The World Bank, PRSPs and African Poverty

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Black Africa is a region united into a single country by its poverty
Gil Courtemanche (*A Sunday at the Pool in Kigali*, 2001)

The median African country has the same GDP as a European city of about 50,000 people! … And the total of OECD agricultural subsidies, at about $300 billion, is equal to Africa's total GDP.
Callisto Madavo (Vice President, African Region, World Bank, Addressing the European Union Parliament in Brussels, September 13, 2001)

Introduction

Much has been written on the highly contested issues associated with Africa, the World Bank and indebtedness (Cammack 2003 has a good bibliography). Even tracking the level of debt is a complex matter (see www.jubileeusa.org). In some cases, such as Zambia and Niger, debt relief can actually increase the burden of debt repayment, partly because debtors who were previously prepared to write-off debts as beyond hope of recovery decide to pursue them (www.afrodad.org). Also, it needs to be recognised that the resource requirements of low-income countries extend well beyond debt relief. A reduction by only 10% of current aid flows would offset all of the funding that has been mobilized through debt relief. A 20% cut would offset even a total cancellation of debt service. Yet, since the early 1990s, aid budgets have been declining as a share of OECD GNP. In Sub-Saharan Africa aid receipts have fallen from $32 per capita in 1990 to only $19 by 1998 (Madavo, 2001).

This paper explores some issues concerning one particular, and relatively new, hurdle being presented to African countries: the Poverty Reduction Strategy Papers (PRSP) process. The preparation of these strategies is being required by the World Bank, in concert with Western donors, as both the way to keep donors satisfied and engaged and the way to resolve the problems of Africa's poor. The idea is that governments will establish clear strategies to address poverty, resulting from genuine consultation with civil society and that donors will help to finance these strategies because they are satisfied of the worthwhile nature of the objectives and of the transparency of the accounting.

The nearly four-year old PRSP initiative is the result of the combination of the very mixed results of poverty reduction efforts in the 1990's; the need to address the Millennium Development Goals; multilateral funding for debt relief under the Highly Indebted Poor Countries initiatives (HIPC) and a belief that pro-poor policy reforms have failed because conditionalities result in reforms lacking 'ownership' and commitment and individual projects, however good, equally weaken commitment and local capacity (Commonwealth Secretariat 2003). So PRSPs have been introduced to replace the old Policy Framework Papers as a basic condition for IMF and World Bank (IDA) concessional lending. They are also a condition for Enhanced HIPC debt relief and are increasingly used by bilateral donors as a focus for improving the quality of aid.

Even in theory, before any messy contact with the realities of life for the poor in Africa, there are many inherent contradictions associated with the PRSP process. It has to be an article of faith that it is possible to pursue growth and poverty reduction together in Africa using very finite resources, otherwise the whole Bank and donor edifice would come tumbling down. Many civil society organizations (CSOs) consider that PRSs are simply structural adjustment programmes under a new name with poverty reduction as a new layer on top of the old policies (CIDSE and CARITAS in Jadhav 2002:72). "Conventional policies for market restructuring and reform (e.g. liberalization and privatisation) aimed at promoting the development of competitive and efficient markets and economic growth, cannot simply be assumed to be poverty reducing through an anticipated 'trickle-down' process" (FAO in Jadhav 2002:2). Growth and distribution both matter when it comes to reducing poverty.

The Model

According to the World Bank, the core PRSP principles are that the strategies should be country-led and owned and based on a broad-spread participatory process. They should also be comprehensive: macro, structural, social, environmental, results-oriented with a long-term perspective, and be costed and prioritised. This is a great deal to ask of countries, which are by definition badly under-resourced, especially since few, if any, of the developed countries have anything of the kind!

The Commonwealth Secretariat (2003) explains that the whole PRSP process is based on three gambles: that governments will take poverty more seriously; that donors will behave better and that the process will achieve better relations between stakeholders resulting in "increased domestic accountability, more effective aid and better poverty outcomes".

There is a constant tension within the model for the PRSPs between economic growth for the nation as a whole and the reduction of poverty for the most disadvantaged sections of the community. Delivering services to remote rural areas helps the poor but does little for national growth unless it can be linked to tourism.

For the World Ban/IMF, "the notion that the right national policy environment is present in poor countries when governments pursue macroeconomic stability, open their economies to the rest of the world and liberalize domestic product and factor markets through privatisation and deregulation" is not to be questioned (UNCTAD in Jadhav 2002:7). This framework focuses only on internal factors ignoring the role of global forces creating economic crises and poverty in poor countries. A matrix analysis by the European Network on Debt and Development of a sample of eleven PSRFs, (the IMFs equivalents of the PRSPs), seven of them in Africa, shows how skin-deep the poverty reduction makeover is. All of these PSRFs include privatisations of public utilities and state enterprises and some also include privatisation of state banks which is likely to reduce the availability of credit to the poor especially in rural areas (EURODAD 2003: 6). Equally all, except Ghana, include trade liberalization measures and all include some form of fiscal reform with the objective of raising the revenue to GDP ratio generally by raising the rate of VAT which again could hardly be considered a pro-poor measure.

The fiscal deficit targets of these PRSFs are both unrealistically tight and likely to preclude the use of fiscal policy as an instrument of economic policy, especially for the 'good performers' such as Uganda and Tanzania. "Fundamentally, the desire for, and the unflappable allegiance to, policies of minimal fiscal deficits for all, often hinders poverty reduction spending" (EURODAD, 2003:4). Remarkably, these publicly available plans provide that, should more money than anticipated become available, in none of the countries would this additional money be used for further poverty reduction expenditure. Instead it would be diverted to curb inflation, increase credit for the private sector or build up international reserves – so much for a true poverty focus!

