafts, or household farming work instead of being allowed to attend schools (if available)
(5) means of transport to places of work, markets, entertainment, health and other services are non-existent and distances are large
(6) paths and roads are either non-existent or heavily pot-holed and subject to flooding
(7) no access to even rudimentary health services such as a simple clinic, and even if there is a clinic within reach, it is not stocked even with simple medicine, and medical competence if it exists is low
(8) access to clean water for drinking is poor or non-existent, local watering holes are polluted or fenced off
(9) no sanitary facilities available - bodily functions are performed into the river or bush
(10) no access to any birth control facilities -- the wife is continually pregnant and the children multiply
(11) absence of any communication means to the outer world -- a sense of isolation, not even a radio of any type
(12) no energy supplies and families forced to use whatever scraps they can lay their hands on for cooking or warmth - animal dung, waste paper, rubbish dump materials etc.

I.1.3. Causes of poverty

The causes of poverty are numerous and complex. The basic causes, following Sen[3],

[3] With additional material drawn from World Bank (1995f) and Lipton (1996)

are due either to the poor′s lack of *endowments* which can be used to help themselves out of their own poverty or the lack of *exchange entitlements* with which to offer the outside world. In more detail this means:

Endowments:

X inadequate assets or ownership such as land, capital, labour power, or poor access to small scale credit facilities

X inadequate access to the means for fostering rural development in poor regions as a result of preferences for high potential areas and urban bias in the design of development programs

X destruction of natural resource endowments which, in turn, has reduced the productivity of agriculture, forestry and fisheries

X poor organisation as a body politic to influence decisions that affect them

X for those who are the victims of transitory poverty such as drought, famine floods, pests, genocide and war, inadequate access to assistance

X poor access to markets, and unfair prices offered, for the goods and services that the poor can sell due to remote geographical location, unscrupulous middle men and other forms of corruption etc.

X lack of social capital in the country in the form of a just legal system, observance of contracts, responsible police force, absence of cultural discrimination, honest central and local government organisations

X inadequate access to education, health, sanitation, water and energy services

Exchange entitlements:

X employment is difficult or impossible to find and, when it does exist it is intermittent or for long hours against meagre levels of pay

- X earnings are poor from selling non-labour assets or own-produced goods, compared with the cost of what is to be bought (poor terms of trade)

- X what can be produced with own labour power and other obtainable resources or resource services is meagre or non-existent

- X entitlements to social security benefits are low or non-existent, and liability to pay a wide range of taxes is high

- X intra-household distribution is poor leading to poor and non-poor within the same household or family unit

I.2 Measurement of poverty

I.2.1 Measurement Approaches

Despite extensive reflections in the poverty literature on short-cut methods to estimate the level and extent of poverty for the nation as a whole nothing, to date, has yet been able to replace the household survey. Invariably, too, a poverty estimate will be based on household consumption. Clearly household income would be a better measure but the estimation of income particularly at both lower and higher levels of the income distribution is well-known to be fraught with difficulties.

Consequently, the focus has been on household consumption. Yet, the measurement of household consumption is also not without inaccuracies for many well-known reasons. The main problems are fourfold. First, when attempting to estimate food consumption, it is known that the poor tend to consume odd scraps from disparate sources which are nearly impossible to record. Second, resource constraints on the survey limiting the number of visits over time mean that the interviewer must ask the respondent found in the household visited to recall exactly what was consumed on different household items by different household members in the previous week with the accompanying inaccuracies that that entails. Third, resource constraints also mean that the sample size is often small and therefore will not capture all different characteristics of the poor, simply because they have not been captured in the sample. For example, a stratified sample design might include small, medium and large scale cocoa and coffee producers but not the micro producers or the itinerant workers likely to be most in poverty. Fourth, a household survey assumes that everyone lives in a recognisable household. Those who do not, such as the homeless or those living in rubbish dumps and likely to include some of the most poor, will be excluded.

The World Bank's Policy Research Department (PRD) is currently testing how well short-cut methods to measure poverty compare with the best methods (regardless of cost). Preliminary conclusions show that it is a mistake to assume quick and short-cut methods will work well and that it would even be wrong to assume that quick and short-cut methods would prove more useful than having no data at all!

Very few countries have conducted more than one income and expenditure survey in SSA and only in countries with a time-series of household data can an evaluation of the evolution of poverty and income be performed [World Bank (1995h)]. Consequently, UNICEF has also embarked on the challenge to produce rapid poverty measures through its 'Sentinel Site Surveillance Surveys'. The method is survey based and uses selected sites throughout a country. In an experiment in Zimbabwe, the survey covered 40 sites with 140 households per site. The sample sites selected were representative of all the agro-economic zones in the country. Eighty-five percent of the households remained through the first three of five rounds of the survey. The cost is around $US75,000 per survey round.

The ILO is developing Rapid Assessment Surveys of Poverty (RASPs). Similar to the Priority Surveys of the World Bank (see next paragraph), the ILO recommends including at least the following in a RASP [see Bilsborrow (1994)]

- a simple household roster
- identification of anyone in the household who has been sick in the past two weeks and whether this interrupted his or her usual activities
- educational attainment and current school attendance of children
- earnings in past week or month from paid work
- employment status (employed/unemployed) and work activity of all household members, including frequency of work in past week and year
- total sales or gross receipts from enterprise or self-employed work
- dwelling characteristics (type of floor, whether it has indoor water, sanitary facilities, electricity)
- assets, both farm or enterprise/self-employed producer assets, if any, and household physical assets, including a checklist of consumer durables (country-

specific)

X consumption of any of various categories of food for each day in the past week (whether purchased or not) - meat, fish, eggs or dairy products, pulses and beans, vegetables and fruits, and grains.

The World Bank's main instrument to assess poverty has been their Living Standards Measurement Studies (LSMS). Two characteristics distinguish LSMS surveys - multi-topic questionnaires that can be used to study different aspects of household welfare and behaviour; and extensive quality control features. Three types of questionnaires are normally used - the household questionnaire, the community questionnaire and the price questionnaire. Typically implementing a LSMS requires 6-18 months of planning, 12 months of field work, and 3-6 months to produce first results with a cost ranging from $500,000 to $US1mn. In Sub-Saharan Africa the Bank calls its system PMAS (Poverty, Monitoring and Analysis System). This is essentially a LSMS every five years or so supplemented in the intervening periods with smaller less extensive surveys known as Priority Surveys (PS). These try and use the same questions as the LSMS to preserve comparability as far as possible. Unquestionably, this effort by the Bank has made a major contribution to the improvement of capacity in SSA and in knowledge about local conditions for policy purposes. Perfection is far from having been achieved, as the Bank acknowledges, and conceptual problems abound from poor sample design to poor phrasing of questions to slow analysis of results and inconsistent definitions. The Bank has not helped itself here through centring most of the analysis and recording of results in Washington, making it difficult for SSA experts located in Africa to obtain access to results and analyses. The Bank, aware of this, has been trying to reverse this approach but these are still early days. [This section has drawn upon UNDP/UNICEF/World Bank (1995)].

I.2.2 Food poverty line

Much of the literature in Africa has concentrated on defining an *absolute poverty line*. The most common approach is to estimate the cost of a bundle of goods deemed to assure that basic consumption needs have been met. The difficulty, of course, is to define what is meant by 'basic needs' as we have discussed above. Since the most important component of consumption of the poor is food, a poverty line first defines the food expenditure of an individual to attain some recommended food energy

intake. This is then augmented by a modest allowance for non-food goods.
The first problem is the choice of the individual, a child has much less food energy intake than an adult. What is normally done is to use FAO food energy intake measures for a 'standard' or 'reference person' then to scale this upwards or downwards according to an 'equivalence scale'. The second problem is choosing the food energy requirement. An assumption must be made about activity levels which determine energy requirements beyond those needed to maintain the human body's metabolic rate at rest. [See Ravallion(1992) for more details]. Activity levels are of course a function of socio-economic position - a farmer tilling his own land uses more energy than an office worker and is more likely to be poor. A third problem is the type of items to be included in a food consumption basket. These will vary throughout the year as seasons change and their energy content will also vary. Fourth, the minimum cost of the stipulated items to achieve calorie intake requirements may be a good deal less than the expenditure level at which the poor typically attain that calorie level. Maximising food intake and minimising cost is not the sole motive in food consumption even for the ultra poor. A fifth problem, is making allowance for non-food consumption. One method fixes a food energy cut-off in calories then finds the consumption expenditure or income level at which a person typically attains that food energy intake. It could, following Greer and Thorbecke (1986) be estimated by regressing consumption or income against calories intake per individual. This, of course, would necessitate a lot of work to estimate from a household consumption survey individual consumption and the corresponding calorific value of that individual's food consumption. If, as is usually the case, consumption is measured at the household level further assumptions must be made to obtain individual consumption levels.

Another method is to use food expenditure elasticity's as a function of income [see Hopkins and Van Der Hoeven (1983)] for details of this method. Briefly it is based on a simple model following the Engel curve: $F = aY^b$ where F is food consumption, Y is total expenditure a and b are parameters with b being the food expenditure elasticity. If the target food consumption is F_x and the ratio of food consumption to income for the lowest class is F_1 / Y_1, then the target income is: $Y_x = (Y_1 / F_1) / F_x$. But, because the more income one has the less one spends on food the elasticity of food expenditure with respect to total expenditure must be included and the formula to estimate the target income becomes:

$$Y_x = (F_x / F_1).b^{1/b}\ Y_1.$$

Variations on these methods are found in the SSA context using a household consumption survey as the main data input. Many observers comment that poverty cannot be captured in Africa with such, relatively, simple poverty lines. Yet more elaborate approaches require data that are simply not available or use participatory techniques that are riddled with value judgements. The application of Occam=s razor is probably the best solution here, i.e. in the face of complexity take the simplest solution available. This is not such a bad message for SSA when it is realised that efforts to do something about the underlying problem should be emphasised rather than endless debates on the appropriate poverty line.

I.2.3 X% cut-off line

There is both difficulty and arbitrariness in setting a poverty line on the basis of food poverty. Consequently, an alternative, and one of the simplest ways, is to identify the poor as the poorest X% of the population at some base date and use the corresponding consumption or income level for this percentile as the poverty line for comparisons with other dates. It must, of course, be adjusted for inflation over time. This is what the World Bank has done in many of its poverty assessments in Africa. Usually they use the 30% cut-off percentile to measure the poor and then a 10% cut-off to measure the ultra or extreme poor. The use of this line is controversial since it is not based on any rationalising criteria. The methodology is sensible, insofar as it is accepted that value judgements are unavoidable in the setting of poverty lines. But it is rejected by those who wish to see a poverty line based upon some acceptable criteria such as a food or basic needs poverty line.

In some cases this approach generates unfortunate effects. In the Cote d'Ivoire poverty assessment for instance [Hopkins (1995)] poverty rose so rapidly over 1988 to 1993 that the 1988 30% cut-off line by 1993 included 69.9% of the population! This is illustrated in Table 1.

Table 1: Example of 30% and 10% cutoff poverty lines and how this translates into the proportion in poverty over time.

Poverty Line (CFA Francs)	1985 in 1985 prices	1988 in 1985 prices	1993 in 1993 prices
30% Line	128,600	128,600	170,486
10% Line	75,000	75,000	99,428
Proportion of people in poverty(P_0)			
30% Line	0.300	0.459	0.699
10% Line	0.100	0.141	0.427

Source: Hopkins (1995) and see section I.2.5 for definition of P_0

I.2.4 Basic needs poverty line

Basic needs were defined above in section I.1.1. To construct a *uni-dimensional* basic needs poverty line would require the establishment of quantity targets for each basic need component very much like the food poverty line above, and a price established for each unit quantity. There are a number of problems. First, not all basic needs components are satisfied out of private consumption - publicly provided health services, education for example. Second, given the basic needs it is not clear what the levels are at which the targets should be set. Third, non-material basic needs such as participation, freedom, emancipation etc. are inherently difficult if not impossible to quantify.

What some commentators have done is to chose a 'core' set of basic needs and then make an estimate of targets and the consumption levels required to meet them. For instance one of the authors chose, for the ILO basic needs work [ILO (1976)] to use FAO minimum energy intake levels to capture food of 2500 Kcals per person, 9 years of education per person for education, 9 square metres of housing per person and 65 years life expectancy. To calculate a poverty line one could then order individuals and their associated indicator for each of food, housing, education and life expectancy and chose that individual who, when proceeding from a lower to a higher ranking, is the first to have satisfied all the basic needs targets. Then, that individual's consumption or income becomes the poverty line. A *multi-dimensional* poverty line (or rather a vector) would have a poverty line for each of the core basic needs, in the example given this would entail a four-dimensional vector. This is rarely done in the literature and especially in SSA with its paucity of data despite a general unhappiness with the uni-dimensional food consumption poverty line. This unhappiness has been translated into attempts to widen the poverty line concept to participatory observation or composite indices of social progress (see below).

I.2.5 P-alpha measures

There is a large literature on *poverty measures* [see Atkinson (1987)]. The most common measures used by the World Bank in their poverty assessments in Africa are threefold [see Ravallion (1992) based on the work of Foster, Greer and Thorbecke (1984)]. The first is the *head count ratio* which is the ratio of the number of poor individuals to the total number of individuals in the population. This gives an idea of the numbers in poverty. For a given poverty line z (basic needs, food consumption, 30% cut-off etc.), that gives q poor people in a population of size n, then the head-count index (P_0) is simply:

$$\mathbf{P_0 = q/n}$$

The second is the *expenditure gap ratio* defined as the ratio shortfall in the expenditure of each poor individual from the poverty line and consequently gives an idea of the depth of poverty (P_1). This is defined as follows. Let consumptions be arranged in ascending order, the poorest has y_1, the next poorest has y_2, etc., with the least poor having y_q, which is no greater than the poverty line z. Then the poverty gap is defined as:

Install Equation Editor and double-click here to view equation.

A drawback of the poverty gap measure is that it may not capture differences in the *severity* of poverty. Thus a third measure suggested by Foster et.al is the P_2 measure whereby the poverty gap of the poor from the poverty line is given a weight. Commonly this weight is the square of the difference between the poor person's consumption (or poverty measure) and the poverty line as follows:

Install Equation Editor and double-click here to view equation.

Note that these three formula can be expressed as a class of poverty measures P_α :

Install Equation Editor and double-click here to view equation.

where $\alpha = 0$, 1 or 2 in the cases given above. For further discussion of the properties of these measures and some examples see Ravallion (1992).

I.2.6 Relative poverty measures

Relative poverty is rarely measured in Africa, possibly because as Lipton (1996) remarks: Ait is not that inequality is uninteresting or irrelevant either to poverty or to efficiency or to growth, but simply that it is a misleading and muddled concept.' And, relative poverty has been much more a part of the poverty debate in developed rather than in developing countries.

Relative poverty lines can be written in the generic from [again, following Ravallion (1992)]:

$$\mathbf{P = P(z/\mu, L)}$$

where z is the absolute poverty line as before, μ is the mean of the distribution on which poverty is measured, and L is a list of parameters fully describing the Lorenz curve of that distribution. Often the poverty line is set at $z = k.\mu$, where k is a constant. This is sometimes set at k=0.5 and the generic from reduces to P = P(0.5, L) which in words means that the relative poverty line depends solely on the Lorenz curve of income distribution. Using a relative poverty line in this way makes changes over time difficult to interpret since numbers in poverty may change either because more (or less) people are in poverty or because the Lorenz curve has changes or a combination of both. The Gini coefficient of the Lorenz curve, of course, will show whether inequality has increased or decreased over time. And the relative position of the poor to the rich could be observed simply by dividing the average income (or consumption) of the rich (above the poverty line P(0.5, L)) by the average income (or consumption) of the poor.

I.2.7 Participatory assessments

The relative simplicity measuring poverty that is obtained with a food consumption poverty line or one based upon a 30% cut-off, sacrifices the complexity of different poverties, and regional and cultural differences. Consequently, there has been an increasing interest in recent years in *participatory assessments* of poverty that attempt to involve the poor and the community in how to assess who are poor, discuss the main reasons for poverty and suggest what might be done about it.

A typical assessment draw from an application in Cameroon is as follows[4]. The main methodological tool is individual or household conversational interviewing around key themes with a representative sample of the population (these can be chosen along the same sample design as for a LSMS or Priority Survey to ensure some modicum of representativeness - although cost reasons limit these interviews to 50 or a 100 at best). This is supplemented with focus groups such as youth, women, tribes etc.; transect walks and mapping to identify area boundaries and learn about the area; information from key informants such as the village leader or school teacher or community leader and case histories to illustrate salient points. For each type of analysis, interviewers need to be trained to listen, appreciate and observe. This is helped by a 'questionnaire protocol' which identifies a number of areas of discussion without asking precise quantitative questions as is the case in a LSMS survey for instance. The interviewer would be encouraged to obtain information relating to

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[4] Drawn from the World Bank=s Poverty Assessment of Cameroon which is generally recognised to be a good example of such an exercise.

gender differentials, participation and community issues, changes over time and coping strategies.
The sorts of subjects in the protocol that could be covered are:

X health (general health of the family, specification of major illnesses and their treatments, assessments of local health services and how to improve them)

X education (assessment of the education system, ranking of problems at school such as quality of teachers, teacher to pupil ratio, distance to schools, attendance problems, dropout rate)

X food and nutrition (number of meals per day, satisfaction with meals for each member of the family including children, food taboos)

X resource use (access to land, security of tenure, changes in land use/allocation, housing tenancy, access to credit, access to water, cost of water, access to energy, time necessary to obtain fuel inputs, access to markets, access to transport, roads, quality of roads and satisfaction with all these)

X coping mechanisms (institutions: do they represent interests of the community, do they provide help in time of need, can one′s voice be heard; changes in family economic situation; how does the family cope in times of hardship, sell assets, borrow from family or friends, obtain assistance from family outside village or community)

X sources and uses of income (diversification of income sources and importance of each, uses of income and what are the most important).

There are automatic techniques available to analyse replies such as content analysis but, normally, the richness of response precludes easy synthesis of results.

I.2.8 Integrated Poverty Measure (IPM)

Boltvinik (1994) argues that the poverty line method (PL) only takes into account current household income while the basic needs approach (UBN: unsatisfied basic needs) as currently applied in many Latin American countries only considers the rights of access to some government services. He argues that an adequate poverty measure should, therefore, take into account six welfare sources, namely:

1. Current income
2. Rights of access to public goods or services
3. Ownership (or rights of use) of assets which provide basic consumption services
4. Educational levels, skills and capabilities
5. Time available for education, recreation and housework
6. Non-basic assets.

Boltivinik suggests that neither PL nor UBN takes into account all six measures and therefore recommends that the poor population should result from the *union* of both sets of poor so identified and not from their *intersection*. This simultaneous use he calls the Integrated Poverty Measure (IPM). This is attractive since it takes into account the multi-dimensionality of poverty. Boltivinik also notes that a poor person in PL poverty would not be in the same situation as one in UBN poverty if the former had access to, say, free education and health services on demand while the latter did not. Essentially the IPM gives the same information as a poverty profile and, similarly, is demanding in information. It also introduces new measurement difficulties such as how to measure rights of access, assets, educational capabilities, time available for housework or non-basic assets.

I.2.9 Other Composite Indices

Many composite indicators have been suggested to measure progress on development or even to measure levels of poverty - Boltvinik's IPM is one, IFAD's integrated poverty index, the PQLI, and HDI are others. Indicators such as the HDI are not particularly useful to measure progress on poverty since they normally refer to the nation as a whole, and even their attempt to measure development is questionable [see Carr-Hill and Hopkins 1994)]. The HDI is useful in the sense that it acts as a 'Trojan horse' whereby it stimulates enough interest in the human condition to encourage further accurate and more disaggregated views. This has been the case in Egypt, for instance, where a national human development report has been produced in which an HDI has been created for each of around twenty governorates in the country. This has helped to raise awareness about relative degrees of poverty within the country and thereby assisted in the allocation of resources such as those of Egypt's social fund [see INP (1994 & 1996)].

Recognising the limits of the HDI to measure progress on poverty the 1996 UNDP's HDR introduced a 'capability poverty measure (CPM)'. Although introduced as a new 'multi-dimensional' measure of human deprivation - one might quibble at this since a uni-dimensional index is simply not multi-dimensional - it aims to reflect the percentage of people who lack basic, or minimally essential, human capabilities rather than examine the average state of people's capabilities as does the HDI. The CPM considers the lack of three basic capabilities: (1) the capability to be well nourished and healthy represented by the proportion of children under five who are underweight, (2) the capability for healthy reproduction proxied by the proportion of births unattended by trained health personnel, and (3) the capability to be educated and knowledgeable represented by female illiteracy. For each country these measures are added together and divided by three to give a simple arithmetic mean. The report notes that according to national income poverty lines, 21% of the people in developing countries live below the poverty line while the CPM measure gives 37% i.e. 900 million people in developing countries are income poor, but 1.6 billion people are capability poor. In SSA income poverty is so extensive that in Kenya, Uganda and Zimbabwe it exceeds capability poverty. The main, and interesting, implication of the new index is that poverty cannot be eradicated merely by boosting income (presumably this means if this process is unsustainable). It will, as the 1996 HDR states, take a broad expansion of basic human capabilities and the productive use of those capabilities.

Socio-economic data systems to monitor living standards or the quality of life outside the framework of the national accounts usually produce rather similar sets of components. These, of course, vary in the way they are organised, the emphasis, weight or rank given to each, and so on; although no doubt there are any number of different views about what exactly to include in each, and about their relative importance.

In fact, attempts to construct composite indices of welfare are just one part of the field of social reporting in general and are not just concerned with poverty issues. The parallel in the poverty literature in developing countries is the poverty profile discussed above. Carr-Hill and Hopkins (1994) have proposed a set of social concerns for social reporting which goes further than the concerns included in the HDI (income, education and health).

These are:

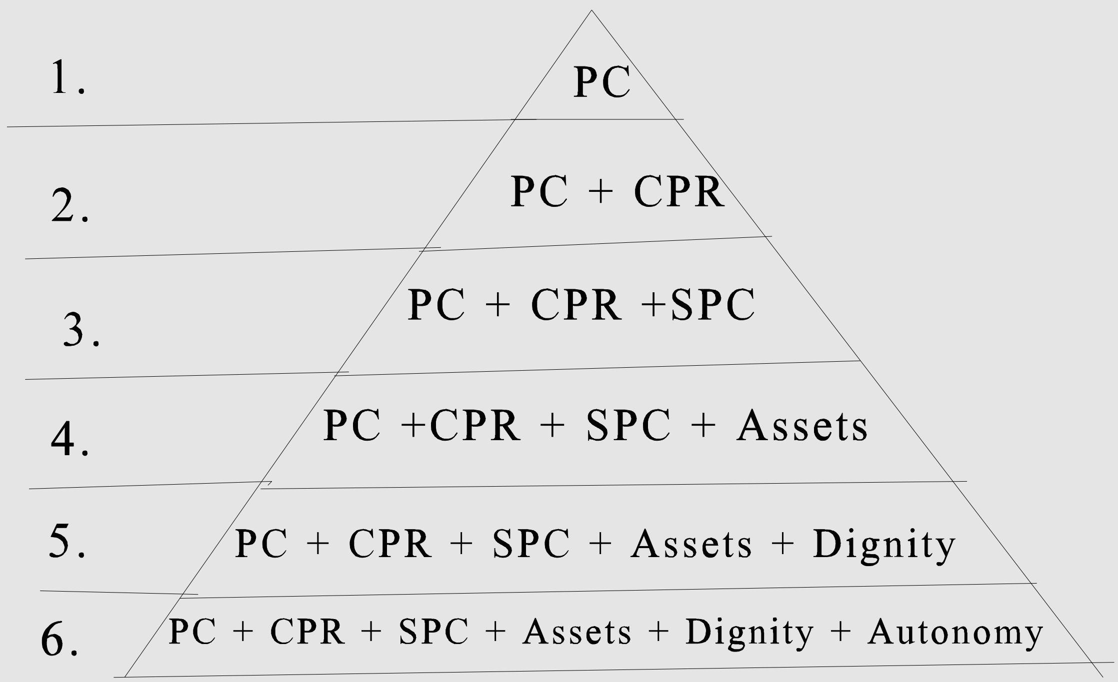
Social Concerns	**Content (for illustration)**
HEALTH	Length and Health-related quality of life Children's Future Development
LEARNING	Experience of School Levels of Ignorance Lifelong Learning
HUMAN ACTIVITIES	Use of Time Quality of Activities
WORKING CONDITIONS	Recognition, dignity The job itself
NECESSITIES	Basic Needs Fulfilment Poverty Lines
PHYSICAL ENVIRONMENT	Overconsumption of Energy Pollution
RELATING/SOCIAL ENVIRONMENT	The Family The Wider Community
PERSONAL SAFETY & SECURITY	Sudden death or injury Victimisation Fear of Harm
PEOPLE & THE LAW	Restrictions on movement Interference with Liberty

On adopting this, or a similar, framework, a major focus should be on improving the comparability and coverage of data collection systems that are already in place.

Instead of resorting to dubious overall indices of development and because both theoretical efforts such as those based on basic needs and the practical experience of social reporting converge on a number of general concerns (nutrition, health, learning, work, leisure, physical environment, social environment etc), it would be better to:

* improve both the conceptual base and comparability of data across Africa and improve the ability to carry out analysis

Figure: A pyramid of poverty concepts



Source: IDS Bulletin, University of Sussex, Vol 27, No. 1, 1996

PC - Private Consumption CPR - Common Property Resources

SPC - State Provided Commodities

* improve the presentation and analysis in poverty profiles or social reporting

* concentrate on 'outcome' or 'output' indicators which measure well-being as directly as possible.

* overcome serious gaps in existing social data that are particularly glaring in relation to indicators of well-being, and in relation to measures of inequality and exclusion.

* invest efforts into the ways in which social survey categorisations of the disadvantaged are designed both within one country and across Africa

* explore non-survey based methods where appropriate to collect data on non-

household based instances of poverty such as homelessness

* find ways of extending democracy to data collection procedures so that results are openly available to the population (while, of course, respecting conventional statistical secrecy provisions)

I.2.10 African poverty measurement in reality

A review of the measurement of poverty in SSA is given in Table 3. The data are drawn from the World Bank poverty assessments and IFAD (1993)..

