Governance and Poverty Reduction in Africa: A Critique of the Poverty Reduction Strategy Papers (PRSPs)*

By

SAID ADEJUMOBI, Ph.D.
Political Governance Adviser,
Economic Community of West African States (ECOWAS)
60 Yakubu Gowon Crescent,
Asokoro District,
Abuja, Nigeria.
Email: adesaid@yahoo.com
sadejum@cddnig.org
Tel: 234-8033482124.

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Abstract

Poverty reduction is increasingly becoming a right-based issue. The international community has accepted it as a universal norm through the Millennium Development Goals (MDGs), which is being reflected at the national level by the initiation and implementation of the Poverty Reduction Strategy Papers (PRSPs) in many developing countries. PRSP has a strong interface with governance. Indeed, its political premise is that a process led and institutionally structured anti-poverty strategy may reconstitute governance, create a new social pact between the governors and the governed, and give voice and power to the people in taking decisions on poverty issues. This would expectedly increase public accountability, enhance national capacity, and mobilise national efforts and resources against the most daunting challenge of development in Africa-poverty.

The paper examines the interface between governance and poverty reduction focusing on the main anti-poverty reduction strategy in Africa-the PRSPs. It underscores the importance of politics and governance in poverty reduction, investigates the governance content of the PRSPs, and the extent to which it can transform politics, enhance national capacity and promote good governance as a basis for achieving sustainable poverty reduction and improving the living standards of the people. The paper argues that PRSP has a tenuous governance basis, with a wide gap between stated objectives/expectations and the concrete social realities and public perception of the policy instrument. PRSP remains circumscribed in terms of the nature, quality and level of participation of its processes, the legitimacy it engenders in the public sphere, and its penetrating influence and acceptability among social groups and people in many African countries. The content of PRSP, its ideological underpinnings, and the global context in which it is situated have contradictory impulses for national ownership, governance and poverty reduction in Africa.
Introduction

The main discourse on poverty in development economics centres essentially on the interface between economic growth and poverty. While on the one hand some argue that unless an economy is able to generate steady economic growth, poverty reduction or alleviation cannot be possible. Economic growth usually has a spill-over or “pull-up” effect on poverty. There are distributional consequences that result from economic growth through a competitive market structure. Reference is made to countries like South Korea, Singapore, Taiwan and Hong Kong, which are countries that got on the high growth path and were able to substantially reduce poverty (Panagariya, 2002; Ames et. al. 2000; Dollar and Kraay, 2002). Contrarily, some others do contend that economic growth is necessary but insufficient to engender poverty reduction. Indeed, the process of engineering economic growth usually exacerbates inequality and poverty in society. If no conscious effort is made to mitigate the side effects of economic growth, it may deepen poverty, increase social resentment and invariably provide a groundswell of popular discontent that may negatively impact on the growth process itself. Some level of redistribution and redressing economic inequalities in society is necessary to achieving stable economic growth (see, Ravallion, 2001; Bruno and Ravallion, 1998).

Development economics seldomly placed any emphasis on political issues in relation to poverty. Poverty was considered a strictly economic domain. It is only the New Institutional Economics (NIE) that talks about the role of institutions in generating economic growth and alleviating poverty (Alhsan, 2003: 41-92). Effective institutions with clear rules of economic engagement reduce transaction costs, correct market imperfections and make non-market allocation of resources in some instances. The essence of institutions in this case is simply to support the economy; it is not to give primacy to politics, democracy or governance in poverty issues.

However, in recent times, new thoughts have begun to emerge on the notion of poverty, its causes and the strategy to combat it. Governance has become a key issue in the discourse on poverty. Poverty is a policy issue that exists in the political domain. Poverty, inequality and governance are now seen to be inseparably related because without good governance, bad policy choices will be made, the people would
have neither voice nor power, and the economy may likely deteriorate. Similarly, when poverty and inequality persists in a society it weakens the political process and promotes deficient governance. Governance provides the institutional, legal and political framework not only for the design of poverty reduction policies but also for the enhancement of the capacity of the poor to deal positively with and improve their material conditions. Governance ensures the participation of the poor in decisions that affects them and empowers them to get their views on the policy agenda. Giving voice to the people in the policy process especially on poverty issues as Ronald Hope (2004: 138) noted is a necessary and progressive step in an attempt to promote and sustain growth, development and socio-economic transformation.

The paper examines the role of governance in poverty reduction. The focus is on the governance import of the new poverty reduction strategies being promoted by the international financial institutions of the IMF and the World Bank referred to as the Poverty Reduction Strategy Papers (PRSPs), which many African countries have acquiesced to. How far do the PRSPs promote the culture of good governance and serve as effective poverty reduction strategy?

The paper is organised into five parts. Part one unravels the notions of poverty and governance in their nuance dimensions. Part two focuses on the political genealogy of poverty in Africa. Part three dwells on the PRSPs in relation to governance issues and the empowerment of the poor. Part four is a critique of the governance component of PRSPs underscoring the limitations and major challenges of the policy. Part five, which is the conclusion, touches on how to move the PRSPs forward.

