

# Whose Poverty Matters?

Vulnerability, Social Protection and PRSPs

Rachel Marcus and John Wilkinson

**CHIP**

Childhood Poverty Research and Policy Centre

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Rachel Marcus<sup>1</sup> and John Wilkinson

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<sup>1</sup> Rachel Marcus is Senior Researcher, Childhood Poverty Research and Policy Centre (CHIP). CHIP is a collaborative venture between Save the Children and the Chronic Poverty Research Centre (CPRC). John Wilkinson is Policy and Learning Officer, Save the Children UK. Thanks to Tim Conway, Caroline Harper, John Hilary, Andrew Kirkwood, Mike Rowson and Andrew Shepherd for comments on an earlier draft of this paper.

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# Contents

<b>1. Introduction</b>	<b>1</b>
<b>2. Poverty Reduction, Vulnerability and Social Protection – Conceptual Framework</b>	<b>5</b>
<b>3. Broad Approaches and Development Strategies</b>	<b>7</b>
3.1 Poverty Profiles and Diagnostics	7
3.2 Economic Policy Priorities	8
3.3 Environmental Issues and Sustainable Development	15
3.4 HIV/AIDS Prevention	16
3.5 Social Sector Investment	17
<b>4. Social Protection Policy Measures</b>	<b>19</b>
4.1 Social Protection Policy – General Issues	19
4.2 Main Social Protection Policy Choices	24
4.3 Action to Support Particularly Disadvantaged and Vulnerable Groups	34
<b>5. Conclusion</b>	<b>44</b>
<b>6. Bibliography</b>	<b>49</b>

# List of Acronyms

<b>ESAF</b>	Extended Structural Adjustment Facility
<b>FHIS</b>	Honduran Social Investment Fund
<b>HIPC</b>	Highly Indebted Poor Country
<b>IFI</b>	International Financial Institution
<b>I-PRSP</b>	Interim Poverty Reduction Strategy Paper
<b>MICS</b>	Multi-Indicator Cluster Survey
<b>PEAP</b>	Poverty Eradication Action Plan (Uganda)
<b>PRGF</b>	Poverty Reduction and Growth Facility
<b>PRSP</b>	Poverty Reduction Strategy Paper
<b>SPRS</b>	Strengthened Poverty Reduction Strategy (Nicaragua)
<b>TASAF</b>	Tanzania Social Action Fund
<b>TR</b>	Tajik Ruble
<b>VGf</b>	Victims of Genocide Fund (Rwanda)

# Introduction

In September 1999, the World Bank and the International Monetary Fund announced a new policy instrument – the Poverty Reduction Strategy Paper (PRSP). Initially conceived as a means of ensuring that resources freed up by debt relief were spent on poverty, now all countries applying for concessional World Bank finance or IMF Poverty Reduction and Growth Facility loans (PRGF) are required to produce a PRSP. PRSPs are expected to set policy frameworks and agendas for tackling poverty in low-income countries and to integrate economic, social and environmental issues in pursuit of effective poverty reduction. They are supposed to be developed in a participatory way, drawing on consultations with people living in poverty, and involving a range of organisations actively engaged in poverty reduction and development action. Thus they are intended to ensure ‘national’ ownership or buy-in of government and citizens. At the same time, since Interim Poverty Reduction Strategy Papers (I-PRSPs) and PRSPs must be approved by the IMF and World Bank, they will never be fully nationally owned. The fact that they are being developed in the context of obtaining debt relief under the Highly Indebted Poor Countries initiative (HIPC) or PRGF loans, means that in most cases their content reflects the priorities of the Bretton Woods Institutions.

This report examines the ways in which I-PRSPs and PRSPs are tackling social protection issues. By social protection, we mean public policy concerned with the livelihoods and welfare of particularly poor and vulnerable groups – those who have been bypassed or who have lost out in other economic and social policy, and those who, for various reasons, are particularly vulnerable to the effects of poverty. There are now many reports analysing different aspects of PRSPs. Why produce another?

Firstly, the treatment of social protection issues in PRSPs and I-PRSPs has not been systematically examined despite their vital importance to poverty reduction. Secondly, in recent years, international development discourse has started to recognise more fully the importance of adequate social protection.<sup>2</sup> Given the involvement of donors and lenders in the development of I-PRSPs and PRSPs in many countries, these strategy documents are one window on how far international policy discourse and commitments are influencing national policies and strategies.<sup>3</sup>

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2 For example, the World Bank and Asian Development Bank have produced revised policy statements committing themselves to stronger action in this area (World Bank, 1999; ADB, 1999).

3 Analysis of PRSP implementation will indicate how far such changes in thinking and policy orientation translate into changes in on-the-ground practice.

Finally, this report examines the extent to which PRSPs and I-PRSPs developed to date include specific commitments to tackling childhood and youth poverty, an area which despite its importance has received little attention. By protecting children from some of the harmful effects of poverty on nutrition, health and education, effective social protection can play an important role in both immediate and long-term poverty reduction.

This report attempts to complement other analyses of PRSP policy content and processes so far. It does not, therefore, focus in detail on PRSP processes, and the degree of participation and ownership by different stakeholders in these processes in particular countries. Vital as they are, these issues have been well documented by, among others, the World Development Movement (WDM, 2001) and Eurodad (2000).<sup>4</sup>

This analysis is based on a desk study of six full and seventeen interim PRSPs, produced in countries where Save the Children UK works, which were downloadable from the IMF website<sup>5</sup> between July and October 2001. Where possible it also draws on commentaries by Save the Children staff and partners and other NGOs and civil society groups, concerning the PRSP process in particular countries. The report looks at full PRSPs for Burkina Faso, Honduras, Mozambique, Nicaragua, Tanzania and Uganda and I-PRSPs for Albania, Cambodia, Ethiopia, Ghana, Honduras, Kenya, Kyrgyzstan, Lao PDR, Lesotho, Malawi, Mali, Mongolia, Mozambique, Nicaragua, Rwanda, Tajikistan and Vietnam. Mozambique's, Honduras's and Nicaragua's full PRSPs were approved while this paper was in progress; hence we discuss elements of both full and interim PRSPs for these countries. Where available we also examined Joint Staff Assessments<sup>6</sup> and civil society commentaries on PRSP processes, the latter mostly as posted on Eurodad's PRS Listserve.

Overall, we find that little systematic attention is paid to social protection issues, though many I-PRSPs and PRSPs present some elements of existing policies or plans in this area. We sympathise with concerns that a desire or pressure to cover every aspect of poverty may result in strategies that are unnecessarily detailed, are unworkable, duplicate other processes, or yet again may

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4 Killick and Abugre (2001) and SC UK (2001) provide further documentation of PRSP processes. See also the PRS-Watch archive on Eurodad's website: [www.eurodad.org](http://www.eurodad.org)

5 [www.imf.org](http://www.imf.org)

6 IMF and World Bank assessments of I-PRSPs and PRSPs.

undermine country ownership, as external donors and creditors press issues of their particular concern. We recognise too, that PRSPs are intended as a framework, which draws on and refers to existing strategies and plans without spelling out the detail of these for some other IFI- or donor-led process.

At the same time, there is an opposite danger – that a concern to avoid burdensome detail leads to the development of poverty reduction strategies which once again, deliberately or inadvertently, prioritise the better-off at the expense of more marginalised groups. It is worth recognising that social equity is a key concern of many civil society groups engaging in PRSP processes and that this is neither an externally driven nor trivial agenda. Furthermore, a substantial section of the PRSP sourcebook (World Bank, 2000) – a guidance manual on PRSP development – is devoted to social protection; in this context it is thus both surprising and a concern that this area seems to be receiving so little systematic attention.

This paper is primarily based on an analysis of I-PRSPs. I-PRSPs are preliminary documents, which do not contain the same depth of analysis or degree of detail on policy priorities as full PRSPs, and to treat these as if they were final statements of poverty reduction policy would be misleading. At the same time, there is no guarantee that social protection and equity issues will come higher up the agenda as full PRSPs are developed, not least because of the short time frame allocated for this in many countries, the international institutional context in which they are being developed which historically has not prioritised social protection, and the limited space for genuine debate on development strategy. While civil society involvement has varied substantially from country to country, civil actors are often some of the strongest advocates of inclusive and equitable development policies, including adequate social protection, and their limited role in many PRSP processes to date may also help account for the limited treatment of these issues.<sup>7</sup>

The point is often made that any policy is only as good as its implementation. While this is, of course, so, it is simply too early to discuss the experience of PRSP implementation in any meaningful way as so few countries so far have had full PRSPs approved. Most countries are still in the process of developing I-PRSPs or PRSPs. This paper is intended as a contribution to

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<sup>7</sup> There is some evidence that this is changing in some countries developing PRSPs at present, with greater involvement of people living in poverty, as well as civil society groups in particular

discussion, debate and action to promote equitable development through PRSP processes.

The paper is structured as follows: Section 2 summarises our conceptual framework for examining social protection issues. Section 3 discusses some dimensions of the broad poverty reduction and development strategies which this group of countries have committed to follow, while Section 4 discusses approaches and specific commitments to social protection. Section 5 concludes the paper by drawing together the main findings of this analysis.

# Poverty Reduction, Vulnerability and Social Protection – Conceptual Framework

Some analysts, such as Norton et al, argue that the term ‘social protection’ should cover only action to protect ‘those who fall temporarily or persistently under levels of livelihood deemed acceptable, rather than the promotion of a general standard of opportunity and livelihood for all citizens’ (2001:4). Others, such as Lustig (1999), attempt to distinguish social safety nets as a more minimal form of social protection, aimed at containing the worst effects of poverty and preventing crises worsening.

We suggest that in reality neither protection and promotion of livelihoods and well-being, nor social protection and social safety nets can be separated so easily, conceptually or practically. For example, as Devereux (2001) shows, a cash for work programme in Zambia intended to protect people from destitution also enabled some to invest in production, ie, it promoted their livelihoods. Should this be considered a safety net? A social protection programme? We find no clear distinction between the two.

To some observers, the term ‘social safety net’ is inextricably linked with compensation programmes aimed at ameliorating the worst effects of adjustment in the 1980s, or an approach to development which essentially consists of handing out small palliatives to contain the symptoms rather than addressing the root causes of poverty. We do not consider these concerns as intrinsic to social protection policy or social safety nets. Safety nets may be used to legitimate inequalitarian policy, and they may provide small palliatives that help people survive but not to progress. Equally, they can also redistribute assets which contribute to more secure livelihoods, and ensure that ‘human capital’ is developed and maintained. How redistributive and developmental social protection policies or safety nets are depends on what they do, how they do it and how they are integrated with broader development policies.

While feeling that the negative connotations of the term ‘social safety net’ are unfair, in this paper we tend to refer to ‘social protection’ which, we feel, carries fewer historical associations and is thus less open to misinterpretation. By social protection we mean policies and practices intended to protect and promote the livelihoods and welfare of people who have lost out or stand to lose out in processes of economic and social change and development, people whom

these processes bypass, or people who are vulnerable to the effects of disasters and other shocks. Typically this includes chronically poor and disadvantaged people; very poor people; and groups commonly identified as particularly at risk of falling (deeper) into poverty and particularly vulnerable to its effects, due to a combination of factors such as structural disadvantage, physical characteristics, geographical location or stages of the life cycle.<sup>8</sup> In some contexts, this could encompass much of the population.

