



PRSP: Beyond the Theory

Practical Experiences and Positions of Involved Civil Society Organisations

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Introduction

It is almost three years ago since international creditors - bilateral as well as multilateral – decided during the G-7 summit in Cologne to expand the measures of disencumbrance and tie them to the elaboration of the Poverty Reduction Strategy Papers (PRSP). It is time to review the process so far. Thus, we appreciate very much the GTZ-initiative to invite for an international conference on “Beyond the Review: Sustainable Poverty Alleviation & PRSP”.

We hope that the outcome of this conference will contribute to the urgently needed adjustments and course corrections of the newly defined strategic tools of international cooperation in order to make them what they were designed for: An effective tool for Poverty Alleviation and a means for Civil Society Participation.

With the present document *Brot für die Welt* (Bread for the World) wants to offer a contribution to these revisions with the intention of promoting changes in the areas, where deficits in the application of the PRSP can be observed. In order to elaborate the aspects indicated in this study, we conducted interviews with Civil Society Organisations (CSO) among which counterparts of *Brot für die Welt* are represented. We placed four countries at the centre of our investigation: Cameroon, Honduras, Nicaragua and Mozambique. Where we considered it to be adequate, we included as well the experiences of other HIPC countries already investigated by other institutions of international cooperation. This is the case of Bolivia, Tanzania and Zambia, countries that have well-structured networks of grassroots organisations at their disposal for participation.

For the interviews with the counterparts we used two different kinds of questionnaires that were sent to organisations and counterparts. Due to the pressure of time not all of the interviewed counterparts have answered yet. Simultaneously we used the method of oral interviews with CSO representatives of the four countries, for clearing up doubts from the written answers as well as for introducing new specific aspects that have not been considered in the questionnaire. Documents developed by the before mentioned organisations with the intention of deepening the participation in implementing the PRSP have been a third source of information. Basing on the positions developed by the counterparts we intended to make a summary with the aim of presenting it at this conference in Berlin.

Where we discovered that a lot of the statements of civil society of those four countries agree with the positions developed by other institutions, we regarded it as convenient to reinforce the document with those critiques, because we considered them important for the process.

Nevertheless, *Brot für die Welt* regards this document not as the culmination but as the beginning of a consultation process. Our intention is to submit it into the discussion, so as to gather as well the opinions of other counterparts in other countries. The authors of the SÜDWIND Institute developed their work in a relatively short time, with all the difficulties that implies in the communication with the counterparts. The Institute’s experience in networking, for example in Nicaragua, Honduras and/or Cameroon has been a great help.

Our thanks go first of all to the counterparts in the four countries, who took the time and made the effort of responding to our questions despite the pressure of time.

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Chapter 1

Critical Aspects defining the objectives of the PRSP

1.1 Policies chosen and left out in the PRSP

There is one striking similarity among all PRSP handed in so far (and this will most certainly be true for those to follow): As the strategy papers are closely connected to the PRGF (Poverty Reduction and Growth Facility) their main focus is on economic growth, labelled as pro-poor growth. However, the recipe for how to achieve growth is very much alike former programmes and contain mainly the implementation of structural adjustment measures based on liberalization of trade and financial markets, a restrictive stabilisation policy and privatization. How these policies affect the people, and especially the poor, as well as the aim of participation is going to be treated in the following chapters in more detail. This chapter wants to give an overview on which policies have been chosen in the PRSP, which have been left out, and how this relates to the aim of poverty reduction.

Marshall and Woodroffe (2001) in an intensive survey of several PRSP experiences sum up what is not only obvious to any observer, but also inherent in the programme facility:

The consistency of policies put forward in the PRSPs and I-PRSPs is remarkable, given the different histories, characteristics and drafting processes of the sixteen countries surveyed. The general thrust of the macro-economic policies found in the PRSPs and I-PRSPs seems very similar to that of standard SAPs in the past. For all PRSPs and I-PRSPs macro-economic stability is important, but there is little reference to the debate that rages over the benefits of growth, and the different types of growth. The vocabulary in some of the strategies signals a commitment to a type of "pro-poor" growth ("equity-based", "broad-based"), but often this seems only to extend to the rhetoric, and not the reality of the policies chosen. (p.15)

They compare the results of their analysis with other approaches of development, defined for example by a World Bank study (Gerster, 2000), and find that of the four different approaches, the first one is predominantly used:

- **market-based "pro-poor" growth** – a modified version of the orthodox neoliberal economic model, in which the benefits of economic growth are expected to trickle-down to poor people
- **sustainable livelihoods** – a focus on reducing the vulnerability of the majority of the poor through interventions in agricultural production, income diversification and rural infrastructure
- **resource redistribution of both physical and social assets** – based on the analysis that inequality is directly negatively correlated to economic growth and that inequality slows poverty reduction
- **rights-based**, relying on empowerment and a redistribution of political power. (see Marshall and Woodroffe, 2001: 14)

While the second approach of achieving sustainable livelihoods is tackled in some PRSP, the according measures, such as investment in rural infrastructure or agrarian policies are highly dependent on the macroeconomic framework which again is devoted to the neoliberal model. Nothing seems to have been learned by the experiences with implementing structural adjustment measures in the past years, almost decades, as external factors, volatility of the global market and

the dangers of opening the economy, the deviation in commodity terms and competitiveness among poor countries are given too little attention. Tackling issues related to the remaining two approaches can hardly be found at all in PRSPs.

Improving the access to basic services, such as primary education and health frequently finds its way into PRSP. This is usually dealt with both in a quantitative and a qualitative way. But here again, the framework is set by the macroeconomic dimension, which frequently leads to concepts of cost recovery and user fees, although the negative impact on the poor is widely known.

As the issues of good governance and democratization rank high especially on the donor's wish list but also in CSO proposals, aspects like state reform, corruption, decentralization etc. do find their way into PRSP. However, some have only been included after CSO intrusion, like for example the issue of corruption in Mozambique. Moreover, parliaments often still are left out in the process of elaboration and the passing of the strategy paper. This leads to the suggestion that including these aspects is rather externally driven than the result of an acknowledgement of the importance of these factors on poverty reduction from within. Regionalizing the process of participation in Honduras was mainly the result of the pressure by CSO, especially Interforos and FOSDEH.

On the other hand, there are a number of issues missing in the PRS-Programmes, at least if we are talking about a strategic manner and concrete proposals for tackling these problems. Most points of the following list (taken from Marshall and Woodroffe, 2001: 22ff) form part of the proposals made by CSO in the different countries. The Nicaraguan network CCER (2002) for example handed in a very detailed paper on "pending matters to be discussed", which includes virtually all these points. Not in the PRSP strategies are among others:

- **Land reform** (if there are references to land ownership they usually relate to clarifying land ownership not to redistribution).
- **Labour law** (minimum wage, safety or employment standards etc.)
- **Vulnerable groups** (especially children's rights or concerns for other disadvantaged and vulnerable groups)
- **Gender** (although the gender perspective is mostly included, in many PRSP this does not contain a strategic proposal on how to address directly gender-inequality and achieve improvements of gender-based poverty, in many cases not even fixed indicators)
- **Risks of exposure to the global market** (there is little analysis of the consequences on poverty due to volatility, world market development, opening the internal market, external shocks and resulting restricted fiscal resources)
- **Export competition** (many countries place their hopes for growth on the same sectors, which can lead to further lowering commodity terms)
- **Contingency plans** (for the case of natural disasters)
- **Political context** (and how they could affect economy).

It is alarming to find that PRSP sometimes seem to create their own context which is set by the time frame given within the HIPC-initiative and the conditionality imposed by the IFI. If, like for example in the case of Nicaragua, the elaboration of PRSP does not take into account even other officially developed action plans on key issues like education, it seems to be very obvious that

meeting the macroeconomic requirements and using the IMF's language is given priority to even the integration within a nationally accorded context.

The period when the National Strategy on Education and the document called National Plan for Education were elaborated, coincided with the elaboration of EERP (PRSP), nevertheless, EERP does not incorporate proposals and requirements presented in those two documents. Therefore we can assert that there is no connection between the two documents essential for developing national education and EERP written with the aim of reducing poverty (CCER, Nicaragua, 2002).

PRSP then run the risk to degenerate into a hurriedly elaborated paper which puts together a handful of donor-pleasing programmes and projects, sometimes already existing, that are further combined with some civil society consultation.

Judging by the contents of objectives, goals, programs and indicators one gets the impression that the document is a compendium of all those actions which the government has been implementing, as well as those being negotiated within the frame of international cooperation. It appears to be a forced attempt by the government to present, in a coherent way, programs that already existed in a loose manner. The actions, programs, and goals contained within the strategy appear to be aimed at tackling the manifestations of poverty rather than its underlying causes. [...]

The document dated July 2001 continues to be a listing of programs which already existed beforehand, but with a budget even smaller than in the document dated August 2000. (CCER, Nicaragua, 2002)

Another serious problem in this context seems to be that PRSP are too much confined to PRGF, which is the IMF's financing facility for three years. Although PRSP are supposed to be a long term strategy, the framework under which they function tend to favour a short or medium-term strategy.