Table 3: Poverty lines in SSA

Country (Date of PA)	Date of poverty line	Type of Poverty Line(PL) used	% in poverty	% in rural poverty in 1988 (IFAD headcount measure)
Senegal (1995)	1992	(i) Minimum calorie intake (2400 cals/adult) adjusted for home consumption	33	70
		(ii) 2/3 mean expenditure level as poor	53	
		(iii) 1/3 mean expenditure level as hard core poor	26	
		(iv) WDR $US1/day	61	
Zimbabwe (1995)	1990/91	Household expenditure 30% cut-off and implications for basic needs worked out	25 (?)	60
Guinea-Bissau (1994)	1991	(i) 2/3 mean per capita expenditure for moderate PL	48.7	75
		(ii) 1/3 mean per capita expenditure for core PL	26.2	
Lesotho (1995)	1993	(i) Relatively poor 50% of mean consumption level	49.2	55
		(ii) Very poor 25% of mean consumption level	25.3	
Benin (1994)	1986/87	PL Aon basis of food consumption′ plus mark-up for other consumption items	15	65
Zambia (1994)	1991	(i) Relative PL set at 70% mean per adult equivalent expenditure	70	80
		(ii) Severe PL set at 50% mean per adult equivalent expenditure	50	
		(iii) Poor absolute PL set at food expenditure per adult equivalent where 70%= average HH expenditure on food	68	
		(iv) Core poor PL set at average of food expenditure of those below line (iii)	54	
Uganda (1993)	1989/90	(i) PL set at 4/5 of mean per capita monthly expenditure in 89/90 which implies 2200 cals/day	55	80
		(ii) Core PL set at 2/5 of mean per capita monthly expenditure	19	
Sierra Leone (1993)	1989/90	Used 1990 WDR $US1 per day which means living on annual per capita income of less than $US275-	68	65

Country (Date of PA)	Date of poverty line	Type of Poverty Line(PL) used	% in poverty	% in rural poverty in 1988 (IFAD headcount measure)
		370		
Malawi (1990)	1988/89	(i) Poor based on minimum expenditure to obtain adequate nutrition (ii) Core poor set at 20% of consumption cut-of	55 20	90
Ghana (1995)	1987/88	(i) Poor set at 2/3 mean per capita expenditure (ii) Extreme poor at 1/3 mean per capita	35.9 ?	54
Namibia (1991)	1991	(i) Absolute poor based upon primary household subsistence level that includes food, clothing, fuel, light, washing & cleaning materials(PHSL) (ii) Household subsistence level (HSL) = PHSL + rent & transport	66	-
Gambia (1993)	1991	(i) Food PL based on minimum expenditure to obtain sufficient calories (ii) Overall PL = Food PL + non-food adjustment	40 60	85
Ethiopia (1993)	1993	(i) Urban Absolute PL set at minimum consumption basket for human needs (ii) Rural PL based upon assets and vulnerability (iii) Overall poverty a combination of urban and rural PLs	60 - 52	43
Rwanda (1994)	1985	Bottom 40% cut-off of the sample in terms of real expenditure/capita	40	90
Seychelles (1994)	1984	Cost of basic food, clothing and shelter	30.7	20
Cape Verde (1994)	1988/89	(i) Poor set at 2/3 average annual per capita expenditure (ii) Ultra-poor set at twice annual wage of unskilled workers in public projects	30 14	40
Comoros (1994)		No surveys and no poverty line set		50
Mali (1993)	1988/89	(i) Poor set at maximum yearly per capita expenditure of the poorest 40% (ii) Core poor set at maximum yearly per capita expenditure of the poorest 15%	40 15	60
Tanzania (1995)	1993 Urban/rural	(i) WDR $1per day, line A on inflation estimate A (ii) WDR $1 per day, line B on inflation B (iii) Estimate by Wagao not defined	9.9/27.8 6.3/21.2 24.2/49.7	60
Mauritania (1994)	1990	(i) WDR $1 per day gives $370 (ii) or WDR $1 per day gives $275 (Govt rejected construction of consumption basket because no consensus on contents)	57 44	80
Cameroon (1995)	1983/84	(i) A relative poverty line gave the poor as all households whose per capita consumption was at or below the 40% cut-off. (ii) Very poor were those below 40% cut-off	49 26	40

Source: Authors interpretation of World bank poverty assessments and IFAD (1993)

The poverty lines in Table 3 show the diversity of approaches used and also the difficulty the authors of the IFAD and Bank′s reports had in finding poverty lines for the date at which the poverty assessment was done. It also shows estimates of rural poverty according to the head count measure (defined by IFAD as the proportion of population whose income or consumption fall below a objectively defined level considered necessary to meet per capita minimum nutritional requirements). It can be seen from the table that no consensus exists as to the setting of a poverty line nor, when the methodology has been set, is the cut-off point the same among countries. The IFAD figures of rural poverty are clearly 'guestimates′ given that most of their figures end in a ″0" or ‶5". It seems obvious, therefore, that any statement of the level of poverty in SSA that is drawn from the measurements in the table must be taken with the proverbial pinch of salt!

I.3 Suggestions for the selection of poverty indicators and implications for policy

The IDS at Sussex University has provided a useful schematic in the shape of a pyramid that we use and elaborate upon here to summarise the range of poverty concepts. It illustrates that the first level of measurement starts with private consumption as a substitute for measuring private income. This level is often further reduced to private food consumption. The next level includes common property resources, whereas the most complete should also, as in line 3, include state provided commodities. Level 4 adopts a broader definition which aims to capture the poor′s assets (human and physical capital, stores, claims) some of which the poor can draw upon in times of crisis. The addition of dignity and autonomy in lines 5 and 6 point to a full set of basic needs where the poor have freedom from performing subservient tasks and have some autonomy in affecting decisions that affect them.

In practice, the convolutions to estimate a poverty line are probably not needed. If the result of the estimations is either too high or too low according to users or recipients, the poverty line will not be acceptable. The 30% cut-off of the World Bank is probably the quickest way to estimate a line. However, it is difficult to have this line generally accepted since its theoretical base is limited which is why food consumption or even basic needs poverty lines have a better chance of being accepted. And, if they are set too high then they will also be rejected. This is particularly so when a poverty line is used as a welfare criteria by Government to allocate benefits or subsidies. Consequently it is probably best to use a line such as the 30% cut-off and then pursue estimations to see what level of basic needs or food consumption that it entails. A 'qualitative' idea of too low or too high will then be achieved and the poverty line altered accordingly through 'judgement' rather than through a sort of 'pseudo quantitative science'.

At minimum, a poverty line should have the following three basic elements (following the results of a joint research project between the World Bank and the ILO [W. Van Ginneken (1994)]:

1. Consumption expenditure rather than disposable income is the most reliable indicator of a household's standard of living - at least for the lower-income classes. Generally, the size and pattern of household consumption is more stable than that of income. Moreover, the measurement of income is fraught with all sorts of problems, such as the valuation of owner-occupied housing and the consumption of own food produce.

2. The individual is better to use as a measure of welfare than the household or extended family as a whole. The main reason is that households of different size and composition need a different amount of consumption expenditure to reach the same level of economic welfare. Moreover, this approach captures only the average economic welfare of the household, and not inequality between household members.

3. The best indicator of a household's standard of living is household consumption expenditure per adult equivalent unit.

The measurement of poverty requires a representative household consumption survey. It is preferable to conduct a nation-wide survey that is statistically representative of all poverty and non-poverty groups. Rapid poverty assessments or World Bank type priority surveys should be done in intervening years but cannot replace a properly conducted household consumption survey. However, given that *all poverty lines are based upon value judgements* the essential is to identify the poor, their depth of poverty and how this is changing over time.

If one wishes to go beyond the minimum analytical steps, the poverty pyramid, above, gives a schematic of the order in which next steps could proceed as one moves down the pyramid. As this is done household surveys start to reach their limits, at which point a participatory poverty analysis becomes essential.

Finally, does the choice of poverty measurement influence policy or strategic choices? Clearly, the absence of poverty measurement makes it difficult to target poor people and can lead to the inefficient allocation of resources. Some measurement, if objectively acquired, is superior to no measurement. The choice of poverty measure will affect policy choice. For instance, the choice of the headcount measure with respect to consumption at the top of the IDS pyramid compared with the choice of a more complete analysis at the bottom of the IDS pyramid for that includes access to assets, dignity, autonomy etc would undoubtedly change the type and composition of policy intervention. Policy would then be influenced depending on whether priority is given to, say, autonomy compared with consumption.

Timing is also of importance particularly in those regions where the poor drop into and out of poverty because of seasonal factors. A household survey that measured consumption just after harvesting will show different poverty estimates to the one taken before the harvest.

Caution, therefore, must be taken with any poverty estimate. Not only because the estimate itself suffers from all sorts of problems in terms of measurement but because even the choice of measure can narrow or alter the eventual policy or strategic approach to alleviate poverty.

PART II: TOWARD AN OPERATIONAL ANTI-POVERTY STRATEGY FOR UNDP SUPPORT TO NATIONS

In this section we attempt to formulate strategic principles and operational strategies aimed at combating poverty. It will cover, inter alia, the issues of macro-economic growth and the development of the social sectors. First it will identify what are, or should be, the major components of a strategy for poverty alleviation from an *analytical point of view*. The *process* of developing a strategy is covered in Part III. Second, a section will be devoted to how other multi-lateral organizations, particularly the World Bank, have approached a poverty alleviation strategy. Third, ideas and theories supporting the formulation of anti-poverty strategies are briefly presented. Fourth, taking into account the comparative advantage of the UNDP in provision of assistance to support anti-poverty strategies and programmes (as argued in Part III), the question is explored whether UNDP has (or should have) a distinct anti-poverty strategy. A fifth section is devoted to a number of thematic areas of intervention in poverty alleviation - from population to the environment to employment creation for the poor. The section will also briefly cover the issues of social safety nets and targeting.

II.1 Strategic components of an anti-poverty strategy

From an analytical point of view any poverty alleviation strategy consists of at least five main components:

* identification
* objective
* strategic framework
* actions (policies, projects, programmes)
* monitoring & evaluation

From a process point of view (we discuss these in detail in part III) these translate into:

* poverty assessment
* dialogue
* preparation of a strategy

* policy formulation
* implementation
* monitoring
* evaluation

One of the first analytical steps therefore must be to identify both who are the poor and why they are poor. Often this may seem obvious but, as seen above, measurement and identification is tricky and not without controversy.

Second, the objective needs to be clearly defined within a specific time frame. For instance, except in the very long term, it would be unrealistic to talk about "poverty eradication". A more realistic goal would be to focus on poverty reduction or alleviation and identify the target groups. The objective could then be to bring above the poverty line a percentage of the group in question, and/or to house 50% of homeless within ten years (say).

Third, given the target group, the strategy must be clearly defined. If the main problems are homelessness or illness, a job creation strategy will have limited usefulness. It will have indirect positive effects through either raising household incomes of the groups affected or, even more indirectly, through raising Government revenues from taxes from the newly employed which could then be earmarked for poverty alleviation.

It might be that a poverty strategy would just focus upon targeted interventions. Obviously, targeted interventions cannot be introduced if financial resources are not available; a more widespread examination of Government finances will be required. Useful here will be the types of analyses available in World Bank PERs (Public Expenditure Reviews) and, in some cases, the poverty incidence analyses that the Bank and other agencies have carried out in some of their poverty assessments (see list of these in Box III.4).

The private sector's growing importance means that it also has a responsibility toward alleviating poverty and must also be part of any poverty strategy. This can range from responding to incentives, to the provision of private services to even a wider role in anti-poverty interventions. Only recently has this wider role been a focus of attention since before it was assumed that profit maximisation was the main goal of the private sector and that the means with which to reach this goal were of secondary importance. As consumers revolt against over-exploitation and beggar-thy-neighbour policies there is a new emphasis on the social responsibility of enterprises [for a discussion see Hopkins and Straughan (1995)].

Thus in a poverty alleviation strategy, where the aim is to reduce, significantly, poverty across the board, the strategy has to be defined globally. Two questions arise. What should, or could, a poverty alleviation strategy be and what could be UNDP's role in it? In the following we shall present what we call a 3-M framework for identifying elements of a strategy in which UNDP has an apparent comparative advantage in provision of support.

II.1.1 Strategic framework: the 3-M framework

Components in the process of development of an anti-poverty strategy are discussed in more detail in Part III. Here we look at one of the components (the third of the above list) namely, the strategic framework or conceptual basis within which policies are devised. Often, only the main, macro, aspects are given emphasis whereas any strategy should cover at least three levels of operation: macro, meso and micro levels or, as shorthand, a ***3-M*** framework[5].

The *macro* level is concerned with macro-economics normally at the highest level of Government or business. This level is the *upstream* policy environment that shapes the macro socio-economic environment which Governments normally concentrate upon and within which programmes, interventions and policies are designed that reach down to the poorest groups in society. It covers the areas of economic growth, trade, fiscal and pricing policy. These are decided by the treasury or central bank in most countries but rarely are the implications for poverty alleviation ever considered. In many countries the single most important policy that affects poverty at the macro level is the rate at which the interest rate is set - real interest rates designed to combat increases in money supply and inflation have significant effects on the real economy conditions such as growth, employment, consumption and, consequently, poverty. Yet, poverty is far from the agenda in this discussion. For instance, only recently has

[5] The 3-M framework was introduced by one of the authors, originally, to measure impact but now expanded to also include project formulation [see Hopkins and Chandrasira (1994)]

the PFP (Policy Framework Paper) of the Bank and IMF (see III.3 below)begun to consider the question of the impact of such policies on the incidence of poverty.

The *meso* level is concerned with the translation of macro advice into operational activities - our fourth strategic component. These are the types of interventions that help to improve the Government's ability to deliver policies formulated at the macro level to the base. The meso level links the macro to the micro. It is where most capacity development takes place and is also where more efficient 'governance' is required and, arguably, is where most UNDP effort should lie. Thus the meso level is concerned with the translation of macro advice into operational activities. These are the types of interventions that help to improve the Government's ability to deliver policies formulated at the macro level to the base; or, conversely, those formulated at the micro level (or base) to the macro level. They also include what is increasingly being referred to as the "social capital" of a country. Thus the meso level links the upstream to the downstream <u>and</u> the downstream to the upstream i.e. it acts as a river where the current flows in both directions. Arguably, again, one of the main reasons for the lack of social progress in Africa has been the poor performance of its institutions. This means not only public delivery systems, but also feedback from the base to the centre. It also includes the judiciary, the courts, the press, and the security services. Without trust and the knowledge that contracts will be honoured or that one's' family is safe when family members leave the household for business and other activities, the cost of any activity rises and inefficiencies dominate. When any of these is malfunctioning and corruption is rife, the social capital that binds a country together is upset. A country is a system, and when one part malfunctions so does the rest. In other words, the most beautiful macroeconomic strategy will fail completely if the meso system fails to deliver.

The *micro* level includes all activities that directly touch households. This is where practical approaches will be situated to work with agents (public and private sectors, chambers of commerce, NGOs and CBOs, etc.) that have had proven success in contributing to poverty alleviation. They know who are the really poor and who are not. This includes all activities that directly touch households. At this last level we find actual provision of services to beneficiaries such as assisting grass roots organizations to help people to help themselves out of their own poverty, such as the provision of sanitation or bio-gas plans or targeting support to the incapacitated groups.

For instance, the macro level policy might be the provision of health services to those most in need; while at the meso level the delivery institution might be the Ministry of Health or its organisation of primary health care services ; and at the micro level the contact that people have will be with the pharmacists, health workers midwives etc. Of course, some projects/programmes can provide for a combination of macro, meso and micro operations. An example of this in many countries are Social Funds for Development. Having all three components is welcome since it means that the top is not completely remote from the bottom. Indeed, to break down the often strong hierarchical chains that one finds in many countries, it would be welcome to see most, if not all projects and programmes where appropriate, with all three components, i.e. macro, meso and micro. Even a sophisticated macro model for use by policy advisors at the macro level is improved through talking with and listening to people.

II.1.2 Anti-Poverty Policies within the 3-M framework

When designing an anti-poverty programme such as under UNDP's new CCF (Country Cooperation Framework) approach at the country level which replaces the former C (Country Programme) one could think of three closely linked *sub-programmes* at the macro, meso and micro levels respectively. These could look something like:

1. **Macro policy**

This will consist of assistance to the Government to help ensure that macro economic and social policy making are consistent with the alleviation of poverty in as short a time as possible. Two key questions are first, whether social expenditure is reaching the poorest groups and second, whether current and future plans for macro credit policy are consistent with reducing poverty. UNDP has gained a great deal of experience in helping governments of different countries in formulating anti-poverty strategies and this experience can be placed at the service of the Government.

Policy advice cannot be carried out without an information base and the associated analysis, and part of the assistance will be provided for improving data and analysis of the root causes of poverty, who and where the poor are, and how this changes over time. Data should be prepared and analysed to emphasise the gender dimension.

The regular monitoring of poverty must take place at the household level and, to obtain representativeness, this is both an expensive and lengthy procedure that involves either detailed income and expenditure household surveys or a census. The available evidence on the extent and tendency of poverty in SSA is fragmentary and incomplete. And a glance at the UNDP's annual Human Development Reports shows that this is a world-wide phenomenon - for instance there are more gaps in poverty data than for many other indicators of social progress in the SSA region.

Obviously, the data situation cannot be improved overnight. It requires a long painstaking process that involves at least three main steps. First, agreement on concepts, methods and benchmarks is required, second the collection of data and third its analysis. It is worth mentioning in passing that national statistical offices are littered with un-analyzed data and that the cost of analysis and publication is often equivalent to that of collecting the data themselves. Poverty alleviation should not be seen as only a project effort. A great deal of research is necessary to understand poverty alleviation, replication success stories, bring necessary policy reforms, support and create new institutions, forge partnership across different institutions, develop manpower, and accelerate the process of transformation. Poverty alleviation projects cannot fulfil these task without research.

2. **Meso institutional capacity building**

At the meso level institutional constraints can prevent the poor from reaching what is meant for them. For instance, the high degree of centralisation of administrative decision taking in many countries in SSA can act against the poor's ability to organise themselves. A flatter organisation of the management and delivery programme makes it (a) cheaper, (b) provides less constraints and (c) enables participation. In the vein of helping the poor to help themselves there is a need to identify the main institutional constraints, to improve delivery mechanisms and to help organise the poor to bring about pressure for reform . Thus this sub-programme would focus mainly upon capacity building of institutions of NGOs and CBOs at meso and micro levels, research on good governance for poverty alleviation, service delivery capacity building in both urban and rural areas, improving the delivery of credit and ensuring that the gender dimension is taken account of in institutional decision making and taking.

The setting up of a poverty alleviation fund could also be one of the activities in the meso area. The fund should be complementary to existing funds and directly targeted to assist poor people. It should be used mainly to assist communities, cooperatives or organised groups at the local level to carry out small-scale infrastructure activities such as irrigation, rural energy, feeder roads etc. The administration of the fund should be carefully studied to ensure maximum impact and efficiency. It would be mainly used to reach those parts of poverty that the government cannot easily reach under existing circumstances. Thus it would be a "rapid action poverty force". Over the longer term one could imagine this being phased out or subsumed under a government ministry.

3. **Micro interventions through social mobilisation**

At the micro level the organisation of the poor is essential if they are to be actively involved in poverty alleviation. Bottom up approaches to resolving poverty must start with grassroots organizations as a means for the poor to better participate in the decisions that affect them. Technical support services are also needed at the micro-level for instance to help isolated groups in remote areas to utilise appropriate technology etc.

This sub-programme would assist institutions at the grassroots level to deliver services and goods to alleviate poverty. Associated assistance could also include help to diversify agriculture, rural energy, mobilise youth, promotion of innovative appropriate technologies and small-scale infrastructure. It could also include a holistic approach for women at the household level. This would cover information and assistance for pregnant women and nursing mothers and children. It would include information and assistance on nutrition, immunisation, pre-school education, health education, nutrition education, population control, female literacy and use would be made of non-formal educational methods. The key problem of poor school attendance among children, especially girls, must be addressed at this level. It is often the case that, for poor families, costs of schooling, distance travelled and the need for children to work especially in agricultural activities keep children away from school. This is aggravated by the lower worth put on girls than boys in general.

Another part of this programme would emphasise credit and savings. A properly designed credit programme can help the poor start small-scale activities that gradually lead them into sustainable business activities. Women are particularly careful borrowers and experience has shown that poor women will invest funds profitably to pull their families out of poverty and to improve the prospects of their children.

Moreover, in the process of reduction poverty through this system not only the families' material condition is improved but also the women's social position in the community.

One of the main problems small-scale credit operations is 'graduation' from micro credit operations outside of the banking system to insertion in the recognised banking itself. The main problems of this graduation in SSA need to be identified and solutions found.

But credit, of course, cannot work unless there exists enough effective demand to buy the products and services that the newly credit enriched poor produce. A credit scheme that fails because of the lack of effective demand can be a death blow for the credit scheme. How to stimulate effective demand in the SSA economies is something examined later in this document.

II.2 Macro Strategies of Multilateral Organisations

II.2.1. Background

The United Nations has struggled since its inception to define, measure and promote development. Today's events must be seen with this context in mind. Contrary to the "growth" school, the UNDP has long realised that economic growth alone would not necessarily bring about balanced development. This position led it in the 1950s to focus on measuring and defining living standards that resulted in development of a wide number of indicators to measure development progress. The UN and the UNDP sometimes appear to have a poor institutional memory; their earlier work, often of path breaking quality, is frequently forgotten as attempts are made to measure development progress through uni-dimensional measures such as the HDI. In the 1960s these concerns were elaborated by UNRISD in its work on social indicators (lamentably dropped over the past decade and a half), and by the UN itself in extending the SNA (System of National Accounts) to cover social issues (SSA: system of social accounts). The work of Singer, Seers, Jolly et.al. with the World Bank in the early 1970s on the need for redistribution with growth, began a decade of concern with income distribution issues. The World Bank took over the work on SAMs (Social Accounting Matrices) initiated by the ILO in the early 1970s, and the ILO's World Employment Programme (now, also, lamentably and quietly dropped) continued its employment missions that had begun with its Colombia and Kenyan

Employment Reports in the late 1960s - the latter first presented the notion of the 'informal sector'.

One of the UN organisations, with "Development" in its title, UNCTAD, took a quieter role regarding the wider development debate within the UN system over the past two decades. Its original founders saw it as the platform to present the views of the South to an increasingly isolationist and capitalist North. Yet, in the 1970s the ILO led the debate with its urging of developing countries to focus upon a basic needs development strategy. The World Bank took up this call via its research programme. This approach was quickly abandoned by the Bank, however, as the developing countries felt that a concentration on social issues would leave them outside possibilities to participate in rapidly growing international trade and the need for a New International Economic Order (NIEO). UNCTAD, although involved in this debate, focussed its work on increasing the access of the developing countries to trade and international finance.

The insistence of the Breton Woods Institutions (BWIs) - the World Bank and the IMF (the third BWI, the WTO, had yet to be founded) - on the need for structural adjustment in developing countries was associated with persistent social problems in the developing countries. This was characterised by rapidly rising unemployment, worsening income distribution, and rising poverty. In the early 1980s none of the traditional UN development agencies championed the need for a more balanced development strategy. Consequently a rather unusual UN body stepped into this breach, UNICEF. As it saw its beneficiaries, children, being increasingly injured by structural adjustment, it published an influential report in the mid-1980s on "Adjustment with a Human Face". The fanfare of world criticism stimulated by this latter work led the World Bank to start re-orientating its lending to a greater extent on social issues. The IMF stood outside of any change believing that its own actions were innocuous, hardly harming development. A closer look at its actions would contradict this view. The IMF made a halting step in the 1995 Copenhagen Social Summit to examine the relation between its policies and social development but continues to remain aloof of social issues.

In the late 1980s and early 1990s a UN organization that had been content simply to supply funds to UN agencies for their own development activities, began to re-focus its efforts and fill the void between the BWI's neo-classical development approach and the need for human development. This was the UNDP when in 1990 it began producing an annual series of Human Development Reports (HDRs). In its 1992 Report, it argued that the IMF had drifted away from its original mandate. The IMF was created to maintain monetary stability and allow payment imbalances to be resolved in an equitable and controlled fashion, with the burden of adjustment reasonably shared between surplus and deficit countries. This has not happened, certainly not in recent years, largely because the Fund has no influence on whether rich industrial nations generate surpluses or deficits.

The same 1992 HDR noted that the World Bank is no closer to meeting its mandate, either. It was established to borrow the savings of the rich nations and to lend them to poor nations to finance sound development projects and programs, particularly where private investment failed or was inadequate. In fact, it has done little to recycle global surpluses to deficit nations. Some figures illustrate this. Over 1990-1991 the current account surpluses of seven of the world's richest countries was US$115 billion, 40% of which were generated by Japan. The private financial markets recycled most of this to richer industrial countries, with some US$100 billion going to the United States. The World Bank, rather than accessing some of these billions and send them to poor countries, actually withdrew US$500 million from them in net terms!

Some of the Regional Banks have even a poorer record than the World Bank. The African Development Bank (AFDB) serving the world's poorest countries devotes only four percent of its aid to human development priorities. In the ten poorest countries, where two thirds of the poor live, the record of the World Bank is much better than that of the AFDB, but still devotes only forty percent of its lending to human development issues. This performance is still better than that of overseas development aid agencies of the bilateral countries; including Germany, Britain and France, which only devote about 30% to human development issues.

Consequently, the UNDP recommends that the BWI institutions refocus their work on human development. It argues that so far the BWI have focussed more on the means of development - GNP growth - and tended to exclude human beings from the calculation. The World Bank, for example, has met concerns about poverty by tacking poverty programs on to efforts to promote economic growth, but still not as an integral part of new development strategies.

Not all is negative. The BWI institutions of global governance created in the 1940s have actually played a major role in the past decades in keeping the world at peace with an accelerated growth of the global economy and trade liberalisation. They certainly succeeded in avoiding any recurrence of the experience of the pre-1940s. And no world war broke out although we have had lots of bilateral wars. Nor have we had a world-wide depression, although we have seen a number of minor recessions in the 1980s. But the BWIs were far less successful in narrowing world income distributions or in reducing poverty or even in reducing unemployment. And for the United Nations itself - and it is often forgotten that the Breton Woods Institutions are actually members of the UN - how much account do the BWIs take of decisions made in the UN General Assembly? Little or none is the response.