There is little discussion of the time-scale involved in the PRSP process. Accountability requirement call for almost instantaneous results. PRSPs suffer from the "missing-middle – i.e. the grey area between the short term action and long term goals" (European Commission in Jadhav, 2002:31). Thus countries are supposed to provide annual reports on progress towards poverty reduction targets (prspsynthesis 2003). Yet, even in an ideal world, many measures are not going to produce short-term impacts on poverty, and certainly not within an annual time frame. Expenditure on education is admirable and essential but it is not going to reduce poverty within the next decade. Further, many critics charge that PRSPs seek to achieve financial stability by curtailing spending in the short term at the expense of increasing economic activity in the longer term (Kalima 200l).

The health measures proposed in the PRSPs are equally admirable but even further removed from having a direct impact on national poverty levels. Strikingly, job creation measures, which would produce a much more rapid impact, are largely ignored. Indeed the PRSPs are "disappointingly meagre" in their coverage of employment issues (ILO in Jadhav 2002:5). As the German Government acknowledges: "Second-best solutions that work are often more useful in practice than ambitious concepts that can only be implemented with enormous external assistance" (BMZ in Jadhav 2002:25)

The basic problem with the PRSP model is that it is based on the core assumption that 'correct' economic policy and budgetary planning following World Bank/IMF guidelines will resolve poverty.
The old paradigm of the Washington Consensus is alive and well. Indeed, in many cases the old adjustment instruments and targets have reappeared, as ACTION AID says "new form, same substance and same impact, on the working poor and the excluded" (in Jadhav 2002:64). "Critics of the World Bank have variously attributed its proclaimed commitment to poverty reduction to empty rhetoric, hypocrisy, incompetence, confusion, or overload in the absence of a coherent agenda…. The commitment is genuine, but .. it is not a first order goal: poverty reduction is an intended consequence of its principle objective, the transformation of social and governmental relations and institutions in the developing world in order to generalize and facilitate capitalist accumulation on a global scale, and build capitalist hegemony through the promotion of tightly controlled forms of

'participation' and 'ownership' " (Cammack 2003). It is not that the World Bank is engaged in some sort of plot – it is simply fulfilling its role as a Northern donor sponsored bank, largely staffed by economists who know nothing but the neo-liberal agenda.

At a very practical level, poverty analysis is improved through the PRSP process, but the policy detail often has limited poverty focus and fails to incorporate a critical review of past failures and implementation is seriously limited by enduring weaknesses in budget and public-sector management (Commonwealth Secretariat 2003). These management weaknesses cannot be fixed by simple capacity building exercises because they are the systematic result of basic cultural factors. Domestic accountability remains very weak – not helped by the fact that the participatory processes largely by-pass formal political institutions. In many cases this is necessary because political leaders are actively opposed to the neo-liberal economic paradigm on which the whole PRSP process is based. Civil society often starts with unreasonably high initial expectations and rapidly becomes disillusioned. Many PRSPs simply fall short of setting out a strong national strategy with clear priorities and good sector policies. Where PRSPs are associated with strong moves towards decentralisation there is the further problem that planning, which already strongly challenges the capacities of central governments, is simply beyond the capacity of local authorities. Finally, "partners supporting PRSs will continue to face a dilemma on strengthening the poverty impact of policy *versus* encouraging a good country-specific process" (Commonwealth Secretariat, 2003:26).

In relation to the good governance it is hardly surprising that the PRSPs fall short: 'this agenda is far too long for the governments of poor countries to approach with clarity, commitment, or reasonable expectations. Indeed, the good governance imperative might be more reasonable if it were recast as good enough governance" (Grindle 2003:11). Yet, if government is not made to work for the people and if corruption is not controlled nothing is really going to change.

Ownership

Ownership by the recipients is a new mantra with donors. Indeed, many would argue that without ownership, there can be no successful development. Past failures are blamed on the lack of ownership. Explaining the flaws in earlier structural adjustment programs Jean-Louis Sarbib, the outgoing World Bank Vice President for Africa explained that governments had been insincere "these people were signing on the dotted line, saying we will reform, but they knew reforming would undermine their own positions of privilege" (The Namibian, 15/05/2000). To quote his successor "we need to create space for people to participate in the making of the future of their country", this goal is articulated in the Comprehensive Development Framework which "is centred around a few key principles: country ownership and leadership – partnership – participation – coordination – comprehensiveness" (Madavo 2002). The problem for the Bank staff is that they need to secure 'ownership' of an agenda which has already been set in concert with the IMF which allows countries some freedom on the choice of poverty reduction measures but minimal choice in economic policy where governments must include privatization, deregulation, budgetary constraints and trade and financial liberalization.

The question also arises of whose ownership is being required. African governments are required to have a certain level of ownership, otherwise the PRSP process would never get off the ground. Yet the process also lays great stress on consultation with stakeholders throughout the community, even representatives of the poor themselves. To require this actually requires more of African governments than the donors require of themselves. It also leaves unanswered the key question of how differences of perspectives and opinions are to be resolved.

The Bank reports three examples where civil society's priorities resulted in alterations to the national PRSP:

- In Mauritania – new discussion of judicial reform, decentralization of health services;
- In Tanzania – the abolition of primary school fees, and employment creation schemes for the poor;
- In Guinea – better delivery of services to the remote areas of the country (Madavo, 2002).

