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The World Bank and African Poverty, 1973–91

by PETER GIBBON*

SINCE 1987–8 the World Bank, together with other donors, has been engaged in a programme of activities known as 'Social Dimensions of Adjustment' (S.D.A.). This is the latest in a line of 'pro-poor' initiatives which the organisation has sponsored over the last two decades. This article analyses the Bank's succession of policies against the background of the changing political and economic world situation, as well as alternative policy agendas.

THE WORLD BANK AND POVERTY IN THE 1970S

In his address to the World Bank governors in 1973 in Nairobi, the organisation's President, Robert McNamara, unveiled a theme which was to become a major personal and institutional preoccupation for the remainder of the decade: poverty in the less-developed countries (L.D.C.s). This was described as a 'blight' and a 'cancer' which was both a scandal in itself, an impediment to economic growth, and a potential political threat even to developmentalist governments. As such, a comprehensive programme of poverty eradication needed to be at the centre of donor agendas. The Bank made the formulation and implementation of such a plan the centre-piece of its efforts during the 1970s.

Although efforts to alleviate urban poverty were to emerge as the decade passed, the nucleus of the initiative was an attempt to alleviate its rural expressions. These were to be combatted through the introduction of crop development schemes in areas deemed to be poorer than the national mean of the relevant recipient country. Furthermore, they were to include poor people within them in at least the same proportion as were to be found within the national population. In intention, this policy represented a sharp break with traditional World Bank lending for agriculture, which in the 1960s had been

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typically directed to large livestock holdings or to farm machinery for large-scale irrigation schemes.

The chief vehicle for poverty-alleviation lending was to be the Rural Integrated Development Project (R.I.D.P.), particularly as increasing emphasis was placed upon 'human capital formation'. The adoption of a multi-sectoral approach meant that project authorities were set up, integrated with or sometimes extending government structures, in order to manage distinctive agricultural, financial, infrastructural, educational, and health packages.

Poverty was to be alleviated by the vertical downward extension of 'modernisation'. Hence the diffusion of inputs in the form of high-yielding seeds, chemical fertilisers, pesticides, and hybrid livestock. It further meant the provision of small-farmer credit so that essential items could be purchased on account, as well as appropriate mechanisms for input-delivery and crop collection where these did not already exist. The tendency was for such functions to be delegated to a single body (usually a government-monopoly crop authority) on the grounds that the most reliable way of securing the repayment of debts was through deductions from crop sales. Backing up these innovations were improvements in agricultural extension, water schemes, the building of feeder roads, and sometimes the physical relocations of populations. Where this occurred on a sufficiently large scale – for example, in Tanzania – a basis was created for the devolution of education and health facilities.

The urban poor became a theme of McNamara's speeches in the second half of the 1970s. Officially the focus was upon reducing the unemployed via the extension of work in the formal sector, and by creating large numbers of small-scale enterprises, as well as housing initiatives. In effect, alleviation measures soon became confined to the latter. Two types of interventions in particular were favoured. Many projects were created to supply sites and services for the urban homeless, in order that they could build their own houses, sometimes aided by the recipient government's counterpart funds. Such schemes normally involved surveying, clearing, and levelling land, staking out plots, constructing roads, installing standpipes and occasionally electricity, and digging drainage ditches. At the end of the decade the emphasis shifted to upgrading slums by improving shacks and shelters with new materials, designing and constructing needed roads, and, once again, installing standpipes and drainage.

The 'pro-poor' efforts in these years were firmly within – and constituted a logical extension of – the prevailing development model.

Poverty in rural areas was identified with so-called 'subsistence' agriculture, low levels of productivity, and 'backward' technologies. Mitigating it therefore involved a crash programme of modernisation, the main effects of which would be to raise productivity, as well as the marketed surplus and thereby incomes. Action was also required in the cities and towns because urbanisation was a logical and desirable component of modernisation generally. The *de facto* concentration on housing (rather than unemployment) was justified in terms of poverty's 'multi-dimensional' character, and on the grounds that it would generate more jobs in the building industry.