**Unbundling the Concepts of “Poverty” and “Governance” and the Nexus**

The concepts of poverty and governance have been rather problematic. The notion of poverty has undergone three phases in its conception. The first was when poverty was viewed largely in economic terms. Poverty was related to the income level accruable to individuals and households for daily subsistence. The World Bank’s measurement indicator of poverty scaled $1 a day per person adjusted for purchasing power parity (PPP) as the absolute poverty line. Any individual who falls below this level is considered to be living in a condition of absolute poverty. The main critique of this conception of poverty is that poverty is a multifaceted phenomenon that cannot be
reduced to income level alone. Access to basic social services of education, health, and water supply improves human condition and the living standards of the people, which are not captured in the income matrix. Thus, non-income indicators of poverty were developed. As a result, the United Nations Development Programme (UNDP) evolved the Human Development Index (1993) and later the Human Poverty Index (1997) which encompasses these social dimensions of poverty. In a UNDP study conducted by Mbaya Kankwenda et. al., poverty is problematised thus:

While situations vary from country to country, poverty is recognised as a multidimensional phenomenon, influenced by a wide range of factors. These include poor people’s lack of access to income-earning and productive activities and to essential social services (health, education, safe water). Their low level of participation in political processes and their lack of influence on the political life of their countries are major obstacles. Compounding this are the direct and indirect consequences of external economic and financial factors, over which governments have no control.

(Kankwenda, Gregoire, Legros and Ouedraogo, 2000: 3).

The UNDP views poverty as the result of a process, and not a state or event. However, the notion of poverty as conceptualised above only views the political process as one of the causal elements of poverty and not its manifestation.

The third phase in the conception of poverty is that which views poverty from a political economy perspective encompassing economic, social and political dimensions. It reflects the logic of human deprivation, which limits human capacity to function adequately including his/her freedom. Poverty is characterised by the unavailability of income and non-income resources and a denial of voice and power in the political process. Indeed, in an elaborate study conducted by the World Bank on poverty in 2000, the conclusion is that there is need to expand the conventional views on poverty, which focus on income, expenditure, education and health, to include measures of voice and empowerment (Narayan, Patel, Schafft, Rademacher, Kocher-Schulte, 2000). The importance of this conceptualisation is that the voice and power of the poor in the political process and governance structure of society is no longer treated as a cause of poverty but also its manifestation. When people are poor they are powerless.
There are three major things to be noted about poverty. First, it is a structural phenomenon that has multidimensional perspective. It manifests in economic, social and political arenas. The second is the process nature of poverty. Poverty is not a natural state of affairs nor is it a specific event. It is usually the result of a constellation of forces that undermines the capacity and living conditions of a people. Third, is the relative nature of poverty; poverty has cultural relativism. Apart from the general standards, there are socio-cultural variations to the issue of poverty. What a society considers to be a feature of poverty may not be so for some other societies. This is why caution is necessary in understanding the issue of poverty on a global scale.

The concept of governance like poverty is also definitionally imprecise. It is a concept that has been used in two broad senses. The first is in a technicist form, which essentially refers to the management of state structures and institutions. This is a statist conception of governance (World Bank, 1989, 1994, 2000). The second is that which transcends the purview of the state to include non-state actors. Governance is viewed as the steering of state and society towards the realisation of societal goals (Adejumobi, 2002; Peirre and Peters, 2000; Hyden, 1999). Governance according to Daniel Kaufmann refers to the exercise of authority through formal and informal channels for the common good (Kaufmann, 2003: 5). The components of governance include (a) the mechanisms and processes of selecting, monitoring and replacing governments (b) constitutionalism and the rule of law (c) capacity to formulate and implement sound policies and deliver public services (d) the respect of citizens and the state for the institutions that govern economic and social interactions (e) citizens’ and civil society empowerment.

There are three main actors in the governance arena. These are the state, civil society (including traditional civil society groups and social movements beyond the NGO phenomenon like labour, students’ organisations, rural and community based groups), and the private sector. The notion of governance is underpinned by a philosophical conception of a social pact between the state and society, in which both in an interactive manner define national objectives, negotiate the processes of achieving them and working collectively, albeit with some tensions and contradictions in the
realisation of those goals. It is about how national capacity is enhanced in a free and
democratic environment for the realisation of the collective good of society.

There is a strong nexus between poverty and governance. Poverty in its present
conception has some governance parameters. The questions of voice and power for
the poor and the vulnerable in society are governance issues. Furthermore, getting
“governance right” is at the heart of poverty reduction. It is when there is
interconnectedness between state and society that the government can serve the
interests of the people and promote the common good central to poverty alleviation.
The issues of institutional effectiveness, power decentralisation, rule of law, adequate
delivery of social services, and participatory democracy, which are germane to good
governance, are key elements in the reduction of poverty. They are mechanisms
through which the energies and creativity of the poor can be unbounded, they can gain
voice and power and make the state responsive to their needs and demands. In other
words, participate actively in making decisions that affect their life chances and
engage the process of their empowerment, which are essential to improving their
material conditions.

