

Poverty, democratic governance and poverty reduction strategies

Paul Spicker
Robert Gordon University
Aberdeen, Scotland

Abstract. *The Poverty Reduction Strategy Papers have become a significant experiment in world governance. Poverty is a complex, multidimensional phenomenon, and responses to poverty need to be adapted to a wide range of circumstances. In the belief that deliberative democracy is the route to prosperity, international organisations have directed governments around the world to undertake a process of strategic planning, based on participative development and negotiation of policy with stakeholders. However, the emphasis in the PRSPs seems to have fallen more on the methods they use than the substance of the strategies. Democracy is not valued only for its process; it matters what it achieves. If PRSPs are to help the poor, they need to extend their focus, moving beyond procedural issues towards substantive policies that stand to benefit the poor.*

Democratic approaches and methods are widely seen as a prerequisite for the achievement of greater prosperity; democracy itself has been represented, particularly in the work of Amartya Sen¹, as fundamental to the protection of the poor. In recent years, strategies for poverty reduction have been developed by the leading international institutions on the basis that an extension of democratic practice - through deliberation, transparency and effective governance - is the best way to address the problems of world poverty. In this paper, I begin with a theoretical review of the relationship between poverty and democracy, and then look at the way this relationship has been expressed in practice in the process of developing Poverty Reduction Strategy Papers. I argue that PRSPs need to put a greater emphasis both on substantive policies to address poverty, and inclusion of the priorities of poor people themselves.

The idea of poverty

Poverty is often represented as a basically simple issue - a lack of resources, a lack of essential items or a pattern of deprivation. The World Bank refers to \$1 or \$2 a day, revised

¹ e.g. A Sen, 1999, *Development as freedom*, Oxford: Clarendon Press.

recently to include \$1.25² - an indicator based on income. But this is not a “measure” of poverty - they are arbitrary figures³ - and treating the indicator as a definition of poverty confuses the signpost with the thing it is pointing to. Poverty is a complex, multidimensional set of experiences, understood in different ways at different times. There are more understandings of poverty than I could hope to present in a single talk, but in previous work, I have identified twelve clusters of meaning - related “families” of concepts.⁴

Figure 1: Poverty: Twelve clusters of meaning

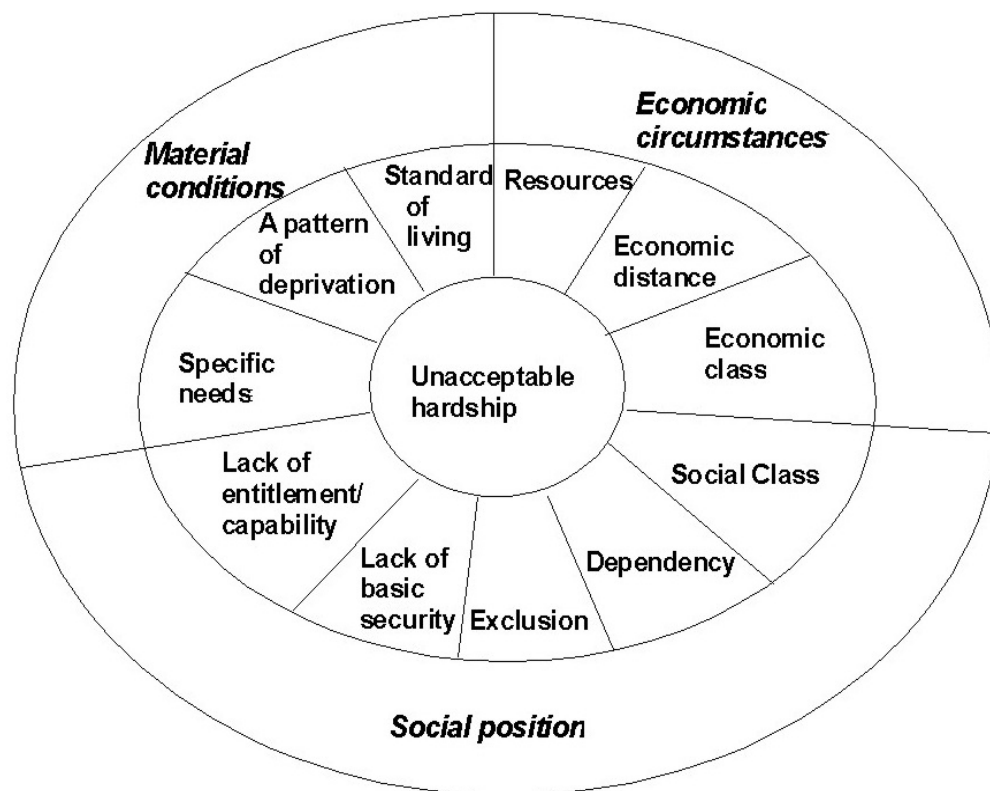


Figure 1 shows, schematically, the key relationships. Some concepts of poverty relate to

² S Chen, M Ravallion, 2008, The developing world is poorer than we thought, but no less successful in the fight against poverty, World Bank Development Research Group, Policy Research Working Paper 4703.

³ P Townsend, D Gordon (eds), 2002, World poverty: new policies to defeat an old enemy, 2002, Bristol: Policy Press.

⁴ P Spicker, 2007, Definitions of poverty: twelve clusters of meaning, in P Spicker, S Alvarez Leguizamon, D Gordon (ed) Poverty: An International Glossary, London: Zed Books.

material conditions:

- the lack of specific goods and items, such as housing, fuel, or food;
- a pattern or “web” of deprivation, where people have multiple deprivations, or they may be frequently deprived, though there may be considerable fluctuations in circumstances; or
- a generally low standard of living, where poverty becomes a struggle to manage in everyday life.