While emphasising the integrated 'poverty focus' of many of its projects at this time, the World Bank demonstrated little interest in the actual condition of the very poor and needy. The origins of poverty remained undiscussed, and most strikingly absent were any clear ideas of how it could be measured. Even in the lengthy Bank-sponsored 1974 volume about 'redistribution with growth' there was no attempt to define basic human needs, to measure what was necessary to satisfy them, or to derive ameliorative targets.[1] Efforts to define poverty tended to be arbitrary and lacking in rationale. In most Bank publications in the 1970s the 'absolute poor' were treated as a combination of these whose incomes fell below $50 per annum (at 1971 prices) in the poorest countries and $75 per annum in the remaining L.D.C.s. – they were said to account for 34 per cent of the total population. In addition, since the 'relative poor' were defined as those whose incomes exceeded these amounts but fell below one-third of the national average *per capita*, the category as a whole came to the satisfyingly round figure of 40 per cent. But the incoherent nature of the formula is indicated by the fact that it generated a definition which included citizens of Argentina with incomes that were ten times above the poverty line.[2]

The approach adopted during the 1970s, although theoretically flimsy, was still taken seriously politically – especially at the most senior levels of the World Bank. Extremely ambitious 'poverty lending' targets were set, absolutely and as a proportion of the organisation's total loans. Between 1972 and 1977 agricultural lending which could be defined as 'poverty-related' increased from 28 to 63 per cent,[3] and similar rises were recorded for urban areas later in the decade.

[1] Hollis B. Chenery et al., *Redistribution with Growth* (Oxford, 1974).
[2] A. van de Laar, *The World Bank and the Poor* (The Hague, 1980), pp. 100ff.
[3] Robert Ayres, *Banking on the Poor: the World Bank and world poverty* (Cambridge, MA, 1983), p. 103.

None of this means that the strategy for dealing with poverty actually 'worked', even on its own terms, given the weight of evidence to the contrary that has been accumulated.[4] However, it is important to realise that the approach adopted involved interventions as an integral part of the Bank's contemporary grand design. The dominance amongst donors both of the modernisation paradigm and its poverty-alleviation variant reflected the evolution of a particular set of relations between western public and private financial institutions on the one hand, and the L.D.C. governments on the other. At the time these expressed an excess of supply of investments over demand, and competition between financial institutions to place these funds. This in turn originated in the long post-war boom, and was intensified by the oil price rise of 1974. The latter raised the borrowing needs of L.D.C.s but, more importantly, vastly increased oil revenue deposits in the leading western banks. They responded by an intensified recycling of their petro-dollars to the L.D.C.s, at variable rates of interest.

Pressure to ensure that lending remained competitive and unregulated was extremely strong. One popular argument was that its effects on the capitalist world economy were broadly positive, as it maintained international demand and hence trade levels which would otherwise have been threatened by the oil price rise. Since the World Bank could hardly hope to regulate international capital flows against joint opposition from the commercial banks and the governments of the leading industrial countries (even if it wished), its own status as a major provider of loans could only be preserved by greatly raised levels of lending. These were in any event encouraged by the commercial banks on the grounds that increased fixed capital investment in L.D.C.s had a positive long-run effect on their credit-worthiness. Furthermore, given the division of donors into two, or possibly three, political camps in this period (the United States and its allies, the socialist countries, and the 'like-minded nations'), agreement was unlikely on forms of international regulation which would have permitted the continued expansion of the influence of the World Bank. Indeed, the latter's best prospect for greater influence was a nil regulation system where its contemporary comparative advantage – its increasing financial resources – could have free play.

The real effects of the excess supply of finance, and of the laissez-faire aid régime of the 1970s on the health of the world economy, are too

[4] See van de Laar, op. cit.; Ayres, op. cit.; C. Payer, *The World Bank: a critical analysis* (New York, 1982); and Tessa Hayter and C. Watson, *Aid: rhetoric and reality* (London, 1985).

obvious to require exposition. Equally important was their impact on individual aid-receiving L.D.C.s, for whom strong incentives were created to over-borrow in relation to short-term capacity to use new resources, as well as long-term ability to repay.