Social protection policy is thus potentially enormously broad. Our discussion in this paper therefore spans a wide variety of policy areas, reflecting on the implications of both broad economic and social policy choices outlined in this set of PRSPs for very poor and disadvantaged people, and explicit social protection measures. Specifically, we ask how redistributive and how developmental the proposed programmes are, arguing that developmental social protection measures are those which help poor people escape from poverty. We thus reject the commonplace distinction that developmental measures are those that engage poor people actively while grants or social security measures are passive, 'welfare' measures. There is now substantial evidence that 'active' measures such as microfinance can drive some people further into poverty (Hulme and Mosley, 1996), while 'passive' measures such as social security grants can help people escape (Devereux, 2001). We also examine how far social protection commitments are supported or undermined by wider development policies.

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<sup>8</sup> These three groups may overlap, but as Hulme et al (2001) point out in relation to chronically and very poor people, they are not necessarily the same.

# Broad Approaches and Development Strategies

As might be expected when examining 23 detailed documents, the overall picture of policy choices is quite complex. A country may be intending to liberalise some parts of the economy while maintaining regulation or control in other parts, and may be planning to control government spending strictly while committing to assist a range of vulnerable groups. Many strategies defy easy categorisation. At the same time, there are a number of commonalities. In this section, we discuss five issues of poverty analysis and broad development strategy before moving on to examine specific social protection measures in section 4: poverty profiles and diagnosis; economic policy priorities; environmental issues; HIV prevention; and social sector investment.

## 3.1 Poverty Profiles and Diagnosis

Overall, we found that none of these strategies differentiated significantly among poor people. While poverty statistics were sometimes disaggregated into poor and extremely poor, as in Ghana and Kyrgyzstan (both I-PRSPs), the distinction between chronic and transient poverty was never mentioned nor was the meaning of vulnerability in particular country, regional or social contexts spelt out. In the few cases where poor and extremely poor people were distinguished this did not lead to identifiably different policy, though social protection measures could be understood as policy to support extremely poor people. This said, almost all the I-PRSPs and PRSPs we examined identify ‘vulnerable social groups’ including: children, older people, disabled people, refugees and people living in isolated areas. Measures proposed to support these groups are discussed in section 4.3.

Our research confirms the World Development Movement’s (2001) assessment that gender analysis is largely missing in PRSPs and I-PRSPs. What gender analysis we found consisted of a few references to the poverty of female- versus male-headed households, or to differences in boys’ and girls’ school enrolment rates. The main gender-disaggregated or gender-specific policy measure put forward in the strategies we examined was microcredit, which has come to be seen as a tool for empowering women, despite its relevance for poor men. Other gender issues, including access to land or other assets, employment, or issues of gender and governance were not mentioned in the PRSPs and I-PRSPs we reviewed, except those of Kenya and Honduras.

Kenya's I-PRSP specifically commits the government to enhance women's land rights, and also observes the particular importance to women of improved access to water and fuel, while Honduras's PRSP sets out conditions that are needed to permit effective equality of opportunity for women including incorporating more information differentiated by gender in censuses and surveys. The treatment of other forms of social difference, such as age, ethnicity and disability issues, in this set of poverty reduction strategies is discussed in section 4.3.

The poverty reduction strategies in this sample, like the African I-PRSPs Thin et al (2001) examined, rely mostly on quantitative data, though a few I-PRSPs, such as Mongolia's and Kenya's, include insights and quotations derived from qualitative work. Some PRSPs currently in development, such as Vietnam's, are explicitly drawing on Participatory Poverty Assessments and similar exercises, which should enable a more nuanced picture of poverty and disadvantage to emerge.

While the depth of poverty analysis varies considerably, in all cases the dimensions and distribution of poverty within a country was described in more detail than policies to tackle these issues. Again, while this may reflect the preliminary nature of the I-PRSPs we looked at, we feel it is worth flagging for attention in forthcoming PRSP discussions.

## 3.2 Economic Policy Priorities

### Overall orientation

Overall, the PRSPs and I-PRSPs we examined seemed to be broadly following the policy agenda laid out in the World Bank's 1990 World Development Report. These strategies prioritise action to promote economic growth and health and education services, and give varying degrees of attention to social protection and governance issues. Governance issues are discussed more frequently and in more depth than social protection issues, particularly in 'developing' (ie, not 'transition') countries. This may reflect the ongoing strong donor emphasis on governance as a key element of poverty reduction. However, measures to promote growth are undeniably the main emphasis of this set of strategies, and it is to these we now turn.

## Growth

All PRSPs and I-PRSPs examined here give absolute priority to economic growth as a means of poverty reduction, and most state that they will aim for annual growth rates of between 6 per cent (for example, Malawi, Mali and Mongolia) and 8 per cent (for example, Ghana and Mozambique). Surprisingly, only a quarter of these PRSPs and I-PRSPs use the term ‘pro-poor growth’ or contain statements about ensuring that growth is equitably distributed, suggesting a continuing faith in the power of growth alone to reduce poverty without significant attention to equity. In several countries, this is despite a historical record of growth failing to reduce poverty. Burkina Faso’s PRSP, for example, observes that while economic growth has increased, so has poverty, while Mali’s I-PRSP states that while the incidence and depth of poverty has decreased, child malnutrition rates have increased.

This faith in the power of growth to reduce poverty by itself is not unqualified. However, it is strong, and appears to ignore the growing consensus on the importance of reducing inequality for effective poverty reduction (White and Anderson, 2000; Hanmer and Naschold, 2000; Dagdeviren et al, 2001). In this context it is noteworthy that some I-PRSPs contain explicitly anti-egalitarian commitments. Kyrgyzstan’s I-PRSP, for example, states that the government will ‘ensure that working capital is available to those farmers and agri-businesses which show the greatest prospects for growth’. This, of course, is premised on the view that it may be more effective to focus resources on those who can generate employment, than directly on the poorest people. It is rare that such commitments are made so explicitly. However, analysis such as that of the Cambodian NGO Forum (2000) and WDM (2001) suggests that the underlying premise is quite common.

The 23 documents we examined contain a range of strategies intended to achieve high rates of growth, with a particular emphasis on measures to liberalise trade, finance and labour markets and generally to create a conducive environment for foreign investment. In many countries, improving infrastructure, particularly in rural areas, was highlighted as an important means of promoting growth, while at the micro-level, most strategies discuss measures to promote micro-enterprise, particularly among women. In ‘transition’ countries in particular, privatisation of

state-owned enterprises and land continue to be priorities for developing a market economy with high rates of growth.

### **Liberalisation policies**

Most of the PRSPs and I-PRSPs studied make some commitment to increased liberalisation. In Tanzania liberalisation reforms are being accelerated, including relaxing restrictions on foreign investment, Uganda's PRSP states categorically that the future of the country's industry relies on competition in the open market, while in Malawi efforts will be made to produce a conducive environment for foreign direct investment. In Lesotho the government is committed to continuing the process of market reform and liberalisation and will make 'even more aggressive efforts to attract foreign investors'. Mozambique's PRSP highlights how since 1987 the government has adopted a stabilisation and structural adjustment programme with the objective of creating an economy based on private initiatives and market forces. Even though Rwanda's I-PRSP states that its trade regime is among the most open in sub-Saharan Africa, it plans to implement a new investment code and further liberalise its exchange regime. Vietnam's I-PRSP also contains commitments to greater trade liberalisation. This involves a commitment to removing non-tariff barriers and quantitative restrictions on imports and rice exports. None of these strategies discuss measures to ensure that existing institutions are appropriate for these changes, or to support institutional change.

Two I-PRSPs make commitments towards more flexible labour markets. While labour market flexibility is welcome where it creates reasonably paid jobs and is poverty reducing, it is a matter of concern if the effects are to drive down wages (ICFTU et al 2001). In contexts where employed people already earn poverty wages, more flexibility may worsen, not decrease, poverty, as research in six east and southern African countries over the 1980s and 1990s suggests (Van der Hoeven and Van der Geest, 1999). Tajikistan's I-PRSP observes that 'the working poor' are already one of the major poor groups in the country, largely due to wage arrears and low salaries in relation to the cost of living. In a rather different context, while the Cambodian NGO Forum (2000) highlights the poverty of garment workers (mostly women) in export processing zones, the I-PRSP commits the country to further development of such zones.<sup>9</sup>

9 The role such zones can play in poverty reduction is clearly a contentious issue, with substantial differences of opinion among both garment workers and observers as to the desirability of such work and the role it plays in poverty reduction or creation (Tim Conway, personal communication).

## Privatisation and public sector reform

There is a strong emphasis on privatisation in many of these strategies, and vocal commitment to the private sector as an engine of growth. Key areas of privatisation include state-owned enterprises in a range of sectors and public utilities (water, electricity, telecommunications, etc); and inviting the private sector to provide services in, for example, the health sector and other parts of the civil service. Burkina Faso, for example, intends to eliminate state monopolies in the utilities sectors, and to privatise existing state interests in order to facilitate the growth of the private sector. Vietnam continues to restructure state-owned enterprises, while Rwanda's I-PRSP states that the privatisation of state enterprises will be accelerated. Nicaragua's I-PRSP commits to signing two management contracts for major urban water systems in 2001 and more the following year, with the hope that this will improve public services, while Kenya plans to 'prepare enabling legislation for the privatisation of urban water supplies'.

Honduras's PRSP states that the government is implementing a programme to reform public administration, which aims to modernise and decentralise public administration so that it contributes to poverty reduction at the local level through privatisation and concessioning of public services. Malawi's I-PRSP also states an intention to privatise elements of the civil service, as well as 'rationalising' it in other ways, while Kenya similarly plans an extensive programme of civil service reform, with an estimated loss of over 48,000 jobs over two years. Retrenchment packages and safety nets are envisaged but the I-PRSP does not specify what these will involve. However, given the effects which such large-scale retrenchment can have,<sup>10</sup> a genuine safety net is vital. The I-PRSP suggests that while 'this process may have had negative short-term effects on poverty that have yet to be assessed ..... it is expected that the short-term effects will be more than compensated for by the positive impact on the efficiency and productivity of public sector policies, programmes and projects'. No measures to support laid-off workers are specified. See also section 4.3 where the issue of support to workers who lose their jobs in privatisation is briefly discussed.