**Poverty in Africa: A Political Interpretation.**
The World Bank has aptly described Africa as the poorest of the poor, a phenomenon
depicted both by the incidence and depth of poverty on the continent. Sub-Saharan
Africa is the lowest income region of the World. Except for a few countries-
Mauritius, Botswana and Namibia-the countries of the region are caught in a serious
poverty trap, with about half of the population living below the absolute poverty line
of $1 per day and the number of the poor steadily increasing (World Bank, 2003: 35;
2000: 90). The severity of poverty in Africa is attested to by the fact that about 22 out
of the 25 poorest countries in the World are in Africa and 320 million people out of a
total population of 1.2 billion living on less than $1 per day reside in Africa (World
Bank, 2003a; Nwuke, 2004: 5). Unlike most regions of the World, as noted by the
United Nations Economic Commission for Africa (UNECA), poverty in Africa has
been on the rise, despite an upward trend in real growth rate over the last five years
(UNECA, 2005: 93). While on the global average, the incidence of poverty decreased
from 40% in 1980 to 20% in 2003, paradoxically in sub-Saharan Africa, it rose from
44.6% to 46.4% (See, UNECA, 2005: 91; *Africa Renewal*, Vol. 19, No. 2. July 2005:}
The World Food Programme (WFP) noted that, as at March 2003 the number of people requiring food assistance in Zimbabwe was 7.2 million or 52% of the population and nearly 8 million people also need food aid in Malawi, Zambia, Lesotho, Mozambique and Swaziland (see, *Africa Recovery*, Vol. 17, No. 1, 2003: 1& 11). Countries ravaged by war like Sierra Leone, Liberia, Sudan, Somalia and the Congo are in dire straits of poverty and hunger as majority of the population rely on food aid to survive, and the government itself depends on aid support from the international community in order to function.

The scenario of poverty in Africa is not restricted to consumption and income variables; non-income poverty is also daunting. Social indicators in Africa like infant mortality, life expectancy and school enrolments are some of the lowest in the World. In Sub-Saharan Africa 157 children out of 1000 die before the age of 5, and 90 out of 1000 die before the age of one. Gross primary school enrolment rate is 74%, one of the lowest in the World, and life expectancy stands at 52 years. Among the six countries with the highest maternal mortality rates between 1990 and 1993, four of them are African countries (Angola, Mozambique, Sierra Leone and Somalia). Over 250 million people lack access to safe drinking water and over 200 million people have no access to basic health care services (World Bank, 2000, 2003). On average, 45-50% of sub-Saharan Africans live below the poverty line—a much higher proportion than in any region of the World (Hope, 2004: 127).

The HIV/AIDS pandemic is implicated in the scourging problem of poverty in Africa. The disease has had devastating consequences on food production by its decapitation of farm labour as no less than 7 million agricultural workers have already died from HIV/AIDS (see, *Africa Recovery*, Vol. 17, No. 1, 2003: 11). It has increased the level of social burden of orphaned children, and consumes government resources that could otherwise be used to provide basic services and support economic growth and development.

The incidence of poverty has a nuance dimension in Africa. It has geographical, spatial, gender and class dimensions. In geographical terms, there are inter-regional and inter-country variations in the incidence of poverty. For instance, the rate of income poverty is relatively lower in North Africa than sub-Saharan Africa. In North
Africa, Algeria has the lowest poverty rate of 15%. In Sub-Saharan Africa, there are wide variations in poverty margins. While Zambia has an income poverty level of 85%, countries like Uganda and South Africa have corresponding rates of 69.3% and 23.7% respectively (see, World Bank, 2003: 36). The spatial nature of poverty also assumes a rural-urban divide. Poverty in Africa is predominantly a rural phenomenon since majority of the population live in the rural areas. For example, in Burkina Faso as the UNDP estimates in 1999, 45% of the rural population are poor as opposed to 8.6% of the urban dwellers. However, urban poverty has significantly intensified in the last two decades with an upsurge in urbanisation and the excruciating pressures of structural reforms in many African countries. In 2000, more than half of the urban population was poor in Ethiopia, Guinea Bissau, Tanzania, Swaziland, and Zambia. Evidently, high urban poverty rate threatens political and economic stability (World Bank, 2000: 90).

Poverty has a gender dimension in Africa. Given the prevailing socio-cultural practices in many African countries of a patriarchal bias, the female gender is often socially deprived, not having access to land, little access to credit, high level of child mortality, low literacy rate, and exclusion in public sphere and the political process of many countries even at the local level. The female gender therefore by and large “suffer in silence”, in what has been aptly described as the feminisation of poverty (see, UNDP, 1998).

A striking feature in the incidence of poverty in Africa is its regressive character in the last two decades. The first two decades of political independence in Africa saw modest improvements in economic growth, massive investments in social sectors, a commitment to agricultural development and general improvement in the living standards of the people. The economy grew at an average rate of over 5% from 1960 to mid 1970s, and a country like Kenya recorded a growth rate of over 7%. The social sector also made a significant leap. For instance, between 1960-1980 in Botswana, gross primary enrolment ratio grew from 40% to 91%, and in Zimbabwe the rate increased from 75% in 1960 to 124% in 1985, five years after the country’s independence (see, UNDP, 2003:86). In Sierra Leone, development expenditure for the social sectors of education, health and water supply, which was 13% between 1963 and 1964 increased to 20% by 1970-71. In Cote D’Ivoire, while the social
sectors of education and health were allocated 28.4% of the state expenditure in 1965, this jumped to 33.4% in 1975. In Nigeria, an average of 55% was devoted to the social sectors in the expenditure profile of the three National Development Plans drawn up by the country between 1962 and 1980. These public investments in the social sectors translated into better living conditions for the people both rural and urban, with the latter understandably benefiting more.

At this period, a structural approach was adopted to the issue of poverty in which the state committed itself to national development through the systematic design and implementation of National Development Plans that was multisectoral in nature. Poverty was not isolated and sectionalised to be treated differently, which is the norm currently.

