Department of Economic and Social Affairs
Division for Public Administration and Development Management

Searching for Innovations in Governance and Public Administration for Poverty Reduction: Concepts, Experiences and Lessons for the Future

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Notes

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Foreword

This publication is dedicated to promoting the exchange of experiences and ideas on the key issues related to poverty reduction, which is a major concern in all societies throughout the world. There is virtually no country where there is not a single pocket of poverty. There are far too many countries where poverty is not the exception but rather the common plight of large numbers of citizens. Governments, in partnership with citizens, non-governmental organizations and the private sector, have a responsibility to remain aware of the conditions in the country, steer their policies, practices and resources toward the problems of poverty, effectively implement programmes to eliminate inequalities in society, and facilitate the evolution of communities toward the full empowerment of all citizens.

At the United Nations General Assembly of September 2000, the Millennium Summit, world leaders pledged to achieve the Millennium Development Goals, through which the world is addressing the many dimensions of human development, including poverty reduction, the protection of our common environment, and the promotion of democracy and good governance. Realization of these goals represents a formidable challenge. Countries are working to create their own national strategies to achieve the Millennium Development Goals, based on local needs and priorities. The United Nations is supporting these nationally-generated initiatives at the advocacy and policy-dialogue level by creating international fora that promote the exchange of experiences and ideas, and that provide an opportunity for the emergence of innovative thinking about key policies, their implementation and successful social achievements.

The Millennium Summit facilitated renewed commitment to poverty reduction. The Millennium Road Map represents "commitments, targets and strategies" to bring development to the poor and vulnerable of society in every country. Realizing these noble targets will require innovative thinking, policy readjustments and strategies aimed at poverty reduction. Each country will have to focus all its efforts within the context of strong and effective institutions, systems and structures of governance and public administration, and effective as well as efficient and responsive public service. The translation of the Millennium Development Goals as related to reducing poverty into country-level policies and strategies, as well as the elaboration and implementation of plans and effective and efficient actions, will require not only the political commitment of leaders at all levels, but also the innovations and readjustments in governance and public administration institutions to align them with the exigencies of poverty reduction.

Public administration needs to be transformed into a responsive instrument to meet the needs of the poor and to be accountable to the most vulnerable populations. To accomplish this transformation, public administration needs to innovate how it is organized, its practices and capacities, and the way it mobilizes, deploys and utilizes the human, material, information, technological and financial resources for service delivery to remote, disadvantaged and challenged people. The belief that poverty reduction will be achieved through the availability of financial resources alone must be re-examined, because without political will, social will, human resource competence, responsive institutional arrangements, transparent and accountable behaviour, frugal management of resources as well as partnerships among all stakeholders and involvement of the poor themselves in the planning, implementation, monitoring and evaluation of poverty reduction programmes, there will be little success.

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Introduction

This publication is both an outcome of and an input to the reflections that have been ongoing within the Department of Economic and Social Affairs of the United Nations concerning how governance and public administration institutions can be tuned to support the fight against poverty. These reflections culminated in the Ad Hoc Expert Group Meeting on this subject which was held in Salvador de Bahia, Brazil in February 2003.

Despite the best of intentions by intergovernmental bodies such as the United Nations and its Member States, over the last few decades, "reducing poverty" has remained an elusive goal. In 2000, at the United Nations Millennium Summit in New York, Member States renewed their commitment to the gradual reduction of poverty through the mechanism of the Millennium Declaration, its Millennium Development Goals and the Millennium Road Map. These documents represent "commitment, targets and strategies" to bring development to the poorest of the poor, to the most vulnerable of society and to the farthest reaches of the Member States.

Key factors in concretizing these ambitious targets and carrying out innovative policies and strategies targeting poverty reduction are strong and effective institutions, systems and structures of governance and public administration. The translation of the Millennium Development Goals related to reducing poverty into country-level policies and strategies, as well as the elaboration and implementation of plans and effective and efficient actions, require not only the political commitment of leaders at all levels, but also innovations and readjustments in governance and public administration institutions to align them with the exigencies of poverty reduction.

The Ad Hoc Expert Group Meeting on Innovations in Governance and Public Administration for Poverty Reduction

Before discussing the essence of this publication, it is important to highlight the major issues, conclusions and recommendations made during the UNDESA Ad Hoc Expert Group Meeting on Innovations in Governance and Public Administration for Poverty Reduction held at the International Centre of Innovation and Exchange in Public Administration (Salvador de Bahia, Brazil) from 13 to 14 February 2003, which focused on these and other efforts with a view to exploring and sharing experiences on how poverty-sensitive decisions are prepared and taken, how people-sensitive services are delivered, and how citizen and community-based evaluations are effectively integrated into programme improvement. The Meeting served as a forum for discussion, exploration and cross-fertilization of experience and ideas among leading experts and practitioners in the field. It specifically aimed at:

(a)   Sharing of experiences on what innovations in public administration are likely to facilitate or lead to reducing poverty;

(b)   Discussing the possible innovations in relation to how public administration and the entire governance system can develop public policies for reducing poverty;

(c)   Sharing of experiences and lessons learned regarding initiatives used to reduce poverty in different subregions, by assessing the results achieved through those strategies, identifying constraints in the poverty reduction process, and noting successful strategies developed to overcome these constraints;

(d)   Formulating practical recommendations for possible follow-up actions at the national, subregional and regional levels, as well as for integrating poverty reduction strategies into national programmes for achieving the Millennium Development Goals; and

(e)   Highlighting the necessity for and types of partnerships developed between the stakeholders, including the identification of processes used to involve and galvanize various development partners**.**

The presentations made during the Ad Hoc Expert Group Meeting were in themselves very telling about the many worldwide efforts to fight poverty; but in addition, the issues discussed, the conclusions and recommendations that were made, and the experiences shared were equally important. The issues around which the Meeting revolved included the following.

- *Policy development and implementation for reducing poverty:* What innovations should be conceived relating to how governance and public administrations evolve and make policies so that the policies are responsive to the goals of poverty reduction? What specific policies (successful cases) have been known to contribute most effectively to reducing poverty?

- *Participative national strategic planning for poverty reduction:* What innovations should be conceived in governance and public administration to encourage and facilitate participative planning for reducing poverty? What approaches and methodological processes are necessary and appropriate for involving the poor in planning against poverty?

- *Effective monitoring, benchmarking and evaluation of poverty reduction policies and strategies:* Policies and strategies for poverty reduction need to be not only implemented but also monitored and evaluated to ensure follow up of their effectiveness. What are the methodological approaches and processes for monitoring and evaluating poverty reduction policies and strategies? What are the benchmarks and indicators for monitoring and evaluating poverty reduction policies and strategies, and how are these indicators and benchmarks developed? What are successful cases that can be shared in this regard?

- *Building governance and public administration capacities for reducing poverty:* Participative planning for poverty reduction, policy development, indicators and benchmarks – all this requires that governance and public administration acquire capacities to manage public affairs differently. In this publication are reflections on the pertinent questions such as, what are these capacities and how can they be developed? Are there cases in this area that can be shared to inform polices and strategies for reducing poverty?

The experts at the Meeting brought together a mix of experiences in the fields of governance and public administration, civil society participation and academia. Reference to the various policies, strategies, ideas, and case studies representing successful and innovative strategies and exemplary practices from institutions at national, regional and community levels was made, including both governmental and non-governmental initiatives. This reinforced the sharing of lessons learned.

Critical issues and suggestions for innovations in governance and public administration

Governance, as opposed to traditional public administration, puts emphasis on participation, equity and accountability. In a world where large percentages of populations live under abject poverty amidst plenty of resources and wealth, the issue of equity should be number one on the priority list of things to do for every country. In order for public administration to be responsive to the needs of the poor and accountable to the population, there is need for innovations in how it is organized, in its practices and capacities, and in the way it mobilizes, deploys and utilizes the human, material, information, technological and financial resources for service delivery. The presentations and discussions during the Ad Hoc Expert Group Meeting in Bahia reiterated this as one critical move towards leveraging poverty reduction.

It is important to point out the increasing influence and relevance of "participatory poverty assessments", during which the poor and vulnerable are able to contribute their own perceptions

of poverty situations and their own self-organizing activities to participate in solution-building. A number of countries have undertaken participatory poverty appraisals. What seems to be emerging is that when strategies and actions for poverty reduction are elaborated through multi-sectoral, multi-stakeholder participation and involvement of the civil society and private sector, and with vertical coordination among the various levels of government, there is a fair opportunity for success in meeting poverty reduction goals. This poses a challenge to governance and public administration to reposition institutions and realign and strengthen capacities to work with all these partners.

Furthermore, participation should not only be seen at the national level. It should also be conceived at the regional and international levels, encouraging regional and global dialogues that are multi-sectoral and multi-stakeholder. This would provide added value in the form of sharing experiences and perspectives. While acknowledging and fully appreciating the various United Nations Global Conferences during the 1990s that laid the ground work for elaborating sectoral policies and programmes, we must also fully acknowledge that innovative ways to replace "silo-thinking" with "client-centred, governance-based, and integrated approaches" represent the most successful attempts to reduce poverty. It is further recognized that knowledge and experience resides in all corners of the world, and that many intellectual and practical leaders have contributed to the furthering of thought and action toward the achievement of reducing poverty, both globally as interpreted through statistics, and locally as interpreted through a renewed well-being and hope for the future. One question to ask is whether the regional and international (global) governance and public administration system is innovative enough to evolve institutions, structures and practices necessary for this participative governance for poverty reduction.

Our understanding of poverty must include the views of the poor themselves. Of the world's 6 billion people, 2.8 billion – almost half – live on less than $2 a day, and 1.2 billion – a fifth – live on less than $1 a day. These and other statistics are dramatic, but even more impressive are the observations of the poverty-stricken themselves.

It is important to note that concerns about poverty go beyond money. As stated by the Secretary-General of the United Nations, "we should be concerned about jobs, about human rights, about child labour, about the commercialization of scientific and medical research. We should also be concerned about the desperate poverty in which so many people in developing countries live." Various approaches have been undertaken in developing countries to reduce poverty, including, *inter alia*, access to productive resources and assets, human resource development, comprehensive strategies to prevent the spread and mitigate the impact of HIV/AIDS, and improving the quality of basic social services.

Recently, elaborate "participatory poverty assessments" have identified the characteristics of poverty conditions as defined by the poor. These include characteristics such as, lack of access to basic necessities of life (food, shelter and clothing, as well as key services such as education and health), feeling of powerlessness, helplessness, insecurity and vulnerability, deprivation of basic human rights and self-respect, physical isolation and social exclusion, erosion and loss of cultural values/identity/traditions, and erosion of welfare systems and "safety nets". The important point to note here is that governance and public administration should be practised in such a way that the poor have a voice in deciding what it is that constitutes their poverty and how it can be addressed.

The entire world is witnessing a growing concern and effort towards poverty reduction. Governments have committed themselves to eradicate poverty through global United Nations conferences, including the World Summit for Social Development in Copenhagen, and at the Fourth World Conference on Women in Beijing. The launching in 1997 of the first United Nations Decade for the Reduction of Poverty, and the General Assembly resolution 53/198 of 15

December 1998 reinforced these. The Decade called upon the whole United Nations system to undertake efforts to eradicate poverty. Through the Millennium Declaration of September 2000, the commitments have produced a set of global targets for development, including reducing extreme poverty by one half by the year 2015, among others. At a press conference, the United Nations Secretary-General stated, "the World Summit on Sustainable Development will put us on a path that reduces poverty while protecting the environment, a path that works for all peoples, rich and poor, today and tomorrow." Tackling the problems of poverty constitutes an ambitious agenda enshrined in the commitment by world leaders. Governments of developing countries are expected to take a proactive stance, preparing poverty profiles, developing policy frameworks, and implementing action plans and strategies for poverty reduction. However, progress, so far, towards the goal of poverty reduction has been mixed. Some countries are on track for some goals, but few of the goals are likely to be reached at the current rate of global progress.

It is important to note that the wealthy, and even in some countries, the small middle class, benefit from many development strategies, such as inheritance laws, education services, health facilities and skills, infrastructure projects, and favourable, even regressive tax policies. These policy instruments, laws, services and resources are less easily accessed and utilized by the poor, although some governments have engaged in strenuous efforts to extend these to the most remote, the most vulnerable and the poorest in the population. Even where laws and policies specifically designed to attack poverty are "on the books", there seems to be little incentive to enforce these poverty-reduction-focused strategies. Consequently, in many countries which are believed to be doing well, economic growth is well ahead of social development. There are enormous problems related to the provision of social services, such as education and health, and there is growing unemployment.

The centrality of governance and public administration institutions and policies for reducing poverty and the need for the monitoring and evaluation of poverty reduction strategies must be re-emphasized. The reasons for "lack of attention to poverty reduction" are many, but they often include macro issues, such as, inadequate policy provisions, insufficient and inefficient public spending, crippling debt burdens, inadequate market access in developed countries, declining official development assistance, as well as ineffective governance institutions. Since improvements in governance are far from keeping pace with the progress attained in economic policy and some other areas, public governance is nowadays a central binding constraint to growth and development, and therefore to poverty reduction.

The major concern here is about governance and public administration, as practised today in poor countries, not being conducive to poverty reduction. Among the meso and micro-issues are, *inter alia*, lack of citizen-focus, inattention to service delivery, ignorance of people's needs, lack of enforcement of existing laws, corruptive practices that limit access to resources to those who can pay bribes or otherwise link to key institutions, and lack of coordination of services for the poor, who are likely to be plagued by multi-problems requiring complex, integrated solution strategies.

Many strategies have been explored. Some are economic and financial, others managerial and administrative, and still others political. More countries than ever before are working to build democratic governance and to involve civil society and community organizations as partners in the fight against poverty. The United Nations Millennium Summit reached a consensus which recognized that improving the quality of democratic institutions and processes, and managing the changing roles of the state and civil society in an increasingly globalized world, must underpin national efforts to reduce poverty, sustain the environment, and promote human development. Various approaches have been undertaken in the developing countries to fight poverty. The paradigm shift in innovating public administration to reduce poverty should not be only from a bureaucratic State to a managerial State, but also should engage the people in the governance process. Such a shift necessitates listening to the people, dialogues, and constructive poverty-

sensitive partnerships in the creation and distribution of wealth. In short, today's public manager should be pro-people and have a core value of reducing poverty as the driving goal.

Participative governance and public administration should focus on community engagement to take government to the people, especially to the poor, and engage them upstream in the planning processes so they can influence better resource allocation to address their concerns. The focus on innovative governance and public administration allows attention to the quality of policies, the level of capacity – for example, human, financial, and material – to implement the policies, and the quality of managing the polices. Policies should be poverty-focused and respond to the perceptions and needs of the poor. Human, financial and material capacities should be targeted to the poorest and the most vulnerable. Management of economic and social programmes should be relentlessly focused and refocused on reaching the poorest, the most remote and the most vulnerable. Mechanisms should be devised for measuring progress in poverty reduction, including ways to include the poor in evaluating impact, and ways to feed back the information to programme managers who can then refocus their organizational efforts to greater achievement.

Part One

Innovation, Governance, Public Administration and Poverty Reduction: Conceptual Frameworks and Linkages

"Not only must we grasp concepts such as these, we must also place them in specific historical contexts, if we are to successfully confront the challenges that lie ahead in our quest for effective governance"[1]

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[1] H. E. Paul Kagame, President of Rwanda, during the opening of the National Workshop for Integrated Evaluation and Planning to Strengthen Good Governance for Poverty Reduction in Rwanda. At Hotel Umubano, Kigali, 2 November 2001.

Innovations in Governance and Public Administration for Poverty Reduction:
Overview of Concepts, Issues and Practical Implications

by

Ahmed Mohiddin[1]

Elimination of poverty has been the perennial human endeavour. From the dawn of human history, humankind has been struggling against the elements of nature to ensure a living. Virtually all the now rich countries had at one time or another to grapple with the task of ensuring that their citizens had adequate shelter, food, clothing, reasonable health care, education, employment and a sense of self-esteem. Since the end of World War II, numerous efforts were made to reduce the level and incidence of poverty throughout the developing world. Following Independence, the erstwhile colonized countries in Africa, Asia and elsewhere made the elimination of illiteracy, ignorance, disease and the reduction of poverty as their main challenging objectives. Despite these resolutions and the best intentions of the international community in the course of the past few decades, 'reducing poverty' continues to be a priority goal yet to be achieved.

In the year 2000, the United Nations Millennium Summit in New York made a collective solemn commitment to the gradual, incremental reduction of poverty worldwide. The Summit agreed on the Millennium Development Goals. Global conditions for the reduction of poverty now appear to be extremely propitious. There is, moreover, a general awareness in the international community of the impact of violent conflicts on societies and economies, e.g., creation of poverty where it hitherto did not exist, and its deepening or perpetuation where it did exist.

The basic contention gaining ground is that governance and public administration constitute a major factor in both the creation of poverty and in its reduction. Poverty is one of the consequences of bad governance. Broadly stated, there are three types of poverty: preventable poverty; chronic poverty; and reducible poverty. There are several subsidiary or immediate causes of poverty, but all of them could be attributed to failures in the governance systems. Good governance is a major factor in preventing poverty, reducing the levels and impact of existing poverty, and ameliorating the conditions of those suffering from chronic poverty.

This chapter reviews these issues, with particular attention given to those related to governance, its principles and institutions. We believe that this is necessary, as hitherto discussions on governance – especially good governance – have been conducted as if governance were an external imposition. As long as governance is perceived as a donors' conditionality it will be accepted as a necessary evil or regarded as an option to be discussed and, if need be, rejected. As we are grappling with poverty reduction, it is crucial that the notion of governance itself be clearly understood by all concerned. "Not only must we grasp concepts such as these, we must also place them in specific historical contexts if we are to successfully confront the challenges that lie ahead in our quest for effective governance."[2] Only through good governance are poverty

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[1] Professor Ahmed Mohiddin is the Director of the Twenty-First Century Africa Foundation.

[2] H.E. Paul Kagame, President of Rwanda, during the opening of the National Workshop for Integrated Evaluation and Planning to Strengthen Good Governance for Poverty Reduction in Rwanda, 2 November 2001.

reduction strategies likely to achieve their objective. This chapter provides linkages between governance, public administration and poverty.

A fairly big part of the chapter is also dedicated to a review of the paradigm shift from big government to good governance, from top-down administration to people-centred administration, and a discussion on the exigencies of partnerships, their role amongst the poor themselves, and between them and other groups such as NGOs, community-based organizations (CBOs) and international non-governmental organizations (INGOs) in the promotion of poverty reduction strategies. A policy framework for poverty reduction is briefly proposed.

Governance and public administration in the context of poverty: understanding the concepts and issues

Governance

Governance is not a new concept. It has always been a requirement of good leadership that political authority – whether traditional, charismatic or bureaucratic – must be exercised for legitimate ends and with the participation and consent of the governed. The current emphasis on transparency, accountability and sound development management in Africa is not a reinvention of the wheel; rather, it is a reaction to the widespread "anti-development" tendencies which have long characterized post-colonial state behaviour in Africa in the last thirty years.[3]

Governance is the art and skill of utilizing political or collective power for the management of society at all levels (from the smallest village to the nation) and in its various aspects – social, economic and political. Art and skills are the products of knowledge, information, education, training, culture, traditions, experience, natural endowments, motivations and commitment to goals. Political power is collective power. It should be acquired through, and used on behalf of, a people.

Collective power may be acquired through culture and traditions, as in the case of some traditional chieftaincies; or by force and violence, as in a military coup; or through constitutional and peaceful means, such as democratic elections. Its utilization could also be by coercion, regimentation and manipulation, as in a dictatorship or the one-party state; or by discussion, consultation and consensus as is the practice in a democracy.[4]

Governance goes beyond the mere mechanisms of ruling, governing, administering, allocating resources, ordering and regulating. It is a process that enables people to utilize collective power to manage their affairs in the most efficient and effective manners, and in accordance with their needs and aspirations. Governance is thus an ubiquitous factor in the management of affairs in both public and private sectors, in small or large organizations, in the village, district and city councils, in the religious and cultural committees, social and welfare societies, football clubs, community-based organizations (CBOs) and the non-governmental organization (NGO), as well as in small and large business enterprises.

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[3] F.M.K. Mugasha, Head of the Civil Service/Permanent Secretary, Office of the President of the Republic of Uganda, "Strengthening Institutions for Effective Governance-The Uganda Experience", Joint DESA/ECA Roundtable on Governance in Africa, Addis Ababa, Ethiopia, 2-3 March 1998.
[4] Governance is essentially about power and how it is utilized for the public good. UNDP defines governance as the exercise of economic, political and administrative authority to manage a country's affairs (UNDP, 1997).

Spheres of governance

Governance is conducted within a specific country with its own history, constitutional and legal foundations, religions, moral and ethical traditions, and a people with needs, aspirations and visions of their future. It is, moreover, conducted within a framework of interdependent institutions, organizations and associations. We can analytically identify five operational spheres of governance: political governance; administrative governance; economic governance; civic governance; and systemic governance.

Political governance is concerned with the participation of the people in the decision-making processes that affect their lives and livelihood. These relate to the issues of democracy, representation, and inclusion, power sharing and the relationship between the institutions of governance, such as the legislature, the executive and the judiciary, political parties and civil society organizations.

Administrative governance is concerned with the implementation of the decisions and policies, the establishment of the institutional framework and the appropriate mechanisms, the knowledge, skills and experience of the personnel involved and the resources needed to ensure efficient and effective implementation of public policies, the design of the public services and the manner in which they are delivered.

Economic governance is concerned with the decision-making processes related to the efficient allocation of economic resources in order to promote economic growth, the creation of wealth, employment, equity and the promotion of human development. It entails the creation of the enabling environment within which such processes take place, and the promotion of cooperation and partnership between the major players in the economy conducive to sustainable growth and development. These include the government, private sector and the relevant organizations in the civil society.

Civic governance is concerned with the working of the civil society, the relationship between and among the various voluntary and non-profit civil society organizations – the NGOs and CBOs of cultural, ethnic and religious organizations. These organizations consist of people and groups of people who are engaged in their own activities in pursuit of private interests, profits, leisure or in the promotion of public interests. In the pursuit of these activities, they do not depend on government's support. However, to the extent that civil society is part of the wider society, it is influenced by and is influential to the other structures of governance.

Systemic governance is concerned with the convergence of all the domains and processes of governance. It brings together government, private sector and civil society in an efficient, effective and meaningful decision-making framework.

The modern citizen has many needs and aspirations. These range from the basic needs of preserving and sustaining life, peace, security and stability, to the aspirations of improving the quality of life; from basic freedoms and human rights and the rights to participate in the decision-making processes that affect one's living and livelihood to a sense of well-being and self-esteem. The satisfaction of these needs and aspirations obviously require the mobilization of human and material resources, decision-making processes and implementation mechanisms. Such mobilization takes place at various levels (community, national, regional and global).

Thus, within the country there would be the village or district councils with their duties and responsibilities to the residents in those areas, the city or municipal councils, the national assembly, plus many other organizations in the private sector and the civil society. All these would be interacting with one another at various levels of their respective duties and

responsibilities, resulting in more dynamic and complex processes of governance at the systemic sovereign national level.[5]

The world is now a global village, and the village is a globalized habitat. Nations do not live in isolation. They have neighbours who may be friendly or not; with similar governance systems and ideologies or not; and may be complementary or competitive economic partners in the regional or global markets. Changes in one country – be they economic, political or social – are bound to affect other neighbours. Economic benefits in one neighbour might affect the others. Similarly, in the absence of counter-measures, violent conflicts in one neighbouring country might spread to the others. This is particularly the case in Africa where there have been virtually persistent violent ethnic conflicts in one country or another, as boundaries cut across ethnic communities.

These countries might decide to create a regional organization in which all these matters – and others of common interests – could be discussed, debated, resolved, and a regional framework for cooperation or partnerships on specific issues established. This would necessitate the adjustment of systemic governance of each member country in order to accommodate the obligations of regional cooperation. Thus there is another layer of governance that is outside the national boundaries of a country that might impact on the efficiency and effectiveness of its governance.

In the increasingly globalized world in which competitiveness and creative inter-dependency is the key to survival and prosperity, peace and security, there are many international organizations whose membership are quasi mandatory or could be extremely useful or pragmatically desirable. These include the World Bank (WB) and the International Monetary Fund (IMF), the United Nations system and its many related agencies. There are, as well, many international covenants dealing with human rights, children, women, education, health, labour, peace, the environment, and so on, that have been adopted by many countries. Membership in these organizations and the adoption of the covenants introduce new obligations and restrictions on the member countries, and thus place some constraints on the entire range of the governance domains of these countries.

Finally, we live in a world that is divided into the very rich and very poor countries. Donors donate and recipients receive. It may be ordained that to give is more blessed than to receive; however, in the real world of official development assistance, there have always been the conditions under which the givers will give and the receivers are expected to accept, otherwise assistance is withheld. To the donors, these conditions are proper and appropriate means by which they, the donors, could ensure the effectiveness of the assistance and also enable them to be accountable to their own governments and the taxpayers. Obviously, the various domains of governance of the recipient country are bound to be affected by the conditions imposed by the donor countries.

Elements of decision-making processes in governance

Governance entails a series of decision-making processes and their implementation. The processes may lead to simple decisions, policies, laws, or even national constitutions and international or regional conventions. It is the quality of these decisions and the manner by which

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[5] Governance begins in committees, villages and towns, and local governance provides the basis for the concept and the structure of governance. Two aspects of governance are particularly relevant: the technical and the representational. The technical aspects refer to the how and what of development –the processes and procedures of resource mobilization, plan formulation, technical application and resource allocation. The representational aspect refers to the way decisions are taken and who takes them –and thus includes issues of representation and participation, accountability and empowerment. "Participatory Local Governance – LIFE's Method and Experience: 1992-1997", Technical Advisory Paper 1, UNDP, 1997, p. 5.

they are implemented that determines the effectiveness of governance. To a large extent this is an issue of the capacity of leaders and managers, as well as the people themselves to conceive, discuss and decide in light of the issues and problems confronting them. A pattern of a decision-making process will typically have the following elements/components: agenda setting, formulation, debate, decision, implementation, monitoring, evaluation, and control. They all require not only resources such as personnel, data and information, institutional back-up, legal foundations, and funds, but also political and social will.

In this rapidly changing world in which information and knowledge are the critical factors in the competitive global markets, decisions must be well informed and efficiently executed at the critical relevant levels. Given the complexity of these decisions and the speed at which the necessary information and knowledge needed for the decisions must be organized and processed and the decisions executed, it is absolutely critical that those in charge of the patterns of decision-making processes are trained, experienced and have the appropriate capacities. This entails a process of continuous learning and of being "in the loop" of the incessant flow of data, information and knowledge – in essence, a life-long education and training.

Major governance actors

At each level of the governance process – from the village through the national to the global levels – there are major actors or players who are influential, and in some circumstances critical, in the governance performance at those levels. These are the people or groups of people, institutions and organizations that, due to their positions or locations, roles, interests, expertise, aspirations, ambitions, visions, competence, commitment, and in some instances changing circumstances, are able to exert considerable influence on the performance and effectiveness of the governance systems. They can improve or undermine reform or establish new patterns of governance. Governance actors are in public, private, as well as civil society sectors at community, national, regional, and international levels. These actors include:

- At the national "sovereign-state" level are the village leaders, councillors and their councils; city civic leaders, councillors and their city councils; regional leaders and regional assemblies; national leaders, politicians and parliamentarians; national assemblies; the private and the civil society sectors, their institutions and the major activists within them; NGOs, CBOs and other cultural, ethnic and religious organizations.

- At the international global level is the United Nations and its various agencies; the World Bank, the International Monetary Fund, and a variety of other international organizations or bodies involved in international development, alleviation of poverty and the promotion of world peace; international research centres; and those whose membership is either mandatory, voluntary or beneficial, of mutual interests or humanitarian concerns. These would include multinational private enterprise and civil society organizations, Amnesty International, OXFAM, CARE, Save the Children Fund, Red Cross, etc.

Major components of governance

Governance takes place in a human society or an organization, conducted by people within institutions and guided by legal and ethical principles, cultural and traditional values, and inspired by political and ideological considerations.

For our purposes, it would be useful to categorize these principles and institutions and group them in meaningful clusters, in terms of their related and inter-related functions. Each one of them plays an important role in sustaining the governance process, but not necessarily in ensuring good governance. Working in unison and in deference to the ethical, cultural and traditional values of the people, and in support of the general welfare of the people, they are conducive to good

governance. This typically happens when these principles are respected and the institutions belong to the people, are run and managed by the people and for benefit of the people. What follows is a brief presentation of these components of governance.

Constitutionalism, justice and due process of law

These components constitute the legal foundations for good governance. They are the sources of power and authority for those engaged in the governance of a country or a public institution. They also provide the legal and conventional foundations for people's empowerment to exercise and demand their basic human rights, and to expect accountability and transparency in the performance of those responsible for the governance of a country or a public institution.

The constitution is the source of power, authority and legitimacy for all the major actors of governance. It prescribes the procedures by which laws, rules and regulations are made. It inserts the principles of the rule of law, due process of law, the separation of powers, and provides for the independence of the judiciary. As it assures the protection of fundamental freedoms and human rights, and empowers citizens to challenge and call to account the actions of governments and their agents, the constitution is clearly the basic foundation for good governance.

While a constitution defines powers and authority and the manner in which they should be used, constitutionalism refers to the practical habit of the leaders and the people – particularly the former – of conforming to the constitutional provisions, and in particular to the principles of the rule of law, the due process of law, and the separation of powers. It must, however, be stressed that constitutionalism does not simply mean adherence to the provisions of *any* constitution, irrespective of its basic principles and underlying philosophy. The constitution must contain, at least, the fundamental principles of the rule of law and the due process of law, separation of powers, the basic individual freedoms and human rights.

Electoral and participatory democracy

Briefly stated, democracy is a system of governance in which people effectively participate in the decision-making processes that affect their lives and livelihood. It entails laws, rules, regulations and conditions that enable people to freely and fairly choose their leaders or representatives who will eventually form a government and, if need be, remove or change that government.

Democracy ensures equality and inclusiveness for people to participate in public affairs, irrespective of race, colour, ethnicity, region or religion. It enables people to make "their choices" of "their rulers". Because it empowers the individual whose vote is critical in determining the fate of governments and politicians during elections, democracy prevents extreme poverty, famine and other preventable social and economic disasters.[6]

In a democracy, elections provide opportunities for the people to call to account the record of the government and review the behaviour of its members. This is a very critical period in the life of a government. It brings into focus for public review the two factors critical to the promotion of

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[6] Indeed, the working of democracy and of political rights can even help to prevent famines and other economic disasters. Authoritarian rulers, who are themselves rarely affected by famine (or other such calamities), tend to lack the incentives to take timely, preventive measures to avert famines and other such catastrophes. It is not surprising that no famine has ever taken place in the history of the world in a functioning democracy – be it economically rich (as in contemporary Western Europe or North America) or relatively poor (as in post-independence India, or Botswana). Famines have tended to occur in colonial territories governed by rulers from elsewhere (as in British India or in an Ireland administered by alienated English rulers), or China during 1958-1961, or Cambodia in the 1970s), or in military dictatorships (as in Ethiopia, or Somali, or some of the Sahel countries in the near past). Amartyan Sen, *Development As Freedom*, Anchor Books, New York, 1999, p. 16.

good governance: accountability and transparency. The government is afforded the opportunity to have a direct contact with the civil society, defend its record, and plead for re-election. For the ordinary citizens and the various organizations in the civil society, this is the momentous occasion when they have the power to influence the shape of the government's policies, change its composition or deny its right to exist. This was devastatingly demonstrated in the recent December 2002 Kenya general elections, when the long-standing incumbent political party was virtually wiped out.

Accountability

Accountability is the obligation to render an account for a conferred responsibility. Those who fail to fulfil their responsibilities, break or neglect the law, rules or conventions, are liable to be punished or disciplined according to clearly stated laws, rules, procedures and conventions. They are obliged to explain their decisions and account for the performance of their duties and responsibilities. Accountability, moreover, requires public officials to respond to the legitimate requests and demands of the citizens without discrimination or favours, religious, ethnic, colour, economic status or regional considerations. Accountability is thus a major constraint on politicians and bureaucrats from engaging themselves in corruption.

Transparency

Transparency entails availability of information on all matters related to the governance process. The information may be about particular public goods and services and the manner in which they are delivered; rules and regulations; citizenship duties, responsibilities, entitlements and privileges; statistical data on the economy, the private sector or society in general; or on the people – elected politicians and bureaucrats – who are responsible for particular aspects of governance.

Openness and predictability in the conduct of the governance processes are the major characteristics of transparency. Transparency facilitates the growth of trust and confidence, and thus enhances the possibilities of cooperation and partnership between the various structures of governance – the political, economic, administrative, civic and systemic, as well as between these structures and various types of NGOs and CBOs.

Legislature

Politics is the process by which resources and values are competed for and authoritatively allocated in society. Public policy options – health, education, transport, housing, poverty reduction and alternative development project proposals, etc. – are the products of the political process. The delivery of public services and development projects entail the allocation and organization of material and human resources. These resources are limited in supply and have to be competed for. The legislature is a forum in which the national politics is conducted. In a democracy, the legislature consists of the elected representatives of the people. They articulate the needs and aspirations of their people, express their grievances and anxieties, demand wrongs to be rectified, debate public issues and policy options, and take decisions affecting all structures and levels of the governance system..

Political parties

Diversity of opinions, views, ideas, policy options and competing leaderships are vital to democracy. Unorganized, these views, opinions and ideas are ineffective in bringing about the necessary or desired changes in society. They have to be aggregated in an orderly manner for them to be operational and effective, and thus meaningful to the people. Political parties mobilize and aggregate public opinion. In the process, they make numerous promises to the public,

claiming that once they are elected into power, they will implement them. A political party thus creates the basic foundations for political accountability and transparency for their members as well as the general public.

Legitimacy

The legitimacy of government entails the consent of the governed and the ability of the latter to have an effective say in the governance processes. The manner in which a government is created affects its legitimacy, as does the availability of mechanisms for changing the government peacefully in accordance with the constitution.

Acknowledgment and respect for the cultures and traditions of the people are also important legitimacy factors, especially in Africa where traditional institutions and rulers are still respected in the rural areas. Legitimacy is more likely to be sustained where constitutionalism prevails and where there is a vibrant civil society that could provide counterweight to the powers of government. The provision of basic needs – security, food, shelter, health and education is also a factor in sustaining legitimacy. In other words, poverty reduction is a major factor in promoting and sustaining legitimacy.

Horizontal and vertical decentralization

In principle decentralization entails the devolution of the governance processes and the de-concentration or delegation of the administrative authorities and responsibilities. Appropriately conceived and implemented decentralization (read devolution) reduces pressures on the central government, allowing it to focus on major national issues. It reinvigorates and democratizes traditional local governance institutions, thus promoting greater popular participation at the grass-roots levels. It encourages local initiatives and ownership in the conduct of affairs directly relevant to the people on the ground. It enhances the responsiveness of government to the needs and wishes of the people.

Because it delegates powers, authority and responsibilities, and stimulates popular participation in public affairs at the lower levels of governance, *decentralization is a critical factor in the promotion of good governance.* It provides local recruitment and training for political leadership, expertise and experience for the public servants, thus contributing to the enhancement of the political and administrative capabilities for the local governance structures. Creatively managed decentralization may provide opportunities for relevant modernization of traditional institutions and leadership. Appropriately, modernized traditional institutions may retain local talents and expertise and attract others from the urban areas. In this respect, rural areas could be new centres of creative and productive economic activities, thus relieving poverty, frustrations and alienation, offering alternative attractive civic life, and in the process providing training grounds for good governance.[7]

Because it disperses powers to the level where people can use it to manage their own affairs effectively and meaningfully, decentralization instils a sense of local ownership and pride, thus enhancing the habits of accountability and transparency. It is, however, important to distinguish the two types of decentralization: vertical and horizontal. Vertical decentralization requires a shift of policy, laws and regulation from the centre; while horizontal decentralization may take place

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[7] "Good governance is local: decentralizing governance enables people to participate more directly in the governance process and can empower people previously excluded from decision-making. By allowing local communities and regional entities to manage their own affairs, and through facilitating closer contact between central and local authorities, decentralization enables more responses to people's needs and priorities and makes development more sustainable through genuine ownership," James Gustave Speth, Administrator, UNDP, *Welcome Address*, "Governance for Sustainable Growth and Equity", 1997, p. 127.

without those adjustments. However, for effective *local governance,* both planes of decentralization are crucial. Vertical decentralization provides the appropriate legal, structural and institutional requirements, and horizontal decentralization empowers people to act as they will and prepares them to effectively utilize whatever powers and authority are handed down from the central authorities.

Cooperative governance: supportive partnership for wealth creation

Civil society

Civil society plays three important roles in the governance processes. One, as it consists of many free individuals and groups of people who are capable of promoting their interests independent of government support or favours, civil society provides a counterweight to the excesses of government. Two, as a depository of resources – human, material, intellectual, scientific, financial, etc – that government needs, civil society can be an important active partner of government. Three, as an arena that consists of people to whom, in a democracy, politicians and government (national or local) usually appeal for votes, civil society can influence the composition of government and the character of its policies. Elections are periodic events, while democracy is a perennial process that requires continuous adaptation and adjustments to perpetual change. In between elections, civil society organizations keep the government on its toes, reminding the ministers of their promises, insisting on accountability and transparency, and generally keeping alive the democratic process, and thus promoting good governance.

Private sector

The private sector is a major actor in the governance process. As the major engine of economic growth, and hence the creation of wealth and employment, the private sector creates the necessary conditions for the promotion of human development. As a wealth and income-creation sector in society, the private sector plays a critical role in enabling the government to deliver the essential social services. The availability of social services is, in turn, a major contributing factor to the reduction of poverty.

Technical and bureaucratic competence

Competence entails the capacity to make and implement timely and strategic decisions with regard to the immediate issues and the long-term policy options that are likely to emerge. It entails the overall analytical capability to identify the salient issues, design strategies and formulate the appropriate policies, and to manage the governance processes in response to the needs, wishes and aspirations of the people in a world that is rapidly changing. Competence is a product of human and material resources, training, skills, technology and experience. As a major institution in the governance processes, it is important that government is efficient and effective. It is important to note that every component of governance has a competence requirement which, when lacking, renders the act of governing ineffective.

Communication and information

The observance of accountability and transparency depend on the circulation of information, ideas, opinions, experiences and views by the media. Only when one experiences or is aware of the deficiencies in public accountability or transparency is one able to complain or commend. By circulating and broadcasting information on the domestic governance processes, conducting investigative reportage on local events and issues, and by facilitating debates, the exchange of views and opinions on public issues, the press informs the citizens and empowers them to ask the right questions and make intelligent decisions on governance issues and policy options. It should

be emphasized that the job of governing for poverty reduction becomes harder in situations where the citizens are not informed. Therefore, an informed citizenry is a critical governance requirement for poverty reduction efforts.

Knowledge processing and creation

"Think tanks" and research institutes create new knowledge and critique the conventional wisdom and activities of those in key governance positions. The domestic demands for better economic and social conditions, the popular pressures for accountability, transparency and good governance, and the imperatives of competitiveness in the global market, place great premiums on knowledge and information. "Think tanks" and research institutes can play a very significant role in the creation of new knowledge, accumulation of knowledge from other parts of the world, analysing them and making them available to the public. They can undertake studies and research on the root causes of poverty and the conditions conducive to economic growth and human development, thus contributing to the promotion of sustainable human development and the elimination of poverty.

Guidance, vision, leadership and political will

Governance entails complex actions and interactions between individuals, groups and institutions in diverse and dynamic ways, involving different structures and levels of governance from the village council, the district and the town, to the city and the nation at large, and beyond, to the global environment. Clearly, the exercise of the governance processes requires leaders who are conversant with the needs and aspirations of the people, who are competent and honest, have integrity, vision and commitment. Leaders are major actors in the governance process. They have the capability to transform habits and inspire people with vision and confidence to ever-greater heights of achievements. Leadership and political will are critical factors in the determination of the quality and performance of the various domains of governance.

Public administration

Public administration is essentially administrative governance and hence, a major domain of the governance processes. In any system of governance, it is the responsibility of the public administration to implement policies of the incumbent government. A political system provides the framework within which conflicts are resolved and decisions on policy options made and subsequently implemented. The implementation of policies and the administration of the country are the responsibility of the public servants. In a democracy, politicians are transient, depending on the electoral winds; but public servants by and large remain even when the military takes over.

Public servants manage the institutions of governance in the public sector; they play a critical role in formulating and implementing public policies as well as in the delivery of public services. They draft rules and regulations, advise ministers on a wide range of issues, such as economic growth and poverty reduction, and are at the vanguard of generating information and managing systems and channels of public accountability. In the Western parliamentary traditions, which with some modifications have been adopted by many other countries, the public servant is subordinate to the minister who is an elected politician. While the minister is accountable to the people via the parliamentary process, the public servant is accountable to the minister via the administrative/bureaucratic hierarchy.

As suppliers of the basic public service such as law and order, justice, security, health, education, etc., the public servants have daily and continuous contact with the poor. As the designers of these services, the civil servants have a great impact on the quality of life of all the people. As agents of the government, central and local, they are the main contacts between those in charge of the key governance processes and the people at the receiving end. Public servants are, therefore,

very powerful agents of governance. They are, moreover, the linkages between various civil society organizations, political leaders and ordinary citizens. In a democracy they ought and must be accountable and friendly to the people in the performance of their duties. In the way they plan and implement development policies, programmes and projects, and in the way they handle the various resources involved, public servants are key in determining the success of poverty reduction strategies.