The PRSP is handled like something of secondary and collateral rate. At one moment they wanted to tie it to the reconstruction plan (after hurricane Mitch in 1998). That resulted in nothing. The problem, as we pointed out at that time, is the lack of a national project, defining long-term perspectives based on the existing resources and possibilities and considering in a realistic way the domestic and foreign vulnerabilities. (FOSDEH/ASONOG, Honduras, 2001)

1.2 The definition of the causes of poverty and their treatment

The heart of the PRSP is the concept and analysis of what poverty and its causes are, as this is the basis for defining priorities and designing coherent strategies for the reduction of poverty. The strong focus on economic growth leads to suggest that only the lack of growth is seen as one of the main causes of ongoing poverty in the countries. While growth might be an important part of a comprehensive poverty reduction strategy, the unquestioning acceptance of a one-dimensional concept of growth makes two mistakes: Firstly, it does not consider adequately the reverse cause-effect relation of poverty actually being the main obstacle to growth. Secondly, only if the causes of poverty are thoroughly analysed and integrated into a comprehensive strategy for poverty reduction, growth can contribute its part by letting the benefits of growth reach the poor. Yet, this implies that the design and quality of growth is given clear preference to the quantity of growth, which currently is not the case.

The times when poverty was only seen as a lack of income are gone, the multidimensional concept of poverty including the lack of economical, social, political and emotional opportunities is widely accepted and used also in the PRSP. While this concept is very valid to describe what poverty constitutes, it is only the first step to look for its causes. And even when a multidimensional concept is used, based on insufficient income and consumption, as well as unsatisfied basic needs, high vulnerability to outside elements and lack of economic opportunities, the underlying factors to this concept are perceived on a very different level by CSO, among which aspects like inequality, discrimination and power sharing rank very high. The Honduran civil society strategy to combat poverty starts off with the multidimensional description of the poverty situation, and continues to scrutinize its determinant factors. Their focus is on:

- **Exclusive character of existing economic models:** This refers both to the national level of the centralized, export oriented and debt-creating development model and to the international level of unequal exchange relations.
- **Unequal distribution of wealth:** This refers to the distribution of productive resources and income, as well as to unfair tax burden, the imperfection of capital markets and low social investment.
- **Exclusive character of the social and political system:** This refers to corruption, concentration of political power, arbitrary implementation of human rights, inequality related to gender, age and race. (Interforos, 2000)

The big difference between CSO opinion and governmental strategy is then related to the cure. As any effective cure has to set in the causes and not the symptoms, it has to be very clear from the start what is identified as a cause and is going to be the starting point for the cure.

The government's complete document suggests, all along, that factors generally associated with poverty are causes, even though they are effects of other more deeply rooted causes. Factors such as: a high national birth rate, poor sectors of the population with limited access to infrastructure and employment, limited access to the media and deficient access to information that could enable access to the job market, lack of information about how to get help from NGO's, ignorance about government's social programs, lack of knowledge about the law, norms and relevant legal procedures which limits access to the legal system, low income, low achievement in education, deficient water facilities, overcrowding, short spacing between pregnancies, the advancement of the agricultural frontier, the occupation of marginal lands and the negative impact caused by disasters. (CCER, Nicaragua, 2002)

Thus, there seems to be some confusion between the effects and the underlying causes. Even if the government programmes then managed to address efficiently the problems identified, according to CSO opinion they would only try to cure symptoms of the poverty situation, rather than dealing with the roots and enabling a sustained improvement of the poverty situation. However, the requirements for PRSP are perfectly met with this approach of addressing symptoms, as IFIs want to see basically poverty diagnostics, targets for selected indicators, priority public policies for poverty reduction, monitoring systems, and a participatory process.

This approach in a way finds its parallel in the internationally accorded attempt of halving poverty by 2015. This is a predominantly quantitative approach, starting from the same multidimensional poverty diagnostics, and it is mainly aimed at improving access to social services, such as health, education and sanitation. Investigation on whether these aims can be met, very clearly state that structural causes, such as inequality play a far more important role than the growth rate:

High levels of income-inequality limit the poverty reducing effects of growth. Higher growth and pro-poor policies will improve poverty reduction prospects in both high and low-inequality countries but high-inequality countries will need to grow twice as fast as low-inequality countries to halve poverty by 2015. This is not feasible (Hammer et.al., 2000).

If empowerment is the catchword, instead of patching up some accompanying symptoms of poverty, the underlying causes of inequality in all its shapes must be the main objective.

The government assumes the concept of the World Bank that defines poverty as a lack of income and also approaches the strategy of “fighting against poverty” in that quantitative way for the prospect of halving poverty by 2015. Quantity is not the real problem. Poverty has to be fought permanently and sustainable. If we consider an annual population growth of approximately 3%, it implicates the increasing pressure on resources, both on service and consumption. A strategy has to define the necessary measures for integrating the population into a productive process. It is about defeating structures that generate poverty. (CCER, Nicaragua, 2002).

As already mentioned, the predominantly used concept of development is the one based on growth, which again follows the neoliberal ideology of fostering the free market. This “cure” of Structural Adjustment Programmes has been implemented for many years without any success in the field of poverty reduction, on the contrary it often even worsened the situation for many poor people (see following chapter). Nevertheless, the IFIs have made it clear that poverty eradication is based on growth, and that financing depends on implementing “those policies that are essential to the purposes of the Fund” (IMF, 2001). This pressure, linked with the prospect of debt relief when following this “prescription” has not failed to have the desired effect. PRSP frequently include in their poverty diagnosis that one cause of poverty is the bad performance in former Structural Adjustment Programmes (Marshall and Woodroffe, 2001: 16). Again, this shows the confusion between causes and effect, and rather illuminates the international dominance on the subject (which is going to be dealt with in 1.3). Among CSO, the experiences with IMF intrusion rather have left a deep and legitimate mistrust in the measures of these programmes. With Nicaragua being a country of above average income inequality, CCER clearly expresses its fear that growth will even deepen the inequality.

There is a need for policies, specifically addressing the modification of the distribution of income, so that the growth will have an impact on reducing poverty. We consider this aspect as a priority and don't see the provisional Strategy emphasizing this. (CCER, Nicaragua, 2001).

One important finding is that in some cases there might be general agreement on some aspects resulting from the analysis of what constitutes poverty and how to combat them. Yet, where this is the case, the official documents usually remain on a rather superficial level, whereas there is a lack of concrete action plans on how to achieve this, CSO proposals have then not be taken into account. CCER gives a long list of examples of where they partially agree with the government but remain very unsatisfied with the lack of concretisation. They moreover find in several areas a contradiction in the general statement by the government and their action, as there have been substantial budget cuts within the period elapsing between the two official documents (I-PRSP in August 2000 and Full PRSP in July 2001) in those areas that according to general statements in the PRSP should be given priority, such as for example in financial and agrarian services, strengthening the rural market, funding for agricultural technology, and housing.

1.3 The international dimension

On the national level unequal power relations refer to the unequal access to opportunities, which have deepened discriminatory relations and herewith poverty producing structures. This is particularly true for women, who additionally suffer further discrimination, as well as children, elderly and disabled people. These unequal power relations further find their expression in the lack of decentralization, lack of participation, a fragile constitutional state, the violation of human rights, biased state institutions, corruption and the lack of democracy. However, inequality has also to be seen on an international level.

In general terms the process of impoverishment of the Nicaraguan people is linked to the way power relations were established and executed in the different levels of life: political, economical, ideological, and in every day life relations between people, not only at a national level, but also on an international level (CCER, Nicaragua, 2001).

The power relations mentioned on the international level refer for example to the trade sector, where industrialized countries are still putting high barriers to the products of developing markets while forcing them to open up their own markets, or to the priority treatment of the external sector to the internal market for national consumption. The dependence of external financing has led to the imposition of structural adjustment programmes and to increased poverty, especially affecting women and wage earners. The main complaint by the partners is the subordination to macroeconomic goals (see chapter 3.1 for more detail).

The increasing deterioration of exchange terms imply that every year the country has to export more products in exchange for its imports. Thus, the instability of the prices of main export products stands in sharp contrast to the constant increase of prices of principal import products. Logically, this situation causes vulnerability of the economy of the country and is an obstacle to the mechanisms of accumulation for thousands of small and medium producers.

In this context the non-tariff barriers and considerable subsidies for cereal production in the rich countries are outstanding, as they step by step give less incentive for the cultivation of these cereals in countries like ours. As we all know, this seriously affects autonomy or food sovereignty, making our country increasingly dependent on the import of basic cereals. (Interforos, Honduras, 2000)

1.4 The connection between debt reduction and poverty eradication

The elaboration of a PRS-paper is the precondition to get debt relief under the HIPC framework. This causes particular problems with regard to the diametrically opposed realities of the necessity of immediate debt relief and the long process a cautiously elaborated PRSP would take.

This has sometimes placed lobbying groups in a difficult position, as they have had to weigh up the danger of delaying debt relief against the importance of genuine participation. Malawian lobbyists, however, decided in April 2001 that it was more important to have a reasonable level of participation in the PRSP formulation, and so they successfully lobbied for an extension of the timeframe by six months. But in Mozambique, faced with the same dilemma, civil society lobbyists opted to keep the proposed timetable and forgo a deep participation process in favour of quick debt relief. It seems that the link between HIPC and PRSPs has created an either-or situation (Marshall / Woodroffe, 2001).