The last two decades witnessed a steady deterioration in the level of poverty and living conditions of the people in Africa. A confluence of two factors, which have strong political undertones, accounted for this. First is the collapse of some political regimes in Africa, which precipitated severe conflicts, wars and insurgencies. No less than 19 countries were caught up in violent conflicts and intractable civil wars. Countries like Angola, Mozambique, Sudan, Somalia, Rwanda, Burundi, Chad, and later Sierra Leone, Congo and Liberia were riddled with wars. In those countries, the state collapsed completely, and resources that could have been earmarked for development went into war project. This was coupled with severe refugee crisis, the destruction of the means of social livelihood of majority of the people, and the economy (Adejumobi, 2001). The World Bank estimates that resources diverted from development uses (for war purposes)-over and above additional assistance provided by the international community-are estimated at $1 billion a year in Central Africa and more than $800 million in West Africa. Also, civil war lowers per capita GDP by 2.2% points a year (World Bank, 2000: 57, 59). It is therefore not a coincidence that it is the war torn countries like Ethiopia, Sudan, Sierra Leone, and Liberia that rank among the poorest countries in the World, and also in the UNDP Human Development index.

Apart from the incidence of war and conflicts, the growing culture of political authoritarianism manifested in one party rule and military dictatorships, which
became the norm in the 1970-1990s in Africa, undermined the developmental potentials of many countries and rolled back initial gains at poverty reduction. Dictatorial regimes in Africa unlike their South East Asian counterparts had little developmental vision. They contrived the policy space, were overtly ruthless, encouraged corruption and had no pro-poor agenda. The atmosphere of fear and instability, which characterised those regimes, was inhospitable to the attraction of foreign investment and the development of the local economy. Poverty was exacerbated.

The economic crisis, which manifested by the early 1980s in many African countries, prompted the involvement of the International Financial Institutions of the World Bank and the IMF in the design of economic policies in those countries. Thus, Structural Adjustment Programmes (SAPs) was born. There are two things to be noted about SAP in relation to poverty reduction. First is its political import. The contraction of the state, which constitutes a major policy thrust of SAP, had severe consequences for the issue of poverty reduction. Secondly, SAP spoke the language of the poor. Indeed, the theoretical premise upon which SAP was constructed was to stand in defence of the rural poor against the “rent seeking” and “politically powerful” urban population. SAP was meant to deconstruct most of the barriers that stifled rural agricultural production, increase the income level of the farmers, and adjust government expenditure profile that was excessively in favour of the “parasitic” urban population. The “urban bias” of policy-making accounts for rural poverty in Africa (Lipton, 1977, Bates, 1981).

There are several areas in which SAP was presumably to promote the interests of the rural poor. The first is through the dismantling of administrative controls on the agricultural sector by abolishing state produce marketing boards. This was meant to yield higher income levels for the export producers. The second was through exchange rate deregulation. A state controlled exchange rate regime subsidised imports for urban consumers who have insatiable appetite for imported goods. Paradoxically, this policy penalised the primary producers whose incomes from produce sale in the external market was partially appropriated to finance this urban consumption. In other respects, the administrative control of food prices by the state generated rent transfer and subsidy for the urban population, while penalising the
peasantry. Such fiscal measures resulted in adverse terms of trade and low incomes for the rural agricultural farmers (Adejumobi, 2000: 32). The model of development of an Import Substitution Industrialisation Strategy, which many African countries adopted in the 1970s, shifted public resources and attention from the agricultural sector and only tended to satisfy the employment needs, income and taste of the urban population with very little potential of facilitating development.

Thus SAP through the market process and getting “prices” right sought to redirect resources and policy agenda in support of the rural population, who in the main constitutes the teeming poor. The state, which was been an “accomplice” in the perpetuation of rural poverty, was to be a casualty in the market reform process.

However, two decades down the road, SAP has caused more harm and pain to the poor than any tangible benefits. SAP has had severe negative effects on poverty in many African countries. It increased the rate of unemployment, deteriorated income levels, undermined the provision of social services, promoted inflation, and exacerbated income inequalities (see, Adejumobi, 1995; Mkandawire and Olukoshi, 1995). Neither the rural poor nor the urban working class benefited from SAP. The most deleterious consequence of SAP was that it depreciated the capacity of the state to govern by weakening state institutions. A weak state can neither protect the interests of the poor nor guarantee order and due process necessary for their empowerment.

From Policy Package to Process Conditionality: PRSP and Governance Issues

The Poverty Reduction strategy Papers (PRSPs) was evolved in 1999 as part of the debt relief conditionality under the Enhanced Highly Indebted Poor Countries (HIPC2) debt relief initiative. Its essence was to ensure the proper use of resources to be released through debt relief for poor countries. The World Bank and the IMF have since designed new lending profiles to support the implementation of PRSPs—the Poverty Reduction Support Credit (PRSC), and the Poverty Reduction and Growth Facility (PRGF) respectively. The importance of PRSP at the international level is also underscored by the fact that donor agencies are increasingly redesigning their aid portfolios and co-ordinating it in support of the PRSPs. Part of the commitment under the Monterrey Consensus is that donors and Western countries endorsed the Rome
Declaration on Harmonisation in February 2003, which encourages donors to harmonise their development assistance to developing countries to be centred on the implementation of the PRSPs.