Poverty

There are several definitions of poverty, ranging from the objective to the subjective; but they all share one characteristic in common, albeit its contents differ from place to place, and over a period of time within the same space. That commonality is deprivation. People are, feel or are regarded by others to be, poor because they are deprived of – or lack – something which either:

- Enables them to survive and live a reasonable decent life – basic existence;

- Endows them with some sense of self-esteem relative to others; or

- Enables them to fulfil their potentials as human beings.

However, what might have enabled one to live a reasonable decent life in one country might be different from another, and so also is the type of endowment. Owning a television set or a radio was considered to be a luxury only half a century ago in Uganda, but not so today. Riding a bicycle to school endows a modern African school boy/girl with self-esteem as he/she mingles with his/her schoolmates. Three decades ago, the family might not have been able to afford it.

There are several causes of poverty. These include:

- Chronic ill-health and inability to obtain or afford appropriate medicine/cure, and therefore to be productive or creative, earn a living and support one's family;

- Lack of education or training and hence inability to obtain a job; and the lack of education could be due to inviolability/accessibility or lack of funding;

- Lack of money to buy the essentials to life, due to lack of unemployment, due to lack of education, training, etc.;

- Lack of information regarding availability of resources and the means of utilizing or exploiting them; and

- Corrupt and inefficient governance systems.

Poverty prevention is obviously a part of poverty reduction – stopping existing levels of poverty from extending into deeper pockets of poverty, a consequence of the circle of bad governance. Bad governance could take place at any level of governance – global, regional or national – extending its consequences far beyond its original location. Economic mismanagement and inflationary pressures – bad economic governance – in one country could adversely impact on another country, causing serious levels of poverty. Similarly, the impact of globalization could create serious pockets of poverty in a country with a weak or bad system of governance. Globalization poses fears and threats as well as opportunities and possibilities.[8] Those with the

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[8] Globalization has its winners and losers. With the expansion of trade and foreign investment, developing countries have seen the gaps among themselves widen. Meanwhile, in many industrial countries, unemployment has soared to levels not seen since the 1930s, and income inequalities to levels not recorded since the last century. A rising tide of wealth is supposed to lift all boats. But some are more seaworthy than others. The yachts and ocean liners are indeed rising in response to new opportunities, but the rafts and rowboats are taking on waters – and some are sinking fast. Inequality is not inherent in globalization.

requisite capacities – good governance systems – positively and effectively respond to the opportunities and possibilities provided by globalization. Those who lack the capacities – bad governance systems – are unable to respond and consequently suffer. The former achieve higher levels of employment and prosperity. The latter suffer unemployment and the deepening of poverty.

As we are grappling with the task of poverty reduction, we need to acknowledge that poverty can be created by a variety of causes, and these need to be identified, better understood and appropriately targeted for policy options.

In its basic life-supporting manifestations, poverty can be reduced and finally eliminated. In its relative and potential-fulfilling manifestations, poverty will always be a nagging aspect of the human predicament. Its elimination is very much like an approach to a mirage – always seen/perceived but never subdued, stealthily moving away as it is approached. As society becomes more affluent, needs and wants change, new needs emerge as the old ones are fulfilled, creating space for new wants, and so on. This is the basic dilemma of the doctrine of the 'pursuit of happiness'. As the objective is a moving target, there is no ultimate achievement. There is no end to the pursuit: just the pursuit itself.

In the last analysis, poverty can be defined as the lack of the basic necessities of life – food, shelter, clothing, health care, and security of life itself and what material things one owns. What constitutes any of these elements/components of poverty will of course differ from society to society, and over a period of time within the same society.

Good governance, public administration and the dynamics of poverty: critical linkages

Governance is essentially a process that facilitates the utilization of collective power for the management of the societal affairs at various levels and in all their manifestations – economic, political and social. Entailed in the process is the employment of skills, knowledge, information, training, competence and experience, as well as deference to the constitution and constitutionalism, traditions, needs, wishes, aspirations and visions of the people concerned. Public administration is essentially administrative governance, and hence a major domain of the governance processes.

Governance is a continuous and dynamic process, expanding and contracting as people, groups of people, or nations, are expanding and contracting their areas of common interests and objectives, activities and interactions. Governance gets progressively more complex as the activities and objectives, and the means by which they are achieved – technological inventions and innovations, organizational principles and methodologies – change and become more sophisticated. Governance has to adapt and adjust to changes, and respond to the various needs, fears, demands and aspirations of the people.

Good governance takes place when the process of governance is conducted within the framework of a constitution and constitutionalism, the separation of powers, the rule of law and due process of law, and ethical codes of conduct and traditions of the people; when it responds to the basic needs, livelihood, wishes and aspirations of the people; when it is based on sound, efficient organizational and operational principles; when it is conducted within institutions that *are* of the

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Because liberalization exposes domestic producers to volatile global markets and to capital flows that are large relative to the economy, it increases risks – but it also increases potential rewards. For poverty eradication the challenge is to identify policies that enable poor people to participate in markets on more equitable terms, nationally and globally. *UNDP, Human Development Report*, 1997, pp. 82-3.

people, operated *by* the people and *for* the benefit of the people; and when the entire process is transparent and accountable, whose consequences are understood and predictable. Leadership, competence, political will, integrity and capacity are critical to the promotion of good governance.

Conceptually, and in the best case scenario, good governance takes place when all the major actors of governance – from the village to the global levels – collaborate, cooperate and coordinate, conflict and contradict, consult and inform one another, debate and argue, disagree and agree, and so on, but within the agreed principles of good governance. In other words, good governance is a series of dynamic, creative and productive interactions between diverse peoples, structures and institutions but all within the confines of a constitution and constitutionalism, recognized norms and traditions, and in the spirit of promoting common objectives.

As an empowering process, good governance enhances peoples' capabilities. When empowered to make decisions affecting their lives and livelihood, people feel free, secure and confident. They are prepared to engage themselves in various creative and productive activities on their own or in partnership with others, in pursuit of their interests and profits, contributing to the creation of wealth and employment, and thus promoting human development and the reduction of poverty.[9]

Bad governance occurs when the constitutional and legal provisions are faulted, law enforcement fails or is compromised, ethical and traditional codes of conduct are ignored or undermined; when accountability and transparency are lacking, appropriate organizational and operational principles are not applied; when public institutions cease to serve the needs and aspirations of the people, have lost their meaning and are no longer effective in solving people's problems; and the leaders are greedy, rapacious, corrupt, incompetent, and insensitive to the needs, wishes and aspirations of the people. The consequences of this mostly manifest themselves in inequality and cases of abject poverty.

Bad governance is bad news all round, but more so for the poor, whose prospects for poverty reduction may be severely undermined or destroyed, and the children who may be condemned to perpetuate poverty to the next generation. At the general systemic governance level, the consequences of bad governance have been catastrophic, creating violent conflicts and civil wars. These conflicts have caused considerable destruction to life and property, creating fear, insecurity and instability. They have undermined domestic productive capacities, and drastically reduced the prospects for foreign development assistance. Violent conflicts have been a major obstacle to economic growth, socio-economic transformation and the reduction of poverty in many African countries. Africa is the only continent where the number of the poor is likely to increase in the 21st century.[10]

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[9] "Good governance and sustainable development are indivisible. That is the lesson of all our effort and experiences, from Africa to Asia to Latin America. Without good governance –without the rule of law, predictable administration, legitimate power, and responsive regulation – no amount of funding, no amount of charity will set us on the path to prosperity……Good governance will give every citizen, young or old, man or woman, a real and lasting stake in the future of his or her societies – politically, economically and socially. With that stake in their minds and hearts, there are no limits to what the peoples of your countries can achieve." Kofi Annan, United Nations Secretary-General, Inaugural Address, Report of International Conference on Governance for Sustainable Growth and Equity, United Natioins, New York, 28-30 July 1997, pp.124-5.

[10] Africa starts the new century facing enormous challenges, with close to 350 million people living on $1 a day or less, and up to 150 million children below the poverty line. Africa is the only continent where the number of the poor is increasing, creating the perception that poverty is increasingly becoming an African problem rather than a global one. Although Africa's economic performance over the last five years represents an encouraging improvement on that of the first half of the decade, deep concern remains that

Due to bad governance, the people – particularly the poor and the disadvantaged groups – have been denied the essential social services. In many African countries, the people are denied adequate education and health facilities and services for their children, and for themselves as well. Housing is very poor, and in most cases virtually non-existent, creating very serious problems of homelessness and a threat to the security of person and property. Very bad roads and poor transportation systems making mobility of resources and persons very difficult, thus adversely affecting the performance of the economies, and the prospects for poverty reduction.

Pervasive and rampant corruption has distorted the economies, as scarce resources are diverted from essential social services to debt repayments accumulated by corrupt politicians and bureaucrats. Domestic and foreign investors are deterred because of uncertainties in the 'playing field' and the high costs of business. The prospects for development and poverty reduction are thus severely retarded. It is, however, the poor who suffer the most. Corruption denies the poor of their share of the national product, small as it is. Endemic corruption is very brutal to the very poor, who are denied the basic social services and have no resources to pay the bribes.[11]

Bad governance has created unprecedented levels of unemployment and poverty in many African countries. It has created internally displaced people, economic migrants, refugees, rapid and unwieldy urbanization, anxieties, fears and a sense of insecurity amongst those who are rich; and hardship, anger, frustration and hostility amongst the poor and unemployed. The rich, living in their privately guarded, secured residencies, fear the poor and the unemployed, worrying all the time that given the opportunity they will break into their homes, or harass them on the streets. The poor regard the rich – including some politicians and bureaucrats – as the root cause of their poverty and unemployment, and hence the enemy.

The poor are the most vulnerable group in society, almost entirely dependent on the state for security, livelihood, and basic social services. The poor are inescapably the victims of bad governance. When violent conflicts take place due to bad governance, they are the ones forced to flee in numbers to avoid being killed or maimed by the security forces or those engaged in the conflicts. When there are severe economic conditions due to mismanagement – bad economic governance – it is the poor who bear the burden of unemployment and lack of the basic social services; and when they peacefully protest the conditions in which they find themselves, the police harass them. When their interests conflict with those of the rich and powerful who can bribe the corrupt judges, the poor lose their lands, a kiosk or even their lives. Wherever they find themselves, in their own countries but far from their homes or in foreign lands, either as refugees, displaced people, asylum seekers, or simply as poor and unemployed but able-bodied and willing to work, the poor are distrusted, held with suspicions by the rich neighbours and subject to police surveillance. If they are left unattended or unwatched, they are expected to do something untoward – stealing, causing damage to property or harassing people by their begging. Their presence is assiduously frustrated, as it is likely to cast doubts on the affluence of the residents and undermine the property values of the neighbourhood.

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current growth rates are inadequate for effective poverty reduction. African Development Bank, Report 2000, p. 38.

[11] The poor pay a high price. Corruption directs income away from them and robs society of resources that it could deploy to combat poverty. And when a country does launch a poverty programme, corruption can siphon off many of the benefits. Much like inequality, but in a bolder form, corruption deprives the poor of an equitable share of society's resources and indirectly reduces the opportunities for poverty reduction by dampening economic growth. Anytime public benefits are distributed in line with the ability to pay – one hallmark of corrupt government – the poor are bound to suffer because they have so little. Resources tend not to flow into social services for them because the bribery receipts are low. Instead, corruption thrives on big, capital-intensive projects, such as for large infrastructure and military hardware, where bribery income can be hefty and the chances of detection slim. UNDP, *Overcoming Human Poverty,* 2000, p. 54.

The major victims of violent conflicts due to bad governance in Africa and elsewhere are the children. They are unable to look after themselves. They are the most vulnerable segment of the population. Every school destroyed is one education institution eliminated from the few that exist. Every hospital looted or its staff killed means the lives and health of hundreds of children are at risk; and so are the lives of the pregnant mothers who might replenish the dwindling population due to wanton death and destruction. Also, when mobility is restricted either because people are afraid to travel, due to the unavailability of serviceable vehicles or because of bad roads – all due to the prevalence of violent conflicts – the children will not be able to go to school or visit the hospital, thus creating conditions for successive persistent poverty.

Children in war-torn countries or post-conflict situations are the saddest and most tragic victims of bad governance. Their status in society is undetermined or undeterminable, having lost their parents or relatives. Their well-being is precarious, as there is no one to care for them affectionately and responsibly. They are traumatized and disoriented, because of the impact of the war and their personal experiences. Also, their future is uncertain, virtually bleak, as no education or training may be available to them. In Africa, the children continue to bear the greatest burden of the consequences of bad governance, irresponsible, insensitive and cynical leadership and dehumanizing poverty.[12]

Undoubtedly, today's children are the building blocks of the future societies. If today they receive the proper education and development, protection and identity, health and survival, and have an effective say in matters affecting their lives and the prospects for future livelihood – the basic provisions of the Convention on the Rights of the Child (CRC) adopted by the General Assembly of the United Nations on 20 November 1998 – the children will indeed be important assets for a renascent Africa. They will be peace-loving and law-abiding citizens, with strong work ethics, compassionate, responsible, responsive and accountable in their actions. They will be potential contributors to economic growth, development and the reduction of poverty.[13]

If the uncared for, uneducated, unprotected, unloved and undeveloped children of today are not given the opportunity to participate in matters affecting their lives and prospects for future livelihood, they are likely to be the uncaring, antisocial, insensitive, selfish and prone-to-conflicts

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[12] Yaquine Koita and Forde Tourkana – the two young Guineans in their mid-teens who on 2 August 1999 died, frozen in the landing gear bay of a Sabena jet flying from Conakry to Brussels, is a telling and tragic event. They risked their lives in order to escape the turmoil, violence, uncertainty and hopelessness – consequences of bad governance – that is now pervasive in many African countries. A letter carried by them and addressed to European officials, reads, in part:
 "…We appeal to your kindness and solidarity to come to the rescue of Africa. We suffer enormously in Africa…We have problems in Africa. We lack rights as children. Help us, we are suffering enormously…help us…we have war, disease, not enough to eat…There are schools but a great lack of education, teaching…We want to study, and we ask you to help us to study so we can be like you, in Africa. We young Africans are asking you for a large and effective organization to bring about real progress in Africa.…We are appealing to you for the love of your beautiful continent, for the feelings you have." *Daily Nation,* Nairobi, Kenya, and *International Herald Tribune,* August 1999.
[13] The patterns of poverty that are passed from one generation to the next can and will be broken when the poor have the means and opportunity to be healthy and well-nourished enough, and educated and skilled enough, to fully participate in the decisions that affect their lives. Because such needs are most efficiently met through public services, universal access to an integrated set of basic social services is one of the most effective ways of reducing poverty in any society. Access to basic health, education, family planning and water and sanitation services is what makes sustained and stable economic progress possible, helps people achieve greater productivity and forms an especially crucial buffer for children and women in difficult times. UNICEF: *State of the World's Children,* 2000, p. 37.

citizens of tomorrow. They are likely to promote the 'vicious circle' of bad governance, swelling the ranks of street children, the unemployed and deepening the pockets of poverty. The prospects for a future of peace and prosperity (good governance), or that of violent conflicts and poverty (bad governance) will to a large extent depend on how today's children are treated.

From big government to good governance: partnership for poverty reduction

In the past, focus was on government as the principal agency that could bring about the required social changes, economic growth and development in general. During the post-colonial period in Africa, great efforts were made to strengthen the capabilities of the government machinery and its agencies – public administration – to reach the people in various parts of the [newly independent] country, purportedly to bring development to them. Post-colonial governments were very much preoccupied with what came to be known in the late 1960s and early 1970s as "penetration". These governments were very much concerned with the need to reach – to penetrate – the inner and remotest parts of the country.

The concept of "penetration" was probably one of the earliest 'buzz-words' in the lexicon of development literature to be used in connection with development administration. A workshop on "Penetration" was held at the University of Nairobi, Kenya in 1967. It was sponsored by the Rockefeller Foundation and was attended by the then leading American and British social scientists working in East Africa. The purpose of the workshop was to discuss the intellectual and operational utility of the concept "penetration", in an overall attempt to find ways and means by which governments could extend their reach to the rest of the country. I mention this workshop merely to stress the point that top-down administration was not only the then conventional wisdom, it was also supported by the leading development agencies and research centres.

The crucial issue was how and by what means could governments "penetrate" or reach the peasants in their villages, bring to them literacy, modern education, health services, and generally alter their life-standards and lifestyle from 'backwardness' to 'modernity'. African cultures were then considered to be major obstacles to economic growth and development in general. The peasants were ignorant, illiterate and superstitious, very much attached to the old beliefs and ways of doing things. Their ways of thinking had to be penetrated by social engineering, and their minds changed.

It was then considered that only the government had the legitimacy, capability, moral and political responsibility to bring about social change and development to the people. Also, the people who were in charge of these governments – the political leaders and their senior civil servants – were convinced that they were the most competent people to determine what was good for the country; that they had the requisite capabilities to formulate the relevant policies, design the most appropriate development projects, and implement them efficiently. Although they were purportedly the beneficiaries of these services provided by the governments, the people at large had no role to play in the processes involved in these activities. Their participation in these matters was not considered to be essential. These were solely the concerns of the governments.

The focus was on governing the people, and on top-down and authoritative public administration coupled with social engineering. Social engineering in support of government policies was one of the major concerns of the emerging new discipline of development administration. The stress was on finding means and methods of getting people to do things as determined by the governments; and not for the people to do things for themselves, as determined by them. The notion of governance – let alone that of good governance – was not part of the political and bureaucratic diction in Africa. Political leaders and ranking bureaucrats did not perceive any direct relationship between the constitution and the laws, on the one hand, and their functional political or

bureaucratic responsibilities on the other. The constitutions were not respected, the laws were disregarded, and neither accountability nor transparency was observed.

In the course of the last two decades, there have been tremendous socio-economic and political changes in Africa and other parts of the developing world. People are now more aware of their rights and are prepared to organize themselves in promotion of their rights and interests. There has been a proliferation of NGOs and CBOs, and other kinds of social and professional associations, so that it is now possible for people to establish various types of partnerships amongst themselves for the promotion of their mutual interests. People now can, and are willing to, look after their own interests.

Now the focus has shifted to governance – the processes by which people utilize collective power for the management of public affairs. Governance is people-centred; and the processes are as important as the objectives. Institutions are not unimportant; but the processes by which they function are also important. Good governance is now acknowledged as the most critical factor in the promotion of human development and the reduction of poverty. Good governance is empowering; it entails collective efforts, collaboration and partnership amongst peoples and groups – NGOs and CBOs – in the promotion of common interests.

In recent times, the notion of partnership has assumed a high profile and popularity in the donor community. Development assistance is increasingly being cast in terms of 'partnership' and not simply of donors and recipients. There is similarly an increasing tendency for the NGOs in the donor countries to be actively involved in these partnerships. In some cases, they constitute the main medium through which the partnership is conducted. NGOs constitute a very important segment of the political and economic systems of the donor countries. They represent particular political, economic, social, religious, educational and cultural interests, and hence are formidable forces in the governance processes of those countries. They can influence development assistance policies and the modalities in which specific assistance – such as poverty reduction – is delivered. They are part of the policy development community that is routinely consulted in matters affecting their interests and concerns. Some of the NGOs have partnerships – or functional linkages – with NGOs in Africa and other parts of the developing world. These constitute major allies and partners. They can influence development assistance policies and mobilize external resources in support of poverty reduction.

There are a lot of formal and informal interactions between governments and NGOs in the donor countries. For these governments, partnership with the major players in their civil societies is the most efficient and effective way of getting things done. It is also an integral part of the democratic participatory processes of these countries. Adoption of the partnership modality is in effect part of the paradigm shift and, for donors, a production of a very long contact and experience with the development assistance to the poor countries.

Theoretically, partnership has attractive advantages. It brings disparate peoples and groups together in pursuit of common objectives. It can thus facilitate effective cooperation between governments and other groups in the civil society, private sector and in the community. It can also promote ownership of policy, responsibility in implementation and pride in its successes.

From the donors' perspective, partnership is thus the preferred modality in the delivery of development assistance. It is also the emerging reality in Africa of getting things done. NGOs are incrementally emerging as active players in the development process and in poverty eradication. People are Africa's greatest assets. They need to be mobilized and organized for productive and development purposes.

Human development entails mobilization and organization of people and resources, in which individuals and groups engage themselves in various productive and creative activities of their

choice. Poverty eradication entails the mobilization and organization of the poor themselves, empowering and enhancing their capacities to identify their problems and promote their interests. Only the poor can be the genuine and effective representatives of the interests of the poor. Partnerships amongst the various groups of the poor and disadvantaged peoples can empower and enhance the capacity to promote their interests, promoting poverty reduction policies, taking part in their implementation and monitoring their impacts.[14]

The problem of partnerships

Partnership may be the most effective means of collective action and the donors' popular modality of delivering development assistance. But how can partnership be forged, and what determines the appropriate type of partnership and its long-term sustainability? Obviously, equality of the prospective partners and shared objectives are the basic foundations of any partnership; but this assumes clear identification of the interests, knowledge of the issues, their complexities and the capacity to respond to them. There is a world of difference between a local, rural NGO and a city-based one; and the latter with a large NGO based in a donor country and supported by the donor government. This raises the issues of the long-term sustainability of the partnership.

There is also the issue of creating appropriate incentives for the proactive participation of the various groups. This will very much depend on the specifics of the situation. An omnibus response to these issues is to locate the partners, identify their interests and forge their commonalities. Appropriate incentives will depend on the perceived interests and objectives of the individuals or groups involved, in the public and private sectors, in the civil society and within the donor community.

Partnerships at community, local, national, regional and global levels among the public sector, private sector, and civil society are crucial in the promotion and implementation of poverty reduction programmes and strategies, as well as in the mobilization of human, material, and financial resources. Given the paucity of resources and capacity – intellectual, material and capital – and in light of the formidable tasks of poverty reduction, partnership between and amongst various local groups, and between them and the national as well as those from abroad, is clearly the most sensible modality in the circumstances.

Partnerships are very useful, popular and attractive; but they have their problems, and these need to be addressed. Failing to do so would put at risk the long-term effectiveness and sustainability of partnership in poverty reduction strategies, particularly those between established NGOs (city-national based) and local rural ones; or between the national NGOs and the big foreign ones. The basic issues revolve around the principles of *trust, respect, ownership* and *equality* between and amongst the partners. These issues have to be factored into the discussion of the policy framework.

Without trust between people, partnership is not possible. People in partnership must trust one another; but trust is a product of experience of people working together for a long time, of mutual expectations and sharing of common values and commitment. It is not a mere creation of law or

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[14] Achievements in eradicating human poverty depend first and foremost on people's ability to articulate their demands and mobilize for collective action. Isolated and dispersed, poor people have no power and no influence over political decisions that affect their lives. But organized, they have the power to ensure that their interests are advanced. As a group they can influence state policies and push for the allocation of adequate resources to human development priorities, for markets that are more people-friendly and for economic growth that is pro-poor. It is the pressure from people to defend their rights and to remove obstacles and enhance their life opportunities that will eradicate poverty. *UNDP, Human Development Report,* 1997, p. 95.

contractual obligations. Respect has something to do with the acknowledgment of something of value in the other person. Such acknowledgment is a product of experience of working together or intimate, objective verifiable knowledge. Ownership entails the degree to which the stakeholders – the poor and their partners – effectively and meaningfully participate, and are held responsible and accountable for all that is done in the partnership. In terms of poverty reduction policies, the poor must effectively and meaningfully participate in the policy formulation, implementation and the monitoring of its impacts.

The principle of equality is often stated but rarely acknowledged. Although it is feasible to have a partnership between juniors and seniors, its sustainability is likely to be problematic. This is one of the lessons of the colonial rule; the kind of relationship, as one colonial ruler put it, '…between the horse and the rider' is obviously no longer tenable. There has to be a recognized equality between partners. Inequalities are, however, the realities of the contemporary times, and the existence of development assistance is itself an eloquent testimony to the global inequalities. So, indeed, is the existence of the rich and the poor in the poorest countries. Nonetheless, it must be conceded that development assistance is also a recognition of the basic equality of humankind, and acknowledgment of the moral responsibility of the richer to help the poor. Thus, there are possibilities for the rich in the poor countries to engage in partnership with their colleagues – or with poor people – to promote poverty reduction programmes and strategies. These are basically issues of leadership and commitment, and of creating the appropriate conditions conducive to partnership and partnering.

Innovative policy frameworks for poverty reduction

We have dwelt on the discussion of governance, the imperatives of good governance and its role in the promotion of human development and the alleviation of poverty. Good governance is best for all the people. Because good governance creates the enabling environment for the promotion of development, and provides the incentives for all the major players of governance to be proactive, creative and productive, commitment to providing an environment of good governance constitutes a macro-policy framework for poverty reduction.[15] The critical importance of partnerships in governance and poverty reduction has also been emphasized. Below we discuss the specific elements or building blocks of the policy framework of poverty reduction.

Decentralization and local governance

The promotion of local governance within the broad national framework of promoting good governance is currently regarded as providing a structural political administrative arrangement for fighting poverty at close range.[16] This is why decentralization, in many countries, is regarded as an important innovation in governance and public administration for poverty reduction. It is within a given locality that poverty is located; where the people affected live; relevant stakeholders are to be found; and availability of relevant local knowledge, expertise and experience, leadership and commitment, etc. are located. Local governance entails serving local needs as perceived by the locals, and promoting their interests in the best manners possible. It is

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[15] Central government needs to understand the potential importance of setting a national climate conducive to good governance and supporting lower levels of government and civil society as they move forward with reform. Local governments need to realize that they can independently take some important actions to improve governance and local government performance – they do not have to stand idly until the centre moves forward. NGOs and citizens should see that they need not wait for the public sector to act – there may be steps they can take to pressure the government to move forward with reforms…
Robertson Work, *4th Global Forum On Re-Inventing Government*, United Nations, Marrakech, Morocco, 2002, pp. 464-5.
[16] See Kauzya, J.M.: 4th Global Forum.

the determination of whose interests are actually being served and not by whom, that distinguishes local government – that is, administrative decentralization – and local governance. Local government does not necessarily mean the promotion of local interests and concerns, such as poverty reduction. It is possible for those in charge of local government to be sensitive to local governance – mindful of local issues, concerns and interests. It would, nonetheless, be more appropriate, effective and meaningful for the local people to be in charge of their own affairs, albeit within the broader national framework of good governance and the alleviation of poverty.

> "What is local about local governance need not be the actor but rather the needs, priorities, interests, participation, and the well being of the local. It is important to have this in mind otherwise we will remain in the structural constraints of equating local governance with local government. For the sake of argument we will recall that not all local governments work in the interest of the local populations. Some local governments can become dictatorial and exploit the local population to serve the interests of local leaders."[17]

Local elites have the time, interests, incentives and the expertise to siphon away the benefits intended for the poor. The policy must ensure against the possibilities of the local elites hijacking local governance. This can best be done by empowering the poor via political education and providing them with the relevant information and knowledge; and enhancing their capacities to organize by themselves and for themselves, providing for special representation and fostering local leadership amongst the poor and disenfranchised groups.

Application of participatory approaches and methodologies of policy-making

Promotion of participation of the poor and relevant stakeholders/partners in the local policy-formulation, planning, implementation, monitoring and evaluation is regarded as another innovation in the way public administration systems make policies. As noted earlier, this would require the appropriate empowerment of the poor and enhancing their 'intellectual' capacities to understand the issues and their possible solutions. Participation is likely to be efficient and effective if it is institutionalized and legitimized, and not subject to the discretion of central or local government administrators.

Providing information and knowledge on poverty reduction to the poor and other relevant stakeholders

Information and knowledge are sources of empowerment for the citizens and all the stakeholders involved in poverty reduction efforts, because it enables them to effectively participate in decisions affecting their lives and livelihood. For the government, information and knowledge are vital to the promotion of human development and poverty reduction. To the poor, they are critical to their survival. Knowledge and information constitute power; and those who have it – governments, NGOs, CBOs, business organizations or individuals – are able to do what they want, desire or aspire to do. Knowledge and information on the causes of poverty and the means by which existing poverty can be reduced and additional ones prevented, are obviously critical to both the victims of poverty and those who are engaged in reducing or preventing its spread.

Anti-poverty programmes require knowledge and information for those participating in promoting it and for the poor themselves. To effectively participate in poverty reduction programmes, the poor need to be informed and educated on the strategies and objectives; and those promoting the programmes need to learn from the poor so that the programmes and strategies are based on the information and objectives emanating from the poor who are the

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[17] John-Mary Kauzya, 4th Global Forum…p. 363.

ultimate beneficiaries of the programmes. Information and knowledge management constitute an innovative policy adjustment in the process of governance and public administration so that governance actors involved in poverty reduction act from an informed vantage.

Collaboration and partnerships

Poverty is in many respects multifaceted and multisectoral, reducing it will therefore require collaboration and partnerships among all players in the public, private, and civil society sectors at all levels but with emphasis on the participation of the poor themselves. Civil societies in Africa, for example, are rapidly expanding. These are great reservoirs of talents, skills, enterprise, experience, leadership, moral sentiments and enlightened self-interests (of the business people) that could be enlisted in support of poverty alleviation. This would enhance the poor peoples' awareness of the existence of other people in similar conditions striving to improve their lives and livelihood, thus expanding their constituencies and enabling them to consolidate and promote their collective interests. They can also form coalitions or partnerships with other social forces to influence national and regional policies on poverty-related issues.

Promoting people-centred and people-friendly public administration

Many countries are engaged in efforts of reforming their public services. As part of this policy initiative, new public administration institutions should be premised on a cardinal mission of supporting private sector wealth creation, social integration and the reduction of poverty. Public servants should routinely be reminded of the critical importance of accountability and transparency in the performance of their duties and responsibilities to the citizens. Similarly, people should be made to understand that governments and public administration are essentially peoples' own institutions endowed with the responsibilities to create an enabling environment in which people could pursue their lives, livelihood, interests and leisure in peace, security and stability.

Creating an informed citizenry through universal literacy and basic education

Given the high levels of illiteracy and ignorance in many developing countries, the promotion of literacy and the expansion of basic education for all are absolute priorities for the reduction of poverty. Illiteracy, lack of education and training are major causes of poverty. Education is an all-purpose empowerment. It enables one to earn a living and to enjoy a living. Literacy enables one to be aware of what is taking place in society, or the neighbourhood, and can therefore make one heard or read, and confidently call to account those in authority.

Promoting development-oriented understanding and practice of politics

Politics has proved to be a hindrance rather than a facilitator in the solutions of problems of people living and working together, pursuing a mutually agreeable life of harmony, affluence, peace and stability.

In Africa, politics and its practitioners have tended to confuse and confound problems and hindered solutions. This has been the case largely because politics and politicians have been mystified and demonized during the colonial and post-independence period. Politics was rarely perceived as a necessary human activity, let alone a potentially humanizing and civilizing one. Politics was perceived as a struggle for power and the means to enrich the politicians. Politics was discouraged, controlled, manipulated and suppressed; and politicians were presented as disloyal and subversive people. The authorities demonized them. Only those supportive of the colonial authorities or the incumbent regimes during the post-independence period were honoured and privileged.

Politics needs to be demystified and de-demonized. Promotion of human development and the reduction of poverty will require the mobilization of people and resources; and this in turn will require active civil societies. However, the viability and vibrancy of civil society and its multitude of organizations require the active participation of individuals and groups, the unhindered circulation of ideas, opinions, views and judgements, and an active private sector. For all these components of good governance to be fully operational, and for the major actors and the key institutions to play their roles freely, intelligently, competently and effectively, there has to be dynamic, purposeful and constructive politics. Politics is the life-blood of good governance.

Politics and civil society are interdependent, as are politicians and civilians, and the views, ideas and opinions they hold, defend or wish to persuade others to share with them. Well-informed, enlightened and responsible citizenry is crucial to the viability and vibrancy of civil society. Educated, well-informed, responsive and responsible leadership is critical to the creation of the enabling environment conducive to the promotion of development and the reduction of poverty. Civil societies are reservoirs of human, material, and financial resources, and marketplaces of ideas, skills and experiences; and politics should keep them alive and thriving.

Child-centred human development strategy

Under the Convention of the Rights of the Child (1998), providing the succeeding generations with knowledge and skills, opportunities and possibilities to create a much better future devoid of unnecessary violent conflicts, destruction to life and property, and perpetual, self-generating poverty, should have a privileged place among the priorities of governance. A future is a conjuncture of events, ideas and actions deliberately created by humankind. This requires inspirational and action-oriented leaders and leadership at all levels of governance. Thus, there is the need for partnerships between governments, NGOs and CBOs – as well as INGOs – and the private sector to actualize the future.

> "There is no trust more sacred than the one the world holds with children. There is no duty more important than ensuring that their rights are respected, that their welfare is protected, that their lives are free from fear and want and that they grow up in peace.
>
> The State of the World's Children 2000 is a rallying call to us all. It is a call to governments, civil society, the private sector and the whole international community to renew our commitment to children's rights by advancing a new vision for the 21st century: a vision in which every infant has a healthy beginning, every child a quality education and every adolescent the opportunity to develop his or her unique abilities. It is a call to families and communities – and to children and adolescents themselves – to make their voices heard in helping translate this vision to reality in their daily lives."[18]

The children of today are the citizens of the future society. Through nurturing, education, protection, training and nourishing, today's children can be prepared to be the competent, educated and skilled, loyal and law abiding, compassionate and caring citizens and leaders of the future societies, devoid of preventable poverty. They would ensure the perpetuation of the virtuous circle of good governance.

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[18] Kofi Annan, U.N. Secretary-General, foreword for the *State of the World's Children Report*, 2000**.**

Meeting the challenge of the 21st century: towards the virtuous circle of good governance, poverty reduction and human development

It is the manner in which the principles of governance are applied, its institutions managed, and its beneficiaries (the entire society) involved and engaged in its practice in partnership and collaboration with politicians and bureaucrats/civil servants that may constitute good or bad governance. As an empowering process, good governance enhances the capabilities and the opportunities of the poor to improve their welfare and well-being in general. When empowered to make decisions affecting their lives and livelihood, they will gain self-confidence and self-esteem. They will engage themselves in various creative and productive activities in pursuit of their interests and supporting their families, thus contributing to the creation of wealth and employment, the promotion of human development and poverty reduction. As human development becomes more sustainable with the support of good governance, incrementally more people would participate in the development and democratic processes, making them confident stakeholders in the governance system; and as beneficiaries of the system, they are more likely to be its ardent supporters.

> "Good governance and sustainable development are indivisible. That is the lesson of all our effort and experiences, from Africa to Asia to Latin America. Without good governance – without the rule of law, predictable administration, legitimate power, and responsive regulation – no amount of funding, no amount of charity will set us on the path to prosperity……Good governance will give every citizen, young or old, man or woman, a real and lasting stake in the future of his or her societies – politically, economically and socially. With that stake in their minds and hearts, there are no limits to what the peoples of your countries can achieve."[19]

Good governance facilitates the release of the peoples' energies, skills, capital, enterprise, enthusiasm, and entrepreneurship for creative and productive purposes – conducive to human development, and the elimination of poverty. When a point is reached where good governance and sustainable development are co-existing, a much wider virtuous circle of good governance facilitating poverty reduction will be achieved. Each will be dependent on the other and will reinforce one another, thereby establishing a perpetual regime of good governance and human development, incrementally eradicating poverty and continuously expanding the horizons of freedom, thus facilitating the creation of a much wider range of choices and enriching human life in all possible ways. Achieving such a virtuous circle is the major challenge facing many developing countries in the 21st century.

Recommendations

- Decentralization should be accompanied/supported by financial capacity to pay for the local staff and the services delivered. The support could come from the central governance authorities, or the local authorities given the ability to levy selected taxes at the local level. This would introduce the element of subsidiarity, and with it local ownership, responsibility and accountability for performance and service deliveries.

- Promote community awareness and solidarity, responsibility and pride in citizens' residency, making them aware that in the last analysis it is they who would suffer should anything go wrong in the community. For example, in Mombasa, Kenya, some residents have decided to organize their own waste collection, since the Municipality has not been able to do so for

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[19] Kofi Annan, United Nations Secretary-General, Inaugural Address, *Report of International Conference on Governance for Sustainable Growth and Equity,* UN, New York, 28-30 July 1997, pp.124-5.

many years. In other parts of the town, local businesses have created temporary kiosks where the elderly could get tea and a bun between certain hours of the morning. This is being done in the name of "taking care of our elderly and the poor".

- Institute weekly/monthly 'surgery' where: councillors meet the senior staff; councillors meet the residents/electorate; and senior staff meet the residents. At these 'surgeries', questions could be asked, views and opinions exchanged, and dialogues conducted to the benefit of all concerned.

- Promote a better understanding of the nature of poverty, its causes and the various ways of preventing, reducing and eliminating it. This would help disassociate the causes of poverty from superstition or misconceived religious causes; to educate and inform citizens that poverty is a social condition created by humankind, and hence an issue of both personal responsibility and that of governance.

- Enhance capacity-building all round: councillors need to be better informed of their responsibilities and their obligations to the residents; senior officers require appropriate training and continuous learning; and residents need to be informed of the role of the council and councillors, so they are empowered to pose the right questions and will expect accountable and transparent performance from the officials.

- Senior local governance officials should be recruited from the locality. They are likely to be familiar with the local problems, approachable, culturally accountable and conscious of the possible consequences of failures. In many African countries, senior local government officials – town clerks and engineers – are appointed by the central authorities and tend to be recruited from outside the specific localities. This is a continuation of the colonial policy of importing different ethnic identities to ensure central control without local constraints or sentiments, and to strengthen the top-down – 'penetration' – style of public administration.

- Strengthen NGOs' and CBOs' organizational capacities, whilst ensuring the observation of the principles of accountability and transparency within the organizations and towards the community they are purported to serve.

- Facilitate and simplify the legal registration of all civil society organizations engaged in poverty reduction.

- Promote environment conducive to partnership and partnering, popularly advocating a policy of cooperation and collaboration between all sectors of society (including NGOs and CBOs) amongst themselves and between them and government, thus expanding the horizons of inclusiveness and the possibilities of wider participation.

- Creatively utilize the enlightened self-interests of the local private sector in conceiving, formulating and implementing poverty reduction programmes and strategies.

- Creatively re-think and re-engineer indigenous local governance institutions, enhancing their capacities in identifying preventable poverty and enlisting their support in poverty reduction strategies.

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Chapter two

Innovations for Grass-Roots-Level Development: The Case for a Global Compact of Effective Partnerships among Government, Civil Society and Private Sector Businesses

by

John-Mary Kauzya[1]

In general, there is a tendency to always take the term "local" too literally and leave local governance to local people. However, in the era of globalization where all stakeholders need to think globally, especially when they seek to work locally, evolving effective systems for local development should be done through cooperation between government, civil society and businesses. It should be a strategic and operational goal to be pursued by all development partners, donors, and other stakeholders in the process of empowering grass-root communities economically, socially, politically and otherwise. In this presentation, we discuss issues related to promoting such cooperation focusing on the rationale, the various interests that may drive it, and the challenges encountered in the promotion of effective partnerships.

From effective public administration to good governance: accumulation of paradigms of exercising public authority

There has been a shift in the processes, practices and expectations of exercising authority in society by different actors. Public administration which, as an act of exercising public authority had emphasized regularity and centralized control, has mutated through public management, emphasizing efficiency, to good governance, centring on the participation and involvement of the governed. Even in the least democratic countries, the term 'governance' has figured prominently in the discourse of exercising power and authority, whether it be political, economic, social, administrative or managerial. The advocates of good governance have premised their arguments on the need for participation and involvement of the governed in the act of governance. Formerly, governments, non-governmental organizations and private businesses exercised their authority and undertook their operations differently. However, nowadays there is a general tendency to work towards collaboration rather than conflict, especially due to the realization that all of them are working towards the goal of development and are operating in an environment where collaboration is the key to meeting the common challenges, such as deteriorating environmental conditions, weak markets, global competition, etc. The most striking development in all these shifts is the increased energy and focus on the local community stakeholder engagement, social and environmental factors, building local enterprise, local economies and local ownership, fostering sustainable communities and economies and ensuring the successful transfer of responsibility for long-term success into the hands of local community stakeholders.

Arguments that used to be centred on the centrality of government and the determinant role of the public sector, the dominating role of the private sector as the engine of growth and economic development, and the critical role of non-governmental organizations are slowly solidifying into one search of how all these actors can forge effective partnerships that can stimulate, catalyse and sustain the development and well-being of a community.

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The need for a global compact at the grass-roots level

What has been happening is a deepening necessity for reconfiguration at all levels. In the search for the most effective way of forging partnerships among the government, public sector institutions, local governments, and private businesses at the international, regional, national and local levels, each actor has sought to reconfigure their systems, structures, practices, relationships, and leadership behaviour. What is emerging from all this is that the community is increasingly being put at the centre as a partner as well as a beneficiary. We must add that this situation is unfolding in an uneven way from region to region and country to country.

What needs to eventually be put in place is some form of Global Compact as a network for local grass-root development. At its core would be the overriding objective of ensuring the socio-politico-economic and cultural livelihood of grass-root communities. It would involve all the social, political, economic, and cultural actors at the international, regional, national, local and community levels. Together, all these actors would define the principles on which the compact would be based, the frameworks for action, the modes of community representation and participation in the development planning, implementation, monitoring, and evaluation as well as the possible ways through which improvements of consumption by the poor could be achieved. The framework below could serve as a guide to identifying potential stakeholders with whom and among whom partnerships should be forged for local-level development. It also illustrates the linkages that would be created among all actors as well as the central goal of the livelihood of the community.