It is interesting that, of the three examples, only the Tanzanian
Case (discussed further below) demonstrably involves a significant change in government expenditure, the remainder are far more nebulous requirements and none of these measures affects macro-economic policy.

As a measure of a less donor-driven process, the European Union allows recipient governments to nominate 3 priority sectors for their European Development Fund Assistance (without necessarily consulting civil society), only 7 African countries have nominated education even as a third priority – which, as the European Parliament's Committee on Development and Co-Operation noted, is very different to donor and civil society priorities (Education in the context of poverty reduction in developing countries: Public Hearing European Parliament Brussels, 18/03/03).

Since governments have to go through the PRSP process if they wish to secure access to debt relief and new donor funding they are effectively being forced into 'ownership'. In many contexts, governments are now more accountable to donors than to their constituents (OECD in Jadhav 2002:37). As a consequence, much of the World Bank's reportage of African ownership of the PRSP process has all the conviction of the dancing-bear owner with a whip assuring the RSPCA that ' of course, the bear really enjoys dancing'.

"Active steps need to be taken by the donor community (including the IFIs) to allow partner governments the space to develop home-grown solutions" (Strategic Partnership with Africa in Jadhav 2002:39). As it is, reading the African PRSPs one is struck by how rare it is to come across any proposals which have a distinctively African flavour or any tinge of novelty. Even the donors consider that "more innovative and rigorous thinking is needed on conceptualising alternative, more flexible post-stabilization macro frameworks" (DFID in Jadhav 2002:47).

The Nature of Planning

The very idea of a planned economy is supposed to be irredeemably out of date. So what are these poor African governments actually supposed to be doing? They are supposed to be strategizing. Common features of the PRSPs are that they "focus on enhanced expenditure programs (especially in health, education, water and sanitation, and roads and infrastructure); institutional reforms to improve governance (such as decentralization, civil service reform, tax reform); and structural reforms (including trade reform, privatisation, financial sector reform and agriculture sector reform (prspsynthesis 2003).

World Bank staff are uncomfortable with politics. In their world-view there is a single correct solution to each economic problem. PRSPs contain few, if any, discussion of options. Staff wish to suggest that it is possible to promote a wide international convergence of public policy around global integration and social inclusion within a technical and juridical framework which steam-rolls over issues of politics and political economy and ignores the practical context in which ideas have to be made real. For Uganda, Craig and Porter (2002) have shown just how counter-productive this can be. In the context of decentralization and local government, having been diverted from true political debate, "national and local political authorities are reformed and narrowed down to focus on the plethora of financial stability and integration best practice 'rules' considered necessary for the 'accountable' delivery of resources to areas of local need according to globally determined standards". As the OECD recognises "an excessive focus by external assistance agencies on the technocratic aspects of PRSP to the detriment of political determinants may erode, and perhaps ultimately compromise, development effectiveness" (OECD in Jadhav 2002:35).

Some requirements of the PRSP process are very clear: governments are supposed to sell off state enterprises and reduce the size of the public sector. Much of the language about right sizing the public service is very loose. So loose that it is not normally clear whether the teachers and nurses who are supposed to be providing invaluable services to the poor are to be counted as public servants or not. This is despite the fact that they would often form the absolute majority of public servants if included. In Uganda between 1990 and 1997 the numbers on the Government's payroll reduced by more than half from 320,00 to 147,000. In the late 1990s Tanzania 'released' 145,000 public servants from government employment (from an original total of about 355,000) in response to IMF conditionalities and was then left to ponder why white-collar poverty was so widespread. Yet, despite these measures neither country managed to lower the wages bill because the reduction in staff numbers was more than offset by real rises in the pay levels, to reverse the steep erosion in the previous decade (Donors Working Group on Public Service Reform 2002).

For both teachers and nurses it is actually easy to calculate how many will be needed using simple ratios based on class-sizes or the numbers of patients who can plausibly be assisted per hour. Yet, PRSPs do not appear to use these simplest of estimates. This is no oversight, it is a deliberate omission because the answers are too uncomfortable. If, for simplicity, the ratio of 1 teacher per 30 pupils is used (putting primary and secondary loads together and including some teacher/administrators) and half of the population is under age 15, as is commonplace in Africa, then simple arithmetic decrees that, on average, for every group of 20 working-age adults, the government must, at least, be able to collect enough taxes to pay the salary of a teacher. Even this assumes that both women and men are equally engaged in the labour force and that everyone is gainfully employed which is quite unrealistic. Furthermore the calculation takes no account of the impact of AIDS taking sick people and carers alike out of the labour force. Even if education is privatised, and handed over to the churches, individuals still have to produce a sufficient surplus to pay teachers. In some countries teachers may be overpaid in terms of the ratio between their salaries and per capita GNP but teachers do have a level of basic expenses above those of peasant farmers. And all this is just for schooling without considering paying health, police, agricultural extension or other essential workers.

For education, health care or any other universal service, the basic issue is that the African economies have to be able to produce a surplus sufficient to pay for their recurrent costs. To take one quite simple case – it is highly doubtful whether a country such as Malawi produced such a surplus even before the impact of AIDS. There is no sustainable level of debt repayment for Malawi because Malawi does not produce enough even to meet the core basic needs of its population.