Some concepts of poverty are based in *economic circumstances:*

- a lack of resources, especially income, but there may also be very limited assets;
- an “economic distance” from the rest of the population, or a degree of inequality, which means that people are unable to buy the resources that others can buy;
- economic class - an economic status, or relationship to production and the labour market, which means that people are consistently likely to be disadvantaged or deprived;

Then there are *social relationships:*

- poverty as dependency on financial support and state benefits;
- poverty as a set of social roles and statuses, exemplified in the idea of the “underclass”;
- the problem of exclusion, which implies not simply that poor people are rejected, but that they are not part of the networks of social solidarity and support that most people in a society rely on;
- a “lack of basic security”, “the absence of one of more factors that enable individuals and families to assume basic responsibilities and to enjoy fundamental rights”⁵
- a lack of entitlement, in the sense that poor people do not have the rights to access and use resources that others can; this is also referred to, by Sen or Nussbaum, as a lack of “capabilities”.⁶

Last, but not least, there is the view that poverty is *a normative concept*, referring to severe hardship or a situation that is morally unacceptable. The moral content of poverty implies not simply that poverty is approved or disapproved of, but that the simple fact of accepting the term also carries a moral imperative - a sense that something must be done. That can be countered by denying that people are poor, or finding some other moral reason for rejecting the claim for support.

Figure 1 shows the clusters schematically. The representation is artificial, but it helps to emphasise two key points. The first is that poverty is multidimensional - several of these issues can apply at the same time. There is an overlap between the concepts, but that reflects the complex, varied nature of the phenomena that are being considered. The second is that,

⁵ Wresinski Report of the Economic and Social Council of France 1987, cited in K Duffy 1995, Social exclusion and human dignity in Europe, Council of Europe CDPS(95) 1 Rev.p.36

⁶ A Sen, 1981, Poverty and Famines: an essay on entitlement and deprivation, Oxford: Clarendon Press, Oxford: Clarendon Press; M Nussbaum, 2006, Poverty and human functioning: capabilities as fundamental entitlements, in D Grusky, R Kanbur (eds.), Poverty and Inequality, Stanford: Stanford University Press.

while some specific definitions are close, and they can be difficult to distinguish in practice, as we move round the circle the distance becomes clearer and stronger. Dependency or exclusion are not at all the same as a lack of resources; economic and social class are not evidence of lack of entitlement.

It is often assumed that poverty must be different in different places - that if it can refer at the same time to a lone parent receiving benefits in Britain and a subsistence farmer suffering drought in Sudan, it cannot mean the same thing. Two arguments can be brought against this. The first is that even within a single country, poverty does not mean one thing, but many. The second is that across the world there are (surprisingly) recurrent issues. The World Bank's extraordinary document, *Voices of the Poor*, considers perspectives and themes in poverty from poor people in a wide range of countries.⁷ Some of the themes are about deprivation and economic position: precarious livelihoods, insecurity and vulnerability, living in excluded locations, and the problems of physical health. For the poorest people, their health and strength is often their most important asset. The lack of welfare is most manifest when people are "hungry, weak, exhausted and sick".⁸ Some are about social exclusion - limited capabilities, lack of entitlement, gender relationships and the denial of rights to women. But others are about social and political arrangements - disempowering institutions, weak community organisations, and abuse by those in power. For many poor people around the world, government, policing and corrupt institutions are part of the problem. What does not appear on the agenda directly is a lack of necessities. There is nothing here directly to emphasise a shortage of fuel or access to water; where these are part of daily life, they are not the main source of complaint. By contrast, aspects of social relationships, like gender or relations with authority, feature prominently - and they can be found in many different places.

Responding to poverty

The diversity and complexity of the problems is so wide that it seems almost unmanageable. If there are so many dimensions of poverty, what can be done? Where do we even begin? Poverty refers to a huge range of issues, occurring in unpredictable combinations. One of the implications of a multidimensional approach is that partial or preconceived responses may not address core issues. A multidimensional understanding of poverty has emerged, in part, from exercises in listening to the concerns of the poor; equally, it calls on policy makers to listen further, because when they are faced with complex, multi-faceted problems, giving priority to the issues raised by poor themselves is usually better directed at need, more responsive and more legitimate than the imposition of priorities from above.

In *The idea of poverty*, I outline five broad approaches to the problems of poverty:

- poor relief, or responses to immediate problems;
- social protection, where individual risks are pooled and people are protected by

⁷ D Narayan, R Chambers, M Shah, P Petesch, 2000, *Voices of the poor*, World Bank/Oxford University Press.

⁸ Narayan et al, 2000, vol II, p 90.

- solidarity
- strategic intervention, where policy-makers identify key points within a system that will have far-reaching effects
- prevention, and
- indirect responses, where poverty is deal with partially through focusing on other fields, such as gender, health or education.⁹

The predisposition of many social scientists is to argue that the best responses are based on a causal analysis, or at least on the identification of a generative mechanism. The record of social science in this field is not good. Policies have not just failed to deliver, but there have been destructive responses - the deterrent Poor Law, eugenics or structural adjustment. Part of the reason for their failure is that any generative analysis, however plausible it may seem, is likely to be wrong. Wherever a problem is multi-faceted, the selection of a particular issue is almost certain to miss something important. Another part, and a more fundamental flaw, is that the way into a problem is not the way out of it. Learning that problems of poverty result from problems such as (say) globalisation or deindustrialisation, true or false, tells us little or nothing about what we should do.