This, in turn, has led to an inadequacy of funding for the UN itself. To put it bluntly: many donors have always preferred the Breton Woods system of "one dollar, one vote" over the "one country, one vote" system of the UN. So they gave the UN far fewer resources than the Breton Woods organisations. UNDP's income for development projects, for example, is a modest $US1.4 billion. With the peace dividend stemming from the fall of the Berlin wall of $US200 billion a year, we can see UNDP's resources as a drop in the ocean. So the UN has far fewer resources than the BWI, the multilateral development banks, or the bilateral agencies. This inadequacy of resources has reduced the UN`s effectiveness and in a vicious circle this became a further reason to deny it resources. And we can see this not only in the UN but in its family as well: UNCTAD, UNESCO, ILO, WHO.

II.2.2 The World Bank strategy: strengths and weaknesses.

The main actor in formulating macro anti-poverty strategies has been the World Bank. It would be too lengthy to summarize all the ideas included in the impressive variety of documentation of the Bank since the publication of its main synthesis document, the 1990 World Development Report on poverty. The basis for the Bank's strategy has been, and continues to be, accelerating the rate of economic growth.

In its 1990 Report, the Bank advocated a two-part strategy. "The first element is to promote the productive use of the poor's most abundant asset - labour. It calls for policies that harness market incentives, social and political institutions, infrastructure, and technology to that end. The second is to provide basic social services to the poor. Primary health care, family planning, nutrition, and primary education are especially important". But the Bank was also aware of possible defeat when it noted: "Even if this basic two-part strategy is adopted, many of the world's poor - the sick, the old, those who live in resource-poor regions, and others - will continue to experience severe deprivation. Many others will suffer temporary setbacks owing to seasonal variations in income, loss of the family breadwinner, famine, or adverse macroeconomic shocks. A comprehensive approach to poverty reduction, therefore, calls for a program of well-targeted transfers and safety nets as an essential complement to the basic strategy". Consequently the Bank was in effect advocating a *three-part* strategy.

By 1995, this strategy had evolved into a four-pronged approach [see World Bank (1995f)]. The four parts were "..sound macroeconomic policy and growth, improved social services, appropriate targeted programmes and ...ensuring that the benefits of future growth include the poor". The main change is the inclusion of distribution aspects, since the Bank realized that growth alone would not necessarily reach the poor. Thus growth was a necessary but not a sufficient condition to ensure the poor participated in the fruits of economic growth. The proof of the pudding, of course, is in the eating; the Bank's lending reflected the key components of their strategy. Of 412 Bank projects in SSA over FY92 - FY 94, about *57 per cent of lending was aimed at establishing the enabling conditions for long run growth* (our italics). About 26 per cent of the funds were devoted to projects supporting the improvement of broadly services, and the remaining 17 per cent were (or were to be) used for activities narrowly targeted on the poor (see below on how this is determined). A review of FY 1995-97 proposals revealed very similar results.

The weakness in the Bank's strategy is revealed in the same 1995 document where it is noted: "..progress in reducing poverty has been negligible in SSA as a whole, despite success in a few countries. Slow progress in SSA is in marked contrast to much better performance in other regions of the world. For example, East Asian countries achieved average annual rates of growth over the last two and a half decades of around 5 percent per capita through rapid agricultural and export growth. This was attributable to sound macroeconomic policy and <u>a reliable legal framework</u> (our underlining), which led to high levels of private investment supported by an improved banking system and higher rates of saving. There was also a heavy emphasis on primary and secondary schooling, and health which resulted in a rapid growth in human capital. In addition governments, which had in many cases developed <u>efficient public administrations, intervened to stimulate improvement</u> (our underlining)." Consequently, the unsung meso areas of intervention that worked well in East Asia (the two under linings are the two mentioned by the Bank but there are many others) are not directly included in the Bank's overall strategy. Absent too is the area of micro intervention. The key here is community participation. This we see in the successful credit schemes in South East Asia. The Bank does include such issues in some of its poverty assessments, and is giving increasing prominence to such participation in its strategy for sub-Saharan Africa (see III.3 below). However, the point we make here is that the Bank covers many issues in its work but the key to understanding its approach is to analyse its lending operations. Consequently, while the Bank encourages community participation and local involvement in such things as the Bank's poverty assessments, these are not a major **focus** of its work if we look at what it **actually does.** The micro, "Listening to the people", approach so ably argued in World Bank staff member L. Salmen's book, is not central to the Bank's interventions. As Salmen states one strong conclusion emerged following his review of World Bank poverty studies up to the end of the 1980s:

> 'In most instances poor people are not automatically consulted in public programs and services, nor in market and input delivery systems..[Bank] poverty projects have inappropriate project design due to a lack of understanding of beneficiary populations resulting in their apathy or rejection of project components and difficulty in reaching poor people through traditional formal organizational arrangements'. [Salmen (1992)].

What counts as 'Poverty-Reducing' in World Bank Operations? 'An adjustment operation (a SAL or a SECAL) is considered to be poverty-focused when it meets at least one of the following criteria (1) it reorients public expenditures in favour of the poor, including protecting and expanding expenditures on basic social services and rural infrastructure, (2) it eliminates distortions and regulations that limit the access of the poor to labour and credit markets, productive resources, and basic social services, as well as policy-induced distortions in input or output pricing in order to help the poor to increase their income-generating opportunities, (3) it supports safety nets that protect the most vulnerable, (4) it gathers data on poverty and monitors the impact of adjustment on the poor. or (5) it helps to develop strategies to reduce poverty' [World Bank (1995e)].

During FY 1994, the Bank rated about 25% of its investment lending as targeted interventions. For IDA countries, it was 43%. 'These targeted projects are intended to reach specific groups, including the poor in disadvantaged rural and urban regions, those lacking access to land, disabled individuals, certain ethnic groups, and those with certain characteristics correlated with poverty. About 85% involve collaboration with NGOs.' For SSA countries in FY 1994, there were 20 targeted interventions, based on criteria of (a)whether they were specifically targeted for reaching the poor or (b)whether the project was one for which the proportion of the poor among the project's beneficiaries is significantly larger than the proportion of poor in the total population. [World Bank (1995e)]. Note that 18 of these 20 were in the second category which stretches the definition somewhat!

The Bank focuses much of its attention on areas where, in actual practice, it may well be the weakest: fomenting economic growth. Action in areas of meso and micro intervention where the Bank could well have a bigger impact has not been, to date, the Bank's strong suit. It is at the meso and micro levels where the UNDP has a comparative advantage and it is the meso level where we believe that most of its future poverty alleviation expenditure must lie.

II.2.3. The ILO approach

The ILO has few resources to assist in poverty alleviation directly. Its role has essentially been that off a 'think tank'. What then is its current thinking? According to one of its leading proponents the ILO's approach has three characteristics [see Gerry Rodgers (1995a, ed.)]:

'First, poverty is not viewed as merely residual or incidental, but as related to the structure and functioning of economic and social institutions. Poverty cannot be understood solely in terms of jobs, but in terms of the social context in which such jobs are embedded. Secondly, the poor have always been viewed as potential social actors rather than as targets for policy. Thirdly, domestic anti-poverty action has always been set within the external environment.'

Within this context, ILO 'thinkers' note that the current dominant approach to dealing with poverty is 'best expressed' in the World Bank's 1990 Development Report which was entirely devoted to poverty reduction. But this new 'classicism' expressed therein finds few friends within the ILO. The fact that it is based on old theories is not a cause for criticism [Rodgers et.al. (1995b)]. It is its 'emphasis on a modified trickle-down approach with income transfers which needs to be closely scrutinized, for it fails to take account of the relation between poverty and the structural and qualitative aspects of growth. As a result very little attention is paid to institutions, agents of development and the non-monetary aspects of poverty'.

But the ILO current reaction to this succinct analysis, according to the same authors, has been disappointing. The organisation itself has become more 'assertive about core ILO means of action such as the promotion of labour standards and tripartism, but without engaging in any substantive debate with neo-liberal critics who have highlighted what they believe to be the distortionary effects of labour market regulation. In this process, work on the larger issues of the relationship between general economic policies and employment and poverty has fallen by the wayside'.

II.2.4. The UNDP and SHD

Sustainable Human Development (SHD) has in recent years been the thrust of UNDP efforts in the development debate and in its funding. Indeed, UNDP's 1995 Executive Board decided that within the framework of SHD, UNDP should focus primarily on poverty. SHD is an attempt to redefine development, or at least, update the concept with a view to providing better focus in UNDP activities. This is welcome.

The term SHD is a combination of two concepts, sustainable development and human development:

Sustainable Development (SD): This is development that seeks to be continuous and worries that existing development will be resource constrained by the carrying capacity of the earth's natural resources and eco-systems. The World Commission on Environment and Development[6] (WCED) defined it to be "development that fulfils the needs of the present without limiting the potential for meeting the needs of future generations".

Human Development (HD): This is development that puts the welfare of human beings at the centre of development efforts. The UNDP defined it in its first Annual

[6]WCED, Our Common Future, Oxford University Press, Oxford, 1989.

Human Development Report in 1990 to be "the process of enabling people to have wider choices"

The definitions are not in conflict and are complementary - at least in the long term. In the short term resources are often sacrificed to meet human development goals - for example, the cutting down of trees beyond the capacity of regeneration by poor people for fuel. But, clearly, one cannot have human development if the planet's resources are extinguished nor can one have sustainable development without improving the quality of the human condition. The challenge is how to do both together.

The concept and study of sustainable development has, so far, hardly left the domain of environmentalists and ecologists. Nevertheless, they at least have recognised that one cannot have sustainable development without human development. They know, for example, that poverty leads both to environmental degradation and is also negatively affected by it. They also know[7] that a policy of maximum sustainable yield for one species may eliminate some other species or alter the underlying dynamics of the ecosystem. The system is then prone to producing unwanted surprises. These surprises can then be economically damaging, since, in many cases, harvesting industries develop on the prospects of stability and become locked into the highest supposedly-sustainable yield due to their massive investments in transport, equipment and processing facilities. Then collapses come about because the myth has grown that all inputs are infinitely substitutable, all perturbations are temporary, and the short term is indistinguishable from the long term.

SHD - combined sustainable development with human development - is an attempt to redefine development. Many have welcomed the explicit focus by UNDP on putting people first while respecting the concerns of the environment. SHD is considered to be greater than the sum of these parts and has been defined to be "the enlargement of people's choices and capabilities through the formation of social capital so as to meet as equitably as possible the needs of current generations without compromising the needs of future ones". Essentially, the concern is to ensure that the nature and quality of "development" is clear. The UNDP has refined the concept in operational terms to focus upon: poverty alleviation, employment generation, technology transfer, advancement of women, and environmental protection.

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[7] Timmerman(1986)

There are, of course a number of variations in interpretation of SHD and criticisms abound. For instance in an independent report to UNDP it was noted[8] that 'SHD can be an awkward concept created to satisfy both environmentalists and development practitioners, that field staff cannot keep up with the flurry of conceptual definitions emanating from UN HQ, it is fashionable but will go out of favour in a few years, and it places too much emphasis on outcomes and not processes'.

Given that UNDP's role is one of advocacy rather than action per se, is it helpful to add adjectives to the word 'development'? Does this confuse rather than assist? More importantly, does this mean that key decision-makers thereby take development concepts more or less seriously? The author's view is that there is some truth in all of these doubts. The SHD concept is an attempt to update the concept of development. There is nothing wrong with that. However, the risks are that the development work of the UNDP, particularly that which attempts to involve the key economic decision makers, will founder on concerns about the utility of new concepts or expressions lacking the weight of experience and research behind them. Further, as new issues become prominent on the world stage will there not be temptations to enlarge SHD to encompass these?

The author's view is that the UNDP should continue to prioritize its work in the areas of sustainable and human development but to do this through qualifying the word 'development'. What is really being accomplished when looking at a project or programme through a SHD screen is asking whether the project or programme supports development. Perhaps, therefore, it would be better to devise and evaluate projects simply in terms of development. This gets away from all embracing phrases that people find difficult to interpret and brings the debate on what development is all about back to its historical context. After all *Development* is the key word in the title of the organization. Projects and programmes then should be evaluated in terms of their contribution to development. The concept is not static since over the years the concept of development has been debated and refined, and this will undoubtedly continue into the future.

Not all UNDP projects or programmes contribute to <u>all</u> of SHD or <u>all</u> of development. The priorities of development do change from time to time, particularly among the

[8] Banuri et.al. (1994)

donor community. For instance, not so long ago energy creation was a key issue in the UN. More recently environment has assumed this mantle. After last year's Social Summit, social issues have become central on the UN's agenda, particularly the concern with poverty in SSA. In five years time the international division of labour could be the key issue as fears of job loss from countries in the North to those in the South arise. SHD may not be equipped to handle that, but *development* is. Thus what is needed is to make sure that the definition of development itself is clear and reflects contemporary concerns.

To do this we suggest using a definition of development that is essentially based on a clear list of concepts and issues. When one of these concepts is prioritized by the international community, the others will not be entirely ignored. We suggest here what these concepts, concerns or issues could be.

A project/programme is acceptable if it contributes to development, i.e. it satisfies at least one of the following criteria:

promotes human development
satisfies the basic needs of the poorest
is environmentally sustainable
has a sustainable and positive impact
is efficient
promotes participation and democracy while being sensitive to cultural diversity
alleviates poverty
promotes productive employment
promotes equitable growth
promotes effective governance
promotes business while preserving social responsibility and fair competition
promotes cooperation and coordination
promotes the role of women
stimulates innovation and creativity
promotes environmentally sound technology
helps to provide data to monitor one or more of the above

Can a human development approach also help to alleviate poverty? Human development refers to development of the people by and for people. Consequently it refers to all the people in a country. Clearly, people who are lacking in human development attributes largely include the poor. Thus a human development strategy will have many elements that overlap with an alleviation of poverty strategy.

In conclusion we believe that the phrase SHD be thought of as *development*, and that the word development be explained and used according to a short and concise description. At any one time the UNDP may wish to focus on a particular aspect of development, as it is doing now with its concern for poverty alleviation.

II.3 Contemporary theories of poverty: The main recent literature

It is ambitious to attempt to even summarise the literature on theories of poverty. Consequently in our short survey here, we have been eclectic and cover contributions that are currently being frequently drawn upon within the UNDP, World Bank, ILO and other international aid agencies.

The Sen "entitlement" approach[9] has produced a frequently quoted theory of poverty. It was developed as a challenge to the view that famines stem from the lack of availability of food. His theory is based upon the notion that food poverty is explained not entirely by the overall availability of food but by a number of factors that allow one group rather than another to get access to food:

" A person's ability to command food - indeed, to command any commodity he wishes to acquire or retain - depends on the entitlement relations that govern possession and use in that society. It depends on what he owns, what exchange possibilities are offered to him, what is given to him free, and what is taken away from him" [Sen (1981)]

[9] We draw upon the discussion of Sen's approach in Godfrey (1995, op.cit.)

Sustainable livelihoods[10] provide the theme for Robert Chambers work [Chambers (1994)]. Chambers starts with a definition on the causes of poverty along eight dimensions:

- X (1) poverty defined as a lack of physical necessities, assets and income;
- X (2) physical weakness, sickness or disability;
- X (3) isolation, whether due to geographical remoteness or to lack of contacts and information (including the effect of illiteracy), of access to social services and markets, and of social and economic supports;
- X (4) vulnerability, as a result of exposure to risk, shocks and stress and lack of means to cope without damaging loss;
- X (5) powerlessness, reflecting all of cases 1 to 4 above and implying the ease of exploitation;
- X (6) social inferiority, whether due to gender, caste, race, ethnic group, class, occupation, or to stage in life cycle;
- X (7) seasonality, affecting patterns of work, availability of food and income, indebtedness, sickness etc.;
- X (8) humiliation and blows to self-respect, often associated with indebtedness and dependence on patrons.

Chambers suggests that this approach may be operationalised in terms of sustainable livelihoods. The word "livelihood" rather than "income" or "employment" is used, in recognition of the fact that the poor have multiple sources of income, support and survival. Chambers lists 23 such sources: home gardening; common property resources; scavenging; processing, hawking, vending and marketing; share-rearing of livestock; transporting goods; mutual help; contract outwork; casual labour and piece work; self-employment in a specialised occupation; domestic service; child labour; craft work; mortgaging and selling assets; family splitting; migration; remittances; seasonal food-for-work, public works and relief schemes; stinting; begging; theft; and allowing the weak to die (triage). Godfrey notes that sustainable livelihood is potentially an operational concept. However, with the exception of remittances and triage all sources included in the list of Chambers (and more) form part of the ILO's definition of employment in an extensive body of tried and tested literature. This ILO accounting should not be ignored even if we are unhappy with the international

[10] Again we draw upon the discussion in Godfrey (1995)

definitions (e.g. unemployment), since these provide a baseline and have been debated and understood at length by experts in the field. Consequently, rather than insert yet another concept in the already large collection (human development, basic needs, SHD, entitlements etc.) it would be better to focus on how to create employment - be it via Chambers list or more - and improve the existing productivity of jobs. This approach we shall discuss later and thereby take the poverty alleviation debate into more tested ground i.e. what we know rather than what we don't know. The inclusion of new concepts, something the World Bank studiously avoids, should only be done sparingly and when the concept has had its full airing. Remember that the concept of a basic needs strategy took two years in the making and then five years in elaboration before eventually proving unpopular at the political level. A corollary of this is that the UNDP should be wary of introducing new adjectives into the development or poverty debate and then only when they serve to enhance understanding and not to cloud it.

Michael Lipton (1996) develops a number of lessons for "good" anti-poverty policies based upon an examination of the existing empirical evidence. His overriding conclusion is that "higher resources per person go with less poverty", which is not surprising until we see that "there is plenty of scope for circumstance and policy to enable a country to succeed in delinking resource scarcity from poverty" and that "there is more scope for policy to reduce misery". He confirms the thrust of much of the development economics debate since the "redistribution with growth" contribution of the World Bank and IDS in the late 1960s to downgrade growth as an end in itself, and to upgrade "human development". Indeed, the undue pessimism of the World Bank that "our proposed poverty reduction strategy entails high risk given that it is proven so difficult even to get to the levels of growth now occurring in Africa, after many years of effort" [World Bank, "Africa Region Strategy, FY97-99", Oct 20, 1995] may well be misplaced. This view is also the theme that runs through UNDP's own Human Development Reports, where evidence is consistently presented that many countries with relatively low levels of GDP per capita can achieve high levels of development as measured by its Human Development Index (HDI). *This is not to say that low levels of growth will actually help reduce poverty, but that there are many inexpensive ways to reduce poverty without the need for very rapid growth rates.*

A recent workshop on the so-called "new poverty agenda" by IDS [see Baulch (1996)] also disputes the apparently "widely accepted two-prong strategy" of the

World Bank's 1990 WDR of "labour intensive growth and provision of social services". Based on the East Asian experience, the IDS notes that "there is growing acknowledgement that this strategy...will not be as effective in reducing poverty in other regions" such as nearly all of sub-Saharan Africa where the incidence of poverty is today much greater than in East and South East Asia. Differing cultural, political and social norms sharply constrain the extent to which different sections of the poor are able to convert rises in income and greater access to social services into improvements in individual well-being. "In such circumstances, the two prongs of the WDR 1990 strategy cannot be relied upon to raise the bulk of the poor above the poverty line. To prevent the poor, especially in sub-Saharan Africa, from simply 'dropping off the map', more radical interventions (such as land and asset redistribution, the provision of pro-poor credit and payments system reform) are required." The IDS' more radical strategy, remarkably similar to the ILO basic needs strategy of the 1970s, is not without cost, as they continue to note: "In countries with substantial inequities in the structure of ownership, delivering such a package of pro-poor reforms usually leads to conflict with the elite groups that control the state - indeed, it is these groups who often constitute the biggest constraint to poverty reduction".

The dilemma posed above is between, on the one hand, the 'reformist' package suggested by the Bank (now expanded to four major thrusts) which will be more or less acceptable to countries and that has had some measure of success in East Asia, and, on the other hand, the radical alternative proposed by the IDS. This will not be acceptable, in general, to the elites of sub-Saharan Africa where it is untested. Where some even more radical variants have been tried, such as in Pol Pot's Cambodia or Mao's China, they have been risky and unsuccessful in reducing misery. Clearly, UNDP would also have a difficult time proposing a radical alternative and must, of necessity be somewhere in between the Bank's reformist strategy which, as itself admits, has little chance of success in the short to medium term, and the more radical approach proposed by more progressive groups such as the IDS.

II.4 Toward a UNDP-supported strategy: The main elements

What could be the elements of a UNDP-supported poverty alleviation strategy? Godfrey (1995) has imaginatively placed Sen's theory coupled with Chamber's sustainable livelihood ideas in a table that juxtaposes the causes of poverty with a number of policy interventions required to alleviate them. We have used and modified that table (see table 2) as the basis to develop the elements of a proposed UNDP strategy.

In Table 2 the left-hand column lists some of the main causes of poverty that comprise both the endowment or ownership of a bundle of assets and a mapping of exchange entitlements. The middle column (drawing upon ideas of sustainable livelihoods) identifies the policy intervention implied in each case. For instance, the ownership bundle of the poor can be augmented by policies which affect their acquisition not only of land but also of human capital and of assets purchased on credit. The right-hand most column illustrates how each intervention fits into the 3-M framework described above - remember that macro is overall policy, meso is the institution/delivery mechanism and micro is the direct contact with people. Hence one can see for some policies both meso and micro aspects or both macro and meso aspects. In a sense all interventions have all of 3-M but those categorised in Table 2 are the *main* types of activities in each case.

Table 2: Causes of poverty and typical policy response

Causes of poverty - **Standard of living of the poor depends on:**	**Intervention in favour of the poor**	**3-M Policy?**
(a) the *endowment* or ownership bundle of the poor (e.g. land, labour power, other assets	-Reallocate assets (particularly land) to them & ensure their access to sustainable common property resources - Ensure their access to clean water, health care, sanitation & other socially provided goods & services - Ensure their access to high quality schooling and adult literacy classes - Ensure that their acquisition of assets is not constrained by lack of credit	Meso (developing institutions) and Micro (direct contact)
(b) the *exchange entitlement* mapping is affected by:		
(i) whether employment can be found, for how long and at what rate	- Follow policies on government budget, exchange rates, interest rates, wages, deregulation of the economy etc. which favour employment creating growth (Godfrey uses labour-intensive growth) - Set up system of safety nets for seasonal & cyclical bad times, e.g. food-for-work or public works schemes	Macro Meso and Micro
(ii) what can be earned by selling non-labour assets, compared with the cost of what is to be bought	- Ensure fair markets for non-labour assets (particularly land, housing, livestock) - Ensure their access to efficient & equitable distribution system within a stable macro-economy - Consider subsidies to the goods they consume e.g. food stamps	Macro Meso Meso and Micro
(iii) what can be produced with own labour power and other obtainable resources or resource services	- Follow policies on government budget, exchange rates, interest rates, wages, deregulation of the economy etc. which favour employment creating growth (Godfrey uses sustainable livelihood intensive growth) - Remove restrictions on their livelihood activities and stop harassment	Macro Meso

Causes of poverty - Standard of living of the poor depends on:	Intervention in favour of the poor	3-M Policy?
	- Re-orient research toward their crops & livelihoods - Ensure their access to knowledge for sustainable livelihoods - Ensure that their access to resources/inputs is not constrained by lack of credit	Macro and Meso Meso Meso
(iv) the cost of purchasing resources or resource services and the value of the goods that he/she can sell	- Remove barriers to their entry into production of high value commodities - Ensure their access to an efficient system for transport/marketing, & necessary skills - Consider subsidies to their inputs & outputs e.g. tax credits	Meso Meso Meso and Micro
(v) entitlements to social security benefits, and liability to pay taxes	- Ensure that benefit system, if any, covers them effectively. - Exclude them from coverage of direct taxes, fees etc.	Meso
(vi) intra-household	- Change legal & property rights - Increase education of females - Raise consciousness of males	Macro and Meso Meso and Micro Macro, meso, micro

Godfrey states that "These classifications of poverty and corresponding interventions show what a comprehensive, national anti-poverty programme would involve. They suggest that economic development and poverty alleviation are not synonymous. Poverty alleviation is development with a substantial reorientation in favour of the poor". Additionally, we can note that the framework presented contains macro, meso and micro interventions. It goes further than the World Bank three (or four) point strategy noted above (sound macroeconomic policy and growth, improved social services, appropriate targeted programmes and redistribution toward the poor). However, if we enter into the details of the World Bank approach, we see that the difference is more in emphasis than real.

For the Bank focuses upon "Achieving high rates of sustainable growth is undoubtedly the most important strategy for poverty reduction in Africa" [World Bank (1995f)]. Nevertheless, in a given World Bank poverty assessment one can find analysis of just about all the points in Table 2.

The main difference between the implied policies in Table 2 and the World Bank approach is twofold: First (as we have noted before) the question of emphasis and, second, who is to carry them out. The Bank emphasises growth. When this is deficient, as is the case in most SSA countries, the Bank's strategy falls down, as it itself admits when it notes that "the trend rates of growth in Africa are simply not enough to have a significant impact on poverty reduction. The average growth rate of GDP for SSA is forecast by the Bank to be 3.8 per cent per annum over the next decade. That rate implies at best a per capita growth rate of around 1.3 per cent per capita per annum which means that it will take half a century to double income. This is not even remotely adequate for meaningful poverty reduction...with the current population growth rate and pattern of growth, the number of poor will not change unless the average growth rate of national income is more than 5 per cent per annum". But, even with this gloomy perspective, the Bank still places increased growth at the centre of its efforts. The UNDP has to decide whether it will go along with this strategy or whether it can come up with a convincing new one. This will have to be decided on a country by country basis. Certainly the basic question is that with the low growth rates forecasted what if any of the actions in Table 2 could reverse the negative trend in poverty?

The Bank places great emphasis on the roles of the private sector and the role of the Government as a facilitator. When neither the private sector or the Government operate effectively, change is required. The Bank is strong on advocacy for the former but weaker on the latter, particularly in supporting necessary changes in institutions to prevent corruption, establishing reasonable and observable laws and practices, re-directing public expenditure away from costly white elephants and the military, all part of the process that creates and perpetuates poverty. This does not mean to say that one cannot find such considerations in Bank work, but that the emphasis has hardly been in these critical areas.