Within the general context of increased lending, the concern with poverty reflected an opportunity to disburse additional funds, while in the process securing the political stability of L.D.C. governments committed to modernisation. This concern appeared all the more pressing in the context of the popularity of the twin convictions that L.D.C.s were experiencing a secular rise in economic and political influence as a result of their monopoly over certain basic commodities – a growth which it was in western interests to 'buy into' – and a corresponding anxiety that such a strategy was threatened by developments such as had recently occurred in Vietnam. The importance of poverty alleviation for strengthening the legitimacy of the World Bank's partner countries was hence an important theme in its thinking. McNamara referred to this directly in several of his annual addresses, including that of 1975:

> Historically, violence and civil upheaval [spring from poverty]...Frustrations that fester among the...poor are...readily exposed by political extremists. If cities do not begin to constructively deal with poverty, then poverty may begin destructively to deal with cities. It is not a problem that favours political delay.[5]

THE WORLD BANK AND POVERTY IN THE EARLY 1980S

Major changes were beginning to occur by the end of the 1970s as regards the world economic situation, relations between the so-called 'North' and 'South', and the dominant development paradigms amongst donors, reinforced by the severe financial and technical problems that were emerging with multi-sectoral projects.

The international debt crisis, which publicly surfaced in 1982 with Mexico's threatened default on its vast commitments, represented a watershed in developed country-L.D.C. relations. Mexico's declaration, brought about by a combination of a 40-year low in terms of trade and a 50-year high in variable interest rates, meant that the western banks became less concerned with unloading money onto L.D.C.s than in recovering their existing debts. Hence the stand also taken by the International Monetary Fund (I.M.F.) and the World Bank that

[5] Robert S. McNamara, *Address to the Governors of the World Bank* (Washington, DC, 1975), p. 20.

L.D.C. governments must adopt demand compression and fiscal austerity measures. In addition, a new rôle emerged for donors – namely, the supply of temporary liquidity to allow some resumption of growth while loans were being repaid. Accompanying the debt crisis (and the world recession compounded by it) was an important change in the perceived status of L.D.C.s. These were seen no longer as moving inevitably towards increased economic and political importance, but rather as casualties whose influence had rested on a confidence trick. This new perception reflected a sharp decline in the real leverage of L.D.C.s as their demand for finance now outstripped available supply.

In donor circles this conjuncture favoured the consolidation of a new economic paradigm, already making strong headway in domestic politics in the developed countries. In the World Bank this became dominant under McNamara's successor, the ex-banker A. W. Clausen. His period of office was characterised by a neo-liberal intellectual framework that can only in a loose sense be called a 'development model', since it derived from an implicit rejection of the validity of any special consideration of 'development' on which such a model could be based.

Both the sociology and economics of development were discarded on the grounds that they implied a set of societies/economies operating under fundamentally distinct laws from those of 'advanced' countries. It was held that in fact all of them worked according to exactly the same laws – namely, the maximisation of welfare through the free operation of the market. Exceptions were represented only by those cases where efforts had been made to intervene administratively to modify market outcomes and where, correspondingly, human welfare failed to be maximised. As a group, L.C.D.s happened to share in common only the unfortunate condition of being subject to excessive regulation in particularly comprehensive and entrenched forms. The 'development' of these countries therefore depended on the removal of state-imposed distortions which prevented them taking advantage of their natural endowments. In practice this meant correcting their administratively 'over-valued' exchange rates, and severely reducing the size of their public sectors, particularly any productive segments.

Many of these themes were not entirely new in World Bank discourse. Examples of their articulation can be provided from both before and regularly during McNamara's era. The point however is that under his Presidency they generally occupied a subordinate rôle, and when expounded were often overridden in practice. Moreover, the period from 1981 to at least 1987 or 1988 saw a virtual disappearance or rejection of many of the ideas which had enjoyed prominence in the previous decade. Physical capital formation was downplayed and/or presented as the result of private direct investment rather than overseas development assistance. Although the term was frequently mobilised in neo-classical polemics against the creation of too many physical facilities, 'human capital formation' was given even less prominence.