Three strategies, however, have proved effective over time. One is economic growth. The World Bank has argued that “growth is good for the poor”¹⁰ - that poor people gain proportionately with rising income. There are several reservations to make about this. A rising tide does not lift all boats, but sinks some; there may be casualties of the process of industrialisation. Growth does not always measure welfare enhancements (for example, child labour increases GDP when child education does not). The effect of moving towards a formal income is often that people move from secure subsistence to occupations that are better paid, but insecure and vulnerable. When in the 1980s the World Bank set its most basic indicator of absolute poverty at \$1 a day, I think it could plausibly have been argued that while it was fairly meaningless as a measure of income, it more or less distinguished those who had some engagement with a formal or shadow economy - that is, activities contributing to GDP - from those who did neither. As more people move to cities in poor countries, and as the quality of information has improved, this is becoming less plausible; currently there are nearly thirty countries where more than a quarter of people in employment routinely receive less than a dollar a day.¹¹

The second key strategy has been the development of social protection systems, which go some way towards mitigating the weaknesses of growth. Social protection helps to address poverty issues in three ways: in direct service to the poor, and the reduction of the hardships and risks associated with poverty; in the mitigation of the problems associated with

⁹ P Spicker, 2007, *The idea of poverty*, Bristol: Poverty Press.

¹⁰ D Dollar, A Kraay, 2000, *Growth is good for the poor*, at <http://www.worldbank.org/research/growth/pdffiles/growthgoodforpoor.pdf>.

¹¹ UN Statistics Division, 2012, *Proportion of employed people living below \$1 (PPP) per day*, Millennium Development Goals Indicators, <http://mdgs.un.org/unsd/mdg/SeriesDetail.aspx?srid=759>

unrestrained growth; and in its impact on inequality. In recent years social protection has been extended strongly in several developing countries, including major schemes in South Africa, Mexico, India, Indonesia, China and Brazil - Barrientos and Hulme call it a “quiet revolution”.¹² Here, too, however, there are weaknesses. Some social protection systems are exclusive, serving those who are able to contribute and denying service to those who cannot; some are confined to systems associated with formal economies; many have gaps.

The third strategy may seem, on the face of the matter, to be the weakest and least directly related of the three. It focuses on the political aspects of poverty - empowerment, participation and voice. Amartya Sen has stressed the importance of entitlement to basic security, but beyond that he makes a startling claim: that there has never been a famine in a democracy.¹³ I think the evidence for that claim is debatable, but the core of the argument is powerful; it is the contention that political power, engagement and transparency act to protect populations. The weakness of the argument is that the poorest countries have so many obstacles to overcome - civil strife, corruption, and lack of development itself - that political power hardly seems enough to overcome them.

Poverty and democracy

Democracy is believed by many to be necessary for economic development. In the literature of political science, it is possible to read about government in terms which suggest that the primary function of government is to provide security and defence, but that does not begin to capture what has been happening in the world. In the course of the last twenty five years or so, we have seen a proliferation of new states and systems of democratic government, particularly led by European and Asian governments which have moved away from Communism. What they are hoping to achieve is not security - something the former Communist bloc managed rather effectively - but prosperity.

Any generalisation about the link between democracy and the position of the poor should be subject to some reservations. There are marked differences in the policies, practice and overall commitment of different democratic countries, It can be difficult to decide whether or not a country is “democratic” - the term seems to be infinitely flexible, and most countries in the world would claim to be democratic regardless of their institutional arrangements or philosophy. The figures are unreliable and subject to interpretation. Ross offers a cold dose of scepticism. He argues that the claims that democracy benefits the poor are misplaced: they have not taken account issues that distinguish certain countries, or differences within countries; they have not looked at the importance of particular trends, such as health and mortality; and they are based on biased data, often excluding information from authoritarian

¹² A Barrientos, D Hulme, 2009, Social protection for the poor and poorest in developing countries, Oxford Development Studies 37(4) 439-456.

¹³ A Sen, J Drèze, 1989, Hunger and Public Action, Oxford, Oxford University Press.

governments because the data are missing.¹⁴

The literature of comparative social policy tends to emphasise the difference between welfare regimes, but in some ways the similarities are more surprising. Most have a tiered system where the bulk of the population are covered by a form of insurance, and those who remain are offered social assistance. Table 1 shows recent OECD figures, for 2007. All of the OECD countries, despite their differences, offer significant redistributive support to older people and people in ill health. Most also offer redistributive support to people who are unemployed - the main exceptions, Mexico and Turkey, are recent joiners.

¹⁴ M Ross, 2006, Is democracy good for the poor?, *American Journal of Political Science*, 50(4) 860-874.

Table 1: Public expenditure on social issues in the OECD as % of GDP, 2007

	Public Expenditure on health	Public Expenditure on pensions	Public expenditure on unemployment and 'Active Labour Market Policies'
Australia	5.7	3.4	0.7
Austria	6.8	12.3	1.6
Belgium	7.3	8.9	4.3
Canada	7.0	4.2	0.9
Chile	3.7	5.2	0.2
Czech Republic	5.8	7.4	0.8
Denmark	6.5	5.6	3.2
Estonia	4.0	5.2	0.1
Finland	6.1	8.3	2.4
France	7.5	12.5	2.3
Germany	7.8	10.7	2.1
Greece	5.9	11.9	0.5
Hungary	5.2	9.1	0.9
Iceland	5.7	1.9	0.2
Ireland	5.8	3.6	1.6
Israel	4.3	4.8	0.5
Italy	6.6	14.1	0.9
Japan	6.3	8.8	0.5
Korea	3.5	1.7	0.4
Luxembourg	6.4	6.5	1.3
Mexico	2.7	1.4	0.0
Netherlands	6.0	4.7	2.2
New Zealand	7.1	4.3	0.6
Norway	5.7	4.7	0.8
Poland	4.6	10.6	0.8
Portugal	6.6	10.8	1.5
Slovak Republic	5.2	5.8	0.6
Slovenia	5.6	9.6	0.6
Spain	6.1	8.0	2.9
Sweden	6.6	7.2	1.8
Switzerland	5.6	6.4	1.2
Turkey	4.1	6.1	0.0
United Kingdom	6.8	5.4	0.5
United States	7.2	6.0	0.5

What is it about democratic, developed countries that leads to this similarity of approach?