Alejandro Grinspun[11], in a comment upon Godfrey's table, notes "... the table is extremely important on the connection between causes of poverty and interventions to counter them. It highlights the importance of the legal and regulatory framework, macroeconomic and budgetary polices, social security systems, education, and basic services, credit, taxation, asset creation, subsidies, safety nets...Small wonder that both the understanding of, and the approaches to, poverty issues have become ever more complex and comprehensive! There are some gaps too, like population and environmental issues which have a bearing on poverty by affecting food security, the ownership bundle of the poor, or the capacity of governments to provide basic services on a sustained basis." He adds "what are the most cost-effective, high leverage areas for UNDP assistance? In which areas has it already developed sufficient expertise?′ (These, and other questions, are covered in detail in Part III.4).

[11]Internal memorandum, November 1994.

Briefly, UNDP's comparative advantage lies in:

* its neutrality (it allows the Government to obtain independent advice or provides itself another opinion on sensitive policy issues)
* as a facilitator (it advises the Government on alternative sources of funds and helps it to prepare project documents)
* as a coordinator (the UNDP Resident Representative's capacity to act as Resident Coordinator for the UN system's operational activities)
* as an idea generator (through independent, dispassionate advice and analysis)
* as a mobilize of people (supplying the Government with international experts through use of its worldwide contacts).
* as a provider of grant aid, not loans, and string free i.e. not linked to commercial interests.
* its mandate is cross-sectoral

II.5 Sector components of anti-poverty programmes

In this and the subsequent sections of part II.5, rather than an attempt to cover all aspects in depth, the approach taken has been to highlight what are the key issues under each topic.

II.5.1 Basic needs and human resources

Monetary measures only capture one aspect of welfare, which is why there has been increased interest in recent years on non-monetary aspects of welfare such as nutrition, health, education, housing, employment etc. The phrase "basic needs" has been used to capture such concepts to the extent that many argue that the satisfaction of the basic needs of the poorest should be a major objective of development. Basic needs cover both the aforementioned material needs as well as non-material needs such as participation, and freedom. Here is not the place to go into the concept and controversy surrounding the notion of basic needs [see Hopkins and Van Der Hoeven (1983)].

Closely associated to the notion of basic needs is the question of human resources. This subject covers items such as population, employment, education and training, and health and overlaps with basic needs. The main difference between a focus on human resources compared with that on basic needs is that the former covers the whole population while the latter is more concerned with disadvantaged groups. Where to place employment has generated some discussion, since it can be seen either as a means through which basic needs are satisfied or as an end in itself because of the 'recognition' aspect of work. Thus, in the former case it is an human resource issue and in the latter, a basic needs issue.

In the following sections the material basic needs of nutrition, food security, health, education, and housing are discussed with a poverty focus.

II.5.2 Nutrition

Malnutrition, particularly of children, is closely linked to poverty. Anthropometry provides fast data capture techniques to measure deficits in food-energy and protein that manifest themselves in stunting (slow linear growth) and wasting (being emaciated). The two indicators used are (i) height for age less than 90 percent of the reference median height for age to measure **stunting**, and (ii) weight for height less than 80 percent of the reference median weight for height to measure **wasting**. According to the Bank [World Bank (1995f)], nearly one half of all children are stunted in Malawi, Burundi, Madagascar, Rwanda, and Ethiopia and one in ten children are wasted in Niger, Mali, Nigeria and Ghana. While malnutrition is declining in every other part of the world, nutritional status has remained stagnant or deteriorated in much of Sub-Saharan Africa in the last decade.

The socio-economic characteristics of the malnourished are clearly important for determining the causes of malnutrition. Data presented by David Sahn for the Cote d'Ivoire [Sahn (1988)] show that, as might be expected, when per capita expenditures rise, there is a decline in the percentage of children who suffer from long-term malnutrition. Although there was no gender differential determining stunting and wasting, nor a noticeable effect from family size (after controlling for income), mother's and to a lesser extent father's height is strongly correlated with height-for-age of their offspring; and children who were ill or injured during the month before weighing were about twice as likely to be acutely malnourished. This latter point emphasizes the importance of public health measures that will effectively combat diseases; even rudimentary primary health care that mitigates the consequences of illness are central to the reduction of wasting among pre-school age children. In that regard, the importance of targeted measures to improve weaning practices is emphasized, since children between 12 and 24 months are especially vulnerable to acute episodes of malnutrition that precipitate long-term malnutrition in the years that follow.

Among other non-income related factors, the education of the mother is a key determinant of current nutritional status and suggests that the general education of women plays an important role in equipping mothers to avoid and/or cope with crises concerned with malnutrition. This is, according to Sahn, over and above the fact that better educated women have higher earnings that help to raise household expenditures and thus nutritional status. Interestingly, raising the father's education did not have the same effect, even to the extent that when controlling for per capita expenditure levels and other socio-demographic factors, raising father's education actually worsened the current nutritional status of pre-schoolers. This was, as explained by Sahn, because men do not assume primary responsibility for child care and thus improving their knowledge does not contribute appreciably to better nutritional outcomes. On the other hand, a higher educational attainment of the mother improves the productivity of household activities, such as child care, and improves the quality of decisions that fall in the women's domain concerning the choice of food and other inputs that contribute to good nutrition.

That women's education is more beneficial than men's education, after controlling for expenditure levels, is not a case for reducing the education of men, since gross returns to education among men in urban areas appear to be higher than for women; although in rural areas, this is only the case for junior secondary, not senior secondary education. Thus the vital role of education to help men raise household income levels cannot be ignored. Nor can the likelihood be disregarded that better educated men will help to better appreciate the role of women, thus potentially helping to reduce discrimination.

Most analyses of malnutrition generally support the view that malnutrition is a problem of poverty and that any policies that raise the incomes of the poor, or result in a greater availability of social services, especially in primary health care and primary school particularly for women, will have immediate and long-term positive impacts on the nutritional welfare of children. This is not to say that specific interventions cannot help. The Bank (1995f) believes that community-based nutrition projects or significant nutrition components in social sector projects can make a difference. The Bank's Africa Region's nutrition portfolio of such projects is still young and small, albeit growing .

II.5.3 Food security

Food security is closely linked to poverty. The concept refers to the entire food system (production, marketing, processing) which is 'secure' when it can supply affordable and predominantly locally grown food to urban centres, to ensure adequate nutritional intake for all the population at all times, and even develop food exports. Activities include raising agricultural production, development of the food industry, improving nutrition and supplementary feeding programs, addressing the time constraint of women through development of labour saving technology, and promoting the development of transport infrastructure in ways that support food security objectives.

It is obvious, but worth emphasising, that not all countries should produce all the food that its people consume. Comparative advantage whereby a country produces diamonds (which it is better at) for exchange for food (which it is less good at) should dominate. Comparative advantage can, of course, be enhanced over time particularly through human and social capital developments. But focus on food production to the exclusion of other, but higher value-added, products should not normally be the route to food security. Politics intervene, of course, and if the higher value-added production and products are concentrated in few hands it will not necessarily contribute to food security. In Zaire, in particular, but other SSA nations too, improved income distribution measures would be more important than growth measures for food security as well as for the satisfaction of the other material basic needs of the poor.

How to ensure food security, especially of imports, when prices fluctuate wildly and local production is not sufficient? A 'security' issue normally means government intervention but is that what is required to ensure absolute food security? The literature is not clear on this point and tends to emphasise domestic production with low import content and the stimulation of growth in the traditional small-holder sector. Both are acceptable for poverty reduction but neither, in themselves, will ensure food security as such. A successful poverty alleviation strategy will ensure food security. Consequently, the authors believe that this should be the focus of intervention efforts rather than food security for its own sake.

II.5.4 Health

Life expectancy in SSA was 51 years at birth on average in 1991, compared with 60 in South Asia, 68 in Latin America and 62 for all developing countries (UNDP Human Development Report, 1995). Access to health services was 56%, 77% and 79% for Africa, Asia and all developing countries respectively. Life expectancy increased more than ten years since 1960 but has been nearly stable since the late 1980s (Bank, 1995f). There are many areas for improving the health status of Africans without, necessarily waiting for significant jumps in the economic growth rate. The Bank notes that practical fiscal neutral measures such as decentralisation of health care delivery, improved management of essential inputs to health care, health personnel and health sector infrastructure and equipment would make significant improvements.

The system of health in Africa is, arguably, disproportionately geared toward large hospitals in urban areas while paying insufficient attention to primary health care centres in rural areas. Health systems rarely reach out to the poorest sections of the society.

Results from the Cote d′ Ivoire, [see Ravi Kanbur (1988)], show that the percentage of the population by region who reported themselves to be ill during the previous 28 days are broadly consistent with the regional disaggregation of poverty, i.e. poverty and illness go hand in hand. These results are even more striking when it is noticed that the poor are **less** likely to report themselves as sick than the non-poor.

What is as important is how those who were ill utilized the available health services. For the whole of the Cote d'Ivoire, 51.5 percent of all individuals in 1985 consulted health personnel. But there was a significant difference between the consulting rate for Cote d'Ivoire as a whole and that for the bottom 30 percent. Only 42.5 percent of those who were ill and in poverty consulted a medical person and the figure was even lower for those in hard core poverty at 39.4 percent. The pattern across all regions reflects the incidence of poverty.

Whether the emphasis in health is given to the hospital sector in the current investment and recurrent budget with a bias from the poor toward the rich in urban areas is a matter of concern for Africans. Again, the data from the Cote d'Ivoire seem to support this hypothesis since of all hospital visits 56 percent were made by those in Abidjan or other urban areas. Furthermore, only 19.2 percent of the hard core poor who consulted someone for illness did so in a hospital - the corresponding figure for the bottom 30 percent was 23.6 percent and the average for all Ivorians was 34.6 percent. A related issue is the use of public and private health facilities. Of all consultations 80.9 percent took place in a public outlet with, as might be expected by now, the capital Abidjan showing a greater use of private health care compared with other regions. The poor do not show a very much higher use of public health facilities than average despite their higher morbidity rates, nor do they use hospital facilities as much as the rich. The main policy implication drawn by Kanbur for all this is that a targeted cost recovery program in hospitals together with an improvement in the non-hospital sector would do most for the poor. This conclusion is backed up by [Russell (1989)] who noted that the majority of health personnel, whatever their area of specialization, have been trained to care for ill people within a hospital context, with little having been done to promote preventative health care. Since the rich benefit more from publicly-provided health services than the poor any reduction seen in public health expenditure and investment will probably affect the rich more than the poor. It is probable that these results can be applied all over SSA, given that the Cote d'Ivoire may well be one of the better countries for health care and distribution in SSA.

II.5.5 Education

The seeds of any future prosperity, it is universally recognised, are planted in the education system, particularly primary education. This depends not only on the supply of places but on the demand for them. It is not enough to provide the facilities and have good teachers available - children and their parents have to want to go to school or be helped to raise this in their list of priorities. The poverty trap is well-known where children need to work to provide some of the income for their poverty stricken families yet poverty will never be reduced unless the children go to school. SSA has performed particularly badly in this respect - primary education enrolment expanded during the 1960s and 1970s but gave way to stagnation and decline by the 1990s - the regional gross primary enrolment ratio increased from 36 per cent of the school-age population in 1960 to 78 per cent in 1980, then declined to 68 per cent by 1990 (World Bank, 1995f). Literacy rates are also among the lowest: an average of 54 per cent of adults in SSA compared with 79 per cent in South Asia, 90 per cent in Latin America and 68 per cent for all developing countries (UNDP Human Development Report 1995).

There are also wide regional disparities in access to education, with primary school coverage ranging from almost 100 percent in large towns and cities to practically nil in more remote rural areas. Girls also continue to have an inequitable access to education.

Such differences indicate that a major shift in educational policy toward a poverty focus is needed in order to correct the large discrepancies shown.

Would the transfer of resources from the public to the private sector help the poor? That the poor hardly use private schools is not a complete argument for focussing education in the public sector - it might be that private schools are simply just not available. However, the poor are poor because of low expenditure and thus entrepreneurs are unlikely to set up private schools in poor areas simply because the poor do not have the cash to send their children to school. Thus, it is likely that expansion of public education in poor areas will benefit the poor more than an expansion of private education.

II.5.6 Housing and the homeless

Compared with any other region of the world, SSA has the highest rate of growth of its urban population. Although only 30% of the population live in towns compared with 35% in all developing countries, its growth over 1960-92 was 5.1% a year compared with 3.8% in all developing countries [UNDP (1995b)]. Yet housing services have not kept up with this growth - only 59% had access to sanitation services in urban areas compared with 69% for all developing countries and 73% had access to safe water services. The situation in the rural areas was even worse, with only 29% having access to sanitation services and 35% access to safe water. Figures for homelessness are not available and, as noted before, these data cannot be collected by household surveys; other techniques must be used.

Public housing schemes are not the complete answer for housing the poor. The main beneficiaries of the housing program have been those at the upper end of the income distribution, at least in the case of Cote d'Ivoire according to Kanpur's 1988 study. There, the propensity for the poor to own their homes is extremely high, suggesting that a poverty focus is unlikely to indicate a great need for intervention in the rental market.

The experience of two public corporations in the Cote d'Ivoire to promote the development of low- to middle- income housing has been poor and not an example for the rest of SSA. Kanbur noted that out of 730 individuals in a sample who rented from these agencies, only 14 were below the high poverty line and there were none below the hard core poverty line! Further, of those for whom rent was subsidized or paid by someone else - for 80.5 percent this subsidy came from a public agency. In the sample there were **no** poor who fell into this category. On the face of this evidence it would appear that the disengagement of the Government from running housing corporations is unlikely to be detrimental to the poor. This does not necessarily imply that the Government has no role to play, only that policy that focuses on poverty groups must take account of regional differences in the pattern of ownership. Indeed, how the poor can benefit from Government intervention must be re-examined in the light of previous policy failures.

II.6 Targeting and Safety nets

II.6.1 Targeting

Can targeting the poor alleviate poverty at lower cost than alternative approaches and therefore be considered preferential as an intervention, particularly in times when government expenditure is being frozen or cut in real terms? The response is not clear-cut. Transfers or services for the poor exist at least two main levels. The World Bank distinguishes between broadly and narrowly based services, the former like national primary education or primary health care, will include poor people but will not be targeted to them in particular. Narrowly based targeting includes such interventions as income generating schemes for poor women, food subsidies for children living in certain poor geographic areas, or direct transfers to the poor.

Yet targeting is not a panacea to eliminate poverty. There are two main arguments against targeting. First, to correctly identifying the poor and then organizing an efficient delivery system may be expensive, both because the characteristics of the poor may change over time and because constructing a screen in which the non-poor are excluded is difficult. If the screen is ill-thought out and then applied, it may be too porous, leading to objections of waste by the population at large. An example of this abuse is cited in Glewwe and de Tray for the case of Sri Lanka. There self-reported income was used to determine household eligibility for food rations and this resulted in three times the number of households being estimated to be eligible for the program. On the other hand, cases have been reported in both the USA and the UK where claimants qualifying for subsidies because of their disadvantaged position did not claim their rights either because the system was too complicated to allow them to do so or they were too proud to identify themselves as being in need. This is, of course, not an argument against trying but serves to illustrate the difficulties of targeting. A second problem with targeting, as for example in the case of food subsidies for example, is that once they have been introduced they are difficult and politically unpopular to remove. It is better to help the poor to help themselves.

As noted above, the poor are poor and remain poor because they neither possess nor have access to assets, either physical or human. We argue that the key to resolving the problem of poverty is to improve the physical and human asset situation of the poor. This does not mean that certain forms of targeting do not have a role to play. The rule should be self-targeting as far as possible for those who can help themselves out of poverty and direct targeting to the incapacitated poor who are those who are obviously underprivileged and who cannot help themselves no matter what access they have to assets e.g. the mentally ill, the handicapped, orphaned children etc.

What do we mean by self-targeting? This occurs in, for instance, food-for-work schemes where the ration available is set at minimum calorie needs plus some cash to make up for non-food items. Then only those who are in absolute poverty will present themselves for work since others will either find alternative and higher sources of income, or will be among the incapacitated poor receiving direct payments. Obviously this will only work in practice if enough funds are available and where there are public works schemes that have a demand for unskilled labour.

With more resources than normally found in SSA, the self-targeting scheme visited by one of the authors in Tunisia allows the poor to be identified either by local social workers or by presenting themselves to the 'guichet unique' (a Government office that specialises in social assistance). There they are offered work in public works projects, provided information (and sometimes grants) about training schemes. In some cases, prospective employers receive subsidies per person employed so as to promote employment. This latter process is controversial since it may be that provision of Government subsidies simply leads to subsidising labour that would have been employed anyway.

II.6.2 Social Safety Nets and Social Funds

Safety nets have been variously categorised and conceptualised. Vivian, for example, categorises them to cover a variety of mechanisms implemented in conjunction with structural adjustment measures and designed either to provide benefits to the poor or unemployed, to reduce the impact of adjustment measures on certain groups, to create or improve social and physical infrastructure or a combination of all of these [see Vivian (1995)].

Safety nets can encompass targeted interventions and, more recently, have been one of the main foci of Social Funds. These are generally meant to be temporary, but not all safety nets are so - an unemployment compensation scheme or poor relief given to all below a poverty line for instance. For conceptualisation it is therefore probably better to use the term *safety net* to describe a permanent intervention that is narrowly focussed and concentrates on targeted interventions, and the term *social fund* as a temporary instrument designed to mitigate the short-term negative effects of structural adjustment programmes.

Social Funds have cropped up in many developing countries and are, in principle, aimed at temporarily benefitting those people who otherwise could not be reached by traditional Government interventions or developing innovative delivery systems that will eventually prove sustainable enough to be replicated by Government or other bodies. Institutions being what they are, it is unlikely that any of the social funds that have been set up in the past ten years or so will lose their temporary status. Their likely new role as permanent bodies has still not been clearly defined. In the SSA setting, it would be no bad thing if social funds were set up directly to address the issue of poverty - not to resolve it completely, since that would be wildly unrealistic, but to suggest and experiment with innovative methods and ideas to reduce poverty significantly. A coordinating body, close to the head of state, is also useful to ensure a poverty focus, provided it has sufficient political support to allow it to work across ministerial lines. A Social Fund would be an adjunct or parallel institution to such a body since one should not confuse a funding operation with the persuasive and strategic role of an inter-ministerial advisory group.

II.7 Structural adjustment, debt and poverty

II.7.1 Structural adjustment and poverty

To date structural adjustment programmes (SAPs) in Africa have not been designed with a specific focus on alleviating poverty, at least in the short term. The approach, as is well-known, is to focus on achieving fiscal and external balances and to reduce the rate of inflation (known as stabilization) coupled with changes in the structure of incentives and institutions (known as structural adjustment). It is admitted that as an economy moves from one time path to another during a transitional period some social costs are incurred. After this transitional period it is anticipated that the economy will move onto a steady state of expanded growth and increased resilience to shocks. Then, it is argued, in a long-term perspective the objectives of poverty alleviation and structural adjustment are not necessarily in conflict.

SAPs are essentially macro-economic instruments. Yet, the link between the macro economy and the micro-economy of households and enterprises - the meso economy - is fundamental for the success of the SAP. Meso policies are concerned with the allocation of resources and/or the distribution of income. They act through three main links: first, through markets since macro-economic adjustment policies will tend to alter the market conditions faced by households and enterprises both through changing relative prices and the quantities that are traded. Second, through changes in government expenditure which, in turn, change the pattern of economic infrastructure such as price support schemes for agricultural products, transport subsidies etc. And third, through the impact of both the magnitude and composition of the government budget on social infrastructure such as health, education and other public services.

The immediate effects of structural adjustment programs on households, both rich and poor, come about [see Glewwe and De Tray (1988)] through one or more of three main means: changes in the prices of goods and services consumed by households, the provision of public services (including transfers) and the employment status of household members. Subsistence economy households exist outside of the formal economy and are less likely to be touched by either of the aforementioned three interventions.

In Africa, poverty is largely concentrated among agricultural small-holders. Clearly, a SAP that leads to reduction in public employment in urban areas and increases in locally-grown food prices could change the nature of poverty from a largely rural to a largely urban phenomenon. However, the immediate direct effects of a SAP on the poor in African countries, in the absence of targeting or special provisions, will come about in at least four associated ways. First, price increases, especially on food items, may make it difficult for the poor to meet minimum consumption needs. Subsistence farmers and those who market small food surpluses are either not likely to be affected or will benefit from the price rise. Those poor in rural areas who do not produce enough food to live on themselves and rely on food subsidies will be hit hard by the twin effects of rising food prices and (typically) reduced food subsidies. Second, the employed poor may become unemployed or find their real wages are reduced. In fact, the existing poor will probably be largely outside a formal wage structure and therefore wage declines resulting from unemployment are unlikely to affect them. More likely, is that underemployment will rise, leading to increased hardship among the poor and the creation of a new poor arising from those job-seekers who find that previously guaranteed government jobs in the civil service or state industry are no more. In the adjustment period it may be very difficult for the newly unemployed to find new sources of employment and thus this group could be badly affected. Third, the poor who rely on public services are likely to find themselves having to cope with fewer or lower quality services or reductions in government transfers. Fourth, the head of the household of groups negatively affected by the SAP will inevitably pass on the consequences of reduced possibilities to other members of the household. It cannot be assumed that income is distributed equally within the household and therefore it can be assumed that reduced circumstances will first touch the females in the household before the men.

Determining whether poverty was increased or was, at least, not improved; due to external shocks, domestic policy-making, adjustment policies or a combination of all three is virtually impossible. What is clear is that the growth intended by structural adjustment has been a long time in coming in Africa and that only recently has much thought been given on how to mitigate structural adjustment's immediate negative effects on poverty. For a longer and succinct discussion of these issues, only summarised here, see Van Der Hoeven (1995).

II.7.2 Debt and poverty

Multilateral debt is a millstone around the neck of the poorest countries, according to the UN Secretary General. Twenty five of the thirty two countries classified by the World Bank as severely-indebted low-income countries (SILICs) are in SSA. The overall debt stock of all SILICs was around $210bn in 1994. This means that they have debt-service-to-GNP ratios of over 80 per cent or debt-service-to export ratios of over 220 per cent. In practice this means that SILIC countries such as Uganda must spend $17 per person a year on debt repayments (such payments are mainly to the multi-lateral organisations, the IMF and the World Bank; since 1987 the IMF has received some $4bn more in debt repayments from the SILICs than it has provided in new loans). This figure should be compared with spending on health for example - $3 per person. Between 1990 and 1993, Zambia spent $37 million on primary school education while, over the same period, it made debt repayments of $US1.3billion. Repayments to the IMF alone were equivalent to ten times government spending on primary education. This was during a period of deep crisis in the educational system caused by chronic under-funding. In Tanzania, spending on external debt is double the level of spending on water provision. Yet more than 14 million people in their country lack access to safe water, exposing them to the threat of waterborne diseases, which are the main causes of premature death and disability. [Data from Oxfam (1996)].

That the crisis is deepening is undisputed; in 1995 repayments of $16bn fell due equivalent to almost half of their export earnings. In the event, SILICs were able to repay less than half of this amount, with the rest added to principal and arrears. And in 1993-94, $2.9bn was provided to the SILICs through IDA, out of which $1.9bn was spent on repaying past World Bank loans or, in other words, for every three dollars spent under IDA, two dollars came straight back to the World Bank in the form of debt payments.

This does not mean that nothing is being done but what is being done is too little and too late - northern governments have been willing to defer their demands on debtors on a bi-lateral basis. Nor does it mean that the multi-lateral organisations are causing the human suffering that results from funds potentially useful for alleviating poverty being transferred then as debt repayment. African Governments could have done, and could still do, far more to reduce the toll of human suffering and lost potential. It is not uncommon for over half of national health budgets to be spent on a couple of teaching hospitals at the expense of the primary health sector. In Uganda ten times as much is spent on curative as on preventive health care and in Zambia one of the few facilities to have been spared the dramatic cuts of recent years has been the University Teaching Hospital in Lusaka, which received one-third of the entire 1993 health budget. And an argument not to be sniffed at and much in vogue among senior managers in the Breton Woods' organisations is that there is 'no free lunch' in debt relief, i.e. if the economic mismanagement which leads to unsustainable debt burden is rewarded with debt reduction then the incentive is much reduced to pursue sound economic policies.

But all are agreed that the suffering in the SILICs, especially SSA, cannot continue. On the other hand debt relief without sound management on the behalf of the debtors will lead to similar problems in the future coupled with an increased reluctance to do much about it. A 'solution' is to look at *debt swap* possibilities in the social area that will lead to reduced poverty and increased economic growth - investment in primary education for example. The practice of debt swap has started in the environmental area, but experience has shown that it is best to have something physically obvious to exchange for debt relief - land tied to environmental purposes has been one of the main ways. In the area of debt swap for poverty alleviation physically obvious things are less available. Increased human capital or more preventative than curative health care are difficult to measure. Perhaps the setting up of a social fund in each SILIC country with the aim of poverty alleviation could be one solution, with the activities of the social fund closely monitored by independent evaluators with the power to close operations if necessary? Other solutions will require the imagination and drive currently given to debt service activities by creditors and debtors alike.

II.8 Some Thematic Issues

II.8.1 Population

The statistics are stark enough - the population of 510 million in SSA grew at 2.8 per cent p.a. over 1960-92 and is projected to increase its rate slightly to 2.9 per cent over 1992-2000, arriving at a population of 640 million at the period's end. The negative effects of population on poverty are not straightforward; however, as the anti-natalist school would have us believe. There are both supply and demand effects and it is important to remember that high rates of population growth are as much a result of poverty as a cause.

On the *supply* side, there are at least six major forces acting. First, rapid population growth leads to rapid labour force growth (assuming that babies survive into working age), which in most developing countries is faster than the creation of employment opportunities. The result of this is open unemployment at least in those countries that support the unemployed in some way through unemployment benefits or similar schemes or in those countries where the extended family structure provides support while work is sought. Sometimes, when work is available but not commensurate with either the high expectations of the job-seeker or with his/her qualifications, this sort of open unemployment has been called "luxury" open unemployment. Normally in Africa, where productive employment opportunities are lacking, most people are likely to be in the state of underemployment and involved in precarious jobs in rural areas or the informal sector.

Second, rapid population growth can put pressure on education and training systems. If these systems do not expand at the same rate as the growth in school age children or school leavers, the numbers of young educated or trained workers presenting themselves to the labour market will create serious problems. This situation also contributes to mismatches on the labour market where the jobs available are not commensurate with the skills offered. Without the necessary investment in education and training, the end result is often large pools of unskilled, mainly young, labour, searching for jobs.