The potential impact of liberalisation measures clearly depends on both the country context and the measures themselves. While we are not in a position to offer detailed commentary on the

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<sup>10</sup> In Togo, for example, half the households of retrenched civil servants withdrew one or more child from school (World Bank, 1996).

potential effects of particular policy choices, very often the overall livelihoods and well-being of the poorest groups are harmed rather than helped by such policies (Madeley and Solagral, 2001; Hilary, 2001). In this context, it is of particular concern that other than general statements about the importance of social equity (see below) or protecting the poor, there was very little analysis in any of these I-PRSPs and PRSPs of who might benefit from liberalisation and who might lose out. None of these I-PRSPs mention the desirability of assessing the equity effects of liberalisation before proceeding to a full PRSP, or suggest any procedures for doing so, and none consider the potential effects on government revenues and thus on public expenditure budgets. This failure to discuss how liberalisation and privatisation measures will benefit poor people lends some weight to the argument that, for many governments, the principal purpose of a PRSP is to obtain additional finance from donors and creditors. If this requires endorsement of policies which potentially conflict with poverty reduction objectives, so be it.<sup>11</sup>

The Cambodian NGO Forum is among civil society groups<sup>12</sup> arguing forcefully for such an assessment, reminding the government and its donors and creditors that the damage inflicted by the Asian economic crisis should be a salutary warning against over-hasty liberalisation. It recommends that detailed social and environmental assessments of trade policy and integration into regional and global markets are needed before further trade and investment liberalisation takes place. Given the IMF's and World Bank's recent commitment to poverty and social impact analysis of proposed loans and policy measures, it is, at the very least, surprising that none of the Joint Staff Assessments we looked at picked this up, and it raises concerns as to how seriously these commitments are being taken.

Three recently approved PRSPs are a partial exception to this general lack of analysis. Nicaragua's PRSP observes that poor people are particularly vulnerable to the effects of trade shocks and Honduras's PRSP states that during a short-term reorganisation of the economy, some measures can have negative impacts on vulnerable groups. Mozambique's PRSP also notes that the poor are the most vulnerable to macroeconomic instability. However, these observations are not clearly linked to action addressing these concerns.

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11 This view is put forward in WDM (2000) and not infrequently on Eurodad's PRS Listserve.

12 Details of others can be found on Eurodad's website ([www.eurodad.org](http://www.eurodad.org)).

## Equity

Only six of the strategies we examined – less than a quarter – explicitly mention social equity as an important principle. Albania's I-PRSP, for example, suggests that 'a poverty reduction strategy for Albania should ... focus on a fair distribution of the benefits of growth for the entire population' (para 13). Burkina Faso's PRSP states that public intervention is guided by two principles, 'seeking social equity' and 'compensating for the market's shortcomings in the efficient allocation of resources'. Nicaragua's PRSP states that virtually the whole of its Strengthened Poverty Reduction Strategy (SPRS) will 'encourage greater social equity, by facilitating equal access for women, children and adolescents to political, economic, cultural and social institutions'. Honduras's PRSP states that its overall vision is to reduce poverty, based on accelerated and sustained economic growth, the benefits of which are distributed equitably. The observations made in the I-PRSP that 'significant increases in income [through growth] will take 10 to 15 years' and that parallel 'redistributive programmes will be necessary' have disappeared from the PRSP. Uganda's Poverty Eradication Action Plan (PEAP) similarly observes that without conscious efforts to promote the interests of the poor, they may be neglected, while Kenya's I-PRSP stresses the need for 'a deliberate and long-term policy to increase equity of opportunity and to ensure that all members of our society can participate fully in the socio-economic development of Kenya'.

Overall, equity issues seem to be conceived primarily in terms of disadvantaged groups or regions, and much more rarely in terms of structural socio-economic or class inequalities. Policy reflects this analysis. Thus, most attempts to promote equity focus particularly on human development – especially facilitating disadvantaged children's school attendance, or social support for 'vulnerable groups' – and investment, particularly through infrastructure development, in disadvantaged regions. While this might involve considerable state spending commitments, and may well have positive outcomes, it rarely involves redistributing tangible assets directly to poor people.

## Land reform

Discussions of land tenure reform in some African and Latin American countries are a partial

exception to this observation. However, it is rarely clear how far the land reforms discussed here are likely to be redistributive, and how far they are simply intended to clarify land rights to underpin land market development.<sup>13</sup> Kenya's I-PRSP, observing the importance of secure land rights for reducing the poverty of subsistence farmers, states that a government review of land tenure is currently in progress and its recommendations will be swiftly implemented. Ethiopia's I-PRSP commits the government to revising the leasing of land held by the government to facilitate 'the collateralisation of land and foster land use based on environmental protection'. Details of what this means are unclear.

Nicaragua, Honduras, and Rwanda all identify insecurity of land tenure as an important cause of poverty, while three other strategies state either that land laws are yet to be implemented (Tanzania and Burkina Faso) or that implementation is too costly (Uganda). It is not clear from these strategies how far security of tenure is a genuine priority of poor farmers, and how far this emphasis is a result of external pressure, as the emphasis on 'collateralisation of land' in Ethiopia might suggest. Certainly some observers would like to see more emphasis on land reform, though possibly with differing underlying motivations - Cambodia's NGO Forum, for example, suggests that pro-poor land reform would be one of the most effective measures for poverty reduction and argues that the I-PRSP downplays its importance. In Ethiopia, the Development Assistance Group, a group of bilateral and multilateral donors, has submitted a formal statement saying that the I-PRSP gives insufficient attention to security of land tenure.<sup>14</sup>

Most of the 'transition' country strategies we examined – those of Albania, Kyrgyzstan and Tajikistan – also discuss land reform issues. Here the main emphasis is on the development of land markets, in other words privatisation of land, in order to promote agricultural productivity and rural growth. Tajikistan's I-PRSP also states that it is trying to reduce the costs of obtaining land to an affordable level. However, this may not be consistent with the development of a land market. The possible implications of these proposals in terms of growing landlessness, poverty and social exclusion are not discussed in any of these I-PRSPs.

A redistributive social protection policy is, of course, another important means of ensuring that growth benefits poor and marginalised people and enables them to participate in economic and

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<sup>13</sup> We appreciate that in some circumstances land tenure reform may have both results.

<sup>14</sup> Andrew Kirkwood, personal communication.

social development. The extent to which this set of PRSPs and I-PRSPs link these areas of policy is discussed in section 4 below. First, we discuss the treatment of three other areas of wider development policy and their implications for poor and vulnerable people: action to promote environmental sustainability, measures to stop the spread of HIV/AIDS, and social sector investment.

### **3.3 Environmental Issues and Sustainable Development**

About half the strategies examined here discuss environmental issues in some way, though in general there is too little detail to make an assessment of how pro-poor the proposed measures are likely to be. The main foci of attention are: environmental management, soil and water conservation, and roles of particular stakeholders. Almost all the African PRSPs and I-PRSPs we examined mention improved environmental management. At this stage few indicate how this will take place. Instead, Malawi, Tanzania, Uganda and Rwanda all indicate that there are future plans to draw up strategies. Several strategies make direct linkages between environmental degradation and poverty, though Ethiopia's I-PRSP is unusual in specifying measures, such as soil conservation and afforestation, as a means of strengthening rural livelihoods.

Several strategies attempt to give poor people greater access to and control over natural resources. Mozambique, Nicaragua and Burkina Faso all hand over significant responsibility for ensuring sustainable resource use to local communities – in Nicaragua, with a specific focus on forests. Commenting on the country's I-PRSP, the Cambodian NGO Forum argues that it fails to recognise the importance of common pool resources to poor people and argues for community management of natural resources. These strategies also envisage an enhanced role for the private sector. The respective roles of public and private sectors and local communities are not discussed in any detail in these strategies. Nor do they appear to consider potential conflicts between poverty reduction objectives on the one hand, and private sector interests on the other. The Cambodian NGO Forum again points out that treating natural resources such as land, fisheries and forests as an economic resource for exploitation and sale in export markets undermines one of the most important bases of poor people's livelihoods. Only excellent regulation will ensure

that private sector involvement contributes to sustainable management rather than exploitation, and it is not clear in any of these strategies whether this is realistic.

In Kyrgyzstan and Albania, sustainable use of water and maintenance of irrigation infrastructure are a high priority. Both countries' I-PRSPs state that Water User Associations are being promoted to manage irrigation. While neither I-PRSP gives details of how these might work, unless strong measures are in place to ensure poor farmers' access to water, they are at risk of being further marginalised.

Plans for improved environmental management and sustainable development are, it appears, rarely explicitly linked to disaster prevention. See section 4.3 for further discussion of disaster response issues.

### **3.4 HIV/AIDS Prevention**

Discussion of this issue is patchy, with some countries identifying the pandemic as a major cause of poverty and others barely mentioning it. Likewise, some specify in detail measures to prevent its spread and to support people with HIV/AIDS, while others simply state that HIV seroprevalence will be reduced, but do not say how. With widespread differences in HIV prevalence and its social impact in different countries and regions, some variation in concern about the issue is understandable. However, given the very strong linkages between HIV/AIDS, poverty, vulnerability and the need for social protection, it is surprising that countries such as Ethiopia, Ghana, Honduras, Nicaragua and Uganda hardly discuss measures to prevent the spread of HIV/AIDS.

In some countries, such as Cambodia, Malawi, Rwanda, Mozambique and Lesotho, existing strategies to combat the spread of HIV/AIDS are mentioned. These strategic plans generally cover similar policy measures. Burkina Faso's PRSP, for example, notes that a technical committee on HIV/AIDS aims to provide '100 per cent access to condoms, HIV tests and counselling as well as treatment', though it does not indicate whether these are free or not.

Cambodia's I-PRSP mentions HIV education as an important prevention strategy, as does Tanzania's PRSP, which commits the government to implementing awareness programmes, providing condoms and to carrying out studies monitoring the impact and spread of the disease. However, while the PRSP indicates a commitment to provide financial support for the HIV/AIDS programme, the proposed budget shows that limited recurrent funds will be available. Other common measures mentioned in this set of I-PRSPs and PRSPs include: improving testing mechanisms; increasing the availability of counselling services; improving education, particularly in schools; and increasing the quality of care, especially for AIDS orphans. See section 4.3 for further detail on this last issue.

### **3.5 Social Sector Investment**

All the I-PRSPs and PRSPs examined here commit additional resources to health and education spending through budgetary increases or reallocation of expenditure. Vietnam, uniquely in this sample, commits itself to ensuring that the 20/20 initiative is implemented (20 per cent of aid and 20 per cent of government expenditure to be spent on basic social services). A few, such as Kyrgyzstan, also make clear commitments to additional social protection resources, while Nicaragua aims to make additional investment in water and sanitation. It is clear that increased social sector expenditure is a key plank of poverty reduction strategies, and is focused on a few key sectors: health, education, water and sanitation.

At the same time, there is widespread and strong commitment to fiscal tightness. This is not surprising given that most PRSPs are being developed either as part of the HIPC initiative, or in highly indebted poor countries which are not involved in HIPC, such as Tajikistan, Mongolia and Kyrgyzstan. Tajikistan's I-PRSP, for example, commits the country to 'reasonably tight fiscal and monetary policies with a low inflation rate and extensive structural reforms', while Kyrgyzstan and Vietnam both state their concerns to contain public expenditure in order to prevent the escalation of budget deficits or foreign debt.