Framework for creating partnerships among various stakeholders of local-level development
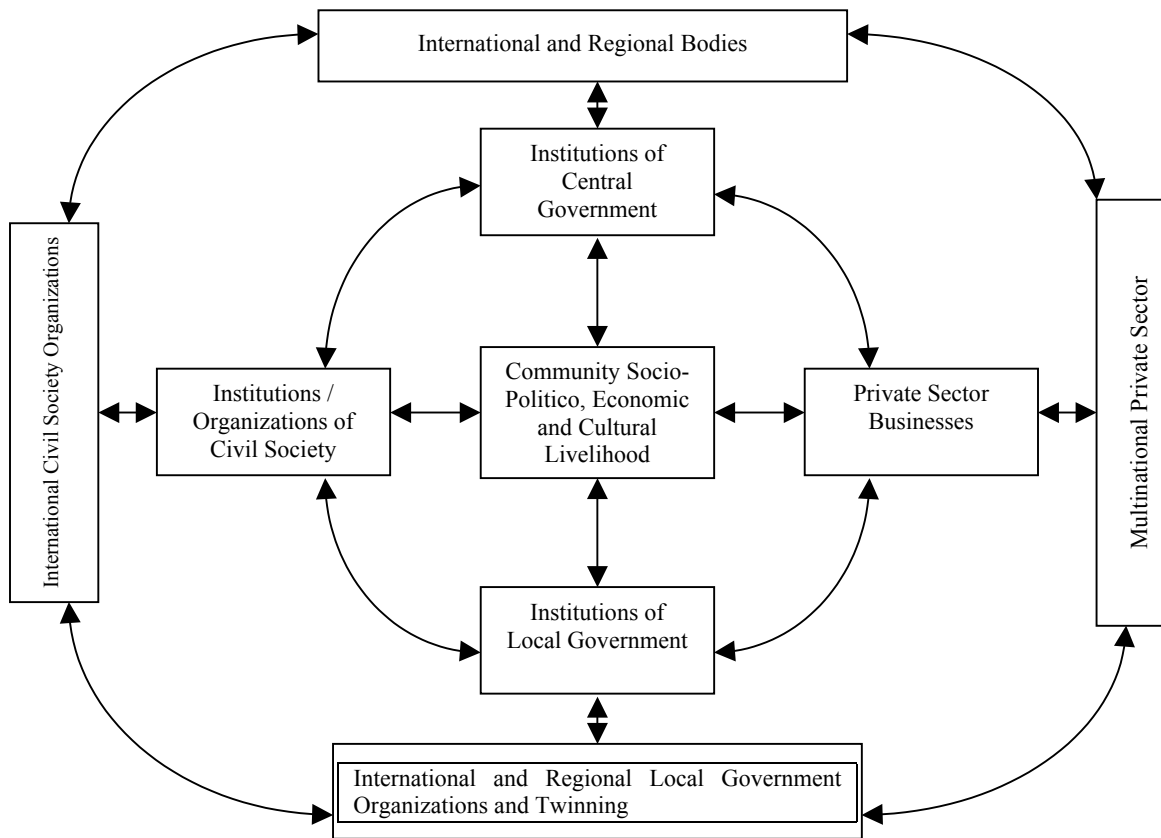
Public policy for private profit/private policy for public profit: the case for partnerships among the public sector, private businesses and civil society organizations

However, even if there seems to be a gradual movement towards the creation and operation of partnerships in many fields of socio-politico-economic and managerial governance, we cannot assume that it is only a natural tendency. There is reason to pose and define the rationale for encouraging and promoting such extensive partnerships. As in most partnerships, each side needs to be clear about the benefits of the partnership it seeks to engage in. Let us first outline some of the reasons why governments may wish to engage in such partnerships.

Governments' interests

In this era, where public administration, having given way to public management, is finally opening to good governance, governments that have concern for their citizens can no longer expect to themselves cater to all the citizens' needs or even define them alone. The '*interet general*' is no longer defined and guaranteed by the State alone. Society, through civil society organizations, including non-governmental organizations, community-based organizations and private sector enterprises, are demanding an active seat and voice around the table where the *'interet general'* is defined and guaranteed. The following, therefore, are some of the reasons why governments may be interested in creating and sustaining effective partnerships with civil society and the private sector:

- To provide structural arrangements and consensus on participative governance;

- To obtain inputs from all stakeholders in the process of decision-making, especially related to services to be delivered and the manner in which to deliver them;

- To ensure acceptable levels of representation in order to reach mutual consensus on issues that are critical to local-level development;

- To ensure focus on resource mobilization, including resources from the local communities themselves and other development partners;

- To increase consumption by the poor;

- To foster action and partnerships in the pursuit of good corporate citizenship;

- To encourage "corporate responsibility" towards strengthening the economic well-being of grass-root communities;

- To provide a contextual framework to encourage innovation, creative solutions and good practices among participants; and

- To enhance business performance through socially and environmentally responsible international business practices.[2]

The private companies' interest in creating partnerships with government, NGOs, CBOs and local communities

There is a strong reason why private businesses would be interested in pushing for grass-root community development. It is a classical case of private policy for public profit.

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[2] Mission statement of the Centre for Innovation in Corporate Responsibility. (See *Engaging Stakeholders and Business-NGO Partnerships in Developing Countries: Maximizing an Increasingly Important Source of Value,* the Centre for Innovation in Corporate Responsibility, November 1999. See also http:/www.cicr.net/.)

"In recent years, changing expectations about the role of business in society have pushed the concept of good corporate citizenship into mainstream business thinking. Indeed, there is a growing body of evidence linking corporate citizenship activities to positive business performance. Increasingly, leading companies recognize that they now have a broad range of stakeholders – including investors, employees, non-governmental organizations and the communities in which they operate".[3]

Essentially, it is a well-known fact that a business that has anything to sell cannot thrive on a market that is constituted by poor communities. Indeed, in economic terms, such would not qualify to be called a market.

In Canada, research indicated that the active engagement of local community stakeholders is, for many businesses, viewed as being a 'necessity.' Canadian and foreign corporations operating in the developing world are integrating environmental and social sustainability (through stakeholder engagement) into their operations to ensure or increase bottom-line profitability. Stakeholder engagement provides value to corporations in the form of: (i) access to land; (ii) trust and reputation building and assurance; (iii) securing a 'social' license to operate; (iv) access to local community users of corporate goods and services; (v) marketing and competitive advantage; (vi) improved quality of business decision-making; (vii) overall industry health; and (viii) stable operating environments. Corporations recognize that NGOs represent one source among many for providing complementary sets of skills and expertise, facilitating communication and understanding with local stakeholders, and strengthening process credibility.[4]

Interest of NGOs and CBOs

However, as we indicated above, it should not be taken that the benefits of partnerships are only accruing to these companies. The same report cited above clearly indicated that: the resulting benefits accrue to both the company and to local communities. Business is the key driver of international development. Private investment and capital in developing countries eclipses Official Development Assistance (ODA) many times over. By further integrating extensive stakeholder engagement and social and environmental considerations into their project delivery, businesses are becoming increasingly sophisticated drivers of sustainable community social and economic development, wealth creation, local ownership and poverty alleviation. In a small but increasing number of cases, the value of entering into partnership with non-governmental organizations (NGOs) within this engagement process is also being recognized – with relations shifting from conflict to collaboration.

If we take the above arguments as valid, then what we have here is a neat win-win situation where partnerships among government, private sector businesses and civil society organizations constitute a broad gateway to definition, strategy-building and implementation of community, national, regional and global socio-politico-economic development action. What is required is for all the stakeholders to examine and agree on the critical issues around which partnerships can best be constructed and sustained.

Issues around which partnerships could be constructed and should be promoted

Effective partnerships grow around issues of common interest and shared expectations. Therefore, if there are to be effective and meaningful partnerships among the private sector, civil

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[3] United Nations Global Compact.

[4] See David Greenall & Darin Rovere, "Engaging Stakeholders and Business-NGO Partnerships in Developing Countries: Maximizing an Increasingly Important Source of Value", paper written for the Alliance of Manufacturers and Exporters, Canada and Presented at the Canadian International Development Agency International Cooperation Days, 17 November 1999.

society, public sector and grass-root communities, the issues around which such partnerships could most effectively and profitably be constructed should be identified and clearly articulated. Such issues would include:

- Poverty reduction as the overarching issue;

- Integrated development planning (IDP);

- Primary health care and provision of medical service;

- Literacy;

- Conflict management;

- Disaster management;

- Promotion of gender equity;

- Combating HIV/AIDS;

- Environment protection, conservation and management;

- Promotion and establishment of e-governance and ICT capacities, including infrastructure and knowledge and information sharing;

- Fighting crime, including terrorism and cyber crime;

- Small enterprises development;

- Employment creation and welfare arrangement for the elderly and the disabled;

- The delivery of social services, such as primary health care and other medical services, education, transportation and communications, etc.; and

- Commodity marketing and distribution, especially in international trade.

Challenges of stakeholder engagement and effective partnership

There are a number of challenges that must be overcome in the process of promoting, establishing, operationalizing and sustaining effective partnerships among government, private businesses, and civil society organizations, including grass-root communities. Some of them are highlighted below.

Inadequate organization among local communities

This may often lead to few CBOs and NGOs, as well as little ability to negotiate and/or articulate a common interest and position. The whole issue of establishing partnerships with local grass-root communities presupposes that these communities are organized appropriately to first dialogue and agree among themselves on a common interest and position, and then communicate and negotiate it to their partners and other relevant stakeholders in one common voice with no misleading contradictions. The first challenge, therefore, is how to ensure that grass-root communities are organized in a way that enables them to articulate and negotiate their interests with the relevant partners or stakeholders. There are countries where decentralization policies and strategies have provided structural arrangements that adequately cater for such articulation and negotiation. There are also community-based organizations (CBOs) that provide such structural arrangements. However, as we all know, there are countries where the levels of openness have not yet allowed the emergence of such organizational structures, be they local governments, non-governmental organizations or community-based organizations. This challenge lies squarely on governments to free the organizational potential of their populations to enable them to organize

themselves appropriately for effective partnerships. A society that has not reached an adequate level of civic organization is prone to government dictatorship, private enterprise exploitation, or even exploitation by unscrupulous non-governmental organizations, which may be local or international. Governments have legal mandates that give them authority and political power which they can use to strengthen their negotiation in creating and operating partnerships. Some of these are strengthened further by strong economic power. Private businesses often have financial resources and organizational structures that support them in situations where they have to negotiate partnerships. The only power the communities have on which they can rely in negotiating effective partnerships lies in their ability and freedom to organize and act together. This organizational power at grass-root community level should be freed and encouraged to grow if partnerships have to be promoted.

Power differentials within and among different stakeholder groups

Different stakeholders in the same community or even in the same country have different levels of actual or perceived power. Often agreeing with one member in a partnership means causing or ignoring a disagreement with the others who may be more powerful. There is always a need to conduct an exhaustive stakeholders' analysis, including their power and influence base before striking the appropriate points on which meaningful and sustainable partnerships can be forged. Even governments which are expected to know their people well enough often find themselves making negotiation blunders at the local level because of insufficient understanding of the different power bases at the grass-root level. For foreign private businesses or NGOs, the difficulty is magnified.

Multiple interest groups

The fashion of partnerships and cooperative governance should not blind us to the basics of the foundation of the State. Fundamentally, the State has always been understood to be the defender and guarantor of the citizens' general interests, especially given that the private sector has always been conceived to be pursuing private profit. In essence, this conception of the distinction between the State and the private sector has not changed. What has changed is that the State has been found to fall below the expectations of the citizens who have in turn demanded that the State give them space to participate in the definition and the guarantee of their general interest. In the real world, there are a great number of interest groups and some of them do not always expose their interests. This is often realized too late to change anything. The challenge here is to search for transparent operations that permit all interests to be put on the table so that the negotiations for partnerships can be conducted with little manipulation and maximum involvement and dialogue at various levels.

Inadequate judicial systems

In some cases, partnerships among government, the private sector and civil society are loose and informal, translating themselves in informal linkages and involvement and participation. However, in other cases, there is a need to undertake partnerships that are more formal, involving legal and judicial provisions. When legal and judicial systems are weak, the development of partnerships becomes very difficult, because predictability is undermined and in the absence of assured recourse partnerships become risky, and the tendency to avoid them increases. This is why one of the prerequisites for the growth of effective partnerships is an operational legal and judicial system.

Building leadership trust

Any partnership grows on trust. Where there is no trust between the public and the private sectors, there cannot be effective partnerships among them. Where civil society does not trust government or vice versa, the two can hardly work in partnership. Where grass-root communities do not trust their local governments, they cannot easily work in partnership with them to solve their local development problems. When the international community does not trust the national governments, partnerships between foreign and local investors will be very difficult to build. It is, therefore, a big challenge to ensure sustainable trust among all the stakeholders. What makes this challenge more formidable is that, although systems are very important, trust is mostly hinged on individuals, such as leaders. This is to say, a government can trust the private business sector if the private business owners are generally perceived to be trustworthy. Private business owners will trust a government's institutions and engage in partnerships with them if the leaders of such institutions are perceived to be trustworthy. Foreign investors will easily go into partnerships with national business owners if they are perceived in international circles to be trustworthy.

Concluding suggestions

While the above challenges would require sustained creativity to evolve institutions, structures, systems, relationships, practices and leadership to overcome them, we believe that two crucial measures are at the core of sustaining effective partnerships.

Vertically and horizontally decentralized governance and power distribution

In societies where decentralized government structures are adequately representative and effectively operational, the problem of dealing with power differentials among groups is minimized. It is equally reduced where communities are well organized in CBOs and local NGOs. This is because such decentralized structures tend to clearly define power and authority lines as well as responsibilities thus permitting identification of partners with whom to dialogue. We should bear in mind that in countries where governments are still hanging on to centralized economic control, the private sector is discouraged and opportunities for creating partnerships are minimized. In effect, decentralized governance, including the strengthening of the private sector enterprises, creates structural socio-politico-economic arrangements for effective participation and partnerships.

Building transparent and accountability systems supported by capable leaders of integrity for effective trust

Developing a leadership that is not only capable but also known to be composed of people of integrity, ethics, and accountability, is a critical challenge for effective partnerships between and among the public sector, private businesses and civil society. It is important to note that trust is built over a tradition of *accountability*. Being open and transparent is critical to maintaining trust. Therefore, as an aspect of good governance, systems that seek to promote partnerships among the various sectors and development stakeholders must at the same time champion open and transparent systems that support information sharing and reporting.

Part Two

Regional and Country-Level Practical Experiences and Trends in Governance and Public Administration Innovations for Poverty Reduction

"A country that significantly improves key governance dimensions such as the rule of law, corruption, the regulatory regime, and voice and democratic accountability can expect in the long run a dramatic increase on its per capita incomes and in other social dimensions"[1].

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[1] Global Competitiveness Report 2003 – 2004, published by the World Economic Forum (page 13).

Innovations in Governance and Public Administration
for Poverty Reduction in Thailand

by

Orapin Sopchokchai[1]

Poverty is not a new issue to any Asian country, and that includes Thailand. In fact, it is so serious a problem that almost all governments put it on the highest policy priority. Series of studies on poverty have been conducted and policies and measures put in place to reduce poverty. Poverty programmes and measures have heavily focused on how to improve the quality of life, empower the poor, and stimulate economic growth of the nation.

Today, the old poverty reduction issue is re-emerging in a new parameter. As part of strategies for reducing poverty, governments have embarked on improving governance and public administration. Poverty reduction rests on a foundation of civil social order, good governance, and institutional rules, leading to an effective market. Weaknesses such as poor governance – inefficient administration, misallocation of resources, poorly designed projects and corruption – hurt the poor through both economic and non-economic channels. Economically, they weaken the effectiveness of the markets, and thus hold down economic growth, which greatly affects the poor because growth in the overall economy tends to be accompanied by an equivalent growth in the income of the poor. Moreover, economic growth, improvement of public services and human development do not automatically trickle down to the poor. The structure that creates poverty needs to be addressed.

Good governance and sound pubic administration for poverty reduction must first be put in place to ensure desirable outcomes. These include:

- Creating accountability in the use of public funds to aid the poor;

- Building national capacity for pro-poor public policy formulation and implementation;

- Improving civil society and private sector participation for better service delivery to the poor; and

- Helping the poor to organize themselves.

Therefore, establishing good governance in public administration helps the poor by facilitating market activities and economic growth, promoting participation and empowerment, and delivering high-quality services while minimizing corruption. Corruption also hurts the poor, while lower growth, regressive taxes, lower-quality services, higher investment risk, and lack of legal and civil rights keep the poor at a disadvantage.

Having democracy and an elected government does not always guarantee better policies and services to help the poor. The non-poor may have more opportunity to manipulate or lobby to secure resources, slow down decision-making or distort policy direction that hinder long-term economic growth and poverty reduction.

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[1] Dr. Orapin Sopchokchai is Commissioner, Public Sector Development Commission (PDC), Office of the Prime Minister, Thailand.

It is now crucial to focus attention on governance and public administration, because improving governance and public administration is central to achieving social and economic development objectives, as well as reducing poverty in Asian developing countries.

In Thailand, while poverty reduction has been a top policy priority for the Royal Thai Government for more than four decades, the nation has also been committed to establishing good governance in the society, as reflected in the new Constitution of 1997 and the 9th National Economic and Social Development Plan. A series of governance improvement programmes, as well as public sector reform, have been introduced and implemented.

Box 1: The 1997 Constitution and Governance Issues

The 1997 Constitution is the first constitution of Thailand's people, as it was developed and drafted by a group of 99 representatives elected by people in 75 provinces and experts from universities and professional associations.

Several unique features of this constitution set it apart from its predecessors, including strengthening the rule of law and human rights; enhancing accountability mechanisms and enforcing much stronger conflict of interest standards; and improving transparency, participation and decentralization.

The constitution ensures individual freedom, and both political and social rights. To enhance transparency, the constitution also provides the right of the citizen to access public information in possession of the state agency, enterprises and local government organizations.

Many new independent mechanisms – the National Counter Corruption Commission, the Office of the Auditor General, the Administrative Courts and the Ombudsman – were created to improve governance of the public sector.

In addition, the constitution includes a number of provisions regarding the declaration of assets by politicians and senior government officials and provides for the impeachment of government officials as well as politicians found guilty of corruption or wrong-doing or unusual wealth.

Concerning participation, 50,000 eligible voters can directly submit a petition to the President of the National Assembly to consider their draft of a bill. A similar number of voters can request the President of the Senate to remove senior officials suspected of corruption.

The constitution gives the right to local citizens to control the use of local natural resources and to protect the quality of the environment.

In addition, the current Government, under leadership of Prime Minister Taksin Shinnawat, who won the election in 2001 with a popular campaign to declare war against poverty, corruption, and drug abuse, has activated and launched the nation's first comprehensive public sector reform programme. He implemented the first part of the reform by restructuring government agencies across the board. This was the first restructuring attempted after 110 years of the Thai reform history. Through this programme, the governance and administration reform act was promulgated on 2 October 2002, along with the ministerial structural reform act. The administration act of 2002 is one of the first acts that aims to enhance good governance within the Thai public administration. Through better governance, it is anticipated that higher quality service will be provided for Thai people, especially the poor.

Since the 8th National Economic and Social Development Plan (1997-2001), civil society groups have been working very hard to put the plight of the poor at the forefront of the national agenda.

Through a participatory approach to formulate the Plan, poverty and promoting pro-poor growth is also a high priority in the 9th Plan (2002-2006).

This chapter focuses on the innovations in governance and public administration for poverty reduction in Thailand. Therefore, its scope is to provide a fresh insight into the poverty situation and dilemma in Thailand, and to identify cases and innovations in governance and public administration for poverty reduction. An attempt is also made to explore further active poverty reduction strategies.

Changing faces of poverty in Thailand

What is poverty? Who are the poor? These are normal questions used in many previous studies aimed to address poverty issues in Thailand. A Thai scholar once expressed that poor people are not victims of disease or illness; they are victims of economic and social development. For many years, the most common notion of absolute poverty has been the inability of an individual of a household to attain a minimal standard of living – less food intake, limited allowance for clothing and shelter. A.K. Sen (1976) added that a measure of relative deprivation can be combined with that of absolute deprivation, as poor people feel deprived relative to others in a society[2]. Therefore, the notion of poverty is broadened to include both income or basic consumption and deprivation of basic needs such as primary schooling, health care, safe drinking water and housing. Absence of these basic needs can cause serious physical health problems, and economic and social problems of the poor.

Figure 1: Vicious circle of poverty

Never Ending Poverty: the Vicious Circle
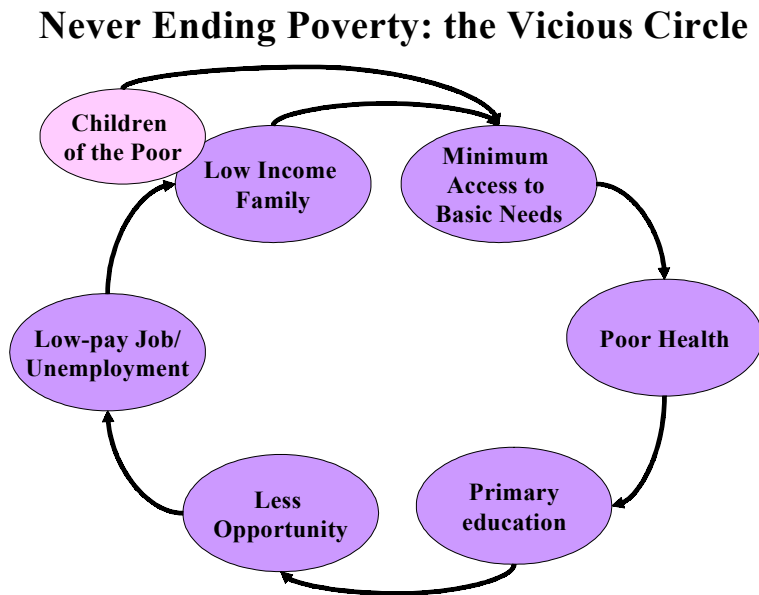
Poverty can be described as a vicious circle. People in absolute poverty face the difficulty of breaking this vicious circle if there are no intervention programmes or measures. Normally, a poor family attains a minimal standard of basic needs, which means less food that delivers a

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[2] A.K. Sen, 1976. "Poverty: an Ordinal Approach to Measurement," *Econometrica*, Vol. 44.

minimum of calories per day, poor housing and living environment, limited resources and knowledge for health care, etc. When children live only on a minimal standard, they are in poor health. With ill health, children are likely to under-perform or get poor grades in school. They are also likely to drop out of school earlier. People with neither working skills nor education have limited opportunity to earn a higher income. Many of them earn minimum wage or easily become unemployed, and a household with low income is considered poor. Children who are born to poor families are victims of the vicious circle and will always be trapped within this never-ending vicious circle, unless there are some outside interventions or good assistance programmes either by government or other agencies.

Who are the poor people in Thailand? Like many developing countries in Asia, Thailand still has serious problems concerning poverty and income disparity. To deal with this problem properly, planners and policy makers have focused on defining poverty and identifying the real target groups. Identifying poverty target groups and measuring poverty can be carried out in different dimensions. Normally, income level and consumption are used to set an official poverty line and count the number of population who live below this poverty line (about US$0.75 per day). Based on this poverty concept and socio-economic survey data between 1986 and 1996, the incidence of income-poverty declined from 32.6% to 11.4%, the number of income-poor declining from about 18 million to 7 million. After the economic and financial crisis in 1997, these impressive poverty reduction figures reversed. The new special survey indicated that the poverty ratio increased from 11.4% in 1996 to 13% in 1998 and 18.5% in 1999. This meant that an additional one million persons became poor in 1998, with 1999 seeing another 2 million added to this number.[3]

Before the economic crisis, the incidence of poverty had declined in all regions, while the Northeast continued to be the poorest region in the country. Between 1998 and 1999, the incidence of poverty increased sharply in the Northeast and somewhat in the South and Central regions, but declined in Bangkok and the North. This impressive figure of poverty reduction was changed after the economic and financial crisis in 1997.

It is anticipated that there was increasing incidence of poverty in many regions because unemployment increased significantly during the crisis, more than tripling from 0.9% to 3.4% between the third quarters of 1997 and 1998.[4] In the midst of the crisis, construction workers and factory labourers, mostly from the Northeastern region, returned home due to the fall of the Thai construction and industrial sectors. Female workers either retired to raise their families or went back to work on farms. Many young workers went back to schools because they could not find any jobs at the time.

The 1997 economic and financial crisis had a large impact on poverty in Thailand. While the incidence of poverty increased, today the target groups that the policy makers and public administrators have to deal with are quite different from the earlier period. Their problems, demands and expectations are different. Their problems are more complex and difficult to solve.

Globalization – the development of modern information and communication technology, trade competition, partnership and a global network dialogue – and economic crisis changed the patterns and demands of the poor. In the past, target groups could be easily identified by geographical region, rural residence, occupation, education, and income level. After the crisis, and due to the new global environment, targeting poverty became tricky. For example, evidence has shown that small landholders as a group are poorer today than they were at the start of the decade, due to old-age farmers, high costs for small-scale production and less bargaining power. Increasing numbers of middle-age unskilled workers (the majority of them are female workers)

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[3] World Bank. Thailand Social Monitoring: Poverty and Public Policy, Human Development Sector Unit, East Asia and Pacific Region, November 2001. pp. 3-4.
[4] World Bank. *Ibid*., p. 5.

are unemployed because many labour-intensive industries were closed down or moved to other countries. These workers were too old to find another job in a factory or to work on the farm. Moreover, some old-age middle class and retirees are among new poor target groups because of the impacts of the economic crisis.

With the new environment and limited resources, devising and implementing successful poverty reduction programmes is one of the most challenging tasks for the current Government and the Thai administrators.

The role of public administration in poverty reduction

For more than four decades, the poverty reduction policy has been one of the major concerns of every Thai government. The public sector has dominantly played a crucial role to engineer the policies and implement programmes to eradicate the nation's poverty problems. The previous poverty programmes mainly focused on and gave a higher priority to eradicating poverty in rural areas. The Poverty Eradication Programme and the Rural Employment Promotion Programme, for examples, were introduced and implemented during the 4th and 5th Plans. Experts and planners in the central agencies designed these two programmes. Therefore, in the early period, public officials were the main actors who provided public services and implemented the programmes to eradicate poverty. The public sector's role has become increasingly important because of the frequent changes of elected governments and limited roles of non-government organizations and the civil society.

Box 2: Thailand's Governance and Public Administration

Unlike other countries in the region, Thailand was never colonized. Thai public administration transformed and inherited a centralized system of government since the 13th century. The modern system, which established ministries, replaced the hereditary governor with senior officials, and separated personal and public property was introduced by King Chulalongkorn (1868-1910). In 1928, the Civil Service Act was passed, which created the modern Thai civil service and standardized procedures and practices in all ministries.

The bloodless coup in 1932 established new guided democratic governance, in which the lower house of popularly elected representatives would be balanced by an upper house of appointed legislators. After the military coup in 1933, Thailand subsequently oscillated between army and civilian leadership, mediated by the monarchy. Since 1932, Thailand experienced political instability and administrative fragmentation.

Under Thailand's constitution monarchy system, bureaucracy enjoyed great power and status under both military and civilian regimes, and its supremacy over day-to-day administration was unchallenged. State intervention in the economy expanded markedly, as new elites – economic and business interests, political parties, and technocrats – played an increasingly important role in the political and public policy arena. After the formulation of the 8th Plan, new dynamics – such as the media, students and middle-class activists, and the civil society – were also factors in the political and administrative life.

The onset of the Asian economic and financial crisis in 1997 caused a loss of confidence in the Government and the Thai public administration. This became a golden opportunity for the newly elected Government of the Thai Rak Thai Party led by Dr. Thaksin Shinnawatra to launch the most drastic public sector reform in Thailand since the Government was elected in January 2001.

The poverty reduction efforts in Thailand can be analysed into four different approaches, following the policy pattern of the Thai public administration since the 1960s as follows.

The growth-pole approach

With strong influence from Western development theory, Thailand adopted the Growth centre or Growth-pole development approach between 1960 and 1970. At the time, Thailand was a less developed agricultural economy. The majority of the people lived in remote rural areas, flourished with natural resources and healthy environment. Economic development policy and resource allocation emphasized stimulating development and growth in Bangkok and the city centre and expected the wealth to spread to other regions. With the growth centre approach, planners truly believed that due to limited resources, development funds or investments should be prioritized and allocated for development projects in a selected area. The development strategies emphasized investment in basic infrastructure, stimulated growth and development in selected provinces in each region: Chiang Mai in the North, Khon Kean in the Northeast, and Song Kla in the South.

Through such development efforts, wealth and economic development would trickle down from developed areas to the peripheral areas and benefit the people in the region. The Thai planners and policy makers truly believed that by investing and stimulating economic development in the specified areas, after which the economic activities were effectively implemented, the system would take care of itself. Infrastructures such as highways, roads, universities, hospitals and others were heavily invested to stimulate industrial growth and develop the city centre. This policy aimed to create an enabling environment, including employment and a market for the poor.

As a result, the above three cities have developed well and become centres of commerce, education, and health care. It is obvious that wealth took longer than three decades to benefit the surrounding areas. Indeed, these new urban cities have faced even more problems from urban crime, rural-urban migration, and squatter areas that invaded public land in the city.

Centralized top-down approach

In the 1970s, the administration of poverty was shifted to a ministerial level that emphasized designing development projects or programmes for each development sector. It was the first time that social development issues were taken into consideration. Programmes or projects to alleviate poverty focused mainly on people in rural areas and how to improve their living conditions in the rural areas. All programmes were highly centralized or based on the so-called "expert-driven development". Through a regional office, each ministry or department offered a variety of development projects for the rural poor, such as agricultural extension, education, mother and child health care, and income-generated projects.

During this period, the Government started to recognize a new problem that resulted from the earlier development effort – unbalanced or unequal development among different regions. Towards the end of the 1970s, the increasing problem of income disparity among different regions, increasing numbers of people living below the poverty line, as well as the failure of administrative systems to delivery services to needy people, put a great pressure on the Government to redirect the policy and its administration. Studies demonstrated that the poor did not really benefit from the Government efforts and they found that the Government's programmes such as income-generating projects and agricultural extension programmes rather created more burdens and expenses than assistance.

Bottom-up initiation approach

In the later period, Thailand found that poverty-reduction programmes driven from the Government agents were doomed to failure. Evaluation results reported repeated stories that the

real poor people are not included or projects did not help lift them out of poverty. Therefore, to better serve the poor in rural areas, the Government initiated a new rural administration programme. This rural development and poverty reduction programme aimed at introducing a bottom-up planning approach in order to: (i) identify development concerns and needs of the rural people; (ii) design development projects that help the poor; (iii) get the regional and local administrators involved in planning processes; and (iv) set up a coordinating mechanism at the provincial level.

The new administration scheme, however, was not quite impressive. Most administrators were employed by different ministries so that it was nearly impossible to coordinate or integrate projects and resources as they had to be accountable to their departments in Bangkok. Requests for information and development projects from people at the village or community level were never responded in a timely manner.

Despite these difficulties, there were some success efforts that can be used as learning experiences after 15 years. To define the needs and identify the poverty situation, the Government was determined to develop a base-line data at village and household levels. With this database, people in each community were organized to monitor the progress of community development indicators and they mobilized the neighbourhood to join the development and community poverty reduction programmes. After a few years of improvement, this base-line data has been quite useful for policy makers to map poverty in rural areas. Currently, this database is used as a tool for public services allocation and delivery.

Utilizing the bottom-up approach, people and the community have been naturally activated and strengthened. The initial objectives were to ensure sustainability in development and to involve the local community in the development processes. In 1996 and again in 2000, the Government applied this approach and people's participation approach for formulating the 8th and 9th National Economic and Social Development Plans. The nationwide people forums were organized in coordination with the NGOs and local community groups throughout the country for the people to voice their concerns and to collect information as inputs to be integrated into the Plan. Both plans – known as people's plans – pursue sustainable development by regarding human development as the main target of national development. As a result, community groups and civil society have been well recognized as key actors in the development process and poverty reduction programmes.

The outcomes of the global environment contributed to many changes in Thai society. It is noted that the 1997 Constitution, which passed the Parliament with the pressure from the civil society, also highlighted and recognized the right of the poor. In fact, the Constitution has significantly provided an opportunity for the Thai people, especially the majority at the grass-roots level, to become more autonomous in the development management of their own communities and the right of local people to control natural resources. In addition, the Constitution places great emphasis on social and political reform via the decentralization process.

Empowerment and partnership approach

In the late 1990s, it was noted that the past development contributed to modern society and generated economic growth, but it also created new national economic and social problems. The past development process absorbed and drained the majority of economic wealth and social capital from rural communities for the development of urban centres. Resources and programmes were centralized into Bangkok and big cities, while rural communities remained poor and unhealthy. Therefore, the nation has been at risk to collapse since the economic crisis broke out in 1997.

While the country experienced imbalanced development and tried to survive the economic crisis, the Constitution turned the country towards the domain of democracy, good governance, and human rights, including the right to development. In the 1990s, while the country faced political unrest, it obviously became a major political turning point. The political situation enjoys more democracy today than during the past decades.

Democratic people-centred development leads to the recognition of the importance of the development process through which people can learn and develop their potential talent. An array of civil society and civic movements has been extensively encouraged, promoted, and supported so as to create good governance. It is now noted in the national plan that community and people empowerment becomes critically strategic for sustainable development. The development programmes, especially those of community development and poverty reduction, takes the empowerment and partnership approach into account.

People and communities are learning to become self-sufficient and independent. They feel independently empowered to the extent that they no longer wait for outside assistance but take matters in their own hands and act by themselves. This approach is now widely used in many new public programmes, such as the Poverty Alleviation Project (PAP), and has demonstrated that the community-based approach and the community organization network can enable a community to alleviate poverty and other poverty-related problems for its members.

Through the strength of this social movement and sense of community, the Thai society and its people, especially the poor, were able to withstand the difficult times. It is worth noting that Thailand has managed to deal with the difficulties of the crisis in a relatively peaceful manner. The poor who were hard hit by the crisis could manage to get by because the strength of community shielded them from all types of external problems.

Lessons learned

After the financial and economic crisis of 1997, however, the poverty and income disparity situation has worsened and become an opportunity to initiate and accelerate various reforms, including the public sector reform programme in Thailand. It is asserted that, over time, the public sector has failed to be the effective engine of the national development. In fact, in some areas it was the main barrier to development. Public organizations are not capable of managing efficiently. Civil services are seen as rule-bound and inflexible to respond to changing needs; and public officials are not seen to really serve the people.

In the midst of the economic prosperity during the 1980s, poverty indicators showed that the country was improving on the poverty scale. Many people were optimistic that Thailand would finally overcome the poverty problem and become one of the newly developed countries. The only problem left unsolved was how to bridge or narrow the income gap between the rich and the poor, as the figure has never improved even during the period of economic boom.

Reviewing the previous roles and efforts of the public sector to eradicate poverty, it is noted that a total of 454,689.4 million baths or about 10 per cent of the public expenditure was allocated to improve the quality of life of rural people between the fiscal years of 1997 and 2001 and a large amount of money was allocated to special poverty programmes. In addition, there were a handful of poverty programmes and projects funded by foreign loans from the Asian Development Bank, the World Bank, and through bilateral agreements to reduce the impact of the economic crisis.

Almost all public agencies shared the responsibility to eradicate poverty during the past twenty years. While some positive results demonstrated the previous efforts of the public sector, a number of problems experienced can be listed as follows:

- Many poverty eradication programmes and policies throughout the four decades were introduced and designed by different central government organizations or committees, and some of them were politically initiated. Therefore, the programmes' objectives and goals were so broad that implementing agencies could attach their ongoing projects within the policy framework. Similar projects such as skill development training projects, small business promotion, etc. were implemented by many departments; as a result, we often found duplication and redundancy.

- It was unclear whether the budget allocated to eradicate poverty in rural areas effectively reached the most needed target groups.

- The current budget execution and procurement processes are too complex and too long, so that most of the allocated budget was usually approved and transferred to the field at the end of the fiscal year. Government officials were often overloaded and had to put extra efforts to finish all assigned projects before the end of the fiscal year. As a result, performance quality was less than satisfactory.

- Due to centralized budget decisions and allocation, it is nearly impossible to integrate any related development projects in the field or at the provincial level.

- Highly bureaucratized systems – long and complex procedures and the line of command, red tape, rigid rules and regulations – hinder public officials to properly and efficiently implement projects and provide public services. It is quite difficult to produce high-quality services to the people.

- Public officials put more emphasis on following the rules than on quality of results and services, as the current system does not really measure results.

- The monitoring and evaluation system has never been effectively implemented. In-depth programme evaluation was not properly carried out, due to a limited budget and lack of skilled evaluators.

- Most local authorities had not clearly understood their roles and functions to eradicate poverty. Very few communities allocated funds for poverty programmes for target groups.

Public administration reform and poverty reduction: strategies and recommendations

Over the decades, the Thai administration has increasingly become inefficient and costly. The effectiveness of previous poverty reduction programmes was never able to measure its results. The evaluation attempted could only measure outputs and reviewed management procedures. In 2001, the newly elected Government under the Thai Rak initiated a comprehensive plan to reform the Thai public sector. The plan indicated five main elements to be reformed: (i) the bureaucratic structure and its responsibilities; (ii) governance and administrative procedures; (iii) the resource allocation and budgetary system; (iv) human resource management; and (v) renewal of rules and regulations.

While the current Government has implemented an ambitious public sector reform in order to improve public mechanisms to carry out the Government policy and deliver public services to the people, the poverty reduction agenda has focused on two key areas: (i) empowerment of the poor to help themselves, and (ii) creation of an enabling environment for the poor to break the vicious circle.

To empower the poor, programmes such as education, health care, and the ability to access all public services, should be available for the poor. To ensure that the poor are able to receive health care, the Government initiated a health programme. While doctors and other scholars have

heavily criticized the programme, it has proven useful for many poor, especially during the crisis. To ensure that students would remain in school, education loans and subsidies are available for people who need it.

To deal with the new situation and new target groups who were victims of the economic crisis, such as the newly and sudden poor due to debt or unemployment, the Government established a special project to provide financial advice and consultation for starting new small businesses.

In terms of credit, the Government initiated the Poverty Alleviation Project (PAP) and earmarked the budget funds to set up Village Revolving Funds for small loans. Through the PAP Fund, a poor household can get access to a small loan, free of interest, to start up their economic activities. The target group will be assisted and supervised by their community fellows who serve as the Fund Committee. The target household and the community as a part of the programme will have an opportunity to learn and adjust the programme as they see fit in their community life. Setting up the Village Revolving Fund Committee must be done through open and transparent nomination, and the villagers must have a consensus on who will be the committee members. The One Million Bath Fund Project will be transferred only to the community that proves to successfully establish this mechanism. Related public agencies design special training or skills development programmes to sharpen their knowledge and skills.

Figure 2: Key Areas for Poverty Reduction
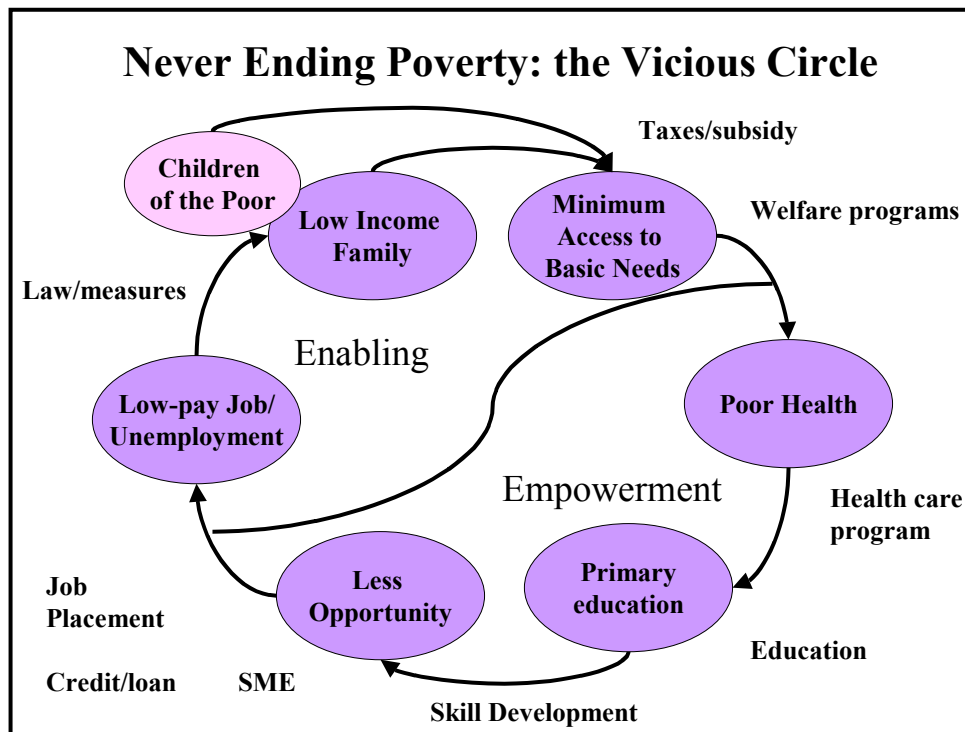
Loans and new economic activities can turn out to be a disaster for the poor if they are not well managed. There are two approaches that could guide them out of poverty. First, the poor should have access to funds and/or resources so as to start up activities. However, before they begin, information and knowledge concerning investment, as well as business risks, must be given, and business, including marketing and networking, must be thoroughly thought out and planned. The community individuals, as well as development agents, must coach them until they become

independent and free from debt. Second, the poor must continue to learn to adjust to continuously changing situations.