AIDS

The impact of HIV/AIDS is yet another area where there is a basic conflict between theory and reality. Certainly the PRSP documents include a chapter on health in which AIDS looms large – but the remainder of the plans tend to rest on the premise that life will go on as before without any impact from AIDS. As it is, to cite one example, Zambia is estimated to have an adult prevalence rate for HIV/AIDS of 20% which means that there are some 870,000 people in Zambia currently living with HIV/AIDS. Clearly, with rates at these levels, everyone in Zambia is daily having to cope with the reality of HIV/AIDS if not in themselves, in a spouse, sibling or fellow employee if not in all three. One study in Zambia found that for two thirds of those families where the father died of AIDS, disposable income dropped by 80% or more in the first year. Of the urban fatherless families, 61% moved to cheaper housing, 39% lost their access to piped water; and 21% of girls and 17% of boys dropped out of school (Nampanya-Serpell 2001) Such a reality must also impact on any realistic vision of the future for the Zambian economy. It is difficult to envisage tourists flocking to such a country and AIDS is literally decimating the rural labour force – yet tourism and agriculture are set out as the growth industries in the Zambian PRSP.

It should be recognised that the weakness of PRSPs in addressing HIV/AIDS is not a reflection of ignorance by the countries themselves or at the World Bank. The

Bank's own publications (such as Bonnel 2000) show that for 80 developing countries the negative impact on per capita GDP growth due to HIV/AIDS rises consistently from 0.6% per annum at a HIV prevalence rate of 5% to 1.4% per annum at a prevalence rate of 30%. Another study shows that in Botswana, from 2000 to 2010, even though the overall economic growth rate will remain positive, due to HIV/AIDS the proportion of households living in poverty will rise from 38% to 45% and the average per capita income for the poorest quartile will fall by 13% (Bollinger and Stover, 1999). For the Ivory Coast, household survey evidence shows just how far families living with AIDS are forced both to reduce per capita consumption and to move into disavings mode. One might argue with some of the detailed figures but clearly there is no shortage of relevant information available (UNAIDS & UNDP, 2000).

The problem is not a lack of information, it is a problem of compartmentalisation and leaving HIV/AIDS to the chapter on health (with a nod to the issue under education/teacher supply); and of Ministries of Finance and World Bank/ IMF finance officials not having a broad enough perspective (though they may describe death as a 'disutility to the individual' as several World Bank staffers have repeated in slide presentations available on www.worldbank.org). AIDS needs to figure with conviction in every chapter of the PRSP. For example, in the education chapter, planning needs to be on the basis that up to 10% of teachers are likely to die of AIDS. Zambia already loses almost as many teachers to AIDS each year as it manages to train new entrants to the profession. Thus, in 1999 fully 1,600 teachers or one teacher in twenty died of AIDS. Beyond the economic impact of lost investment in training, and the creation of orphaned teachers' children, it is chilling to imagine the psychological impact that such a toll must be having on Zambian school children (Nampanya-Serpell, 2001). To plan for the future one must be able to envisage a viable future rather than a long-drawn-out death.

ALICE IN WORLD BANK LAND

AIDS provides only one example of the disjunction between reality and the PRSP formula. In the Interim PRSP for the Democratic Republic of Congo, "where natural resources are plentiful, heavily exploited, and directly linked to the perpetuation of civil conflict " minerals and petroleum are only mentioned in passing as principle exports. Some 80% of GDP in DRC from 1990-1999 was derived from the export of mining products yet, "the role of natural resources in relation to the conflict is raised only in reference to the plunder of foreign occupying forces, and the potential development of these sectors to generate economic growth for poverty reduction is not addressed" (Stites, 2003: 4).

In Zambia, the whole PRSP is based on a vastly over-optimistic view of the future of the local copper mining industry – the strategy even includes a discussion of how to open a new copper mine under phase two. The Joint Staff Assessment (JSA of IMF/ World Bank staff) cautions against reliance on copper but has to mute its comments or risk demolishing any scenario on which Zambia can attain a positive per capita economic growth rate.

CONFLICT AND SURREALISM

Understandably, explaining how the government is going to reduce poverty in countries where large tracts of land are not under the government's control frequently results in splendidly surrealist prose. Thus, for example, the JSA for Sierra Leone notes, in passing, that any growth strategy will depend on the government takeover of the mining areas from the rebels! The Sierra Leone PRSP includes the standard proposals for creating a business environment more attractive to foreign investors and for providing micro-credit - this time to allow refugees and internally displaced persons to become small-scale diamond miners [the success of which is to be measured by an indicator of the "value of official diamond exports" – as if the Kimberley Process Certification Scheme is about to take over in up-country Sierra Leone]. Yet, there is no discussion of the role of diamonds in financing the continuing fighting (Pegg 2003)..

Remarkably the World Bank sees the current first challenge of debt relief as the need to extend decisions under the HIPC framework to more countries that are eligible "in particular by accommodating the special circumstances of countries that are emerging from conflict such as the Democratic Republic of Congo" (Madavo 2001). This approach would suggest that in the World Bank's eyes, the odd civil war is less of a blot on the copybook than a tendency to independent thought on economic policy.

It is disturbing, since Uganda is often quoted as having a model PRSP, that the documentation for Uganda skirts around continuing fighting in that country and the military expenditure necessary to maintain a semblance of order in the North. .