Third, rapid population growth is particularly difficult for women. As well as the well-known health risks, it means that women cannot enter the labour force or obtain necessary skills because they are trapped in a vicious circle where the production and care of babies interferes with their scarce resource, time. The lack of time available for income earning opportunities and/or skill acquisition does not enable them to help themselves out of their poverty. Indeed it can deepen their poverty as the general degree of ignorance of how to control their family sizes coupled with the need to produce children to arrive at a completed family size that will then provide security in old age, means even less time for alternative activities.

Fourth, rapid population growth can have a positive effect on economic growth but negative effect on the distribution of income. The large pool of unskilled cheap labour produced can lead to a plentiful supply of cheap labour intensive products for export markets. This has benefits both to the rich and poor worlds, the former because they have cheaper products to fuel their economic growth and the latter because this can lead to more employment opportunities and higher incomes from the new labour intensive export industries.

The process worsens both the international and national distribution of income, however, because labour intensive production can keep countries in a low income equilibrium trap confined to labour intensive industries. This will continue unless investment is made in human skill formation and development technologies to take them out of the trap. National income distribution can also worsen as those few with high levels of human capital or belonging to the propertied classes profit from the combination of cheap labour and export earnings.

Fifth, there is another positive effect of the presence of a young and growing population on technical progress. Youthful persons are normally more dynamic than older people and readier to accept new ideas and technologies. This can lead to higher economic growth from increased productivity in the workplace and therefore higher incomes.

Sixth, since labour is a factor of production, rapid population growth leading to rapid labour force growth actually increases potential output. But since final demand is not sufficient to consume or export all this output, unemployment (and underemployment) normally results.

Most of the effects of population growth is on the supply side. On the *demand* side the main impact is on the quantity of consumers that leads to higher effective demand and growth.

The best population policy is balanced socio-economic development to encourage couples to have smaller families because their welfare will improve. This is a slow process that can be helped by population policy. This acts to encourage reduced population growth and can have positive effects on the level of poverty. This is particularly so for women. Any programme that advances their position so that they are not reduced to the drudgery of child-bearing and child-caring that comes with rapid rates of population growth must be welcomed.

II.8.2 Gender and poverty

Females are severely discriminated against in many aspects of socio-economic life. In addition, women carry out arduous household and farm work, have the responsibility for bearing an average of 6 to 7 children and suffer from a poor distribution of income within the household.

In the Cote d′ Ivoire, Collier (1990) found that there were marked gender differentials in access to education at all three stages of schooling. Among 10 to 18 year olds 36.5 per cent of girls had not been to primary school compared with 19.1 per cent for boys, and 42.0 per cent had completed primary school compared with 58.0 per cent for boys. Collier, citing a study by Grisay (1984), finds that girls perform less well than boys at school. Rather than using this as an argument for preventing entry to schools to girls because of cost benefit reasons, Grisay explains girl's poor performance due to four main mitigating factors. First, girls' performance is adversely affected by the low parental demand for their schooling. Second, there are very few female teachers in Ivorian schools. Third, that girls ask less questions in class than boys is, according to Grisay, because of stereotypes of how girls are expected to behave, they may fear parents or teachers believing them insolent or gossips.

That women are discriminated against, in general, in SSA is practically undisputed. The main question, especially of poor men, is why should their behaviour change? The long-term effects on welfare are significant, more so if it is accepted that better educated and fed women produce healthier children and therefore need to produce less children to ensure a decent survival rate. The consequences for reducing misery, as well as reducing the associated rapid population growth, of raising the status of women and improving their access to goods and services seems obvious and is also a policy area with initially low costs but potentially major gains. However, the short-term effects of improving the status of women are not clear to most poor men. The men argue that they need more children, especially a son, as so many die at childbirth or at a young age and because, in the absence of a social security system, children are needed to look after their family as it ages. For societies′ welfare to be taken into consideration, more thought has to be given to convincing men, especially poor men, of the value of less gender discrimination.

II.8.3 Employment & Labour Market Policy

There are three main issues to address in this section. First is there such a thing as labour market or employment policy, second, if so, what is its relevance to reducing poverty and third, what issues should or could be addressed?

There has been a long debate in the literature whether labour market policy should intervene so as to make markets work better or, recognising market failure, interventions should act on both the supply of labour and its demand so as to increase the quantity and quality of labour in the economy. Richard Freeman[12] picturesquely points this out when he characterizes between, in the blue corner, the World Bank economists who see Government regulation of wages, mandated contributions to social funds, job security, and collective bargaining as "distortions" in an otherwise ideal world. And, in the red corner, ILO economists who stress the potential benefits of interventions, hold that regulated markets adjust better than unregulated markets, and endorse tripartite consultations and collective bargaining as the best way to produce full employment. Freeman concludes there is little support for the former and little evidence for the latter view.

He is struck by the extent to which the institutionalist perspective comes from Western Europe, where Germany, Austria and Scandinavia have provided reasonably successful (until more recently) institutional interventions in labour markets. Whereas the distortionist perspective comes from the Americas, where analysts contrast the largely unfettered American economy with state interventions in Latin America. These latter discussions might reasonably be described as activities at the "meso" level of intervention because most countries have been operating under the "macro" model of raising interest rates to cure inflation while conducting different meso level policies. The policy conclusion of this is not clear-cut since, as Freeman concurs, it depends on specific country experiences and the environment within which they take place. Thus the idiosyncrasies that exist in countries allow some interventions and institutions to work in some places but not in others.

[12] Freeman (1993):

The process of structural adjustment has been signalled to have both negative and positive effects on the labour market in developing countries[13]. There is not much doubt that, in the short-term, the immediate effect of adjustment finds its way directly to the labour market - "structural adjustment is common to developing and industrial countries, whether stemming from the changing international division of labour, the privatization of formerly public activities, debt repayment, anti-inflation policies, or shifts from planned to market economies. In all countries, the effects include displacement of labour...that inevitably creates social hardship[14]". This occurs as Government fiscal deficits are stabilized and public parastatals are restructured.

There is probably not much doubt, however, that interventions to improve the quality of labour are both long-term and eventually lead to higher levels of productivity and growth although not necessarily lower unemployment since this also depends on the technology mix of production. Thus higher rates of economic growth are a necessary, but not sufficient, condition for rapid labour absorption. Labour market policy per se, i.e. those interventions that work on both the supply and demand for labour, might lead to higher levels of labour absorption but the case, particularly in SSA, is not proven.

If we assume that labour market policy can work to increase productive employment over and above macro-economic policy alone does this also have a positive effect on reducing poverty? As Figueiredo et. al. (1995) remark, it is important to distinguish between poverty *within* and poverty *outside* the labour market. Poverty is associated with low incomes or wages for those *in* employment and to the lack of productive employment for those *excluded* from work. Consequently, labour market polices (assuming they actually do have an impact) that have a poverty focus, must focus to upgrade existing jobs so that income recipients rise above the poverty line and create jobs at wages above the poverty line for the existing poor who are also ready and willing to work. It is not sufficient, therefore, as some commentators have emphasised, to have a poverty alleviation strategy that is solely or even mainly focussed upon 'labour intensive growth'.

[13] See for example ILO (1993), Addison (1993) and Standing and Tokman (1991).

[14] Mangum, Mangum, & Bowen (1992).

There are at least two objections to 'labour intensive' growth that revolve around the notion of appropriate technology that was fashionable in the 1970s. First, full employment is always possible at wages below subsistence; consequently paying practically nothing to ensure full employment makes very little difference to the numbers in poverty. Second, labour intensive techniques of production tend to be inefficient and as such keep production at low levels of productivity. This makes it difficult for an economy to grow and results in low quality of the output (or products) produced. The argument in favour of labour intensity is that it can help absorb in production the large pool of unskilled labour and thereby create products which are priced competitively on the domestic and international markets. This, it is frequently (and falsely) argued, was the starting point for many of the success stories in East Asia. But, there, it should be remembered, a whole host of other factors was in play that only sparingly exists in SSA - agricultural transformation, rapid fertility decline, export growth in manufactures, rapid accumulation of physical and human capital and rapid productivity growth [see World Bank (1993a)].

What are the main labour market policies? Following, and expanding upon Barros and Camargo (1995), labour market policies can be divided into at least six main sets of instruments:

(1) Those directed at increasing the rate of employment creation, whatever the quality of the employment generated and that act mainly on the demand for labour (macro-economic policies, special public works programmes for instance)

(2) Those directed at increasing the quality of employment and thus the income level of the employed, particularly the poor (for instance facilitating the access to credit of poor workers in micro enterprises)

(3) Policies that increase the qualifications of the labour force (education, formal and informal training)

(4) Policies that increase the bargaining power of workers and create incentives for them to provide their full potential

(5) Policies that increase labour flexibility both for hirers of labour and for labour itself

(6) Unemployment schemes that provide a safety net for the unemployed

Fields (1992) in a commentary on the labour market in the Cote d'Ivoire concludes his paper with some policy conclusions and a number of cautionary tales. These are largely concerned with improving the lot of the self-employed in rural areas. He cautions, however, that policy need not be directed solely at the sectors where the poor exist since an alternative set of policies could be aimed at facilitating the expansion of other sectors enabling the poor to be drawn in, for example, through re-examining the location of public employment, stimulating off-farm employment and urban industrialization. He also cautions about providing aid to retrenched civil servants since they are the highest-paid members of the labour force to begin with, insists that raising minimum wages only applies to the small minority of workers in the formal sector, and warns that concentrating efforts to raise earnings in the informal sector may be misdirected because they are not the poorest on average and, further, the improved earnings opportunities in that sector might induce further Harris-Todaro type migration adding to urban unemployment.

Lipton (1996) also provides a number of cautionary tales and a list of rules that he has found have had some measure of success in public works schemes for the poor. These are:

1. Time in employment is often transferable between schemes and other uses. Design the scheme so that poor people gain from participating when their opportunity cost is low.
2. Use self-targeting, plus location - not direct targeting.
3. Arrange works and rules (quick payment, piece rates, nearness, crèches, timing) so as to discriminate in favour of the poor.
4. Try to allow for poor workers' frequent weakness, and under nutrition.
5. Try to minimise transaction costs of participation of the poor (Transport, registration, bribes)
6. Reduce financial strains on the scheme by compensatory devices in structure or timing.
7. Maintain competition between the scheme, private employers, and food retailers
8. Estimate whether labour demand or labour supply constrains local income of the working poor, and adapt the scheme locally to allow for this.

9. Use subsidies to build up sustainability, coverage, and worker′s prospects to graduate out of the scheme and not raise wages unless a positive anti-poverty impact is proved and financing of job targets is sustainable.
10. Encourage participants to from pressure groups, e.g. to improve village-level integration and political sustainability.
11. To raise returns to schemes and reach those they leave out, encourage development of complementary infrastructure and social capital.
12. Before schemes begin, build up their capacity to expand and fluctuate by creating a shelf of schemes and participants′ capacity by improving information, transport, health care, etc.
13. Create performance incentives and career structures that lead successful components of schemes to expand and others to shrink.

An in-depth analysis of the labour market and its evolution in SSA has not so far been done. The sources of new employment opportunities, the level of skills available and those required, an analysis of labour regulations and impediments to job entry and creation, the relation between productivity and wages, the user cost of capital versus labour, and the likelihood of small enterprises providing jobs vis a vis agricultural job creation among others, are all topics where we believe more knowledge is required.

II.8.4 Improving credit access for the poor

The poor, contrary to conventional belief, are efficient, capable of high marginal rates of saving, productive investment, asset creation with low capital intensity and thrifty. This has been demonstrated by, for instance, the Grameen Bank in Bangladesh, whose experience is being repeated across Africa by such NGOs as CASHPOR. The interesting aspect of this experience is that a properly designed credit programme can help the poor start small-scale activities that gradually lead them into sustainable business activities.

The Grameen Bank method lends to only those poor people who are prepared to from small groups of borrowers. A default by any member falls on the entire group. In this way the lack of collateral for potential borrowers is substituted by community and peer pressure to pay back loans. Because of the time required to set the credit mechanisms in process, a grant from the UNDP, or similar body, is useful in the first instance to begin the capacity formation process. Eventually the whole scheme is self-financing and thereby could lead to replication all over Africa.

Women are particularly careful borrowers and the experience of the Grameen Bank has shown that poor women will invest funds profitably to pull their families out of poverty and to improve the prospects of their children. Moreover, in the process of poverty reduction through this system not only the families' material condition is improved but also the women's social position in the community.

The record of poverty alleviation measures is littered with failure. The Grameen Bank approach has not escaped problems. Yet, as experience builds up the programme can adapt to reduce losses. The record is still not yet complete and further careful study is required. But the experience has already shown an almost inelastic demand for credit among the rural poor in Asia up to effective interest rates of 40%. The next step is to convince commercial lenders of the viability of such a scheme and here the UNDP can play a role.

The two main objections to credit for the poor are, first, that the poor cannot be trusted to pay back loans and, second, if the scheme is so attractive then private money would be involved rather than sitting on the sidelines. The Grameen experience is putting to rest the first objection. The second is more difficult to lay aside. Grassroots lending practices require banks to go to the people and then to carefully nurture regular payments and peer group pressure in paying back loans. Intensive training is also required for the staff of the banks. These up-front costs have not been welcome by commercial banks to date who are used to lending to large borrowers with substantial collateral. However, as the Grameen experience takes root outside of Asia and, given the enormous number of potential borrowers, the commercial banks are beginning to take notice. As this snowball effect gathers pace the Grameen way of extending credit to the poor could be one, or even *the*, way to alleviate poverty in SSA.

Lipton (1996) has given a list of rules for successful pro-poor credit. These we reproduce here and note that more information is available in Lipton's paper.

1. Respect fungibility. Borrowers usually know the best use of funds.
2. Focus extra lending (or incentives to provide it) upon the poor - but not by targeting it directly on persons, let alone households labelled poor by lenders.
3. Avoid lending rules that discriminate against the poor.
4. Poor people lack collateral so protect lender's capital by other means.

5. Keep down the transaction cost of lending, especially as a share of loan size, and for poor borrowers.
6. If local supervision (e.g. peer group monitoring) is not to lead to risks adopt an organisation to keep the lender's portfolio diverse by location and sector of activity.
7. Avoid monopoly of lending - formal lending, moneylenders and NGOs are complementary
8. Before the State acts to increase credit supply, ensure that unmet need (or demand) exists for credit to finance either producer goods or consumption smoothing and that meeting such demand has a satisfactory financial, private economic and social return.
9. Subsidise administration and transaction costs of lending agencies readily but temporarily, capital loans very sparingly, and interest rates hardly ever.
10. Don't politicize or otherwise soften repayment - though comprehensive credit insurance (with the expense met by borrowers overall) may be sensible in some cases.
11. Good economic returns to credit (and good repayment) are likelier if there is adequate infrastructure and education.
12. Lending institutions gain by insisting that members save before they borrow.
13. Create incentives for lenders to expand where, and only where, they succeed; some do better by providing credit alone, others by combining it with other inputs.

II.8.5 Mobilisation of the private sector

When one thinks of poverty alleviation, the private sector often escapes attention and the image of State provided services is conjured up. Yet the poor represent an enormous untapped resource for the private sector that has hardly been explored. The experience of credit programmes for the poor, as raised in the previous section, show that these activities are both sustainable and profitable once the initial capacity building and investment has begun. Awareness by the private sector of this untapped potential is a key role for UNDP as a facilitator in helping the poor to help themselves. Once the poor have their feet on the first rung of the ladder, this development process needs to be sustained through, for example, the continuing supply of credit from the banking system. Moreover when the poor have shown their credit worthiness through Grameen type credit schemes, the culture of thrift is developed and credit records can be passed on to commercial, but not exploitative, lenders.

These possibilities have started to gain ground among commercial lenders, especially in Asia. There, NGOs such as the Australian Banking with the Poor (BWTP) are trying to forge closer linkages between private financial institutions, NGOs and self-help groups to provide greater access to credit. The UNDP could act to study the potential impact and, if proved potentially successful, promote these experiences in SSA.

II.8.6 Poverty and the environment

This subject is too large and too important to do justice to it here. Clearly, poverty is an environmental issue and, according to the World Bank, poverty is the most important factor explaining environmental degradation in Africa [World Bank (1995h)]. The preparation of National Environmental Action Plans in many countries has documented extensive environmental damage in Africa. In many countries, hardship of the poor leads to fragile lands to be cultivated which gives a further twist to the negative poverty spiral as land is virtually permanently damaged and agricultural productivity declines. The elimination of poverty is a key condition for the prevention of environmental degradation but is not the only condition since the environment can be degraded and bio-diversity lost in numerous other ways.

PART III: PROGRAMMING, IMPLEMENTATION AND MONITORING OF A NATIONAL ANTI-POVERTY STRATEGY

In this section, the *process* of developing, implementing, and monitoring a national poverty-reduction strategy and supporting program is presented. The integration of the strategy and program within the frame-work of national socio-economic and financial planning is emphasized. The proposed process pays particular attention to the importance of ensuring the active participation of all 'stakeholders' in the design and execution of the strategy and program, each according to its comparative advantage. At the implementation stage, the critical importance of transparency in the management of the program is emphasized.

The process proposed here, although independently developed, has the merit of conforming to the procedures followed by the UNDP in its new (since 1993) programming approach in provision of assistance to member states in support of national programs furthering broad development objectives, including poverty reduction. In their efforts to assist member governments in sub-Sahara Africa to develop and implement anti-poverty strategies and programs, UNDP country offices may find that their own provision of advice is sufficient in terms of the government's needs. However, in those cases where the requirements go beyond the capacity of the country office and necessitate the provision of outside services, whether in assistance to formulate a national anti-poverty program or to implement it, arrangements for such support should be framed according to the procedures of the UNDP's Guidelines for Programme Support Document (PSD) [UNDP (1993)].

Many of the principles proposed in this section covering the process of elaborating, implementing, and monitoring an anti-poverty strategy and programme for sub-Sahara Africa have been identified as of critical significance in the *United Nations System-wide Special Initiative on Africa,* introduced in January 1996 by the Secretary-General. These include the focus on goal-oriented national programs prepared and managed by the government, broader participation in donor round tables to include the private sector and non-governmental organisations, the empowerment of civil society for participation in the design and implementation of the strategy and programme, and improved capacity for transparent management of such programmes.

III.1 Elaborating an Anti- Poverty Strategy and Supporting Programme

The preparation of a country strategy to eliminate poverty and the program to implement it presupposes a genuine commitment by government to poverty eradication as a national objective. Where such a commitment is forthcoming, elaboration of an anti-poverty strategy and supporting program will require action at both the national and international levels. At each level, efforts should be made to enlist the involvement of all actors in a position to contribute to the process and to promote cooperation between them in order to obtain the maximum benefit from their involvement.

This exercise must be *country-driven* in order to ensure that the resultant strategy and program is 'owned' and directed by the country itself, not by external forces, such as international donor agencies. Only in this way can the chances for sustainability of the strategy and programme be achieved.

At the national level, the key to success will be the extent to which country 'stakeholders' are involved in the process. In particular, the participation of *civil society* is crucial, not only as beneficiaries but as full partners in the design and implementation of the strategy and program.

Box III.1 What Is 'Civil Society?'

As defined by the United Nations Research Institute for Social Development (UNRISD), 'civil society' refers to the 'network of associations and interest groups formed to accomplish civilian goals, further certain causes, or defend particular interests outside the structure of political institutions directly associated with the state'.

Source: Dharam Ghai and Cynthia Hewitt de Alcantara, *Globalization and Social Integration: Patterns and Processes* (New York: UNDP, 1995), p. 12.

International participants will include donor governments and the rest of the international aid community, particularly the family of United Nations organizations, the Breton Woods institutions, and international non-governmental organizations. (NGOs). Their contribution, whether in the form of financial resources, technical assistance, or both, should support, strengthen, and reinforce national actions. The principle of 'comparative advantage' should be the criterion followed in determining the specific role of any particular international institution in any phase of the process in order to avoid duplication of effort and working at cross-purposes. Donor cooperation to ensure coordination of effort is critical to achievement of this objective.

In the elaboration of country poverty-alleviation strategies and supporting programme and sub-programmes, a systematic approach utilising seven stages of action is proposed. At each stage, the nature of the action required by each country and the scope for participation by 'stakeholders' at both country and international level are treated as appropriate for a typical sub-Saharan country.

Box III.2. Who Are the 'Stakeholders?'

Broadly speaking, 'stakeholders' in an anti-poverty strategy or programme are those institutions and individuals who either affect or are affected by such an anti-poverty intervention. In the former category, they are the participants in the process of design, implementation, and support of anti-poverty strategies and programmes who have in effect a 'stake' in the outcome of the intervention. As such they include most obviously the government, both national and local, but also other bodies involved in the elaboration and implementation of the strategy and programme (national NGOs , community organizations, and the representatives of the poor them-selves) and in the provision of financial and/or technical support for the programmes (the World Bank and other multilateral banks, the UNDP and other members of the UN family, bilateral country donors, and international NGOs). On the side of those 'affected' by the interventions, the poor themselves are the obvious stakeholders.

III.1.1 Preparation of a Strategy and Program

The starting point for any poverty-reduction effort is the carrying out of a country-wide poverty assessment, based on the definitions and concepts of poverty as, for instance, developed in Part I of this Framework. The results of this first stage action will serve in stage two as the basis of a dialogue within the country and determine the extent to which a political will exists on the part of government to give priority to poverty-reduction as a major objective of government policy. Should unequivocal government commitment be forthcoming, formulation of a strategy can proceed into a third stage devoted to the preparation of a strategy and support program, followed by a fourth stage covering the elaboration of individual policies and sub-programs within the over-all framework as the means by which the strategy *cum* program will be achieved. Implementation of the sub-programs and policies, monitoring of progress, and evaluation constitute the final three stages of the exercise. We now consider each of the seven stages in turn.

a.Poverty Assessment

At the 1995 World Summit for Social Development (WSSD) in Copenhagen, governments were urged to determine the extent and distribution of absolute poverty in their countries and to prepare assessments of poverty conditions, preferably by 1996. As based on definitions of poverty covered in Part I of this Framework such country assessments should identify *who* the poor are (including by gender), *where* they are located (geographically and according to economic sector), and *why* they are poor.

A country poverty assessment should be framed in policy-relevant terms, since its main purpose will be to provide the analysis needed for development of a poverty-reduction strategy. Indeed, a poverty assessment should conclude with a proposed country-wide poverty-reduction strategy for consideration for adoption by the country. (See Box III.3 for a typical table of contents for a World Bank Poverty Assessment). Furthermore, a thorough-going and convincing assessment that is widely disseminated within the country may also serve to tip the balance among political leaders towards opting for poverty-reduction as a formalized commitment of government to the governed.

Box III.3

Ghana Poverty Assessment

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A Quantitative Poverty Assessment, 1992
A Participatory Poverty Assessment 1994
Targeting Social Spending to the Poor
Poverty Past: Economic Recovery and the Poor in the 1980s
Poverty Future: An Agenda for Future Poverty Reduction

Source: World Bank, Ghana: Poverty Past, Present and Future (Washington, DC, June 29, 1985)

Carrying out a poverty assessment that responds to all the multi-faceted aspects of poverty is no easy task, particularly in Africa with its poor data base and weak administrative capacity. The poor are difficult to identify and the causes of their poverty often elude understanding. For these reasons, it is particularly important that such assessments are led by *national* consultants and organizations (including NGOs) and include the poor themselves (or their representatives) (Section III. 3 below) as participants in the exercise to ensure that their own perceptions of their poverty condition are made known and taken into account. Nationally-led poverty assessments will be regarded as nationally-owned rather than the property of outsiders and thus stand a better chance of being accepted by all actors at the national level.

To this end, World Bank-supported poverty assessments (PAs) in African countries now call for the direct involvement of all national 'stakeholders' in the preparation of all components of a PA. Under this arrangement, the Cameroon PA completed in 1995 included the participation of a wide range of individuals and organizations with an interest in the outcome of the assessment, including opinion leaders, public interest groups, civic and religious leaders, university researchers, journalists, and indigenous NGOs, among others. [World Bank (1995g)].

Other Bank-led efforts to involve national stakeholders rely on indirectly obtaining information about the situation of the poor via mounting of 'Participatory Poverty Assessments' (PPAs) that serve as inputs into full-fledged PAs for the country. These PPAs are actually misnomers, as they use qualitative research techniques to discern the perceptions and attitudes of the poor , rather than involve the poor directly. [World Bank (1995g)]. Since mid-1994, PPAs have been carried out in six

SSA countries as part of the Poverty Assessment exercise, in each case financed by international donor agencies. (See Box III. 4).

The World Bank-supported preparation of PAs is the most systematic and comprehensive program of poverty assessments mounted in individual African countries. By the end of Fiscal Year 1995, 30 had already been carried out, with another 13 scheduled through the end of Fiscal 1998, covering all but five of the sub-Saharan countries. (See Box III.4). Up-dated poverty assessments are also being mounted (such as the Ghana 95 PA, replacing the original 92 PA).

While the Bank's Africa Regional Office has taken the lead in provision of assistance to African countries in preparing poverty assessments, its current policy is to encourage other international donors, including the UNDP, to participate in support of such exercises too in a collaborative fashion. In particular, with its total field coverage of SSA countries, the UNDP is in a favoured position to provide guidance and substantive inputs to governments preparing their first or up-dating earlier PAs, as well as to offer technical assistance in the strengthening of the capacity of planning ministries and other government bodies charged with preparation of PAs. UNDP Country Offices should accordingly ensure that they are apprised of the scheduling of poverty assessments and their up-dating through maintenance of continuous contact with government officials and resident World Bank field offices (of which there are 28 in the 48 SSA countries see Box III.5) and offer their support in the preparation of such assessments so critical for the elaboration of poverty-reduction

Box: III.4

SSA countries in which World Bank Poverty Assessments have been published as at <u>December 1995.</u>

Benin	August 94	
Cameroon	April 95	incl PPA
Cape Verde	June 94	
Comoros	Sept. 94	
Ethiopia	June 93	
Gambia	June 93	
Ghana	June 95	incl PPA
Guinea-Bissau	June 94	
Kenya	March 95	incl PPA
Lesotho	April 95	
Malawi	March 90	
Mali	June 93	
Mauritania	Sept. 94	
Mauritius	April 95	
Namibia	Oct 91	
Rwanda	May 94	incl PPA
Seychelles	June 94	
Senegal	May 95	
Sierra Leone	May 93	
Tanzania	Dec 95	incl PPA
Uganda	March 93	
Zambia	Nov 94	incl PPA
Zimbabwe	April 95	

strategies. UNDP Country Offices in SSA should also facilitate the exchange of experiences in preparing PAs amongst each other for sharing with government officials (as recommended in the UNDP Seminar on Poverty Eradication held in New York in February 1996).

b.Ascertaining Commitment and Developing an Objective

At the 1995 WSSD, participating governments of developing countries committed themselves to the goal of eradication of poverty 'as an ethical, social, political, and economic imperative of mankind' [UNDP (1995c)]. Specifically, they pledged to formulate 'as a matter of urgency' policies and strategies geared to substantially reducing overall poverty in the shortest time possible and to eradicate absolute poverty by a target date [UNDP (1995a)]. However, the World Bank concluded in the same year that of the 48 SSA countries, only 10 had an explicit commitment to poverty reduction, and some of these had the appearance of 'lip service' [World Bank (1995b)].