In terms of enabling programmes to reduce poverty, the "Three Years' Debt Repayment Break", the "SME" and "One Tambon, One Product" policies are a few examples. The Government took an initial step to promote community products in both local and international markets. Many products are advertised on the Internet through the assistance of public agencies or NGOs.

In summary, to eradicate poverty and improve service delivery to the poor, it is also necessary to consider the following two issues.

Reforming the policy and planning side

(i) Poverty policy formulation processes must be reformed. It is necessary to re-think a comprehensive and clearer poverty policy or programme. (ii) The government should appoint a minister or a commission consisting of key ministers as responsible minister(s) to oversee and to be in charge of the programme. (iii) Introduce result-based budgeting to the poverty eradication programme, including development of clearer strategies, action plans, key success factors, and key performance indicators. An effective monitoring and evaluation system must be developed along with the programme design. (iv) Develop and use modern information and communication technology to manage the programme, monitor the results, and to adjust the policy and programme. It is important to use available socio-economic databases and other sources to map and identify target groups in different areas.

Reforming the implementation side

(i) Poverty programmes implemented by public agencies should emphasize the core functions that the local authorities, NGOs, and civil organizations cannot provide. This means that public organizations should shift from implementation to promotion. (ii) Mobilize civil servants to become service-minded and people-oriented workers. (iii) Decentralize and empower field officials to initiate innovative projects or services that serve the needs of poor people. A government's poverty programme should not be identical. Rather, they should be adapted to different environments and the needs and concerns of local communities and target groups. (iv) Identify ways to cut down long processes and simplify the procedures and systems. (v) Eliminate corruption and create a transparent system.

Innovations in Governance and Public Administration for Poverty Reduction in Post-Conflict Countries in a Globalized World: the Experience of Rwanda

by

Protais Musoni[1]

It is generally acknowledged that development is impossible in the absence of true democracy, respect for human rights, peace and good governance. The New Partnership for Africa's Development (NEPAD) has undertaken a Democracy and Political Governance Initiative to contribute to strengthening the political and administrative framework of participating countries, in line with the principles of democracy, transparency, accountability, integrity, respect for human rights and promotion of the rule of law. "Decentralization as an aspect of good governance is being promoted in a number of African countries because it is believed that it provides a structural arrangement through which local people and communities can participate in the fight against poverty at close range" (Kauzya, 2002).

When discussing post-conflict countries, it must be understood that conflict creates specific constraints for the formulation of a poverty-reduction strategy and a good governance programme. Firstly, conflict weakens state institutions and diverts state attention and budgets from development efforts towards military or conflict management purposes. Secondly, conflict creates poverty in very particular ways, e.g., an increase in female and children-headed households, thus a special effort is needed to assess how conflict has an impact on different populations within a country.

Alongside the processes of fighting poverty, rebuilding the nation and introducing democratic reform, post-conflict nations are also incorporated into a globalized world with both the advantages and disadvantages that this brings. In order to survive and benefit from globalization, governments must work cooperatively with the private sector, civil society organizations, international financial institutions, and public interest groups to develop institutions that support and sustain market systems through which enterprises of all sizes engage in regional and global trade and investment.

In this chapter, issues relating to poverty reduction, good governance and public administration in post-conflict countries are discussed in the broader context of globalization using the following approach: Firstly, the paper examines the concepts of governance, public administration, poverty, globalization and their relationships in post-conflict countries, with an emphasis on Rwanda. Secondly, using the case of Rwanda, a detailed discussion of innovations in governance and public administration for poverty reduction are presented.

What is unique about post-conflict countries?

Conflict-affected countries face severe social, economic and political problems, both at local and national levels. Conflict not only creates specific manifestations of poverty, but also affects wider structures and institutions. In any discussion of governance and public administrative reform for poverty reduction, one needs to first recognize the contextual constraints in post-conflict

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countries. Depending on the scale of the conflict, a nation is likely to experience low economic growth due to low investment, disruptions to infrastructure and declining production, macro-economic instability (inflation, and high expenditure pressures, especially for defence, resulting in low levels of poverty-related spending), poor governance, low political legitimacy and corruption, a small donor presence, which may focus mainly on humanitarian aid, limited civil society organization and eroded community and national spirit.

In addition to these general problems, there will also be conflict-related poverty, including factors such as: the emergence of specific vulnerable groups (e.g., child combatants, orphans, and war-wounded, children and female-headed households, the aged, whose social support networks have been eroded, etc.), internally displaced populations and refugees, the problems of re-integration of demobilized combatants, psychological effects of war trauma, and communities fragmented by hostility. The issues raised above will differ according to the magnitude and type of conflict, but it is important to recognize that when targeting governance and public administration for poverty reduction, factors such as these must be taken into account.

Conflict in the context of Rwanda

On 6 April 1994, while returning from discussions in Tanzania, President Habyarimana of Rwanda and President Ntaryamira of Burundi were killed in a plane crash over Kigali. The death of President Habyarimana was the trigger that set off the organized massacres that in three months killed over one million people.[2] The Rwandan Patriotic Front (RPF) reacted by launching an offensive on the 8th of April, quickly taking Kigali by the 18th of July. The advance caused the defeated genocidal forces (army and political leadership) to mobilize the population out of the country – around 2 million crossed into Zaire (now the Democratic Republic of Congo), Tanzania and Burundi where they were hastily housed in refugee camps. This was not the first conflict in Rwanda. There had been other more or less severe in the past, for example, in 1959. These conflicts have affected, in a variety of ways, everyone in the country.

> "With few exceptions, all Rwandans are affected by a history of recurrent cycles
> of violence, by issues of submission to authority, injustice, by loss of family, or
> by having experienced life as a refugee" (Abdalla, Davenport, and Ngunyo,
> 2002, p. 7).

However, in this chapter we will focus on the post-genocide era (1994 – 1996) in Rwanda. The country inherited by the Government of National Unity as it ended the genocide was essentially a shell. The economy was in ruins, all government institutions had been destroyed, most of the skilled professional workforce had been killed or had fled, and the social structures of society had collapsed. A growing number of rebel insurgent attacks launched from camps heightened insecurity and tension in Rwanda.

The year 1996 saw the return of hundreds of thousands of refugees into Rwanda after the closure of camps and expulsion of refugees by both the Tanzanian and Congolese Governments. This was the start of a new era in Rwanda; in the words of Philip Gourevitch (1999, p.302):

> "Never before in modern memory had a people who slaughtered another people,
> or in whose name the slaughter was carried out, been expected to live with the
> remainder of the people that was slaughtered, completely intermingled, in the
> same tiny communities, as one cohesive national society."

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[2] Most commentators agree that the speed and efficiency with which the ensuing genocide unfolded point to a high degree of premeditated planning and organization, as well as to a widespread adherence to a deeply racist ideology. (Uvin, Shearer & Baare, 1999).

A system of governance and public administration that had created the values and forces that resulted in the genocide evidently could not be the system that could provide the solutions to the multitude of problems resulting from the war and the genocide. There had to be another way that would spring from beliefs, fears and values and a new vision of the future. An extensive consultation at all levels was necessary. This was the challenge faced by the new administration.

Relationship between governance, public administration and poverty reduction

Responsive and accountable institutions of governance are often the missing link between anti-poverty efforts and poverty reduction. "*Even when a country seeks to implement pro-poor national policies and target its interventions, faulty governance can nullify the impact*" (UNDP, 1997). So as part of anti-poverty policies, strategies, and campaigns, readjustments in governance and public administration institutions need to be put in place.

Holding governments accountable to people is a bottom line requirement for good governance. Shifting decision-making power closer to poor communities by devolving authority to local governments can help promote poverty reduction – as long as the new responsibilities are accompanied by resources and capacity-building. In addition, poor communities need to be helped to organize themselves to advance their interests. A major source of poverty is people's powerlessness – not just their distance from government. Accountability in the use of public funds is crucial to poverty-reduction efforts. If poverty-reduction programmes are to succeed, local governments must be strengthened and held accountable both to the central government for the funds allocated to them and to their constituents for how it uses them. Rwanda's policies which relate governance and public administration to issues of poverty and poverty reduction seek to achieve this.

Poverty and its linkages to conflict in Rwanda

The relationship between conflict and poverty is two-sided. Poverty is a cause of conflict, but conflict in itself is a major cause of poverty. As such, one cannot plan for a sustainable poverty-reduction strategy without addressing the causes and consequences of conflicts.

The most fundamental problem that Rwanda faces today is poverty. This problem is both in terms of human deprivation and the vulnerability that poverty results in and also because it is the greatest obstacle to the sustainable economic development of Rwanda. Rwanda's poverty is the outcome of both economic and historical factors. First, the economic structure reflects a chronic failure to achieve productivity increases in the context of a large and growing population. Second, the war and genocide of 1994 left a horrific legacy, further impoverishing the country and leaving numerous specific problems and challenges.

The National Poverty Assessment, combined with statistical surveys, has provided the following definitions of poverty.

> "Rwandan men and women are considered poor if they:

- Are confronted by a complex of interlinked problems and cannot resolve them;

- Do not have enough land, income or other resources to satisfy their basic needs and as a result live in precarious conditions; basic needs include food, clothing, medical costs, children's schooling, etc.;

- Are unable to look after themselves; or

- Their household has a total level of expenditure of less than US$142[3] per equivalent adult in 2000 prices, or if their food expenditures fall below US$100 per equivalent adult per annum" [4](Republic of Rwanda, 2002a, p.15).

Table 1: Indicators of economic development and poverty in Rwanda (2000)

Indicator	Current level	Year
Population[5]	8,162,715	2002
Female	4,267,983	2002
Male	3,894,732	2002
Kigali urban	7.4 %	2002
Other urban	2.5 %	2002
Rural	90.1 %	2002
Proportion of population below the poverty line	60.29%	2000
Life expectancy	49 years	2000
Maternal mortality per 100,000 births	810	2000
Infant mortality per 1,000 (proportion who die before first birthday)	107	2000
Child mortality per 1,000 (proportion who die before 5th birthday)	198	2000
HIV prevalence (15-49 years)	13.7	2000
Contraceptive prevalence rate	4%	2000
Proportion of children completely immunized <5yrs	72%	2000
Net primary enrolment (proportion of children of school age going to school)	73.3	2000/1
Gross secondary enrolment	10.2	2000
Net secondary enrolment	6.0	2000
Adult literacy (> 15years)	52.36 %	2000
-Female	47.79 %	2000
-Male	58.06%	2000

Source: Republic of Rwanda, 2002a.

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[3] US$1.00 = 450 RWF

[4] This definition uses the poverty line derived from the household survey of 2001. Total expenditures were calculated for the sample of households, including the monetary value of home-produced food. These expenditures were deflated by a regional price index at the time of the survey, giving an index of real expenditure for the household. These expenditures were then divided by an index of the household size (equivalent adults), which takes into account the fact that children's nutritional requirements are smaller than those of adults. The level of expenditures necessary to meet nutritional standards for food intake and a corresponding amount of non-food consumption was then calculated, and used as the poverty line. This approach corresponds to international best practice.

[5] Provisional Results from the General Census of Population and Housing, 2002.

As part of the programme of decentralization, the Ministry of Local Government, in collaboration with the National Poverty Reduction Programme, is extending project planning and implementation down to the cellule level, in the community action programme called 'ubudehe mu kurwanya ubukene' (Community action to fight poverty). As a part of the Participatory Poverty Assessment, the 'ubudehe' pilot generated substantial amounts of grass-roots information on people's poverty situation and the survival strategies they used. The six most common categories of poverty which people defined for their households are presented in Table 2 below. This was a valuable exercise for both the Government and people of Rwanda, who analysed poverty in ways which had not previously been done.

Table 2: The characteristics of households in Rwanda

Category of household poverty	Characteristics
Umutindi nyakujya (those in abject poverty)	Those who need to beg to survive. They have no land or livestock and lack shelter, adequate clothing and food. They fall sick often and have no access to medical care. Their children are malnourished and they cannot afford to send them to school.
Umutindi (the very poor)	The main difference between the *umutindi* and the *umutindi nyakujya* is that this group is physically capable of working on land owned by others, although they themselves have neither land, very small landholdings, nor livestock.
Umukene (the poor)	These households have some land and housing. They live on their own labour and produce, and though they have no savings, they can eat, even if the food is not very nutritious. However, they do not have a surplus to sell in the market, their children do not always go to school and they often have no access to health care.
Umukene wifashije (the resourceful poor)	This group shares many of the characteristics of the *umukene* but, in addition, they have small ruminants and their children go to primary school.
Umukungu (the food rich)	This group has larger landholdings with fertile soil and enough to eat. They have livestock, often have paid jobs, and can access health care.
Umukire (the money rich)	This group has land and livestock, and often has salaried jobs. They have good housing, often own a vehicle, and have enough money to lend and to get credit from the bank. Many migrate to urban centres.

Source: Republic of Rwanda, 2002a.

When discussing post-conflict countries, and especially the case of Rwanda, one cannot ignore the gender dimension of poverty. Since the war of 1994, the nation has been left with an immense number of female-headed households.

Understanding governance and public administration

Good governance defines the processes and structures that guide political and socio-economic relations. It therefore includes the government, private sector and civil society activities. It has been defined as "*the exercise of political, economic and administrative authority to manage a nation's affairs and the complex mechanisms, process, relationships and institutions through which citizens' groups articulate their interests, exercise their rights and obligations and mediate their differences*" (Republic of Rwanda, 2002c).

The universally accepted principles of good governance include: participation of all people from all sectors and at all levels in decision-making, representation of the people in legislative processes, equity or fairness, rule of law, accessible and fair justice, the separation of powers (judicial, executive and legislative), respect for human rights, transparency and accountability, an enlightened population, efficiency and effectiveness in the delivery of public services, a long-term vision to guide the socio-politico-economic development of the country, and a dedicated leadership at national, local and community levels.

In the case of post-conflict countries, ensuring principles such as these is an immense challenge. Due to internal and political polarization and weak institutions, post-conflict countries present high levels of political instability. Civilian populations and organizations may not put their trust in a government-led initiative. Governments also might see popular participation and mobilization as a risk to their stability.

Public administration is a particular component of the good governance ideal. State institutions, (executive, legislative, judiciary and electoral bodies, etc.) form the structural and human capacity of public administration. In post-conflict societies, public administration has been in most cases maligned by corruption and a dysfunctional civil service. In these cases, there is a need in post-conflict situations for public administration reforms to be able to reverse the processes and practices that may have encouraged the conflicts, and introduce efficiency and effectiveness of the administration in pursuit of better service delivery and poverty reduction.

Governance and public administration in Rwanda

Traditionally, Rwanda had a strong society structured in a coherent manner with organized leadership (top to bottom) which permitted vertical and horizontal consultations in the areas of socio-economic interests. At every level of politico-administration, there was a system of checks and balances, with the concept of power sharing very well enshrined. For example, there were three or four chiefs, depending on their function: one in charge of pasture, another in charge of agriculture, another in charge of military matters and where necessary, one in charge of hunting. They would all be answerable to the king, collectively and individually.

The colonizers exploited this structure and introduced a design of only one chief, thus destroying the network that could ensure justice to all. The enforced supervised development, based on the establishment of a socio-economic infrastructure, focused mainly on foreign interests and was supported by forced labour. Since independence, the country has inherited a politico-administrative structure which is highly hierarchical, centralized and authoritarian. This structure and behaviour had conditioned the population to listen to and obey and depend on central government authority. This is possibly one of the explanations of how the population obeyed central government's command to plan and execute the genocide of 1994.

As a result of the war and genocide of 1994, there was a total breakdown of institutions, systems, structures and human capacity in Rwanda. When the present Government of National Unity came into power in 1994, it inherited a situation characterized by: lawlessness, insecurity both from within and outside the country, destroyed infrastructure, dislocated public service systems,

displaced and traumatized populations, and a deeply divided society. The human capacity of the public service was particularly low, even up to today:

> "The Government of Rwanda is acutely aware of the lack of capacity, especially in the public sector, where only about 6.5% of the workforce has some university education, 2.7% has a university degree, and many technical, professional and managerial positions are either vacant or filled by expatriates or unqualified staff" (Wangwe & Kiragu, 2002).

After the war, the Government became engaged in a broad and ambitious programme to re-establish state institutions and to re-organize the public administration for better service delivery. Within this context, the Government has embarked on a Multi-sector Capacity-building Programme. Some commentators on the situation have appreciated the outcomes of the efforts:

> "What is crucially important in Rwanda is the fact that the Government has embarked on a significant decentralization effort coupled with a poverty reduction programme aimed at reaching the cellule-level population" (Abdalla, Davenport, and Ngunyo, 2002).

According to USAID's Assessment of Rwanda Democracy and Governance (2002), the current regime has made a number of positive advances in the area of good governance, notably:

- Services are generally being delivered effectively, and institutional capacity has improved;

- There has been a shift toward greater consideration of merit in a variety of ministries, and there are now a number of technically competent individuals working in various government offices; and

- Improved transparency and attempts to control corruption (e.g., setting up the office of the Auditor General in 1999, constituting the Commission on Legal and Constitutional Affairs, and the introduction of a transparent Tendering Process).

Understanding globalization

Globalization is a multifaceted phenomenon. G. Bertucci and A. Alberti (2002) describe it as "*increasing and intensified flows between countries of goods, services, capital, ideas, information and people, which produce cross-border integration of a number of economic, social and cultural activities*". Globalization is both evident in increasing economic interactions among countries and also in the increasing levels of international political interaction and widespread social and cultural interchange.

Globalization can have both positive and negative impacts on developing countries. Post-conflict countries face a particular challenge in minimizing the detrimental effects and capitalizing on the opportunities globalization can bring. On one hand, opening up a nation's economy to regional and international trade can reap many economic benefits. However, on the other hand, post-conflict countries that are rebuilding their economies can suffer due to severe terms of trade and be unable to compete competitively in the global context.

In countries characterized by weak state institutions and inadequate social policies, it may be difficult to minimize the costs of globalization. That is why strengthening state institutions is essential in a globalizing world.

One of the most controversial questions concerning globalization is whether poverty and inequality in the developing world are a consequence of this phenomenon. Globalization cannot be made responsible for bad governance. As A. Sen (1999) has said, bad governance is the main

cause of poverty, therefore domestic policies and institutions are in part responsible for their poor economic performance and the persisting gaps between the rich and poor.

The impact of globalization on post-genocide Rwanda

Post-genocide Rwanda was faced with the installation of a new government, a massive influx of returning refugees and the immense task of rebuilding the nation. Since 1994, stability has been restored, economic recovery has begun, and the country has embarked on a new path for development. Rwanda is faced with a combination of structural problems arising from low incomes and productivity, especially low agricultural productivity, the way the majority (90%) of the 8 million people of Rwanda make their living (Wangwe and Kiragu, 2002). The economy has a weak revenue and export base, low savings, demand and investment, and is very vulnerable to price shocks. Exports have been concentrated in two primary commodities – coffee and tea, which are at the mercy of world prices.

The United States of America and the European Union (EU) have taken some specific actions to support African exports. The most significant of these is the Africa Growth and Opportunities Act (AGOA). This opens U.S. markets to African commodities on preferential terms (Republic of Rwanda, 2002a). In addition, entry to COMESA Bankers' Association will expose Rwandese businesses to competition from other African countries, as well as offering them new opportunities for export within the region. It is fundamental that Rwandese enterprises become internationally competitive to compete in a globalized world.

However, despite its negative effects, globalization presents many opportunities for Rwanda. To strengthen its economy, Rwanda is seeking to take advantage of the openings globalization brings and to diversify its exports away from primary commodities and find new engines of growth. The Poverty Reduction Strategy Paper, (2002) outlines the following areas as particularly promising:

- *Agro-processing:* It is essential to add value to agricultural products before exporting them;

- *Garment exports:* Rwanda already imports cotton from neighbouring countries and processes it. This should shift towards export markets particularly with the new opportunities in AGOA;

- *Commercial and ICT services:* Rwanda can build on the use of both French and English in the country and on its regional position. In the past, Rwanda was an important centre for re-exports in the region and it needs to regain this position;

- *Tourism:* There is considerable potential, both in the parks and elsewhere;

- *Mining:* This is often a small-scale activity with a direct impact on poverty. While last year's price boom in tantalite is now over, the development of this sector will be encouraged, as even with the current low prices, it is still a very viable high-value export;

- *Export of skills within the region:* Currently, Rwanda imports skilled labour from neighbouring countries, even for such basic activities as mechanics. Rwanda needs to invest in the resources of its population so that it can compete more effectively in the regional labour market.

Events such as September 11th, 2001 also have a direct impact on the Rwandan economy. Through the diminished demand and economic activity in developed countries, tea and coffee prices have fallen, and also investments and tourism have been affected.

The challenges of attracting foreign direct investment are immense in post-conflict countries such as Rwanda. The failure to attract transnational corporations and private-sector investment can

result in the economy missing out on valuable technology transfer, management expertise and much needed foreign exchange.

The Government of Rwanda recognizes the role that information, communication and technology (ICT) can play in accelerating the socio-economic development of Rwanda towards an information and knowledge-based economy. The Government has therefore established the Rwanda Information Technology Agency (RITA) and developed a twenty-year ICT-led socio-economic development framework.

Innovations in governance and public administration for poverty reduction in Rwanda

In spite of Rwanda's tragic past, it has shown a strong commitment to its ultimate goal of poverty reduction and has placed significant efforts into governance and public administration programmes to achieve this. Below we present some of the strategies Rwanda has undertaken in terms of both policy and practice and its achievements, as well as a discussion of the strong partnerships which have assisted the Government of Rwanda in its development efforts.

Decentralization and local governance

The key policy relating to governance, public administration and poverty reduction is the decentralization policy of 2000. Prior to its implementation, other projects had been undertaken throughout Rwanda which provided the groundwork for the decentralization policy to be undertaken.

In recognition of the fact that the existing centralized political and administrative structures that had made it easy to plan and execute the genocide were not effective in promoting the democratization process, the Government of National Unity embarked on a consultative process in an effort to implement two important items on its 8-point agenda. These were: strengthening of local governance structures, and promoting democratization.

During 1996-1997, grass-root consultations countrywide were undertaken. The initial grass-roots consultations indicated that people wanted to have a say in the conduct of the affairs of the state. They recognized that blind obedience exposes them to manipulation and injustices. Decentralization was the answer to this.

Following these revelations, discussions between the Government, donors and the civil society showed scepticism on issues of (i) capacity, (ii) dislocated communities being able to go through the democratic process so soon, and (iii) whether they would have the courage and desire to work closely with one another for the common community good.

A few individual projects (e.g., Local Governments Initiative, Community Development Fund) were implemented throughout the country to get an idea of the issues at hand and learn valuable lessons so as to be able to design a system of governance that evolves out of Rwandese culture, is democratic, builds on the reconciliation process and above all, incorporates the energies of all sections of Rwandan society into the development effort.

The recommendations resulting from the grass-root consultations led to the presidential decree of 23 December 1998 that initiated the democratization process at the sector and cell levels.

Further national-level consultations, commonly referred to as 'Urugwiro' meetings, that involved all stakeholders in the governance arena, together with the April 1998 Governance conference led to:

- Development of an interim governance programme (1998-2000) where seven priority areas of governance interventions in Rwanda were emphasized: public sector reform; strengthening of the justice sector; support to the parliament; decentralization and local

governance; civic education; social mobilization; as well as support to government action coordination; and

- Establishment of a specific ministry responsible for promoting good governance for poverty alleviation and sustainable development (Ministry of Local Government) in February 1999.

The global objective of the Decentralization Policy 2000 is 'to ensure political, economic, social, managerial/administrative and technical empowerment of the local populations to fight poverty by participating in planning and management of their development process.'

The policy has five specific objectives which underscore the innovations in the way the people of Rwanda relate to central government, take care of their local needs and interests, and plan and implement strategies for fighting poverty at close range. These specific objectives are:

- To enable and reactivate local people to participate in initiating, making, implementing, and monitoring decisions and plans that concern them, taking into consideration their local needs, priorities, capacities and resources by transferring power, authority and resources from central to local government and lower levels.

- To strengthen accountability and transparency in Rwanda by making local leaders directly accountable to the communities they serve and by establishing a clear linkage between the taxes people pay and the services that are financed by these taxes.

- To enhance the sensitivity and responsiveness of public administration to the local environment by placing the planning, financing, management and control of service provision at the point where services are provided, and by enabling local leadership to develop organization structures and capacities that take into consideration the local environment and needs.

- To develop sustainable economic planning and management capacity at local levels that will serve as the driving motor for the planning, mobilization and implementation of social, political and economic development to alleviate poverty.

- To enhance effectiveness and efficiency in the planning, monitoring and delivery of services by reducing the burden from central government officials who are distanced from the point where needs are felt and services delivered.

In addition to the decentralization policy, there are the following support policies: the Fiscal and Financial Decentralization Policy, which seeks to provide adequate resources to fulfil local service responsibilities; and the Community Development Policy which aims to allow the implanting of the national policy of decentralization by suggesting ways and means of assuring the actual and durable participation of the community in its own development, with a focus on poverty reduction.

Policies such as the ones referred to above would only be successful if the necessary structures were in place to ensure their implementation. In line with decentralization, Community Development Committees (CDCs) were set up to identify needs and priorities in their development plans and form the planning process at the local levels. To ensure the actual participation of the population in its development, the planning should be a participatory process, including all the different levels. Diagram 1 illustrates the Validation and Approval Process of the Local Development Plans, and the Planning and Decision-making Process at the Local Government Levels.

The Community Development Committee established at each level from the lowest (cell) to the highest (district) is an important organ for participatory planning for poverty reduction. The plans

that are made at the cell level go up through the sector level, the district level and up to the national level. It is important to note that the civil society groups, NGOs and the private sector are legally included in the Community Development Committees and the planning process.

Since the decentralization policy was undertaken, several strategies of governance and public administration specifically designed to support poverty-affected citizens have been formulated and implemented, all in line with the Vision 2020 and PRSP priorities. Examples of these include:

Diagram 1: Validation and approval process of the local development plans
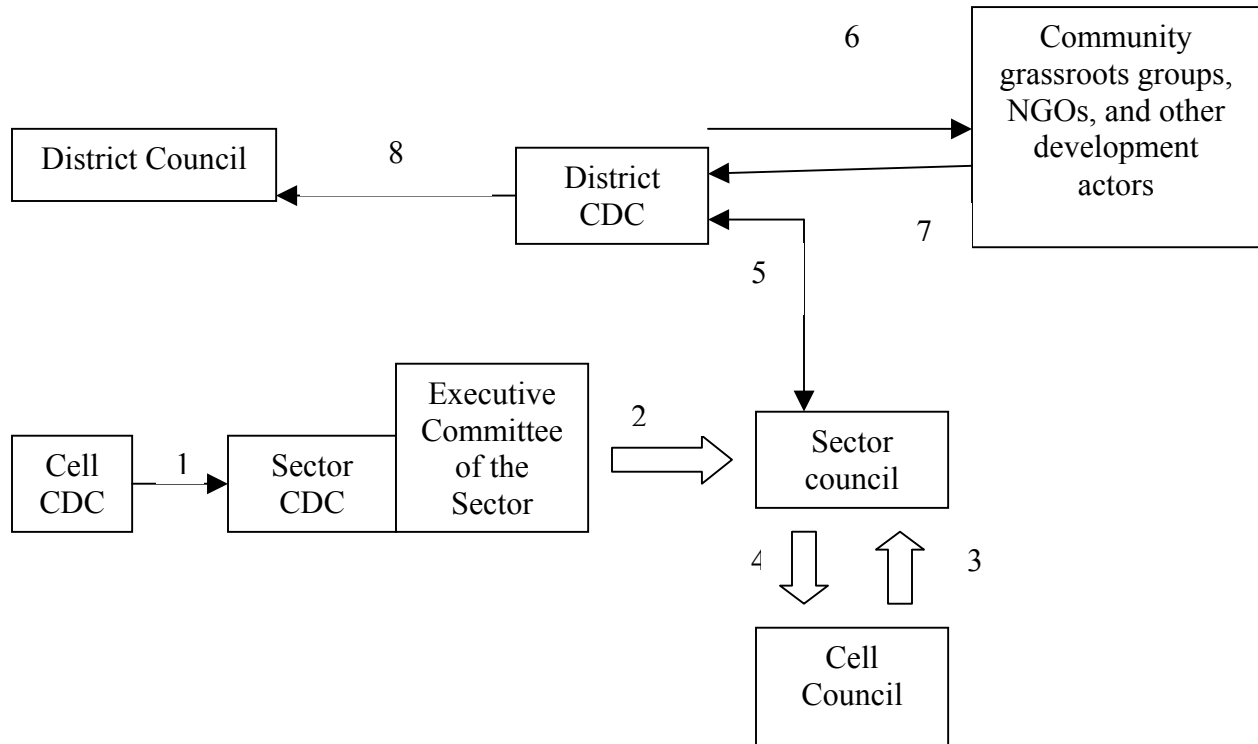
The gender observatory

The gender observatory is an independent public institution, and is mainly responsible for:

- Carrying out regular monitoring in order to permanently assess the respect of gender indicators within the sustainable development vision and to serve as an orientation and a reference framework in the area of equity and equal opportunity for all;

- Formulating recommendations destined to different institutions in the framework of gender vision and policy; and

- Giving orientations on the better practice standards related to the integration of gender so as to redress disparities between men and women, and disparities which are inherent to Rwandan culture, with a view to eradicate all forms of discrimination.

In addition, a law was passed in 1999 concerning women's property rights. Previously, Rwandan society, being highly patriarchal, was very gender insensitive, and this was reflected in the legal framework. This new innovative law ensures that a widow is protected against possible manipulation of her in-laws as regards property inheritance (as previously often happened).

Common Development Fund (CDF)

Within the Government of Rwanda's policy of decentralization, the Common Development Fund was conceived in 2002 wherein at least 10% of annual domestic revenue would be paid. The purpose of the Common Development Fund is:

- To finance development projects; to share among districts, towns and cities, the funds allocated to these projects and to ensure harmonization among such entities;

- To ensure the follow-up of the utilization of funds allocated to development projects in districts, towns and Kigali City Council; and

- To act as an intermediary between districts, towns and cities on the one hand, and the donors on the other, who finance development projects in these entities.

The CDF was designed in response to the shortcomings presently found in the funding and implementation of projects at a decentralized level. As indicated earlier, various community development projects were set up before the development of the policy on decentralization. By 2001, major donors had earmarked provinces of their choice for funding. For example, the Netherlands funded Cyangugu, Ruhengeri and Gitarama; Sweden funded Butare and Gikongoro; the Swiss were preparing to fund Kibuye; and Germany was funding Kibungo, etc. Such a system of funding leads to three problems.

- *Inequity in funding:* Different donors release different amounts of funds for their chosen provinces. The range varied between US$500,000 and US$12 million. Such differences can create a danger of unequal, fragmented development among different parts of the country. This would go against the objectives of decentralization which were to facilitate equitable development.

- *Undermining of national management systems:* Donor funding comes with its own preferences in financial management. The tendency is for each project to recruit, train and facilitate a Project Management Unit that is outside the mainstream of public administration. Due to the fact that the duration of such projects is for a limited period only, there are no adequate mechanisms in place to link with the public administration personnel that would sustain the started development process and activities once the projects had expired. For poor countries, this state of affairs is aggravated by the fact that the personnel of Project Management Units are normally better paid and therefore find it difficult to be absorbed into the public administration. As these qualified personnel seek better paying opportunities, they take the experience and training with them, and the institutional memory gets washed away. Therefore, institutions have to start all over again. This goes against the objective of decentralization, which is to strengthen management and technical capacity.

- The problems of equity in funding and that of unsustainable institutional frameworks can easily develop into a political problem: governments are often accused of providing more donor funds to their areas of preference. It has also been observed that even if the assistance is in the form of loans, projects are labeled – 'World Bank project', IFAD, etc. – thus sponsoring the dependency syndrome in the minds of the population and government officials. A high level of dependence reduces ownership, lowers participation

levels and suppresses innovative energies that are the basis of development in general and the foundation for the decentralization policy.

By the CDF collecting government and donor funds, channeling these funds to local government, which would use the same management systems and tools of management, such problems are avoided. Moreover, the Government input affords the CDF the flexibility necessary for leveling out inequalities that may exist between district development funds.

Ubudehe

As part of its overall strategy of poverty reduction within the goals of Vision 2020, the Government of Rwanda has developed a new approach known as *ubudehe[6] mu kurwanya ubukene*, supported by the European Union. The objective of this *ubudehe* is to revive and foster collective action at the community level. It is designed to work with and reinforce the ongoing political and financial decentralization process and to provide a direct injection of financial capital into the rural economy, aimed at overcoming one of the main obstacles to pro-poor economic growth. By targeting communities at the cell level, it penetrates right down to the lowest decentralized structure.

In the same way, as carried out under the Participatory Poverty Assessment, each cellule goes through a process of collectively defining and analysing the nature of poverty in their community. The cellule then goes on to identify and analyse the characteristics of the problems that they face. This list of analysed problems is then ranked in terms of priority, and the one that the community wants to spend most of its own time, effort and resources on to resolve is selected. From there, they develop an action plan to address the problem that they have prioritized.

The key strength and innovation of this process is the process of self-evaluation (social mapping), which allows communities to identify for themselves what their needs and priorities are. Bringing communities together like this enhances the community spirit which was destroyed by the history of hate and divisive ideologies that led to the genocide.

Programme Infrastructures – Haute Intensité de Main d'Oeuvre (PI-HIMO)

The Core Welfare Indicators Questionnaire in 2001 found that 90% of the working population in Rwanda are mainly employed in agriculture, including 23% in urban areas, and that 89% of the working population are classified as self-employed or unpaid (typically, family members working on the family farm) (PRSP 2002). It is central to the PRSP that non-agricultural employment in rural areas should increase. The Government is therefore developing a programme of environmentally sustainable labour-intensive public works.

This labour-intensive public works programme is currently being formulated with support from the Canadian Development Cooperation. The global objective of the Labour Intensive Public Works Programme is to widen the economic base of the country through the decentralization of socio-economic activities and by the moneterization of the rural economy. A complementary objective is to reduce poverty in urban and semi-urban areas by the means of large-scale works using those unemployed in towns, in particular, the youth.

To target the poor, programmes must be developed that target their habitat and use the resources available to them (in this case, labour and land). Moreover, this programme is being developed in such a way as to increase the productive capacity of the poor through increased infrastructure for education and health services.

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[6] *Ubudehe* is the traditional Rwandan practice and cultural value of working together to solve problems.

Gacaca

In 1999, the cabinet approved a bill permitting the use of traditional methods of justice (gacaca) to clear the bulk of the cases of genocide suspects. This involves community-level councils adjudicating cases and allowing the guilty to serve most of their sentence by community service. The gacaca system is designed to accelerate the adjudication of the cases of many of the detained genocide suspects, but more importantly, to give individuals and society in general a chance to openly own up to what went wrong and therefore to go through a healing process. In kinyarwanda terminology, it is the dispensation of justice that heals (*Ubutabera bwunga*).

National unity and reconciliation

Unity and reconciliation are the basis for durable peace, security, human rights and poverty reduction. The National Unity and Reconciliation Commission began its operations in March 1999. Its responsibilities include:

- Conceiving and coordinating the national programme for the promotion of national unity and reconciliation;

- Developing and putting into place ways and means likely to restore and consolidate unity and reconciliation among the Rwandans;

- Educating and sensitizing the Rwandan population in the domain of national unity and national reconciliation;

- Carrying out research and organizing debates, diffusing ideas and publications on national unity and reconciliation;

- Making proposals on the most appropriate actions that are likely to eradicate divisions among Rwandans and to reinforce national unity and reconciliation; and

- Denouncing and fighting against acts, writings and language that are likely to eradicate divisions among Rwandans and to reinforce national unity and reconciliation.

The National Human Rights Commission

The National Human Rights Commission is an independent national institution responsible for:

- Monitoring and examining the violations of human rights committed on the Rwandan territory by State organs, by the persons under the protection of the State, organizations or by individuals;

- Carrying out investigations and directly submitting the violations committed to competent jurisdictions; and

- Educating and sensitizing the population on human rights.

Strategy frameworks to target poverty reduction

National Strategy Framework Paper on Strengthening Good Governance for Poverty Reduction in Rwanda

In March 2002, the Government of Rwanda developed a National Strategy Framework Paper on Strengthening Good Governance for Poverty Reduction in Rwanda, which is now a programme. Based on the achievements of the Government during the preceding five years, the PRSP, the shortcomings identified, and the priority needs, a consensus was reached during the National Conference held from 2 to 5 November 2001 on the main strategies to be developed for the

reinforcement of good governance and improvement of the quality of life of the population of Rwanda.

The priorities have been developed to meet the challenge of improving good governance as the cornerstone to fighting poverty. It is articulated around five main topics:

- Institutional strengthening and coordination;

- Unity and reconciliation, peace and security;

- Social welfare of the population;

- Civil society and private sector development; and

- Economic planning and management.

The governance framework is essentially innovative in the sense that the PRSP does not fully cover certain areas of governance, e.g., the role of civil society and the media. However, this framework covers the areas that are lacking in the PRSP and ensures that all areas of governance are recognized in the nation's strategy.

Forum of political parties

The accepted principle in Rwanda is that there is free and open competition for political power. Rwanda, unlike most post-conflict countries allows space for public pluralism, an active civil society and competition for ideas, including a free media and freedom of expression. It is in respect of the above that the Forum of Political Parties has been created to ensure a conducive environment for dialogue and competition of constructive ideas, as well as to allow for a balance of power and a system of checks and balances to the regime in power. Political parties currently operating in Rwanda have even developed a code of ethics that politicians and political organizations will adhere to. The code is in the process of being formulated into law.

Building sustainable and proactive partnerships

Partnerships in development generally refer to some degree of broadening the set of actors involved in service planning, financing, and/or delivery. *Partnership can be a one-off affair confined to a specific issue or situation, or it can be a regular practice. It can also be a matter of policy to foster partnerships with all stakeholders across the board in all matters in all sectors* (Robertson Work, 2002, page 452). Partnerships between and among different levels of government, the private sector, civil society and other stakeholders can contribute to successful decentralization, good governance and the goal of poverty reduction.

The programmes and strategies discussed above could not have been successfully formulated and implemented had it not been for the assistance the Rwandan Government has received from both its international partners and the private sector and civil society.

Rwanda uses a participatory and coordinated policy implementation system whereby all the different stakeholders are involved throughout the process. For example, in the case of developing Rwanda's industry within the framework of a pro-poor policy, the implementation system included a formal consultation framework and a support system. The formulation of an industrial policy, its revision, monitoring and implementation, make up the mandate of the economic partnership forum whose functions are beyond the scope of the manufacturing sector and extend to global economic development. This forum brings together the Government, the private sector, support organizations, local government and civil society (Republic of Rwanda, 2002d).

In addition, since the year 2000, Rwanda has been holding Annual Donor Meetings whereby the Government can present to all of Rwanda's international partners what Rwanda has achieved over the last year and what it intends to achieve, so the donors, private sector, civil society and local government can see where resources are being used. After such conferences, partners are better oriented in negotiating with the Government in areas of intervention and the best mechanisms for such intervention.

The Government of Rwanda has developed with the Government of the United Kingdom a unique relationship whereby the two nations have signed a Memorandum of Understanding. The Government of the United Kingdom recognizes that without substantial, sustained and flexible support from the donor community, it will not be possible for the Government to manage the difficult transition from conflict to peace and stability and to attain the sustainable growth necessary to reduce the extreme poverty of the Rwandan people. The Government of the United Kingdom is prepared to make a long-term commitment on the basis of continued adherence by the Government of Rwanda to the following commitments: national unity and reconciliation, conflict resolution, good governance, poverty reduction, sustainable macroeconomic stability and human resource development. The commitments made by each side are reviewed annually by independent consultants (DFID Country Strategy Paper, 1999). This relationship has proved to be successful and DFID is now seeking to implement such partnerships in other developing countries. Within Rwanda, the Government of Sweden has followed suit and adopted such an agreement and the Netherlands Government and Government of Switzerland are in the process of negotiating similar Memorandums of Understanding.

Strategic action at a national level and partnerships at a local government level

In order to create a dialogue between different partners and coordinate and harmonize interventions, focal points and forums have been established at a national level. Community Development Committees (CDC) are technical co-coordinators of the community's development. However, this does not imply that they replace technicians and other actors in development (NGOs, CBOs, private sector etc.) who are specialized in one field or the other, but they serve as the coordinating core of all local development activities.

Lessons learned from the post-conflict reconstruction process

In the case of Rwanda, there are several lessons which have been learned from the post-conflict reconstruction process that might benefit other countries in their strategic efforts to reduce poverty at the national, subregional and regional levels.

The Rwandese society has a number of positive features, including institutions of traditional social organization, which can be harnessed for the struggle against poverty. *Umuganda* is the tradition of work on public projects. *Ubudehe* is the tradition of mutual assistance on which the '*Ubudehe* Programme' is centred. *Gacaca* is the tradition of communal resolution of disputes, and *Umusanzu* is the tradition of support for the needy and contribution to the achievement of a common goal. Using these traditional practices to fight poverty and also as good governance tools has so far proven to be a success, and it is advised that other post-conflict nations draw on good practices within their own culture that people are familiar with.

The key to making decentralization or any other civil service reform work is political will. Genuine devolution begins at the centre, but must find equally willing expression at all levels if it is to cascade down to local government. In the Rwandan case, all levels of Government have embraced decentralization.