Statements from Kyrgyzstan's I-PRSP and Tanzania's PRSP illustrate what this may mean for social sector budgets:

*'Actions of government will include: .... rationalisation of Government expenditures through taking stocks of social programmes for their financial security and priority' (Kyrgyzstan, I-PRSP, p13).*

*'... financing of acceptable levels of healthcare in Tanzania would cost about US\$9 per head. However, observance of a per capita expenditure of US\$9 would entail a doubling of the present budget allocation for the health sector. Budgetary provision for the sector had, therefore, to be constrained to available resources, implying that the delivery of health services under the present circumstances would fall below acceptable levels in the short term' (Tanzania, PRSP, p23).*

Concerns to maintain tight fiscal policy are understandable in the light of high levels of foreign debt and the targets that many countries have been striving to meet in recent years under the terms of their ESAF or PRGF loans from the IMF. However, they come as something of a surprise in the light of the high projected growth rates of almost all countries in this sample, which would suggest that more resources ought to be available for social investment.<sup>15</sup> One consequence of these pressures to contain fiscal deficit is a continued reliance on user fees for social services in about half the countries in this sample. This issue is discussed in further detail in section 4.2.

While it is hard to generalise about such a wide sample of poverty strategies, it appears that in many cases the broad development policies proposed in this set of PRSPs and I-PRSPs may not substantially reduce the poverty of the poorest and most vulnerable groups and, in some cases, could exacerbate it. We now turn to explicit social protection policies and discuss how far they fill the gaps left by mainstream development policy.

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<sup>15</sup> Thanks to David Hulme for making this point at the Development Studies Association Conference in Manchester, 11 September 2001.

# Social Protection Policy Measures

This section is in three parts. The first sets the context, discussing the general treatment of social protection issues in this set of I-PRSPs and PRSPs. The second examines the kinds of social protection measures chosen, while the third discusses the treatment of particularly disadvantaged or vulnerable groups.

## 4. I Social Protection Policy – General Issues

### Conceptualisation of, and attention to, social protection

Approximately two-thirds of the PRSPs and I-PRSPs make explicit commitments to social protection while several others prioritise reducing vulnerability. Only one, Honduras's PRSP, gives 'compensation' for those affected by ongoing adjustment as part of the rationale for enhanced social protection, implying that social protection has been, at least partially, de-linked from adjustment and is seen in a broader light. Most appear to view social protection as a means of supporting particularly vulnerable groups, and sometimes also very poor people. None of these strategies explicitly link social protection with ensuring that poor people benefit from economic growth, suggesting that few see social protection as a tool of redistribution and development.

As might be expected, all 'transition' country I-PRSPs discuss social protection issues, principally in terms of cash transfers to vulnerable groups, or subsidies on/ free provision of key goods and services (eg, boarding schools in Mongolia). Despite a perception in some development policy circles that social protection is a luxury for richer countries, in fact several very poor African countries and some of the poorest Latin American countries also make explicit commitments to social protection measures. For example, Honduras's PRSP examines social protection in some depth and states that the government will strengthen and improve the impact of its social protection programmes through, among other things, voucher schemes and subsidy programmes. Mozambique's PRSP states that through economic growth the government must ensure that additional resources are available for social safety net programmes for the most needy and vulnerable groups. Malawi's I-PRSP states that it will develop an improved safety net while Lesotho commits itself to ensuring that 'protective and rehabilitative welfare services are provided

to all vulnerable groups without discrimination by establishing social assistance packages for all vulnerable groups'. Ethiopia's I-PRSP states a long-term intention to 'rely on fiscal transfer of resources to support a residual of relatively small numbers of food deficit households' (p9). Various other countries, including Ethiopia, Rwanda and Uganda, also commit themselves to reducing vulnerability, for example through food for work programmes or measures to promote household food security.

Several of the I-PRSPs and PRSPs we examined contain commitments to introduce new social protection programmes. For example, Malawi's I-PRSP indicates that the government will adopt a new safety net strategy with clearly defined instruments and coverage for targeting poor groups. Burkina Faso's PRSP makes commitments to programmes which increase the economic security of the poorest and most vulnerable segments of the population, with a particular emphasis on subsistence farmers. Mozambique's Action Plan for the Reduction of Absolute Poverty emphasises the need to protect vulnerable groups through social security and assistance programmes over the next decade. Initiatives will include free provision of school materials and uniforms, support for people living with HIV/AIDS, and social security assistance especially for destitute children or those from poor households, older people and disabled people.

Kenya's I-PRSP is unusual in the way it explicitly links the need for improved public social safety nets with the decline of 'traditional' social safety net mechanisms, though this is clearly a much more widespread phenomenon (Narayan et al, 2000; Kuehnast and Dudwick, forthcoming). Specifically, it states that 'traditional systems are disappearing due to the breakdown of the extended family system, migration, economic hardships and poverty'. In this context, the 'Government will continue current efforts to restructure and reform the NSSF [National Social Security Fund which caters for employed people] and take measures to cater for the poor and vulnerable groups with new and innovative approaches for dealing with social safety nets'.

Approximately one-third of the I-PRSPs reviewed here make no explicit mention of social protection policies, appearing to rely on growth and social service provision as key poverty reduction tools. It is not clear whether this is a deliberate omission, based on the view that

general development measures are the most effective form of social protection, or whether social protection and anti-vulnerability measures have simply not been considered. It remains to be seen whether the PRSPs for these countries will contain further discussion of these issues.

While general development measures are clearly crucial, they do not, alone, guarantee the well-being or development of the poorest members of a society. Much depends on how broad-based or inclusive that development is, and, as pointed out in the previous section, many poverty reduction strategies seem to place an extremely strong faith in growth to achieve this, without substantial redistributive measures. Given the poor record of general development efforts to date to improve the situation of chronically and extremely poor people (Hulme et al, 2001), it is a cause for concern that about one-third of our sample do not discuss these issues.

### **Assessment of existing provision**

Several of the PRSPs and I-PRSPs we looked at make commitments to reviewing current social protection activities. Honduras's PRSP for example, commits the government to strengthening and improving the impact of programmes to alleviate extreme poverty by improving the targeting of both the Social Fund (FHIS) and the Family Allowance Programme. It will also periodically evaluate the impact of these programmes and disseminate the results. Nicaragua, similarly reviewed its safety net programmes to feed into the PRSP, and its plans in this area have been expanded on this basis. Cambodia's I-PRSP recognises that the social safety net needs further attention, and commits to undertaking an 'income and safety net study' before developing the full PRSP.

### **Targeting or focusing anti-poverty resources**

Some of the strategies we examined raise the issue of ensuring that anti-poverty or social protection resources reach the poorest parts of the population. Albania's I-PRSP, for example, states that it will restructure its unemployment insurance programme to improve targeting, and will review its social insurance and assistance programmes to that end. Kyrgyzstan's I-PRSP states that too much social assistance is given on a categorical basis, without regard to actual need, so that some resources are not flowing to the poorest. To address this, a new law on social

assistance is under development, and improved application and targeting procedures are being introduced to increase the poverty focus of public assistance. As noted above, part of Honduras's review of existing programmes will include updating targeting information, and new food for work programmes in Lesotho will be redesigned to ensure that they better target the poorest people. Finally, Cambodia's I-PRSP observes that much of the 'social intervention budget' goes to civil servants but does not propose ways in which the share of poorer people could be increased.

### **Financing of social protection**

Overall, it appears that most social protection measures are to be financed through national social protection or anti-poverty budgets, and some, such as health or education user fee exemptions, through the relevant sectoral budget. None of these strategies discuss the implications of (partial) decentralisation of revenue-raising and service provision for the capacity to finance social protection, though this may well be a problem at least in isolated, poor areas with limited resources. Oddly, given the perception in some countries that PRSPs are essentially an aid-raising tool, few strategies discussed major financial shortfalls in achieving their plans, except in relation to cash social assistance where several I-PRSPs acknowledged difficulties in meeting the scale of need (see below). Cambodia's I-PRSP also noted an 80 per cent shortfall for its HIV/AIDS strategy. The limited discussion of this area may reflect a scepticism that donors will finance social protection, despite increasingly positive rhetoric about the importance of this area. As noted earlier, Mozambique's PRSP is unusual in its explicit observation that growth should generate more funding for social protection.

While several of the countries examined here, such as Albania, Honduras, Lesotho, Cambodia, and Tanzania have, or plan, social investment funds, few strategies mention them as an additional source of financing for poverty reduction. Indeed, several countries with such funds simply do not mention them, possibly because their budgets are fairly small. Those which are mentioned are clearly performing a wide range of functions – from acting as a multi-sectoral poverty reduction programme (the Ethiopian Social Rehabilitation and Development Fund), to channelling additional finance to rural health and education services (Nicaragua's Supplementary Social Fund) and providing additional income to single mothers and school-aged children to

overcome poverty (the Honduran Social Investment Fund). Albania's I-PRSP states that the Albania Development Fund will be reoriented to promote local development and poverty reduction more effectively.

Two countries in this sample have established other earmarked anti-poverty funds. Uganda's Poverty Action Fund, into which monies saved through debt relief, from restraining expenditure in non-priority areas, and from other donor funds are allocated, provides an additional source of finance for service delivery. It is too early to tell whether this will form something of a model for other countries.

Rwanda's government pays 5 per cent of its annual domestic revenue into the Victims of Genocide Fund (VGF). This provides support for widows, orphans, unaccompanied children and sexually abused women and children in the form of school fees, healthcare, social rehabilitation and income-generating schemes. The VGF-financed programmes are implemented through existing government agencies, civil society organisations and NGOs.

### **Delivery mechanisms**

The issue of who should deliver particular forms of social protection is not discussed in any detail in any of these strategies. The implication is that most major social protection programmes will be delivered and financed by governments. However, an enhanced role for both civil society and the private sector could be discerned in some places. For example, Kenya's I-PRSP states that civil society organisations will be more involved in food aid distribution, in order to avoid corruption, and that developing a more effective social safety net will involve cooperation with NGOs and civil society 'who are more experienced in this area'. Cambodia's I-PRSP similarly envisages a greater role for NGOs and CBOs in implementing effective social safety nets, and Kyrgyzstan's I-PRSP commits itself to an enhanced role for NGOs in a range of development and anti-poverty activities.

Kenya's I-PRSP also envisages an enhanced role for private sector pensions. As noted earlier, some countries, such as Mongolia, have introduced health insurance, though there is already evidence that this is bypassing poor people (Reynolds, 2001). These are the only sectors in which

private provision is envisaged, perhaps reflecting the unprofitable nature of much action to improve the situation of the poorest people and the necessity of public action.

## 4.2 Main Social Protection Policy Choices

### MEASURES TO PROTECT AND PROMOTE INCOMES AND LIVELIHOODS

These are the most widespread set of social protection measures discussed in this set of PRSPs and I-PRSPs.