Agriculture was no longer seen as a site of backwardness but of dynamism because of its predominantly private ownership form. In the process the 'subsistence farmer' became redesignated as a 'rural entrepreneur'. By contrast, the industrial sector – privileged by aid in the 1970s – was identified for the most part with state intervention, subsidies, inefficiency, and 'politicisation'. Protection of this sector was undesirable and unjust since it 'necessarily' involved discrimination against agriculture. The concept of evolving comparative advantage, also present in the 1970s, was explicitly rejected. In so far as a change in advantage could be envisaged it was likely to be between sub-sectors within export agriculture. Above all, the idea of 'modernisation' was dropped. While L.D.C.s still had to pull themselves up (preferably 'by their boot-straps'), it was neither feasible nor desirable for them to emulate the specific sectoral mix of the developed countries.

The new aid mechanism which emerged against this background was 'policy-based lending' – i.e. the use of supplies of temporary liquidity, which now had a greatly enhanced marginal value, to 'buy' the economic policy reforms that the new paradigm suggested were necessary. The introduction of this mechanism was accompanied by vigorous efforts on the part of the major donors to render it 'escape proof'. The I.M.F. and the World Bank, strongly supported by the commercial banks and operating through the Finance Ministries of member countries, first secured multipartite conditionality, then cross-conditionality in order to close off alternative (and economic policy-agonistic) sources of finance to L.D.C.s.[6]

This set the stage for the previous relationship of partnership between donors and the ruling-classes of L.D.C.s to become characterised by tension, suspicion, and hostility. The interests of the donors now centred around obliging L.D.C. governments to implement cuts and reforms of whose economic value they were usually sceptical, and

[6] For a detailed exposition of cross-conditionality, see Bjarne Bonné, 'Development Assistance for Policies: aid and lending for stabilisation and adjustment in the emerging policy-based aid regime of the 1980s' M.A. thesis, Roskilde University, Denmark, 1989. An important exception was the Bank of Credit and Commerce International (B.C.C.I.), which continued to provide non-conditional finance to many L.D.C. governments throughout the 1980s.

which in some cases directly threatened their class interests. Above all, some recipient régimes found themselves – perhaps for the first time – genuinely politically threatened by the poor, or more specifically by their reactions to certain economic reforms. Under these circumstances, the open or, more typically, the covert resistance of L.D.C.s to implementation grew, and many of them entered into a relationship of conflict with the international financial institutions. As a result, donors tended to lose interest in trying to help to stabilise these governments, particularly the more uncooperative ones.

These different aspects of the new conjuncture combined to eliminate the question of poverty from the agenda of most donors. Such concerns came to be seen as economically misconceived and politically weak-minded. For the next few years, if poverty was mentioned at all in the discourse of the major international finance institutions, it was typically in formations which saw its mitigation arising from the 'trickle down' effects of economic growth.

ADJUSTMENT WITH A HUMAN FACE

Studies which showed a tendency for poverty in L.D.C.s to considerably worsen under adjustment were circulating within the U.N. 'family' of organisations from 1983.[7] However, it required three or four years of argument and persuasion by a loose coalition of forces, including the United Nations Children's Fund (Unicef), the International Labour Organisation (I.L.O.), and the 'like-minded countries', before the issue was acknowledged by the World Bank and the I.M.F.[8] A decisive intervention in this respect was the 1985 Unicef study that was eventually published in 1987.[9]

While playing an important rôle in getting L.D.C. poverty back on the agenda of the major industrial nations, *Adjustment with a Human Face* was neither particularly original nor politically daring. In essence, most of its proposals were borrowed from the Bank's *World Development Report, 1980*,[10] whose own history is of some interest. Since preparations

[7] Richard Jolly, 'Poverty and Adjustment in 1990s', in J. Lewis (ed.), *Strengthening the Poor: what have we learned?* (New Brunswick, NJ, 1988).

[8] Knud Erik Svendsen, *The Failure of the International Debt Strategy* (Copenhagen, 1987), Centre for Development Research, Report No. 13, and G. Meinecke, *Fattigdomsorienteret bistand: Verdensbankens overvejelser* (Copenhagen, 1989), have described this process as it was initiated by the Nordic countries.