Box III.5

World Bank Field Offices in sub-Sahara Africa

Angola	Malawi
Benin	Mali
Burkina Faso	Mauritania
Burundi	Mozambique
Cameroon	Niger
Cen. Af. Repub.	Nigeria
Chad	Rwanda
Congo	Senegal
Cote d'Ivoire	South Africa
Ethiopia	Tanzania
Ghana	Togo
Guinea	Uganda
Kenya	Zambia
Madagascar	Zimbabwe

What constitutes a 'demonstrated commitment' to poverty reduction? According to the UNDP, the 'key test' for determining a country's political commitment to poverty eradication is the setting by government of 'time-bound targets' for elimination of poverty [(UNDP (1995c)]. In the view of the World Bank's Africa Regional Office, the proof of such a commitment requires a 'track record and upfront actions' (such as realignment of public expenditures towards poverty-reduction), 'broad consultations and support', and 'self-design of program' [World Bank (1995b)] and Pellekaan (1995)].

Assisting a government to develop a poverty-reduction strategy makes no sense unless a clear commitment has been made to that end by the government. Indeed, it is a principle of UNDP support for a national programme, including for poverty-reduction, that evidence of national commitment by the government (and civil society) be forthcoming before any assistance is provided [(UNDP (1993)].

How can African governments be made aware of the importance of making such a commitment? The World Bank feels it basically requires a 'multi-faceted communications effort' over several years and extending from 'the head of state down to the villager' [World Bank (1995b)]. Such a dialogue can be enhanced by the wide dissemination of the results of a thorough-going poverty assessment for the country, as carried out in stage 1 of this exercise, which can serve as the basis for such country-wide discussions on the subject.

In efforts to develop a political will among government leaders for poverty-reduction, the international donor community has a role to play. The UN Special Initiative on Africa aims at 'the mobilisation of the [national] political support needed to ensure action taken to remove some of the obstacles to Africa's development' (p. 3). The World Bank-led Special Program of Action for Africa (SPA) that serves to coordinate donor assistance to SSA is at present trying to determine how the donor community can help create a 'poverty compact' in Africa through generation of African commitment to poverty reduction [Cleaver (1996)]. The SPA recommends that all donors engage African governments - and civil society - in a poverty-reduction dialogue, as well as consider setting up a regional 'African poverty panel' comprised of distinguished Africans which would mobilise influential Africans to inform and educate other fellow Africans on poverty reduction [(Cleaver (1996)]. Should commitment still not be forthcoming from particular African countries, the World Bank suggests that donors 'back off' in provision of financial assistance to such non-committed countries. (Ibid).

Promoting political will among the four-fifths of uncommitted SSA countries will not prove an easy task. Implementation of an anti-poverty strategy will impose direct and indirect costs on the non-poor, who can be expected to resist measures against their material interests. The non-poor are typically politically-powerful in their countries and exert a strong influence on policy-makers, who themselves invariably are the relatively well-to-do in Africa [(Yahie (1993)].

In this situation, the role of the UNDP's Country Offices in SSA is limited to conferring with governments and civil society to assess the degree of political will in the country [(UNDP (1995a)] and promoting a dialogue among all stakeholders, as based on the poverty assessments, to encourage the development of a country-wide consensus for a commitment to poverty-reduction as the overriding goal of national policy.

When a genuine government commitment to poverty-reduction has been enunciated, the UNDP Country Offices can assist governments in the formulation of an ***objective*** reflecting this commitment as the next step in this exercise. As noted by the UNDP, such an objective should be time-bound: by what *date* will the goal be attained? In those cases where a poverty line has been established in the assessment stage, the objective should also set a target for a particular reduction of the percentage of the population lying below that level over the time frame set.

c.Formulating a Strategy and Supporting Programme

As a follow-up to the 1995 WSSD, African governments are expected to develop strategies aimed at reducing overall poverty and integrate them into their national development plans. As of mid-1995, only eight African countries had developed explicit poverty-alleviation strategies [Cleaver (1996)].

The form of particular strategies in individual sub-Saharan Africa countries will vary, depending on country priorities and capacities. However, it is advisable that any strategy include interventions addressing both sides of the problem: those aimed at *preventing* poverty (i.e. against the processes generating poverty, such as lack of access by the poor and women to assets) and the more familiar ones designed to *alleviate existing* poverty [Godfrey (1994)].

Efforts to reduce poverty should not be focused exclusively on government-led operations. For sustained poverty-alleviation, a strategy must include a role for the private sector, whose investment and production decisions lead to the economic growth and employment required for higher incomes basic to country-wide poverty-reduction. To promote the involvement of the private sector to this end, a strategy should include policies and measures providing incentives to such entrepreneurs, including the mass of small farmers and informal sector producers, and generally improving the business environment for them in which to operate.

Parallel with the preparation of an anti-poverty strategy, a comprehensive programme of action needs to be elaborated in *support* of the strategy. Beneficiaries should be identified, realistic and technically-sound targets need to be set, and a timetable covering implementation should be established [Grinspun (1994) and van Pellekaan (1995)].

Critical to the chances for success and sustainability of the strategy *cum* programme is the degree to which a participatory approach has been followed in its design. In particular, the intended beneficiaries need to be brought into the dialogue through the participation of their representatives [UNDP (1993) and van Pellekaan (1995)]. Indeed, in support of this principle, the World Bank is recently arguing that a 'forum' of national stakeholders, including the beneficiaries, be set up in each SSA country to take the lead in the dialogue on an anti-poverty strategy with the government and donors [(van Pellekaan (1995)]. Such a procedure would be in line with the UNDP's current call for a 'special visible initiative that focuses on empowerment' of the poor in formulation of a developing country's anti-poverty strategy [UNDP(1995a)].

Involvement of the beneficiaries in the design of an anti-poverty strategy and programme carries with it the merit of introducing a 'bottom up' approach in framing the strategy and programme and in itself improves the likelihood of general acceptability and support among those the strategy and programme is intended to benefit. It also implies the need for *flexibility* in setting the financial parameters of the programme, since it will be more open- ended as a result of being 'demand driven' by the intended beneficiaries in its component sub-programmes (see below), as based on proposals continuously emanating from them, than would be the case for a strategy and programme that followed the typical 'top down' approach of government in which fixed amounts are allocated by the central planning authorities to such sub-programmes at the time of formulation of the overall programme.

As a follow-up to the 1995 WSSD, the UNDP has committed itself to focus its efforts on assisting developing countries in the elaboration of strategies aimed at poverty-reduction. At country level, Resident Representatives are to offer immediate support for the formulation in 1996 of such strategies as developed within a larger planning framework, such as a national development plan [UNDP (1995a)].

In this connection, Resident Representatives have the particular additional role, as mandated by the WSSD, of seeking coordination of donor assistance in support of any such poverty-reduction strategies and programmes. They should confer in the country with the representatives of other UN agencies and bilateral donors to assess their plans for support of anti-poverty interventions and seek to integrate the various commitments. In consultation with the other UN system agencies, the Resident Representative should determine to what extent they would be agreeable to focusing the UN-wide Country Strategy Note on a poverty-reduction theme [UNDP (1995a) and Grinspun (1994)].

In some sub-Sahara African countries, it is the *World Bank* Resident Representative rather than the *UNDP* Resident Representative who is designated by the government to lead efforts to coordinate donor assistance, including for national anti-poverty programmes. In its 1997-99 assistance strategy for sub-Sahara Africa, the Bank will strive to ensure that poverty-reduction interventions are 'put at the center' in the Country Assistance Strategy (CAS) document prepared by the Bank for each SSA country [World Bank (1995b)], much as will now be done by the UNDP for its Country Strategy Note.

The World Bank has announced its support for partnership arrangements with other donors in developing a coordinated approach to assistance for anti-poverty programmes in sub-Sahara Africa [World Bank (1995b)]. Such an approach would include the UNDP and other UN agencies. By the same token, the UNDP Resident Representative should include the World Bank and African Development Bank representatives as members of any coordination group s/he chairs in order to ensure comprehensive coverage of donor organizations.

Indeed, the trend in donor coordination efforts appears to be in this direction. For instance, in Guinea, the entire UN system, including the World Bank and International Monetary Fund, is coordinating assistance for the elaboration of a Government Policy Framework Paper and a Human Development Programme through a U.N. Working Group on Human Development, chaired by the UNDP [Grinspun (1994)]. (See Section III.2.1 below on integration of anti-poverty strategies and programmes with Policy Framework Papers).

With country offices in each of the 48 sub-Sahara African countries, the UNDP is in a more favoured position than the World Bank to initiate continuous dialogue with governments on the scope for provision of assistance for an anti-poverty strategy cum programme. However, UNDP country offices must be careful not to adopt an excessively active stance in promoting an anti-poverty strategy, particularly where no government commitment to poverty-reduction has been made [Godfrey (1994)]. Even in cases where a government is open-minded about the need to lower the incidence of poverty in the country, it may be skeptical of the utility of introducing such a strategy in terms of its likely efficacy, particularly where the administrative capacity of the government is weak. Too zealous an effort on the part of the UNDP country office could result in government adoption of a 'lip service' programme lacking real government ownership.

In those cases where a genuine commitment to poverty-reduction is forthcoming on the part of the government, the UNDP country office should discuss with the relevant government body how it might be able to provide assistance in the elaboration and implementation of a national programme to translate this commitment into action. In most instances, SSA governments will require assistance in the *preparation* of the strategy and programme, reflecting a capacity weakness for drawing up a National Programme Document (NPD) to that end. Where the UNDP office lacks the technical ability required to provide direct advisory services itself it should propose the provision of outside assistance via a pre-programme project for preparation of the National Programme Document. Subsequent to this assistance, the government will typically request support from the UNDP and the donor community at large for implementing the strategy and programme developed in the NPD, with arrangements being made in accordance with the UNDP's new country programme approach for provision of assistance and utilising a Programme Support Document (PSD) [UNDP (1995a)]. Typically, the focus of UNDP assistance would be on strengthening country capacity in designing and managing the necessarily integrated and multi-sectoral poverty-reduction intervention, an area where the UNDP maintains a comparative advantage in the donor community. (See section III.4 below). Other donors would usually provide financial and technical support for components of the programme.

d. Developing Sub-Programmes and Policies.

The 'building blocks' of a comprehensive programme for poverty-reduction are the individual macro, meso, or micro-level interventions included in the programme whose benefits are intended to improve the living conditions of the poor (as discussed in section II.1 above). These interventions are of two basic types:

(i) sub-programmes (or projects) with direct effects on targeted categories of the poor, and

(ii) macro- and meso-level policies that carry indirect effects on the poor in general.

The *totality* of these sub-programmes and policies should constitute a coherent overall programme as designed in the previous stage of this exercise and in which complementarities are identified [Godfrey (1994)] and inconsistencies corrected. Since the results of this stage of the exercise will only be known after the overall programme and strategy has been formulated, it will be necessary to make adjustments in the latter to reflect agreed plans at the sub-programme level. Ideally, macro- , meso- and micro-level policies will have been agreed in principle at the time of design of the overall strategy and programme and thus require less subsequent fine-tuning of the overall strategy and programme.

It is at this stage of the preparation of an anti-poverty strategy and programme where the capacity of the government is pushed to the limit, due to the variety and complexity of targeted interventions that are being considered. Government institutional capabilities in sub-Sahara Africa are particularly weak, mainly due to inadequacy of professional resources. Such weaknesses show up in efforts to design sub-programmes and put the chances for satisfactory implementation at risk. As identified in a recent evaluation of UNDP-supported projects [Godfrey (1994)], mistakes in project preparation typically include:

X too many project objectives that are also insufficiently specific and measurable,
X confusion between objectives, outputs, and activities,
X mistaken premises,
X failure to appraise the institutional feasibility and financial sustainability of the project,
X unrealistic timeframes
X absence of built-in monitoring mechanisms and baseline data.

In designing sub-programmes for an anti-poverty strategy and programme, government planners should be aware of these typical mistakes in project planning. In addition, they need to address broader considerations at this stage. These include:

(i) What planning approach is to be followed? Should a traditional 'top down' approach be utilised, or should a 'bottom up' methodology be introduced instead?

To ensure sustainability and acceptance by the intended beneficiaries, a 'bottom up' approach is generally favoured where feasible, including by the World Bank's Africa Regional Office [van Pellekaan (1995)]. Sub-programmes that follow this approach rely on the targeted communities and beneficiaries themselves (or their representatives) to identify the type of intervention wanted (as reflective of their priority needs) and encourage their participation in the design of the intervention. (see ii below). These 'demand-driven' interventions are typical of those included under many sub-Sahara Africa social funds (such as in Benin and Senegal - see III.3 below). Since they are open-ended as regards resource requirements and are not identified in advance, they are more difficult to define in terms of their parameters and thus are loose- fitting pieces in the overall anti-poverty programme.

In some cases, particularly sub-programmes providing infrastructure for the poor, Atop down' planning may be more effective in terms of cost-effectiveness without any loss in acceptability of the sub programme by the beneficiaries [Godfrey (1994)]. In each instance, a decision must be taken on the more appropriate approach to be followed, taking into considerations questions of sustainability, support of the beneficiaries, and relative costs.

(ii) Who should participate in the design of the intervention?

In principle, all 'stakeholders' should participate in the design of any contemplated policy or sub-programme intervention [Godfrey (1994)]. National participation is particularly important and would include national NGOS [Malena (1995)], community-based organisations (CBOs), and other associations representing the targeted beneficiaries , with whom the government at both central and local levels needs to enter into a dialogue on any proposed macro- or meso-level policy or policy change and on targeted interventions. (The subject of participation in the process of preparing and implementing an anti poverty strategy and programme is covered in section III. 3 below).

(iii) Ownership of the Sub-Programmes

It is critical that country 'ownership' of all targeted interventions be assured in the design of such interventions. Arrangement for government execution of donor-assisted projects is not sufficient, since heavy outside support for the financing of national technical and managerial staff and other inputs can result in creation of a sub-programme alienated from the regular government administrative structure and totally dependent on such donor assistance [Godfrey (1994)]. For this reason, excessive donor support of any sub-programme and resultant over-identification of the donor agency with it should be avoided. Furthermore, to ensure a broader country ownership than represented by the government only, national civil society stakeholders should be key participants in the design and preparation of all sub-programmes, as noted in (ii) above. Such stakeholder participation is fully supported by the UNDP and the World Bank in its assistance strategies for sub-Sahara African countries [World Bank (195b)].

(iv) Sharing Costs of the Sub-Programmes

To ensure heightened sense of 'ownership' of an anti-poverty sub-programme targeted at a community in which the choice and design of the intervention has been 'demand driven' by the community itself, it is desirable that the community make a contribution towards meeting part of the costs of the sub-programme. The contribution could be in the form of provision of the community's labour and/or materials. This arrangement is typical in the demand-driven works programmes financed under social funds in Benin and Senegal. (See III.3 below).

(v) Prioritizing Sub-Programmes

Invariably, the number of anti-poverty intervention proposals put forward by government bodies and communities for consideration will be greater than the resources available to implement them. Those that are shown to be technically feasible and cost-effective and are accepted need to be prioritized and placed within a time frame [Grinspun (1994)]. Such prioritization is necessarily a function of government, but should be subject to the views of civil society stakeholders. The criteria to be followed in prioritizing individual approved sub-programmes should be set forth in guidelines established by the government. To the extent that the anti-poverty interventions are to be integrated within a national development plan, they should be prioritized within each sector as reflective of the policies of each Ministry [Yahie (1993)].

(vi) How relevant is 'replicability'?

One of the criteria for the selection of proposed sub-programmes is the extent to which the intervention is replicable. This concern is particularly relevant in the case of many donor-supported pilot interventions where excessive costs as against benefits rule out the feasibility of replicating the intervention on a wider scale in the country. Indeed, it has been argued that unless UNDP-supported micro-interventions can be replicated, they are not justifiable on cost/outcome grounds. [Godfrey (1994)]. However, they might be justified based on other criteria, such as affording UNDP greater visibility and improved contact with the grassroots level people to build up experience.

(vii) Identifying appropriate implementing agents

Until recently, the implementation of any development project or programme, including those supported by UNDP and other donor bodies, was assigned to the central government. However, it is now the general view that such implementation should not be limited to central government and that all national organizations should be mobilised for such purpose, including local governments, NGOs, and CBOs [Grinspun (1994)]. Selection of any particular body for implementing an anti-poverty sub-programme should be based on 'comparative advantage' as determined by length of experience in field operations, cost-effectiveness, ability to generate grassroots support, and other criteria. (See III.4 below). To put this principle fully into practice, administrative and legal arrangements will need to be made by government and the UNDP as well as other donor bodies to permit non-government bodies to serve as executing agencies rather than just as subcontractors, as at present is the case [Godfrey (1994)].

National NGOs and CBOs in particular may prove most appropriate as the implementing agents for particular anti-poverty sub-programmes. In this role they serve as intermediaries between the government and donor agency on one side and the beneficiary community on the other [Godfrey (1994)]. However, NGOs should not be used by donors as a means to circumvent government, as is often the case in Africa, since this would serve to undermine governance in the country. The capabilities of any particular NGO or CBO being considered for an implementation role should be carefully analysed before selection, since, in Africa, NGOs and CBOs typically are handicapped by their own limitations and are frequently resource-constrained and not set up to deal with broad-based projects [Yahie 1993)]. If such arrangements can be made, a system of competitive bidding by NGOs might be introduced (see III.4.3 below).

(viii) Building in monitoring mechanisms

The design of every anti-poverty programme should include measurable indicators of outcome and provide for the collection of relevant baseline data at the outset [Godfrey (1994) and Yahie (1993)]. Such indicators are basic requirements for the monitoring and eventual evaluation of the sub-programme. (see below).

How can donor bodies help in the preparation of anti-poverty interventions? Here the scope for assistance appears to be of two types:

> (1) Provision of financial resources to meet part of the costs of implementing the sub-programme, including any capital costs. The World Bank and the Africa Development Bank can provide soft loan financing, while bilateral donor agencies, and the UNDP, to a limited degree, can offer grant financing for the same purpose.
>
> (2) Provision of grant-financed technical assistance for capacity-building. Here the UNDP in collaboration with the specialised agencies of the UN family has a catalytic role to play. It can offer to help build national capacities both within and outside government for development (and implementation) of the individual anti-poverty sub-programmes [UNDP (1995a)]. In this way, it helps to overcome the serious weaknesses in institutional structures in the SSA countries that constitute major obstacles in the design and implementation of such interventions [modified from Grinspun (1994)].

Indeed, the creation of sustainable national capacity is central to UNDP's mandate and crucial to effective design and implementation of anti-poverty policies and programmes [Godfrey (1994)]. Under the new programme approach of UNDP, national capacities for the development of national programmes, including for poverty-reduction, are to be assessed for a determination of the areas in which they need strengthening [Godfrey (1994) and UNDP (1993)]. These in Africa not only typically include policy formulation, legislation, human resource and technological development, and programme support management, but in light of the deterioration of public sector management and due to brain drain should extend to cover civil service reform if anti-poverty interventions are to succeed [Godfrey (1994)]. All proposed UN agency assistance in supporting anti-poverty interventions should be coordinated and included in the Country Strategy Note (CSN) agreed between UNDP and the host Government. The CSN should be in harmony with the Country Assistance Strategy (CAS) document of the World Bank in which Bank assistance is mapped out, including as it directly or indirectly affects poverty-reduction. (See III.2.1 below).

e.Implementation of the Strategy and Programme

Once the anti-poverty strategy *cum* programme and sub-programmes have been designed and approved, implementation arrangements must be made. This will require effective coordination of all national organisations involved in the carrying out of the operation, including central and local government, non-government organisations and community-based organisations, and take into consideration support activity of the international donor agencies.

Since an anti-poverty strategy and supporting programmes will cut across so many areas of government responsibility, implementation will necessarily give rise to friction between various Ministries and agencies on questions of authority and bureaucratic procedures to be followed. For this reason, implementation responsibility should be centralised either under an autonomous entity, or a government inter-ministerial committee with strong links to the President or Prime Minister′s office and be assigned coordination responsibility.

Yahie (1993) presents African examples of both types of coordinating organisations for implementation of anti-poverty actions. As an autonomous organisation, he cites the Uganda Community Action Programme (CAP), in which program implementation in the north Uganda area where the CAP is operational is carried out by the regional and district offices. Choice of this type of coordinating mechanism has the advantage of being close to the intended beneficiaries, allowing for considerable interaction between the district office staff and the beneficiaries. Such autonomous bodies are also flexible in their operations and can by-pass cumbersome bureaucratic procedures. However, they do not have easy access to the technical expertise required in carrying out the programme.

Under both Ghana's PAMSCAD and Uganda's PAPSCA programmes, management of the anti-poverty programmes is integrated within a government line Ministry. In each case, implementation is control-led out of the national capital, with a resultant loss in easy access to the targeted communities and interaction with the beneficiaries. However, the availability of technical expertise is assured. [Yahie (1993)].

The examples given by Yahie are not really appropriate for a comprehensive, country-wide programme and strategy for poverty-reduction, since they are focused on micro-level *action* (to the exclusion of *policy*) interventions (at macro and meso levels) and in the case of the CAP are limited to a region of the country. Such organisational mechanisms are more suitable for the implementation of *sub-programme* components .

For a nation-wide strategy/programme, it appears more logical to assign responsibility to an inter-ministerial body that meets the following qualifications [Yahie (193)]:

> i) enjoys sufficient political 'clout' within the government to ensure that its decisions are honoured by other line Ministries and government agencies,
> ii) has a lead responsibility within government for formulation of national macro-economic policy,
> iii) is empowered to allocate development funds to various sectoral Ministries, and
> iv) coordinates development assistance activities with inter-national development banks, bilateral donor countries, the UN system, and NGOs. [Yahie (1993) as modified].

In most sub-Sahara countries, such qualifications point to a Ministry of Planning or a Ministry of Finance.

In its co-ordination role, the designated Ministry will ensure that the policies and sub-programmes implemented under the anti-poverty strategy/programme are in line with national sectoral policies and programmes, It will also establish the institutional administrative mechanism to implement the strategy/ programme.

In this role, the coordinating Ministry may also wish to set up an 'anti-poverty strategy and programme committee' that it will chair , with representatives from other line Ministries involved in the strategy/programme implementation as well as NGOs, CBOs, and international donor agencies such as the World Bank, the African Development Bank, the EU, and donor country organisations. Such a committee (Yahie) would be responsible, *inter alia*, for

i) ensuring consistency in programme implementation,
ii) avoiding duplication of effort,
iii) establishing policy guidelines under which the strategy and programme operate,
iv) setting sub-programme priorities within sectors
v) reviewing progress reports,
vi) recommending evaluation studies of sub-programmes,
vii) forming sub-committees to deal with specific issues.

Within the coordinating Ministry, a programme coordination unit (PCU) should be set up which would typically be responsible to the Committee and serve as its secretariat. As noted by Yahie (1993), it should be given four basic responsibilities:

i) poverty alleviation policy analysis and changes,
ii) supervision of the implementation of the specific anti-poverty sub-programmes,
iii) monitoring and evaluating the impact of the strategy, policies, and sub-programmes on the poor, and
iv) supporting involved indigenous institutions in capacity-building [Yahie: (1993)].

The role of the PCU in the implementation of an anti-poverty strategy and programme is a critical but difficult one. As Africa experience shows, it will draw criticism from all national stakeholders for alleged bias as to choice of beneficiary community and of sub-programme implementing agent, among others [Yahie (1993)], though ideally such decisions should have been made earlier in the design stage before the PCU was set up.

In view of their close links with local communities and experience in working at grass roots level, particular NGOs and CBOs will have been selected in the preparation stage for serving as intermediaries to carry out the sub-programmes. They and all other implementing organisations for individual sub-programmes will need to work closely with the PCU.

What role can the UNDP and the rest of the donor community play in facilitating the implementation process in an anti-poverty strategy/programme?

In addition to providing loan and/or grant finance to meet capital costs of sub-programmes, UNDP and other donor-provided assistance is needed to strengthen the capabilities of the PCU and other government bodies involved in the implementation of the national and sub-programmes. Such assistance should be extended to key staff of participating NGOs and CBOs to help them develop their capacities for implementing the sub-programmes for which they are responsible [Grinspun 1994)].

However, as pointed out earlier, donor organisations must guard against excessive support to finance national staff managing the anti-poverty programme or its sub-programmes, including the PCU, to avoid creating a situation of dependence of such staff on the donor body and putting into question the actual 'ownership' of the programme and sub-programmes. In particular, 'topping off' of salaries of staff to provide a financial incentive for improved performance results in particular dependence on the part of the individual staff member and leads to conflict with other government staff not benefiting from such supplements. Financing the government salaries of *all* members of the PCU or other bodies, even where they are not 'topped off', can also lead to serious problems by giving the impression that the operation they are managing belongs to the supporting donor agency rather than to the country. On the other hand, expecting unmotivated, low-paid, national staff to perform at the level required to implement an anti-poverty programme and in an honest manner is unrealistic under such an incentive structure. A satisfactory solution to this 'trade-off' problem is not easy to find and each case must be treated on its merits.

f.Monitoring and Evaluation Arrangements

Making arrangements for the monitoring and evaluation of the anti-poverty strategy/programme and its sub-programmes represents the last stage in elaboration of the strategy/programme. (See also Part III.6 for aspects of implementing a monitoring and evaluation exercise). The two functions are related but distinct:

- *monitoring* is an essential part of management that arranges for the collection of information and data to enable the coordinating Ministry and the PCU to assess progress in implementation of the strategy, programme, and sub-programmes , including delivery of programme and sub-programme inputs and the effect of these inputs [Yahie (1993) as modified by the authors)].
- *evaluation* assesses the effects of strategy, programme, and sub-programme implementation, both intentional and unintentional, and their impact on the intended beneficiaries. It also assesses the distribution of the benefits among the different groups and the cost-effectiveness of the interventions as compared with other alternative means of action [Yahie (1993) as modified].