The idea of democracy is as complex and varied as that of poverty, but for practical purposes, it might be summarised in three main classes. Some views of democracy are normative; they are based in democracy as a principle, such as rule by the people, the popular will, government by consent, or republican government. Some views are based in prescriptions for governance, such as accountability, participation, the representation of interests or the primacy of laws. And other views of democracy are institutional, based in the mechanisms and structures of government - the elected legislature, the separation of powers,

contested elections, the political parties, the media.

If there is a link between democracy and poverty, there are three possible contentions that might be made about it:¹⁵

1. That there is something in the *ideal* of democracy which offers protection to people who are poor;
2. That the effect of democratic *approaches* is to develop economic and social policies which protect the poor, and
3. That democratic *methods* protect the economic and social welfare of those who are poor.

The first of these is not very persuasive. The democratic ideal is so widely referred to, and means so many things, that it is difficult to identify any common aspirations. There are some widely held values, such as economic liberalisation, international trade and pluralistic approaches to welfare, but they seem if anything to argue against the kind of rights and welfare provision which protect the poor.

The second argument has more to be said for it. Cohen identifies a pattern of ‘deliberative’ democracy, based on discussion, co-operation, equality and social inclusion.¹⁶ May argues for a model of “responsive government”; the effect of democratic processes leads government to adjust their behaviour to the demands of citizens, and that implies, however imperfectly, a process of accommodation where their needs and concerns will be respected.¹⁷ These are more plausible than the first class of explanations, but there are some weaknesses. If democracy is a process of deliberation and responding to demands, that seems to imply a high degree of variation, as issues are negotiated and brokered through the political process. This does not explain the high degree of conformity and convergence that there has been among developed countries.

The third argument is that the methods used in democracies produce a range of identifiable outcomes. For example, democracies have been strongly linked with the rule of law: for laws to work, there has to be a system of adjudication, enforcement and redress. Held’s idea of ‘cosmopolitan’ democracy calls for security, procedures to settle disputes and social justice.¹⁸ The main argument that democracies offer prosperity, however, depends on establishing a link between democratic processes and governance with the ability to prosper. Democracies create entitlements, and entitlements, Sen argues, are fundamental to the

¹⁵ The argument here is drawn from P Spicker, 2008, Government for the people: the substantive elements of democracy, *International Journal of Social Welfare* 17 251-9.

¹⁶ J Cohen, 1997, Deliberation and democratic legitimacy, in R Goodin, P Pettit (eds) *Contemporary political philosophy*, Oxford, Blackwell.

¹⁷ J May, 1978, Defining democracy, *Political Studies* 26 1–14.

¹⁸ D Held, 1992, Democracy: from city states to a cosmopolitan order?, *Political Studies* 40 10–39.

capacities and capabilities of the poor. He refers to five ‘instrumental’ freedoms that create the conditions for development. They are political freedoms, economic facilities, social opportunities, transparency guarantees and protective security.¹⁹ Sen puts considerable weight on the process of transparency and the exchange of information through a free press, on the basis that it is more difficult to sustain a system where people are seriously deprived when the deprivation is widely known about. He writes:

In democratic countries, even very poor ones, the survival of the ruling government would be threatened by famine, since elections are not easy to win after famines; nor is it easy to withstand criticism of opposition parties and newspapers. That is why famine does not occur in democratic countries.”²⁰

For Hayek and Friedman, the crucial element is not the democratic process itself, but the free engagement in economic exchange associated with liberal markets.²¹ There are certainly states that see the route in terms of economic liberalisation rather than political reform - that is the route that China is following. If all a state is aiming for is economic development it is not self-evident that democracy is the way that it will be achieved.

All three of these explanations fall short, then, of identifying democracy firmly with the reduction of poverty. Despite the deficiencies, however, people believe them to be true - and what people believe to be true can have important consequences for the policies that are developed. What the explanations establish is a perception, that the response to poverty is immediately and directly linked with democratic governance; and that is the basis of some of the most important international social policies yet conceived.

The international governance of poverty

In the period since 1999, we have seen the development of a remarkable experiment in world governance. Poverty Reduction Strategy Papers have been prepared by 66 countries - some have been through the process once, some have dropped out, others are into their third cycle. The papers are required by the IMF and World Bank as a condition of receiving aid, but they are also referred to by other international organisations, including the UNDP, the African and Asian Development Banks and the leading bilateral donors. (The European Union has separate “Country Strategy Papers”, which are rather less rigorous.) At first sight, the relationship of the documents to poverty is obscure - they are wide ranging plans for the development of political structures and economic policy, and given that they are supposed to be about poverty reduction, they have remarkably little to say about poverty. PRSPs may be easier to understand if we begin from a simple premise: despite the name, they are not strategies to deal with poverty, at least not directly. Their primary focus is on economic development, the political process and governance.

¹⁹ A Sen, 1999, *Development as freedom* Oxford: Clarendon Press.

²⁰ A Sen, 2002, *Why half the planet is hungry*. Observer 16 June.