[9] Giovanni Andrea Cornia, Richard Jolly, and Frances Stewart (eds.), *Adjustment with a Human Face*, Vol. 1, *Protecting the Vulnerable and Promoting Growth*, and Vol. 2, *Country Case Studies* (Oxford, 1987 and 1988).

[10] World Bank, *World Development Report, 1980* (Washington, DC, 1980).

for these annual documents begin at least 18 months before their publication, the team which wrote the one for 1980 (with poverty as its main theme) was obviously selected before Clausen became President. The result seems to have been an attempt by Hollis Chenery (who was to leave the Bank not long after) and his associates to salvage what they could of the policies of the previous era, not least by partly dressing them in neo-liberal clothes.

The starting point for the *World Development Report, 1980* was the so-called 'Kuznets curve', which demonstrates that the income of poor grows slower than average income during 'early' phases of economic development. Hence interventions to increase growth (unspecified) needed to be accompanied by direct measures to raise the income of those in absolute poverty (undefined). There followed a list of policy options with this objective, including land reform, the supplementation of traditional by new forms of credit, better health and nutrition to improve physical efficiency, better education to raise productivity, and systems of transfers and subsidies. On the latter, initiatives were suggested to 'subsidise (and sometimes also ration) items that are particularly important to poor people', through supplementary feeding programmes and subsidies targeted on 'foods of the poor' or geographical areas in which the poor are concentrated. The improvements advocated for education and health were also to be targeted – i.e. concentration on primary schools and preventative care, especially child immunisation. It was argued that funding for these measures could be generated by better cost control, by reallocation of expenditure away from showcase projects and the military, and by higher and new taxes – for example, on the provision of private-sector health and education.[11]

Adjustment with a Human Face adopted most of these positions and arguments, with one or two notable exceptions. It added a series of highly general (and studiedly vague) macro-level policies to assist vulnerable groups, including increased investment in infrastructure, the productive sectors, and human capital, as well as the minimisation of demand compression and domestic disabsorption.[12] The authors proposed that these – and the list of interventions directly borrowed from the *World Development Report, 1980* – should be financed by the same range of revenue-generating means suggested by the earlier report, as

[11] Ibid. pp. 40–1, 43–4, 62, and 71–8.

[12] Frances Stewart, 'Alternative Macro Policies, Meso Policies, and Vulnerable Groups', in Cornia, Jolly, and Stewart (eds.), op. cit. Vol. 1, pp. 151–7.

well as by 'selective cost recovery' and 'community financing'.[13] The latter suggestions, which stem from more recent World Bank writings, represent retreats from the Chenery position, as does Stewart's acceptance of reductions in real wages – albeit of a kind 'more selective...to protect those on the minimum'[14]

Of course, adjustment had so much become the conventional wisdom by the mid-1980s that any explicit rejection of it would have probably been found odious, not merely by the World Bank but also by the 'soft' bilaterals, including the 'like-minded countries'. Besides the obvious political price of the decision to compromise on the validity of adjustment, there were further costs of this strategy. A document aimed primarily at shifting public opinion amongst donor nations could hardly take anything other than a 'governmentalist' posture with regard to poverty alleviation. *Adjustment with a Human Face* largely comprises a plea for donors, politicians, and 'policy makers' to be more humanitarian in their treatment of the mass of the population. In other words, its orientation is mainly philanthropic and fails to address the question of politically strengthening the poor. Rather the opposite: in the space opened up for an initiative of this kind by the emerging contradiction between donors and local ruling classes, it gravitates towards a set of prescriptions to assist the latter 'to help the poor'.

The debate in international fora triggered by *Adjustment with a Human Face* coincided with a change of leadership within the World Bank. While Barber Conable's subsequent period was distinguished by a few significant shifts on major policy issues, it was associated with a greater concern for inter-donor consensus than had been evident previously, notably by his selective adoption of large parts of the 'Human Face' agenda. In particular, Conable seems to have been attracted by certain of the compensatory measures advanced in the Unicef package – which had, after all, originally been proposed by the World Bank itself. He also adopted the suggestion in Stewart's chapter that the potential impact of adjustment on the poor should be taken into account when packages of economic reforms are being designed.[15]

[13] Giovanni Andrea Cornia, 'Social Policy-Making: restructuring, targeting efficiency', in Cornia, Jolly, and Stewart (eds.), op. cit. Vol. 1, pp. 169–70.