What is new about PRSPs is that it sets the fight against poverty at the heart of development policies and emphasise the importance of dialogue on development strategies. The approach and emphasis in the PRSPs is about the process through which development policies are developed, implemented, and monitored. The underlying assumption is that for policies to be meaningful and realisable the process through which they are formulated must be inclusive with popular participation in them. This new thinking about how to address the issues of poverty and development is related to the emerging dominant discourse on those issues. An emerging paradigm on development views development as freedom (Sen, 1999). Freedom to make choices in the political, economic and social arena, and for the people to participate in making decisions that affects them or in the least for them to be consulted on those issues. This is then the people can claim ownership, identify with and defend those policies.

Evidently with PRSPs, the International Financial Institutions of the IMF and the World Bank have slightly modified their strategy of economic policy design and intervention in developing countries. They have moved from betrothing a whole policy package that characterised the SAP era, with a new emphasis on the process of making those policies. This new approach may be explained by two reasons. First, is that the new approach of PRSPs benefited from the failure of SAP. SAP could not engender national ownership and legitimacy because of its overt external nature and rigid policy content. The same prescription subsisted for every country in economic crisis. There was therefore an urgent need to modify the approach in designing those policies if they are to elicit public acceptability and ownership. The second reason for a change in policy approach was the tremendous pressure and criticisms, which trailed the World Bank and the IMF with the failure of SAP. Many critics especially of the World Bank argued that the Bank should return to its traditional role of poverty alleviation rather than be a manufacturer of economic policies for developing countries. The World Bank seems to have heeded this advice, and choose to do what
it was doing before, in a new way. Poverty reduction assumed the new currency of development policy.

The origins of the PRSPs proposal as David Booth (2003: 136) documents can be located in four issues:

- The disappointing poverty reduction performance of most highly indebted and aid dependent countries throughout the last 20 years despite substantial changes in policies and institutions.
- Growing recognition of the importance of the national policy context for aid effectiveness;
- Increased awareness of the limitations of the conventional conditionalities for levering some of the critical changes;
- A search for new instruments with which to justify a major new debt-reduction initiative.

The core elements that undergird the PRSPs are:

- Policy-making for poverty reduction should take a *country-led* strategy process, in which governments engage in dialogue with the constituents of the national society, resulting in greater national ownership of decisions taken.
- It should be results- or outcome oriented, starting from an analysis of poverty and its causes and working backwards to the design of appropriate policies.
- The thinking should be comprehensive and its coverage of different macro, sectoral and cross-sectoral issues that affect poverty reduction processes and prospects.
- The basis for international support should be a form of partnership, in which all funding sources are drawn together in a co-ordinated way around a strategy developed under the leadership of the recipient government.
- This is visualised as a medium- to long-term process, implying a need for medium-term commitments as well as careful consideration of appropriate timing, performance criteria and monitoring arrangements (Booth, 2003: 136).

PRSPs are to be consummated in two phases. The first is when an Interim-PRSP (I-PRSP) is prepared, which would provide a description of a country’s existing poverty
reduction strategy and a roadmap for the development of a full PRSP. A full PRSP is to be completed within a year of the I-PRSP and to be revised every three years (Nwuke, 2004: 11). As of October 2004, 21 African Countries had full PRSPs, and 9 had interim-PRSPs (UNECA, 2005: 107-108).

### African Countries that have initiated full PRSPs as at October 2004

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<td>3  Guinea</td>
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<td>10 Uganda</td>
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The content of PRSPs is essentially a whole menu of development policy. It ranges from macro-economic issues, trade policy, finance, foreign direct investment, infrastructure and social services, to corruption and governance. There are inter-country variations in terms of the details of the PRSPs and the name ascribed to it. In Ethiopia, the PRSP is termed “Sustainable Development and Poverty Reduction Programme” (SDPRP). In Uganda, it is referred to as “Poverty Eradication Action Plan (PEAP), and in Ghana, it is called “Ghana Poverty Reduction Strategy” (GPRS).

There are three main features present in all PRSPs. These are macro-economic reforms and trade policy, which is to serve as a basis of economic growth; the redirection of social policy towards the provision of social services and welfare to the
poor and vulnerable in society; and the emphasis on ownership and popular participation in the PRSP processes. PRSPs seek a continuation of the process of structural reforms in the economy of developing countries through the policies of economic deregulation, privatisation, and trade liberalisation. The private sector is seen as the engine of growth under PRSPs. But unlike SAP, PRSPs seek a better and well co-ordinated process of expanding, creating access and delivery of social services like education, health, roads, and rural development through a short term-planning process of three years. Resources accruing from the debt relief are to be used for social investments in fighting poverty. Ghana for example under the Enhanced HIPC initiative was given a debt relief on $3.7 billion out of its $6 billion total debt reducing the country’s debt repayment by almost $250 million annually (Cheru, 2002: 15-16). Uganda, which was the first to benefit from HIPC 1, and the Enhanced HIPC initiative, saves about $90 million annually on its repayment of foreign debts. These savings are committed to poverty reduction through the creation of the Poverty Action Fund (PAF). This Fund also enjoys additional support from the government and donor agencies (Cheru, 2001: 17-18). In Niger, the expected resources to be freed from the Enhanced HIPC is estimated at 8.6 billion Francs in 2001, 10.2 billion in 2002, 14.1 billion in 2003, 15.8 billion in 2004, 18.2 billion in 2005 (see, Ntangsi, 2003: 15).