Under the implementation arrangement stage of the elaboration of an anti-poverty strategy/programme, the PCU in the coordinating Ministry is given the responsibility for monitoring and evaluating the strategy/programme and its sub-programmes and follows the guidelines established by the Anti-Poverty Strategy and Programme Committee for such purpose. To facilitate such work of the PCU, verifiable indicators and provision for benchmark data will have earlier been built into the design of the strategy/programme.

What are the main questions this monitoring (M) and evaluation (E) exercise should address? They should include:

i) What impact are policy changes and new policies at macro- and meso-levels having on the welfare of the poor, as compared to what was expected when the strategy/programme was designed? (E)

ii) Was the design of the strategy, programme, and sub-programmes practical and suitable in terms of achieving the objectives of the strategy/programme(s)? (E)

iii) To what extent were targets established under the strategy, programme, and sub-programmes reached and according to the timetables established? (E)

iv) Did the benefits envisaged under the programme and sub-programmes reach the targeted beneficiaries and if not, why not? (E).

v) Did some of the poor not avail themselves of benefits made available to them and if not, why not? Cultural constraints within the household limiting access of some members to benefits? Inappropriate design of sub-programme(s)? [World Bank (1991)] (E)
vi) Were the particular interventions used the most effective cost way in terms of level of benefits provided , considering alter-native intervention possibilities available? (E)

vii) What implementation difficulties are being encountered in carrying out the sub-programmes and what are the causes? (M)

The monitoring and evaluation exercise should be applied to supporting donor assistance programmes and projects as well as to the national programme and sub-programmes. Indeed, provision for monitoring and evaluation is usually built into UNDP interventions (for example, as provided for in its Programme Support Document) as well as those of other international donor agencies and NGOs. However, these are not always used nor their use understood by project managers in many cases. Greater attention, therefore, needs to be paid to assessing such programmes and projects especially in terms of cost-effectiveness of the assistance rendered as well as its targeting effectiveness [see, for instance, Godfrey (1994)].

III.1.2 Programming Financial Support

No anti-poverty strategy/programme can be carried out without adequate provision of the funding required to finance the government-sponsored interventions. However, even more important for a sustained reduction in poverty levels is the mobilisation of the financial resources of the *private sector* for direct investment in income-generating activities involving the mass of the poor [van Pellekaan (1995) as modified]. Thus the challenge is two-fold:

- securing international donor financial assistance to supplement domestic financial resources to cover the costs of the government anti-poverty programme and its sub-programmes, and

- providing the incentive framework encouraging the investment of the private sector in poverty-reducing production activities.

a.Financing Government-led Anti-Poverty Efforts

No sub-Sahara African government has the means to cover entirely the financial costs of implementing an ambitious anti-poverty strategy/programme and its sub-programme components. For this reason, it must turn to the international donor community for co-financing of its anti-poverty interventions. In order to coordinate such assistance, arrangements are usually made by the government for either the UNDP or the World Bank to take the lead in such efforts by organising Round Tables or Consultative Groups, respectively, in which all interested international donor organisations are invited to participate.

At Round Table and Consultative Group meetings in the recipient country, agreements are reached on provision of financial support by individual donor agencies for particular components of the anti-poverty strategy/programme. To meet costs for provision of technical assistance for the management of the programme and sub-programmes, the UNDP typically takes the lead, but other bilateral government donor agencies also may make grant finance available for such purpose. In addition, the World Bank may provide financial assistance from the consultant services component of an IDA anti-poverty programme credit. For the *capital costs* of an anti-poverty programme and sub-programmes, the UNDP may provide limited financing covering a particular component, usually of strategic importance, but most international donor financing for this purpose derives from World Bank and African Development Bank credits and bilateral donor agency grants. World Bank credits may also include grants from bilateral government donor agencies in a co-financing arrangement.

So-called 'Social Funds' are an increasingly important medium for provision of finance to multi-sectoral activities in anti-poverty sub-programmes in sub Sahara Africa. The World Bank typically takes the lead in the establishment and financing of such funds under IDA credits, but provision is often made for co-financing by bilateral donor governments and the UNDP. (Examples are AGETIP in Senegal and AGETUR and AGDSD in Benin).

Donor financing to such special funds via government is one of the three basic delivery mechanisms for getting donor funding to beneficiary communities under an anti-poverty strategy/programme, as noted by the World Bank [Marc (1992)]. The donor-government-beneficiaries route has been the more typical delivery mechanism, though donor-intermediaries - beneficiaries is becoming a more common arrangement. In the view of the Bank, the donor-government-beneficiary route only works well in practice where governments are already organised to carry out participatory approaches in programme implementation or where institutional changes have been integrated into the programme. The donor-intermediary-beneficiaries mechanism provides flexibility in use of funds, but raises issues of by-passing government (through use of NGOs as intermediaries) and coordinating actions with national sectoral strategies. The donor-government-special fund arrangement also affords such flexibility and has the additional merit of involving NGOs and local government, but 'raises issues of sustainability and coordination with line Ministries' [Marc (1992)].

To meet the *domestic* contribution for financing anti-poverty programmes and sub-programmes, sub Sahara African governments must allocate resources from their operational and public investment budgets. At the 1995 WSSD, governments were urged to increase the share of their national budgets allocated to anti-poverty social spending. Furthermore, within existing budgets levels, internal sectoral shifts of expenditures to favour activities whose direct or indirect effects will impact on the poor favourably should be carried out (as noted in Section II.1 above). Such a re-focus will require a restructuring of current national spending priorities directed more to meeting the needs of the poor [Grinspun (1994)].

An additional potential source of domestic funding of anti-poverty sub-programmes is the contribution by beneficiary communities to meeting part of the cost of projects directly benefiting them. This is typically the case under Social Fund operations, where beneficiary communities may provide their labour and local materials for implementing projects they have themselves proposed and helped design. (See, for instance the AGETIP and AGETUR examples). As participatory approaches in anti-poverty programmes are increasingly adopted, such cost-sharing arrangements should take on greater importance as a form of domestic financing of anti-poverty sub-programmes.

b.Promoting Private Sector Participation

It is an objective of the UNDP to make the private sector in sub Sahara Arica 'a strong partner in development with governments and NGOs' [UNDP (1996)]. This goal includes participation of the private sector in efforts to reduce the level of poverty in these countries.

Participation of the private sector in Africa translates as decisions taken by the whole gamut of private entrepreneurs - formal sector companies, small-scale informal sector establishments, and small farmers - to make investments, however small, in production activities required to generate higher levels of output [van Pellekaan (1995)] in order to have an impact of the welfare of the mass of the urban and rural poor. Such investments need to be heavily focused on activities directly involving the labour of, and providing incomes for, the poor, particularly in the sector of agriculture where most of the poor are occupied.

An anti-poverty strategy will need to include policies to provide the incentives for the private sector to make such investments. Most important is the creation of an 'enabling environment' favouring private sector investment and activity [Africa Poverty Reduction Network van Pellekaan (1995)], in the form of legislation and reform measures aimed at reducing administrative restrictions and bureaucratic procedures impeding such in-vestment and activity. Other policies should seek to empower the private sector in decision-making in the country, particularly small entrepreneurs at grassroots level. Practical support measures could include priority access of the private sector to critical production inputs and to credit, including in the international capital market [UNDP (1996)].

III.2 Coherence with Macro-Economic and Financial Planning

A poverty-reduction strategy and supporting programme and sub-programmes cannot stand in isolation of other development strategies and programmes being followed by a government. Such anti-poverty interventions must be consistent with and coordinated within the larger macro- (and meso-) economic and financial planning framework. They should also be in harmony with the government's sectoral planning and any thematic programmes it has introduced. The process of ensuring such cohesion at all levels in SSA countries will necessarily have to take into consideration the roles that the World Bank and International Monetary Fund play in their efforts to assist in the structural adjustment and stabilization of the economies of almost all these countries, as well as those of the UNDP, other UN agencies, and bilateral donor bodies to provide assistance in support of other development objectives.

III.2.1 Integration with Macroeconomics and Finance

The 1995 WSSD Programme of Action called on governments to 'integrate goals and targets for combating poverty into overall economic and social policies and planning at the local [and] national levels'. Accordingly, 'national policies should be reviewed on a regular basis to assess their impact on poverty' and to' ensure that development policies are not biased against the poor.' [Grinspun (1994)].

For almost all sub-Sahara African countries, the integration of an anti-poverty strategy and supporting programme into macroeconomic and financial plans means that it must in effect be *harmonised* within a structural adjustment programme (SAP) as arranged with the World Bank and the International Monetary Fund. Such SAPs have been a reality of life for African countries for some time. Indeed, 35 of the 48 SSA countries have been implementing SAPs for more than a decade. [UN (1996) Special Initiative)].

In developing their macroeconomic and financial planning, African governments work closely with the World Bank and the IMF as the major sources of financial support in their efforts to overcome their current difficulties and adjust their economies for longer-term growth. Thus in such planning, the advice and policy recommendations of the Breton Woods institutions carry heavy weight and their procedures are the ones followed by SSA countries in the joint formulation of economic and financial plans.

First, a Country Assistance Strategy (CAS) is elaborated for each SSA country which serves as a long-term (up to 10 years) strategic management plan for the country. This strategy includes all lending and non-lending operations of the World Bank Group (Bank and IFC and MIGA) in the country. Preparation of the CAS draws heavily from the economic sector work (ESW) carried out earlier by the Bank in the country, in which a collaborative approach is followed to ensure the views of the government, NGOs, and other national organisations are considered. Preparation of the CAS document by the Bank follows discussions held between the Bank and the government resulting from a comparison of the strategic implications of the ESW with the government's long-term objectives and plans [Bhattasali (1996)].

To translate the CAS into an action plan covering a shorter time period, a Policy Framework Paper (PFP) is prepared as a joint document of the government, the World Bank, and the IMF. A tactical paper, it forces consistency between IMF, World Bank and government on policy plans and financial allocations for the country [Key (1996)]. The PFP lays down the macro-economic and financial framework covering a three-year period, typically including over-all structural reform and core objectives to be achieved. Its preparation is programmed annually in order to allow for the constant up-dating required of the three-year rolling plan, such as due to change of government [Bhattasali (1996)].

Ideally, it is the government that should take the lead in preparing the first draft of a PFP, and typically from half to two-thirds of SSA governments do make such an effort. However, a new SSA government usually lacks the familiarity with the PFP approach and issues and will ask the Bank to prepare the draft [Bhattasali (1996)]. In those SSA countries without a development plan, a national steering committee may lead the exercise for the government, as has been the case in Guinea. [Grinspun (1994)].

Many PFPs for sub-Sahara African countries are driven by the requirements of the IMF for its support to stabilization programmes. In such cases, the IMF, the World Bank, and the government collaborate initially in preparation of a brief 'issues paper' that serves in effect as an early draft of a PFP. Following discussions in the Bank and the IMF, a mission to the country is mounted to discuss the initial version of the paper with the government to reach final understanding prior to submission of the paper to the Boards of the Bank and the IMF for approval [Bhattasali (1996)].

How is an anti-poverty strategy/programme integrated within a CAS and PFP? In the past, the World Bank treated anti-poverty interventions as isolated operations, but the current policy of the Bank's Africa Regional Office is to mainstream all such interventions into the overall macro-economic and financial framework. With poverty-reduction the overriding objective of the Africa Regional Office's 1997-99 strategy for operations in SSA, *all* Bank interventions in Africa are to be subjected to the litmus test of '*What is the* effect on poverty levels in the country?'. This screen is to cover measures included under any structural adjustment programme for the country [Bhattasali (1996) and World Bank (1995b)].

The World Bank's new declaration to subject its sub-Sahara Africa SAPs to poverty-reduction criteria comes at a time when the WSSD has called for a new SAP model that is more responsive to social goals, including poverty-reduction [UNDP (1995a)]. Indeed, the Bank-led Special Programme of Action for Africa (SPA) is currently considering if SAPs in the SSA 'should have more aggressive poverty-reduction components in addition to those related to obtaining higher economic growth' [Cleaver (1996)].

What role can the UNDP play in these World Bank- and IMF-dominated procedures? Provision is not made for its participation as an additional partner in developing a CAS or a PFP. However, the involvement of the UNDP and specialised UN organisations in the Bank's ESW could lead to inclusion of their views regarding poverty-reduction considerations in SSA countries' macro-economic plans in the subsequent preparation of a CAS and PFP. For this reason, UNDP country offices in SSA should seek to collaborate with Word Bank missions through offer of UNDP and specialised agency consultants on such missions, and/or involve local staff economists based in many UNDP offices. This points to the need for close relations between the UNDP's and World Bank's resident offices in those SSA countries where the Bank maintains such offices. (See Box III.5).

The UNDP enjoys a special relationship with its member countries as a source of neutral advice. Based on this relationship, UNDP country offices can provide policy advice to SSA governments on the policies it might wish to consider proposing to the World Bank and the IMF at the time the governments are in dialogue with the Breton Woods institutions on preparation of the CAS and PFP. To the extent that the SSA government is in accord with such UNDP views on the desired direction of government macro-economic and financial policy, such as those to ensure poverty-reduction, the UN family is able to *indirectly* express its concerns in this area via the governments in such Bank/IMF/government discussions that may not always parallel those of the two Breton Woods institutions.

III.2.2 Harmonization with Public Expenditure Programmes

At the 1995 WSSD, participant country representatives pledged 'to ensure that national budgets and policies are oriented as necessary to meeting basic needs, reducing inequalities, and targeting poverty' [UNDP (1995a)]. Towards this objective, African Ministers called for an 'urgent reduction in military spending by at least one-third of current levels and parallel increases in social spending from 14 to 30 per cent of total public *expenditures*' [Grinspun (1994)].

As noted in the preceding subsection, government planning on the level, direction, and composition of public financial allocations in the SSA is carried out in coordination with the World Bank in preparing the CAS and with the World Bank and the IMF in elaboration of the PFP, the two documents regulating such spending decisions. A key internal Bank document to facilitate the positions taken by the Bank in this area in preparing the relevant parts of the CAS and the PFP is its Public Expenditure Review (PER) for each country.

PERs concentrate on three meso-level issues of public spending [Baulch (1996)]:

- the share of the education and health sectors within total public expenditures,

- the composition of spending within each of these sectors, and

- the balance between staff- and non-staff costs

In the future, World Bank positions on these issues can be expected to be more oriented to greater consideration of the poverty-reduction effects of public spending decisions, in accordance with the recently-announced 1997-99 strategy of the Bank's Africa Regional Office. Bank-enforced constraints on public expenditures in the health, education, and other social sectors within the framework of structural adjustment programmes accordingly should be re-examined to ensure greater allocation of public resources to finance interventions within these sectors that are targeted on the poor.

What role can the UNDP and the other members of the UN family of organizations play to promote higher levels of poverty-oriented social spending in SSA countries? UNDP participation might be sought on World Bank ESW missions to the Sub-Sahara African countries covering public expenditure planning, since ESW in this area serves as the input into Peers' As noted in the previous subsection, the UNDP country office can also serve in an advisory capacity to government in helping it develop a position on public expenditure spending that is supportive of poverty-reduction in the country and that it puts forward in discussions with the World Bank and IMF.

III.2.3 Harmonization with Sectoral and Thematic Programmes

Not only should an anti-poverty strategy/programme be integrated into macro- (and meso-) economic and financial planning, but it should also be in harmony with sectoral and thematic programmes of a country's development planning. The policy, programme, and sub-programme components of an innately multi-sectoral poverty-reduction strategy should be included in the plans for each social and economic sector (e.g. industry, agriculture, health, education) where indicated and be consistent with the strategy, policies, and programmes of each such sector. By the same token, coherence with particular thematic programmes being followed by the government in its development strategy must be ensured.

In the SSA countries, thematic programmes are increasingly favoured by international donor agencies to address critical development problems that tend to cut across economic and social sectors. Indeed, the UNDP in its technical assistance efforts has shifted from a project to a programme approach in recent years in order to support thematic, multi-sectoral responses to such problems. For a number of years, it has been promoting the theme of 'sustainable human development' (SHD) as the main thrust of its assistance strategy, including in the sub-Sahara African countries, and many African countries have adopted this development approach. Since SHD shares virtually the same objectives and interventions of a poverty-reduction strategy, there is little conflict inherent in seeking to harmonize the two thematic programmes (but see Section II.2.4).

Ensuring coherence with other thematic programmes popular in the 1990s - such as 'women in development', environment protection, and employment creation - will require analysis of the components of each such multi-sectoral approach to identify possible inconsistencies with an anti-poverty strategy/programme that could carry indirect effects contrary to the strategy and policies of the latter.

III.3 Role of Participation

The 1996 United Nations System-wide Special Initiative on Africa calls for the 'empowerment of civil society in sub-Sahara Africa for poverty reduction' through 'participatory approaches to development' [UN (1996)]. In the same vein, the 1995 WSSD supported such empowerment world-wide, Abased on the participation of all people in decision-making, the mobilisation of social energy, and the development of capacities of all levels of society, especially among the poor and vulnerable.' In this way, local ownership of interventions can be ensured and legitimacy given to policies and programmes for poverty-reduction [UNDP (1995c)].

Recently the World Bank has been subscribing to the ideal of participation in development too. It has defined participation as 'a process through which stakeholders influence and share control over development initiatives and the decisions and resources which affects them' [World Bank (1995g)].

However, participation should not be regarded as the *sine qua non* of economic development, nor as the main force for reducing over-all poverty levels in a country. Thus Godfrey recognizes that participation is an 'essential emphasis in community-based projects', but maintains that 'it is not the only possible approach to the elimination of poverty'. He notes that 'historically growth in demand for labour and/or state-subsidized health care and education appear more important than participation and empowerment'. [Godfrey (1994)]. Such increased labour demand and expanded social services on a sustainable basis must derive from higher rates of economic growth as the basis for poverty-reduction, the World Bank argues (as noted in II above), as emphasized in its poverty-reduction strategy for sub-Sahara Africa. But a higher rate of growth may not in itself be adequate to reduce poverty unless it is broad-based and employment-intensive. [see our comments on the Bank's growth strategy in part II.2.2 above]

At any rate, the argument for following a participatory approach to development extends beyond purely economic considerations into the realm of social and political factors. The poor should not be considered only as a source of labour for production leading to higher growth rates, but as partners in the decision-making process of socio-economic development. Their participation is particularly critical for the success and sustainability of a government-sponsored anti-poverty strategy/programme, a principle that the United Nations family, the World Bank, and other international donor bodies involved in poverty-reduction all support today.

Introduction of a participatory approach to the formulation and implementation of an anti-poverty strategy/programme and its component sub-programmes presupposes the approval of government [World Bank (1995g)]. In the absence of any such agreement on the part of government, international donors can make little headway in promoting the involvement of civil society in this process. As the mobilisation of the poor, in particular, may touch political sensitivities on the part of many governments in sub Sahara Africa countries, it should not be assumed that a participatory approach can always be introduced in these countries, even in those that express commitment to poverty-reduction as a goal of their countries' development.

Assuming that adoption of a participatory approach is acceptable to government, what are the types of strategy that could be followed? Donnelly-Roark (1995) has identified four categories, in order of rising degrees of participation:

- *mobilisation strategy*, in which the program is designed from outside and the targeted beneficiaries mobilised to collaborate with and endorse it.

- *community/institutional development strategy*, under which the community participants develop a perception about a problem, followed by involvement of local groups in planning and implementation of remedial interventions. The participants share specific amounts of control, but decisions as to the actual amounts of such control are determined from outside.

- *organizing strategy*, in which marginalized groups organize themselves or are organized to increase their decision-making influence, but share specified amounts of control with external agents or elected office holders.

- *empowerment strategy*, in which community-based groups initiate an empowerment process that enables them to set their own goals and assume responsibility for the interventions to achieve these goals. This strategy places control full control with the participants themselves.

This typology emphasises the role of the *beneficiary* stakeholders - the participants at community level. In such 'bottom-up' planning initiatives, it is particularly important to give a 'voice to the voiceless' [Donnelly-Roark (1995)] - those living in poverty, women, minorities, and the incapacitated - to allow them to play a part in decision-making affecting their lives. Other stakeholders - the government, NGOs, donor bodies - are the influential players in the formulation and implementation of an anti-poverty strategy and programme and whose participation is built into the process.

What are the consequences of excluding the intended beneficiaries from participation in the design and implementation of anti-poverty strategy/programme and its component sub-programmes? Experience in developing countries shows that community-level interventions identified and planned by government officials that count on the subsequent mobilisation and support of the beneficiaries tend to fail or prove unsustainable. The local poor invariably feel that such operations 'belong' to the government (or international donor body) and do not respond to their real but unexpressed needs. They may also suspect the motives of the government in mounting the intervention. In response, the intended beneficiaries may not be forthcoming in provision of their labour needed for construction of the planned infrastructure, especially in self-help projects. Housing constructed for the use of the beneficiaries may remain unoccupied where it does not respond to their lifestyle (as in the case of earthquake rehabilitation projects). Even if the local poor begrudgingly cooperate on the intervention, they may refuse to maintain the infrastructure (as in the case of feeder roads or canals) or participate in the expansion of a pilot project throughout their community.

In recognition of the risks of failure posed by the exclusion of the intended beneficiaries from the process, community participation has been 'consistently advocated in planning, design, and implementation of sustainable poverty programmes in Africa' [Yahie (1993)]. The World Bank, for instance, now calls for 'empowerment of local communities [in sub Sahara Africa] to identify and replicate high-input , low-cost programs based on home-grown priorities' [World Bank (1995b)]. Similarly, the World Bank-led Special Action Program for Africa is currently considering 'how the poor can be mobilised to help design and support poverty-reduction activities' [(Cleaver (1996)].

At the same time, however, other risks and problems are introduced with the adoption of a participatory approach. African government officials typically do not know how to involve the poor -- with their lack of skills, high illiteracy rates, and isolated locations -- in the design of poverty-reduction operations [Yahie (1993)]. Their actual participation may be restricted by the heavy demands such participation places on the available time of the poor, particularly already-overburdened women [Godfrey

(1994)]. African communities may lack representative structures, creating the risk of co-optation by local elites of decision-making for anti-poverty sub-programmes [World Bank (1994c)]. As maintained by one observer of the African scene, 'there is a paternalistic, elite-oriented culture at the community level in many areas of Africa that is not suited to participatory approaches' [Yahie (1993)]. Even where the mass of the local poor *are* represented, there may be frequent conflicts among them over resources where planned interventions seem to favour one group over the other. (ibid) Partisan politics and political manipulation can run rife, especially in a situation where a legal framework is absent. (ibid).

Even when these problems are overcome and a community-driven intervention designed, problems not surprisingly arise in the implementation stage. Local organisations may lack the capability to manage the execution of projects, resulting in much slower implementation than under government-execution [Godfrey (1994)]. Incentives offered may be inadequate to elicit the participation of the local poor [World Bank (1995g)], particularly under cost-sharing sub-programmes in which their labour is to be provided free and where they do not see the tangible benefits for themselves as opposed to the better-off in the community. Access to benefits intended for women and children (such as school places) may be blocked by male heads of households for whatever reason..

What is the process to be followed in introducing a participatory approach to an anti-poverty programme? It will, of course, depend on which of the four types of participatory strategies identified above is to be adopted. Here we will assume it will be one that goes beyond the minimum 'mobilisation strategy.'

As argued by the UNDP and others, a true participatory approach should involve 'all national actors in the strategy, design, implementation, and evaluation process' [UNDP (1995c) and Godfrey (1994)]. Such an approach necessarily requires 'a country-wide dialogue and consultation process' from the beginning [UNDP (1995c)]. Conditions thus will be created that are favourable for setting priorities and planning implementation to be agreed on by all organised interest groups, including Apolitical parties, trade unions, farmers and producers associations, NGOs, research institutions, gender-issue organisations, and village community organisations'. (Ibid). An outstanding example of an effort to involve all such 'stakeholders' in a country-wide dialogue to initiate planning for an anti-poverty strategy and programme is that of Malawi's 'National Workshop on Collaborative Programming for Poverty

Alleviation', held in Blantyre in March 1994. Participants included representatives of the UNDP, UNICEF, and the UNFPA on the part of the international donor community, government ministries and departments, statutory bodies, political parties, city councils, NGOs, religious organisations, and the private sector [UNDP (1994)].

Although the World Bank was not one of the participants in the Workshop (despite the fact that it maintains a field office in Malawi), its Africa Regional Office supports such a 'systematic stakeholder consultation' process as the first step in planning an anti-poverty strategy/programme in sub- Sahara Africa countries [World Bank (1995b)]. As the Bank maintains, 'when all stakeholders collaborate in designing their collective future, it increases the chances of former differences being resolved and a new consensus emerging around issues everyone can agree upon' [World Bank (1995g)]. To promote such country consultations between borrowers, beneficiaries, and NGOs, the Bank's Africa Regional Office has reinforced its 28 SSA field offices with additional professional staff [World Bank (1995b)].

Indeed, the World Bank's Africa Regional Office calls for each SSA government to establish 'a [national] forum for poverty reduction' where stakeholders can discuss, evaluate and coordinate efforts to that end 'and in particular establish opportunities to listen to the poor'. Such a forum should take the lead in the dialogue between civil society on the one hand and government departments and donors on the other in formulating and implementing a strategy to reduce poverty. [van Pellekaan (1995)]. However, provision is apparently not made for representatives of the poor, despite the fact that the *World Bank Participation Sourcebook* calls for the participation of all stakeholders in the decision-making process of Bank-supported programmes, including those typically excluded, particularly 'the voice-less' [World Bank (1995g)].