Over the last eight years, Rwanda has made some remarkable achievements in its quest to use governance and public administrative reform for poverty reduction. Even though there is still a

long way to go, the structures have been put into place and the political will is there. What must be recognized is that none of the innovations and achievements referred to in this chapter would have been possible were it not for the sustainable partnerships that the Government of Rwanda has built. These are partnerships with international development actors, and regional economic partnerships as well as partnerships on the ground with civil society and the private sector. Establishing good governance, reducing poverty and overall development are people as well as government-led processes. The partnerships Rwanda has formed are invaluable to her development efforts.

In a post-conflict country such as Rwanda, where there are weak institutions and a lack of societal cohesion, it is easy to talk of 'good governance principles' and advocate the importance of democracy and so forth, but the real challenge, and the real commitment from the Government is only achieved when these principles go from words to reality. Rwanda has embraced whole-heartedly the principles of good governance, and in doing so embarked on the process of democratic decentralization and civil service reform. The Government has demonstrated its commitment, and implemented the programmes it advocates.

A critical hallmark of democracy is inclusion. "Formal institutions and informal practice should support the rights of all citizens to participate in both governmental and non-governmental arenas. Inclusion should be both broad and deep, with all segments of the population consulted to the greatest extent possible, which is consistent with efficient government function. Rights of participation should be both guaranteed in law and most importantly in practice" (USAID, 2002).

The current regime in Rwanda has made a strong argument for an inclusive vision of Rwandan citizenship and has pursued inclusion in a number of areas including:

- Education;
- Reconciliation activities;
- Women and youth;
- Promotion of diversity;
- Popular mobilization; and
- Political organizations in the forum of political parties.

When discussing 'lessons learned', there are both negative and positive outcomes of programmes which have been implemented. In the case of Rwanda, although small sections of its population have reaped the benefits of globalization, the majority is still left behind. Recommendations to other developing nations and to Rwanda itself would be to ensure that the benefits from globalization incorporate the entire population. To try and achieve this, Rwanda has undertaken the following projects and programmes:

- Rural telephone services;
- Solar power;
- ICT; and
- Community radio.

Conclusion

The eradication of poverty is both a challenging and an uphill struggle for a country with a tragic conflict-fueled history such as Rwanda. The war destroyed the macroeconomic and institutional infrastructure necessary for the successful growth of a modern, market-based economy. However,

recreating the public sector provided Rwanda's leaders and development partners with an opportunity to address the inconsistencies and inefficiencies that had begun to hinder Rwanda's development under previous regimes. We have presented the current situation in Rwanda demonstrating that in spite of the difficulties the Government of National Unity was faced with, a tremendous commitment to development and efforts to ensure good governance have been made all for the goal of poverty reduction. Again, in the words of Gourevitch (1999, p.302) "Never before in modern memory had a people who slaughtered another people, or in whose name the slaughter was carried out, been expected to live with remainder of the people that was slaughtered, completely intermingled, in the same tiny communities, as one cohesive national society."

We have demonstrated how Rwanda has innovatively built on existing traditional practices to implement its programmes, and although these programmes are all in their infancy, and the results so far seem promising. The necessary political will is present and institutions and structures are in place, and the various partnerships that have been developed must be strengthened and capacities rapidly developed if Rwanda or any other poor, underdeveloped post-conflict countries are to reap the benefits of globalization. In addition, global good governance policies, systems, processes and practices must be revisited and adapted to the current realities so as to remove the expanding gap of opportunities between the poor and rich nations of this world.

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Chapter five

Innovations in Governance and Public Administration for Poverty Reduction in Transitioning Countries in a Globalized World: Experiences of Bulgaria and Other East European Countries

by

Emilia Vasileva Spiridonova [1]

Poverty as a problem of transition

The democratic changes which occurred in the States of the "socialist camp" in 1989 have not brought a positive solution to poverty-related problems in these countries. As a matter of fact, the type of poverty has been changed. Medium poverty was a general principle for the majority of the population in the socialist society. People used to live within very modest and limited standards of life, and because their neighbours, friends and co-workers lived in the same way, they did not complain. Extreme poverty was relatively rare, due mainly to the practice of full and obligatory employment and the lack of goods and services of good quality.

As nations from Eastern Europe started to make the difficult transition from socialism to democracy and open market economy, the type and extent of poverty tended to change. The political and economic changes resulted in a fast and rigid differentiation of the population. The standards of life went down for a lot of people. The number of the people in need has increased. "The extraordinary rise in poverty is one of the most important costs of transition."[2] Even where there is noticeable economic growth and developed private initiatives, the current patterns of well-to-do positions are widening income disparities and sharpening the poverty problem.

For example, in Bulgaria, more than 10% of the citizens declared that they live "well" and considered themselves "rich". When everybody around you is driving an old "Moskvich", you are accepting your own old car as a benefit, but if a lot of people are driving the latest model cars of Mercedes, Volvo or BMW, you feel you are deprived by the system. The same situation occurs with the goods in the shops. In the "socialist" past, the shops were almost empty; now the shops are full with a rich variety of goods, but a lot of people have no money to afford them. The problem of poverty has therefore shifted from focus on availability to the focus on affordability.

At present, poverty should be measured not by low income itself, but by its inadequacy. Answers given by respondents to the question, "How satisfactory is your income when you take into account your family?" are significant. Thirty three per cent rated their "family income" as "not really enough" for their survival; 43 per cent rated it as "just enough"; 20 per cent rated it as "enough for a fair standard of living"; and a mere 4 per cent rated it as enough for a good standard of living[3]. Those whose incomes are "not enough to survive on" are certainly "poor", and those with "fair" or "good" standards of living can be described as "well-off".[4]

The main reasons for the increase of poverty during the transition period are as follows:

- The political instability and often changes of governments and legislation;

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[2] Human Development Report, UNDP, 2001.
[3] Findings on Ukraine, Bulgaria, Slovakia and Czech Republic.
[4] Miller, William L., Corruption and Poverty in Post-communist Europe, Local Government Brief, Summer 2002.

- A lack or weak control of the expenditure of public resources and an ineffective provision of public services;

- Social and economic dislocation of the transition processes;

- A sporadic restitution and privatization, made very often on account of the closing of the business/industry and/or agriculture, and/or the reduction of the number of employees;

- Corrupted investment policies; and

- Other reasons, like poor governance, a centralized distribution of resources, etc., and the resulting drop in output, government revenues and household incomes.

In the transition to democracy and a free market privatization and restitution play a significant role in increasing unemployment and poverty in Bulgaria. Hundreds of thousands of people have been left without jobs, having been released by the new owners of privatized businesses. The delay and ineffective administrative mechanisms have led to many "hidden" privatization deals, which have assisted illegal appropriation of public property. Privatization found most of the state enterprises already heavily indebted to the state and banking system. Unsuccessful legislative and administrative solutions of the problems of debts of the state enterprises made it possible to create an artificially low privatization rating for these enterprises. Often, an enterprise is being bought only to be closed out, and thus the competition eliminated. The unstable privatization laws discourage foreign buyers and investors.

Due to the lack of professionalism and appropriate control, and sometimes to corruption, state contracts for privatization, concessions and other projects go to inefficient and non-competitive firms, and state benefits, credits and services go to people who are neither the most entitled nor the neediest. Restitution was an inevitable part of the political and economic reforms in the country. For more than four and a half decades, the totalitarian regime managed the businesses, land and buildings, and others as its own property. Most of the files concerning the former ownership rights have disappeared. It costs the former owners much time, energy, and money (for lawyers, courts, administrative services, etc.) to prove their ownership, or at least a part of their property. Very few are lucky enough to receive full restitution.

In a state where all property has been considered "socialist", it is very difficult and often almost impossible to define legally what property belongs to the government, to the local governments, to the "socialist" organizations, or to the "socialist" cooperative farms. The process of restitution is even more complicated by the fact that, over the years, nationalized business, factories and buildings had been destroyed. On land once considered as socialist property, towns and villages had grown, and dumps, parks, schools, houses, offices and enterprises had been built.

The negative effects of privatization are viewed in two main ways:

- According to the restitution laws, the government is supposed to compensate in those cases where real restitution is impossible. The government lacks the requisite money to fulfil this obligation. Unable to satisfy every compensation claim, the authorized government agencies are making discretionary decisions which are influenced by many factors, some of which have been informal and perhaps even illegal. Restitution, like privatization, creates convenient conditions for corruption.

- Once restored, the land and buildings change their function – some of arable lands, businesses and buildings are not in use anymore, leaving thousands of people without jobs or housing, or without both.

A survey carried out in five countries (Bulgaria, Hungary, Poland, Romania, the Russian Federation, and Slovakia) asked people to recall how they lived in 1988, to compare it with the

year 2000, and to assess whether the transition was for better or worse. In every country, the transition period is remembered as one of sacrifices. The majority of the people surveyed, between 55 and 85 per cent, believed that they lived "worse" or "much worse" in 2000 compared to 1988. In 2000, five to fifteen per cent said they experienced extreme poverty, while only one to five per cent said the same for 1988.[5]

The three major groups of population endangered of poverty in the countries of transition are: the unemployed, old people, including the retired, and the Roma (Gypsy).

The unemployed have the highest risk of poverty. The other two groups also comprise many unemployed. Unemployment is related with the level of education. The lack or low level of school education creates a higher risk of unemployment. Unfortunately, not only the uneducated people are under the risk of unemployment. What is specific for the East European countries, at least in the first stages of the transition period, is the fact that most of the poor people are literate, well-educated persons, and once had prestigious jobs. The psychological and social (they are not able to satisfy their intellectual and cultural needs anymore) consequences of the poverty are harder on them than others. The gender and the age are also risk factors for unemployment. This is particularly true for women, the young and those facing retirement. Households with a head who is unemployed have a higher risk of poverty relative to the rest of the population.

Old people, including retired people, are a significant part of the poor population. The reason is not only the reduction of job abilities and unemployment. The main factor of the poverty of the pensioners is the very low sum of pensions and other social benefits, some of which are insufficient for survival. The sum of pensions are lower for the rural population. Even the highest levels of pensions for certain people, who had enjoyed before a secure and well-paid employment, are not sufficient and could not support a decent standard of life, as is the case in Bulgaria. The old people live relatively better when they stay together with the families of their sons and daughters.

Ethnicity is not a social determinant of poverty by itself. In some countries, particular ethnic minorities are over represented among the poor, and other ethnic groups are over represented among the well-to-do part of the population, but it is usually due to the residential placement, professional determination, and level of education. Only one ethnic group – *Roma (Gypsy)* – is among the poorest population in all East European countries. Poverty rates for Roma far exceed those for the overall population. Anyone remotely familiar with the former socialist countries cannot fail to be aware of the fact that "the Roma" have been the greatest losers of the post-socialist transformation. Communist success in linking Roma and employment was more the product of socialist inefficiency and underemployment of resources than a genuinely successful and sustainable policy of promoting employment for Gypsies.[6]

One particular reason for the dramatic increase of poverty among part of the Gypsy population is connected to privatization and restitution, in particular, restitution of the arable land. During the Communist regime, Gypsies were violently settled down mostly in the countryside and made to work on the "socialist" cooperative farms. They had some regular income and developed some modest but acceptable standard of life. With destroying the cooperative farms and restoring the land to the private owners, Gypsies, as well as some ethnic Turkish farm workers, lost their regular work in agriculture and thus, their livelihood.

Local governments are challenged by the social and economic problems of the transition processes. Most local authorities are unprepared or unable to take on increased responsibilities for

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[5] After Szelenyl I., Poverty, Ethnicity and Gender in Eastern Europe During the Market Transition, Greenwood Press, 2001.
[6] Stewart, M., The Impoverish Roma, Local Government Brief, Summer, 2002.

fund raising, economic development and establishing true self-government. One major problem is a lack of investment capital. The structure of expenses in local budgets everywhere show that expenses for social and cultural needs tend to prevail. The transition has imposed dramatic social costs for the local population in the East European countries – economic decline, inflation, unemployment and poverty. The number of citizens requiring social assistance is on the rise, while financial resources are obviously inadequate to cover all demands. Short-term "production objectives" rather than long-term "programme objectives" are typical to the policy process in local governments. Reducing immediate shortages by means of ad hoc policies is still a general practice. The first steps in the new conditions of the market economy and recent experiences are not sufficient to reassess local self-government and to provide local authorities with significant authority in public finance, and in particular, handling the poverty problems. Many opportunities of poverty reduction and growth have emerged recently: whether or not they will be advantageous to local government depends on the ongoing reforms.

Government policies for poverty reduction

Poverty reduction is a very broad and complex issue. It is based on a deep and multidimensional understanding of the causes of poverty on the one hand and the resources available for its reduction on the other. Poverty reduction policies include a wide variety of activities and processes, such as research and analysis, political will and responsibility, appropriate legislation, policy-making, programme implementation, measures of social and individual approach, and many others.

The main poverty reduction policies in the transitioning countries must be seen in two broad and quite different directions. The first direction does not belong only to the poverty reduction strategy. It includes the common development programmes in the countries in transition. These programmes aim at successfully promoting economic, social and administrative reforms in order to strengthen democratization and introduce the open market economy. They are implemented through activities concerning:

- Development of a normative legal basis to accelerate reforms and create a suitable legal environment for the changes to come;

- Reforming the executive power by creating a responsive public administration and professional and accountable civil service;

- Establishing appropriate conditions for intensive economic growth;

- Development of private sector, private initiative and investments in the economy;

- Improvement of public services for the population;

- Reforming the judicial system in order to strengthen it as an independent, objective and transparent system;

- Developing state and non-governmental structures to better protect human rights; and

- Supporting decentralization of public governance.

The second direction of the poverty reduction policies includes approaches, activities and measures addressed particularly and directly to reducing poverty among the population or among groups of the population. Each of these directions has its own place and role as instruments of poverty reduction, but the first one – common development of the state and society in the new democracies – is a necessary condition and base for the second. Without achievements in the common development policies, any initiative of the second direction will stay isolated, sporadic, temporary with short-term effect, and without serious positive social results.

The most important areas of the common development programmes concerning poverty reduction are as follows:

- Promoting economic growth – improvement of the use of the available resources and discovering new resources; increasing the effectiveness and efficiency of labour both in industry and the public sector; introducing various fiscal, monetary, trade and economic policies;

- Increasing the common wealth of the state resulting in increasing the standards of life, in particular increasing salaries and pensions; increasing opportunities such as credit and public services; schools, social and health services, etc.;

- Promoting open market environment – increasing job opportunities; encouraging private initiatives; ensuring micro-enterprises and small businesses to participate effectively in markets (from the point of view of poverty reduction they employ a large number of poor people); ensuring access to credit; lowering taxes and transaction costs; reducing restrictions on the informal sector;

- Encouraging privatization and effective private investments in the economy – creating a favourable environment for competitive and growing private sector; attracting foreign investments, increasing job opportunities, introducing innovations, reorganizing production to increase output through developing new technologies, exchange of experiences, improving labour skills, etc.;

- Improvements in the efficiency and effectiveness of public administration – improvement in the quality and the scope of the activities of public administration, lowering public expenditure; developing a transparent civil service; reforming public sector management; improvement of public service provision; facilitating the access to the provision of public services; reduction of taxes and other payments for public services;

- Improvement of information and communication systems in order to provide the authorities with up-to-date information about the needs of the people and resources available to respond to them; improvement of resource distribution; facilitating the connection with the people in need;

- Promoting policies and mechanisms for better protection of human rights – protection of the rights of the most vulnerable to poverty (social groups such as the elderly and the sick, some ethnic population, lonely mothers, etc.);

- Improvement in the policies in particular fields such as education, social security, health, struggle against crime and corruption; development of anti-corruption programmes;

- Establishing effective control mechanisms: control over public administration; control on public expenditures; control on post-privatization processes; building an efficient and sound judicial system;

- Developing decentralized governance – strengthening the role of local government in economic development, resources supply; provision of public services; increasing the role in national policy-making and problem-solving; gradual transfer of services from central to local governments; improving the coordination between the central government and the local governments;

- Updating and innovating the legislation concerning the regulation of all issues listed above; and

- Strengthening civil society participation and media oversight.

The common development of the country and the economic growth are considered as necessary basic conditions for the reduction of poverty. As "The Economist" (May 27, 2000) asserted – "Growth really does help the poor. In fact it raises their incomes by about as much as it raises income for everybody else…. Globalization raises incomes and the poor participate fully". This conclusion should be accepted very carefully. The common development and the economic growth do not lead automatically to the reduction of poverty and the improvement of standards of life of the people. This could be true for countries with reasonable welfare. Because of the specifics of the transitional period and the circumstances in the countries with new democracies, economic opportunities and economic growth at present are more likely to widen the income gap between different social groups and individuals rather than to influence poverty reduction. A Bulgarian well-known art-collector and social person publicly confessed in a newspaper: "My heart is being broken when I see elder people waiting in a queue for their monthly pension of $40 when the whisky I am drinking before noon daily costs me at least $100." He has said this as an expression of his pity toward poor old people.

Some of the post-communist countries develop special Poverty Reduction Strategy projects, programmes or papers (for example, Armenia, Kyrgizstan[7]). They assert the same or similar main pillars of poverty reduction in the economic growth and improvement of public administration such as:

- Fostering sustainable and broad-based growth;

- Developing the private sector;

- Developing individual activity among the poor by extending to them micro-credit, credit unions, and credit cooperatives;

- Implementing measures targeted at improving poverty indicators;

- Establishing efficient and effective governance systems; and

- Increasing the role of local administration.

Poverty reduction policies provided by social security schemes: the case of Bulgaria

Specific policies for poverty reduction are found mostly in social security schemes at the national level and in some programmes of local governments. They address mainly the reduction of unemployment and provision of social assistance to socially "weak" persons. Below we present some schemes of this kind in Bulgaria. They consist of constitutional provisions, laws, secondary administrative legislation and other administrative instruments and measures.

Unemployment benefits

Legal regulations concerning the protection of unemployment and promotion of employment explicitly proclaim unacceptability of discrimination. The law states: "In implementing the rights and obligations under the provision of this act no restrictions or privileges based on race, nationality, ethnicity, origin, sex, age …, social position and material and health condition shall be allowed". There is compulsory and voluntary insurance for unemployment. Subject to compulsory insurance for unemployment are all persons working on a labour contract; on contracts for management and control of state and municipal enterprises, on contracts for management and control of trade corporations. Every Bulgarian citizen who has concluded a

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[7] Usmanalieva B., Keeping Kyrgistan Afloat; Melikyan, L., Assessing Armenia, Local Government Brief, Summer, 2002.

written agreement for voluntary insurance can join voluntary social security for unemployment benefit and/or professional qualification.

The specialized fund "Professional qualification and unemployment" finances the compulsory social security scheme for unemployment benefits and professional qualification. The income of the fund comes from the compulsory monthly insurance contributions of the employers and the persons working on a labour contract, compulsory monthly social security contributions at the expense of the trade associations, target sums of the state budget and other sources. The payment of insurance contributions is divided between the enterprises and the insured persons at a ratio of 4:1. Persons with a permanently reduced ability to work are exempted from paying the compulsory monthly insurance contribution.

The right to cash compensation is awarded to unemployed persons who have worked on a contract of employment and have paid social security contributions or have been subject to unemployment insurance for at least 9 months during the last 15 calendar months prior to the termination of the contract. This period of time is considered as labour service. The right to cash compensation is also awarded to unemployed persons who have performed seasonal work on a labour contract, for a term of no less than 6 of the last 12 months. The periods of childbirth and raising a little child, as well as the periods of sick leave, are considered as labour service. Unemployed persons who have worked as part-timers are also insured, the amount of their cash compensation is determined in proportion to the part-time working period agreed upon.

According to the law, "unemployed" is any person who:

- Is capable of working, i.e., physically and mentally fit to work;

- Is without a job and has been dismissed from work;

- Is not retired and is not included in courses for professional qualification;

- Is actively seeking a job; or

- Has been registered as unemployed.

The unemployed persons are obliged to register at the territorial directorate of the National Employment Service no later than 3 months after the termination of their contract of employment and have to present a declaration stating their unemployment and be at the disposal of the agency for suitable work or to be enrolled in courses for professional qualification. "Suitable work" is work which corresponds to the education, professional qualification, state of health, sex and age of the claimant and is located within the same residential area or 30 km from there, provided there is convenient public transport.

Unemployment benefit is paid on a monthly basis in accordance with the record of service and the period of insurance of the unemployed persons. The level of unemployment benefit for the persons who have worked full-time is 60% of the average gross monthly wage received during the last 9 months. It is not less than 80% and not more 150% of the national minimum wages.

Apart from benefits for unemployment, the law provides benefits for promotion of reintegration, support for entry into suitable employment and the launch of an independent business through measures such as the following:

- Services for employment intermediation;

- Creating conditions for a minimum level of employment;

- Professional training and retraining;

- Job entry support; and

- Specialized services for launching an independent business.

Employment is also encouraged by means of:

- Promoting accommodation for job for unemployed persons with a permanently reduced working ability and for orphans without a working record up to 28 years of age;

- Benefits for unemployed persons enabling them to begin work in another town or village;

- Promoting job opportunities for unemployed persons with higher education up to 28 years of age and with secondary or lower level of education up to the age of 24;

- Organizing employment programmes for unemployed persons by including them in public beneficial activities with payment; and

- Professional orientation and professional qualification.

The main problems of the unemployment benefits and other means related with them are: lack of job contract as a base of unemployment social security schemes due to the unwillingness of some employers to sign job contracts, a limited scope of "suitable work", a low rate of compensation funds and the short period of payment.

Social assistance and social assistance benefits

Social assistance

According to the Bulgarian legislation and administrative practice, the social assistance is a different institution from the regular social security schemes. It consists of two general types:

- Social assistance benefits: one-time and short-term social benefits; and

- Social pensions (different from the retired pensions, survivor's pensions, invalidity benefits and sick benefits).

Social assistance benefits

Social assistance benefits are granted on different grounds and different forms:

- One form of social assistance is the death benefit. This is a one-time aid in the event of death of a worker. It is due in case of death of the insured person. The right to this benefit is granted to the children and wife/husband of the deceased person.

- Another form of social assistance benefit is paid in case a person is not entitled to a pension for invalidity because of insufficient length of period of insurance. The duration is between 3 and 6 months as of the date of invalidity depending on the qualification of the invalidity. This benefit may be granted only once. It is paid by the enterprise, institution or organization which has paid the cash compensation for temporary disability to work.

- Childbirth benefit is one-time social assistance. All Bulgarian citizens receive at the birth of a living child, irrespective of their social security position, a one-time lump sum grant depending on the number of children born from the same mother. The benefit is paid to the mother by the employer, and when she is unemployed, to the father if he is employed. When none of the parents are working, the benefit is paid to the mother by the municipality or city council, according to place of residence.

An important form of *social assistance for the poor persons and families* is provided in the Regulations for Social Assistance. Persons who due to material, old age, health and other reasons

are unable to provide their basic means of subsistence are entitled to this benefit. Entitled to monthly social assistance benefits are persons and/or families whose income in the previous month was lower than the fixed differentiated minimal income (which determines the need). The "base minimum income" is the minimum monthly income guaranteed by the Government, which should cover the socially possible and admissible limits for satisfying the basic subsistence needs of a person living alone. There is a difference according to family status and co-existence. This form of social assistance consists of payments in cash or in a particular kind which may be monthly benefit, a purpose-oriented benefit and a one-time benefit. It is paid by the municipalities through the social care centres.

Social pensions

Social pensions are granted to several categories of persons with the aim of *providing a minimum subsistence income to these persons.* Three main groups could be differentiated:

- People over 70 whose annual income per member of the family does not exceed half the total of the minimum wages fixed for the country during the last 12 months preceding the claim for the pension. The social pension may not be received together with another pension. It is strictly personal and may not be transferred into a survivor's pension.

- The Council of Ministers may award personal pensions in exceptional cases to persons who do not meet the requirements of the law on pensions. These persons must meet the requirement that the annual income per member of the family does not exceed half of the total of the minimum wages as above.

- The Council of Ministers on the proposal of the municipal/regional administration can award pensions to persons having reached retirement age, 65 for men and 60 years for women, who have no right of regular old age pension.

Social services

These are *social services for poor and other needy persons and families*. The Regulation for Social Services of Persons and Families determines the forms, conditions and mode of services for the needy persons and families. Forms of social services are: social home patronage; public refectory; day-care centres for children and old people; rehabilitation centres; clubs of the pensioners or invalids; bureau for social activity; tenement for temporary accommodation of needy persons and families.

The social services are provided for old people (above 65, and above 75 years of age respectively to the different forms of social services); invalids; sick persons; physically or mentally handicapped children. Single persons are, according to the regulations, those persons who have no relatives who would be obliged legally to take care of them, such as husband, wife, son, or daughter.

The role of local governments in the reduction of poverty

The past ten years have witnessed a growing salience of local government of a political, economic and functional nature. Local government is becoming a centre of social activity and autonomous (or rather semi-autonomous) policy formation and implementation.

Challenges of the transition

Local government in the East European countries faces three main challenges significant in the transition to the modern state. The first involves improving the quality and operational efficiency of local government and administration at the lowest cost while exercising democratic control.

This implies raising local administration productivity, reducing public costs (state, municipal and other), rendering transparency in local government activities, actively involving the community and citizens in local government and developing effective control and redress mechanisms. Special attention is given to the creation of necessary legal frameworks for the decentralization of authority and particularly for the decentralization of public services. Significant goals in this sphere is improvement of the provision of public services (and particularly concerning poverty reduction – housing, education, health services); enhancing the employment opportunities; enhancing the scope and measure for social care and social aid; and fighting corruption.

The second trend concentrates on restructuring the relationship between local governments and citizens and acknowledgement of the fact that citizens are the customers of the local administration. The shift of focus on citizens as clients in the public sector depends upon two principal considerations. First, citizens are users of public services provided by local authorities for which they pay either directly or indirectly through the collection of fees and taxes. Second, any particular public service has a value, price and quality that have to correspond to the needs and requirements of citizens in their capacity as taxpayers and users of these services. Since citizens are clients in the public sector, they have to be protected against possible discrepancies in the "price-quality" correlation. Linked to this are efforts to optimize public services delivery and to develop appropriate mechanisms of redress.

The third trend is adjustment of local governments and local administration to the requirements and conditions of economic development of both the locality and the country. Thus, it also includes the search of a reasonable balance between the public and private sectors on the local level and the use of private sector methods and approaches in local public management. Public procurement and other forms of contracting are tools of modern local government.

Local communities are where people live. Municipalities are more concerned, more involved and functionally (not always financially) more capable to decrease the poverty on a local level. An analysis of the overall experience of the decentralization process[8] makes it obvious that there is a process of gradual transfer of services from central to local governments. Activities that were governed by state monopoly, such as education, health care, water and electricity supply, are now being transferred partially or fully under the competency of local government. In the area of social services, social assistance to families and to certain categories of the population have been transferred to the municipalities to the extent that the mayor, as a superior administrative control authority, decides on citizens' claims against acts in social assistance (the case in Bulgaria).

The particular measures on a local level with direct influence on the poverty reduction are mainly in three areas: 1) improvement of living conditions of the poor – housing, water and electricity supply; health care; 2) measures of social care, social assistance, social services (already discussed above), other forms of social aid; and 3) improvement of employment abilities.

In addition to the general efforts of the local governments of building new business, developing and innovating economic activities, and the search for new investments, a recent practice in some of the East European countries has been the organizing of so called "employment projects". "The employment projects" provide temporary employment for unemployed and poor people in activities of public use and interest – like ecological activities, garbage collection from streets and parks, snow cleaning, etc. These projects are usually initiated and organized by the local governments and financially supported by the municipality or the government or NGO.

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[8] Kandeva, Emilia, ed., Stabilization of Local Governments, Local Government in Central and Eastern Europe, Vol.2 OSI/LGI, 2001.

Local governments have a crucial role in providing or facilitating housing, educational, health and other public services especially directed to the Roma population on their territory. Measures to halt intensifying segregation prevent the residential stratification.

Poor municipalities

The local governments have problems fighting with the poverty of population on two levels. The first one is the poverty of certain groups of population. The second is the poverty of certain municipalities themselves. In the rigidly centralized governance during the communist regime in the past, the local governments used to relay to the central distribution of resources and aid. Due to the differences in geographical situation, natural resources, urban or rustic type of community, economic development and other factors, some local governments are doing very well while others are underdeveloped with high levels of unemployment, very limited economic activities and unable to support sufficiently themselves and the poor part of the population. The financial decentralization does not play an efficient role everywhere. The poor municipalities need a hand from the central government. Still, fiscal and economic decentralization is the only powerful tool to strengthen the abilities of municipalities. It has to be supported by government incentives designed to stimulate economic activity. Self-generated revenues with which the municipalities operate in accord with their budget are viewed as one of the mechanisms of the potential reduction of poverty.

Grants on a local level

The municipalities use different kinds of grants. Grants are an additional source of funding for joint financing of special investment projects. A local municipality that establishes a plan of improvement has a right to claim conditional grants from the government. Another approach to get subsidies from the government are the regional plans for development which are prepared upon the proposal of the municipalities by the regional authorities and submitted to the central government. The government regulates the distribution of the grants the sources that are designated for special purposes. Recently, EU grants have been distributed to local governments which have covered the requisite criteria.

Steps of strengthening the local government abilities

Looking at the recent situation and the possible future development of the political, administrative, economic and social measure of reducing poverty, one can ascertain what is most urgently needed for local governments in this region at the moment. The following are some of the necessary steps to be taken:

- A clear legislative distinction between the responsibilities of central and local governments;

- A clear legislative definition of the powers of self-government authorities: What are the independent and undivided powers of municipalities? How does law guarantee these powers?;

- Establishing the conditions for real decentralization – political, administrative and financial; enlarging the scope of powers of local self-government;

- Strengthening self-government capacities through: direct assistance and support from the state – legislative, financial, etc.; development of self-generated sources of income and actively searching for new forms of financing; training local officials and administrators; creating larger and more decentralized local government units; active use of local government associations;

- Enhancing the role of local governments within the limits of their powers and resources in the economic development of local territories by establishing partnership relations with the private sector;

- Enhancing the role and significance of nonprofit organizations in performing local government activities, such as delegating functions to public non-profit organizations and establishing partnerships with them;

- More active participation of citizens in public affairs, such as bringing citizens closer to the centres of decision making;

- Making greater use of controlling and redressing mechanisms; and

- Providing local government administrative systems with greater efficiency through: establishment and implementation of regional plans; coordination of municipal tasks; improvement of local public services delivery; and introducing functional integration.

Partnership

A partnership between central and local governments and non-governmental organizations (NGOs) expands the political and social base of government decisions and improves their efficiency and successful implementation in the field of poverty reduction. The establishment and strengthening of intermediary institutions – national and regional associations of municipalities or mayors – demonstrate the existence of a well-developed institutional network of partner organizations, which increasingly are improving coordination and unity of action while retaining their independence and identity.

Currently, associations of local elected authorities exist for cities and communes, mayors, council chairs and municipal secretaries. Their activities and central-local government relations also are supported by the successful operation of similar organizations such as local government reform foundations; professional associations of municipal secretaries, financial officers, environmental officers; regional centres and agencies, etc. The existence of this network is indicative of the awareness of the need for joint action and inter-institutional cooperation. The models of such partnership have created useful forms of efficient interaction, such as participation of representatives of national associations of municipalities and other organizations in the work of parliamentary standing committees; involvement of central and local government representatives in the activities of working groups, boards, councils and discussions organized on the initiative of the central or local government; multilateral working meetings on top-priority topics of activity; procedural rules for consultations on draft budgeting or planning and the drafting of legislative changes in certain matters; improvement of information exchange as a means to better understanding and partnership.

New forms of partnership also are connected with the requirements of regional development. Regional development laws, where they exist, provide frameworks for partnership between regional associations of municipalities and regional governors as representatives of the central government. The participation of non-governmental organizations in local government is practised to a great extent concerning the exchange of experiences and the dissemination of information on local government matters. For this purpose, NGOs develop systems to collect and disseminate innovative practices in local government, provide comparative reviews of legislation of developed democracies and other countries in transition, arrange discussions for the presentation of opinions of all parties concerned on certain bills in local government, conduct surveys and organize discussion and training seminars for politicians and local government administrators. The benefits from partnership between central and local governments and NGOs

address four spheres – the legislative sector, local government, the "third" sector and civil society. It is worth encouraging and developing it in the future as well.

Future of the role of local government

Owing to the complicated challenge of first, seeking autonomy within the national system, second, hard financial conditions of transition, and third, the consequences of European integration, the adaptability and flexibility of local government systems will be put to a critical test in the coming years. The local level will play an increasingly important part in policy-making and problem-solving in the areas of economic development and poverty reduction. The size and multiplicity of tasks that are being undertaken at the local level and the complexity of the problems that arise indicate that purely local or purely national methods of resolving these issues are insufficient. For this reason, a high degree of cooperation, partnership and understanding among all levels of government is indispensable.

Other participants in policies of reduction of poverty

NGOs

NGOs are playing a certain role in the policies and activities of reduction of poverty. Nationwide, NGOs are involved in the distribution of specific social aid. Funds (foundations) and other types of public non-profit organizations initiate and provide projects of social assistance and social services for children, homeless, the elderly, the handicapped, "lonely" mothers and other poor and needy people. Very often, foreign providers of social aid prefer to work with NGOs rather than with government agencies. NGOs are working mostly on the national level. On the local level, they work mostly in partnership with the local authorities or other local organizations, as has been stated above.

Schools

The schools and school authorities play a very important role in the policies of reduction of poverty. Inadequate education is one of the most powerful determinants of poverty. Unequal access to educational opportunities is strongly connected with unequal income. Raising education abilities is a necessary condition for raising employment opportunities. Schools are undertaking measures to guarantee the school attendance of the children from poor families, in particular from Roma families and other ethnic minorities, and to facilitate their participation – with provision of school books, school materials, sometimes with clothes and shoes.

Charity donors

Charity activities are a new phenomenom in the reality of the post-communist life. In the past, the communist regimes denied people who needed care other than that provided by the state and the Communist party. At present, charity activities are provided by *churches, NGOs and private persons.* Their contributions are not regular donations. In general, they take place on a special occasion – such as providing a free meal for some holiday, providing Christmas presents for poor families or orphans, or providing tickets for cultural or recreation events, etc.

Chapter six

Building Public Sector Capacity for Community Engagement:
the Experience of Australia

by

Diane M. Guthrie[1]

In Australia, poverty is conceived in relative rather than absolute terms, implying that it is "defined not in terms of a lack of sufficient resources to meet basic needs, but rather lacking the resources needed to be able to participate in the lifestyle and consumption patterns enjoyed by other Australians".[2] In Australian policy discourse on socio-economic development, being 'in need' may be conceptualized in various ways, for example: poverty, determined in relation to an annualized income unit (by household type and size) or 'poverty line'[3,4]; spatial profiles of socio-economic disadvantage determined by indexes based on population measures of low-income earners, low educational attainment, high unemployment, rental dwellings, to name a few[5]; and vulnerable communities characterized by, among other factors, low or negative employment growth, above-average growth in rates of unemployment or below-average reduction in rates of unemployment, adverse growth in incomes, greater concentrations in occupations and industries in decline and greater concentrations of low-income households.[6]

Generally, metropolitan areas in Australia are continuing to concentrate disadvantage on the fringes and outer suburbs with a disproportionate level of disadvantage found as one travels further from the central business district.[7] With some of the in-migration to cities stemming from the decline in parts of rural and regional Australia,[8] a significant component of population growth in Australian non-metropolitan areas is due to the in-migration, and retention, of low-income groups.[9] This latter trend is most likely a result of the movable rent assistance payment and the availability of more affordable housing outside the major metropolitan areas.

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[2] Saunders, P. (1998), Poverty and Deprivation in Australia, *Year Book Australia*, Australian Bureau of Statistics, Income and Welfare Special Article: http://www.abs.gov.au/Ausstats/ABS@nsf/94713ad445ff 1425ca25682000192af2/5d709.

[3] *Ibid*.

[4] Harding, A. and Szukalska, S. (2000), *Financial Disadvantage in Australia –1999*, The Unlucky Australians? New South Wales: The Smith Family, NATSEM.

[5] QCOSS and Social Action Office (1999), *People and places – a profile of growing disadvantage in Queensland*. Queensland: QCOSS.

[6] Baum, S., Stimson, R. O'Connor, K., Mullins, P. and Davis, R. (1999), *Community opportunity and vulnerability in Australia's cities and towns.* University of Queensland: Australian Housing and Urban Research Institute.

[7] *Ibid*.

[8] Gleeson, B. (2002), *Urban social exclusion in the Australian city.* Paper presented to "Social inclusion and the "new regionalism": The next steps", Seminar, University of Queensland (p.2).

[9] Murphy, P., Hugo, G., Marshall, N. and Burnley, I. (2002), *Welfare outcomes of migration of low-income earners from metropolitan to non-metropolitan Australia.* AHURI: www.ahuri.edu.au.

Queensland profile

Queensland, with a population of 3.65 million[10], is, demographically, the most decentralized State in Australia, with more than 1.2 million people (around 35% of the population) living outside the State's south-east corner. The south-east corner is fast becoming a mega metropolitan region, with 1% of the State's land area housing two-thirds of the population. Population growth in Queensland will see it become the second most populous state after New South Wales by the year 2030, with the majority of the population concentrated in this south-east corner. Added to this growth, the topography of parts of the south-east resembles Los Angeles, presenting particular problems for the future in a car-dominated society.

The less densely populated rural area of Queensland has a strong industry sector, particularly through primary industries, mining, tourism and supporting service industries, which contribute significantly to the State's economy. These rural-based industries generate approximately 80% of Queensland's export dollars, and approximately 45% of all jobs in the State are directly dependent on these segments of the economy.

The most socio-economically disadvantaged *groups* in Queensland have been identified by the Queensland Council of Social Services (QCOSS) using an index based on a number of variables recognized as contributing to social disadvantage. These groups include sole parents, young single people and aged single people, with the most socio-economically disadvantaged localities including the majority of indigenous communities, mostly in rural/remote localities, and some metropolitan and regional urban localities.[11]

Government responses

As with all other countries, determining the policy interventions most able to address the etiology of socio-economic disadvantage in Australia is best done by working across a number of structural, social, cultural and individual fronts. For example, at a Queensland level, a number of the government's policy frameworks require state departments to consider the differential impacts of proposed programmes on various communities of interest. For example, Regulatory Impact Statements are required to identify direct/indirect economic, social and environmental costs and benefits on communities of proposed legislation. Proposed substantive policy is required to include Rural/Regional Impact Statements, employment impact statements and address other social policy components, such as Indigenous peoples' policy and women's policy, when framing proposals.

While the requirement for impact statements across the whole of government mandates attention to conditions surrounding socio-economic disadvantage, of greater significance to the alleviation of such conditions is the shift in the focus of governments from the narrower programme-centred outputs to an outcomes orientation.[12] In principle, an outcome's focus aims to align the provision of public service with identified need and helps position government as enabler and partner of communities, focusing on whole and sustainable community outcomes.

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[10] Department of Local Government and Planning (2002), *Queensland POPULATION update 2*, Demographic Trends Based on the 2001 Census, Queensland: Department of Local Government and Planning.
[11] QCOSS and Social Action Office (1999), *People and places – a profile of growing disadvantage in Queensland*. Queensland: QCOSS.
[12] Smith, B. and Davies, A. (2002), *The Stronger Families and Communities Strategy: A government approach to supporting stronger communities.* Paper presented at The Cutting-edge of Change: Shaping Local Government for the 21st Century conference: University of New England/University of Western Sydney.

Complementing the focus on outcomes, as is happening in Queensland, is an increasing trend in Australia and other countries to provide a greater role for citizens in policy-making and service delivery and devolving policy implementation to local-level government-community partnerships. The espoused benefits of community engagement for governments include greater policy reach, legitimacy of decisions secured through participative decision-making, networking knowledge for more robust problem-solving, and alignment of resources with needs, to name a few. For communities, the benefits include opportunities to influence government decision-making, a government that is more aware of and responsive to community needs and, thus, a better targeted policy, and a transparent government.

However, the focus on outcomes and the achievement of an alignment of public service provision with needs turns on the effectiveness of the means for expressing those needs. Of particular interest to policy makers is the notion of social exclusion, or "the inability to participate effectively in economic, social, political and cultural life"[13] through lack of opportunity or access. Governments across Australia are aware that some groups in society have greater difficulty in participating in the policy process than others and may be more disempowered – for example, indigenous people and people living in socially disadvantaged, remote or rural communities.

Recognition by the Queensland Government of the social exclusion experienced by some groups in Queensland, and the desire to remove the barriers to inclusion, has led to the development of four key social justice principles that underpin the activities of all government agencies:

- Rights – the state has a role to protect and advance individual rights and educate individuals about their social obligations;

- Equity – groups and individuals with an interest in a policy topic or administrative decision should be identified and their ability to participate fully advanced;

- Participation – opportunity to participate fully in society, including in government decision-making, is an important part of social justice; and

- Access – individuals should be given every opportunity to access social services.