For all countries, irrespective of their current experience of conflict, budgetary planning needs to take account of the impact of military expenditure upon poverty. Transparency in budgeting and accountability to civil society is a fiction unless military expenditure is included. Not all military expenditure is necessarily anti-poverty. Donors who attack developing countries for financial irresponsibility still continue to sell them vastly expensive arms. In 2002 Britain sold Tanzania a military radar system for 28 million pounds: a sum which could have provided basic healthcare for 2 million people or education for 3.5 million children. The House of Lords is now trying to get development sustainability considered before arms sales are approved as formally required by the European Union (Ahmed 2002) Not all military expenditure is necessarily anti-poverty. Whilst buying military equipment on credit from the first world has a very negative impact on the poor of Africa, paying modest wages to large numbers of otherwise unemployable young men (and some young women) could actually reduce poverty, depending on the training provided and how these wages are financed.

Another surreal feature of the PRSPs is their failure to prioritise and most especially their failure to give priority to those reforms that deliver the most benefit to poor people. The "wish-list" is alive and well but remains meaningless – governments have to make strategic choices. If they do not, there is a risk that civil society involvement will have a role in legitimising non-poverty reducing policies

CORRUPTION

A minor change in language can produce remarkable results. Discussing corruption may well be regarded as offensive especially where the implication is that this is a vice never found in industrial countries (as if EXXON did not overshadow anything Africa could produce). However, transparency is an acceptable requirement and thus, for example the Cameroon PRSP discusses audits of the petroleum industry and the need to "promote transparency" in this area.

What is not discussed is just how easily the Bank's economic prescriptions can be derailed by corruption – nor whether they could ever be made to work under African conditions. One Nigerian NGO made a submission to the World Bank/IMF arguing that corruption eradication should be prioritised over poverty eradication for Africa as the one best way of assisting the poor. Local studies have shown just how onerous corruption is for individuals striving to survive at the grass-roots level (African Citizens Development Foundation in Jadhav 2002:118). Privatisation of state enterprises raises severe risks of corruption even in industrialised countries. In Malawi, corrupt management of selling off the grain stocks left people starving.

Corruption provides a good example where it would be eminently sensible to have a draft PRSP chapter, ready for adapting to national circumstances, but which would serve as a baseline for best practice in defining matters such as the need to publish government ministers and officials salaries and benefits.

UGANDA: THE PRSP SUCCESS

Uganda is widely considered to be a success story showing how government, Bank and donors can work together to create an economic climate conducive to economic growth and to poverty reduction. "Uganda has achieved an unprecedented joining-up of poverty eradication plans, corresponding budgets, negotiated agreements and the extraordinary focus of resources around a common sense of purpose in the PRSP framework " (Craig and Porter 2002). In a considerable achievement, real per capita GDP rose by nearly 4% per annum during the 1990s (before the PRSP) and the estimated proportion of the population living below the basic needs poverty line fell from 55% in 1992 to 35% in 1999 (Appleton 2001).

Uganda produced a draft Poverty Eradication Action Plan (PEAP) in 1997 and donors have treated this as Uganda's PRSP enabling Uganda to be the first African country to reach the "completion point" for enhanced HIPC debt relief in May 2000. The Ugandan PEAP had four general goals: fast and sustainable economic growth and structural transformation; good governance and security; increasing the ability of the poor to raise their incomes and increasing the quality of life for the poor. Being the darling of the donors to some extent made Uganda's continuing economic success a self-fulfilling prophecy. Net official aid flows to Uganda were some US$800 million in 2001 representing US$37 per person and 13% of GNI. HIPC debt relief to Uganda from 1999 to 2000 was US$1,300 million (for Tanzania it was US$2,000 million). Uganda's PRGF shows that Uganda plans to spend 7.7% of GDP on social sector expenditure of which 4% would be for education – only 0.1% is to be spent on improving agriculture.

A LESS SUCCESSFUL CASE –ZAMBIA

Zambia makes an interesting and contrasting case study of the development of a PRSP. The country has not suffered a civil war and it has a semi-democratic government (-views on the 2001 national elections are widely divergent and calling the President a 'cabbage' is apparently still a criminal offence – Civil Society for Poverty Reduction 2002). As far back as 1990, Zambia's Foreign Minister Mavis Muvunda told the United Nations that constant debt servicing "translates into a dehumanising life of poverty, malnutrition, infant mortality and moral degradation" (UN Chronicle 27:22). Equally Zambia is not one of the showcase PRSP countries (such as Uganda, Tanzania or Mozambique). Anyone who has access to the Internet can read Zambia's PRSP alongside those of the other countries participating in the process. To quote the World Bank's Glossary "PRSPs describe a country's macroeconomic, structural and social policies and strategies and programs to promote growth and reduce poverty, as well as associated external funding needs. PRSPs are prepared by governments through a participatory process involving civil society and development partners."

Zambia's PRSP is a document of 17 chapters, 29 Appendices and 197 pages. And yet it is still remarkable for its lack of analytical content and insights. It is a turgid and uninspiring document Sometimes it is impossible to tell whether one is reading a misprint or its compilers were so intent on working their way through an imposed formula that they had no concern for its accuracy or meaning. Thus, for example, in the Executive Summary (which was presumably proof read several times) there is the statement in the third paragraph that "The majority of the people suffer from weak purchasing power, homelessness and insufficient access to basic necessities such as education, health, food, and clean water" Despite this there is minimal further discussion of housing needs or nutritional statistics!