[14] Stewart, loc. cit. p. 162.

[15] The force of Stewart's argument was probably diminished not only be Cornia's heavy emphasis later in *Adjustment with a Human Face* on compensatory measures, but also by her declaration in ibid. p. 153 that 'The appropriate policy package will vary according to country circumstances, and therefore cannot be laid down here'.

'SOCIAL DIMENSIONS OF ADJUSTMENT'

The World Bank's first venture in the field of anti-poverty intervention was its involvement in 1987–8, with Unicef and others, in the design and funding of the Programme to Mitigate the Social Costs of Adjustment (Pamscad) in Ghana, one of the first African countries to adopt (1983) – and to be relatively consistent in implementing – such an economic strategy. In some ways Pamscad represented a reward of additional resources to the Government for precisely the loyalty this represented. Moreover, the legitimacy of the Provisional National Defence Council (P.N.D.C.) was so tied to the success of adjustment that it was equally in its interests, as well as the World Bank's to use the programme to promote the 'visibility' of, and 'confidence' in, adjustment.[16] What Pamscad did not represent was a coherent anti-poverty initiative, though. Instead it was a shopping list of projects, most of them with no clear relation to assisting the chronically poor. Of the total U.S.$84 million in new money attached to the programme, $17 million was allocated to a slum-upgrading project of exactly the kind classically criticised for squeezing the poor out of prime locations, $10 million was earmarked for assisting retrenched civil servants, and a further substantial sum was dedicated to support the state's élitist secondary-school system.[17]

None the less, Pamscad came to provide a model for one strand of a broader policy which the World Bank launched later in 1987, together with the United Nations Development Programme (U.N.D.P.) and the African Development Bank, entitled 'Social Dimensions of Adjustment' (S.D.A.). This aimed to combine 'social action programmes' of the Pamscad variety with comprehensive exercises to gather data on vulnerable groups, and to create a conceptual framework which would enable poverty alleviation to be built into the design of any adjustment strategy. According to this concept, Pamscad-type projects would be residual compensatory programmes, backing up carefully formulated economic and social policy packages, in turn informed by rigorous empirical work.

The S.D.A. Project Unit which was set up at the World Bank headquarters to implement the programme was at first rather small. It comprised seven professionals, one support person, and 91 staff-months of short-term consultants, whose work was to be divided on a

[16] List of conditions attached to Pamscad, cited in Jolly, 'Poverty and Adjustment in the 1990s', p. 168.
[17] Ibid. pp. 169–72

roughly 2:1 basis between Washington and the country teams it was intended to establish. The Project Unit was expected to have a life of four years – i.e. to finish in 1991 – and its original budget was \$7·5 million in cash (from U.N.D.P. and the African Development Bank) plus \$2·5 million 'in kind' from the World Bank. The cash budget later expanded to \$16 million as a result of endowments from Canada (\$3·6m), Sweden (\$2·2m), Norway (\$1·4m) and Switzerland (\$1·3m), thereby enabling the staff to be increased to 43 professionals and 21 support persons by November 1990.[18] The following year the Project Unit was incorporated into the new Poverty and Social Policy Division of the Africa Technical Department.[19]

The Conceptual Framework

Over \$3·5 million of the S.D.A. Project Unit's budget has been spent on 'analytical work',[20] the principal outcome of which (costing \$0·63 million) was the publication by the World Bank in September 1990 of 'a framework for policy reform in Africa'. This attempts to specify how poverty-alleviating measures can be designed 'into' adjustment packages, to formulate the kind of modifications to adjustment policies which this implies, and to indicate the types of social and economic data that need to be monitored to support these endeavours.[21]