Government community engagement: A Queensland agenda for inclusive government. In 1993, the Queensland Office of Cabinet released a consultation resource document for the whole of government, which stated that consultation is one strategy for achieving in practice the social justice principles of rights, equity, participation and access.[14] The concept of social justice continues to describe the current Government's approach to community involvement. At a state level, the Queensland Government has developed five priorities for Queensland that have been endorsed by cabinet and to which all agencies must clearly demonstrate that they contribute. One of these is *Community Engagement and a Better Quality of Life*, the vision of which is to bring government and community together to enhance decision-making to ensure tangible benefits for Queensland's many communities, promote diversity and create equality of opportunity.[15]

The Queensland Government has provided an *institutional basis* for engagement and the principles of social justice through the following:

- A vision of "involved communities – engaged government" that sees government and community learning and working together to achieve better policy-making as solutions for a sustainable future, enhanced trust in government and active citizenship;

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[13] Green, A, (1997), Exclusion, unemployment and non-employment, *Regional Studies,* Vol. 31 (5), pp. 505-520.

[14] Office of the Cabinet, Queensland (1993), *Consultation: A Resource Document for the Queensland Public Sector.*

[15] Department of the Premier and Cabinet (2001), *Community Engagement Division Directions Statement*.

- A concept of engagement that refers to the "arrangements for citizens and communities to participate in the processes used to make good policy and to deliver on programmes and services. Making the engagement mutual means finding new ways for communities to have a working dialogue with government"[16]; and

- A set of principles for engagement that include: inclusiveness or connecting with those who are hardest to reach; reaching out, that is, changing the ways government and community work together for the better; mutual respect through listening, understanding and acting on experiences different from one's own; integrity in the democratic processes of government achieved through engagement; and affirming diversity so that the processes of government incorporate diverse values and interest.

Along with an institutional basis for engagement has been the development of a legislatively-based Charter of Social and Fiscal Responsibility, which outlines the Government's commitments to communities through whole of government outcomes. A Managing for Outcomes (MFO) framework supports this commitment and is the centrepiece in a raft of governance components in Queensland. MFO is intended to provide an organizational and accountability framework for public management. Within the framework, community outcomes are considered "to focus effort across the public sector in delivering services and appropriate results". Just as government-community engagement gives effect to that focus, so too does cross-agency collaboration enable government to manage the complexity of an outcome focus – as Tony Blair coins 'joined-up problems need joined-up solutions' and 'holistic governance'.[17] Cross-agency collaboration is a management imperative, as problems are not confined to any one agency and solutions involve more than one traditional sector of government activity. As a result, there is a greater need to find new and more horizontal ways of studying problems and finding solutions. Thus, community engagement and cross-agency collaboration enable public managers to manage 'networks' of knowledge that need to be amassed and applied to the complex field of problem-solving around policy and service delivery.

I would argue that the engagement agenda (as mirrored in an engaged governance framework and pursued through practice) equates to a change agenda that could be described as a reorientation[18], that is, a fundamental redefinition of the way government undertakes policy management for outcomes. It is a change process that has an institutional basis (identity, vision, values) and implications for institutional and organizational frameworks for behaviour (structures, systems, processes, skills etc).

Capacity-building for community engagement

Capacity-building is a means to an end and refers to the ability to achieve specific development goals and objectives.[19] Objectives need to be specified clearly before (a) interventions to build the necessary capacity can be determined and (b) the impact of capacity-building interventions can be assessed.

The Queensland Government has spelled out its vision and principles for community engagement and identified a number of ways in which it expects departments to seek to innovate. Combined

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[16] *Ibid.*

[17] Rhodes, R.A.W. (2000), *New Labour's Civil Service: Summing-up or Joining-up.* The Political Quarterly Publishing Co. Ltd. Oxford, UK: Blackwell Publishers.

[18] Nadler, D.A. and Tushman, M.L. (1995), Types of organizational change: From incremental improvement to discontinuous transformation. In D.A. Nadler, R.B. Shaw, A.E. Walton and Associates, *Discontinuous change: Leading organizational transformation.* San Francisco: Jossey-Bass.

[19] Peltenburg, M., de Wit, J. and Davidson, F. (2000), *Capacity-building for urban management: learning from recent experiences.* Habitat International, Vol. 24, pp. 363-373.

with these 'process' goals, the Government has also established *Community Engagement and a Better Quality of Life* as one of the five outcomes against which departments and Government must report its performance. In this latter respect, the Government has established Community Engagement as an instrumental goal, that is, an end to be achieved.

However, a recent survey by the Premier's Community Engagement Division indicates that there are some 'areas' in the public sector "unfamiliar with or uncertain about the Government's commitments and expectations in relations to community engagement".[20] While policy statements are important, they only become levers for behaviour when linked to an institutional basis for values and behaviour and an institutional framework that requires, supports and reinforces new ways of behaving. In effect, public managers will value community engagement as a preferred managerial strategy to the extent that they accept the core business of government is to achieve community outcomes, departmental objectives are a means to that end and certain principles of governance (such as inclusiveness) must be safeguarded. Unless community engagement capacity-building programmes address these institutional and organizational systems in the broadest sense, they have little potential to develop, I would argue, the complex understanding that is necessary for managing the changing relationships between government and civil society.

In response to the 'unevenness' in understanding and pursuit of engagement practice across the public sector, the Queensland Government is embarking on an institution-wide capacity-building programme to ensure the public sector has the knowledge, skills, policy environment, systems and processes to ensure facilitation of its vision and principles in action. While it is early yet for this government programme, much can be learned from organizations that have already trod the capacity-building path and can be regarded as leaders in community engagement practice. The effectiveness of the roll-out of the entire government improvement strategy may actually be enhanced by the stage of development already reached in individual departments. Any evaluation of the effectiveness of the whole government strategy would require a sense of where individual departments are at now. Examination of one such department that has invested considerable resources over the years in engagement capacity-building, is a step towards providing a benchmark for measuring development increments and inputs into other departments' programmes.

A case study in engagement capacity-building: Queensland's Department of Main Roads

The Transport Portfolio in Queensland includes oversight of land, sea and air transport and is currently managed by a number of agencies in collaboration, namely, Queensland Transport supported by Queensland Rail and Port Authorities, and the Department of Main Roads. In providing for transport infrastructure, the portfolio works in partnership with 125 local government bodies. While Queensland Transport has responsibility for "developing and ensuring the implementation of a strategic transport policy agenda, transport planning and stewardship of the entire transport system in Queensland", Main Roads is responsible for the stewardship of the state-controlled road system, the corridors that comprise this system, the system's operation and the delivery of projects for enhancement and maintenance."[21] This section focuses primarily on the Department of Main Roads and its engagement capacity-building efforts.

There are around 177,000 kilometres of roads in Queensland. The state has a more dispersed road network at 19.8 persons/km than the Australian average of 23.6 persons/km. Of interest, the state-controlled road network, for which Main Roads has responsibility, consists of more than 34,000 kilometres of road network and includes national highways. It constitutes 20% of the state's

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[20] Community Engagement Division (2002), draft report *Improving Community Engagement across the Queensland Public Sector*, Department of the Premier and Cabinet.
[21] Queensland Government, Department of Main Roads (2002), *Roads Connecting Queenslanders,* (p. 9).

network, but carries 80% of the State's traffic. The state-controlled road network has a replacement value of Aus$25billion.[22] The remaining 144,000 kilometres fall under local government control. Roads as well as rail have always connected settlements in Queensland which, in turn, have tended to occur around traditional industry bases such as cattle farming, agriculture (food and fibre) and mining in the rural and remote areas of the state and manufacturing in the more urbanized, densely populated south-east corner of the state.

The south-east corner of the state is Australia's fastest growing region and is centred on Brisbane, which is the country's fastest growing capital city with 9% growth registered between 1996-2001. The exploding population base in the south-east corner presents particular challenges for the Transport Portfolio in planning and enhancing road and rail corridors, given a legacy of many decades of unplanned growth and development patterns by local governments leading to poor integration between transport and land use planning. In the metropolitan and larger regional centres, the portfolio agencies often find themselves constrained by existing transport corridors sandwiched in between settlement patterns. Planning for transport often involves retrofitting existing constrained transport options with solutions for managing the current system network demands. Added to this challenge is new urban development on the rural/urban fringe that requires supporting infrastructure, high private vehicle ownership due to restricted travel options and lifestyle choices, and involves people travelling long distances in a geographically vast state.

It would be fair to say that, historically, the provision of roads infrastructure has focused on supporting regional and rural communities, the state's geographically dispersed industries and the burgeoning population in the south-east corner. In rural and regional areas, transport infrastructure is generally regarded as a key factor in supporting social and economic development.[23]

The changing nature of the transport task

Similar to governments in many other countries, the Queensland Government recognizes the need to address social, economic and environmental issues and deliver outcomes for communities in the long term. In a transport context, changes to relevant legislation indicate the shifts in how the core business of road planning and delivery now need to account for external (that is, community and community organizations') input. The *Transport Infrastructure Act (1994)* and the *Integrated Planning Act (1997)* both mandate consultation as a critical element in planning activities.

Traditionally, the department has worked primarily with local governments and representative groups (mainly industry and peak community service organizations) to address the needs of stakeholders and communities of interest. However, these patterns of engagement have been challenged over the past two decades as communities react to more roads being built or upgraded to meet population growth and economic development goals only. Concerns have been voiced about the diminished quality of life, public health issues, loss of property and property value and the environmental impacts of roads.

In addressing issues of equity and socio-economic disadvantage, Main Roads pays many small rural and isolated communities special attention to ensure fair treatment and reasonable access to roads and other transport services for people. The large majority of the state's Indigenous population is concentrated in the very remote north, which is subject to high rainfalls for long periods of time and impassable roads. In many of these areas, as in other remote areas of the state, the road network is the only way to link people to essential community services, as well as social, cultural and recreational facilities.

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[22] *Ibid.* (p. 9).

[23] Hellmuth, M. (2001), *Linking infrastructure provision to community benefits in western Queensland*. Draft Discussion Paper.

Disadvantaged communities, as characterized by high levels of unemployed people with relatively low skills, are found in many parts of regional and urban Queensland. Road projects, particularly labour-intensive maintenance works, are often targeted to such areas, particularly in indigenous communities, to provide local people with meaningful work and training to raise skill levels. In addition, Main Roads continues to support small rural and isolated local councils through the granting of sole invitee status. This arrangement ensures that local governments continue to undertake road works and are guaranteed road maintenance works, provided that performance and productivity targets are met. One of the flow-on effects of continuing work for these councils is the maintenance of a workforce which, however small, has significant social and economic infrastructure impacts in small rural/remote communities.

The Queensland Government's agenda continues to change to be more responsive to community attitudes and shifts and in recognition of diverse stakeholder interests and the call for transparency and accountability. Main Roads recently released its overarching policy framework, *Roads Connecting Queenslanders*, for the next 25 years. The document pays significant attention to the department's contribution to the Government's social policy agenda and includes "fair access and amenity to support livable communities" as one of its primary outcomes to contribute to the Government's priorities. It is a document that seeks to connect social and economic policy within an infrastructure context and relies on integrated land use and transport planning and service delivery.

The following discussion is centred on the years since 1990, since the time the portfolio embarked on its first formal and planned community engagement process. This process related to planning for capacity upgrades and road safety improvements on a large-scale urban corridor in Brisbane. The project was particularly sensitive due to the concentration of residential settlement along the corridor and a substantial community resistance to any capacity upgrades.

The learning journey

From a meta-perspective, the Main Roads journey in engagement capacity-building could be described as a substantive, not always integrated but always forward-looking, action-learning *programme.* In fact, it is the *learning by doing,* almost 'feet first' approach, that is the defining characteristic of the department's capacity-building journey. Through various interventions at the levels of policy, systems, processes and individual skills, the department has created what is, arguably, a critical level of individual and organizational capacity to work innovatively with diverse communities and collaboratively with other agencies on complex, multifaceted problems.

While each capacity-building initiative may not have been individually evaluated, there are a range of formal and informal reviews, undertaken both in-house and through external consultancies, that can provide some level of comment on the department's engagement performance. Some of this information has been intentionally incorporated by the department into the steady stream of capacity-building initiatives and ongoing refinement of existing systems and processes. The following discussion presents an overview of some of the department's key capacity-building activities, but is by no means a definitive survey.

1990-1995 – Managing external pressures and first-order change

Main Roads' initial foray into formally planned engagement exercises was driven, arguably, by concerns to address issues around risk (political and financial) management on highly sensitive urban transport planning projects. There was a recognition by the department that the 1970s and 1980s produced a 'maturing' of community and the emergence of many action groups with a vigilant interest in infrastructure planning and general amenity issues. Notwithstanding the primacy of risk management concerns, the objectives of engagement were to achieve as broad a

community involvement as possible in the decision-making process. However, the extent to which risk management concerns weighed more heavily for staff than did process quality would certainly affect the enactment of the 'values' of engagement.

Capacity-building activities and innovations

Early capacity-building interventions were focused primarily on structural (i.e., mechanism for engagement) and behavioural (e.g., training) subsystems of the organization. For example:

- Trial of the *Local Area Community Consultation* model[24] that included the constitution of (a) a community representative group to act as conduit between the department and the broader communities of interest, and (b) a Strategic Liaison Committee, whose members consisted of non-government 'experts' from a range of disciplinary fields, to provide both the department and the community representative group with a more 'global' perspective.

- A series of *Effective Community Consultation* training workshops (1992-1993) targeting small groups of executives and senior managers (approximately 50 in total) within the portfolio. This audience was targeted primarily to seed an organizational culture change that would see decision-makers as accepting of new ways of doing business and providing the championing needed to take the change forward. The three-day programme focused on providing participants with a strategic, business and managerial context for incorporating engagement activities into the road planning, design and construction process.

- In 1993, the portfolio released its first *Community Consultation policy framework* that included, among other elements: a set of principles that would guide its interactions with communities of interest; a list of methods for interacting with communities; a list of relevant target groups to be consulted; and an outline of the community's right of access to government documents and decision-making processes.[25] Of interest, this policy document preceded the release of central agency's whole of government policy resource document.

Reviews/evaluations and next steps

Unfortunately, no formal evaluation of the senior management training programme was undertaken. However, indirect reflections on management performance could be derived from some of the process evaluations and case study reviews commissioned by the department during this period and undertaken by the author. For example:

- A series of process evaluations of the department's consultation performance on four very sensitive, metropolitan road planning projects. Issues of interest included opportunities for participation and exchange of views, quality of information provided, clarity of roles and purpose, transparency of decision-making processes, and cost effectiveness of consultation methods including the consultation model being trialed, to name a few.

- A process evaluation of the role of the Strategic Liaison Committee.

A fair assessment would be that the staff learned through hard experience that working with communities could be resource (time and financially) intensive and conflictual and that communities are characterized by both activists and silent majorities, and that the opinions of the latter should never be assumed. These early large-scale engagement exercises occurred at a time

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[24] Dick, B. (1990), *Processes for Community Consultation*, Brisbane: Interchange.
[25] Queensland Transport (1993), *A Community Guide to Queensland Transport*.

when communities were angry at, and suspicious of, the portfolio's intentions and in some cases, were deeply divided along lines of interest such as conservation versus 'technical progress' (as a survey of newspaper clippings at the time would attest).[26] It is worth noting that, in the 1995 state government elections, the incumbent Government was considered to have lost the election through loss of four seats along a road corridor through Brisbane's and south-east Queensland suburbs that was the subject of a contentious planning process during the early 1990s.

Experience from a number of these large-scale, controversial corridor planning and enhancement studies indicated to the department that engagement did not always ensure decision stability, which was increasingly being regarded as an elusive goal. Communities did not always agree with 'technically superior' decisions, which some staff members viewed as a 'win-lose' situation for the department. The general consensus among many operational staff involved in these exercises was that engagement was an 'unnecessary over-complication' of a transport decision-making process. It would be fair to say that many staff did not embrace the 'values or logic' of engagement, continuing to subscribe to traditional public management values supporting the primacy of government expertise, and control over decision-making and efficiency.[27]

Staff were experiencing a tension between what they recognized as a move towards a consultation mandate, a growing expectation within the community and community service organizations to be consulted, and frustration that they did not have the required skills to manage these expectations or the process itself. It is worth noting that the management training programmes conducted during this period occurred either during or after the first couple of controversial large-scale planning projects had been initiated, which did not allow for the lag time generally needed for learning to have an effect. What is significant is that a number of these early workshop participants are now in key leadership positions within the organization and driving strategic innovations generally and engagement in particular. Thus, while the full effects of the training programme and its intent would not necessarily impact on performance at the time, they may be having their greatest impact currently.

The effects of the capacity-building interventions during this period can be likened to first-order change, in that, staff were attempting to apply a policy direction and training without altering (or being required to alter) their understandings of the problem. Transport problems were cast as road solutions, whereas many 'activist' community members at the time were advocating demand management solutions or solutions that combined social, environmental and transport outcomes.

Thus, to that point, one of the critical conditions for change was not in place, that is, a perceived deficiency in existing ways of solving problems. Thus, resistance to mandates to change the rules of how a problem was to be approached were not countered by positive experiences that demonstrated engagement was a better way to approach the problem. The lack of a values base *on the ground* and no demonstrable business rationale for engagement activities was compounded by a lack of process skills and contributed to this less-than-positive experience. If anything, engagement was generally seen as creating an unnecessary risk to a 'tried and tested' departmental process for solving problems and a resource-hungry, often political, risk at that.

A review undertaken by the department in 1994 established high staff-awareness levels of the policy exhorting engagement but a general lack of understanding of the who, what, when and why of consultation.[28] This feedback became a catalyst for the portfolio embarking in late 1994 through 1995 on a redevelopment of its policy framework and a brief to the author to develop a consultation guide for "how to do consultation". The brief also required the author to undertake a

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[26] Main Roads and Queensland Transport (1996), *Public Consultation Project, Final Public Report.*

[27] Hood, C. (1991), "A public management for all seasons?" *Public Administration,* Vol. 69, Spring, pp. 3-19.

[28] *Ibid.*

review of a number of projects involving consultation with a view to developing a consultation case studies database as a tool to support staff in planning and managing consultation processes. Staff were looking for process skills and systems (or recipes) for planning and managing engagement, which would provide them with certainty that was then eluding them in their experience of an extremely uncertain field.

1996-2002 – Understanding and getting it 'right' and second-order change

This period saw an interesting transition in capacity. Many of the initial efforts during this period focused on 'packaged solutions where knowledge is information' and valued to the extent that it facilitated control, productivity, efficiency, hierarchy.[29] However, by the end of the 1990s, some of the department's efforts were more akin to seeking 'tailored solutions where knowledge is about understanding' and valued to the extent that it facilitates quality, listening, congruence and corporate stewardship. This orientation is said to describe the learning organization.[30] This transition between the two stages of development could be described as capacity-building that brought about second-order change. Capacity had enabled staff and the organization to modify the prevailing approach to the problem/solutions and involved a change in how a situation could be framed. For example, roads could be viewed as facilitating economic development, quality of life aspirations and amenity and environmental values and an employment problem could be understood as a transport issue.[31]

Capacity-building efforts and innovations

This period saw something akin to an explosion of capacity-building activity to bring the department not just up to speed with the engagement task but to be a leader among government agencies. Initial thinking was that engagement risks could be managed through better systems and interventions focused on a range of organizational subsystems, including structural (e.g., compliance with standards), technological (e.g., requirement to use consultation planning protocols) and behavioural (e.g., skills, recognition) subsystems. The transition in capacity-building focus noted above can be observed when the department embarked on a number of initiatives that explored more deeply its role as an infrastructure provider vis-à-vis delivery on broader community outcomes. Examples of capacity-building efforts during this period include:

- The launch of the *Public Consultation Policy framework* accompanied by a suite of consultation guidelines and standards, and consultation planning tools, the latter also web-based.

- In-house publication of the existing *Case Studies Review Project* and expansion of the number of case studies to 16 cases and inclusion of the reviews on the web as a support tool for staff in planning consultations.

- A raft of place-based *Community Profiles* and associated *Stakeholder Information Directory* to assist staff to identify the broad range of stakeholders in their jurisdiction, their demographic characteristics and potential communication and participation needs. For example, these profiles contain population and trend statistics related to age, sex ethnicity, language, education, income, labour force, industry, family and household type, motor vehicle ownership, building approvals, to name a few.

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[29] Hall, B. (2001), "Values Development and Learning Organizations". *Journal of Knowledge Management*, Vol. 5 (1), pp. 19-32.

[30] *Ibid.*

[31] Bartunek, J.M. and Moch, M. (1987), "First-Order, Second-Order and Third-Order Change and Organizational Development Interventions". *Journal of Applied Behavioral Science*, Vol. 23 (4), pp.483-500.

- A two-day *Public Consultation Training* course to address the micro-skills many of the operational staff had been seeking. Content was related to, among other things, stakeholder analysis, methods for engagement, basic social science research methods and conflict resolution. From 1997-1998, over 352 staff members, predominantly from Main Roads, completed the course. The training programme was voluntary, funded through local business units, targeted operational staff, marketed internally and linked to a public sector training programme, which provided for accreditation. The latter was expected to have incentive value for staff who may wish to articulate the course with other professional studies.

- Two tiers of *Leadership Courses*, a government course for executives and senior managers and a departmental course for operational and mid-management staff. Both courses focus on managing behavioural and cultural change and developing relational skills, among other things, and employ action learning processes.

While the following initiatives were not directly aimed at capacity-building, they represent significant exploratory efforts by the department to increase its collective understanding of community needs and better align its practice and outputs.

- *4seeable Futures Project*[32], which aimed to explore the range of potential future contexts for transport in Queensland and display these in the form of scenarios extending to the year 2025. In principle, the project would build staff capacity to appreciate the complexity of issues to be considered by them and their stakeholders and communities of interest. Through these scenarios, various options for the transport task could be explored and infrastructure built that best accommodates the possibility of a number of future scenarios that can enhance the state's standard of living and, by implication, economic strength and competitiveness into the next 20 years.

- In the context of the Government's policy priority of reducing unemployment, the portfolio undertook to explore its social obligations through the *Roads and Transport Employment Project* (RTEP). The project aim was to "increase the contribution that Main Roads and Queensland Transport can make to closing the unemployment gap and delivering the Government's employment targets". [33] An output from the project was the development of two labour market analytical tools for use in government-community dialogue around the evaluation of potential social benefits of different project scenarios.

- Knowledge gained through the RTEP project was taken to the next step and applied in the *12 Families Project* (2001). Through this project, the portfolio could examine at a very local level the relationship between transport infrastructure and employment outcomes. The project was nested within a government place-based community renewal programme in an identified socially disadvantaged area. The *12 Families Project* pursued a community development approach, a first for the department, to investigate the relationship between infrastructure solutions and employment outcomes.

- The *Remote Communities Services Unit*, based in the far north of the State, expanded its activities to include training in road maintenance and construction skills for Aboriginal and Islander communities. The training aims to increase local communities' self-sufficiency in maintaining infrastructure, improves residents' employment prospects and provides a local source of skilled labour for future transport infrastructure projects. Other

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[32] *4seeable Futures*. Transport Portfolio Scenario-Based Planning for the Queensland Department of Transport and Queensland Department of Main Roads, 2000-2025.

[33] Main Roads and Queensland Transport (2000), *Final Report Roads and Transport Employment Project*. Queensland Government.

parts of the state are pursuing similar strategies. For example, works by the department in central west Queensland, in collaboration with agency partners, resulted in the protection of a significant indigenous cultural heritage site, created training opportunities for indigenous people and developed a long-term tourist attraction for the area. In effect, the roads investment created primary employment during construction, secondary employment in the tourism industry for the local area and tertiary employment as other providers in the region began to support the increased economic activity generated by the project. [34]

Reviews/evaluation and next steps

- Evaluation of the Public Consultation Training course was undertaken in an indirect way by reference to level of compliance with the use of specific consultation tools by those who participated in the training programme (e.g., the Public Consultation Planner, Public Consultation Checklist and Public Consultation/Communication Plan). In general, findings indicated staff did not find the tools useful in their current form, although they found their intent acceptable. A number of staff indicated that tools had been modified at the local level to suit local needs.

- To assess the long-term impacts of the training, it was intended that competency checks would be undertaken at a follow up point some months later when staff had completed the accreditation component of the course. However, contrary to expectations, staff were not generally interested in pursuing the accreditation option and thus impact evaluations are not available. Also worthy of note is that not all staff members want to participate in training or, for that matter, be involved in engagement processes as might be indicated by the relative staff numbers enrolling in the course. The department has always taken the view that, while all staff are not suited to be directly involved in engagement with communities of interest, it is incumbent upon all staff to understand the role and function of engagement in the department's activities.

- To the author's knowledge, no strategy to promote the *Case Studies Database* as a learning tool has occurred and no evaluation of their utility has been undertaken.

- Short-cycle evaluation of the *12 Families Project* and indeed experience from the Remote Area Services Unit indicate substantial fine-grained learning for those associated with the projects in terms of understanding of community dynamics and characteristics, the dynamics of socio-economic disadvantage and the complex integrated solutions required to address disadvantage. While results appear promising in the short term, longer-term monitoring of impacts will provide the necessary comment on the capacity of the department to engage with such projects.

- The *Project Tracking Database* initiative was intended to ultimately link to the *Case Studies Database* and provide a benchmark of resource implications of various scale engagement processes and their outcomes. However, staff were either unable to provide accurate estimates of resources invested in engagement processes, the boundaries of which are inordinately difficult to separate from other project activities, or they were reticent to provide central office with estimates of their expenditure on such exercises. The project, to the author's knowledge, has not progressed in any substantive way.

- The aim of the *Stakeholder relationship surveys*, initiated about three years ago and undertaken quarterly, is to provide the department with the capacity to improve its

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[34] Hellmuth, M. (2001), "Linking Infrastructure Provision to Community Benefits in Western Queensland", draft discussion paper.

corporate image and understand community expectations of its performance. Survey items include questions around community awareness of, positivity towards and confidence in the department's engagement processes and community ratings of road amenity and safety, focus of departmental works, environmental impact of works, mobility of people and goods, overall satisfaction with the road system and departmental performance. Responses are available for sectors (e.g., residents, businesses and stakeholders, that is, community and private sector peak bodies) and across the department's district and regional levels. While the surveys are meeting their intended purpose, it is not clear how the department will use the data to inform its capacity-building programmes.

- The *Current-Future State Assessment* is intended to provide a situational analysis of the department's strengths and areas for improvement in its engagement activities and chart 'where it wants to go' and 'how to get there'. The author has been involved with the department in defining the Future State. The project is ongoing and intended to provide a people and skills audit and strategic direction for the department.

This period can be characterized as involving a significant amount of knowledge generation across various fronts in the department. The many sources of feedback from a vast array of communities of interest across a range of projects would indicate the department's capacity for effective engagement is positive and incremental.

Much of the capacity-building activity that occurred during this phase could be said to have laid the foundations for the complex understanding that is now required by government departments to engage with diverse communities of interest around highly integrated issues. It is clear the department has made this transformation, at least strategically, as evidenced by the newly released *Roads Connecting Queenslanders* policy framework, which sets the department's strategic agenda and infrastructure provision within a broader whole of government social agenda.

The challenges for the next stage of engagement capacity-building are to: determine the 'evenness' of staff members' understanding, knowledge and skills of the intent of this strategic document, its implications for engagement practice and departmental performance; develop sustainable evaluation frameworks that are capable of tracing pathways between capacity-building efforts and key performance indicators in the short and longer term; and to align the department's capacity-building efforts with the broader government agenda, such as the Community Engagement Division's whole government improvement strategy and performance reporting framework development by the Treasury for managing for outcomes.

2003 – Repositioning and third-order change?

As the full impact of integrated planning and service delivery is realized, the department's current and planned capacity-building efforts could be described as seeking "Partnering cooperation where knowledge is regarded as wisdom" and valued to the extent that it facilitates sustainability, collaboration, accountability and ethics, synergy and interdependence[35] This orientation describes a collaborative partnering organization. Third-order changes give organizational members the capacity to change their understanding of the situation[36] and think about the organization in a totally new way, with a strong focus on outcomes, process and relationship building,

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[35] Hall, B. (2001), "Values Development and Learning Organizations". *Journal of Knowledge Management*, Vol. 5 (1), pp. 19-32.

[36] Bartunek, J.M. and Moch, M. (1987), "First-Order, Second-Order and Third-Order Change and Organizational Development Interventions." *Journal of Applied Behavioral Science*, Vol. 23 (4), pp.483-500.

accountability and community development. The big challenge for the department is in 'networking' its technical expertise with that of other portfolios and community knowledge to deliver on social outcomes, as much as economic and environmental outcomes.

While a number of capacity-building initiatives are currently under review, both within the department and across government (e.g., engagement training programmes), other capacity-building assessments are underway (e.g., *Current State – Future State*). One large-scale capacity-building project, in which the department is involved, is worth noting as follows.

The *Engaged Government Project* is an upcoming demonstration project to be undertaken over three sites as a collaboration between the departments of Main Roads, Natural Resources and Mines and Primary Industries and the Local Government Association of Queensland Inc, the peak body for the Local Governments. The project aims to implement, monitor and evaluate the impacts of a number of institutional and organizational reforms aimed at enhancing greater agency collaboration in engagement around regional outcomes. The programme of reform has been developed on the basis of action research commissioned by the partner agencies and undertaken by the author and benchmarked with findings from other jurisdictions, nationally and internationally. The demonstration site will provide valuable capacity-building experiences as well as outputs related to an assessment of: the conditions under which collaboration (government and community) enhances policy management for outcomes, the costs, benefits and trade-offs associated with collaboration; the capacities required by government and community in regional partnerships; and how monitoring and evaluation frameworks can serve as "learning" tools and programmes for those sectors involved. The project has been linked strategically to the whole of government community engagement improvement strategy so that its findings will be disseminated as broadly as possible throughout government.

Final comments

It is worth identifying some of the conditions that in the author's view provided the external and organizational conditions necessary for the capacity-building efforts of Main Roads to have taken hold, be sustained and actually contribute, in large part, to the strategic transformation the department is currently undertaking to better align with government priorities and deliver on community outcomes. Some of these conditions include:

- The department's capacity to read the external environment, that is, signs of a 'maturing' society which is seeking to engage with government and is concerned with governance and a sufficient level of openness within the leadership across the years to respond constructively;

- The stimulus provided by a government that is committed to the ethos and values of 'engaged government' and is supporting that commitment with resources in the form of a Community Engagement Division, and a performance-reporting framework across government to facilitate the achievement of its vision and a whole of government engagement improvement strategy;

- Within the department, a business unit with responsibility for driving the engagement policy agenda;

- A professional (e.g., predominantly engineering) culture that strives to improve systems that align with the problem-solving task;

- A critical number of 'early adopters' and 'champions' distributed throughout the organization and a sustained attention to developing leadership capacity across the organization;

- A strongly decentralized organization that has existing close working relationships with local communities that can serve as a solid foundation for new ways of working together;

- Throughout most of the development of the capacity-building initiatives, the use of staff reference groups and the conduct of field consultations with both government and community aimed at achieving shared 'ownership' of the engagement agenda; and

- A 'learning' culture that is sufficiently willing to innovate and 'start afresh', cultivated no doubt through a decade of major change processes involving organizational restructuring and downsizing and the commitment by the previous and incumbent Directors-General to internal change programmes to keep the department 'focused' and 'learning'.

By good fortune or planning, some of the above conditions are comparable to those conditions recommended for dealing with resistance to change. However, the journey has not been without periods of frustration, stagnation and cynicism. Some of the impediments experienced during capacity-building activities include:

- Prevailing pockets of 'traditional' public management values and ways of working that regard government as expert and community as risk;

- Pockets of the 'still to be convinced' who adopt a 'wait and see what the next fad is' attitude;

- Lack of sustained strategic dialogue across the organization on: the values underpinning 'engaged government'; the implications of managing for outcomes orientation for public management strategies; and the shape and nature of innovation in government-community engagement that is possible for an infrastructure provider;

- The readiness to explain unwillingness/failure to engage in terms of lack of guidance or a failure to be provided with 'tools' but, when offered, very little acceptance of learning supports, learning opportunities and engagement tools;

- The lack of appropriate, user-friendly, supportive systems for monitoring and evaluating engagement efforts such that the task is not onerous and threatening and the results are able to be shared; and

- A less than systematic and programmatic approach to capturing the knowledge from the capacity-building activities across the various organizational subsystems in such a way that it can (a) be transformed into widely shared and recognized organizational capability, (b) provide benchmarks for the organization's learning journey, and (c) inform diagnoses of new directions.

A comment on training programmes

A parting comment on training programmes is necessary, given training figures so commonly in capacity-building programmes as distinct from, say, action-learning on 'real time' projects. Training programmes tend to present engagement as a package of disassembled micro-skills that are generic in nature and amenable to competency-based training approaches. However, many engagement tasks require complex processes that are not easily translatable into discrete competencies and are able to be rendered into standard training formats. The skills to undertake these complex processes include meta-level skills such as: systems thinking and strategic management; the ability to integrate qualitatively different data sets; the experience and knowledge to assess costs, benefits, and trade-offs involved in community engagement; a deep understanding of community dynamics and how communities learn; and the ability to match managerial style to engagement strategy. Many of these skills and associated knowledge can only be developed following robust, action-learning processes.

Further, many training programmes tend to be supply-side driven and based on very little systematic conceptualization and empirical research developed in the field. Capacity-building needs a context through reference to values, goals, the business task at hand and demonstrable business rationales. Few training programmes actually address the multifunctional nature of engagement across the stages of the policy cycle and the developmental nature of engagement in an enduring local/regional governance system. While the training programmes employed by Main Roads to date have been developed in response to accumulating feedback from the field, the Engaged Government project mentioned earlier will be a substantive first in Queensland to systematically ground the development of capacities in a demonstration site context.

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Chapter seven

Monitoring, Benchmarking and Evaluating Poverty Alleviation Programmes: the Experience of India

by

Prahlad K. Basu[1]

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The problem of monitoring, benchmarking and evaluating the alleviation of the poverty of 250 to 300 million out of India's total population of more than one billion, at an annual cost of 350 billion rupees met by the federal Government alone, is essentially a managerial problem. This chapter outlines the profile of poverty and the content of the successive programmes launched in India for its alleviation from 1975 to 2000. The first half of the chapter analyses "what is known" of the Indian experience of managing this massive public action programme, i.e., how the poverty alleviation programmes were structured in content during these 25 years and also how the delivery, management and monitoring systems were structured. The second half of the chapter is devoted to "what we need to know", analysing the lessons from past experience and highlighting the issues of backward and forward linkages, strengthening systems of monitoring, benchmarking-cum-target setting, control and delivery, which require in-depth consideration. The chapter concludes that there is enormous scope for improved inter-agency and intra-agency managerial coordination of the different components of the programme and in improving managerial effectiveness of delivering each programme. This should occur through vastly improved efficiency of State intervention, combined with decentralization, wherever possible, ensuring people's involvement and participation through mobilizing 'people power' – emphasizing the importance of managing both distribution and production aspects of the programme.

India's poverty: the size of the problem

No problem is more challenging to India than alleviating the poverty of 250 to 300 million of its countrymen, women and children. At the heart of this problem there is a challenge which is basically managerial in content. In the last 55 years (1947-2002), since the country became independent, India's response to this challenge has remained unfulfilled. The abject poverty of about a third of India's population is also the greatest challenge to the country's economic, social and community development. The reality of the rest of the Third World is not different. The Third World consists of two-thirds of the world's humanity, nearly half of whom live in destitution and poverty. However, the candle of hope lit in some of these countries in the last five decades can light the darkness of the whole space, including those occupied by the First World countries, if development catches on. The whole World should therefore have a vested interest in this development. The management, implementation and monitoring of a poverty alleviation programme is thus the centrepiece of India's planned development strategy.

Poverty profile and measurement

Poverty is hard to count, and even harder to counter. It is a barrier between entitlement and access to income, employment, education, housing, health and the basic necessities of life. Behind this barrier, the poor and weaker sections of the society are vulnerable to exploitation of various kinds, including social discrimination. There is a need to recognize this and to emphasize the delivery of the programmes particularly to the economically weaker sections of the community,

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like Scheduled Castes/Scheduled Tribes, minorities, women, children and unemployed youth. If we can remove this barrier, it will release the capabilities of a nation heretofore kept in leash and not allowed to flourish.

Poverty is a multidimensional problem having its own economics, politics, sociology and even a culture. War against poverty has therefore to be fought from several angles, through programmes covering various sectors of economic, social and human development.

The implementation of poverty alleviation programmes in the 1970s and 1980s had – it was claimed – brought down the number of the poor in urban and rural India living below the poverty line from 51% in 1972-73 to 37% in 1983-84. This percentage of population was expected to come down to 26% in 1989-90 – the last year of the seventh Five-Year Plan (FYP) (1985-90). In absolute terms, the number of poor persons below the line showed an increase from 282 million in 1972-73 to 307 million in 1977-78, before registering a decline thereafter to 271 million in 1983-84. The target then was to bring down the absolute number of people living below the poverty line to 211 million in 1989-90 and to a level below 5% of the population, i.e., 49 million, by the year 2000 when India's population was expected to reach just about one billion. Reckoning a family as consisting of 5 persons, the target then was also to bring down the proportion of families below the poverty line to 5% by the year 2000.

Although the picture of expected achievement up to 1989-90 and the target set before the country for reducing poverty by the year 2000 was formally presented in the Government of India's report placed before the Parliament in 1989 by the Ministry of Programme Implementation, subsequent developments in India during the period 1989-2000 proved embarrassingly difficult as well as different. Pursuant to the setting up of an Expert Group (Lakdawala Committee) in the Planning Commission in September 1989 "to look into the methodology for estimation of poverty and to re-define the poverty line, if necessary", the Expert Group's report submitted in July 1993 revised the earlier picture presented to the Parliament by the Ministry of Programme Implementation, which was based on the accepted methodology of the earlier Task Force set up by the Planning Commission in 1977. In March 1997, a meeting of the full Planning Commission, under chairmanship of the Prime Minister, accepted the Expert Group's methodology for revising the poverty estimation of the earlier Task Force. Thus, contrary to the claim of the Government based on Task Force methodology that the population under the poverty line had come down from 307 million in 1977-78 to 271 million in 1983-84 and was to come down to 211 million in 1989-90, the new Expert Group projected an increase in the population below poverty line from 321 million in 1973-74 to 328 million in 1977-78, 307 million in 1987-88 and 320 million in 1993-94, which was the 50th Round of the National Sample Survey Organization (NSSO). In 2001, the 55th Round of the NSSO has since published the latest poverty figure for the period July 1999 to June 2000 – which only slightly reduced the population below the poverty line to 268 million in 1999-2000 out of India's 1,027 million population. Thus, this figure of 268 million poor in 1999-2000 is much higher than the projected figure of 49 million (i.e., 5% of the population) in 2000 indicated in the MPI report of 1989 based on Task Force figures. In fact, the Approach Paper to the Tenth Five-Year Plan (2002-2007) published in September 2001 reiterated the target of reducing the poverty ratio to 21% by 2007 and to 6% by 2012. This turnaround of the clock in the entire programme of poverty measurement and its alleviation in India by more than a decade negates the claim of success India has made.

It is interesting to note that historically reliable information on the poverty profile became available only in the early 1970s when the 28th Round National Sample Survey was conducted in 1973-74 by the earlier Task Force, even though the awareness of the problem was evident all along. The realization that growth in national income and growing impoverishment of the masses can go together, despite implementation of a 'planned' development strategy started in 1951, deeply troubled the policy makers in the early 60's when it became evident that the 'trickle down'

effect of planning was far from achieved. It was recognized that not only output and employment did not grow together, there were also doubts whether redistribution was at all effective without making the rich poorer.

There is a vast literature in India on the measurement of the poverty line. The Task Force's poverty line in 1973-74 was based on consumer expenditure of Rs. 49.09 per capita per month, meeting the calorie requirement of 2,400 Kcal per capita per day in rural areas, and Rs.56.84 per capita per month for an intake of 2,100 Kcal per capita per day in urban areas. For the sixth Five-Year Plan (1980-85), the cut-off level of expenditure per family of five per annum was taken to be Rs. 3,500. At the commencement of the seventh Financial Year Plan, the poverty line was defined as an income of Rs. 6,400 per annum per family of five in rural areas, and Rs. 7,200 per annum per family of five in urban areas. Applying this criterion, the 271 million people below the poverty line in 1983-84 were estimated to be made up of about 50 million urban poor and 221 million rural poor. From the further division of this 221 million population in rural India into four income classifications of 'destitutes', 'very, very poor', 'very poor' and 'poor', it was observed that in the poorest category, namely, the destitute, there were roughly 1 million families. In the second lowest group, the number is 6 million and the total number of families among the poor and very poor is estimated to be nearly 37 million families. The main target group among the poor in all our poverty alleviation programmes then was the hardcore of 24 million rural families in India – the very poor, the very, very poor and the destitute. However, even this picture has further deteriorated with the revised picture projected by the Expert Group.

The Expert Group's poverty line in 1993-94 (NSS 50th Round) and in 1999-2000 (NSS 55th Round) was based on consumer expenditure of Rs. 281.40 per capita per month and Rs. 486.07 per capita per month, respectively, in rural areas. The figure for urban areas was Rs. 458.04 and Rs. 854.96 per capita per month respectively. The annual per capita poverty line for NSS 55th Round thus worked out to Rs. 5,832 (= $ 136) and Rs. 10,260 (= $ 238.6) for rural and urban areas respectively. The World Bank's international poverty line of $365 per capita per annum is not far from these figures. The revised estimates for the past years as per the Expert Group's methodology can be presented as below.

Percentage and number of the poor

The progress towards reducing the poverty-stricken population in India, albeit slow, has been marginal but steady. On the other hand, India has miles to go before the problem of poverty can be considered to be under control. India is more populous than any other country in the world, except the People's Republic of China, and the United States of America. Within India again, the picture of the population below the poverty line at the State level showed great variation from the highest 47.15% and 42.6% in Orissa and Bihar respectively to as low as 3.48% in Jammu and Kashmir, 6.16% in Punjab, 7.63% in Himachal Pradesh, 8.74% in Haryana and 8.23% in Delhi. In UNDP's Human Development Report published in July 2001, 35% of India's population was shown to be below the national poverty line in 1994-99.