It is estimated that "around 73% of Zambians are classified as poor. Poverty is more prevalent in rural areas compared to the urban areas (83% and 56% respectively) but it has risen faster in the urban areas lately due to failing industries and rising unemployment" (Zambian PRSP: 10). However, it is very difficult to know exactly what this means since the information provided is that "poverty can be defined in the Zambian context as lack of access to such things as freely determined consumption of goods and services, shelter and other basic needs of life". Rural poverty is "largely attributed to poorly functioning markets for agricultural output and to low agricultural productivity because of reliance on very basic implements as well as low utilisation of agricultural inputs". Urban poverty, apart from the decline in mining, also reflects the fact that since 1995 86% (sic) of jobs in the manufacturing sector have been lost.

One positive feature of the Zambian PRSP is its realism in discussing economic growth rates, which it sees as being no higher than 4% per annum in the immediate future. Yet, to achieve poverty reduction, rates would need to be in the range of 5-8% per annum. Population growth is 1.9 % per annum even with AIDS. Zambia's PRGF shows that even if all plans are fulfilled only 2.2% of GDP is to be spent on social expenditure – this compares with an average target of 9.1% for the eleven countries in the EURODAD matrix.

Remarkably, Zambia is to encourage large-scale agriculture farming (sic) with commercial agriculture slated to take over from copper mining. "The list of known agricultural products where Zambia has both comparative and competitive advantage includes coffee, cotton, groundnuts, flowers, paprika". Great hope is attached to extending agriculture even to opening up of new agricultural blocks Sadly, there is no discussion of how access to new areas will be handled without corruption or ethnic favouritism. [The issue of promotion of the World Bank's views on the individualization of communal land tenure in the African PRSPs merits a study to itself].

One very practical problem that donors face is that they have to decide whether a country is overall performing in a manner which means that its government is acceptable for debt relief or not. In this cut-off decision there is little room for nuanced presentations. Thus USAID's 2004 Congressional Budget Justification for Zambia in part reads as follows: "since 1991, Zambia has undergone a political transition from decades of one-party autocracy to multi-party democracy. Although much remains to be done, fundamental economic liberalization and structural reform programs have accompanied this political transformation. A more politically balanced parliament is struggling to assert itself following decades of subjugation by the Executive Branch, while a poorly resourced judiciary is seeking to strengthen the independence and efficiency of the legal system". It is unclear what USAID could or would have done if multi-party democracy had failed to deliver 'fundamental economic liberalization'. Sometimes donors can become hostages to their own rhetoric, and the PRSP model certainly requires that all recipient governments accept donors' views on the path to economic progress.

The most recent development concerning Zambia's relationship to the international financial institutions is that, on August 1st 2003, the IMF and the Zambian government issued a joint statement announcing that Zambia will not be able to reach the completion point for HIPC debt relief in December 2003 as scheduled because the Government cannot reach the benchmarks required. Zambia is faced with 4 Structural Performance Criteria, and 9 Structural Benchmarks, which means that it faces an exceptionally high level of conditionality even by African standards (EURODAD 2003: 7). Basically, however, the problem relates to the wages and housing allowances bill for public servants which is projected to be about K500 billion or 2.5% of GDP above the 2003 budgeted amount of K1, 520 billion (IMF July 31st 2003). The government is still negotiating with the public service unions but it is in a real bind because it is dependent upon their political support. Meanwhile the money is not available for poverty reduction priorities (Civil Society for Poverty Reduction August 27th 2003).

The last, and perhaps also the first, fact to be noted about Zambia is that average life expectancy at birth is now a mere 37 years. This for a country that had attained a life expectancy in the upper 60s! Given an AIDS impact at this extreme level it must be very hard to think in terms of economic planning as the solution to the country's most important problems. Perhaps part of the reason why planning of the Ugandan economy is proving more successful is simply that the expectation of life there is ten years longer at 47 years.

SCHOOL FEES AND USER PAYS

One way of drawing a case study from the vast PRSP E-resources is to examine an individual country or geographic region. Another is to examine how a single issue is treated across a number of national PRSPs. Education is vital both to promote growth and reduce poverty in Africa (Appiah and MacMahon 2002). In this context, the treatment of school fees provides a very interesting example of the interaction between national budgeting, the World Bank and African and northern civil society movements.

The World Bank, apparently drawing upon Latin American experience, for some fifteen years favoured school fees (and other user pays systems). For education, the Bank's argument was that charging such fees gives parents ownership, generates community support and ensures that quality services can be delivered in the schools. [Schools are in a better position to collect fees than local governments are to collect taxes because the children need to attend on a regular basis and schools have the ultimate if difficult sanction of excluding children whose payments are in arrears]

However, the World Bank's official policy, heavily influenced by lobbying by developed country NGOS, is now that "The World Bank does not support user fees for primary education and for basic health services for poor people" (www.worldbank.org)

This reflects a recent conversion: Tanzania proposed to impose school fees as recently as February 1999 at the instigation of the World Bank and the IMF. Yet by July 1999, World Bank President James Wolfensohn was assuring the American Congress that user fees were no longer an issue and he would look into specific cases raised. In 2000 Congress enacted an addition to aid legislation, which requires the U.S. representative to the World Bank to vote against projects, or loans that include fees for primary education or health care.

Now as of early 2003, the World Bank has gone further and says that it will 'actively oppose' user fees for primary education although the paper setting out this policy is still in draft form (Global Campaign for Education, 2003). Ruth Kagia, the World bank's Director of Education, says that the definition of fees to be opposed will include textbook charges, compulsory uniforms, PTA fees or 'community contributions" and school-based activity fees such as exam fees. This is because the Bank now accepts that all of these charges are a barrier to access and the completion of primary education. Yet, at the same time, the Bank still supports private sector investment in basic services arguing that the state has the responsibility to fund, but not necessarily to deliver, basic education.