The unique feature of PRSPs is not its focus on poverty reduction, but the process by which it seeks to achieve it. The participatory element of PRSPs, which is considered to have far reaching implications for governance, is what is new about it. PRSPs emphasise stakeholders’ participation especially of the civil society in defining poverty agenda. It seeks to create national consensus and give voice and power to the people on how their lives can be improved. This is the vital and unique component of PRSPs.

There are three ways in which PRSPs tend to reconstitute politics and promote a new culture of governance in Africa. First is the underlying political philosophy of the policy, second is its political import in terms of the participatory component, and third is on specific policy measures in PSPSs aimed at practically promoting good governance.
In terms of the underlying political philosophy of PRSPs, there is a basic assumption that poverty reduction is embedded in living political systems (Booth, 2003: 137). What has thwarted previous anti-poverty programmes and development policies is the nature of policymaking and structure of political regimes and governance in Africa. Politics and policy making in Africa are believed to be characterised by rent seeking behaviour and patron-client relations. These kinds of political systems offer little co-ordination of policies, low inputs from the people and poor delivery of services. The international aid regime, which is channelled to poverty reduction in African countries, reinforces this patron-client network. A clientelist relationship exists between aid providers and their clients, with the clients largely unaccountable to their people. PRSPs is supposed to turn this around by ensuring that new norms of political engagement are negotiated between the people and their leaders, with anti-poverty programme collectively agreed upon and the aid regime that would support it, opened up and democratised. PRSPs if properly managed may therefore help African countries to “get politics right”.

PRSP in terms of its participatory content has several implications for governance. First, PRSPs seeks to shift the discourse and design of poverty reduction policies from a technocratic to political space, where various voices are heard and inputs made into the policy process. This would improve the democratic content of governance. Second, PRSPs is to promote the logic of democratic accountability and responsibility as a basis for poverty alleviation as the design and monitoring of poverty programme is subjected to public scrutiny. Third, PRSPs seeks to enhance national capacity and ownership as the people participate in drawing up of their own anti-poverty programme. The technocrats who are involved in the formulation of the policy improve their capacity and skills through the process, while civil society organisations also gain technical knowledge at understanding and analysing poverty issues, which many of them were hitherto ignorant of. Thus, PRSPs as David Booth (2003: 147) sums it up may lay the foundations of a ‘new poverty contract’ under which politicians and other leaders acquire new obligations and poor people gain new rights.

The third dimension through which PRSPs seeks to improve governance is that in some African countries their PRSPs have explicit governance component to it beyond the issue of participation as in the case of Uganda and Ghana. In Uganda, the
strengthening of democracy and decentralisation constitutes part of the objectives of the PEAP. This is to be achieved through promoting peaceful conflict resolution, respect for human rights, law and order, transparency and accountability in government. In Ghana, the GPRS emphasises the notion of good governance through promotion of the rule of law, human rights, social justice and equity, and also transparency and accountability in public sector management, public sector reform and decentralisation of power to the districts (Cheru, 2001, 2002). In tracking the progress on governance in Ghana through the GRSP, the country proposed indicators like “democratic effectiveness of District Assemblies” and “Level of Corruption in key GPRSP areas”. The PRSPs in both Ghana and Uganda try to create a synergy with the Medium Term Expenditure Framework (PRSP) designed to achieve budgetary discipline and efficient financial management in the economy.

In summary, PRSPs are meant not only to stimulate economic growth but also to promote pro-poor governance, by which institutions of governance are made more sensitive and responsive to the needs of the poor, enlist them in decision-making processes, and strengthen the democratic content of governance. PRSPs makes poverty reduction a national crosscutting issue, which many if not all departments of government have to relate to in their programmes, and the budgetary process of the state tailored to. The high profile nature of PRSPs on the national agenda ensures that the policy is either located in the Finance Ministry (which controls funds) or in the President or Prime Minister’s office. It is a key governance issue, which all institutions of state have to deal with.

A Critique of the Governance Content of PRSPs

There are indications to suggest at least from official records that PRSPs are having some positive pay-offs on economic growth and social welfare. The IMF estimates that GDP growth in PRSPs countries averaged nearly 5% since the mid-1990s, a marked improvement over performance between 1980 and 1995 and outpacing growth in non-PRSP countries. Also, living standards in terms of rate of growth per capita, which averaged zero in PRSP countries over the 1980s and early 1990s has risen to nearly 2.5% per annum since the mid 1990s (IMF, 2003: 18). In Africa, it is estimated that poverty reduction spending as a percentage of the GDP will rise more
rapidly than in other regions, which is to projected to climb to 8.5% points, compared to 2.5% points in non-African countries (IMF, 2003: 26). In terms of real social welfare impact on African countries, the evidence from country statistics is that PRSPs are making a difference. In Uganda, while primary education was allocated 19.8% of the budget in 1994/95, it now accounts for 26.8%. Primary school enrolment increased from 5.3 million in 1997 to 6.5 million in 1999 projected to rise to 7 million in 2010. The number of teachers increased from 94,000 in 1998/1999 to 125,000 in March 2000. In Tanzania, basic education was allocated additional 52% in the 2000-2003 budgets during which net enrolments increased from 57%- 85% (See, Cheru, 2001: 10; IMF, 2003: 25).