Inequality

One other disturbing aspect of poverty is inequality in the distribution of income. Not only did the number of people living below the poverty line increase significantly during the last decade, but also there was growing inequality of incomes between different classes. This is clear if we compare the shares of total consumption expenditure of different groups, as estimated by NSS in 1993 and 1997.

Table 1: Share of total consumption expenditure (%)

Consumption levels by Year		
	1993	1997
Lowest 40%: the poor	21.4	19.7
Next 30%: low income	26.1	23.9
Next 20%: middle income	25.7	23.0
Next 10%: affluent	25.7	33.5

The GDP growth of the 1990s was of a kind that resulted in a disproportionate rise in the incomes – therefore consumption levels – of the top 10%, widening the gap between them and all the others. The mean consumption level of the top 10% of the population was seven times that of the poorest 10% at the beginning of the decade, and nine times at the end.

The widening income disparities were partly due to the higher rise in service incomes – from foreign trade, financial services, real estate and communications – and changes in the functional distribution of these and income from other sectors. Thus, real wages declined over the decade, and the share of wages in value added in the corporate sector declined from 35% to 20%, so the share of interest and profits – incomes accruing to the affluent – rose by 15%. Further, direct tax rates, corporate and personal, were both significantly lowered, and the progress of personal income tax was sharply reduced.

Scenario in the 1990s

There were many development objectives, both economic and social, in the 1990s, but it is generally accepted that the most important among these was to reduce the large numbers of the population living in abject poverty and raise them to a higher level as quickly as possible. The most disturbing feature of the development record of the 1990s is that although the rate of growth of GDP was as good as, or better than that in the 1980s – a historically high level – the rate at which poverty had been declining in earlier decades not only slowed down significantly, but the trend was actually reversed in the case of the rural poor. In absolute numbers, there were 377 million living under the poverty line in 1997-98.

To appreciate the scenario of the 1990s in its proper context, we need to look at (i) the Average Annual Rate of Growth from the 1970s to the 1990s; (ii) the sources of the higher growth in the 1990s; and (iii) the regional variations of the growth across the country. The average annual rate of growth (%) from the mid-1970s has been as follows**:**

Table 2: The average annual rate of growth (%) from the mid-1970s

Period	Annual growth rate %
1977/76 to 1979/80	3,7
1980/81 to 1984/85	5.4
1985/86 to 1989/90	5.9
1990/91 to 1994/95	4.8
1995/96 to 1999/2000	6.4

The average growth rate over the 1990s (5.6%) was the same as for the previous decade. However, the rate in the last five years was 0.5 percentage points higher than in the second half of the 1980s. The rate of growth at present is around 6% per annum.

Table 3: The sources of higher growth in the 1990s disaggregated by sectors

Sector	Average Annual Growth (%) **1981-1990**	Average Annual Growth (%) **1996 -2000**
Agriculture	3.4	3.4
Industry (including power and construction)	6.9	6.75
Services (commerce, finance, transport, communications, other governmental activities)	6.6	8.1

Contrary to the general perception, the 0.5% acceleration in GDP growth was not due to any greater dynamism in the industrial sector. The additional growth in the years 1995-2000 came from the services sector, and within that sector, incomes from trade, transport and communications grew at 9% a year and from real estate and financial services at 7.5% a year.

The NSS poverty estimates for the 1990s have been questioned by some analysts on the a priori ground that they are inconsistent with the rise in per capita GDP. Possible technical reasons have been suggested why the surveys could have overestimated the poverty numbers, e.g., general underestimation of consumption level by NSS or inappropriate inflation adjustments. Other analysts have rejected these contentions.

Controversy about poverty reduction in the 1990s has become more acute after the publication of the NSS 55th report on consumer expenditure for 1999-2000, which reported that India's poor population is now below 300 million. The evidence of earlier surveys based on the new methodology, however, showed a rise in poverty levels in the latter part of the 1990s.

Rising poverty numbers in a decade of high GDP growth

There are, in fact, a number of reasons for the apparent anomaly of rising poverty numbers in a decade of high GDP growth. These have to do with the sources of the incomes of the poor, trends in wages and prices, and the regional distribution of poverty:

(i)   Analysis of sectoral growth rates showed that higher growth in the 1990s came mainly from financial and commercial services, where incomes do not arise in rural areas or accrue to the urban poor;

(ii) The growth of cereals and staples slowed. It is known that the share of the poor is higher in these incomes than in the growth areas of horticulture and dairy products;

(iii) There was a cut back in rural works in many states

(iv) In the 1990s, per capita output in real terms rose at only 1.8% a year in the rural sector, as against 3.1% p.a. in the 1980s;

(v)   Real wages (i.e., wages adjusted for inflation) rose at 2.4% a year in the 1990s against 4.6% a year in the earlier decade;

(vi) Most of the 1990s were marked by high inflation, especially of food prices. As a result, the consumer price index for agricultural labour rose almost 10% a year against 6% in the 1980s; and

(vii) There was some increase in both urban and rural unemployment. In urban areas there was a shift of workers from organized industry to casual labour and the unorganized sector.

To conclude, although the Expert Group's figures were a major set back after the Task Force's compilation, in States, poverty ratios witnessed a secular decline from 1973-74 to 1999-2000. Though poverty has declined at the macro-level, rural, urban and inter-state disparities are visible. The rural poverty ratio is still relatively high in Orissa, Bihar and the North Eastern States. In Orissa, Madhya Pradesh, Bihar and Uttar Pradesh, the urban poverty ratios were in the range of 30.89 to 42.83 per cent in 1999-2000. The combined rural and urban poor make up 47.15 per cent of Orissa and 42.60 per cent of Bihar. For the states of Madhya Pradesh, Sikkim, Arunachal Pradesh and Assam, the combined poverty ratios in 1999-2000 were in the range of 33.47 to 37.43 per cent. There has been a significant reduction in poverty during the period in Kerala, Jammu and Kashmir, Goa, Lakshadweep, Delhi, Andhra Pradesh, Gujarat, Tamil Nadu, Karnataka, West Bengal and Andaman and Nicobar Islands. Thus, while some states such as Punjab and Haryana have succeeded in reducing poverty by following the path of high agricultural growth, others have focused on particular areas of development, e.g., Kerala, focused on human resource development, West Bengal on vigorous implementation of land reform measures and empowerment of Panchayats, and Andhra Pradesh on direct public distribution of food grains.

Evolution of successive programmes for poverty alleviation

Since India's independence in 1947, several approaches to community development have been tried with a view to alleviating the misery of the rural masses. The Community Development programme launched on 2 October 1952, the birth anniversary of Mahatma Gandhi, was the first comprehensive framework. It encompassed practically the whole gamut of development of rural India, including agriculture, communications, education, health, social welfare, supplementary employment and housing. The aim of this programme was the development of material and human resources of an area through people's participation in the actively assisted government programme. The fundamental concept was that the main motive force for its implementation must come from the people themselves and that the vast underutilized energy in the countryside should be harnessed for constructive work on cooperative principles. The entire development work for the village was centralized and entrusted to an organization so that decisions could be implemented quickly.

The programme, however, was not able to get mass involvement to help the underprivileged, or to ensure coordination and implementation in the field to bring about a climate of change which would usher in a new administrative orientation inspired by social purpose. One of the reasons for this failure given at that time was that the community development programmes both in its formation and execution had been bureaucratically administered.

The emphasis thereafter shifted to particular sections of the rural society to whom the benefits of development were to be delivered. Several policy measures were initiated for looking after the interests of small and marginal farmers, agricultural workers, artisans, persons belonging to the socially discriminated Scheduled Caste and Scheduled Tribe communities, etc. The emphasis was also focused on backward areas, arid areas, hilly regions, etc., of the country. In the fourth FYP (1969-74), the small Farmers Development Agency (SFDA), Pilot Intensive Rural Employment Programme, Command Area Development (CAD) Programme, and Drought Prone Area

Programme (DPAP) were started. In the subsequent plan period, the Food for Work Programme and the Desert Development Programme were also introduced.

The consolidation of all these various area-specific community development programmes into a countrywide programme covering both rural and urban poor took place only during the sixth FYP (1980-85) with the launching of the Twenty-Point Programme (TPP) package in January 1982 which was christened as the 1982 TPP – as a sequel to the 20-Point Programme launched earlier in July 1975, which was unable to run its course beyond 18 months or so, as there was a change of government from Congress Party to a coalition of opposition parties in 1977. In August 1986, the poverty alleviation package was strengthened once again in the new TPP 1986, the implementation of which started in the fiscal year 1987-88 beginning 1 April 1987. Although in December 1989 there was another change of government with the replacement of the Congress Government by a new Government formed by the National Front, this programme continued despite proposals for restructuring. This Government also fell in November 1990 after a period of barely 10 months. However, the TPP, despite several modifications as well as several changes of Government over the years, continued to be at the core of India's poverty alleviation strategy.

Implementation of the TPP package of poverty alleviation during 1982-2000

We have now had the feedback of the last 18 years of the TPP in two distinct phases. The first phase of eight years between 1982-90 consisted of the first five years of the 1982 programme announced in January 1982 and implemented from 1982-83 to 1986-87 and the subsequent three years of the 1986 programme announced in August 1986 and implemented from 1987-88 to 1989-90. The second phase covers the subsequent 10 years from 1992-2001.

Implementation during the First Phase (1982-1990)

For self-employment schemes under the Integrated Rural Development Programme (IRDP) 29 million families were assisted during this eight-year period and 26.7 million scheduled Caste and Scheduled Tribe families benefited from this programme. Employment amounting to 4.5 billion man-days was generated under the wage employment schemes of the National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP), equivalent to assistance to 15 million families, if we assume that one person from each family was employed for a period of 300 days per annum.

The two wage employment programmes were combined in 1989 and renamed as JRY or Jawahar Rozgar Yojana. The families assisted under IRDP and JRY also overlapped. Over 166,000 bonded workers were de-bonded and rehabilitated, 39 million children were enrolled in primary schools and the adult literacy programmes were extended to about 59 million persons. Over 35 million women/men were sterilized under the Family Welfare Programme. Nearly 11,000 Primary Health Centres were opened in addition to the establishment of 67,000 sub-centres under the Rural Health Programme. About 170,000 villages were electrified and drinking water made available to 395,000 villages. It is also estimated that a little over 18 million hectares of new irrigation potential was created, in addition to several thousand watersheds for dry land farming. The production of pulses and oilseeds during this period registered only a marginal improvement. While production of pulses increased from 12 to 15 million tons, oilseed production improved from 10 million tons in 1982-83 to 17 million tons in 1988-89, with some fluctuations in production during the intervening years.

Under the Rural Housing Programme, house sites were allotted to about 7.5 million families, while construction assistance was given to only 3.4 million families. In urban India, the 15 million population living in the slums were assisted under the Slum Improvement Programme. In addition, about 1 million urban dwelling units were built for the economically weaker sections of

the community. In social forestry, 24.5 billion trees were planted, roughly equivalent to 12 million hectares afforestation during 1982-90.

There have been variations in the actual achievements vis-à-vis targets as well as in allocations in outlay vis-à-vis actual expenditure in various components of the programme during these eight years. Despite the subsequent reports of inadequate delivery of the programme, such as families assisted relapsing into poverty, children dropping out of schools after they are enrolled, malfunctioning of health centres, drying up of drinking water supply sources, gaps between allotment of house-sites and construction assistance, high mortality rates of planted tree saplings, and so on, the efforts mobilized during 1982-90 were enormous.

Yet the task that remained unfinished in alleviating the poverty of India's masses was equally enormous as was the scope for better management and monitoring of the programme. There have been several constraints affecting implementation of the programme during this period as outlined in the various reports of MPI. Several task forces and committees of the MPI went into various aspects. In April 1987, an official-level working group was set up to study and remove bottlenecks which arise in the issue of administrative approval and release of funds for centrally sponsored schemes. The group examined several such schemes under the Ministries of Agriculture, Health and Family Welfare and Women and Child Development. In October 1988, a Task Force was set up to examine the performance of the programme during 1987-88 and the first half of 1988-89. In December 1988, a National Seminar on Poverty Alleviation, organized by MPI, also addressed the problems of planning, implementation and monitoring of the poverty alleviation programme and made significant recommendations (28). In addition, two sets of concurrent evaluation reports of the IRDP and NREP, prepared for the period 1985-86, 1986-87 and 1987-88 with the help of leading research institutions in the country, also threw light on the successes and failures of these programmes. The 1987 report on IRDP revealed *inter alia* that only 12 to 13% of the beneficiaries crossed the poverty line. Several other research studies have pointed to the leakages and malfunctioning of the various segments of the programme. This experience has its own lesson which helped to restructure the strategy of the schemes under this programme. The recommendations of the MPI Working Group on System Development as well as of MPI's National Seminar on Poverty Alleviation, where leading Indian scholars like Professor Amartya Sen and others attended and actually participated, are relevant even today as the issues raised are all relevant up to this day in breaking the back of the problem of poverty alleviation in India.

Implementation during the Second Phase (1992-2001)

During the decade of the 1990s, the progress, as well as the problems, have continued more or less in the same pace as in the 1980s. IRDP was replaced by SGSY in 1999. Wage Employment Schemes were expanded to include urban as well as rural programmes. Bonded Labour Rehabilitation was completed in 1993. Indira Awas Yojana (construction) covered the allotment of house sites and construction assistance. The Fair Price Shops programme was completed in 1993. Family Planning Sterilization also became voluntary after 1993.

What we know of the Indian experience

The poverty alleviation programmes in India were implemented through 32 States in the Union of India, consisting of 430 districts and 5,092 blocks. During 1991-2002, three more States and 127 more districts were added. Over 52,000 branches of nationalized banks and 100,000 functionaries of the various State Governments were involved in the delivery of this programme in 500,000 villages of India. The coordination, monitoring and evaluation efforts of the Ministry of Programme Implementation were also assisted by 15 other Central Ministries of the Federal Government. The MPI, an innovative organizational design ushering in a new system of goal-

oriented management in the Government of India was set up in 1985 – under the leadership of the present author whom Prime Minister Gandhi selected for the task after considerable success was achieved by him first in the Bureau of Public Enterprises and then in the Ministry of Steel & Mines under his leadership as Permanent Secretary. The new Ministry was actively involved in packaging the 1986 TPP (30) whose implementation had started three years earlier coinciding with the third year of the seventh FYP. The total outlay for implementation of the 1986 programme was of the order of nearly Rs. 12,000 crores per annum for the Five-Year Plan period (1985-90) of the Seventh Plan, which was one-third of the total public sector outlay of Rs. 180,000 crores in the Plan. This figure of total outlay of Rs. 60,000 crores for TPP-1986 included the allocations made to the various common components of the 1982 package during the first two years of the plan, namely 1985-86 and 1986-87. The size of the 1986 TPP package can be appreciated from the fact that every third rupee in India's public sector plan outlay during 1985-90 was spent on poverty alleviation. Irrigation, agriculture, and the rural development programme accounted for nearly 60% of the total outlay. The relative share of this outlay between the Centre and the federating States in the Indian Union which corresponded to 37:63 is another measure of the involvement of the Central Government in this nationwide programme being implemented almost entirely by the State Governments and Union Territories. The other dimension of the programme is that at the block level, where the outlay was of the order of Rs. 20 lakhs per month, this worked out to a significant sum of Rs. 20,000 per month per village of 1,600 persons. The plan outlay for the 1980s and 1990s were equally enormous with substantial amounts earmarked for poverty alleviation. But did the poor really benefit from this massive level of public expenditure?

Strengthening of the programme through restructuring and reorientation

Although the programme profile and components of the packages overlapped in a large measure, the rationale and thrust of strengthening the different components of the programme during the period 1982 to 2002 and the manner in which it has been implemented are as follows.

Self-employment and wage employment programmes, including rural industries

The three major instruments of direct intervention for poverty alleviation in rural India are (i) IRDP/SGSY which are the asset endowment scheme for self-employment; (ii) NREP/RLEGP/ EAS/JRY/JGSY/SGRY, which are the wage employment programmes; and (iii) development of rural industries. In the short run, the aim was to reduce the magnitude of rural poverty though it was realized that urban poverty must also be attacked simultaneously. The strategy therefore was to keep up and strengthen the momentum of the existing package of self-employment and wage employment schemes in rural and urban States. In addition, village and small industries, handlooms and handicrafts, which employ nearly 50 million, most of whom are below the poverty line, were also assisted so as to improve skills for self-employment. The scope of the programme under IRDP, NREP, RLEGP, EAS, JGSY, SGRY was thus enlarged to cover all the poor in every village, where more than 80% of India's poor people live, as well as in urban areas. In the new strategy, the programme aimed at all the families categorized as destitute, very, very poor, very poor, and poor, in that order. Supplementary assistance was given to those families who were assisted in the past but could not cross the poverty line. Further, coverage of women beneficiaries was emphasized. The programme also laid emphasis on revitalization of elected agencies like Panchayats, Cooperatives and Local Bodies at the grass-root level. To bring about awareness among the beneficiaries, the formation of organizations of beneficiaries was encouraged. Wage employment programmes were aimed at providing supplementary employment opportunities to work seekers, including those assisted under the IRDP programme during the lean periods of the year. Creating durable community assets and improving the quality of life in rural areas are the other objectives of the wage employment programmes.

Self-employment scheme

The Integrated Rural Development Programme (IRDP) was launched in 1981 as a major self-employment programme. Over the years, programmes like Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Million Wells Scheme (MWS), Scheme of Improved Toolkits for Rural Artisans (SITRA) and Ganga Kalyan Yojana (GKY) were added to address different needs of the beneficiaries of the IRDP programme.

Fifty three and a half million families were covered under the programme till 1998-99 at an expenditure of Rs. 13,700.13 crore. Of them, 3.36 million families were covered under the first two years of the Ninth Plan period at a total expenditure of Rs. 6431 crore. Evaluation studies for the IRDP programme have, however, pointed out several shortcomings in the implementation of the programme. The shortcomings include:

- The lack of sustained income generation in a large proportion of the cases;

- Absence of linkage between different components of the IRDP;

- Lack of technological and institutional capabilities in designing and executing projects using local resources and expertise;

- The average investment per family was not sufficient to generate sufficient incomes which would have enabled the beneficiaries to cross the poverty line as well as make loan repayments;

- The inherent weaknesses of the beneficiaries themselves such as lack of education and managerial skills and lack of information;

- The multiplicity of agencies and bureaucratic procedures, which increased the transactions cost for the beneficiaries;

- The problem of credit support by the Commercial Banks; and

- In order to improve the efficacy of the programme IRDP was restructured into a new self-employment programme called the Swarnjayanti Gram Swarozgar Yojana (SGSY) with effect from April 1999 with the following primary objectives: (i) focused approach to poverty alleviation, (ii) capitalizing advantages of group lending, and (iii) overcoming the problems associated with multiplicity of programmes.

The SGSY was conceived as a holistic programme of micro-enterprises covering all aspects of self-employment, viz. organization of the rural poor into Self Help Groups (SHGs) and their capacity-building, planning of activity clusters, infrastructure build up, technology, credit and marketing. It integrates various agencies – District Rural Development Agencies (DRDAs), banks, line departments, Panchayati Raj Institutions (PRIs), non-governmental organizations (NGOs) and other semi-government organizations. The SGSY aimed at establishing a large number of micro-enterprises in the rural areas with an emphasis on the 'cluster' approach. For this, four to five key activities are to be identified in each block/district based on the resource endowments, occupational skills of the people and availability of markets. These key activities may be taken up for implementation preferably in clusters so that backward and forward linkages can be effectively established. Upgrading of technology in the identified activity clusters, promotion of marketing and other infrastructural support would be central to this. Greater involvement of banks and promotion of multiple credit rather than a one-time credit injection is perceived. Skills development was planned through well-designed training courses available at Polytechnics, Krishi Vigyan Kendras, Khadi and Village Industries, Boards, State Institutes of

Rural Development as well as Extension Training Centres, reputed voluntary organizations and departmental training institutes.

Wage-employment schemes

JRY was launched as Centrally Sponsored Scheme on 1 April 1989 by merging NREP and RLEP. The main objective of the programme was the generation of additional gainful employment for the unemployed and underemployed persons in rural areas through the creation of rural economic infrastructure, community and social assets with the aim of improving the quality of life of the rural poor.

Evaluation studies of the programme reveal that the employment generated per person was extremely inadequate to bring about any meaningful increase in the earnings of the beneficiaries, due to several factors including the following:

- The spread of resources to increase the coverage of beneficiaries was too wide without any concern for duration of employment;

- Works undertaken involved high material cost and were not particularly labour-intensive;

- The violation of material-labour norms prescribed under the programme was very common;

- Execution of projects by contractors who sometimes hired outside labourers at lower wages;

- The percentage of women in employment generated under the programme was only 17%;

- A large number of works could not be completed on time due to a shortage of funds;

- There have also been instances of differential wages paid to male and female workers; and

- JRY, and similar rural works programmes have encouraged corruption on a very wide scale through the altering of muster rolls and measurement books.

However, the programme did succeed in creating some durable community assets in rural areas although this was also not without problems such as poor quality, inappropriate assets, etc., yet the villagers were satisfied with the idea of building up rural infrastructure. In addition, the programme led to the empowerment of panchayats as the funds were placed at their disposal along with the power to get the works executed through line departments. This was good training for panchayats in planning and execution of local works and financial management. Also, it was felt that the fear of being voted out would make panchayat leaders more responsive to people's needs, as compared to the bureauctratic apparatus.

The primary objective of JGSY is creation of a demand-driven community village infrastructure, including durable assets at the village level and assets to enable the rural poor to increase the opportunities for sustained employment. The secondary objective is generation of supplementary employment for the unemployed poor in rural areas. All works that result in the creation of durable productive community assets can be taken up under the programme as per the felt need of the area/people by the village panchayat. The wage material ratio of 60:40 can be suitably relaxed so as to enable the building up of demand-driven rural infrastructure.

Under the programme, each village panchayat has to prepare an Annual Action Plan, to be approved by the Gram Sabha wherein completion of the incomplete works would be given priority over new works, and works which cannot be completed within two financial years not to be included. At the village level, the entire work relating to coordination, review, supervision and

monitoring of the programme is the responsibility of the village panchayat. The village panchayats have the power to execute works/schemes up to Rs. 50,000. At the district level the DRDA/Zila Parishads and at the intermediate level the Panchayat Samities have the overall responsibility for the guidance, coordination, supervision, periodical reporting and monitoring of the implementation of the programme.

In addition, SJSRY as well as PMRY, schemes for urban employment for the poor, were also implemented to attack the urban poverty. Maintenance of assets created in rural areas was not as satisfactory as in urban areas. This was one area which was neglected over the years. While the Gram Panchayats should be actively engaged in improved maintenance of the assets in rural areas, the Resident Welfare Associations should play a significant role in maintaining assets created by SJSRY, PMRY and other programmes.

Rural Industries Schemes included providing additional employment to the poor in the Khadi-Village Industries, Handicrafts, Handlooms and industries classified as Small-Scale Industries (SSIs). Since SSIs are generally more employment-intensive per unit of capital than large-scale industry, they are also a source of much needed employment which lies at the heart of poverty alleviation in a country like India. Khadi and Village Industries also have an important role to play in promoting non-farm employment in rural areas.

Improved technology of rain-fed agriculture and drought-proofing

The emphasis of this programme was to improve the technology for conserving moisture and securing better management of land and water resources. Nearly 60% of India's total cultivated area (170 million hectares) which is rain-fed accounts for only 40% of the food production, where small and marginal farmers struggle to make their livelihood. Development of watersheds and tablelands is the content of the package. The Drought-Prone Area Programme (DPAP) has been specifically included and the coverage extended to bring within its remit Drought Relief as well. Drought-proofing of rain-fed agriculture also included programmes of seed buffer stock and distribution. A growth rate of 2.5% per annum in value added in the case of agricultural production was targeted to be achieved in the Seventh Plan period (1985-90). The achieved growth rate in the first three years of the Plan was extremely poor, bordering on negative growth due to successive years of drought. Thereafter, there was impressive growth in agricultural production thanks to better monsoons. From 1998 onwards because of a watershed programme, the DPAP and Desert Development Programme, the conventional irrigation schemes were neglected and became out of use. The drought conditions in 1999-2000 had once again forced the local village population to reuse the conventional methods of rain-fed agriculture, like local tanks check dams, Bavli wells, etc. Water, being a scarce resource, should be used first for drinking, then agriculture and if surplus remains at the local level, should be utilized for industry and ornamental purposes. The Village Panchayat in the rural areas and Residents Welfare Associations in the urban areas have to play a crucial role as the groundwater level is decreasing and the quantity of rainfall is also decreasing year after year. People should not rely on "Allah Megh De Pani De" and instead involve themselves in new strategies of storing water.

Utilization of created irrigation potential

Irrigation is a major component of the programme for increasing agricultural productivity to alleviate poverty. The target was to increase the present level of 95 million hectares of irrigated land to 140 million hectares by the year 2010. However, utilization of irrigation potential already created in the 1980s is even more important in view of the past backlog of several million hectares. Development of catchment areas, Command Area Development (CAD), modernization of irrigation systems through field channels, land leveling, etc., improvement of drainage in

basins and deltas, prevention of water-logging, salinity and wasteful use and coordinated use of surface and groundwater, were some of the target areas in the programme component.

In so far as major and medium irrigation works are concerned, public investment has over the years slowed down due to lack of resources of both the Centre and the States, particularly, in the States as they have been suffering from major resource constraints and irrigation is a State subject. However, minor irrigation is both feasible and possible by individual initiative. Evidence suggests that private investment in minor irrigation has increased over the last few years and that in the public sector also various schemes address this problem.

The eastern regions have over one-fourth of India's usable groundwater resources and only less than one-fifth is developed. This is also the region characterized by a high incidence of poverty. Therefore, groundwater exploitation is imperative. This, in turn, depends on rural electrification in order to energize tubewells and pump sets. In Eastern Uttar Pradesh, as the power situation deteriorated, use of diesel pumpsets for irrigation increased rapidly, benefiting the small and marginal farmers. In the entire Eastern region, there is need to promote small 5 H.P. diesel pumpsets and also improved manual irrigation technologies such as treadle pumps in order to supplement the electric pumps. Groundwater exploitation also has positive externalities, as it helps in reducing water logging and flood proneness.

In areas of rain-fed agriculture, with considerable degradation of land largely located in the central plateau region of the country, greater attention has to be paid to harness water for irrigation through watershed development. Watershed programmes are being implemented by several Departments at the Centre and in the State Governments. Recently, an attempt has been made to bring about some uniformity in the guidelines of the various programmes in order to facilitate its implementation on the ground. Evaluation of the programme suggests that while there are several instances of successful watersheds in Maharashtra, Rajasthan, and Gujarat, a large number of them have suffered due to lack of people's participation, lack of technical and human resource capabilities, poor quality of project preparation, absence of linkages between various line departments, and no arrangement for maintenance of the different components after a project is completed, leading to lack of sustainability of projects. States like Madhya Pradesh and Andhra Pradesh have taken new initiatives in this area and are taking up watershed development on a mission mode with a ten-year perspective plan for the development of degraded lands and wastelands in their States. These programmes have received increased funding in the recent years, but their success will depend on the adoption of a participatory approach in the planning, monitoring and implementation of the projects so as to ensure sustainability and long-term benefits to the people of the area.

The Ultimate Irrigation Potential (UIP) for the country has been reassessed to 138.89 million hectares. The Accelerated Irrigation Benefit Programme (AIBP) was launched by the Central Government in 1996-97 in order to harness the UIP through the early completion of the irrigation project. Under this programme, the Centre provides additional central assistance by way of loans to the States for early completion of selected large irrigation and multi-purpose projects. Rs. 5878 crores have been released under AIBP as Central Loan Assistance (CLA) to the states during the financial years 1996-97 to 2000-2001. In addition, CLA of Rs. 1,000 crores has been released till March 2002.

By 1999-2000, the country's created irrigation potential is estimated to have gone up to about 94.7 million hectares, which is about 68% of UIP. This comprises 35.3 million hectares (37%) through major and medium projects and 59.4 million hectares (63%) through minor irrigation schemes. It was anticipated that the cumulative total of created irrigation potential by using all types of sources would go up to almost 100 million hectares by the end of the Ninth Plan (1997-2002).

Despite significant progress in the creation of irrigation potential, under-utilization continues to persist. The Command Area Development Programme (CADP), in operation since 1974-75, particularly aims at bridging the gap between the potential created and its utilization. The programme also includes measures to promote better water management practices, installation of sprinklers of dip irrigation and farmers' participation in irrigation water.

Agricultural productivity and food grain production

In the Indian context, agricultural growth is the most important determinant of poverty, as it generates income for poor farmers and also creates demand for goods and services produced by the poor. In the 1970s and 1980s, poverty reduction was largely a consequence of the increases in agricultural output following the green revolution. Agricultural productivity has on an average increased not insignificantly, but the gains have been confined to selected States. Even today, the yields in Kg hectare of food grains as a whole are very low in several States compared to the yields in Punjab and Haryana. This suggests that there is considerable scope for enhancing productivity in agriculture in most States of India.

Growth of agriculture requires greater investment and also access to appropriate technologies, better land, and efficient water management and appropriate infrastructural support. Nearly 25% of GNP is derived from agriculture employing more than 60% of the Indian workforce, many of whom live in abject poverty due to low productivity of the land. Even though food production improved from around 108 million tons in 1970-71 to about 152 million tons in 1983-84, there was no further increase in food production from 1983 to 1988. It was only during 1988-89 that production jumped to 170 million tons. By 1999-2000, India's food production touched 200 million tons, although the plan was to achieve 240 million tons by the year 2000.

In the 1980s, food grain production increased by 33%, whereas in the 1990s, the increase has been only 12%. The annual increase in food grain production was 3.54% in the 1980s and only 1.8% in the 1990s. The details of annual agricultural growth show that with the exception of cotton, in all other items the growth in the 1980s far exceeded that in the 1990s.

Further, the States characterized by a persistence of poverty or where the reduction in poverty was low also witnessed a slow growth in food grain production in the 1990s.

In addition, agricultural growth requires an import of appropriate technologies and the transference of successful research from lab to land. There is an extensive net of agricultural research through agricultural universities and the Krishi Vigyan Kendras, but the information needs to be widely disseminated to reach the farmers through the electronic extension system. Much more focus needs to be placed on research of crops that are grown in dry lands. Further availability of credit and access to markets, which is often a bottleneck, particularly for small and marginal farmers, need to be expanded.

Land reforms

Transferring the right of ownership of land to the farmer is also at the heart of India's poverty alleviation programme. The asset-endowment schemes of the IRDP suffer from the basic drawback that they do not include transfer of the land asset, which is most important to small and marginal farmers. Thirty per cent of India's farmers are landless and another 30% of them are small and marginal farmers. The agricultural census shows increasing pauperization of these small and marginal farmers over the years.

The emphasis on compilation of land records, effective implementation of agricultural land ceilings, as already legislated, and consequent distribution of surplus land to the landless included in this programme therefore assumes great urgency. The experience of West Bengal (one of the

States in the Indian federation ruled by the Communist Party of India for over 25 years) suggests that, if properly implemented, changes in land laws can lead to substantial increases in agricultural productivity through greater investments by the erstwhile share croppers and tenants.

Since the inception to 2001, the total quantum of land declared surplus in the entire country is 73.67 lakh acres – out of which 64.95 lakh acres have been taken possession and 53.79 lakh acres have been distributed to 5.5 million beneficiaries – of whom 36% belong to SC and 15% to ST. Nearly 9 lakh acres of land is still enmeshed in litigation.

Special programmes for rural labour

Having regard to the need for enforcement of minimum wages for unorganized labour in agriculture, the 1986 programme enlarged the scope to include unorganized labour in industries also within its purview. This is, however, observed mainly in the breach as even some Government programmes try and avoid paying the full minimum wage by converting daily work into piece rates, thereby reducing the impact of the total bill. Stress has also been laid on involvement of voluntary agencies in the identification, release and rehabilitation of bonded labourers. Apart from enforcing the Minimum Wages Act of 1948 and the Bonded Labour Abolition Act of 1986, a National Commission of Rural Labour was appointed to tackle this problem. The problem of bonded labour is, however, almost over, as they have been released and rehabilitated.

Clean drinking water to the villages

In addition to the continuing programme for ensuring drinking water supply to problem villages (those without an assured source of water supply within 1.6 kms and/or where diseases are water-borne and where water is excessively saline or contains iron, flouride or other toxic elements), the 1986 programme laid a new target to fulfil the national goal of providing 40 litres of water per capita per day through piped water, bore wells and hand pumps to cover all the villages, with specific stress on the provision of water for SC and ST as a first priority. In addition to the 3.48 lakh of problem villages covered up to September 1986, it was proposed to cover 100,000 villages during 1988-90 under the Technology Mission specially commissioned for this programme, to ensure the source, quality and improved maintenance of the water supply line created. Although this target was apparently fulfilled in quantitative terms, a great deal remains to be done to achieve qualitative improvement in the delivery of this programme. Despite claims of 95% coverage, independent reports show scarcity of drinking water in about half of the villages of India. The approach paper to the Tenth Plan (2002-7) in September 2001 reiterated that all villages must have sustained access to potable drinking water within the plan period, i.e., by March 2007. Thus, even this problem still remains far from solved which affects particularly the deprived, dispossessed poor of India.

Health component of the programme

While there is no one-to-one correspondence between poverty and indicators of human development, by and large the health and educational status of the population in States characterized by a high incidence of poverty are also largely poor. Assam, Bihar, Madhya Pradesh, Orissa and Uttar Pradesh have a life expectancy rate far below the national average. Similarly, the infant mortality rates in these States far exceed the national average.

Literacy levels are particularly low in Bihar, Madhya Pradesh, Uttar Pradesh, but States like Rajasthan, and Andhra Pradesh also have low literacy rates. Again, female literacy levels are very low in Bihar, Madhya Pradesh and Uttar Pradesh as also in Rajasthan. In these States, the school drop-out rates are also high. Hence, there is need to focus on health and education, particularly in

states characterized by a large segment of the poor in order to enhance their employability in an attempt to reduce poverty in the medium term.

India was committed to attain "Health for all" by 2000 through the universal provision of comprehensive Primary Health Care Facilities. This has been reiterated in the country's National Health Policy adopted in 1983 and in the 7th Five-Year Plan (1985-90).

India's achievement in increasing the life expectancy at birth, which is now 62 years for men and 63 years for women, lags far behind the achievement of the People's Republic of China where it is 68 years for men and 72 years for women. The poverty alleviation programme therefore needs a much greater thrust in the health sector by providing both a preventive package of improved sanitation as well as a curative package of disease remedy through vastly improved public health arrangements. The programme aimed at improving life expectancy to 64 by 2000, reducing infant mortality per 1,000 to 60 and achieving universal primary health care by 1990. The achievements to date are minimal and grossly inadequate. It was expected that the required number of primary health centres and subcentres, each catering to 25,000 and 4,500 population on an average respectively, would be set up by 1990, although only about 40% of the community health centres, each catering to 100,000 population, was ready. India's poor record in the health sector is also evident from the second highest number of HIV cases registered in the world. Public expenditure in India on health as a percentage of the GDP during 1990-98 has been the paltry sum of 0.6% – the same as Burundi and slightly higher than Myanmar; even Pakistan spent 0.9%, Sri Lanka 1.4% and Bangladesh 1.6%. Developed countries like the United States of America spent 6.5%, the United Kingdom 5.9% and Australia 5.5%.

Population control

In the last 55 years, India's population has more than doubled from 342 million in 1947 to over 800 million in 1988-89, rising to 1,027 million on 1.3.2001. India has 17% of the world's population, growing at about 1.93% per annum, who live on 2.4% of the total land area of the world. As the death rate is going down and life expectancy is improving, population pressure is building up. The objective of this segment of the programme is to bring about voluntary acceptance of the two-child norm and to promote responsible parenthood. Emphasis had been laid on reduction of birth rate, death rate and infant mortality rate and the provision of maternity and child care so as to meet the long-term demographic goal of NRR unity by the year 2000, which is still unfulfilled. A change in the basic approach of family planning from compulsion to persuasion, through education as well as motivation, is slowly being introduced. Near 100% literacy achieved by Kerala and Mizoram has led to the lowest growth rate of population in these two States. Motivation is provided by demand generation through communication and through upgrading of the services, which has also been a rather slow process. The programme is aimed at covering (i) delayed marriage, (ii) increasing couple protection rate, (iii) termination through immunization programme, and (iv) enhancing the status and value of women and child survival in society.

Expansion of education

Education, another powerful weapon to fight poverty, can enable the deprived to realize equality of opportunity guaranteed by the Constitution. The adult literacy score card registered a mere 56.5% in the overall literacy ratio in 1998, which is a sorry commentary in a country that has pretentions to occupy IT super power status. The illiteracy rate of adults 15 years and above at 33% for males and 57% for females in India in 1998 was higher than Brazil, the People's Republic of China, Indonesia, Iran, Kenya, Nigeria, the Philippines, Rwanda, Sri Lanka, Thailand, Uganda, Viet Nam and Zimbabwe. India's extremely poor record in education is also a managerial challenge as India spent much more in public expenditure on education (% of GNP)

in 1997 compared to many other countries whose record is superior to India. China spent 2.7% of GNP on education and achieved 91% male literacy and 75% female literacy compared to India which spent 3.2% of GNP and achieved 67% male literacy and 43% female literacy. With improved education, India's billion population can emerge as a source of strength in removing poverty.

The target is to provide and strengthen nine years of universal primary education to all children between 6 and 14 years of age and to vastly strengthen the adult literacy programme to all those in the age group 15-35 so as to reduce the present high level of illiteracy. Universal education for all children up to the age of 11 was programmed to be provided by 1990, and up to the age of 14 by 1995 – both of which are still unfulfilled. The enrolment in primary education and adult literacy classes in the last few years has been of the order of 4-5 million children and 6.9 million adults annually. Unfortunately, however, the dropout rates have also been extremely high, making this programme extremely inefficient managerially. The success in improving the content of education, provision of mid-day meals and the promotion of non-formal education and functional literacy to tackle the acute problem of school dropouts have all been equally poor. Women's education needs special emphasis, with flexible hours and an accent on vocational education. Kerala's achievement in this regard should be the country's example.

Special programme for scheduled castes and scheduled tribes

A quarter of India's population (200 to 250 million people) are from scheduled castes and scheduled tribes and suffer from economic deprivation and social discrimination. Protecting them from exploitation and ensuring preferential assistance to help them integrate into the mainstream of social life are the aims of this programme. At the moment, however, the various schemes cover only about 3 million families every year.

Equality for women

Lower female life expectancy, high female infant mortality, low female literacy rate and low female work participation are some of the signs of the even greater deprivation of women among India's poor. Raising the status of 490 million women, 350 million of whom live in villages (40% of them girls below 15 and three-quarters illiterate) and enhancing countrywide awareness of the problem of women provides powerful justification for this programme. Improving women's access to health, nutrition, employment, education and training with the aim of achieving equality is the strategy of this programme.

New opportunities for youth

It is planned to enlarge opportunities for 308 million youths (218 million in rural areas and about 90 million in urban areas) through sports, adventures and social service and to bring about their deeper involvement in building the nation, including the promotion of integration, secularism and a scientific outlook. The need to provide employment for unemployed youth should, however, get much greater priority.

Housing for the rural and urban poor

In the 1981 census, the total number of homeless poor was estimated at 2.3 million, and this must have increased several fold in the last two decades. Even after providing 24 million housing units during 1985-90, the housing shortage was estimated to remain at 30 million houses in the last year of the Seventh Five-Year Plan (1989-90). Of this, the shortage in rural areas was estimated to remain at 23 million. This is a tremendous dimension to India's poverty which is not easy to grasp. Continued provision of less than 1 million house-sites annually and construction assistance for less than half a million houses annually to the rural poor, in addition to the present backlog of

4 million families already provided with house-sites, and construction of 1 million ready-made houses for Scheduled Castes and Scheduled Tribes during the plan period were some of the components of this extremely inadequate programme in rural housing. Development of low-cost building materials, construction of more Economically Weaker Section (EWS) houses and Low Income Group (LIG) houses are also components for urban housing included in this programme.

Improvement of urban slums

The programme is envisaged to restrict growth of urban slums and to encourage planned house building in urban areas by providing affordable shelter and encouraging growth of satellite towns. Since the relocation of the 33 million people who live in India's urban slums, most of whom are below the poverty line, is too large to be tackled effectively, improvement of slums in situ by providing water, sanitation, drains, bath, latrines, paved lanes and street lighting is included in the programme. During 1988-90 only about 2 million slum dwellers per annum were covered under the Slum Improvement Scheme, underscoring the need to strengthen this programme in the coming years.

Social forestry

The national strategy is to substantially enhance afforestation and replanting to bring at least a third of the geographic areas (109 million hectares) under forest. Official estimates of the present forest cover is 75 million hectares, although NRSA's estimates in the 1980-82 mapping exercise were substantially lower at 46 million hectares. The present level of deforestation is also estimated to be 1.5 million hectares per annum. The current rate of tree-planting of 3.5 to 4 billion trees annually could add only 1.7 to 2 million hectares even if the survival rate is estimated to be 100%. Particular attention in the programme is required to be paid to 'survival rate' of trees planted. The National Wasteland Development Board, several externally assisted social forestry projects and various voluntary agencies are involved in this programme, which needs to be stepped up to achieve a net increase of tree plantation of 5 million hectares annually.