It is thus hardly surprising that civil society organizations in rural Africa find it hard to understand the Bank's policies on user pays.

The World Bank formally abandoned its support for school fees because of the impact of American civil society organizations working upon the US Congress not because of the views of developing countries or their CSOs. "There is a knowledge gap between northern and southern CSOs regarding reform of IFIs which reflects the organizational structure of the Bank and the Fund. This in turn, reflects the real-world balance of power. Consequently, CSOs in G-7 countries are able to exercise more political pressure over the IFIs (international financial institutions) than governments and CSOs in low-income countries where the projects and policies are actually implemented and the effects felt. This fundamental imbalance distorts every Fund and Bank undertaking, the PRSP not withstanding" (Bread for the World Institute in Jadhav 2002: 67).

So having been prodded by the Bank to impose fees through an education levy in 1999; still 'assisted ' by the Bank, Tanzania abolished primary school fees in January 2002. The result was that "school enrolments have doubled. 1.5 million kids turned up in school. Classrooms are bursting at the seams. Unless Tanzania gets the kind or urgent support from donors that it needs, this bold initiative could end in frustration" (Phil Twyford, Oxfam quoted allAfrica.com 22 April 2002). As one of the World Bank Education For All Fast Track Initiative countries, the objective for Tanzania, once accountability systems are in place, is actually that donors and the Bank should provide U$10 per child to the schools for primary education. Earlier evidence from Uganda showed that, of each dollar allocated for education, only 10 cents reached the school, now the proportion is said by the President to be 90 cents (World Bank Education for All Video Conference, December 13, 2001).

School fees are highly politically contentious. Governments which abolish them gain great political popularity. In 2003, President Mwai Kibaki of Kenya campaigned on the issue of abolishing primary school fees. School enrolments rose by 20% in the week after school fees were abolished. One of the biggest groups to benefit from this was Kenya's estimated 1.2 million AIDS orphans. Parents of children with disabilities often keep them at home if fees have to be found but send them to school once they are abolished. Children in the drought stricken areas also benefited – but in some cases in Baringo and Turkana they only attended school where meals were also provided otherwise they would have to go foraging for food and hunting.

When Malawi abolished its very modest school fees together with the school uniform requirements in 1994, primary enrolment soared by almost 50% [Government of Malawi and UNICEF 1998] Again, when Uganda eliminated school fees the primary enrolment rate rose from 50% to 90%. In Bourkina Faso as part of the PRSP process school fees have been waived for girls in an effort to overcome the longstanding discrimination against them. There is no question that abolishing school fees increases access to education for the poorest and most disadvantaged groups in society.

However, 'free education' is still highly expensive for government budgets. The estimated cost of abolishing school fees to the government of Kenya is US$137 million for a school year. For Bourkina Faso the government has pledged to devote 20% of its total budget to education by 2010 in the hopes of having 70% of children in school by that date. The vital question is where the governments are going to find the money to fund their education budgets [would that they would raid their military budgets or send their soldiers out to become teachers]. If schools are not charging fees then schools have to be funded through the taxation system or through donor funding - and for education the major costs are recurrent costs each year not the one-off commitments for capital expenditure which are preferred by donors. In the Kenyan case, the government will provide the majority of the cost with the remainder coming from the World Bank and bi-lateral donors (Leslie Adler in The East African Standard 10/05/2003). Such a funding pattern then places children's education at the mercy of their national government being able to maintain harmonious relations with the Bank and the donors. To take the case of Burkina Faso, if the government does spend 20% of its total budget on education, a simple calculation would imply that each adult worker has to pay at least one quarter of a schoolteacher's salary in taxes (recognising that only a fifth of taxation is going to teachers salaries). In a poor country with very few rich people to assist with ameliorating the taxation burden, and where the majority of rural farmers would have incomes well below a primary school teacher's salary, this is clearly going to pose a significant problem.

Arguments over charging user fees for health services are similar to those relating to school fees (although there is a much higher quality literature on health fees see The Lancet or the British Medical Journal). However, one might expect that even the most extreme economic rationalist might query the rationality of charging fees for the treatment of infectious diseases. Charging fees at Nairobi's Special Clinic for Sexually Transmitted Diseases resulted in a 40% decrease in attendance by men and 65% by women over a nine-month period!

Water and sanitation are closely linked to health status and raise even more complex issues concerning user fees. Zambia has privatised urban water supplies only to find that people cannot afford to pay enough for water to allow for investments in repairs and extensions of the system. Guinea and Malawi had similar experiences. In a sad irony, the end result is that clean water is available, at least in the towns, but, since people cannot afford to pay their bills, they go back to using contaminated wells or resort to 'stealing' water from golf-course irrigation systems

The arguments related to user fees are a good example of just how complex the public debates over just one issue within the PRSPs can be. How realistic is it to expect that the whole content of these documents will be subject to informed public examination?
[For the Zambian PRSP there is a user-friendly version – which includes a discussion of how to enable illiterate adults to access its contents – but even it baulks at explaining the economic theory on which the process is based or translating the economic technical terms into the local languages (Civil Society for Poverty Reduction. 2002)

DECENTRALIZATION

> "*A Ugandan villager goes to market to sell a pig. First he has to pay for a movement permit from the local council, then a permit from a vet. When he gets to market, he has to pay market entry, and finally – if he actually sells the pig – a tax on its sale. Then the cycle starts again. The person who bought the pig pays a purchase tax, as well as the movement permit to take the pig from the market to his or her own village* (BBC quoted Ellis and James 2002: 1).