#### Income supplements

All five ‘transition’ country I-PRSPs examined here make commitments to continuing a social protection system in which cash transfers are an important element. Both the Latin American I-PRSPs we examined, those of Nicaragua and Honduras, also planned to continue existing cash social assistance programmes, although reference to this is missing from the final PRSPs, and it is not clear whether these plans have been cancelled or have been replaced by voucher schemes. At least two of the African I-PRSPs examined here, those of Lesotho and Mozambique<sup>16</sup>, also make commitments to cash social protection payments. These schemes principally target low-income families with children and older and disabled people. In some of the ‘transition’ countries, war veterans also receive these and other transfers.

Despite the important role social assistance payments play in the social protection systems of these countries, many I-PRSPs also acknowledged a number of implementation problems: most critically, insufficient resources to finance a truly effective safety net, with the result that the amounts allocated to each recipient are very low (Kyrgyzstan, Tajikistan, Lesotho, Honduras, Cambodia); and/or the uptake is limited, as potential recipients feel that it is not worth the effort and expense involved in applying for such transfers. In what may be an extreme example, Tajikistan’s I-PRSP observes that only about 5 per cent of those eligible for the Cash Compensation Programme bother to collect it as the amounts involved are so low.

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<sup>16</sup> Discussion of these issues is, however, absent from Mozambique’s PRSP.

This I-PRSP is unusual among countries with cash transfer programmes in recognising that social assistance payments may not be able to form the backbone of the social protection system:

*Even to eliminate extreme poverty (below TR 7557 a month) would require 2 per cent of GDP (TR 27bn) via the social protection system. This is 20 times the current level of public expenditure for social protection’.*

The I-PRSP does not, however, spell out what other development or social protection strategies may be more appropriate. Indeed, as discussed below, a revised Cash Compensation Programme continues to form a key component of Tajikistan’s formal social protection system. Kyrgyzstan has also experimented with lump sums for unemployed people to enable them to start small businesses, though it is not yet clear whether this will be an effective alternative to unemployment benefits.

## **Pensions**

Pensions are discussed in about one-third of the I-PRSPs and PRSPs we examined, mostly those which also discuss social assistance payments. The principal focus is on old-age pensions, though some strategies also include disability pensions and pensions for war veterans (‘transition’ countries) and war widows (Lesotho). As with social assistance, the two main concerns discussed in these strategies are increasing the low coverage and uptake on the one hand, and reducing pension costs on the other, both requiring potentially contradictory responses.

Nicaragua’s PRSP states that pensions for older people already exist, but are taken up in a limited fashion. In Honduras the PRSP outlines a programme to improve the quality of life for poor senior citizens through subsidies for community homes, financing of small projects run by senior citizens, purchasing of prostheses, and social awareness campaigns. Both strategies also state that there will be significant reform of the pensions system, with extensive involvement of the private sector. Mozambique’s PRSP states that reform of the pensions sector will take place, while the I-PRSP mentions that the government will improve the coverage, effectiveness and efficiency of current systems both in the civil service and outside. The mechanisms by which this will be achieved are not discussed. Albania’s and Kyrgyzstan’s I-PRSPs also discuss developing a fiscally

sustainable system. In Kyrgyzstan, this involves, among other issues, increasing individuals' contributions, which may serve to undermine the policy objective of reducing old-age poverty.

### **Promoting employment**

Cash transfers, particularly to low-income adults who could, in principle, be working, are often seen as a disincentive to work, as well as expensive. It is therefore not surprising that many of the I-PRSPs and PRSPs we examined are intending to enhance or introduce measures to increase employment. As mentioned in section 4, this includes measures to increase labour market flexibility. It also includes a range of other activities, four of which – matching unemployed people to jobs, creating jobs on public works programmes, promoting self-employment particularly through microfinance, and promoting international labour migration – are discussed here.

### **Matching jobseekers to jobs**

Several 'transition' countries, including Kyrgyzstan and Vietnam, state that they will expand existing structures for helping unemployed people find jobs. These include: providing vocational training and career advice, particularly to younger people, and developing centres which can match jobseekers to vacancies. Burkina Faso plans similar programmes, particularly for unskilled labourers and unemployed young graduates.

### **Public works**

Expanding public works programmes is probably the most common response to high levels of unemployment and underemployment, with countries as diverse as Cambodia, Ethiopia, Kyrgyzstan, Lesotho, Malawi, Mongolia, Mozambique and Tanzania all continuing existing programmes or putting new programmes in place, and Rwanda planning to explore the potential for such programmes. In most places, food for work, rather than cash for work, programmes are planned, though Malawi's I-PRSP states that it intends to target food insecure households through both. According to these I-PRSPs, several programmes attempt to widen their impact as far as possible: Lesotho's public works programme by training rural people as contractors as well as labourers, and Cambodia's by targeting food for work programmes through communes.

Tanzania's PRSP is the only strategy to mention a specific source of external funding for such programmes – in this case, a World Bank loan through Tanzania's Social Fund, TASAF.

### **Self-employment**

Initiatives to promote self-employment largely comprise support for microfinance, though it is worth noting some other plans. Malawi's I-PRSP, for example, consists of a three-pronged approach to poverty reduction, the first of which is an emphasis on smallholder agriculture, to raise the productivity and income of the rural poor. In Ethiopia, the government has recently launched the Women's Development Initiative Project, which will provide women with technical assistance, training and grants for collective activities. Kyrgyzstan's I-PRSP states that the government will make efforts to increase farmers' access to agricultural inputs in order to increase productivity and incomes, while Burkina Faso similarly intends to support farmers growing food crops through finance and technology. Several social funds and specialised anti-poverty funds, such as Rwanda's VGF, also provide support for income-generating activities.

Mongolia's I-PRSP observes, through a quote from a poor woman, that microfinance is unlikely to be an effective tool for the very poorest who cannot afford to repay loans, and are often already highly indebted. It suggests that grants – which could be in-kind, or in cash – are a more appropriate social protection system for the very poorest. Burkina Faso's PRSP also notes that microfinance has barely reached the poorest areas and families. No other poverty reduction strategies question the reach of microfinance to very poor people, though half of those we examined mention it as a poverty reduction tool. This is despite the substantial evidence of the limitations of microfinance in reaching the poorest people (Hulme and Mosley, 1996; Johnson and Rogaly, 1997).

Many of these strategies, including those of Honduras, Malawi, Mozambique, Nicaragua and Rwanda, state an intention to improve access to microfinance through legal and institutional reform. Rwanda's I-PRSP, for example, commits the government to establishing a forum to discuss a legal framework for microfinance, which will allow diversity of institutions and ensure adequate supervisory regulation, while Kenya's I-PRSP makes various commitments to creating

an easier legislative and institutional environment for micro-enterprise. Nicaragua's PRSP likewise states the government's intention to widen credit access by revising bank regulations and formalising non-conventional financial organisations.

Both Honduras's and Mozambique's PRSPs aim to increase access to microfinance through rural and community banks; in Mozambique, the PRSP states that the government will support the consolidation and creation of 30 rural microfinance institutions through its Agricultural and Rural Development Programme. In others, such as Uganda, Tanzania and Ethiopia, there are commitments to improving access but no indication of strategies to do so. In most cases, microfinance is to be targeted primarily to women – sometimes explicitly because they are disadvantaged in mainstream credit markets, and sometimes, also explicitly, because of their perceived better ability to pay.

### **Promoting international labour migration**

Two of the I-PRSPs we examined explicitly discussed this as a policy option. Vietnam specifically commits itself to promoting international labour migration, while Albania's I-PRSP observes the importance of remittances from abroad as a major 'informal safety net'. Albania's I-PRSP is, however, less optimistic than Vietnam's in this regard and observes that while migration may be good for reducing income poverty, it can have deleterious effects on child welfare:

*'parents working abroad leave children with grandparents or relatives who cannot always take care of them' (para 9).*

Neither I-PRSP discusses the issue in much detail; thus potential difficulties with this strategy, such as restrictive immigration practices in richer economies, are not discussed.

While measures to promote livelihoods and income are the most common, a number of other strategies include measures to both subsidise consumption and promote access to basic services. We now move on to consider these.

## MEASURES TO SUBSIDISE CONSUMPTION

### Food consumption

None of the strategies examined here mention subsidising food consumption through price support. This is not surprising since most countries abolished general food subsidies during adjustment programmes in the 1980s or 1990s. Several, though fewer than might be expected, identified nutritional supplementation for young children and pregnant women as an important measure. Albania's I-PRSP says it will consider such measures, while the Mongolian and Malawian I-PRSPs and Honduran and Nicaraguan PRSPs all state that they will develop child nutrition programmes. Lesotho intends to expand its Free Primary Education programme, which includes school lunches. The generally limited attention to these issues is surprising given the relatively high levels of child malnutrition and of maternal mortality, part of which may well be nutrition-related, in almost every country in this sample.

Vietnam, uniquely among this sample, plans to provide regular 'humanitarian support' in the form of foodstuffs to poor and hungry people, especially those unable to work and with no one to rely on. This support will be focused on parts of the country with particularly serious poverty.

A number of countries, particularly in Africa, have developed, or state that they will develop, plans for food distribution in emergencies. These are discussed in section 4.3 below.

### Energy subsidies

Two of the 'transition' country I-PRSPs we studied make commitments to ensuring poor people's access to energy for heating, lighting and cooking. Kyrgyzstan, for example, intends to introduce a 'lifeline tariff', whereby poor people would be guaranteed a minimum level of consumption of electricity. The details of how this would operate are not clear from the I-PRSP. Support to assist poor people with gas and heating bills is also planned, though again the I-PRSP does not go into detail. Albania's I-PRSP mentions that it will increase poor people's access to competitive energy sources (para 29), but what this means or how it will be achieved is not spelt out. None of the other I-PRSPs and PRSPs we examined addressed this issue. While 'transition' countries are, as a rule, located in colder climates, issues of winter heating arise in a number of the less tropical and

more mountainous countries discussed here, and issues of access to adequate fuel for cooking arise everywhere. It is perhaps surprising that increasing poor people's access to electricity is not discussed in any of the other strategies – other than as part of rural electrification in Kenya's I-PRSP – given its importance in enabling children to study in the evening and thus in supporting education, as well as its importance for some rural and urban livelihoods.

### **Housing subsidies**

Nicaragua's PRSP is unique among these strategies in allocating resources to meet low-income people's housing needs. These subsidies, which enable some families to construct houses, have the potential to create durable assets, as well as subsidising consumption. It is intended that the programme will oversee 15,000 annual targeted construction subsidies.

## **MEASURES TO PROMOTE ACCESS TO BASIC SERVICES**

Almost all the PRSPs and I-PRSPs reviewed here contain commitments to increasing expenditure on key social services, and to improving access to and quality of these services. However, in some cases this is undermined by a continued reliance on cost-recovery mechanisms. In this section we first examine policy measures to promote poor people's access to quality services and then move on to consider instances where policy is potentially contradictory in its endorsement of official user charges.

### **Measures to reduce cost barriers to accessing key services**

Both Kyrgyzstan and Tajikistan plan to reduce the scope of user fees in health services, the former by developing a list of medical services which must be provided to patients free of charge, and the latter by publishing lists of acceptable fees for particular services. Tajikistan and Cambodia have declared an intention to clamp down on illegal fee-charging, though the mechanisms for achieving this are not specified, while Kenya's I-PRSP states that charges for treatment of certain diseases will be dropped.