Protection of the environment

Ironically, both poverty and progress have affected ecology through destruction of nature, the spread of manmade structures, as well as degradation of air, land and water supply. Enhancing public awareness of the dangers of environmental degradation and mobilizing popular support for environmental protection is therefore urgent and included in the programme. In 1986, the comprehensive Environmental Protection Act was included in the Statute Book. Control and regulation measures are also gradually being introduced.

Consumer protection: how to make subsidy reach the needy?

Poverty is a barrier to the access to basic needs and services for a large segment of the population. The objective of this programme is to bring essential consumption goods within easy reach of the poor through fair-price shops and ration cards as well as cooperatives and State civil supplies corporations. The programme also focuses on the need for ensuring that subsidy reaches the most needy, which is a most difficult task. Up to 1987, 330,000 outlets of the public distribution system, each catering to a population of 2,000, covered 660 million people in the country. The requirement of more than 100,000 outlets has been accepted to set up an efficient targeted Public Distribution System (TPPS) in India. Enactment of the Consumers Protection Act 1986, organization of mobile outlets, inclusion of kerosene oil, rice, wheat, Janata Dhoti and sarees among the items to be put on sale,+

as well as removing controls on private food grain marketing formed important components of this programme.

Rural energy

Expansion of the supply of electricity for productive use in about 20,000 villages per annum continued, although the level of implementation came down sharply in 1989-90. During 1982-90, nearly 170,000 villages were provided with at least one electric pole. The new programme is to strengthen the system. Even in 2001-2002, 8,000 villages in nine States still remain to be electrified. The goal now is to achieve full electrification of all villages by 2007. About 500,000 pump sets are also being powered per year as against 3-400,000 sets per annum powered in the previous years. It is planned to promote integrated area specific programmes for rural energy. The development of alternative sources of energy, particularly about 150,000 biogas plants every year, has also been reiterated. In addition, a new programme of installing over 1 million improved chulahs per annum during 1987-90 has been implemented effectively. Improved chullahs and biogas plants are the other important programmes of rural energy which can vastly improve the quality of life of the rural women.

Strengthening delivery

Strengthening of the delivery system is also being sought by strengthening 'monitoring' arrangements as well as ensuring further strengthening of the 'implementation' at the grass-root level. It is a truism to say that any programme is as good as it is implemented. Thus, the importance of further strengthening the delivery system of the poverty alleviation programmes can hardly be over-emphasized. There are two facets of this delivery system. In the first place, the implementation machinery at the grass-root level is a critical component of the system. In addition, the monitoring and evaluation system should be modelled with a view to ensuring effective implementation of the programme as well as rapid transmission of the monitoring reports to the Controllers/Supervisors. This should enable them to do on-course correction and continuous fine-tuning of the programme to ensure the impact of the programme through forward and backward linkages.

The two important management tools of the Ministry of Programme Implementation's 'monitoring and evaluation' system have been the Monthly Progress Reports and the Quarterly Performance Reports. The name of the Ministry changed from MPI to Ministry of Planning and Programme Implementation (MPPI), and now to Ministry of Statistics and Programme Implementation (MSPI). While the Monthly Progress Report is a 'performance check' covering the achievements vis-à-vis targets of those items (agreed and identified on a monthly basis), the Quarterly Performance Report provides a 'diagnostic check' for assessing the performance of all the points under the programme and making suggestions for effective implementation. While the MPI system today receives control data from 35 States/Union Territories of the Indian Union every month by the 12th of the month following the month of implementation of the programme, the States in their turn obtain their control data from over 500 districts and over 5,000 blocks in the country. There is a general tendency to treat implementation as 'figures reported' and not 'programme achieved'.

Soon after the Ministry of Programme Implementation was created, the grading-cum-ranking system, which was earlier introduced by the Planning Commission, was fine-tuned and strengthened in 1985-86. The overall performance of each item under the Programme was graded into four categories on the basis of the achievement of 90% and above, between 80% and 90% and below 80% respectively of the targets. In addition to the grading of implementation of the various items under the programme as above, MPI also carried out ranking of the States into four categories on the basis of overall performance of some selected items under the programme and agreed upon with the State Governments. The ranking of States according to their implementation performance is done every month, which provides healthy motivation through inter-State comparison.

Apart from reviewing the implementation of the programme through the Monthly and Quarterly Performance Reports for the benefit of the State/Union Territory Governments/Administrations and the concerned Central Ministries/Departments, the MPI also arranged frequent interactions with the Chief Minister and Chief Secretaries of the States/Union Territories wherever their performance in the implementation of the programme was not considered up to the mark. Assistance was also rendered wherever necessary for overcoming the constraints hampering the effective implementation of the programme. In addition, the Minister and senior officials of the Ministry also undertook frequent visits to the various States to meet the Chief Ministers, their Cabinet colleagues and the senior officials to review the effectiveness of the implementation of the different items of programme and to resolve difficulties faced by them.

The 'monitoring and evaluation' system for the Poverty Alleviation Programme was thus structured to oversee and motivate the implementation of the Programme by the State/Union Territory administrations, nodal Ministries/Departments at the Centre and the Planning Commission after a series of meetings held through the preceding year. After the physical targets have been fixed, the performance of each State and of each component of the programme in relation to the target is monitored. The machinery for the purpose has been strengthened and revamped with the appointment of nodal officers by the respective government/administrations in all the States/Union Territories, and by the concerned Central Ministries. In the State/Union Territories, high-level implementation and monitoring committees have been set up under the Chief Ministers and Chief Secretaries at the State/Union Territory headquarters. In addition, district and block-level committees and in some States like Andhra Pradesh, mandal-level committees (a lower formation than blocks) have also been set up, which include Members of Parliament and State Legislatures, irrespective of their party affiliation and other non-official representatives, including minorities. In nine States of the Indian Union (Andhra Pradesh, Bihar, Karnataka, West Bengal, Gujarat, Uttar Pradesh, Haryana, Maharashtra and Himachal Pradesg), another institutional mechanism has been set up whereby one of the Ministers of State Government Cabinet heads the District Monitoring Advisory Committee. In Karnatak, another new institution of District Chief Secretaries who are senior in pay and rank to the District Magistrates was introduced to oversee the development programme of each district, including poverty alleviation. In West Bengal, Andhra Pradesh and Karnataka, the district programme is monitored by the elected head of Zila Parishad. The monitoring machineries of the States/Union Territories revealed wide variations displaying the enormous scope for improving the structure and the system in many States/Union Territories.

While several initiatives have been taken in the last few years to improve the methodological and institutional aspects of managing and monitoring the poverty alleviation programme in India, continuing efforts are needed to further strengthen the machinery of benchmarking and evaluation. Experience in the last two decades has shown that improved implementation and monitoring of the poverty alleviation programme can be secured only through a multi-element strategy and continued "vigilance" on implementation.

- Firstly, people's representatives should be involved with the grass-roots bureaucracy to ensure effective implementation of the programme.

- Secondly, the grass-roots bureaucracy should be strengthened, particularly at the block level where the Block Development Officer must be effectively assisted through functional officers in charge of agriculture, education, cooperation, rural development, women and child welfare, animal husbandry, engineering etc. In the State of Andhra Pradesh they have recently shifted the grass-roots implementation machinery from the block which consists of 100 villages to an even lower formation the 'mandal' which will be in charge of 30-40 villages.

- Thirdly, community and popular participation can also be ensured by involving the voluntary agencies as 'watch dogs' in the implementation and monitoring process. In this regard, nodal 'voluntary agencies' have been identified in the States and for different components of the programme.

- Fourthly, groups of beneficiaries ('voluntary agencies of the poor' as distinct from the 'voluntary agencies for the poor') are also being organized and involved, as such groups of beneficiaries can efficiently push the implementation forward and ensure efficient delivery of the programme to those who need assistance most.

- Finally, a system of concurrent evaluation of programmes should be established on a sample basis, as has been done in the self-employment/wage-employment schemes and extended to the schemes for drinking water supply, education, wasteland development, health, family welfare programmes, minimum wages enforcement and release of banded labour.

During the last two decades, several rounds of interaction with the State Governments and Central Ministries were completed by MPI with a view to initiating action on these interventions. There was a general consensus on the need for such intervention and a realization that a revamped poverty alleviation programme would need an effective multi-pronged strategy. A detailed Monitoring Manual was prepared by MPI in 1988-89 and upgraded later in consultation with the concerned Central Ministries and the States involved in implementing TPP-1986, in the light of the experience gained in meeting the operational needs of the Programme.

There is also an increasing awareness among the policy makers and thinkers in the country that community and popular participation through dedicated and genuine voluntary agencies, as well as through organizations of beneficiaries who have themselves been able to cross the poverty line, can alone ensure that this massive anti-poverty programme for the community can gain the momentum needed to deliver the desired result. It is widely recognized that no programme of rural improvement for a country of India's size and dimension can attain any significant measure of success without this precondition. It is equally recognized that this is a difficult process. While several dedicated voluntary associations for the poor are working in the countryside, not all of them possess the right kind of either organization or zeal. Thus, conscious development of the voluntary organizations of the poor through community development schemes and programmes to protect and defend the right of the poor is the only way to ensure that the programme will be delivered.

The best bureaucracy has its limitations in reaching the last man in the queue. No delivery system can be so efficient as to ensure smooth delivery of various kinds of inputs of goods and services, of credit, technology, market, etc., to 250 million people in the country, many of whom do not have the absorptive capacity for all this. A psychosis of dependency and fear often drive the genuine and potential beneficiaries of the programme to approach middlemen to help them receive the benefits from the system. There are innumerable cases where unscrupulous people have swung into action to cheat the innocent, the illiterate and the poor people in the villages. It is only by raising the consciousness of the community and making them come forward to organize themselves that a programme of this kind can ultimately be delivered with durable success. The States can play and have played a critical role in this whole process of promoting community development.

To enable the States to help in the process of community development, the need for further strengthening of the grass-roots bureaucracy has also to be emphasized. Although democratic decentralization has been talked about for the last four decades, the overall framework of Indian bureaucracy has largely retained its pre-independence colonial pattern. Plans and programmes are still formulated from the top and do not emanate from the bottom. The development

administration of the district into blocks, mandals and villages has also not undergone any structural change in most of the States. Some experiments, however, are going on in some of the States where several rounds of elections to village, block and district level panchayats/parishads have taken place and people's representatives have been organized in zila parishads and village panchayats who are today being assisted by their bureaucratic counterparts in these administrative functions. In the States of Karnataka, West Bengal and Andhra Pradesh, elected zila parishads have already come into being. PRIs in the other States pursuant to the 73rd Amendment of the Constitution in 1992 have also been set up. The need for effective planning of the poverty alleviation programme at the district level is thus being reiterated in all the States. It is only when such directly elected panchayat bodies at district and local levels work together with community organizations of the poor and with the active assistance of the bureaucracy that the delivery system can be adequately strengthened. Qualitative improvement in the implementation and monitoring of the programme can only then become a reality.

Lessons from experience and issues for in-depth consideration

To meet the future challenge, it is necessary to concentrate on what we need to know on the *methodological* and *institutional* aspects of managing, benchmarking, monitoring and evaluating the poverty alleviation programmes. This follows from the experience of the last two decades of implementing the poverty alleviation programme and the system of monitoring introduced by MPI in the mid-1980s in evaluating the implementation of the programme in the country. *On the methodological aspect*, we have to address ourselves to a set of questions: (1) Who is coordinating (also who should coordinate) the entire package, given the backward and forward linkages in the various segments of the programmes? (2) Are there mismatches in the programme of asset transfer (land excluded), employment, housing, health, etc., which need to be resolved? (3) Is there scope for improved managerial coordination? Similarly, *on the institutional aspects,* we have to address ourselves to a separate set of questions: (1) Can such a programme be delivered by the bureaucracy without adequately involving people's representatives in the villages/mandals/ blocks/districts with the active help of voluntary agencies of/for the poor (and thereby truly mobilizing 'people's power')? (2) Can monitoring be adopted effectively without being under-pinned with 'control'? (3) How can the activities of target-setting for main programmes, subprogrammes and subsectors of subprogrammes be properly organized to institutionalize accountability for their implementation? We should also not forget the 'poor' in alleviating their poverty. What steps ought to be taken to ensure this?

Issues which require in-depth analysis may be classified broadly into three groups: (i) backward-forward linkages that remain to be tied up in the programme, (ii) improvement in systems of monitoring and control and institutionalizing accountability, and (iii) strategies for community development, choice of policy options and other issues in management and implementation.

Backward and forward linkages

The linkages in the programme, both backward and forward, are critical. To ensure their implementation, some issues identified in this regard are outlined below:

- In the 12 years between 1972-84, 21 million people were assisted to cross the poverty line, in addition to many others born 'poor' during this period who were helped to cross the poverty line. Compared to this achievement, the target set for the 16 years between 1984-2000 was 220 million, plus the additional population who will be 'born poor'. As per the Expert Group's finding on the number of people below poverty line, even these figures will be far from adequate. Has the restructured programme in the last two decades really been adequate to achieve the envisaged quantum leap?

- The self-employment and wage-employment schemes of SGSY/IRDP/NREP/LEGP/JRY were expected to assist on an average 5 to 6 million families (4 million families in IRDP and a little more than 0.5 billion man-days or about 1.5 million man-years in NREP/RLEGP/JRY per annum). At this rate, we can perhaps assist the still remaining 50 million families in the next 10 years. However, how are we going to ensure that many do not slip back and that many of them are really able to cross the poverty line? It has been officially admitted that between 50 and 60 per cent of the beneficiaries of these programmes during the last two decades may not have actually crossed the poverty line, and consequently the poverty scenario continues to affect nearly 300 million Indians. In the Concurrent Evaluation of 1987 Survey, only 12% of the families actually crossed the poverty line. Can the rural industrialization programme in villages and small industries assist? Today the total employment in village and small industries is of the order of 30 million (6 million in KVI, 7 million handicraft, 18 million in small-scale industries) and many of the handloom weavers and handicraft artisans are already below the poverty line.

- As the concurrent evaluation reports reveal, the 'quality' of delivery in the implementation of the self-employment/wage-employment requires further improvement. In a large number of cases of SGSY/IRDP beneficiaries, not enough incremental income was generated through transfer of assets. There are delays in the disbursement of loan components. There are variations in assessed and recorded value of assets caused by malpractices and leakages requiring investigation, shortage and timely provision of working capital, and unrealistic repayment schedules of loans. This calls for a systematic improvement in implementation. Is there any merit in a better integration of the self-employment schemes and wage-employment schemes?

The programmes directed towards increasing agricultural productivity through intensifying rain-fed agriculture, creation of further irrigation potential and their improved utilization create several challenges such as the following:

- Technological improvement to make 100 million hectares of rain-fed cultivated areas more productive, of which NWDPRA (National Wasteland Development Programme for Rain-fed Agriculture) will cover only 10 million hectares.

- The proportion of irrigated land in the cultivable area is proposed to be increased from 70 million hectares to 114 million hectares by 2010. During the last few years, the annual average achievement has been of the order of about 3 million hectares. Can even this tempo be maintained? Can this tempo be improved?

- To the existing backlog of several million hectares between creation/utilization of irrigation potential, 44 million hectares of new potential to be created have been added. Will the 102 command area development schemes, covering 16.5 million hectares, be sufficient?

- Food grain production was increased to reach 210 million tons against the target of 240 million tons to be achieved in 2000. The problem today is the huge mountain of stocks exceeding 60 million tons – which can feed 250 million below the poverty line if this can be managed professionally under the targeted public distribution system (TPDS).

- To ensure continuance of the above programme, it would require an integrated strategy of improved productivity of rain-fed agriculture, fuller utilization of irrigation potential created from year to year and also revamping the handling and delivery system of agricultural production all over the country through additional storage/revamped support, price/quality, improvement/marketing/training/technological assistance, etc. Instead,

Indian agriculture witnessed a negative growth rate during 1995-96, 1997-98 and 1999-2000, with an adverse impact on poverty.

- Although it is generally accepted that there is a degree of correlation between agricultural growth and the rural poverty ratio, the observed labour coefficient (percentage increase in employment arising out of the percentage increase in output) does not show that the need for direct intervention of programmes such as SGSY, IRDP, NREP, RLEGP, JRY for augmentation of employment and income levels of the poor will be reduced unless agricultural productivity can be increased more substantially.

- In the land reforms scenario, the agricultural census data showed a trend increase from 51% of the landholders owning 9% of land below 1 hectare plots in 1970-71 to 57% of the landholders owning 12.2% of the land below 1 hectare plots in 1980-81. The challenge to achieve the desired results in the land reform scenario in the last two decades of the 20th century still remains unfulfilled.

- Of the 5.76 lakh villages to be provided with clean drinking water, 3.8 lakh villages were covered up to September 1986. In light of the past achievement of about ½ lakh villages being covered annually, the backlog of 2.2 lakh villages should have been covered by 1990-91. If past experience was any guide, what is required is to ensure 'quality' of delivery in terms of identifying durable sources of supply and maintaining their quality.

- Of the total shortage of 30 million houses envisaged in 1989-90, the projected shortage of rural houses was 23 million. This figure was arrived at after taking into account that 12.4 million rural houses would be built during the Seventh Plan period. The programme of house-sites/construction assistance can cover only 4 million landless rural families. Another 1 million houses will be built for SC/ST under Indira Awas Yojna. The programme of the remaining 17 million houses to be built by rural people themselves is also another aspect to be closely monitored.

- There are similar backward and forward linkages in programmes covered under Health, Family Planning, Universal Education, Adult Literacy, Programmes for Women, Programmes for Youth, Programme for improvement of urban slums, Forest, Environment, Rural Energy and Public Distribution System – which should be carefully identified and integrated in a time-limited schedule.

Improvement in systems, monitoring and control

Concerning system improvement, several initiatives were taken to look at the procedures for release of funds wherever Central assistance is involved, speedy approval of schemes, the norms accepted for various kinds of assistance in different components of the programme and their speedy revision to ensure improved implementation. In April 1987, an official-level Working Group of Inter-ministerial teams was set up in the MPI which went into this aspect of 'system improvement' of centrally sponsored schemes.

The need for 'qualitative' improvement in implementation as well as monitoring of the programme poses a considerable challenge. The need for improving the quality of monitoring the poverty alleviation programme has been reiterated by MPI time and again without much impact or result. The initiative must come from the implementing agencies in the States, districts, blocks and villages.

Improvement in the present system of setting targets is a first requirement identified by MPI, in both monitoring of the programme, and ensuring effective implementation. Four pre-conditions are important in the entire target-setting exercise: first, the target should be set before the commencement of the year; second, there should be complete consensus in the targets that are set

between MPI, the Planning Commission, nodal Central ministries and all the State Governments/Union Territories who have to implement the programme; third, the target should be set with such rigour and discipline that once they are fixed they are not revised downwards; and fourth, the accountability centres for achievement of the targets should be institutionalized. It has been MPI's experience that targets fixed for IRDP, NREP, RLEGP, distribution of surplus land, drinking water, oilseeds and tree plantation underwent several changes during the year. It is advised to set the annual targets in two stages, a first stage initiative by nodal Ministries finalized by the end of February, and the second stage before the end of March by MPI.

A second requirement is that targets should be introduced in respect of sub-items/components of each programme wherever such segmentation of the programme is both possible as well as desirable. There were 120 items in TPP-1986 – of which 90 items were under quantitative targets during 1987-88 – of which 29 items were being monitored every month. Only qualitative targets were fixed in respect of the remaining 30 items where such targets could not be set in respect of some of these items. Indeed, sub-targets could be fixed in several of the 29 items being monitored in the MPI's monthly 'performance check' reporting. To illustrate:

- Targets in the self-employment asset-creating programme could be broken down into: (i) old and new beneficiaries; (ii) four categories of poor; (iii) SC/ST and (iv) women.

- Targets in the wage-employment asset programme could be fixed for: (i) creation of assets; (ii) employment provided; and (iii) maintenance of assets created.

- The agricultural production target for rice/oilseeds/pulses could be fixed by crop (Kharif/Rabi) as well as by State.

- The surplus land target could be broken down into: (i) area of land distributed; (ii) number of beneficiaries; (iii) SC/ST; and (iv) maintenance of assets created (which could be reflected in the Quarterly Report).

- CHC/PHC and sub-centre targets could be broken down into: (i) number sanctioned; (ii) number partly operationalized; and (iii) number fully operationalized, to avoid alteration of figures.

- Targets for immunization of children should measure only those who have been given doses of all three vaccines.

- The slum population coverage target should relate the specific target to be covered by all seven amenities as well as other target populations to be covered by 2/3/4/5 amenities as may be decided separately.

- The tree plantation target should be net plantation and the report could include (a) saplings planted, and (b) saplings found dead during the month.

- Fair-price shop reports could include (i) number of shops opened, (ii) number of shops closed, and (iii) population covered.

- The villages electrified target could be broken down into: (i) number of villages covered; (ii) number of households covered in each village; and (iii) number of connections given for village industries.

The quarterly monitoring system which is supposed to provide a 'diagnostic check' also needs to be strengthened qualitatively. It may be noted that the Quarterly Progress Reports received from the nodal ministries, in addition to giving statistical information, were expected to provide an evaluatory assessment under different points/items for the period under report. It was, however, observed that the Quarterly Progress Reports were usually factual in nature and did not provide a

critical and qualitative assessment of the programme. To make the assessment more qualitative, the following suggestions could be considered:

- The Quarterly Progress Reports could indicate the database and the information received from the various States/UTs, also indicating the period to which these related. It was very often found that the reports did not cover the full period under the report and the base from which further growth has taken place was not indicated.

- While the Quarterly Progress Reports do show physical progress against the targets which have been set, the micro-level progress was rarely indicated.

Some of the crucial areas in which micro-level progress can be indicated are as follows:

- Under programmes relating to rural poverty, it would be useful to assess whether the programme is really benefiting the lowest deciles of the population.

- Benefits accruing to Scheduled Castes, Scheduled Tribes, women beneficiaries, etc., can be specifically indicated.

- Achievements in respect of reduction in the rate of female mortality, even if given with a time-lag, could prove useful in assessing the impact of programmes relating to women and child development and in making mid-course corrections.

- Drop-out rates in programmes relating to elementary education and adult literacy could be worked out and reported on a continuous basis.

- It is important to assess the survival rate of saplings planted under the afforestation programme.

- Information could be furnished regarding rehabilitation of handicapped persons, since this was an important item of the programme.

- Similar information could be collected regarding rehabilitation of tribals displaced from their habitats.

- Complete information could be collected on the construction of rural sanitation facilities.

The Quarterly Progress Reports also did not give enough information about financial progress under different points/items. In view of the adoption of the practice of quarterly budgeting, availability of this information is essential and Ministries could provide this information in respect of the financial progress on a quarterly basis, both in terms of outlay and expenditure.

The most important aspect of the QPR, viz. the critical analysis of the programme, is generally missing in the QPRs, and hardly any information is available about the bottlenecks/constraints faced by the implementing agencies. State Governments must be geared up to critically analyse the progress of the programme and to suggest measures proposed to be taken to overcome such constraints. Once this information is available, it would become easier for the Central Ministries to extend their help in removing the constraints and suggesting suitable solutions to surmount the difficulties.

Another area where qualitative monitoring can be introduced is to assess whether public participation and involvement of voluntary agencies at the grass-roots level has been adequate. Public participation and involvement of voluntary agencies at the gross-roots level has assumed great importance both in the implementation and monitoring of the programme. In fact, a number of voluntary agencies are already involved with the implementation of the programmes, but information in this respect is inadequate. While we should try to obtain this information from the State Governments, information in respect of such voluntary organizations as are being assisted

by the nodal ministries, can also be obtained. In the case of the Department of Rural Development, CAPART has already launched a scheme for assisting/forming organizations of beneficiaries and has identified 29 nodal voluntary agencies in the States. Information about their progress in the QPR could prove quite useful if collected.

Introduction of concurrent evaluation in all the components of the programme would also qualitatively improve the monitoring of the programme. Concurrent evaluation is a means of identifying whether or not the programmes are being properly implemented. Such concurrent evaluation has already been introduced in the Department of Rural Development in respect of the IRDP, NREP and Rural Water Supply. The Department had also made arrangements to introduce concurrent evaluation in respect of RLEGP. Similarly, the Ministry of Health, NWDB and Department of Agriculture were in the process of launching schemes for concurrent evaluation. The Ministry of Programme Implementation has requested all the Departments and Ministries to undertake concurrent evaluation of the programme.

A related question also under consideration is how to dovetail PEO's role in MPI's monitoring-cum-quality evaluation of the programme. Once the quality assessment of the programme is introduced, one could think of introducing 'weights' to be added to the existing ranking system of performance of States. The value of doing so could be specifically examined.

The institutional framework of formulation, implementation and monitoring of the poverty alleviation programme in India is an unduly complex structure. With the addition of new line ministries and departments, the structure is getting more and more complex. It is not surprising then that in the effective monitoring and evaluation of the programme, which provides the feedback loop for planning and formulation of new programmes, the linkage of monitoring with control is often lost sight of. This has been the important Indian experience in managing and monitoring poverty alleviation programmes initiatives which include: applying the monitoring tools of MPR/QPR; state-wise ranking of performance every month; interactions with district-level committees; nodal officers in States; interventions initiated at the level of the Prime Minister (who receives a monthly summary report on the entire programme from the Secretary of MPI); interventions initiated by the Minister, the Secretary of MPI with the Chief Secretaries of States; visits to States, preparation of monitoring manual; and the studies made by several committees and task forces set up by MPI, undoubtedly helped to improve the quality of public action programmes. However, packaging and coordinating the contents of the programme, and fixing targets and sub-targets for all the components and sub-components of this massive programme could not be achieved with desired efficiency. This was due to the continuing failure to institutionalize accountability between the nodal ministries of the federal government, like MPI/Planning Commission/Finance Ministry on the one hand, and the line ministries like the Department of Education, Agriculture, Rural Development and Health, on the other – as well as the state Governments and their administrative functionaries down to the village level. This is borne out by the fact that after the 1986 Programme was introduced, a great deal of the rigour in target-setting which was achieved during the first years of the programme had to be watered down in subsequent years.

Similarly, the institutions like (a) Minister-led districts in 9 States of Andhra Pradesh, Bihar, Karnataka, West Bengal, Gujarat, Uttar Pradesh, Himachal Pradesh, Haryana, and Maharashtra, (b) District Chief Secretaries in Karnataka, and (c) officers in charge of mandals, in addition to BDOs in Andhra Pradesh, also provided several lessons from which other States, where these institutions are yet to be introduced, could benefit.

Other issues in management and implementation

At a seminar held at Oxford a few years ago, an American scholar got up and asked me, "Do you really depend on the State to deliver the entire programme of poverty alleviation in India?" I could offer no better riposte than to ask him a counter question, "Can poverty be abolished in an LDC without state intervention?" The challenges our countries in the third world face today are not ordinary challenges. No State can sit back and withdraw from accepting responsibilities. However, the perception of most policy makers and thinkers in the developing countries today including India is that the challenge of poverty alleviation cannot really be responded to effectively without an equally effective strategy of community development built into this programme. The time has come to decentralize both the planning and implementation of poverty alleviation programmes down to the village level. Our inability to do so in the last few decades has been perhaps the single most critical deficiency in all our poverty alleviation efforts. None of the rural development programmes and schemes like self-employment, wage-employment and rural industrialization, have so far been able to make any basic structural change to the agrarian society. Such structural changes can only be brought about through community effort. In the success stories of the cooperative Anand Milk Scheme in Gujarat, the Employment Guarantee Scheme of Maharashtra, Operation Barga in West Bengal, which have been well documented, there is one common lesson. That is the lesson of successful community development through which tremendous untapped 'people power' in developing their own community through their own effort can be generated, released and harnessed to rebuild our agrarian society.

Several questions and some doubts such as the following still remain:

- Firstly, have we really been able to make a breakthrough in poverty alleviation so that the present 'strategy' of direct intervention aimed at specific target groups could continue? The doubt arises from the delayed effect between assistance to the poor and the ability of the poor to cross the poverty line. The doubt arises because the percentage of population below the poverty line appeared to continue to remain around 50% for a century. To illustrate, the conclusion of the Srinivasan-Bardhan paper on "Perspective of Development: 1961-76 – Implementation of Planning for Minimum Level of Living", prepared under the guidance of the late Pitambar Pant and issued by the Planning Commission in 1962, states that "half of the people live in abject poverty." This was reiterated almost 15 years later in the Sixth Five-Year Plan document of the Planning Commission, where it was stated that "50% of our population has been living below the poverty line continuously for a long period" and that the "prevalence of poverty and inequality is virtually unchanged over the year." Similarly, if the poverty line in the Srinivasan-Bardhan study of Rs. 100 per month per family in terms of 1960-61 prices in the rural sector and Rs. 125 per family per month in the urban sector is adjusted to take into account the inflation rate, the figure of 50% below the poverty line may still hold if the income criterion is adjusted upwards.

- Secondly, there are large variations in the cost effectiveness of the programmes in breaking the barrier of poverty between 'entitlement' and 'access' so that the tremendous 'capabilities' of the poor can be unleashed. There are variations in the regional as well as inter-personal distribution of income growth. There are variations in providing access to education (primary, non-formal and adult literacy programmes) as well as to health (primary health care, nutrition, including sex bias in nutrition, family welfare measures). Indeed, there are variations in the cost effectiveness of different schemes which have not been studied in depth. To illustrate, what is the relative cost-benefit of self employment vis-à-vis wage-employment schemes? Between technology-led green revolution in agriculture with its investment and gestation lags vis-à-vis redistribution of income/assets?

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- Thirdly, why has not there been any 'trickle down' effect on the GNP growth rate which is today 6% per annum and cannot be considered low by international standards? Has there been a growth-induced poverty through uneven growth in agriculture and increased pauperization of small and marginal farmers?

- Fourthly, is the prediction of reducing poverty to 6% of the population by 2012 as authored in the Approach Paper of Tenth Plan (2002-2007) really feasible or plausible? A related question – is the present level of buffer stock of food grains of nearly 60 million tons a measure of our productive success but a massive distributive failure?

While the conclusions of the National Seminar on Poverty Alleviation held in December 1988 are still relevant, the selected extracts of the Approach Paper to the Tenth Plan (2002-2007), prepared in September 2001 only confirm that the task of removing poverty is still far from over.

It is also necessary to mention some fundamental issues in the management and implementation of any poverty alleviation programme in a developing country. These issues are extremely relevant in a country like India, where a large proportion of the world's poorest people are concentrated. The dimension and incidence of poverty is one such fundamental issue. The relevance of income as well as non-income criteria for measuring poverty needs to be recognized. In the income criteria, the relative advantage of using what is called the 'headcount measure', i.e., the percentage of the population below the poverty line and the index which reflects the average shortfall in the distribution of income among this group, needs to be carefully assessed to analyse any significant time trend in the incidence of poverty. In a large country like India, the varying percentage of the rural population below the poverty line in different States requires to be taken into account deciding on both "policy options" as well as in formulating the contents of the programme packaged in different regions. In the realm of policy options, further research should be focused on: (i) the relationship between agricultural growth and rural poverty, in situations where over-population in agriculture combined with inequality in land distribution has been one of the main causes of poverty; (ii) the relationship between low levels of human development such as malnutrition, poor health, lack of education and absolute poverty using the income criteria; (iii) population pressure and its effects on rural poverty; and (iv) industrialization and diversification of the economy and their impact on poverty alleviation, i.e., if withdrawing labour from agriculture to non-agriculture is ultimately the real solution. The results of several econometric analyses estimating the importance of these factors can be usefully drawn together to re-examine the implications of the policy options and to reassess them to decide on an inter-sectoral package.

Poverty is undoubtedly the most critical of all our economic problems. It is a continuing problem. Poverty of 250 to 300 million people in India makes nonsense of all that has been achieved in the last 55 years since India attained her independence. In MPI during 1985-89, an innovative organizational design was created to serve as the 'management services arm' of the Government relating to programmes in the critical sectors of the economy – with a focus on management and monitoring of our poverty alleviation programmes. In the first 1,000 days of MPI's working, we analysed innumerable reports on thousands of programmes, subprogrammes, subcomponents of subprogrammes under implementation in the poverty alleviation package – delivered by the then 32 State Governments/Union Territories with active assistance and help, in many cases, from 15 nodal central ministries of the Government in New Delhi. In the innumerable meetings at New Delhi, at various State Capitals, in district headquarters, in blocks as well as some even at village levels, several interactions and problem-solving interventions were made to fine-tune the programme's implementation, delivery, reporting and monitoring. There is no doubt that there has been a qualitative improvement in the public action programmes to alleviate poverty in several parts of the country. However, the dominant impression continues to be that we have yet

to see the end of the tunnel. Indeed, the impression often is that the end of the tunnel is a receding chimera.

Concluding observations

Many questions remain. Several doubts persist and many arise in our minds. We should try and find answers to these questions in a constructive manner.

- Is the poverty alleviation programme still adequately packaged?

- Are we not dissipating our energies on too many packages, thereby losing sight of those which are more important than others?

- Cannot the delivery system be made more efficient?

- Are the people and the agencies entrusted with the task of delivering the programme adequately motivated?

- Are leakages unavoidable and still too many?

- Have all the options been considered and scrutinized with regard to their cost effectiveness, impact and sustainability?

- Are the backward and forward linkages of the various components of the programme adequately tied up?

- Is the system of setting targets/sub-targets, release of food grains and funds, approving schemes as well as of monitoring the programme appropriate?

- Is accountability for delivering the programme clear and understood by all?

- In all our enthusiasm, do we still remember the poor, the downtrodden – whether old or young, man or woman, adult or child – the homeless, the dropout, the unclad, the unfed – towards whom all this effort is directed?

If there is any lesson in the last 55 years of India's planning, it is that the failures of resource utilization have been much more serious than the failures of resource mobilization. Yet the resources which are being mobilized and allocated are by no means insignificant. Indeed, they are enormous. Every third rupee in India's plan outlay is being spent on poverty alleviation. It added up to more than Rs. 35,000 crores per annum in the last years of the Ninth Plan. These resources truly represent the blood and sweat of the millions of our countrymen and women who continue to live below the poverty line.

To break the poverty barrier between access and entitlement to the basic necessities of life of the 250 to 300 million free citizens of democratic independent India, we all know that the first step is to provide gainful work to at least one member each of the 60 million poverty-stricken families. Several questions follow. Should this work be provided through wage-employment or through schemes of self-employment by transferring assets? Should not these assets include land as well as non-land assets? Where wage-employment is provided, what kind of assets should be created? Are these assets being created for the community, identified by the community as important to them and to their needs? Is the duration of wage-employment adequate wherever such employment is provided? Do illiterate and unskilled poor really ever get gainful wage-employment? Are the training programmes adequately imaginative, location-specific and employment generating?

Next come food and water. Perhaps drinking water is more important than food because without safe water, food will continue to be contaminated and a health hazard. In addition to providing

work, water and food, is it not our duty to see that every citizen of the country is literate and has access to at least elementary education?

India's growth has been lower than the average of all developing countries and yet, ironically, there is so much scope for improving this growth rate through improved production, improved capacity utilization and all-round improvement in the utilization of scarce resources. MPI's successive reports had underlined the gap between planning and implementation and between allocation and utilization of resources allocated for planned development. Delayed project implementation as well as low capacity utilization from completed projects are some of the other facets of this 'failure'. Direct attack by the State on poverty alleviation through distribution must therefore continue until the growth rate improves to 8 – 10%.

The essence of a good monitoring system for efficient implementation is speed of communication and dependable information on key result areas. The competence of the monitor to interpret the signals and to lead intervention in a constructive manner is also another important pre-condition. The system introduced in MPI in 1985 achieved this, though there is undoubted scope for further strengthening of the system, as outlined in this paper. Information content, challenges of communication, presentation of formats have been restructured and would require to be further strengthened to suit the contents of restructured and reoriented programmes as well as levels of monitoring.

Monitoring and evaluation is not an end in itself. The end is performance improvement on a continuous basis. Performance improvement flows from innovations and initiatives in both anticipating problems and overcoming them. An efficient monitoring system can be geared to identify, analyse and diagnose problems and anticipate them. A good monitor can also suggest possible solutions to motivate concrete problem-solving initiatives on time. The dual strategy should be monitoring and motivating, one integrated with the other.

In summary, poverty problems require a direct attack until the trickle-down effect of the economic growth rate reaches the poor. India's trend rate of GDP per capita growth in the last 25 years of 1975-99, which has been 3.2%, has also been inadequate. An improved managerial coordination of the different components of the programme with effective linkages between sub-components of each programme can, in the short and medium run, yield spectacular results. There are tremendous possibilities in improving the managerial effectiveness of the poverty alleviation programmes in self-employment and wage-employment schemes, in public health and nutritional support, in spreading literacy, in labour-intensive minor irrigation drainage, land development programmes, and so on.

On poverty alleviation through growth vis-à-vis distribution, there is a view that redistribution has so far been geared to make the rich richer and help some poor to cross the poverty line. The question is asked whether distribution can really be effective without touching the rich. However, it is recognized in most developing countries that redistribution alone cannot solve the problem of poverty without improved agricultural growth and improved production of rural industries. The question of whether poverty can be abolished without state intervention is not relevant any more, as the State will continue to be involved in funding and delivering the programme until the last poor family is helped to cross the poverty line. However, is it not equally true that wherever the State has intervened it has intervened badly with inefficiency and corruption? Thus, the crucial question that almost all the third world countries are asking today is: can such a programme ever be delivered without decentralization, flexibility as opposed to uniformity and involvement of the people at the grass roots? Otherwise there is a genuine danger that we may forget the 'poor' in alleviating their poverty.

If there is any lesson of the last two decades of Indian experience, it is the realization that people's involvement is critical for the ultimate success of the poverty alleviation programme.

This requires a new initiative in turning the spotlight on the *"poor"* and their *"priorities"* in the entire programme. For example, it is often pointed out by critics that the assets which are created through wage-employment programmes do not help poverty alleviation of the poor.

This also requires a new thrust in the community development strategy in the coming years. We have to revive the spirits of the 1950s and 1960s in India on community development and capitalize on the experience gained since. People's involvement through elected panchayats and parishads at block and district levels, voluntary agencies for the poor, as well as of the poor, and restructuring of grass-roots bureaucracy to make them more responsive may help, but not entirely, until 'people power' can be mobilized successfully. The new community development strategy should aim at structural changes in our agrarian society. The question is often asked, have serious efforts really been made to mobilize 'people power' to strengthen the State's anti-poverty programme? Doubts are also expressed as to whether we would like to do so consciously, or whether that would contradict with the accommodating politics of the third world. If we do, we must be ready to face the danger of perceiving that "the faults lie within the civilization itself, that the failures and the cruelties of India would implicate all Indians."

These and other considerations need to be taken into account as the struggle against poverty continues in the new millennium. The benchmarks India has set for the alleviation of poverty during the new millennium are indicated in the box below.

Box: Selected extracts from approach to tenth plan (2002-2007)

Targets for the tenth plan and beyond

- Reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012;

- Providing gainful high-quality employment to the addition to the labour force over the Tenth Plan period;

- All children in school by 2003, all children to complete 5 years of schooling by 2007.

- Reduction of gender gaps in literacy and wage rates by at least 50% by 2007.

- Reduction in the decadal rate of population growth between 2001 and 2011 to 16.2%;

- Increase in literacy rate to 75% within the Plan period;

- Reduction of infant mortality rate (IMR) to 45 per 1,000 live births by 2007 and to 28 by 2012;

- Reduction of maternal mortality ratio (MMR) to 2 per 1,000 live births by 2007 and to 1 by 2012;

- Increase in forest and tree cover to 25% by 2007 and 33% by 2012;

- All villages to have sustained access to potable drinking water within the Plan period;

- Cleaning of major polluted rivers by 2007 and other notified stretches by 2012.

Source: Document, Planning Commission, Government of India, September, 2001.

List of Abbreviations and Glossary

CAD	Command Area Development
CAPART	Council for People's Action in Rural Technology
DPAP	Drought Prone Area Programme
DWCRA	Women's Programme in Rural Areas
EAS	Employment Assurance Scheme, 1993-94
ESCAP	Economic and Social Commission for Asia and the Pacific
EWS	Economically Weaker Sections
FYP	Five-Year Plan
HIG	High Income Group
IAY	Indira Awas Yojna
ICDS	Integrated Child Development Scheme
IFMR	Institute of Financial Management and Research
IRDP	Integrated Rural Development Programme, 1981
JRY	Jawahar Rozgar Yojna, 1989
KVIC	Khadi and Village Industries Commission
LIG	Low Income Group
MIG	Middle Income Group
MPI	Ministry of Programme Implementation
MPR	Monthly Progress Report
NABARD	National Bank for Rural Development
NREP	National Rural Employment Programme
NWDB	National Wage Development Board
PEO	Programme Evaluation Organization of the Planning Commission
PMRY	Prime Minister's Rozgar Yojna, 1993
PRI	Panchayati Raj Institution
QPR	Quarterly Progress Report
RLEGP	Rural Landless Employment Guarantee Programme
SC	Scheduled Castes
SEWA	Self-Employment Women's Association
SFDA	Small Farmers' Development Agency
SGRY	Sampoorna Grameen Rozgar Yojana
SGSY	Swaran Jayanti Gram Swarozgar Yojna,1999
SJSRY	Swarna Jayanti Shahari Rozgar Yojna, 1999

ST	Scheduled Tribes
TPP	Twenty-Point Programme
TRYSEM	Self-Employment Training Programme
UT	Union Territory

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