The process to formulate the strategy has been distorted in this way. The strategy should be the end product of a national process to build consensus about priorities, principles, goals and mechanisms. It should have a short, medium and long term approach. This will be the

starting point for elaborating integral plans with defined timing schedules in which international cooperation and national counterparts establish their commitments. The strategy expressed at present is a compendium of programs influenced by short term macroeconomic conditions. It has been elaborated to conform to outside formal requirements within the framework of the HIPC initiative. (CCER, Nicaragua, 2002)

Thus, among NGO the issue of de-linking PRSP from the HIPC-initiative has been discussed controversially. While some have called for detaching them from one another, others have claimed that “if resources were to be freed up before appropriate mechanisms were in place to monitor how they were used, then they would not be used most effectively” (Marshall / Woodroffe, 2001). Partners in Cameroon, for example, are very aware of the danger that in their country de-linking could destroy the very cautious process of increased participation and give way to further corruption and lack of transparency in channelling freed resources. A United Nations study comes to the conclusion that there should be a de-linking of debt relief and PRSP, but sets clear conditions on how these dangers could be avoided:

Finally, the independent expert recommends that [...] the issue of how to expedite the process of providing immediate relief to eligible HIPC countries. His main recommendations are that the HIPC debt relief be delinked from the PRSP process, that the only condition imposed on countries receiving debt relief be that they establish an independent entity to channel freed resources towards social development, that the World Bank and IMF not have the exclusive role as overseers of poverty reduction programmes but that other United Nations agencies be included as well, that new rounds of talks aimed at finding a solution to the debt burden of many poor countries be organized, that the PRGF be abolished, and that a serious dialogue be undertaken on how to integrate macroeconomic policy issues with broader social development goals (United Nations, 2001).

However, there is another serious concern referring to the financing of the PRSP: The debt reduction included in the framework of the HIPC-Initiative is far too small compared to the possibilities the creditors could demonstrate as well as the exigency for the debtor countries. This is due to the limited financing of the initiative even in its enhanced version of 1999. In some cases (such as for example Zambia and Niger) countries will even pay more debt service after the application of the initiative, due to the fact, that before entering debt reduction schemes many countries simply were not able to pay the full amount for fiscal reasons, thus accumulating huge amounts of arrears. In Nicaragua and Honduras partners have claimed that there will not be enough resources freed by the HIPC debt relief. Both countries have been struck by hurricane Mitch in the end of 1998, which even worsened the debt situation.

International cooperation came up to the established aim of freeing 3.7 billion US\$, but these were not only donations, but also loans, which has tighten the situation of external debt even further. 53% of obtained funds were loans, a considerable part by the IDB, with quite high interest rates. Within the HIPC-initiative a relatively small relief of 100 Mio. US\$ has been defined. A stand-by agreement was declared as there was still a lack of liquidity to meet with external debt obligations. En general, the situation of external debt is worse than before entering HIPC, moreover, the moratorium of the Paris Club after Mitch has expired and the calculations about the sustainability of debt do not correspond to the necessities of the country. (FOSDEH/ASONOG, Honduras, 2002)

Several studies have criticised that the impact of the HIPC-Initiative could be distorted by the limits of its reach. The Göteborg University has found, for example, that the macroeconomic impact of the debt reduction scheduled by the HIPC-Initiative will be very modest (see Bigsten 2001). Another study criticises that calculations on future sustainability ratios are misleading due to very optimistic export growth rates, that might be invalid due to shrinking commodity prices

and competition among different HIPC-Countries that rely on the same export products. Alternative and less optimistic calculations made by EURODAD come to the conclusion that the intended debt sustainability ratio of debt to export will not be reached by many countries by 2010. (EURODAD, 2001)

We must discuss the funding of the strategy due to the fragility and insufficiency of the mechanism for transferring funds to the social supplementary fund or the social protection network. Many of the social programs within the frame of the strategy are dependent on international cooperation or HIPC funds. In this respect we need to discuss the ways to secure the necessary funding for any strategy to be carried out. In this frame it is very important to carry out a debate about the role played by international cooperation and international financing institutions in the efforts being made towards development and the reduction of poverty in Nicaragua (CCER, Nicaragua, 2002).

It is very likely that social and development aims are not met with the resources freed by debt relief, especially if other ways of financing (such as export growth) are also questionable. There is a high responsibility of bilateral cooperation to further foster this process by providing additional funds, which are on the basis of donations.

Chapter 2

Macro-Economic policies in the PRSP

2.1 Economic Impacts of the Structural Adjustment Programmes

Numerous studies indicate that the aims of macro-economic policies are not consistent with the PRSP (see SÜDWIND, 2001). The reason for this is that the ten measures already suggested in the so-called “Washington Consensus”¹ remain at the core of the macro-economic reforms. It is useful to emphasize four principles within those ten measures. i) zero fiscal deficit: ii) liberalization of the foreign trade as well as of the national banking and financial system, iii) reduction of the inflation rate and iv) privatisation of state-owned enterprises. Beyond any kind of polemics with regard to the economic rationale of such measures it is worth questioning them in the light of recent experiences, showing that so-called “good performers”, that is, countries who have applied these measures, did this at the price of an increase in unemployment and poverty (see UNCTAD, 2000).

The application of an economic policy determined within the framework of the PRSP means the choice between at least four options:

- The option of public and/or private
- The option of controlled and/or free market economy
- The option of regulation and/or liberalization
- The option of social equity and/or growth

The very IMF accepted that the conditionalities defined in the ESAF programmes still apply as a ground for normal relations with said institution. Nevertheless, it turned out almost impossible for many governments to establish a serious PRSP and to comply with the conditionalities of “fiscal discipline”:

The mission of the International Monetary Fund was scheduled for May, given that the conditionalities had not been complied with. Especially the reduction of the budgetary deficit is a difficult problem to solve. One of the reasons for the fiscal deficit is that the government is obliged to cover the costs of the bankruptcies of investment companies dating from 2000 (FOSDEH/ASONOG, Honduras, 2001).

The analyses circulating in academic institutions and within the international cooperation pay little attention to the asymmetry of power between the nations. Though it may be true, that the so-called ‘ownership’ intends to give poor countries more sovereignty; the creditor countries, however, decide after all who is a ‘good performer’ and who is not. In the case of Cameroon, for instance, said evaluation changes according to the prevailing interests: while Cameroon is a good performer for France, it is not for Germany.

¹ As “Washington Consensus” is known the agreement between the International Monetary Fund and the World Bank with the Fed, that is the Central Bank of the United States, regarding macro-economic measures that a country has to employ in order to receive the support of said institutions by means of credits. Those demands are commonly known as “conditionalities”.

The pressure executed by the International Monetary Fund provokes conflicts in the relations between government and the civil society. In many cases the governments don't accept the proposals by the civil society for the fear of not receiving financial support in order to reduce the deficit in the balance of payments.

The main discrepancy can be encountered with respect to the macro-economic policy: The Structural Adjustment Programmes provoked inequality and should therefore be substituted by "country projects" that put the focus on the necessity for sustainable human development. The government did not accept the questioning of the neo-liberal style measures by Interforos and so Interforos left at some point the negotiations. The government responded to that by stating that the position of the Fund regarding macro-economic measures was not negotiable. (FOSDEH/ASONOG, Honduras)

2.2. Privatisation and corruption

The option of the **privatisation** of state-owned enterprises presents itself as an alternative to the defects of bureaucratic regulations and inefficiency of the national companies. In many cases the functioning of state-owned enterprises is connected with the corruption of leading elites. The expectation transpired that privatisation would end corruption. "Although SAPs were seen as an essential aspect of development which countries must go through, certain policies like 'privatisation' were seen as 'legitimised robbery', 'a destruction of social capital', 'a collapse of the state', 'a ban on employment' and 'a breed of ethnicization of employment', this is one of the principal conclusions of the SAPRIN (Structural Adjustment Programs Review) process. In connection with the PRSP the civil societies have a rather reserved position regarding privatisations and are not very convinced that they can fight poverty and corruption:

Another negative effect of the privatisations that we have been criticising is that they generate corruption, given that the destiny of the resources coming from the privatisations can't be pursued efficiently. It is known that the Nicaraguan government itself is implicated in cases of corruption with funds originating from privatisations. On the other hand, public officers are using their power in order to obtain gifts in exchange for exemptions and other advantages offered to private enterprises. Privatisation has not eliminated corruption; it only changed its mechanisms (CCER, Nicaragua).

Furthermore the process of privatisations has become stagnant. One of the possible actors in the telecommunication sector, CELTEL, owes the government of the Republic approx. 60 million US\$ (Interforos, Honduras).

The last session of the National Assembly discussed and approved the new Investment Law of Cameroun, which leads to hope for a certain improvement of the administration, especially with regard to the slowness and the inclination to cheat and rip off the investors. We will see, whether the law will lead to the prosecution of corruption. (Club de Yaoundé, Cameroon)

The privatisation of public goods (water, electricity, communications, etc.) is the base for second-generation reforms. According to the model, privatisation would have at least two positive effects: increasing the service coverage by means of investing additional foreign capital and reducing consumers' costs by increasing efficiency. Obviously those effects do not happen automatically:

In Nicaragua the process of privatisation has almost been completed. With the exception of water, that still remains a public good and the air, that can be breathed for free, everything has been privatised. The privatisation, however, had no positive effects for the consumers.

For example, rates for telecommunication and electricity have been raised notwithstanding stipulations that the government would protect the consumers. The reason for this is the enormous pressure of the private sector who is in possession of the privatised enterprises. With regard to electric energy, the principal beneficiary has been the Spanish company FENOSA that made contracts with the government in order to increase the rates periodically. The next rise will be about 30% and is scheduled for June 2002. All this implicates a serious increase of costs especially for the middle class, who sees its income diminished in this way. But as well for the poor and very poor, although the latter ones have either no access or look for illegal ways to gain access to such services. On the other hand, the money coming from the enterprises is destined for the current budget without taking into consideration the financial necessities for investments in the productive sector. (CCER, Nicaragua)

2.3. Liberalization of foreign trade and the financial system

When opting for the “free market” it is usually not specified which market this refers to. The small grain farmers in Western Honduras are also participating in a market system and their trade relations are determined by the quality and nature of their products, the productivity of their work as well as the transport conditions. This market is not always congruent with the market of transnational food manufacturers like “Del Monte”. Without doubt the liberalization of imports will disintegrate the small producers’ market with the market dominated by only one food conglomerate thus provoking an increase of poverty in that part of the population, that will not find the possibility of alternative productive activities in other branches of the economy. Although one has a preference for what is known as the “free market”, said freedom does not include the different kinds of markets, but only refers to the transnational companies and their export-oriented big scale production, rather than to small farmers and their production for the national markets.