²¹ F Hayek, 1960, *The constitution of liberty*, London: Routledge and Kegan Paul; M Friedman, 1962, *Capitalism and freedom*, Chicago: University of Chicago Press.

The approach associated with PRSPs is very different from the kind of policy which preceded it. ‘Structural adjustment’ was a free-market approach, based on the ‘Washington Consensus’, which sought to impose particular structures and policies on debtor countries - structures of property ownership, industrial finance and the withdrawal of the state from direct economic production.²² There are still legacies of this kind of approach within the PRSPs - and some commentators have seen the PRSPs as a continuation²³ - but the international organisations have moved on, and the ‘Monterrey Consensus’ supplements market liberalisation with social issues and a much greater stress on effective governance.²⁴ Although the IMF and World Bank have emphasised the importance of local ownership of the PRSP, Gore suggests that the circumstances in which PRSPs are formed may tend to push countries to anticipate the funders’ preferences. He suggests that

“The PRSP process is a compulsory process in which governments that need concessional assistance and debt relief from the World Bank and the IMF find out, through the endorsement process, the limits of what is acceptable policy.”²⁵

The process is indeed compulsory, but what the funders are asking for is not a specified policy programme. The evaluative framework applied by the World Bank set five principles:

- “• Country-driven, involving broad-based participation
- Comprehensive in recognizing the multidimensional nature of poverty and proposing a commensurate policy response
- Based on a long-term perspective for poverty reduction
- Results-oriented and focused on outcomes that benefit the poor
- Partnership-oriented, involving coordinated participation of development partners.”²⁶

Despite the reference to “results oriented” measures, the emphasis falls on method rather than outcomes - and four of the five principles reinforce that impression. They are based in principles of partnership and dialogue - a “deliberative” model rather than an ideological one.

²² C Gore, 2000, The rise and fall of the Washington Consensus as a paradigm for developing countries, *World Development* 28(5) 789-804; and see K Donkar, 2002, 121 (2005) Structural adjustment and mass poverty in Ghana, in P Townsend, D Gordon (eds) *World Poverty*, Bristol: Poverty Press.

²³ G Mutume, 2003, A new anti-poverty remedy for Africa?, *Africa Renewal* 16(4) p 12

²⁴ United Nations, 2003, *Monterrey Consensus on Financing for development*, www.un.org/esa/ffd/monterrey/MonterreyConsensus.pdf

²⁵ C Gore, 2004, MDGs and PRSPs: are poor countries enmeshed in a global-local double-bind?, *Global Social Policy* 4 pp 277-283, p 282

²⁶ World Bank Operations Evaluation Department; IMF Independent Evaluation Office, 2005, *The Poverty Reduction Strategy Initiative*, Washington DC: World Bank

States are encouraged to see themselves, not as the sole representatives of public power, but as one of several actors engaged in a process, along with NGOs, independent enterprises and civil society. The IMF's evaluation team have emphasised the role of the PRSP as a process, more than specific content. They are looking for:

- “realism in the setting of goals and targets as well as in managing expectations;
- the importance of openness and transparency;
- the importance of flexibility, to allow for different country circumstances;
- the desirability of debate about alternative policy choices; and
- the importance of patience and perseverance with implementation.”²⁷

The key methods which should characterise the PRSPs are strategy formation, negotiated policies and transparency. The importance of strategy formation is self-evident - countries are required to engage in the process, making their aims and criteria for success explicit. The process of negotiation with partners - and the corollary, of a more modest interpretation of the role of the state - and the corollary, of a more modest interpretation of the role of the state - is emphasised through participation, partnership and, I think, through the multi-dimensional approach, which calls for acceptance of a range of definitions of problems. Transparency is also inherent in the process - in the evaluations, it has been treated as more important than success in meeting the objectives. In the Joint Staff Advisory group about the PRSP in Benin, the Staffs recognise the problems of persistent low income, the limited progress on previous PRSPs, the vulnerability to risks and external shocks weakness of government, the failure of government to address problems of corruption.

“A candid account shows where governance could be better, including in public financial management, budget planning, budget execution, and accountability standards. ... Issues of transparency, corruption, and abuse of privilege are notable in their absence .”

Nevertheless they conclude that

“Staffs believe the PRSP III provides an adequate framework for poverty reduction in Benin. The strategy addresses the critical constraints and challenges facing Benin and builds on Benin's comparative advantages. The objectives under the strategy are well articulated and the vision is clear.”²⁸

In Nepal,

“PRS objectives are unlikely to be achieved given the need to rehabilitate systems. Staffs welcome the candid assessment of the slow down in implementation, which the APR [Annual Progress Report] relates notably to political uncertainty, resistance from

²⁷ Independent Evaluation Office of the IMF, 2003, Evaluation of Poverty Reduction Strategy Papers and the Poverty Reduction and Growth Facility.

²⁸ IMF, 2011, Benin: Joint Staff Advisory Note on the Poverty Reduction Strategy Paper.

some groups, security constraints and weak monitoring.”²⁹

In other words, the PRSP has failed either to meet aims or to manage governance effectively - but the assessment welcomes the paper’s openness about it.

The PRSPs are not, then, promising the delivery of specific outcomes to the poor. The process is one of guiding and supervising the role of government in forming strategy. It seems to be the method that matters, not the substance.

The PRSP methodology

The methodology of the PRSP owes a great deal to the rationalist planning of the 1960s,³⁰ subsequently translated into contemporary concepts of “strategic planning” and “management by objectives”. The techniques of strategic planning are widespread in developed countries, particularly in the US and UK, but more extensively in the European Union. The process may also be familiar to some in Turkey because of the conditionality imposed by the World Bank for the Programmatic Financial and Public Sector Adjustment Loan it made in 2000; from there, although its adoption has been patchy, it has been rolled out to other public organisations.³¹ It is not an exaggeration to say that strategic planning in this form has become the model for governance throughout the world.