While the data being churned out on the results of PRSPs look promising there is need to exercise caution on those figures. The urge to make a success of reform programmes sometimes induces some questionable data. This was the case with SAPs. Countries like Ghana and later Nigeria were cited by the World Bank as success story of adjustment in the 1980s and 1990s, yet the concrete reality in those countries confounds such assertion.

The novel aspect of PRSPs is its participatory and governance components, which require closer analysis. There are serious limitations to the extent to which PRSPs is engendering structural changes in governance, promoting democracy or reconstituting politics in African countries. There are three areas of concern on this. First is the nature and quality of participation going on and how far it represents the voices and interests of the poor. The second is on the issue of national ownership of PRSPs, and the third, is the extent to which a key element of PRSPs- its macro-economic framework is in a sense contradictory to the logic of social welfare and may hinder the object of good governance. These issues are further discussed below.

On the participatory element of PRSPs, it is important to emphasise that what is taking place in many countries on PRSPs is not participation but consultation. The Interim-PRSPs, which often forms the basic document for the framing of the final PRSP, is usually not prepared through any process of participation, but by technocrats in collaboration with the officials of the IMF and the World Bank. Consultation with civil organisations only takes place after the framework and the main elements of the
PRSPs have been determined. In the case of Ghana for example, Fantu Cheru (2002: 5-6) noted that the Interim-PRSP for the country “was drawn from the World Bank’s 2000-2003 country Assistance Strategy Document. In this respect, the I-PRSP had nothing to do with poverty; and it was all about securing additional donor resources given the precarious state of Ghana’s economy after the 1999 elections, which came on the heels of the dramatic collapse in the economy’s terms of trade and escalating oil prices”. The Ghana example resonates in many African countries. Many African governments prepare PRSPs not necessarily because they want to involve their people in policy making or improve the democratic content of poverty agenda but primarily because it is the latest means of accessing donor financing and seeking debt relief. This affects the nature of commitment to the consultation process and the extent to which it is sustainable.

The nature, quality and agency of consultation in PRSPs do not significantly enhance the democratic profile of many countries or give voice and power to the poor on poverty issues. In many countries the partners in the consultation process of PRSPs are NGOs. Apart from a few cases like Uganda and Ghana, important civil society organisations like organised labour and professional associations are side tracked in the consultation process. So also are key democratic institutions like Parliament and political parties. In the rare cases where the parliament is involved, it is only a passive actor in which either a few legislators are invited to participate in their individual capacity in the consultation process or the parliament is only briefed about the policy. They do not have the final endorsement over the policy. The final seal for PRSPs lies with the World Bank and the IMF. By marginalising or bypassing existing democratic structures and key democratic players in the political process, the PRSPs undermine democratic growth rather than strengthen it.

The choice of NGOs as key partner in the consultation process of PRSP is not by coincidence. The logic of structural reform underpinned by the neo-liberal ideology views NGOs as the new residue of democratic practices and behaviour. Traditional civil society groups like organised labour, students, and professional associations are seen as entrenched parasitic forces obstructive of market reforms. The choice is to either neutralise them or shut them off the process of reform. The ideological underlay of PRSPs is not markedly different from SAPs.
In many African countries, majority of the NGOs have weak social base and limited democratic legitimacy and capacity and the extent to which they represent the voices of the poor is very questionable. They are largely urban-based, elitist in nature, mostly dependent on external funding and can rarely claim to be the voices of the poor. Peter Anyang Nyong’o, a former Minister for Planning and Economic Development in Kenya captures it thus:

Most of these organisations are urban based, middle class led, single oriented and donor supported. While they may quite often ably articulate the issues of the poor and advocate pro-poor policies for governmental action, they are rarely in a position to mobilise the poor to speak for themselves. …The poor therefore remain largely unorganised, powerless, and marginalised in terms of raising their voices in public policy making, or in terms of participation in public affairs. So called active civil society is confined to a small layer of elites that is relatively articulate and close to the centres of power. The extent to which their “voices” leads to better economic dispensation for the poor remains problematic.


Also, since the government selects the NGOs to be consulted on the PRSPs, the possibility exists that those that will be chosen are those amenable to government policies and are not likely to have fundamental differences with the policy. Indeed, NGOs themselves are likely to be circumspect in their critique of PRSPs since they would not want to incur the wrath of the donors. Furthermore, the consultation process in virtually all cases is externally financed raising the question of its sustainability. The experience of Niger reveals this clearly:

Civil society participation in the Niger PRSP was financed almost entirely from start to finish by the Canadian government. Some NGOs reportedly participated because of the prospects of financial gain rather than because of an intrinsic interest in the PRSP process. …….Civil society participation may be characterised as passive. Without external financial assistance, civil society participation may never have materialised.

(Ntangsi, 2003: 6).

The issue of national ownership of PRSPs is more apparent than real as ultimate approval and endorsement of the policy is from the World Bank and the IMF. No matter the views articulated by the people such must conform to the basic norms and standards of those institutions. Consultation therefore is simply about social
pacification and not national ownership or the construction and strengthening of democratic governance.