In the majority of HIPC countries liberalization of the foreign trade took place in an excessively abrupt and accelerated process that lead to strong internal distortions. The macro-economic measures, proposed by the PRSP, encourage continuing the liberalization of the foreign trade with its implicated consequences: giving priority to agricultural exportation at the price of subsistence agriculture. National producers don’t have the capacities to compete with international manufacturers.

The tariff preferences are badly damaging the small agricultural producers. The poor buy grains from the exterior, mainly originating from a specially subsidized production from the United States. This situation brought about the ruin for small and medium sized farmers and the agricultural production to a loss. Without doubt the International Monetary Fund is putting strong pressures on the government in order to eliminate the band that is protecting the prices on the domestic market, them being the last remainder of a protecting policy of the domestic market. (FOSDEH, Honduras)

The emphasis of macro-economic policies is not always oriented according to the improvement of those economic sectors where the poorest live and work.

In giving preference to the export oriented industry, negative effects on small and medium sized farmers hit the population at its most vulnerable section, which is the rural sector, where poverty rates range highest.

As 80% of the population lives in the rural areas, the focus must be on this sector. The PRSP is based on higher growth rates. But which part of the economy should grow? The focus is on growth in a general sense, without giving clear strategies on how to focus growth on the sector where most people make their living. Growth is in large parts directed towards industries. It thus does not reflect the people's reality of life. (GMD, Mozambique)

On the other hand, the current export behaviour of the four countries analysed does not confirm the predictions elaborated by the IFI on defining the sustainability of the foreign debt for the next ten years (EURODAD, 2001). This situation has been acknowledged both by the World Bank and the IFM:

One problem is Nicaragua's external vulnerability, made obvious now with the sudden decline of prices of export goods. This will have serious consequences for the increase of poverty. (CCER, Nicaragua)

Not only does this situation apply to the four countries included in the study, but to the majority of HIPC as well.

2.4. Tax policies and fight against poverty

The PRGF plans in particular intend to emphasize the necessity of restructuring the state, recuperating the costs and, for example, paying teachers less.

Proceeding on the assumption, that currently the salaries of the teachers are constituting approximately 10% of the GDP, the so-called Teacher's Statute was agreed upon, which currently is interpreted differently by the parties involved. According to the governments interpretation the salaries within the Teacher's Statute have been increased by 29 million Lempiras to 390 million Lempiras. While the increase implies an amount of 1.500 millions of Lps. for the teachers, it also implies an increase of the VAT from 12% to 15% according to the declarations of the government (INTERFOROS, Honduras).

On the other hand former president Carlos Flores has undertaken liabilities with the country's main associations that have to be met now. This concerns the Physician's Statute and the Teacher's Statute. Physicians as well as teachers are fighting for a pay increase within the frame of these agreements. (FOSDEH, Honduras)

Regarding the tax policy the effects for the PRSP seem to be quite dissimilar till downright contradictory. Some sectors of the civil society in Cameroon perceive the tax reform as something promising on the one hand, but fear on the other hand, that the tax increase will affect only the poor:

The VAT is a tax which equally affects the rich and the poor and we believe, that its increase is another severe component for the whole of the poor population. (Club de Yaoundé, Cameroon)

Preoccupation prevails in Central America concerning the distributory effects of the tax policy. In the case of Honduras a considerable increase of the VAT from 12% to 15% is pending, in order to put it on a par with the other Central American countries. This increase affects directly the sectors with a lesser income, taking into consideration that thus far, great parts of the incomes of the rich remain exempt from taxation:

Meanwhile the government tries to increase the public revenue by 2% to 3% with the means of augmenting the VAT by three points in order to put it on a par with the rest of Central America. It is generally known, that this increase is a slap in the face to the people. It is intended to enlarge the base by means of increasing for example the prices for medicaments

and school utilities, thus contradicting in a way the PRSP. People have to pay more taxes while the merchant sector, for instance, is often keeping the VAT, because there is no adequate control system. This is without doubt not only a technical but also a political problem. At some stage one tried to resolve the problem by using the so-called “fiscal lottery”, but this system was eliminated in such a way, that nowadays merchants enjoy complete freedom. (Interforos, Honduras)

The government promised not to increase the rate of the VAT of about 15% currently, but to augment the tax base. Those reforms suggested by the IMF will affect the middle class. (CCER, Nicaragua)

The problem of secondary distribution remains in effect. The civil society has no doubts that the mechanisms of tax collection have to be improved. Nevertheless a political aspect exists beside the technical aspect: how can one avoid that the poor and very poor are affected by the new monetary charges destined to increase the tax income?

Chapter 3

Barriers to participation in PRSP

Since the first full PRSPs were completed, many surveys have been conducted with one important focus being on the new condition of participation. And the evidence generally has been very clear: Civil Society Organisations (CSOs) have had very little impact on the documents, let alone policy decisions (see: Christian Aid, 2001; OXFAM, 2001; SÜDWIND, 2001; Marshall/Woodroffe, 2001 etc.). This is due to several factors which imply on the one hand on international dominance, that find their reflection in the prescribed outline of the programmes and contradict the principle of real ownership and participation, as well as national political structures, which are those of a hegemony. This makes participation a highly political matter. On the other hand, these two factors are reinforced by the technical design of the PRSP, especially the time frame.

3.1 Civil society and international dominance

The negative effect of Structural Adjustment Programmes on the poor sectors of society has frequently been documented. Notwithstanding, for many years the IFIs stoically have continued to implement these macro economic policies on the government without asking for country sovereignty and ownership. The “new generation” of IMF credit lines has not changed this priority: the IFIs base poverty eradication on growth, and financing depends on implementing the same growth oriented policies, based on liberalization of trade and financial markets, a restrictive stabilisation policy and privatisation. Thus, the Grupo Mocambiquano da Dívida (GMD) of Mozambique has stated that structural adjustment measures in the PARPA/PRSP have not much changed from earlier programmes. This shows that the objective of macroeconomic stabilisation was given priority over country ownership and pro-poor policies. The same statement is given by CCER (Nicaragua), who claim that reducing poverty is subordinated to macro-economic goals. And Interforos (Honduras) claimed that they saw contradictions between applied policies and the aim of poverty reduction.

Growth is a necessary but not sufficient factor for poverty reduction, and it will show its pro-poor character only if next to quantitative growth rates qualitative features of redistribution and equality are taken into account. Experience has shown that the orientation on growth only with measures such as trade liberalisation and privatisation has increased the income gap and poverty in many areas while failing to achieve pro-poor growth or a trickle down effect. Thus, by restricting flexibility for applied policies for the acceptance of PRSP, the IFIs run the risk that CSOs, who see their own proposals of poverty eradication not only ignored but also contradicted by these policies, will opt out of the process². From other countries it has been reported that CSOs complain to only be allowed to “participate” on social matters, while macroeconomic

² The Honduran Network Interforos for example has stated that they left negotiations for precisely this reason. The government responded to this that the Fund’s position with regard to macroeconomic policies was not negotiable. Similar findings in Marshall/Woodroffe, 2001.

frames are untouchable. This includes countries like Bolivia, which has widely been seen as one of the most positive examples for participation:

Civil society actors were only invited to discuss social issues and the outcomes of the Dialogue were not permitted to influence the macro-economic policies. Consequently Bolivian NGOs have been very critical of the resulting PRSP document. Their analysis is that the PRSP was based on unrealistic assumptions (such as an annual growth rate of 5%, whereas the currently projected growth rate for 2001 is 1.6%), and it failed to address severe social and economic inequalities (Christian Aid, 2001).

In a way, there are not only contradictions between neoliberal macroeconomic policies and poverty eradication, but also between the priority that is given to these policies and the accessibility to participate in this process:

First of all people have to understand the content of the document and what it means for them; we are currently carrying out this task. The understanding of macroeconomic policies and their implications on the life of the people requires higher education. People must be made aware of how these measures actually affect their life. If they don't understand this, participation is impossible. (GMD, Mozambique)

If country ownership does not mean that new ways of poverty eradication based on other principles than purely growth-oriented remedies are accepted, all attempts of participation are nothing else but lip services, as CSOs even less than governments and other stakeholders will be able to influence policy decision. If IFIs are now asking for ownership they will also have to confront the question whether governments have taken over their policy requirements as "their own" in order to avoid conflict with the IMF and get hold of its financing, or – what is even worse – as a matter to benefit as the non-poor sector of society from the adjustment measures that generally tend to favour the economically powerful over the excluded and poor and thus widen the income gap.

To the question of how economic policies applied in the country contradicted poverty reduction one Cameroonian partner answered that this was mainly true because policies were dictated by the IFI without any link to the reality of the country. Accordingly, to the question of how the policies could contribute to poverty reduction the very simple answer was: "If there is no interference from outside". Although it is not always clear that policies introduced by the power elites would be entirely poverty-oriented, and there is a need of intensive civil society participation, these very strong concerns must be taken serious.