Plans for, and existing, exemptions are numerous. In relation to health services, Ghana's I-PRSP states that it has reviewed its health user fees exemption policy to cater for vulnerable people, while Cambodia intends to develop exemptions from health and water charges for poor people, and Kenya plans to ensure that its exemptions are enforced. Burkina Faso's PRSP states that flexible rates and subsidies for health services are in place for children aged 0-5, while in Lesotho there are subsidies on health services for all Basotho people.<sup>17</sup> In Nicaragua subsidies for extremely poor families will be introduced alongside new water and sewerage rates and will also be considered in Rwanda. Interestingly, the IMF and World Bank Joint Staff Assessment (JSA) of Lao PDR's I-PRSP, urges the government to go further in developing a user fees exemption policy in health, the only case we have come across of a JSA taking a more radical stance than a government on these issues.

Numerous countries propose either fee exemptions or incentives to promote school attendance. Cambodia intends to reduce the parental contribution to children's education from 50 to 18 per cent over five years. Kenya's I-PRSP states on several occasions the importance of achieving universal primary education and increasing secondary school enrolment. It intends to do this through bursaries for user fees, with a special emphasis on girls, and by keeping textbooks in use for longer to reduce the costs to families. The I-PRSP commits additional resources to provide educational opportunities for children who are currently out of school, with a particular focus on AIDS orphans, child workers, nomadic groups, slum dwellers and poor rural children.

Burkina Faso's PRSP highlights exemptions from monthly school fees for girl students or in the 20 provinces with the lowest school enrolment, while Rwanda's I-PRSP states that targeted bursaries for poor rural secondary school pupils and lower fees for girls will be explored. This is in addition to existing exemptions from primary school fees for orphans. Mongolia's I-PRSP notes that the country has already repealed the requirement of a 50 per cent parental contribution to children's food expenses at school. Lesotho's Ministry of Education has secured funding for school bursaries for poor children, while funding for Kyrgyzstan's Jetkinchek programme, which also promotes poor children's school attendance, has been increased for 2001.<sup>18</sup>

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<sup>17</sup> It is not clear from this whether non-Basotho people are eligible for subsidies.

<sup>18</sup> It is not clear from the I-PRSP whether this additional funding will be maintained in subsequent years.

In all these cases, targeted exemptions or bursaries are intended to be based on financial need. Tajikistan, uniquely in this sample, drawing on a long socialist-era heritage of special attention to gifted children, intends that exemptions from educational charges take into account both need and performance.

As well as fee exemptions, some PRSPs and I-PRSPs mention plans or existing schemes to give assistance in kind to promote school attendance. Mozambique's Action Plan for the Reduction of Absolute Poverty (its PRSP), for example, states that children from poor families will receive free school materials and uniforms, while Rwanda's I-PRSP notes that orphans are not obliged to wear a school uniform. Burkina Faso's PRSP highlights that the government has set up a system to distribute free text books to poor children. While such measures may promote school attendance, in some circumstances they may also be counter-productive. In some of the Consultations with the Poor exercises in former socialist countries, participants pointed out that receiving second-hand clothing donations can be stigmatising, and may even dissuade children from attending school (Counterpart Consortium/ World Bank, 1999; Narayan et al, 2000).

### **Continued reliance on user fees**

Despite the reductions in or abolition of user fees discussed above<sup>19</sup> elsewhere ongoing reliance on user fees may undermine the poverty-reducing and developmental goals to which these PRSPs and I-PRSPs subscribe.

For example, Burkina Faso's PRSP states that the Government will 'clearly define the uses to be made of resources generated by cost recovery at the health district level' (p41), and Malawi's I-PRSP reports that 'options within the health sector include the introduction and strengthening of cost recovery/ user fees' (p18). Rwanda's I-PRSP highlights how pre-payment schemes have already been piloted in three districts in partnership with USAID (p34), while Tanzania's PRSP makes a particular commitment to 'strategically support cost sharing' (p22). Mali's I-PRSP states that it intends to encourage significant participation by central and local government and users in investment for drinking water infrastructure', though what user investment might entail is not discussed. Uganda's Poverty Eradication Action Plan, which fulfils the functions of a PRSP, states

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<sup>19</sup> Uganda and Malawi have both abolished primary education fees, and Mongolia recently abolished the parental contribution to children's upkeep in boarding schools, an essential means of providing education to children in areas of low population density.

that the government will support the ‘pro-poor implementation of cost recovery’ though it is not clear what this means in practice (p17). Finally Ethiopia’s I-PRSP states that ‘a clear policy framework has also been put in place to allow the active participation of the private sector, community and parents in financing and managing education’ (p20).

There is much evidence of the negative impact of user fees on poor households and individuals.<sup>20</sup> It is thus surprising, and a cause for concern, that so many countries intend to expand use of cost-recovery mechanisms. While the commitment to reducing fees or instituting exemptions in other PRSPs and I-PRSPs is welcome, experience in the health sector has shown that exemptions often do not function as intended (Sims et al, 2001). The time and travel costs needed to apply for an exemption may discourage poor people from applying, and in some cases, applicants are charged unofficial fees in order to obtain their exemptions! Similarly, social insurance mechanisms, such as that recently introduced in Mongolia, are unlikely to provide an effective alternative for the very poorest people. Where exemption systems function poorly and fail to ensure poor people’s access, or are costly both to poor people and to administrate – as is the case in most poor countries – fully publicly-financed basic services are often more effective at securing access to key services. And as many have observed, where public services are used by the whole population, they tend to be better financed and of better quality, and thus fulfil their developmental goals more effectively than those which only serve poor people (Mackintosh, 1999).

While there are, of course, many pressures on government budgets, basic health and education services are so crucial that ensuring access for all should be an absolute priority. This suggests that where reallocations between sectors or increased growth and revenue collection cannot provide sufficient resources for key basic services, alternative mechanisms, including medium-term external support, must be considered.

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<sup>20</sup> See Sims et al (2001) for a summary of the impact on health. Of course, this experience is not universal, and where formal fees prevent the charging of higher informal fees, they may have an overall positive impact on poor people’s access to services (Tim Conway, personal communication). Worldwide experience, however, supports a general concern as to their equity effects.

## **CONCLUSION TO THIS SECTION – PALLIATIVE OR DEVELOPMENTAL MEASURES?**

Overall, the social protection programmes outlined in these poverty reduction strategies tended to aim to contain the worst effects of poverty rather than to enable poor and marginalised people to participate in economic growth, or to develop stronger ‘human capital’. While ‘preventing things getting any worse’ is clearly an important purpose of social protection activities, and a building block for poverty reduction, as suggested in section 2, we believe there is scope for social protection programmes to be simultaneously protective and developmental, helping people escape poverty as well as preventing further harm.

While none of these I-PRSPs and PRSPs frame their social protection programmes in this manner, some contain commitments which imply a more developmental approach. For example, the emphasis on distributing assets to the poorest people, as in Mongolia’s proposed restocking (livestock distribution) schemes, suggests an intention to try to help the poorest people escape from poverty. Similarly, the linkages between early warning systems for food insecurity and responses which try to prevent increased impoverishment and vulnerability in some African countries arguably represent a more development-oriented approach. The emphasis on increasing poor people’s access, especially that of children, to key basic services could be understood in this manner. On the whole though, these are exceptions. Many specific measures, and most strategies, could have greater emphasis on helping the poorest people escape from poverty.

### **4.3 Action to Support Particularly Disadvantaged and Vulnerable Groups**

This section covers a wide range of issues. It discusses action to support people living in geographically disadvantaged areas, including isolated areas and those prone to natural disasters. It also discusses specific action to support social groups perceived to be particularly vulnerable. This is a potentially huge category and covers groups as diverse as children, workers made redundant through privatisation, and refugees. It is notable that only four of the poverty

reduction strategies we examined make connections between ethnicity and disadvantage, other than in relation to refugees and internally displaced people. In Vietnam, the I-PRSP states that the mountainous areas where ethnic minorities are concentrated are particularly disadvantaged, and will be a focus for infrastructure development. In Lesotho, the I-PRSP recognises the particular situation of the Basotho people, over half of whom are trapped in poverty. Nicaragua's and Honduras's PRSPs identify particular ethnic groups as being among the poorest and most vulnerable groups in society and also identify the particular threats they face. These include lack of secure land tenure, social and economic exclusion (from health and education services and adequate employment opportunities) and threats to their traditional ways of life.

### **Geographical disadvantage**

As noted in section 3, equity issues seem to be conceived less in terms of structural socio-economic or class inequalities, and more in terms of disadvantaged regions or particular vulnerable groups. Of the I-PRSPs and PRSPs studied here, Albania, Burkina Faso, Ethiopia, Kyrgyzstan, Honduras, Nicaragua, Mozambique, Rwanda and Vietnam are among those which make specific commitments to reducing regional inequalities through investment in particularly disadvantaged regions. In practice, all the regions singled out for particular attention are isolated or otherwise disadvantaged rural areas. Measures to reduce disadvantage relate either to promoting productivity and integration in national or international markets, or to boosting human development, particularly school enrolment.

Thus, Albania's I-PRSP makes a particular commitment to reducing poverty in the north of the country, while Vietnam's I-PRSP states that the highlands and isolated areas will be a particular focus of action through an ongoing programme of support to poor and disadvantaged communes which focuses on infrastructure development. Lesotho's I-PRSP makes a commitment to a programme of road construction, financial development and refocusing the Lesotho Fund for Community Development on poverty alleviation, including public works programmes to tackle poverty in isolated mountain areas where more than 80 per cent of the population is characterised as being poor or destitute. In Ethiopia there is a particular commitment to improving the welfare of pastoral people and those living in drought-prone food deficit areas,

some of the country's most isolated, poorest and most disadvantaged, by increasing productivity and minimising risks.

Kyrgyzstan's I-PRSP states that despite commitment to liberalising the banking sector, access will be maintained in remote areas, though it does not specify how. Other measures, specifically put forward to reduce rural poverty in Nicaragua, Rwanda, Ethiopia and Honduras, include promotion of agricultural growth, food for work programmes and public works schemes, early warning systems for droughts, and the promotion of rural savings and credit. Burkina Faso's PRSP commits the country to school fee reductions for girls and boys in the 20 districts with the lowest school enrolment, while Nicaragua's PRSP states that the government will explore scholarships for rural students, will establish a new Supplementary Social Fund and will identify vulnerable groups by region.

### **People vulnerable to natural disasters**

Several of the I-PRSPs and PRSPs we examined highlight vulnerability to natural disasters. The main preparedness and response mechanisms discussed are: early warning, establishment of improved mechanisms for action, support for rebuilding livelihoods, and measures to avert food and health crises. Tanzania's PRSP highlights the existence of an early warning system while Ethiopia's and Rwanda's I-PRSPs state that existing early warning systems will be augmented. Similar plans are outlined in Mozambique's and Nicaragua's PRSPs, while Honduras's PRSP states that a new early warning system will be put in place. Ethiopia's I-PRSP also states that it will use resources from food aid to 'build the potential of agriculture and rural infrastructure', and thus use existing relief resources to help avert future disasters.