The World Bank has a positively romantic, rose-coloured glasses attachment to the virtues of decentralization. The Tanzanian popular version of the PRSP document has a cartoon showing the central government as a father saying to local government as son: "Son, I'm giving you more power to decide what you think is best for your regions" to which the son replies "Thanks dad, that will also leave you a chance to concentrate on major issues" (quoted Cammack 2003). Some 89% of the early PRSPs had fiscal decentralization on the agenda (User's Guide: footnote 5). There appears to be a belief that regimes, which are notoriously corrupt at a central government level, suddenly become squeaky-clean at the local level. Hence the belief that user fees will actually be used to provide services.

Research suggests far otherwise. Intensive research on Individual households in 9 villages in Uganda and 10 sub-villages in Tanzania in 2001 measured how villagers gradually escape poverty and discovered that local taxation now virtually blocks this process of trading up from chickens to goats to cattle to land - or from cash from non-farm income to farm inputs to higher farm income to land or to livestock.

> *.. for Uganda, fiscal decentralisation has meant the imposition on local rural populations of a dense thicket of commodity, market, sales and transit taxes. These taxes are impenetrable to comprehend by the ordinary citizen; they are collected by private tenderers often in a climate of intimidation and coercion; they are only partly passed onto revenue offices; the proportion that is sent in is spent largely on elected councillors' emoluments; and they fail to achieve any proper connection in the minds of citizens between taxes levied and services delivered* (Ellis and James 2002:10).

Tanzania is less advanced down a similar decentralisation path but also faces the imposition of bad taxes which "distort relative prices, discourage market development, scare away traders, and add unreasonable costs to productive enterprises "(Ellis and James 2002:15). One wonders where the amazing notion of privatising tax collection came from, does no one at the Bank read any history?

Very sadly, the end result is that decentralization of government and services becomes an additional burden keeping the rural poor poor.

CONCLUSION: SOME THOUGHTS ON ACTION

Essentially the PRSP model assumes that there is a direct linear relationship between economic growth and decreasing poverty. Whilst the countries of black Africa stand in dire need of economic growth overall there is no guarantee that this will feed into poverty reduction. It is most unusual and cheering to see that the PRSP for Guinea lists the seven largest mining companies in Guinea and the revenues which they provide to the central government, the extent of their investment in local development and the number of jobs created (directly or indirectly) by each enterprise. Chad actually has a law passed in 1998 which allocates the majority of oil revenues "to the priority sectors involved in poverty reduction" and provides "tools to monitor and supervise" the use of these funds (Chad I-PRSP 2000 paragraph 70).

However many problems one may have with the whole PRSP process, it is important to recognise that for the major donors and financers it is now THE game in town and it is therefore important to consider whether, however flawed the system, it is worthwhile engaging with it for those things which it may be able to deliver. Since consultations with civil society will continue can these mechanisms be used to secure better outcomes for the poor? One remediable defect of the process is the way it separates civil society from the official democratic processes. Even the World Bank acknowledges that 'we need to pay particular attention to ensuring that Parliaments are adequately involved, to ensure that participation does not result in disempowering elected Governments and Parliaments ' yet, in the next breath the Bank is proposing that "Parliaments could vote each year, as part of their budget laws, on a set of short-term actions required to implement the PRSP. This could be the basis for balance of payment and programmatic support' (Madavo 2002). So much for Parliaments deciding how their countries should be governed!

Of all the complaints against the PRSP process, the most common is "the deliberate lack of involvement of parliamentarians in countries' poverty reduction strategies (Southern CSOs quoted by EURODAD in Jadhav 2002:79). UNCTAD (2002: 16) has even expressed concern that under PRSP the "Substitution of conventional institutions of representative democracy by ad hoc mechanisms involving some segments of civil society could, paradoxically, undermine the fledgling institutions of representative democracy taking root in African societies". Perhaps Parliamentarians' groups (e.g. through the Commonwealth) could work with African parliamentarians to develop the information networks and tools to re-insert them into the process.

Another area for action is through major Western companies which deal with African governments. Corruption flourishes in the dark and if such companies are transparent about their dealings, this vastly reduces the potential for politicians and their friends and relations to take the cream off the system. For example, pressure should be brought to bear on oil companies to support the international "Publish What you Pay" campaign by publicly disclosing, in a disaggregated, regular and timely manner, all net taxes, fees, royalties and other payments made to African states, at any level, or to local communities, including compensation payments and community development funding (Catholic Relief services 2003)). Sub-Saharan governments will receive over $200 billion in oil revenues over the next decade. It is vital that this money does not go astray and that other countries learn from Nigeria's malign experience.

For those who have an interest in the fate of Africa's poor, the national PRSPs of which there are now nearly twenty at various stages, are an invaluable resource. However imperfect they are, they contain a unique range of instantly available information on the extent and nature of poverty in Africa and what national governments say that they intend to do about it. Anyone researching in this area needs to use this resource even if their final conclusion is that trade is to be preferred to aid or debt relief, and thus that the European Commission' s "Everything but Arms" (EBA) initiative to allow duty-free, quota-free access for all products from all least developed countries into the European Union is likely to deliver more sustainable benefit to the poorest than any number of PRSPs.

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