Making Adjustment Work for the Poor opens with a long description of the World Bank's current economic model for analysing the impact of macro-economic conjunctures and adjustment-based changes on 'meso-level' economic units (chs. 2 and 3). This assumes full employment and an absence of rigidities (!), but is said to have some capacity to predict adjustment-related switching effects. Nonetheless, rather than being an exercise in modelling, this part of the text tends to simply repeat the basic principles of neo-classical economics. The authors then turn to the 'economics of the household' by describing 'choice-theoretic' behaviour, heavily based on the agricultural household model which the Bank has used since 1979 (ch. 4). This assumes that all decisions are made with reference to a set of exogenous prices and complete markets for goods and factors. It is unclear whether there

[18] United Nations Development Programme, *The Social Dimensions of Adjustment Project: an interim evaluation* (New York, 1990), pp. 8–11.
[19] World Bank, *SDA Programme Discussion Paper* (Washington, DC, 1991), p. 5.
[20] World Bank, *SDA Activity Report, April–September 1991* (Washington, DC, 1991), Table 3, p. 109.
[21] World Bank, *Making Adjustment Work for the Poor: a framework for policy reform in Africa* (Washington, DC, 1990).

is any intention to revise the Bank's models in the light of various inconclusive discussions about, for example, the best indicator for measuring household welfare, the gender division of labour, and 'inter-household interactions'.

Eventually, the measurement of poverty is considered. The only author referred to by name is A. K. Sen, whose proposed concentration on absolute poverty is accepted, as well as his commitment to basing its measurement on 'the absolute absence of certain critical capabilities – including avoiding shame, community participation and self-respect'. Following Sen, it is stated that 'what is required to measure these capabilities will vary from place to place and time to time'.[22]

Rather than being the start of a comparative discussion, this is actually the finishing point. The next reference to the measurement of poverty does not occur for another 40 pages, when it is stated, out of the blue, that 'a household is poor if its income (or total expenditure) falls short of the standard that society sets, such as a poverty line, sometimes defined as the bottom 30 per cent of a country's population ranked by per capita household income'.[23] It is perhaps worth recalling that this 30 per cent which is now, or at least 'sometimes', a definition employed by the World Bank, covers roughly 10 per cent less of the total population than the definition proposed by it in the 1970s – despite apparently unanimous agreement that the extent of L.D.C. poverty has dramatically increased in the interim.

Making Adjustment Work for the Poor discusses how to model the effects of economic destabilisation and adjustment on households, and how to identify the modifications required in the design of adjustment packages to rectify different 'incidences' and 'intensities' of poverty (ch. 5). The pursuit of new technical models is again abandoned before it is started; all that is produced is a series of highly general inferences about what may happen to certain population groups, classified *a priori* according to their ownership of various kinds of 'assets' and participation in different economic sectors. The discussion of the redesign of adjustment measures consists of a similar inferential exercise with respect to the narrow range of changes to public finance strategy, credit and exchange-rate policy, and trade liberalisation which could be introduced 'without distorting economic [i.e. free market] mechanisms'.[24] There is also an unequivocal statement, that, in the present period, the designers of anti-poverty policies should be mindful of 'poverty groups' other than what are normally referred to as the poor.

[22] Ibid. p. 49. [23] Ibid. p. 90. [24] Ibid. p. 87.

Central amongst these are the 'vulnerable but not poor', who appear to largely consist of retrenched civil servants.[25] In practice, most of the reflections are not about redesign at all, but rather justifications of existing programmes on the basis of conventional neo-liberal nostrums, such as 'land titling improves collateral for the poor' and 'minimum wages increase unemployment'.

The remaining part of the book tries to specify the types of data required for analyses of the kind described to be made more concrete. The overwhelming emphasis here is on the need for existing sources of information to be supplemented by community and, especially, household surveys. A series of instruments already employed by the World Bank are described, and attention is given to listing the 'broad categories of socio-economic groups' which could be used as reference points for describing the effects of adjustment. These turn out to be virtually the same as those listed in ch. 5. Finally, there is an assertion of the preferability of using expenditure rather than income as the principal indicator of household welfare, mainly because the former is said to be 'much closer to the notion of consumption of goods and services and hence satisfaction of human wants' embodied in Sen's approach.[26] No description or review is undertaken of existing empirical evidence about the effects of adjustment.