Vietnam's I-PRSP estimates that 1.5 million people need emergency relief every year as a result of natural calamities. It plans to reduce the impact of natural disasters by providing people affected by disasters with 'factors of production' so that they can rebuild their livelihoods. Like Vietnam's, Mongolia's I-PRSP is unusual in its emphasis on rebuilding livelihoods after a disaster, in this case particularly through restocking of livestock, as well as on disaster prediction and prevention.

Several African I-PRSPs specify mechanisms for ensuring the availability of food for distribution in the event of famine. Rwanda's I-PRSP, for example, states that the government will promote the use of traditional food storage systems at household level and provide a Grain Reserve Fund at commune level. In Malawi the I-PRSP states that the government will develop a National Food Reserve Agency as a disaster relief agency, while in Ethiopia the Disaster Prevention and Preparedness Commission has been established to better deal with famine situations.

Vietnam, uniquely among this set of I-PRSPs and PRSPs, mentions the importance of healthcare in the wake of disasters. The I-PRSP proposes setting up medicine storage units in areas where natural disasters are frequent, in order to avert health crises.

Despite widespread susceptibility to natural disasters, by no means all the PRSPs and I-PRSPs we examined contain disaster prevention and mitigation strategies. For example, as the Cambodian NGO Forum observes, Cambodia's I-PRSP is silent on disaster management, despite the impoverishing effects of floods, as are Kyrgyzstan's and Tajikistan's I-PRSPs, despite vulnerability to landslides and droughts. In terms of social protection, this is a serious omission given the role disasters can play in impoverishing people and pushing them to engage in a range of coping strategies with harmful long-term effects.

### **Specific social groups**

A wide range of social groups are classified as vulnerable in this set of poverty reduction strategies. The term 'vulnerable group' may be stigmatising, and can be inaccurate, camouflaging the strengths of marginalised or disadvantaged people and their contributions to society, and presenting a falsely homogenous picture of diverse situations. At the same time, members of these groups may be both economically and socially vulnerable. We thus follow the categorisation made by this set of poverty reduction strategies without fully endorsing it.

### **Children**

In many of these poverty reduction strategies, children as a social group are considered vulnerable, usually because such large numbers of children are living below the poverty line in many countries. Albania's, Malawi's, Kyrgyzstan's and Tajikistan's I-PRSPs observe that

disproportionate numbers of children live in poverty, while Kyrgyzstan's I-PRSP also specifies that rural children are particularly affected. In other poverty reduction strategies, particular groups of children, such as members of child-headed households (Uganda), orphans (Burkina Faso, Cambodia, Lesotho, Malawi, Nicaragua, Rwanda and Tanzania) and street or homeless children (Albania, Cambodia, Honduras, Kenya, Kyrgyzstan and Mozambique, among others) are identified as especially vulnerable. The other main way in which children feature in this set of poverty reduction strategies is in observations of the differential rates of school attendance among boys and girls.<sup>21</sup>

Albania's I-PRSP is the only one in this sample to observe that data on children in poverty are inadequate, and states that the government will be undertaking a Multi-Indicator Cluster Survey (MICS) on child health and nutrition, as well as compiling broader indicators necessary for assessing progress in social development. While several of the other countries in this sample are currently undertaking this kind of research and analysis, none mention it, which may indicate that the governments concerned do not see these as poverty issues.

Overall, children feature more prominently in poverty analysis than in policy and action. Malawi's I-PRSP is unique in its explicit observation that as children often 'bear the brunt of poverty', poverty reduction should start with them. However, in all the poverty reduction strategies we studied, a number of measures to reduce the incidence and impact of childhood poverty are discussed. These include measures to promote school attendance, make access to health services easier, or improve nutrition, and action to support improvements to family/household incomes or livelihoods. The former three have already been discussed in section 4.2 so here we concentrate on the latter, and on areas of policy for reducing childhood poverty which are rarely discussed.

In many of the 'transition' countries in this sample, the main means of alleviating childhood poverty proposed is through social assistance payments to low-income families with children. Several countries, including Kyrgyzstan and Tajikistan, are examining ways to increase these payments and to target them more effectively to the poorest families with children. Tajikistan,

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21 As noted earlier, this is also the main way in which gender issues are discussed in this set of poverty reduction strategies.

for example, is planning to revise its Cash Compensation Programme (social assistance programme) to focus on the poorest 20 per cent of families with children aged 6-15. This is to be channelled through schools and is intended to include children not enrolled because of poverty, though the I-PRSP does not state how this will be accomplished.

Several of the African I-PRSPs and PRSPs mention measures to support orphans financially. Malawi's, Lesotho's and Rwanda's I-PRSPs all mention the high numbers of orphans, mainly due to the impact of HIV/AIDS, as well as general plans to improve support programmes for them. Tanzania's and Nicaragua's PRSPs too state that their governments will examine interventions targeted at vulnerable people, which includes orphans, but without discussing the detail of what this means. Surprisingly there is no mention of orphans in Ethiopia's I-PRSP, or Uganda's or Mozambique's PRSP.

Albania's I-PRSP takes a rather different approach to support for and protection of children without parental care. A key intention is to develop community-based social services for such children, for example through foster care, to reduce the level of institutionalisation, one of the legacies of the socialist era. In Honduras, similarly, the PRSP outlines a series of policy measures to support services and programmes to protect children and young adolescents. These include strengthening the role of the Honduran Institute for Children and the Family (IHNEFA) especially assisting children at risk, improving counselling and other programmes for young mothers and promoting and protecting the rights of children and adolescents.

It is notable and surprising that only five strategies in this sample mention child labour, and then in very little detail. Kenya's I-PRSP, which contains the fullest discussion among the PRSPs and I-PRSPs we examined, observes that working children are among those missing out on schooling, and suggests that the incidence of child labour will be an important indicator to monitor the effectiveness of the country's poverty reduction strategy. Tanzania's PRSP sees child labour as an issue of concern, but does not develop this further, while Nicaragua's PRSP sees child labour as a 'less pressing problem' than in other countries, though it does note the higher rates among young boys and in rural areas. In Honduras the government has committed itself to address the

problem of children performing certain types of work, which under international norms constitutes a violation of their rights. A key part of this strategy is the implementation of the National Plan of Integrated Attention to Children and Adolescents, which links poverty to child labour. Cambodia's I-PRSP observes that International Labour Organisation child labour data will be a useful source of data in building up a more comprehensive picture of poverty in the country.

Given the high profile of child labour issues in recent years, this lack of attention is surprising. It may reflect the fact that child labour is still considered an insignificant issue by policy-makers within the broader context of poverty, or something tackled by measures already laid out, such as those aiming to reduce household poverty and promote school attendance. It may also be a deliberate omission. Given the strong commitment to liberalisation and attracting foreign investment made by so many I-PRSPs and PRSPs, child labour issues may have been 'airbrushed out' to avoid damage to a country's reputation and investment prospects.

Young people also receive little mention in this set of I-PRSPs and PRSPs. In the few strategies where they feature, the emphasis of policy is mostly on employment, or access to secondary or higher education. These are undoubtedly important measures. However, there is a notable silence on young people's access to HIV/AIDS education or prevention services. The only other specific measure to improve the situation of youth is a commitment in Burkina Faso's PRSP to develop incentives to prevent young people from abandoning their lands, though what these would entail is not specified.

Several other important poverty-related problems facing children and possible solutions to them are not discussed in these poverty reduction strategies. Child trafficking and sexual exploitation are not discussed at all. While generally affecting small numbers of children, these abuses represent serious violations of their rights and welfare. In some regions substantial numbers of children are involved.

Finally, while early childhood development programmes are often perceived as a luxury only for better-off countries, there is strong evidence of their effectiveness in promoting child well-being

and reducing some of the harmful effects of childhood poverty. It is thus surprising that only two countries mention this sector and commit to strengthening provision. These are Kyrgyzstan and Mongolia, both of which have a long tradition of kindergartens. Apparently, early childhood development is not considered a priority in any other country.

### **Older people**

In many of the I-PRSPs and PRSPs we examined, older people are noted to be at particular risk of poverty. It is much rarer, however, that such statements lead to specific policy measures aimed at reducing old-age poverty. Where they do, the main commitments to action are to maintaining or increasing old-age pensions. Alternative means of economic support for vulnerable older people, or issues such as user charge exemptions for health services, are not discussed apart from in Mozambique's PRSP which commits to developing food subsidies, economic support, rehabilitation programmes and social assistance for vulnerable groups, including older people. Issues such as availability of low-cost energy, which may be important for single older people living in countries with severe winters, such as many of the 'transition' countries in this sample, are not discussed.

The contribution of older people to poverty reduction and social well-being is also not discussed. This, despite the substantial contribution older people make to childcare, to care of their own children with HIV/AIDS and to looking after orphans. Ways of supporting them in these roles are thus not discussed.

### **Disabled people**

Disabled people are mentioned in just over half the poverty reduction strategies we examined. In most cases, they are identified as a 'vulnerable group'. Few I-PRSPs and PRSPs discuss the causes of disability and impairment – Cambodia's I-PRSP, which refers several times to the extent of disablement through war, particularly landmines, is an exception.

As with older people and children, identifying disabled people as 'vulnerable' is not always clearly linked to specific policy measures. The main activities laid out here include: economic support and empowerment, welfare services, and support to obtain equipment. Two I-PRSPs in this

sample, those of Vietnam and Cambodia, state that they will provide economic support to disabled people. In Cambodia, for example, where amputees are singled out as an especially vulnerable group, the forms of support envisaged include food for work, basic education and skills training. Vietnam's I-PRSP says that it will provide emergency and regular support to poor disabled people and other vulnerable groups, so that 'they can work and feed themselves and actively participate in community and social activities'.

Lesotho, Mozambique, Nicaragua and Rwanda all intend to provide 'general welfare services' to disabled people, while Kyrgyzstan's I-PRSP makes a general commitment to pursuing measures to support disabled people. Albania's I-PRSP states that community-based services for disabled children will be introduced, but, like the other I-PRSPs mentioned here, does not elaborate on what these might involve. Nicaragua's I-PRSP contained a commitment to assist 3,900 disabled children to participate in a special educational programme. This policy commitment is missing from the PRSP and thus it is not clear if the commitment has been rescinded or if it is simply not mentioned. In Honduras the PRSP outlines proposals for providing integrated assistance to poor people with disabilities by creating opportunities for their 'equitable social integration', including strengthening support services and promoting their rights. Uganda's PRSP is unique in its use of the language of empowerment in relation to disabled people. Indicators of success include access of disabled people to necessary equipment and involvement in economic activity in order to earn a living.