International bilateral cooperation should openly criticize the one-dimensional development approach of growth through structural adjustment and make use of their influence in the IFIs to accept other ways of poverty eradication, especially if they are the result of a broad consensus within society. The positive effect of the necessity to involve CSO that might result in a real fostering of these organisations can only prosper if the participatory aspect of the PRSP is given the same weight in the elaboration and the acceptance of the PRSP and if it is made clear that sustainable alternative ways of poverty reduction will not be rejected. Moreover, financial and moral support for the initiation of a real participatory process is essential and one of the main tasks of international cooperation. Otherwise, there is a real danger that processes of information and consultation will be institutionalised and that CSOs get frustrated and will mistrust "participation" processes in the future even if chances should take place. Official bilateral cooperation should also explicitly support non-governmental organisations and networks and

enable them through financing and/or capacity building to take over a proactive part in the PRSP process (SÜDWIND, 2001). The need of financial support was expressed by several organisations.

3.2 Civil society and political hegemony

Chances and limitations of a participatory process can only be judged properly if we take national hegemony structures into account that derive from different production conditions, yet find their reflection in political hegemony: big landowners, dominating ethnical groups, banker, corrupt state's bureaucracy etc. have very different perceptions of how a poverty focussed economic policy would look like than small farmers, small producers, wage earners and maquila workers. Due to the political hegemony they will try to – and have the power – to push through their concepts with the help of the states machinery. Consensus – which would also be the base concept for country ownership – in this context can not be a balance of interests, but due to different possibilities of influencing the political process the social dispute takes place under unequal conditions. The government itself, responsible for the elaboration of the PRSP and the guarantee of participation, traditionally supports the interests of the powerful and wealthy political and economical elites, and the growth based concept of poverty reduction inherent in the guidelines as well as the time frame foster this policy.

Thus, the most important constraint for effective civil society participation is the internal political hegemony in their countries and the way governments define the way and actors of consensus building and select what they consider to be civil society. This is an entirely political question which in a hegemonial structure will be decided by the dominating part, and as they touch areas of privileges and benefits of governing people, they will be very well aware of what criticism they accept and which structural changes they really support.

The challenge of tackling social inequalities and poverty is a major governance concern. It entails dealing with basic conflicts over rights and entitlements... It brings up a discussion of the extent to which social disparities are the fault of domestic politics. Tackling poverty is first and foremost a political issue, not a technical one. (UNDP, 2000)

In most countries a mobilisation of the affected people – if at all – takes place only on the initiative of organisations that generally are excluded from the official process. Sometimes parallel structures of the PRSP process developed through the initiatives of local governments or CSOs: in Nicaragua, for example, a group of mayors started what they called “the little PRSP” (PRSPito) with a municipal focus, and the CCER network started a series of meetings on a nationwide level. The results were published in a document called “The Nicaragua that we want”, drafts of which were handed to the technical secretariat to be taken into account in the formulation of full PRSP. However, the results were never included in the official PRSP. In Mozambique, GMD is taking over the task to make the contents of PRSP understandable for the poor, so that they learn to know their implications which could open up or deepen the course of debate. In Honduras the civil society network Interforos took a similar initiative but was also faced with a constraint due to the level of capability:

Interforos encouraged the decentralized idea that the government had at the beginning about the consultation. Finally the government summoned the civil society in 16 cities of the country, partly due to the pressure of Interforos. Though this is great advance, the capacity

for discussion, argumentation and proposal is quite weak on this level and facilitates the manipulation on part of the government. (Interforos, Honduras)

The initiative many CSOs took themselves in the process of elaborating PRSPs certainly is the result of at least theoretically being entitled to more spaces for participation and access to joint decision-making and could improve empowerment and participation in the future. However, any empowerment of the marginalized groups in a system of shared powers necessarily means that today's elites have to hand over power. Therefore, this process is a highly conflictive and political issue, in which the poor, who usually are poorly organized, have clear disadvantages. International cooperation could play a vital role in this process by helping to facilitate empowerment more directly.

GMD has also complained that to accomplish the task of sensibilizing and educating the poor comprehensively (a task the government has not taken over so far), they would need far more resources. If international cooperation focuses on cooperation between governments, in supporting these structures they hinder the specific aim of fostering participation. If it additionally supports the one-dimensional development approach of growth through structural adjustment, governments will see themselves encouraged to implement policies that by further weakening the poor will strengthen their power as the governing class of the rich.

3.4 Consultation or participation?

In this context it is important to note that civil society participation as such – regardless of what and who we consider to be part of civil society – was not a requirement for the elaboration and acceptance of the Interim PRSP. Yet, as they are the essential outline for the full PRSP, even the best concept for participation will make it very difficult for CSOs to alter basic assumptions on both what are the causes of poverty and how they can be eradicated, especially as the timeframe is usually very short. Real participation can only be implemented if it starts from the beginning, i.e. with the analysis of what constitutes poverty and in the design of its eradication program.

The “complete document” has a “government orientated” approach, just as the “interim document” had. It does not incorporate the participation of civil society as its core, nor does it take into account recommendations made by participants in the debate and consultation process about the strategy for the reduction of poverty. (CCER, Nicaragua, 2001)

On the other hand, it should be noted that the explicit demand of a participatory process in the PRSP offers a new and valuable opportunity for CSOs to influence national policy. Even if with the completion of the first PRSP the “participation” does not go beyond consultation or even only information, in an optimistic view this might lay the foundations for further democratisation and fostering CSOs. Yet, so far the focus from the part of the IFIs is clearly on the macroeconomic part of the PRSP, which continues to be the only true conditionality and criteria for the acceptance of a PRSP and the content of which has not changed from former ESAF principles. The aspect of participation also in the Full PRSP is minor, which is also shown in the fact, that the Joint Staff Assessment of IMF and Worldbank are to describe the process, rather than assess its quality.

Although it is possible to find some agreements between the “complete document” written by the technical secretariat of the presidency and recommendations made by the persons involved in the consultation and debate process by CCER, about this subject, it can also be

said that most of those agreements are partial or tangential and most of the recommendations made by the persons who participated in the CCER process have not been dealt with in the official PRSP document. It must be reminded that the objective of carrying out a participatory consultation processes, according to statements put forward by the World Bank and the IMF about the subject, is to elaborate documents with a wide consensus. This has not been achieved, in our judgment, with the presentation of this document. (CCER, Nicaragua, 2001)

To take advantage of the newly opened spaces to participation, it is essential that the poor themselves are involved not only as objects, but as subjects of the **whole** process. First of all, they have to articulate and define what the shortcomings are and take part in the decision what priority areas are the most important for an effective poverty reduction programme. Excluding the majority of the poor further from decision making will also keep them excluded from the benefits of the policies. Involving the poor from the start has also a very important effect on their capability for the following implementation and monitoring process. Only then can PRSP contribute to a widening of civil society's spaces and participation.

However, in some countries participation chances transformed into parallel processes, in which CSOs themselves tried to use the space offered to take over the task of information and capacity building, that actually should have been fulfilled by the government. GMD in Mozambique, for example, has initiated regional and local groups to act as multiplier to make the PRSP process understandable to the poor. Accordingly, education material has been elaborated and brought into the provinces. CCER in Nicaragua have started a process with 23 meetings in all 17 districts (whereas the governmental process was only conducted in 9 districts), elaborating a document "The Nicaragua we want". While these efforts are still to be rewarded in the form of substantial access to policy decision, they raise hopes of increased self confidence and sensibility of the poor.

There is no doubt that by using regional space, the diagnosis for the Strategy on Figthing Poverty by Interforos is a good argument for continuing a true policy of decentralization. The capacities of the grassroots organisations of the civil society have to be empowered. (Interforos, Honduras)

Generally, the experience was that proposals from these processes were not included into final documents, and that participation was generally reduced in the best of the cases to consultation, and usually only restricted to social matters, whereas the macroeconomic framework was not to be touched. The frequent complaint of CSOs was that proposals were rarely included.

The CCER placed a lot of ideas and proposals before the government. A meeting, summoned by the government, took place – with NGO, municipalities and entrepreneurs invited likewise – where a procedure was designed. The technical secretary developed nevertheless his own proposal, extended under the name "pre-consultation" with the assistance of the British cooperation and PNUD. The National Economic and Social Council presented results that excluded the proposal of the civil society. (CCER, Nicaragua)

Generally the process of consultation realized by the Honduran government between February 2000 and August 2001, was characterized by its lack of a truly participatory vision. The main subjects planted by the civil society like reactivating a primarily agricultural production, were reduced to maintaining the claim of land. The ERP has very little opportunities to make achievements in the reduction of poverty. It is not very effective. (Interforos, Honduras)

There are, however, few examples where civil society consultation showed concrete results in the formulation of PRSP. For example corruption which was not part of I-PRSP in Mozambique was included into the final version as a result of the consultation process. In Nicaragua Civil society

managed to transform parts of the Law of the Poverty Reduction Fund while in the debate within National Congress. Yet, what might be a big achievement in one country would not necessarily mean the same advance in another country that can count on a better tradition of participation. Thus, Cameroonian groups have shown themselves tentatively content with the level of participation they have experienced, labelling it as consultation. Internationally the Cameroonian government has got far worse marks in good governance and corruption. On the other hand, in Nicaragua people can still remember better times of people's empowerment and have been very disappointed with the process, which from the IFI's staff has got quite good approval.