After all stakeholders have been enlisted in the process of participatory planning for an anti-poverty strategy/programme, how do they actually engage in the planning and decision-making process? [World Bank (1995g)]. According to the *Sourcebook*, group consensus should first be reached in setting and prioritizing sector objectives and identifying action programmes in each sector within the framework of strategic planning. Then the stakeholders should seek agreement on 'detailed implementation and operational steps that permit action in the short and medium term' in a 'tactical planning' stage. (Ibid). These broad stages of participation of stakeholders are similar to, those less structured than, those identified by the authors in subsection III.1.1 above.

When macro- and meso- level concerns of an anti-poverty strategy and supporting programme have been agreed upon and specific targeted interventions at micro-level in the form of sub-programmes are next to be prepared, maximum effort should be made to ensure that the intended beneficiaries are invited to participate in the identification and selection of specific interventions in their communities and in the subsequent design of such interventions to ensure that they represent those wanted by the communities. Ideally, representatives of the beneficiaries should take the initiative and propose the specific interventions wanted themselves.

This stage of the process provides a real 'litmus test' of the degree of genuine participation of the poor being provided for in formulation of anti-poverty programmes. Many African village leaders who might be expected to represent their communities do not reflect the aspirations and needs of the mass of the poor in their constituencies. As noted earlier, there is always the risk that village elites may propose interventions on behalf of their communities that generate benefits more for themselves than for the actual intended beneficiaries.

As strong advocates for promoting the poor as participants in the process of designing and implementing projects in sub-Sahara Africa, NGOs operating at community level acting as intermediaries between government and the poor should be associated with efforts to identify and involve genuine representatives of the poor in planning and implementation of community-based sub-programme [van Pellekaan (1995) as modified]. Many such NGOs are channelling resources to community-based organisations and providing them with services or technical assistance to strengthen their capacity as representatives of community interests. [World Bank (1995g)].

Another type of national organisation in Africa that in many cases is supporting the concept of participation of the poor in identifying and designing community-level interventions of their own are the multi-purpose autonomous agencies set up under various donor-financed social funds, typically for the purpose of alleviating the social effects of SAPs. As noted by the World Bank, such social funds are 'low-cost and flexible mechanisms for addressing critical economic and social needs, distributing resources to underserved communities, enhancing community participation, improving donor coordination, and for filling in the institutional gaps that exist in the public sectors of many developing countries.′ [van Pellekaan (1995)]. In practice, social fund agencies in Africa often substitute for community-based organisations lacking the capacity themselves to design and implement demand-driven sub-programmes for their communities [Yahie (1993) modified].

A good example of such an agency is AGETIP (Agence d′Execution de Travaux d′Interet Public pour l′Emploi), set up in 1989 in Senegal under World Bank financing that supports the preparation and implementation of community-driven public works projects. The procedures followed by AGETIP are aimed at ensuring the maximum local participation in the identification and design of such projects to reinforce a sense of ownership by the beneficiary community of the projects [Wade (1995)].

Before a community identifies a project for which it would like AGETIP′s support, AGETIP sends it representatives to the community to organise meetings in which the community′s needs and priorities are discussed and information on AGETIP′s policies, objectives, and procedures disseminated. (Ibid: 12). In this way, AGETIP promotes communication between the intended beneficiaries and local authorities to ensure that beneficiaries are consulted before any project is presented to AGETIP by the community for funding and implementation. (Ibid: 11).

The process of preparation and submission of proposals differs somewhat as between urban and rural communities. In urban areas, democratically-elected municipalities submit lists of projects to AGETIP that have been put forward by local inhabitants as representing their priorities and which the municipalities regard as economically or socially useful and contributing to poverty alleviation. (Ibid: 4). The municipality must agree to co-finance 10 per cent of the project′s costs. AGETIP then arranges for their implementation by contracting out the work on a bidding basis to small- and medium-sized enterprises and on the completion of the work hands the infrastructure over to the municipality. (Ibid: 4-5). In the case of the rural areas, the procedure is for rural councils to put forward proposals they consider of priority importance to the communities they represent, often formulated with the technical help of a government Ministry. The councils similarly offer to meet 10 per cent of project costs. (Ibid: 7-9).

AGETIP maintains that the projects it supports represent the demand of the local population, which participates in the identification, conception, execution, and, later, evaluation of the projects, and that such Asocial mobilisation guarantees ownership at all levels'. (Ibid: 10). Indeed, the procedures followed by AGETIP appear to correspond to those of the 'community/institutional development strategy' participatory approach identified above, with implementation of the project controlled from outside (AGETIP and the executing enterprises).

To what extent does AGETIP's approach benefit the poorest Senegalese? It appears that AGETIP's procedures do not necessarily target the poorest communities as candidates for assistance [van Pellekaan (1995)]. At the level of a community targeted by AGETIP, the choice of projects put forward depends on the wishes of the urban municipalities and rural councils, which may or may not give the needs of the poorest in their jurisdictions priority in the selection process.

Projects approved by AGETIP are carried out by outside bodies - private sector enterprises - rather than by the beneficiary communities themselves with the help, for instance , from a NGO or CBO. These enterprises are under no compunction to use labour-intensive techniques to ensure maximum employment impact in the beneficiary community - AGETIP requires that a minimum 20 per cent of total project costs go to wages (Ibid: 9), whereas labour intensive public works typically distribute 70 per cent or more to total expenditures as wages. Furthermore, no procedure is introduced that would have the effect of attracting the poorest to take up project work - such as setting a daily wage rate below that attractive to any but the poorest - with the result that the non-poor of the community may equally be the beneficiaries of whatever employment is offered by the project.

In Benin, AGETUR (Agence d'Execution des Travaux Urbains) is another autonomous non-profit World Bank-funded agency with objectives and operating procedures similar to those of AGETIP. However, it focuses exclusively on urban infrastructure projects, though as in the case of AGETIP the works proposals are requested by local communities (as well as by the government). Similarly, the approved projects are put to bid among small local enterprises but who, as in the AGETIP procedure, are not required to follow labour-intensive techniques nor to give priority to employing the poorest of the community's inhabitants [World Bank (1994a)].

Another similar agency in Benin also set up under a donor-financed social fund is AGDSD (Agence de Gestion des Dimensions Sociales du Developpement), which supports rural infrastructure construction exclusively. Unlike AGETIP and

AGETUR, all projects are selected by the relevant sectoral Ministry, which decides where they should be located, rather than the communities. As such, AGDSD is not an example of a participatory approach in development. (Ibid: 100).

How can the UNDP and other international donor bodies help promote a participatory approach in developing an anti-poverty strategy and programme in SSA countries? Indeed, the WSSD called on the UNDP to give greater emphasis in its assistance efforts for the purpose of strengthening the capacity of civil society as a partner in sustainable human development [UNDP (1995a)]. Broadly, the UNDP should strengthen the capacity of 'civil society organizations' (CSOs) through support for the creation of an 'enabling legal and political environment' in which such CSOs can operate and 'maintain their independence.' (Ibid: 21).

In a similar vein, the World Bank is now arguing for the creation of 'an enabling policy environment' to overcome the constraints at policy level that 'impinge on the right of people to organize, to access information, to engage in contracts, to own and manage assets, and to participate fully as members of civil society' [World Bank (1995g)]. Also required, the Bank argues, is support for the strengthening of the organizational and financial capacity of the poor so that they can act for themselves within such an environment. (Ibid).

Beyond the broad and ambitious task to promote the creation of conditions favourable for a true participatory approach to poverty-reduction, what specific ways can the process be aided?

> * Stipulate that the government provide for the participation of intended beneficiaries in the preparation of any donor-supported anti-poverty programme. Indeed, the UNDP, under its new 'programme approach', requires the participation of beneficiaries in formulation of any national programme for which the government is seeking UNDP assistance [UNDP (1993)].
>
> * Strengthen the capabilities of the government, NGOs, and CSOs in the design and implementation of a participation-based anti-poverty strategy/programme and sub-programmes. In this connection, the UNDP has declared its intention to 'build the capacity of governments, national research institutions, and CSOs in the use of participant methodologies for policy and strategy development,

programme design, implementation, monitoring, and evaluation' [UNDP (1993c)]. Similarly, under World Bank-financed social funds, assistance is to be provided CSOs for developing organisational, administrative, and technical skills to help them 'better identify and prioritize their needs, develop strategies to meet them, and initiate micro projects' [World Bank (1995g)].

* Promote the development of anti-poverty pilot projects at the grassroots level and support the transfer and replication of successful participatory methodologies of such interventions [World Bank (1995g)].

* Support efforts to ensure gender-equity and full participation of women in society and in this way broaden the base of participation in design and preparation of community-based poverty-alleviation interventions [World Bank (1995g) modified by authors].

* Support the decentralisation of public institutions and services to a level that facilitates local participation in anti-poverty planning [World Bank (1995g)].

In its own procedures, the UNDP could introduce changes that are supportive of a participatory approach in its technical assistance for an anti-poverty strategy/programme. As put forward by Donnelly-Roark (Ibid: 7), these could include:

* Promoting participatory approaches in policy planning at the Resident Representative level,

* Introducing a participatory approach in the design of country programmes,

* Incorporating more national participation into the currently outsider-focused evaluation of UNDP projects and programmes,

* Expanding exchange of information among and with grass-roots organisations, and

* Training UNDP staff in participatory approaches to development planning (as is being promoted by the preparation of this 'Framework' for instance).

III.4 Comparative Advantage of Stakeholder Organisations

Because of the many international donor agencies engaged in support of poverty-alleviation, the World Bank argues that it is 'especially important' that inter-agency coordination be developed to avoid duplication of effort [World Bank (1993b)]. To this end, regular consultations should be held between them, including for the purpose of establishing a 'division of labour' on who does what, based on the comparative strength of each agency. (Ibid: 126, 127).

The United Nations is in agreement with this principle as it relates to sub-Sahara Africa. Thus the 1996 United Nations System-Wide Special Initiative on Africa calls for the involvement of its member organisations (including the World Bank) in support of African development according to the yardstick of 'comparative advantage' of each [UN Special Initiative (1996)].

However, the principle of application of comparative advantage criteria should be extended beyond the international donor community to include *national organisations* with a potential role to play in development initiatives. Indeed, it is argued here that *all* stakeholder organisations vying for a place in the implementation of an anti-poverty strategy/programme should be subjected to comparative advantage considerations to ensure that the most qualified are selected.

In applying this principle in practice, we must first answer the question: *comparative advantage in what?* Support for an anti-poverty strategy/programme takes many forms, each of which should be clearly identified. Three broad types may be recognised:

* provision of capital finance,

* provision of technical assistance in design and implementation, and

* management of the implementation of the programme and sub-programmes

In choosing between the array of candidate organisations seeking to participate in these three areas of support for an anti-poverty strategy/programme, the principle of comparative advantage should be applied, but *on what basis?* In provision of capital finance, it is fairly clear that selection should be based on type of finance and conditions offered, but for provision of technical assistance and for implementation management, one can identify several yardsticks that could be applied:

* cost-effectiveness,
* technical competence
* effectiveness of implementation
* experience

However, the procedure of selection becomes cloudier when an organisation offers a mix of capital finance and technical assistance as a package, as is often the case with the UNDP and bilateral donor agencies. In such instances, the more important category offered should be the one subjected to the comparative advantage test.

What basis for comparative advantage do we propose here? While some might argue for cost-effectiveness [Godfrey (1994)], it is worth noting that the World Bank in its own rules on international competitive bidding (ICB) for execution of technical assistance components of Bank-financed projects places priority on *technical competence*, with secondary importance to cost. Under ICB procedures, the bid of the organisation with the best technical qualifications is to be accepted, provided that the cost of the proposal is reasonable. Least-cost bids are not necessarily successful.
We propose here that this technical competence criterion be the basis on which organisations are judged for selection as providers of technical assistance and managers of sub-programmes in an anti-poverty strategy/programme. The United Nations Africa Initiative argues for 'agency experience (substance and out-reach in Africa)' (ibid: 4) in selection of a particular organisation of the United Nations family, but experience in itself is not an indicator of professional excellence, though it undoubtedly contributes to it. Effectiveness of implementation - timely provision of inputs, completion of work on schedule, etc. - is certainly also important from a practical standpoint, but it may be assumed that a technically- competent organisation is also administratively-competent in most cases.

There are other 'second level' considerations that tend to be immeasurable, but which also should be recognised for their importance, most of which are associated with the comparative advantage of the United Nations family of organisations. These include degree of impartiality, extent of presence in the field, conditionality of services, among others. (See UNDP below under subsection b.)

III.4.1 Provision of Capital Finance

Three basic categories of international donors providing capital finance for anti-poverty programmes can be identified: [World Bank (1993b)]

-- Multilateral development banks
-- United Nations agencies
-- Bilateral country donors

In the case of sub-Sahara Africa, the multilateral development banks that are potential sources of finance for anti-poverty interventions are the World Bank and the African Development Bank. The World Bank offers SSA countries interest-free IDA credits for such purposes, but the principal must be repaid, of course.

Financing of the capital costs extended by the United Nations agencies and bilateral country donors is on a grant basis and thus is preferable to the loan financing of the multilateral banks. However, the amounts offered are limited and invariably less than the loans that the World Bank and the African Development Bank are able to provide. Under such circumstances, the ideal arrangement for sub-Sahara African countries is to obtain maximum financing on a grant basis from the UN system and bilateral donors and supplement it as necessary with World Bank and/or African Development Bank loan financing. Under the typical situation for large-scale, multipurpose anti-poverty interventions , such as in the establishment of a Social Fund, co-financing involving several bilateral donors and/or the UNDP, with the World Bank as the lead source of funding, is a common arrangement. Smaller, usually geographically-targeted, anti-poverty sub-programmes might only require the financing of a single bilateral donor agency.

While the UNDP can provide capital financing too, the amounts it can offer towards a single intervention are relatively small and are best focused on a catalytic operation as packaged with technical assistance. (See III.4.2 below). Other UN agencies capable of contributing towards capital costs of an anti-poverty sub-programme, such as UNICEF, IFAD, and the World Food Programme (in the form of food aid), are also limited in the amount of capital funding they can provide.

III.4.2 Provision of Technical Assistance

A sub-Sahara African country planning to introduce a poverty-reduction strategy and supporting measures will invariably require external technical assistance in designing a national programme for this purpose and in implementing it, as well as in strengthening the capacity of the government and other involved organisations in carrying out these tasks. The possible arrangements for provision of such assistance are many, ranging from furnishing finance and recruitment of consultants from outside the donor organisation at one end of the spectrum to offer of consultants but without the finance to cover their costs at the other end. Here we are not concerned with the funding aspects, but rather with the comparative advantage of the different organisations in terms of their technical competence and other associated advantages they bring.

Who are the candidates for providing such technical assistance and what are their comparative advantages?

i) *The World Bank* can assist SSA countries in the identification and preparation of anti-poverty interventions through the short-term direct services of its own staff and consultants. World Bank staff also typically extend important direct assistance in the preparation of country poverty assessments that serve as the necessary analytical foundation for elaboration of any anti-poverty strategy/programme. These services are provided *gratis* from the Bank's own resources as linked to an expected Bank-financed anti-poverty intervention (such as establishment of a Social Fund) and are thus not subject to competition for selection.

However, in the selection of consulting services as provided for under the technical assistance component of the resultant Bank-financed project, international competitive bidding *is* the usual rule. The Bank itself does not provide such services under the project, but requires rather that the government put provision of such services to tender, with selection by government based on technical merit at reasonable cost. In some cases, however, such as when the technical assistance component is very small or if a United Nations specialised agency is judged by the Bank and the government as fully competent to provide the needed services, ICB rules are waived and direct selection can be made. Since the process is highly competitive in most cases, selection on the basis of greatest technical competence is usually assured.

(ii). *Bilateral donor agencies* of aid-giving countries (such as GTZ , SIDA, and DANIDA) typically offer grant-financed technical assistance services tied to the staff or consultants of their own agencies (or at least nationals of their countries) along with the capital finance preferred. Since the capital aid is on a grant basis and can be a fairly considerable amount, governments are hesitant to turn it down for the sake of obtaining technical assistance services on a more competitive basis.

Donor countries may also arrange with specialised agencies of the UN family (such as the ILO) to offer the technical assistance services of these agencies as financed on a trust fund basis with the agency (so-called 'multibi' arrangements). Since the financing typically covers provision of technical assistance services only, recipient governments feel free to put such specialised agency offers to the 'comparative advantage' test in competition with other grant-financed technical assistance proposals.

(iii) *The UNDP* offers grant-financed technical assistance under which the UNDP itself or a specialised agency of the United Nations provides the professional services. The actual consultants or 'experts' provided are typically not staff members of the UNDP or the specialised agency, but are contracted private individuals (many of whom with previous experience as employees of the organisation). However, since they are proposed as short-term members of the sponsoring organisation and are back-stopped by the organisation, it is the providing organisation that is subject to the 'comparative advantage' test here , unlike for bilateral donor organisations, which are administrative bodies depending on the technical competence of the consultant team it is proposing.

Beyond any technical superiority the UNDP and the specialised agencies may be able to offer, they benefit from other advantages over competitors that make them attractive to governments of sub-Sahara Africa and elsewhere in the developing world. As identified by the Administrator of the UNDP [Speth (1996)] and others, they are that they:

> * do not represent any national or commercial interest or interests of donors generally, and thus can provide independent disinterested advice, including on sensitive policy issues. For this reason of 'neutrality', they can offer a 'special relationship of trust with countries and their peoples' and 'can

provide stable long-term capacity-building assistance free of short-term political and economic objectives',

* emphasize 'bottom-up', country-driven programming and without 'conditionality' that ensures country 'ownership' of the technical assistance programme offered,

* enjoy a comprehensive mandate across social, economic and political issues and have specialised expertise in the full range of development concerns,

* can offer special strength and experience in the social and human aspects of development, such as poverty-alleviation, and

* have long years of experience in the developing countries in providing assistance in institutional capacity-building.

iv) The United Nations specialised agencies (such as the ILO, UNICEF, FAO) may offer their technical assistance services within the framework of a UNDP project , multibi arrangement with a country donor, or under a World Bank-financed project, or directly to a government. Except in the last example, in which it meets the cost of its services from its own budget, they must depend on the financing of their assistance from another source. Their offers of assistance should be judged on a technical competency basis, but taking recognition of the other special advantages noted above for the UNDP too.

v) Private consulting firms lack any of the advantages of their competitors in seeking selection by governments as providers of technical assistance services. They are neither self-financing nor can offer most of the special benefits associated with the UN family of organisations noted above. As such, they are to be judged solely on the quality (and cost-effectiveness) of their work, the criterion by which they either succeed or go out of business.

While in these situations private firms are in a direct relationship with the governments, competing for contracts financed either from governments' own budgets or from World Bank-provided credits, they also compete for selection by the UNDP and other UN agencies, as well as bilateral donor country organisations of their own nationality, as members of the technical assistance teams these bodies put together and submit to governments in their technical assistance proposals. In these cases, whether the firms are selected or not depends on the success or failure of these agencies in securing the contracts.

III.4.3 Management of Programme and sub-Programmes

In the past, it was typically the governments of sub-Sahara African countries that managed the implementation of their development programmes and sub-programmes, including those supported with the financial and technical assistance resources of donor bodies. However, due to the deterioration in recent years of the capacity of African governments to administer such operations, coupled with the increasing importance being accorded to participatory approaches in development, intermediaries - mainly national NGOs and to some extent CBOs- are being selected more frequently to assume such tasks as subcontracted to by governments or international donor bodies.

Whatever the type of implementing body - central government, local government, NGO, or CBO - selection should be based on comparative advantage principles, as is expected in the case of provision of external technical assistance. The process should be conducted on a case-by-case basis, taking into consideration the nature and requirements of each type of intervention. Consideration should be given to the introduction of a system of competitive bidding among NGOs for management of sub-programmes, including Social Funds. In many instances, central government will be the only logical possibility (as in the provision of education and health infrastructure), while in other interventions local government will clearly be more suitable, but subject to competition from community-based NGOs and CBOs.

In view of their 'strong grassroots links, field-based development expertise, and cost-effectiveness' [World Bank (1995c)], national NGOs are in an advantageous position for selection as managers of many community-based intervention proposals under an anti-poverty programme. Indeed, the World Bank maintains that NGOs 'with a proven track record can provide important assistance' [in poverty-reduction interventions] [World Bank (1995c)]. In such cases, the World Bank supports contracting NGOs as Executing Agencies of approved World Bank-financed project components. (Ibid). However, it should be recognised that many national NGOs are unsuited for such tasks due to their lack of experience in project management, weak administrative and/or technical capacity, and inadequate financial foundation.

Community-based organisations in sub-Sahara Africa (other than NGOs) should also be considered for management of micro-programs in their localities in those (rare) instances where they possess the technical and administrative capacity required for implementation of the intervention. In view of their importance for a participatory approach to poverty-alleviation, they (as well as national NGOs) should be supported by international donor agencies with a view to strengthening their capabilities and thus improving their comparative advantage for selection as managers of micro-programmes.

III.5 Promoting Transparency in Management

To ensure popular support for an anti-poverty programme and its sub-programmes, it is essential that the administration of the programme and sub-programmes be transparent to the public. Indeed, the UNDP report on the 1995 WSSD meeting maintains that 'an open, transparent, and accountable system of governance encourages the organisation of people around common goals and their articulation in the political system' [UNDP (1995c)].

As the WSSD report indicates, transparency is a characteristic of good governance in general. In sub-Sahara Africa, the need is particularly felt. Thus the 1996 United Nations Special Initiative on Africa includes 'transparent, responsible, and effective governance' as one of its major themes and identifies six areas of required action in sub-Sahara African countries to attain this goal [UN (1995)].

i) improved capacity of civil service systems for effective management,
ii) strengthened rule of law in governance, particularly independent judicial systems,
iii) strengthened parliamentary functions and electoral processes,
iv) more accountable machinery of public administration, 'especially in the area of budgetary allocation for public investments and revenue collection',
v) development of pluralistic forces, including civil society organisations, and
vi) improved flow of public information and opportunities of public dialogue on development policies and programmes.

In the case of implementation of anti-poverty interventions, transparency in management of the operations is important for the public as a whole, but even more so for the *participants* in such interventions in order to create trust and confidence among them. As noted by a World Bank official, 'if beneficiaries are asked to participate in a programme, they need to have a clear view of the programme objectives and how the funds are being disbursed, for what they are being disbursed, and to whom they are being disbursed.' [Marc (1992)].

By what means can transparency (and accountability) be promoted in the management of anti-poverty interventions? The United Nations Special Initiative for Africa identified six areas for improvement of governance in general in sub-Sahara Africa (as noted above), but they are of long-term character, given the sweeping nature of the reforms required. For the short-and medium-term, there are two ways we can identify of a practical nature in which transparency can be furthered in anti-poverty operations:

> i) support use of civil society organisations 'to act as pressure groups to ensure transparency and accountability' [UNDP (1995a)]. Since CBOs and NGOs can be expected to be active in support of community-based anti-poverty interventions, by the same token they could also monitor implementation progress of such operations to be alert to and publicise any irregularities.
>
> ii) establish management and information systems within each sub-programme as a means of supporting transparency in the financial administration of the sub-programmes [Marc (1992)].

How can the UNDP and the other donor organisations help in ensuring the introduction of transparency in the management of anti-poverty interventions in sub-Sahara Africa? Clearly, they can provide support for the practical measures proposed above through provision of technical assistance, but in meeting the broader objectives for good governance identified in the Initiative, the UNDP in particular can provide major assistance to African governments to strengthen (or reform) their public administrations and promote the establishment of an 'independent , fair, and effective system of justice', objectives of UNDP assistance called for as follow-up to the WSSD [UNDP (1995c)].

III.6 Monitoring & Evaluation

Poverty concepts differ both between and within countries even at the same points in time. It is not surprising, therefore, that actual numbers in poverty differ for the same country for the same time period. This is a nightmare for policy makers since the numbers provided have the consistency of shifting sand and the targeting of policy becomes like roulette. Consequently, there is currently no way to monitor or evaluate poverty reduction programmes in terms of their impact on the poor. What is required are a set of "benchmarks" for poverty that can be uniformly applied across all countries in the region, and consistently over time.

Unfortunately, this is easier said than done. Poverty has a number of dimensions and it is inevitable, therefore, that one is never happy with the available statistical base. This is due to both deficiencies in concepts and due to the absence of data. The regular monitoring of poverty must take place at the household level. Obtaining representativeness is both an expensive and lengthy procedure that involves either detailed income and expenditure household surveys or a census. We know that the available evidence on the extent and tendency of poverty in SSA is fragmentary and incomplete. And a glance at the UNDP's annual Human Development Report will show that there are more gaps in poverty data than for many other indicators of social progress in the SSA region..

Obviously, the data situation cannot be improved overnight. It requires a long painstaking process that involves at least three main steps. First, agreement on concepts, methods and benchmarks is required, second the collection of data and third its analysis. It is worth mentioning in passing that national statistical offices are littered with un-analyzed data and that the cost of analysis and publication is often equivalent.

What can the UNDP do to achieve the desirable result to produce cross-country comparable poverty? There are, perhaps, three main contributions. First, it can assist ECA and the World Bank's international expert groups to create uniform poverty definitions and benchmarks across Africa in much the same way that the ILO conference of statisticians has accomplished this for employment statistics. Second, it can help national statistical bodies to analyze data that already exists but has been underutilised. Third, it can urge and help Governments to send to the UNDP Human Development Team the most recent social statistics that are available and that are based on existing sources but not readily available to an international audience. It can be helped in this process by the UNDP project on training statisticians to produce human development and poverty statistics .

How to measure impact at each 3-M level? Clearly, measurement of impact is easier as we move away from the macro to the micro level. At the macro level there are no independent and objective measures of success. There one must measure outcomes rather than immediate impact. Good quality work will lead, normally, to the outcome that more advice is welcomed. .

At the meso level impact can be measured by noting whether Government legislation has changed in response to advice given. Problems that may arise, however, is that reinforcing Governmental interventions may cause additional bureaucracy when what is needed is its demise. Thus, in some cases, success could be achieved through institutional destruction!

At the micro level outputs are easier to measure and micro targeted projects are popular with donors because of their high visibility compared with the more immeasurable macro level interventions. The sorts of indicators at the micro level are the number of people trained, the number of wells rehabilitated, the number of needles distributed, the number of local organizations formed etc. One of the main problems with micro level projects is that much of this assistance may not be sustainable. Once needles have been distributed, disease may have been prevented but unless the programme continues, or is taken over by Government, the same diseases could reappear.

[End]

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