Strategic planning works by identifying general aims, methods and targets, putting in place mechanisms to monitor outcomes and feed them back to further development. Management by objectives (or “MBO”) specifies intended outcomes while leaving it open to agencies what the precise methods will be used to achieve them - the Millennium Development Goals are an example. (The MDGs were not integrated into the PRSP process, and they refer to a much longer time period than the PRSPs do. They consequently do not feature strongly in the PRSPs, but most PRSPs refer to some of them, and as planners become more practised, several countries have taken to applying them selectively.³² A review by Harrison and others argues that while PRSP targets have been different, they have been at least as ambitious as the MDGs in practice.³³)

²⁹ IMF, 2006, Nepal: Poverty Reduction Strategy Paper Annual Progress Report—Joint Staff Advisory Note

³⁰ See e.g. A Faludi, 1973, *Planning Theory*, Oxford: Pergamon; N Gilbert, H Specht (eds) 1977, *Planning for social welfare*, Englewood Cliffs NJ: Prentice-Hall, part 2.

³¹ Republic of Turkey: Department of Strategic Planning, 2006, *Research on strategic management in the public sector*, obtained at http://www2.dpt.gov.tr/konj/DPT_Tanitim/index6.html

³² S Fukuda-Parr, 2010, *Reducing inequality - the missing MDG*, IDS Bulletin 41(1) 26-35

³³ M Harrison, J Klugman, E Swanson, 2003, *Are Poverty Reduction Strategies undercutting the Millennium Development Goals?*, Washington: World Bank.

The rationalist approach has been subject to considerable criticism. It is not necessarily a very good description of the process that decision-makers go through, and as a prescription it sometimes makes more demands than planning agencies are able to meet. Having said that, it has a role as a method: it encourages policy makers to make issues explicit, it offers a framework which can help to identify issues that have been missed, and it provides a set of criteria by which policies can usefully be assessed.³⁴ There is also a communicative element: I once put together an anti-poverty policy for a Scottish city³⁵, and I came to feel in the course of that work that the process of engaging with partners, discussing contributions and identifying roles within to the strategy helped to cement the a sense of mutual enterprise.

There are, however, some important weaknesses in the methodology. None of the issues that follows should be taken to be a fundamental criticism of the development of strategic plans to respond to poverty - they are, rather, potential pitfalls that need to be recognised and worked round. First, there is the problem of how the aims and objectives are identified. Scriven argues that policies which are formed around aims have to begin by someone designing them; inevitably, he suggests, that means that the initial definition will rest in the hands of the people who are initiating the policy, because many actors will only be drawn in at later stages.³⁶ This tends to work, then, against the participative and empowering models of the PRSP process. When the IMF praised Honduras's early efforts at drawing in non-government actors³⁷, some comments were critical³⁸; the Catholic Relief Services complained that this was the first government strategy in the country even to think about civil society. There are arguments here on both sides: lip service is better than no recognition at all.

The second key weakness concerns priorities. For any multi-dimensional problem, it must be true that there are many alternative criteria by which success or failure might be judged, and many issues will be dealt with. Wherever there is a long list of issues or priorities, Wildavsky complains, it can be difficult to judge what kind of impact a policy is having - if some indicators improve while others do not, what can be made of it?³⁹ PRSP documents tend to be lengthy, complex, and it can be difficult to decipher whether or not objectives have been

³⁴ P Spicker, 2006, *Policy analysis for practice*, Bristol: Policy Press.

³⁵ Dundee Council, 1999, *Anti-Poverty Strategy*, Dundee: Neighbourhood Resources and Development Department.

³⁶ M Scriven, 1991, *Evaluation thesaurus*, London: Sage, pp 37-8, 178.

³⁷ IMF, 2001, *Poverty Reduction Strategy Paper Joint Staff Assessment*, <http://www.imf.org/external/np/prsp/2001/042001.htm>

³⁸ Catholic Relief Services, 2001, *Review of the Poverty Reduction Strategy Paper initiative*, http://www.jubileusa.org/fileadmin/user_upload/Resources/Policy_Archive/CRS_poverty_reduction_review.pdf

³⁹ A Wildavsky, 1993, *Speaking truth to power*, 4th ed., New Brunswick, NJ: Transaction Books, p 29.

achieved.

Third, strategic planning depends on a process that can obstruct political negotiation. Mintzberg points to fallacies of prediction, detachment and formalization - each the result of relying on certainty and precision of tasks in a situation which needs to be responded to flexibly and responsively, and depends on the commitment of actors engaged in the process to make it work.⁴⁰

Fourth, procedures are often technocratic. Documents are long, abstruse and often difficult to follow. Material which is most likely to appeal to the international evaluators or to donor organisations is not necessarily going to grip the popular reader. The World Bank team was critical of the technical language and limited circulation of the PRSP in Guinea

The Guinean PRSP is long and written in relatively technical language. Although it was made public soon after its adoption by posting on the IMF Web site (in English only), the authorities printed only 500 copies of the document, which were disseminated primarily to institutional partners, domestic and foreign. Access to the document by the general public was severely limited. ... Plans to produce a layman's version of the PRSP, abridged and simplified, had yet to be implemented when the team visited Guinea.