The World Bank evaluates the participatory process in Nicaragua only based upon international comparisons but not based upon the country's proper historical processes and existing possibilities. In the past, a lot of activity of the grassroots organisations took place that could not be attained with this PRSP. Though it has to be acknowledged that in the past the Sandinistas administered the participatory process. (CCER, Nicaragua)

The findings of this and earlier surveys³ with regard to the process of participation in the formulation of the PRSP was that generally, what is named participation can be called in the best of the cases consultation. Central aspects in this conclusion are:

- **There is no possibility to influence essential aspects of the strategy:** The drafts of the PRSP generally are elaborated without civil society participation and some of them have already been quite substantial. The frame for the strategy is moreover fixed by the macroeconomic requirements set by the IFIs. The outline presented by the government can thus not be altered both for fear of non-acceptance of the PRSP and for practical reasons, most of all the already well defined substance of the strategy and time. In many countries, CSOs were only invited to discuss the social matters, whereas they were excluded from the discussion on macroeconomic and fiscal issues.
- **There is no interest of the government for participation and joint decision making:** Governments are used to apparently comply with the conditionality imposed by the IFIs and the new aspect of participation seems to be just one more to please the donor community. Yet, as any shift in access to policy decision is a threat to the privileged position of the powerful economic elites, there is little interest in handing over too much joint decision-making to the poor sector. This shows the way consultations are conducted and the many obstacles CSOs found themselves confronted with, such as: being informed lately about the meeting, not having enough time to elaborate comprehensive and coherent positions on the official proposals, not getting provisional results and feedbacks, no influence on setting the agenda etc.
- **There is no structured and continued process that results in the prioritization of areas:** Different groups were invited to the different seminars so that a continued process enriched by arguments and counterarguments was not possible. The lack of information about provisional results and the influences of earlier meetings on the official strategy further hindered a continued participation. This is also reflected in the fact that the range

³ The following characteristics are taken from the interview of partners from Mozambique, Cameroon, Honduras and Nicaragua, but are also the result of intensive research in other countries (see Christian Aid, 2001; OXFAM, 2001; SÜDWIND, 2001; Marshall/Woodroffe, 2001).

of areas is very wide including all poverty-relevant topics, yet there is no prioritization of topics.

- **There was only a very centralised “Participation”:** Generally, national level CSOs with their base in the capital had more access to consultations than locally defined CSOs or grassroots organisations. Lack of information, lack of adequate material and lack of capacity building have restricted the participatory process to a minority. Interestingly, also parliaments in many countries played only a marginal role. Women and CSO concerned with gender have found it particularly difficult to find themselves represented in the formulation process. Consequently, gender aspects are only very poorly addressed in the PRSP. The poor themselves are not involved at all.
- **The timeframe is far too short:** Especially with the close linking of PRSP to the chance for debt relief most governments (and the IFIs, keen to present models) hurried the process. In the experienced time frame a comprehensive and nation wide participatory process – even with the best will of the governments – is simply not possible, as this would include a poverty assessment by the affected poor themselves, a broad debate on priority areas of poverty eradication with the strong inclusion of local groups, capacity building of the poor and their representatives for the strong engagement required, elaboration of accessible material, etc.
- **There are no widely understandable versions of the PRSP:** This includes both the technical language of the governmental positions, which according to the subject is very complicated, and the language as such, which in many cases was English rather than the national language, let alone local languages.
- **Lack of resources:** CSOs have frequently taken over the task of sensibilizing the poor and make use of the newly opened spaces on their own initiative. In the current hegemony structure in many countries this might be the only way to achieve participation. International cooperation should directly support these initiatives morally and financially, as well as community based initiatives of self empowerment.

Chapter 4

Policies on central issues

4.1 Sustainable human development

Natural resources have been used and exploited in a disordered, irrational and unsustainable way in Central America as well as in many African countries. Especially the resource of land became barely accessible for small- and medium-sized farmers, given the form in which those areas have been inserted into the world economy and have been converted into the only commodity to pay the foreign debt. This facilitates a grave deterioration of natural resources and the environment as well as a high ecologic and environmental vulnerability. Latest examples are the hurricane “Mitch” in Central America in 1998 and the tropic storms and inundations in Mozambique in 1999.

The pattern of the earth’s exploitation for agricultural export has been determined by the demands of the international market of industrialized nations. The environmental consequences of this model are obvious: great wooded areas are being deforested in order to grow agricultural export goods. In recent years the shrimp industry has drastically decreased biologically important mangroves and wet areas, former reproduction areas for crustaceans and economically important fish supply for the communities on the Central American coast and elsewhere in the world. The export of Cameroonian luxury woods to Europe and Asia provokes a dramatic onslaught of the Sahara’s desert zone with enormous consequences for the food security in the north of the country. Today the privatisation and deregulation of the state make room for a new extraction cycle of mineral and non-mineral resources and the areas applied for concession coincide with the areas that still have vegetation.

The extracting vision in regard to using natural resources binds the future of new generations of men and women in Honduras and increases the vulnerability of people towards natural disasters. This happens to the social funds of the country, defined by UNDP as “the elements of social organisation, like social networks and shared community values...” Said social funds show every day more deficiency in meeting the future with solvency. (Interforos, 2000)

In Nicaragua CCER put forward several proposals about environmental issues such as the promotion of an environmentally sound model of production to guarantee its sustainability, as well as working to lessen environmental vulnerability and to strengthen readiness against risks. Regarding an adequate management of resources and the strengthening of the legal frame to protect the environment, the governments refers to PANIC (Nicaraguan environmental program), about the need for public projects to use environmental guidelines to measure benefits and costs. This is partly in agreement with a CCER proposal about the need to evaluate the environmental impact of social and productive projects. CCER also refers to PANIC in the chapter about institutions. The government document does not mention the need to regulate the occupation and use of the territory, it just mentions a program to put order into matters dealing with rural properties and to revise and issue land title deeds. It does not either make any reference for the need to orient public and private investment in a given territory according to its potential. It does not mention either the need for a forestry program to articulate the wood market, nor does it make any reference for possible legislation to promote the fishing industry. There is no mention of plans or programs for the handling of protected areas or about the conservation of resources. The budget for environmental programs was cut 43% between the first

document August 2000 and the second document July 2001, for the first three years of the strategy. As regards to strengthening readiness against risks, the government is in agreement with CCER in terms of need to implement actions aimed at developing greater capacity to prevent disasters, but it does not take into account the need to promote a culture of prevention at all levels of social life. It can be asserted that CCER is partially in agreement with the government in this context. Nevertheless further discussion on some key issues needs to be undertaken. (CCER, 2002)

The forest resources are subject to avidity for several big transnational companies. To take the example of Cameroon, the forest exploitation is concentrated to 95% in the hands of foreigners. Due to their financial power these exploiters violate far too often the laws of the host countries and the legislation to secure sustainable exploitation of woods, for instance controlled wood cutting and certification. (ECOVOX, Cameroun)

Generally the PRSP do not consider either the change of conditions that provoke the unsustainable use of natural resources. The proposals included in the PRSP only try to legislate in order to settle the exploitation of the environment by means of foreign enterprises with the intention of profit. The repatriation of said companies' benefits contradicts the logic of development based on the accumulation of capital and increasing the productive potential. The sustainable use of the local communities' own resources is not emphasized. According to the civil society's organisation consulted in the four countries, the legislation alone won't change the lack of opportunities of poor people for survival provoked by the over-exhaustion of natural resources on a large scale by manufacturing companies. According to what has been identified as the underlying causes of poverty in the first chapter, it is not enough to legislate, but necessary to create access to opportunities for poor people and the population as a whole, developing sustainable production processes consistent with nature.

4.2 A gender perspective

In spite of acknowledging progresses in some PRSP with regard to gender, it has to be stated that initial advances have been replaced by a pragmatic vision of the process so as to enable implementing economic growth based on private initiative and large-scale production. New structures that correspond to the specific interests of the social actors directly affected by poverty don't fit into the macro-economic orthodoxy. Based on the analysis of experiences in several countries Christian Aid state that "the model of participation articulated through PRSPs is currently failing to involve poor women and the specific measures needed to facilitate their involvement have not been implemented. This failure means that participation can potentially lead to a reinforcement of existing gender inequalities, as men are far more likely to be literate, in leadership positions, and have the confidence and cultural acceptability to speak out. Poor women therefore continue to be excluded. Not only is this a democratic failure, but it also means that PRSPs are less likely to bring a sustainable solution to poverty, as the poorest and most vulnerable groups are not involved in their formulation or implementation." (Christian Aid, 2001).

Women's organisations in Mozambique have stated that if gender aspects have been included in the PRSP, it is usually in a very general way, expressing the will, for example, that girls' enrolment should be improved. However, there is no clear strategy on how this could be achieved. It is exactly this simplistic and quantitative vision of fighting poverty that impedes taking into consideration qualitative aspects for treating the problems surged by female discrimination and

leaving out the structural changes necessary. Both, the empowerment of women as well as the analyses of the relation between paid and unpaid work as a result of macro-economic policies are painfully absent from the PRSP.