PRSP is firmly embedded in the neo-liberal economic policy framework. The features of liberalisation, deregulation and privatisation of the economy including social services, which undergird SAP, are also core elements of the PRSPs. As a study of the PRSP in Zambia noted, “the document does not propose any radical alteration of the macro-economic regime that has been in place over the past several years. Stabilisation continues to be one of the prime objectives and the basic policies of SAP are still valid for realisation of this objective. However, what has been suggested is a more cautious implementation of the policy” (Seshamani, 2002: 9). In Benin Republic, the perception of the people on the PRSP is that the policy simply replaces structural adjustment, with increased demand on the government (Bierschenk, Thioleron and Bako-Arifari, 2003: 167). However, the experience of many African countries with respect to adjustment policy measures especially in the social sector is that it weakens governance capacity rather than strengthens it. For example, market reform policies have had negative consequences in the health and water sectors in many African countries reducing access and increasing cases of health hazards (see, Adejumobi, 2004, 2000; Brown and Kerr, 1997). The intertwined nature of SAP and the PRSPs and the implications for poverty reduction is succinctly captured in a report by a coalition of civil society organisations:

“In all, Structural Adjustment logic and policy matrices essentially remain unchanged. As long as PRSPs and iPRSP remain faithful to those matrices, poverty will remain and indeed increase. Evaluations carried out within the SAPRI process and elsewhere underscore the point, as does the testimony of grassroots organisations.... Under the guise of reform, we witness a dangerous attempt to further entrench socially damaging economic processes. While the WB-IMF will claim that they and the PRSPs are open to modification and improvement, the policy matrices remain non-negotiable”

(Focus on Global South, 2001: 1).

As such, PRSPs constitutes an “old wine in a new bottle” in which the Brettenwoods institutions of the World Bank and the IMF still put the blame for the failure of structural adjustment down to the developing countries’ inability to effectively implement the policy rather than the content (Cling, Razafindrakoto and Roubaud,
The new approach in order to ensure the success of the policy is through the promotion of national ownership and participation rather than reviewing the appropriateness of the policy.

Stimulating economic growth in Africa that is necessary to generate resources for poverty reduction is largely tied to the nature of the international economic regime especially the trading system. Unfortunately, PRSP does not address this at all. PRSP is contented with an aid regime rather than a trade regime in financing poverty reduction in Africa. The lopsided and unfair global trading system in which the western world adopts protectionist policies for their agricultural sector is critical to declining income and economic resources of African countries that depend on the export of primary agricultural products for national survival (Adejumobi, 2003). For instance, in 2001 alone, Sub-Saharan Africa cotton producers lost over $300 million in potential revenue because of declining world prices, occasioned in part by cotton surpluses in Western countries as a result of the high subsidy granted to cotton farmers in the West. The United States of America spends $4 billion on its 25,000 cotton farmers and the European Union (EU) maintains an equally high subsidy regime on various crops (Mutune, 2003: 3). Also, in a country like Mali, the dairy farmers have been largely displaced and made unemployed due to the massive dumping of cheap dairy products from the EU in the country, a phenomenon made possible by the policy of trade liberalisation. This has accentuated poverty in Mali rather than reduce it.
Conclusion: Moving the PRSP Forward

Governance and democracy are about making choices, which the people determine for themselves and choose to live by. PRSPs offer little of those choices. The choices offered by PRSPs are more apparent than real, and more hollow than substantive. PRSP is a repackaged form of structural adjustment with slight modifications on the social content and emphasis on the issues of national ownership and consultation, which are some of the lessons learned from the failure of SAP.

For economic growth to be engineered as a basis of poverty reduction in Africa, African countries should be given the right to make choices on the economic policy and agenda they wish to pursue; not an uncritical imposition of the market ideology and have the total freedom to determine their social policy including poverty reduction strategy. While some countries may wish to tackle poverty through a national development plan-medium or long term, others may wish to address it through an annual budgetary cycle. Indeed, before the inception of SAP many African countries had national development plans, which were declared inconsistent with the logic of SAP by the Brettenwoods institutions (BWI) and were asked to discontinue them. The state should not engage in economic or social planing, so was the verdict of the BWIs. The market is the best allocator of resources and distributor of social welfare. Africa is worse off today after twenty years of economic maladjustment.

For PRSPs to move forward, it must assume a domestic democratic character. Countries must be allowed to design different models and strategies of economic and social policies depending on their social conditions and the visions of those societies. Established democratic institutions like political parties, the parliament and other elected organs must be left to articulate and determine the content of those policies, with the active involvement of diverse civil society groups. What Africa’s development partners should encourage is a commonly shared vision of economic and social development by the people, which they can be committed to, rather than a disguised external policy embellished with political clichés of participation and spurious national ownership.

Poverty reduction in Africa is not only entwined with dimensions of power at the national level; there is also an international dimension to it. Global economic and
social relations strongly impact on the nature of inequality, poverty and immiseration in many developing countries. The global economic regime framed by the World Trade Organisation (WTO) is largely lopsided and asymmetrical and denies developing countries access to fair trade, constraints their initiative at technological buy-in\(^1\), and therefore undermine their efforts at economic development essential to addressing the problem of poverty on a sustainable basis (Weber, 2004; Stiglitz, 2003; Wilson, et. al., 2001). PRSPs to be a meaningful development-oriented policy will have to come to terms with the nature of the international economic regime. Multilateral institutions like the World Bank, IMF and WTO will do better addressing the unfair global economic system as a strategic means of reducing poverty in Africa.

\(^1\) Joseph Stiglitz argues quite convincingly that the Trade Related Intellectual Property Rights (TRIPS) agreement of the WTO entrenches monopoly power in the technology sector and denies developing countries easy access to the acquisition of technology, see Stiglitz (2003).
References