One of the long-running criticisms of PRSPs has been the extent to which they have been "back-room" documents. One of the implications of the dissociation of PRSPs from the political process is that their integration with other planning processes or policies can be weak. Another is that they have in practice excluded many of the people or organisations who might have been expected to make a contribution. The evaluations suggested that

"More generally, engagement of direct representatives of the poor themselves has not been common. Such groups include parliaments; CSOs [Civil Society Organisations] that are out of favor with the government; stakeholders outside of capitals, local government officials and private sector representatives; trade unions; and women's groups."⁴¹

That goes beyond the important, but narrower question, of consulting with poor people; it points to a democratic deficit.

The deficiencies that have been principally identified are more likely to be problems of participation and engagement than they are of the effectiveness of the policy. It is probably

⁴⁰ H Mintzberg, 1994, The fall and rise of strategic planning, Harvard Business Review reprint 94107.

⁴¹ IMF, 2002, Review of the Poverty Reduction Strategy Paper (PRSP) Approach: Early Experience with Interim PRSPs and Full PRSPs

true that the PRSPs have led to more attention being given to poverty,⁴² simply because the question of poverty is in the title; but it can be difficult to see any direct connection between the problems of poverty and the plans which have been presented. Fukuda-Parr comments that while some PRSPs do pay attention to whether poorer people benefit from growth (Tanzania, Uganda, Vietnam), others simply assume that growth is beneficial (Yemen, Nicaragua, Madagascar) or even, in the case of Malawi, that food production is a protection against hunger.⁴³ This is the advice the IMF gave to Cameroon on its third PRSP:

The Staffs encourage the government to conduct supply chain analysis of potential growth areas (agro-industry; manufacturing; financial services; information technology; oil, gas, mining and petrochemicals with specific analysis of the scope of bauxite and aluminum activities; transport services; and tourism) to gauge the scope for economic diversification.⁴⁴

Plans that encompass banking or petrochemicals are not necessarily high on the agenda of people who are poor. This is about the structure of the economy, not the response to poverty.

A more broadly based procedural approach could help to take into account the complexity of poverty issues, and the multidimensional nature of the problems faced. It might reasonably be argued that as the process of strategic planning develops, and as more actors contribute to discussion and deliberation, this must add to the range of perspectives that are being considered. That may be true in part - Contzen notes a shift in discourse over time in the PRSP of Honduras; if the first PRSP was individualistic and assumed a liberal economy, the third is concerned with the contributions of the government, civil society and poor people themselves.⁴⁵ PRSPs, are increasingly focussing on partnership, and a range of actors. There is scope to consider the experience and priorities of poor people directly. However, there are limits to how far it can be true. Poverty is characterised in part by social exclusion, by weak organisations, by limited representation; any mechanism which depends only on the conventional organs of government is likely to be deficient.

In the discussion of democracy, I reviewed three potential explanations of the relationship between democratic governance and poverty: democratic principles, approaches and

⁴² R Driscoll, A Evans, 2005, Second-generation poverty reduction strategies, *Development Policy Review* 23(1) 5-25.

⁴³ S Fukuda-Parr, 2008, *Are Internationally Agreed Development Goals (IADGs) being implemented in national development strategies and aid programmes?* New York: New School, pp 8-9.

⁴⁴ IMF, 2006, *Cameroon: Poverty Reduction Strategy Paper Third Annual Progress Report— Joint Staff Advisory Note*, para 12.

⁴⁵ S Contzen, 2012, *Politics of poverty reduction*, paper presented to the 2012 Congress of the Latin American Studies Association, San Francisco: California, http://lasa.international.pitt.edu/members/congress-papers/lasa2012/files/31862.pdf&sa=X&sig=AAGBfm1u_LEV1S1M3On_0AfxSxCp4D7JWQ&oi=scholaralrt

institutional methods. While democracy has a part to play, both as an approach to government and as a set of institutional procedures, all these aspects have their limitations. The characteristic mechanisms, such as property ownership and the development of a liberal economy, may contribute to improvement, but again the effectiveness of the policy, and potential benefit to the poor, is uncertain. Even if everyone wants prosperity and growth, the priorities of governments, NGOs and economic stakeholders are not the same as those of the poor, and the complexity and diversity of the issues makes it certain that all the issues cannot be covered at the same time. There needs to be an extension of the scope of the deliberation, so that the voices of those who are poor can be heard.

Policies for poverty

The PRSPs are not directly concerned with poverty: the key issues have been issues of process and governance. PRSPs have developed a procedure intended to lead governments into democratic patterns of behaviour, through deliberation, negotiation, and participative enquiry. The characteristic modes of democratic governance - deliberation and transparency - contribute in turn to the development of economic and social policies. Radelet comments:

“At first, some of the early poverty reduction strategies were less than satisfactory in both process and content. Some countries just went through the motions to satisfy the donors ... But the PRSPs have become much stronger in recent years. Most countries have found them very valuable, both as a way to engender debate on policies and as a guide for policy decisions, the allocation of resources and progress towards specific goals. ... The key point is that these country-led PRSPs - as imperfect as they sometimes are - ... have shifted the balance toward countries establishing key policies and priorities themselves.”⁴⁶

Radelet argues that Africa has benefited from more democratic and accountable governments, better economic policies, major changes in relationships with the international community and a new generation of policymakers.

The extent of the improvement in recent years can be seen in the situation of many of the poorest countries. Infant mortality is a useful indicator of development - it reveals something, not just about infant and adult health, but about economic security, governance and poverty more generally. Table 2 shows recent trends in Africa, drawn from the Demographic and Health Surveys⁴⁷ (the figures in this table tend to be more conservative than the annual estimates from UNICEF).⁴⁸ It does appear that the situation has been getting better in recent years. However, outcomes were improving before the PRSPs, and it is difficult to know how

⁴⁶ S Radelet, 2010, *Emerging Africa?* Baltimore, Maryland: Center for Global Development, pp 101-102..