Today, five juridical programmes which include between 500 and 700 women have been designed to popularize the Convention on overcoming all forms of women's discrimination, in the areas of Yaounde in the Centre, Bafoussam in the West, and Garoua in the North. But the programmes have been judged by Cameroonian women's and human rights organisation as lacking credibility, and they did not have the consistent political and financial support by the government, which due to its repressive practices has got a rather poor reputation. (Plaidoyer social contre la violence à l'égard des femmes, PSVF, Cameroon)

With regard to the gender aspect, the Honduran government plans to actualise the conventions reached internationally: In 1996 it adopted the law against domestic violence and in 1999 the National Institute for Women (INAM) was constituted. Recently the law of equal opportunities for women was adopted. Without doubt the view is obscure. As indicated by women's and feminist's organisation, no substantial changes took place in order to reduce the gap separating the social and political participation of men and women. The Index of Gender Potency is the lowest in the Central American area (1999: 0.450). The political participation of women in the proper posts of a representative democracy is insipid. Thus women count with a participation of less than 14% in the different instances compared to the male oscillating between 90,6% and 86,9 %. On the other hand, it is known that the saving of social investment originating from the structural adjustment programmes was made at the expense of women's work. Therefore the analysis of female work needs to be examined more comprehensively, considering that they take over three full time jobs: activities generating income, the maintenance of a household as well as improving the community. (INTEROFOROS, 2000)

Gender is mentioned in most of the PRSPs and I-PRSPs, and the analysis in the several strategies seems to be quite elaborated. But in general, there are very few proposals to address the poverty consequences of gender inequalities directly, although a few strategies talk of assistance for girl students with school fees, access for mothers to health services or access for women to micro-credit. Much Southern civil society comment has focussed on the lack of voice for women's organisations in the drawing up of PRSPs. CSOs are concerned that weak gender analysis, has resulted in an absence of concrete legislative or policy solutions to assist women, either pro-actively or in overcoming existing biases. (see Christian Aid, 2001)

In the case of women, the reasons for poverty work on three levels – in a society due to an institutionalised discrimination, including the labour market and political power, on a communal level, social norms have an impact on the roles and responsibilities of men and women, and at home unequal power relations work according to sex and age.

On one hand, women have less opportunities to transfer their work into income – due to their responsibility in the reproductive work, their concentration in the informal sector and the conceptualisation of their productive activities as an “assistance” for the men. On the other hand, if women have an income it is more difficult to transform it in the capacity of choosing its utilisation. The perceptions about the value and contribution to the household, social norms and the level of autonomy have an impact on their capacity of having a voice in the process of making decisions on every level.

When women are making decisions they often don't just improve their own well-being but improve the well-being of the “family” in general – due to the implication that the female identity is altruistic. In addition to that, the male chiefs contribute in many cases only with half of their income to the shared family expenses thus leading to a “secondary” poverty of the women and their sons and daughters within their homes. (CCER, 2001)

Mme. Edjongo Ebelle Grâce of the NGO Women and Development in Cameroon (Femmes et Developpement au Cameroun) explains the situation in her country:

Women are almost entirely absent in the new local and national administration. Indeed, only 10 out of 180 Cameroonian parliamentarians are women whereas we count no more than 114 women (out of 9031) in the municipal councils. In central government, there are not more than 2 women out of 45 members of the cabinet. This does not facilitate the introduction of specific women's issues in the political agenda of the country. (Femmes et Developpement au Cameroun)

Women are the main players in gaining food security. When macro-structural policies tend to increase poverty, they are the ones who feel obliged to offer the services, the state does not assume. The exploitation degree of their work increases simultaneously with the increasing shortage of resources: water, grains, fire wood, etc. Only a new evaluation of their activities can lend a new quality to the programs for the defeat of poverty. A change in the policy of budget draft could be a good start for achieving a gender vision: The experience of participative budgets could be used as a model.

4.3 Land access and use and food sovereignty

Although it is true that in some PRSP the specific situation of the small- and medium-sized farmers has been emphasised, the effects of liberalization as a result of the international agreements and macro-economic policies impair this policy.

Notwithstanding the PRSP document indicates "increasing production and improving the efficiency and competitiveness of small farmers, facilitating a better access to infrastructure, auxiliary services in the markets, technology and financing in order to fortify the inheritance of family farms" as a specific goal on page 76. It indicates political measures, programmes and projects in order to achieve this objective. Those and the other subjects included in the strategy still remain in the very general terms of "Expansion of the Irrigation Area", "Entrepreneurial Development of the Smallholding Economy", etc. leaving in the open the concretization of precise projects in regard to geographical precincts, costs and number of beneficiaries. We should keep in mind that former strategies and development plans have suffered from the same defects. (Caritas, Honduras)

Liberalization encountered the small- and medium-sized rural producers unprotected against the import of foreign agricultural goods. Their lack of competitiveness can not be compensated since there never existed an assistance policy for their productions on part of the state. Considering that small-sized farmers are occupied with agriculture of subsistence, their expulsion from the market is accompanied by the deterioration of food sovereignty and the loss of access to the resource of land.

As part of efforts made for reducing poverty, it is required to discuss, in a participatory manner, the formulation of an integral strategy for agrarian production and national industry. As a follow up to this debate, the strategy should incorporate programs specifically aimed at supporting productive sectors, especially those involving small and medium size enterprises in urban and rural areas. One of those programs must be expressly aimed at securing food supplies for the country's population. (CCER, Nicaragua, 2001)

In the case of Central America, a main aspect in measuring the effects of the PRSP consists in questioning the ownership and access of land. There are only a handful of references to land ownership in the PRSPs and I-PRSPs, and mostly these relate to clarifying ownership rights or

legislation; none talk seriously of redistribution. Considering the limited access to land, not solving this problem and not providing new jobs for the population expelled from the countryside will increase the number of people living in poverty. The social pastoral of Honduras acknowledges that in the document of the PRSP exists a political formulation with quite progressive aspects regarding agricultural policies. Obviously there are still doubts after bad experiences in the past, concerning the huge disparity between those documents and their being put into practice.

Nevertheless we believe that the essential of the COCOCH (Comité Coordinador de Organizaciones Campesinas de Honduras) has been included in the PRSP: the affect of uncultivated land and excessive land possession (*sobretechos*). This is certainly the most important measure for the redistribution of this property. Since National Congress, however, is the only organism of the state with the power of creating and modifying laws, -the proposal presented in the PRSP still remains only the proposal of the executive. We have to keep in mind that the National Congress consists of many big landowners and their allies who persistently have objected the execution of an agrarian reform. In addition to that, the new government, installed since January 2002, may not feel obliged to the PRSP. But even with all these obstacles solved, the *modi operandi* for its implementation still have to be defined. Although it is true, that the "Access to Land Programme" mentions the participation of farmers' organisations, it still doesn't specify how this participation is supposed to take place. (Caritas, Honduras)

Another negative aspect of the current macro-economic policies is that they give preference to agricultural export, at the expense of agricultural production of necessary goods for the food security. With the model of SAPRIN the NGO come to the conclusion that:

It is assumed that because of liberalization people have benefited because they can sell more at any time and get cash for it. However, with the liberalization of markets, foodstuffs are bought where it is cheapest. While state marketing boards would be the buyer of the last resort, World Food Programme cannot, for example, buy maize from Uganda when it is cheaper in South Africa. As a consequence small farmers have not benefited from such liberalization. (SAPRIN)

The World Bank remained impressively faithful during the last decade to the neo-liberal orthodoxy and conducted a systematic destruction of the Agricultural Development Banks, promising that the liberalization of financial and bank systems would lead to a more effective distribution of credits to the benefit of the productive sectors. The effects have been very negative.

Liberalized interest rates remain too high for even those lucky enough to have assets to mortgage for credit. Some farmers who accessed such money and failed to pay because drought spoiled their crop have had their land taken away as a result. This has hampered the efforts of the rural farmers to participate in agricultural activities, as they cannot produce for a competitive market.

With the liberalization, prices are determined by the demand and supply of the specific commodity. In the absence of market information, farmers' ignorance of commodity prices is used by traders to cheat them. Farmers are thus wholly exposed to price and market shocks without fallback positions. (Kaboga 2001)

Improved agricultural yields were associated with poverty reduction in South Asia and sub-Saharan Africa. This reinforces the case for a rural-based development strategy. The promotion of agriculture can stimulate linkages between farm and non-farm activities which are important for poverty reduction.

CCER proposes the creation of a land bank for the most poverty stricken sectors, allocating land to women and men, establishing a body to regulate the buying and selling of land. In the case of the Atlantic coast there is a need for a specific law to be passed to deal with the possession of land. The government says it is preparing mechanisms to allocate land without payment to small agricultural producers. This is a general statement. It does not specify what are those mechanisms, so we can say that the specific suggestions made by CCER have not been taken into account. As in the previous instance, there is agreement on principles but the discussions on mechanisms and specific recommendations is still pending. (CCER, 2002)

It is remarkable that in the case of Honduras the COCOCH presented the government an “Agrarian Law Pre-Project”, proposing precise measures for the definition of all aspects concerning the agrarian problem: ownership of and access to land, utilization of the resource, juridical and administrative regime of the resource land, field of application, institutional aspects, etc. The proposal of the COCOCH sets up an example for the formation of structural policies in the combat of poverty that has not been taken into consideration by neither the government nor the multilateral institutions in charge of devising the PRSP.

4.4 Access to social services and common goods

One of the most important manifestations of poverty is without question the scarce access to basic social services like education, health, housing and other important services like water, energy, job security and provision for the aged. The strategic emphasis defined in the PRSP reverts to improving the endowment of those basic services. In fact those documents define as their objectives, improving the access of the poor to education and health both in quantity and in quality. The same objectives have also been formulated by the civil society’s organisations of the countries treated here. Nevertheless apart from the agreement concerning the same objectives some issues exist, concerning the way of achieving them. Those issues refer to the following aspects:

- Strengthening the governmental role in supplying basic services
- Budgetary policy
- Role of the private sector
- The definition of efficiency for the supply of those services
- The reduction of foreign debt service.