### **Internally displaced people, refugees and migrants**

Cambodia's I-PRSP recognises internally displaced people as a particularly vulnerable group, as do Tanzania's and Uganda's PRSPs and Rwanda's I-PRSP. It is surprising given the number of countries in this sample which have experienced conflicts or natural disasters in the recent past, or border on countries which have done so, that not more PRSPs and I-PRSPs mention internally displaced people or refugees. Uganda and Rwanda alone note the relationship between conflict and the high numbers of internally displaced people and refugees. However, the poverty and exclusion of internally displaced people and refugees is clearly an issue for many of the countries in this sample. In Kyrgyzstan, for example, several assessments suggest that refugees

from Tajikistan are particularly disadvantaged (Youth Human Rights Group and Save the Children, 1999) but they are not mentioned in the I-PRSP. Uganda and Rwanda are the only countries in this sample to identify conflict resolution as a necessary condition for poverty eradication.

Albania's I-PRSP proposes special measures to ensure that internal migrants can access education. This is the one mention of internal migrants in the PRSPs and I-PRSPs examined here. This is a serious omission given that in the socialist and post-socialist countries represented here, internal migrants are often particularly disadvantaged. Most socialist and post-socialist countries have continued a residence permit system, which is important, or even essential, for accessing local services. Internal migrants are often unable to afford the fees required to re-register in their new location (usually a city) or are simply not allowed to do so and thus can end up missing out on services. This is a noted problem in Mongolia (World Bank, 2001), Vietnam (SC UK, 1999) and Kyrgyzstan (Marcus, 2001). However, none of the I-PRSPs from this region mention the issue.

### **Workers made redundant by privatisation**

Of the poverty reduction strategies in this sample, only three – Albania, Kenya and Vietnam – make particular provision for workers displaced by privatisation processes or the reorganisation of state-owned enterprises. This is noteworthy given that these groups were often the prime focus of adjustment-related safety nets in the 1980s and shows how much broader social protection strategies have become since that point. The World Bank and IMF Joint Staff Assessment of Vietnam's I-PRSP observes that detailed severance packages which encourage voluntary redundancy and do not discriminate against women have been developed, though these are not discussed in the I-PRSP. Albania's I-PRSP also states that employment programmes will focus particularly on people made redundant by privatisation and structural changes (para 25). The provisions in Kenya's I-PRSP have been noted earlier, in section 3.2. Given the continuing privatisation agenda in many countries discussed in this section, it is at the least surprising, and potentially a cause for concern, that such measures or commitments are not more common.

# Conclusion

While there is considerable diversity among these PRSPs and I-PRSPs, there are a number of commonalities, in the kinds of analysis employed, the kinds of strategies given highest priority and the policy areas and issues which receive little attention. Undoubtedly this reflects the context in which PRSPs have emerged and are being developed, and the fact that they require World Bank and IMF approval and are increasingly becoming a conduit for aid resources, both grants and loans. Though policy choices, prescriptions and orientations clearly vary from country to country, the commonalities are striking. Unsurprisingly, most strategies strongly reflect the macro policy orientation of the Bretton Woods Institutions. The growing emphasis on the importance of social protection in Washington is not reflected in most of these I-PRSPs and PRSPs, suggesting that its role in poverty reduction is still understood, in the main, as limited and optional, rather than as an integral element.

Overall, this analysis suggests that few of the strategies reviewed here are likely to bring substantial improvements for the poorest people. While many of the reasons for this lie outside the scope of national poverty reduction strategies, in the realm of structural global inequalities, all states have some room for manoeuvre and despite a similar external context, some PRSPs demonstrate a substantially greater commitment to action to support the poorest people than others. This may perhaps reflect specific national political debates and priorities, as well as the breadth of inputs into strategy documents and the extent to which both traditionally relatively powerless ministries, such as those of social welfare, and different elements of civil society, have been involved in PRSP production processes.

The main findings of this review, which we believe reflect the broad context in which PRSPs and I-PRSPs are being developed, are summarised below:

- **The general policy orientation in all strategies tends to emphasise growth, social services and improved governance.** Faith in the power of growth alone, or almost alone, to reduce poverty is strong. In some countries this is not tempered even when the historical record, referred to in the PRSP, shows that poverty has increased or failed to fall during periods of strong economic growth. This is of particular concern both because the poorest

groups often do not benefit even where better-off poor people do, and because growing inequality can have numerous destabilising consequences.

- **Equity.** While some strategies highlight equity concerns, it is not clear that these are necessarily reflected in policy choices. Some I-PRSPs do not mention these issues at all. The level of detail in most of the strategies we discussed does not permit conclusions as to how redistributive these policies are likely to be. On the basis of existing evidence, most poverty reduction strategies appear weakly redistributive.
- **Social impact analysis.** These I-PRSPs and PRSPs do not contain any explicit analysis of the differential social impact of particular policy choices. Only in one or two strategies is there any acknowledgement that some people may lose out from policies considered beneficial to the majority. Furthermore, none of these poverty reduction strategies specify mechanisms for undertaking social impact analysis and feeding the findings from this process into PRSPs. This lack of social impact analysis, or provision for it, is a key concern.
- **Transparent analysis of policy choices.** None of the poverty reduction strategies we examined contained any discussion of whether certain alternatives had been considered, and why certain policy directions were chosen. Clearly there will always be difficult decisions and trade-offs in policy-making. More explanation of particular policy choices is important for understanding their intended contribution to overall poverty reduction goals, and for transparent and informed discussion of the direction and content of policies.
- **Degree of detail in which policy is discussed.** Many of these poverty reduction strategies, including the PRSPs, do not discuss chosen policies in great detail. This is understandable in that PRSPs are intended as strategy documents rather than as a comprehensive overview of a country's programme of action on poverty. At the same time, 'the devil is in the detail' – the specifics of a particular policy or course of action are a crucial element in its effectiveness. This suggests that a middle ground is needed – neither

duplicating detailed policy and programme statements made in other documents, nor giving so little information that statements become almost meaningless. This, in turn, depends on co-ordination with other processes for developing policy to reduce poverty.

- **Social protection issues are discussed explicitly in around two-thirds of the 23 papers we examined, in a range of ways.** A few also discuss vulnerability, particularly in relation to disadvantaged regions and food insecurity. The depth in which these issues are discussed and the depth of policy intended to promote social protection varies considerably. Most I-PRSPs and PRSPs mention some initiatives in this area; some countries either have or plan substantial social protection work. However, it is not clear what this adds up to in most cases. In some strategies, the state may be giving to the poorest with one hand, and then taking away with the other. Overall, even where a country has or plans a number of initiatives, little sense of co-ordinated and holistic policy to promote the development and inclusion of the poorest and most marginalised groups emerges. None of this set of poverty reduction strategies explains the choice of social protection activities.
- **Social protection measures concentrate on livelihood/income support and access to key services.** The most common social protection measures in the set of PRSPs and I-PRSPs are those which aim to protect and promote livelihoods and incomes, either by demanding an ‘active’ response on the part of recipients, such as cash for work programmes, or by direct cash transfers. Supporting poor people’s access to basic services – through user fee exemptions, or through bursaries for poor children to attend school – is another common approach. Food subsidies, nutritional supplementation schemes, and subsidies on water or energy use are the least common set of social protection measures.
- **Overall, these social protection measures appear weakly redistributive.** In most of these strategies, where redistribution occurs, it appears to be principally through the route of increased expenditure on public services for the poorest. Without a detailed analysis of budgets, it is not possible to comment on how far redistribution is taking place through

this route and what its significance might be. A few strategies directly redistribute assets; most rely principally on growth to reduce poverty, in most cases with apparently limited policy to ensure that the poorest groups will benefit.

- **They also appear weakly developmental.** None of these strategies explicitly discuss social protection as a mechanism for helping people escape from poverty; in most cases, the emphasis is on alleviating the worst effects. Some, particularly in Africa, also discuss preventative action, particularly in relation to disasters. In general, we believe this is a missed opportunity for making the most of social protection – ensuring that it can both contain the effects of poverty and help people escape. On the whole, changing international policy discourse in this area seems to have had little impact.
- **Roles of state, private sector and community.** Despite the strong commitment to privatisation and private-sector led development in many PRSPs and I-PRSPs, most social protection policy examined here relies strongly on state or community-based action. This may reflect the emphasis of social protection policy in countries developing PRSPs and I-PRSPs on livelihood support to the poorest and on promoting human development – not sectors of particular interest to profit-making bodies. This is a striking contrast to the emphasis in some middle-income countries on privately-funded social protection mechanisms, such as health insurance, and is a salutary reminder of the limits to private sector involvement in social protection for very poor people.
- **Identification of particularly poor and vulnerable groups is partial.** Among the issues which are not discussed with any degree of frequency are gender, and differences between chronic and transient poverty, and extreme and less extreme poverty. Issues of ethnicity and race and their relationship to poverty are mentioned in only a few poverty reduction strategies. Where such issues are not even flagged as important, it is highly unlikely that they will be taken into account. Even where certain groups are identified as particularly vulnerable to poverty, few PRSPs and I-PRSPs follow this up with commitments to

effective policy for tackling the specific forms of poverty and disadvantage these groups face.

- **Children and childhood poverty are discussed explicitly in about half the PRSPs and I-PRSPs we examined.** The extent to which childhood poverty is considered an important issue, the way it is conceived, and policy for tackling it vary considerably. Albania's is the only strategy in this sample to make an explicit link between broad economic or social trends and child well-being. Most others discuss children either as members of 'vulnerable groups', eg, orphans or street children, and their situation is not explicitly connected with broader policies or trends. None of these strategies discuss child labour, other than in the most limited fashion. Policy for tackling childhood poverty is based on supporting family incomes and access to health and education services, with, in some places, provision for orphans or other 'especially vulnerable children'. In most cases, there is insufficient detail to analyse the likely effectiveness of these policies. Nonetheless, it seems clear that few countries are prioritising childhood poverty reduction, despite its important contribution to reducing both current and future poverty.

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The Childhood Poverty Research and Policy Centre (CHIP) is a collaborative venture between Save the Children Fund and the Chronic Poverty Research Centre (CPRC). CHIP is working with both researchers and advocates, north and south, to produce research, and influence policy and practice on childhood poverty in the wider context of chronic poverty.

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CHIP aims:

- To enhance knowledge of childhood, intergenerational and chronic poverty
- To break cycles of chronic poverty by turning knowledge into action
- To inform effective policy to end childhood poverty
- To raise the profile of chronic and childhood poverty
- To develop knowledge and action to tackle chronic and childhood poverty in transition countries

Directors: Dr Caroline Harper & Professor David Hulme

**For information contact:**

Project Assistant CHIP  
C/o Save the Children Fund  
17 Grove Lane  
Camberwell  
London SE5 8RD

Tel: 44 (0) 207 703 5400

Fax: 44 (0) 207 793 7630

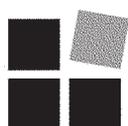
Email: [chip@scfuk.org.uk](mailto:chip@scfuk.org.uk)

Web: [www.chronicpoverty/cpchip.htm](http://www.chronicpoverty/cpchip.htm)

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