⁴⁷ G Demombynes, S Trommlerova, 2012, *What has driven the decline of infant mortality in Kenya?*, Kenya: World Bank Africa Region.

⁴⁸ UNICEF, 2012, *The State of the World's Children*, <http://www.unicef.org/sowc2012/fullreport.php>.

far any improvement is attributable to better governance. Eight of the twelve are part of a larger group of African countries identified by Radelet as “emerging”, four are among those on the “threshold”.⁴⁹ There is nothing here that can be used as a control group for statistical analysis. Nearly all the countries with the largest problems of infant mortality have a PRSP; the vast majority of countries have had a rate of improvement from 2000-2010 which is better than or equal to the rate from 1990-2000,⁵⁰ Many countries were becoming more democratic before the PRSPs were thought of: “in just 20 years”, Radelet writes, “Africa has gone from almost no democracies to nearly half the continent under democratic rule.”⁵¹ Part of the gain may also be attributable to more effective aid programmes, and to programmes focused on ‘quick wins’ like basic health care packages or the distribution of bed-nets.⁵²

⁴⁹ Radelet, 2010, p 13.

⁵⁰ UNICEF, 2012, table 10.

⁵¹ Radelet, 2010, p 55.

⁵² UN Millennium Project 2005, *Investing in Development: Overview*, New York: United Nations Development Programme, p 26.

Table 2: Under 5 mortality (per 1000 live births)		
	Previous studies (1998-2007)	Most recent study (2005-2009)
Benin	160 (2001)	125 (2006)
Ethiopia	166 (2000)	124 (2005)
Ghana	111 (2003)	80 (2008)
Kenya	115 (2003)	74 (2009)
Liberia	110 (2007)	114 (2009)
Madagascar	94 (2004)	72 (2009)
Mali	229 (2001)	191 (2006)
Namibia	62 (2000)	69 (2007)
Niger	274 (1998)	198 (2006)
Nigeria	201 (2003)	157 (2008)
Rwanda	152 (2005)	103 (2008)
Senegal	121 (2005)	85 (2009)
Tanzania	147 (1999)	112 (2005)
Uganda	152 (2001)	128 (2006)
Zambia	168 (2002)	119 (2007)
Zimbabwe	102 (1999)	83 (2006)

The reason why democracy is valued is not just a question of governance or procedure; the substance matters, too. Every democracy, without exception, has some substantive measures in place to protect its population - measures such as social protection, provision for old age or health care. Saward, for example, claims that democracy requires education, health and basic income as preconditions for democracy to work.⁵³ While there are arguments against this - there are undemocratic countries which have these mechanisms in place, and democracies which fall short - it is reasonable to argue that it is difficult to be a democracy without having a range of substantive mechanisms in place. I doubt that any effective democratic government can function without some mechanisms for taxation, redistribution and the pooling of risk, and there are no developed democracies of which this is not true.

In other work, I have tried to offer an explanation for the process by which these substantive

⁵³ M Saward, 1998, *The terms of democracy*. Cambridge, Polity.

measures have developed.⁵⁴ “Government”, Edmund Burke wrote, “is a contrivance of human wisdom to provide for human wants.”⁵⁵ Democratic governments are instrumentalist, and responsive both to moral claims and to claims based on interest. Where systems of mutual support have developed independently (as they have in many European nations), governments have extended and in some cases taken ownership of the initiatives. Governments are also subject, however, to the pressures of practice. Where provision is residual, governments have found that the distinction between the people who are targeted for residual support and others is unsustainable. Where provision is targeted, favouring some groups over others, it may be difficult to withdraw the favourable treatment, but over time but it has proved impossible over time to resist incremental extension. Democratic governance expands the range and extent of claims; and once a government accepts responsibility for the welfare of its citizens in general terms, there is no inherent limit to that extent.

If governments are going to make an effective commitment to the poor, their policies have to engage with the issues of poverty more directly. It is important to consider the distributive implications of policy, and the impact of growth on poor people in different circumstances, but much more is needed: governments have to accept a degree of responsibility for developing systems of support for those who are poor. There has been some emphasis in the Poverty Reduction Strategies on education⁵⁶ and health care⁵⁷ - arguably the main social elements in the Monterrey Consensus⁵⁸; less weight has been given to other elements that can play a material part in the alleviation of poverty, such as social protection⁵⁹, redistribution⁶⁰, gender equality⁶¹ or programmes for social inclusion. If PRSPs are to help the poor, they need to extend their focus, with an increasing emphasis on substantive policies that stand to benefit the poor.

⁵⁴ P Spicker, 2000, *The welfare state: a general theory*, London: Sage.

⁵⁵ E Burke, 1790, *Reflections on the revolution in France*, New York: Holt, Rinehart and Winston, 1959.

⁵⁶ F Caillods, J Hallak, 2004, *Education and PRSPs*, Paris: Unesco.

⁵⁷ World Health Organization, 2004, *PRSPs: their significance for health*, Geneva: WHO.

⁵⁸ Gore, 2004, p 280.

⁵⁹ See T Conway, A Norton, 2002, *Nets, ropes, ladders and trampolines: the place of social protection within current debates on poverty reduction*, *Development Policy Review* 20(5) 533-540; R Marcus, J Wilkinson, 2002, *Whose poverty matters?*, UK Department for International Development. .

⁶⁰ Marcus, Wilkinson, 2002, p 13.

⁶¹ Fukuda-Parr, 2010.