Some serious restrictions surged with the necessity of reducing public expenditures to the disadvantage of a better educational and health service. Considering those difficulties, there is a perpetual conflict situation between the austere tax policy requested by the IMF on the one side and the poverty reduction policies included in the PRSP. The government in Honduras is confronted with the protest of primary and secondary school teachers demanding an increase of their salaries, that guarantee the minimum subsistence level for persons employed in the educational and health system.

However, the former president Carlos Flores has undertaken liabilities with the country’s main associations that have to be met now. On the one hand, this concerns the Physician’s Statute and the Teacher’s Statute. Both, doctors as well as teachers are fighting for a pay increase within the margin of said agreements. (FOSDEH/ASONOG, Honduras)

The teachers' salaries currently constitute approximately 10% of the Honduran GDP. According to INTERFOROS the full application of the Teachers' Statute would require an increase of the budget which represents the income of a VAT augmentation by 3%, from 12 to 15%.

Within this scope, we also consider as crucial to discuss the modifications of economic tax and monetary policies as well as the structural reforms, including the modernization of the health system, the educational system and the privatisation of the pension system so as to stimulate effectively offered services and put an end to dissecting the productive capacities of Nicaraguan people. We have to discuss the coherence that is needed between the general alignment of the Strategy and the definition of goals, programmes, projects and indicators. Right now, the government paper is quite incoherent in this concern. (CCER, Nicaragua)

For example education: PRSP states that there should be a higher level of education. But there is no clear strategy on how to achieve this. Simply putting more money into schools and teachers payment is not enough. There must be additional measures to enable parents to send their children to school. (GMD, Mosambique)

The educational system in Cameroon is in a severe financial crisis since the monetary reform that introduced the Franc CFA as national currency. Primary education is not guaranteed by the government in spite of a constitutional obligation to guarantee education. The ecclesiastic institutions (Catholics and Protestants) have to carry the main burden and the families are obliged to pay ever increasing direct or indirect school fees, turning into an impediment for the groups with the lowest income to access the educational service. For that reason the protestant churches associated in the "Club de Yaoundé" demand a solution of the problem within the scope of the PRSP.

If the Cameroon government wants to comply with the objectives of the Poverty Reduction Strategy in the field of education, they have to reintroduce the subsidy payments to schools under ecclesiastical responsibility. But this will not be sufficient since the Cameroon government has not met the old engagements and thus has put these schools in a critical situation. This is why the Poverty Reduction Strategy in the education sector has to consider the following issues:

1. A compensating solution for the State's debt to ecclesiastical primary schools has to be found. These financial resources can then be directed to the payment of overdue teachers' salaries.
2. A moratorium has to be negotiated with the Public Pension Fund (CNPS) until the ecclesiastical schools will have regained solvency.
3. Subsidy payments have to be reinstalled so as to enable ecclesiastical schools to offer their services efficiently.
4. The amount of school fees has to be reduced or eliminated to allow that the biggest number possible of families will have the opportunity to send their children to school. (Club de Yaoundé, Cameroun).

The continued reliance on cost recovery/user fee schemes, revealed in the PRSPs and I-PRSPs is surprising given the degree of consensus around the problems they cause the poor. The USA even has a bill requiring it to oppose any IMF, World Bank or regional development bank loan that includes user fees or service charges for poor people, for primary education or primary health care. (Foreign Operations Appropriations Bill adopted 25 October 2000, Financial Year 2001)

Nonetheless, there are also fundamental differences, given the fact that CCER makes proposals for the education system as a whole not only for basic education and it also promotes the articulation of sub-systems. Likewise it is in favour of free and compulsory education at all levels, particularly in rural areas. Most of CCER's proposals for specific actions have not been taken into account by the government's document, particularly those

aimed at: lowering the number of students dropping out, the revision of academic programs and plans, literacy campaigns, adult education, a new role for teachers and students, the effective participation of civil society, an efficient and decentralised administration for the whole education system, and greater and better investment in education for the population. (CCER, 2001)

Bearing in mind the particularities of the problem (high birth rate, environmental vulnerability, and inadequate use of natural resources), there is a need to incorporate a program on population and sexuality within formal education. This would help to form new generations of people with new attitudes on issues such as the importance of a responsible and preventive notion about personal and collective health, population balance and care for the environment. These ideas have not been envisaged in the official document. (CCER, 2001)

EERP/PRSP proposes to expand school autonomy to 100%, without first making an integral and thorough evaluation of the model, as well as the municipally orientated education implemented so far; in relation the following objectives: access, student drop out, promotion, quality, participation by parents, teachers, students, and members of civil society in the planning and decision making process of educational policies. (CCER, 2001)

The situation of the health care system is similar to the situation of the educational system. This proves to be an enormous problem in the case of Africa, where the fight against AIDS has turned into priority. This disease has had a massive impact on all social spheres and on economy, at an enormous price for present and future generations.

With the experiences analysed in those four countries it can be ascertained that the proposals of CSO regarding the improvement both of the quality and the coverage in the health system are quite corresponding to objectives formulated in the PRSP. The main problem emerges in the strategies defined for achieving the necessary funds and efficiency of those services.

The exposition made by CCER cover a wider scope, but at the same time it is more specific in several aspects that have not been dealt with in the government document. This is mainly due to the fact that CCER's proposals refer to providing health care for the population as a whole, not just to certain sectors of it. These are some of them: an integral approach to the health care system, a decentralised administration, efficiency at all levels of the health care system, improving living and working conditions of personnel, a new role for personnel, participation by civil society, putting a stop to the privatisation of the health services, amongst others.

There is some partial agreement on the need to have an infrastructure to prevent diseases, including efforts to improve the levels of nutrition in the population and the need for health centres to provide better services. But most of the government's proposals are aimed at certain sectors of the population which could provably be considered to be the most vulnerable ones. (CCER, 2002)

On the other hand, as is well known, the growing emphasis on the policy of putting the public services into private hands, which is growing stronger with the so-called GATS (General Agreement on Trade and Services), currently under negotiation within the framework of the WTO, affects the countries applying the PRSP more seriously. On the contrary, those privatisations come along with increasing costs for the basic health services.

In numerous PRSP an implicit strategy of stimulating the participation of the private sector in the supply of the basic services like education, health, water supply, etc can be noted. The Bolivian experience in Cochabamba has already shown the consequences of such policies: faced with reduced profits the private sector loses interest in guaranteeing an ample and efficient service. The dimensions of the problem of the scarce access to those basic services are so immense in the

countries discussed here, that they need an enormous public effort. A strategy combining a more active participation of the communities with a solid policy on part of the central government could ensure a thoroughly solution for the problem of low access to basic social services in conditions that still do not count with strong economic growth rates.

Main Findings

1. The PRSP strategies seem to respond, in the cases under consideration, to a modified version of the orthodox model of a «market-based pro-poor growth» in which the benefits of economic growth are expected to trickle-down to poor people. It is not the strategy of poverty that determines which kind of economic policy to follow, but the policy of macro-economic conditionality within the scope of the PRGF, which determines the limits of application of the PRSP.
2. The processes of privatisation did not help to improve the situation of the poor. They were spoiled with corruption and furthermore accompanied by increased prices that made access to basic social services harder for the poorest sectors of the population. The same applies for the massive dismissals that had a negative impact on the unemployment rate. The promised increase of efficiency in services never took place, given that the companies could not obtain the expected profits.
3. The liberalization of foreign trade as well as of the banking and financial system particularly affected important sections of small- and medium-sized farmers, who don't have the capacity to compete with (often subsidised) import goods. The access to credits for small- and medium-sized farmers is insufficient.
4. In fact, fiscal policy has not achieved to establish a tax system that leads to a redistribution of income. On the contrary, the rich can take advantages in two regards. In the first place, they continue to evade taxes and secondly, the tax rate for the richest have been reduced while simultaneously increasing the VAT rate, thus affecting the poor who don't dispose of tax exemption mechanisms.
5. In the cases under consideration, neither international cooperation nor Southern governments have expressed interest in attacking the structural problems of poverty towards the organisations of the civil society. There seems to be some confusion between the effects and the underlying causes of poverty which are to be adressed.
6. The debt relief as agreed in the HIPC initiative is too small compared to the financial requirements of the PRSP. In addition, the donor countries have not made enough efforts to increase the level of bilateral and multilateral aid.
7. The concept for participation within PRSP does not consider the aspects related to the hegemony of power in the different national contexts: big landowners, dominating ethnical groups, corrupt state's bureaucracy have different perceptions of how a poverty focussed economic policy would look like than small farmers, small producers, wage earners and maquila workers. Given the distribution of power and wealth they have better opportunities to impose their interests.
8. In this context the development of the PRSP has produced a process of consultation, not of real participation.

9. The idea of conveying the natural resources for export and to pay the foreign debt instead of using it for the well being of national and local communities contradicts the principles of sustainable human development in harmony with nature.
10. Despite some progresses in some of the PRSP regarding the gender perspective, it can be stated that initial advances were replaced by a pragmatic vision with emphasis on the macro-economic orthodoxy.
11. Though it is true that some PRSP emphasize the disadvantageous situation for small- and medium sized rural farmers regarding their access to land, the impacts resulting from the policies of liberalisation tend to deteriorate their situation instead of improving it.
12. The implicit strategy of stimulating the participation of private enterprises in the supply of basic services for the poor, like education, health, drinking water, etc. is evident in many PRSP, in spite of unsatisfying experiences so far regarding coverage and efficiency.

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