Several observations may be made about this text. The first is that it establishes neither a methodology nor a technique for designing poverty-related considerations 'into' adjustment programmes. Rather than generating a new model, *Adjustment with a Human Face* presents a ragbag of disconnected neo-liberal prognostications about what could happen to different population groups – defined in an abstract and contentious way, in various hypothetical situations – with no reference to any poverty standard or alleviation strategy. All the arguments about the 'fall-out' of economic policy options on these groups have already been presented in a number of World Bank publications since 1981. The only point of the introduction of Sen's argument to the proceedings appears to be to lend them a degree of intellectual respectability, for the text contains a point-blank refusal to develop criteria for establishing the degree to which Sen's 'entitlements' actually exist in any particular society, or to elaborate the variety of options available for enhancing their presence.

The interim evaluation of S.D.A. carried out by U.N.D.P. in 1990 made two further pertinent criticisms of the World Bank's published suggestions about data gathering. Presumably as an effect of the neo-

[25] Ibid. pp. 90–1.

[26] Ibid. pp. 77–81.

classical bias of the whole enterprise, the exercises suggested are confined to forms of consumption by individuals and households, despite the fact that they also use collective services, whose quality directly impinges on their welfare:

Whether free medicines were received...whether adults received free vaccinations or free contraceptives...seems to go unrecorded. Something similar may occur in education. Cutbacks in the supply to schools of educational materials – books, paper, pencils, chalk, ink, maps etc – will not be recorded in the household responses even though they may seriously affect the effective access to education of target group children. Since it is not uncommon that in fiscal retrenchment programmes non-personnel recurrent expenditures suffer disproportionate cuts, this can be a far from trivial limitation on the reliance one is justified in placing upon this approach in welfare monitoring.[27]

The U.N.D.P. study goes on to question the fundamental seriousness of the S.D.A. approach because of the absence of any reference to the actual rôle to be played in the redesign of adjustment packages by new household and community surveys. Indeed, these are seen in the aforementioned World Bank book as a purely 'analytical' exercise.[28] This impression is reinforced by the fact that all of the remedial social action programmes so far supported by the Bank have been designed prior to any results from the data-gathering exercise becoming available.

One of the basic weaknesses of *Adjustment with a Human Face* has been also repeated in the conceptual framework of S.D.A. It is governments who are seen as the instruments of improving the lot of the poor, via the technocratic manipulation of the economic policy options and a battery of compensatory measures. There is no discussion about how the poor can ensure that this happens in ways which are consistent with their interests, and as a long-term feature of national agendas. These conditions can only be met through the poor themselves exercising a direct influence on the political process – something for which the World Bank appears unprepared.

The Data-Gathering Exercise

Even if the data thrown up by S.D.A. household surveys are not eventually used in the design of adjustment programmes it is still worth asking whether, under different conditions, they could help in formulating economic and social policies. The primary consideration

[27] *The Social Dimensions of Adjustment Project*, p. 114.
[28] Ibid. introduction, p. x.

here is that of their probable quality and pertinence. Unfortunately, there are reasons to question the capacity of the S.D.A. data-gathering exercise on both these scores, as well as its relationship to the ongoing statistical work being undertaken by African governments.

According to the U.N.D.P.'s evaluation, the World Bank originally intended that national statistical services should adopt the instruments developed as part of the Living Standards Measurement Survey (L.S.M.S.) that had been implemented in Côte d'Ivoire and Ghana during 1985–7. However:

> Not all countries participating in SDA agreed to using this tool, be it because it was too close to things that they were already doing or because they did not consider this as being of sufficient priority to preempt scarce staff and money. Others objected to the need for repeat visits to respondents, to the mass of information that would be generated and to the prospect of long time intervals between initiating the surveys and getting useful and usable results.[29]

In consequence, the Bank dropped the idea of generalising the use of the L.S.M.S. in favour of an abbreviated version 'designed to facilitate a rapid collection of priority information...from a large...sample of households' by means of 'a short and...limited questionnaire'.[30] The resulting 'Priority Survey' (P.S.) is an 83-question interview schedule, plus an anthropometric exercise involving the weighing and measuring of up to five children, all expected to take between 45 minutes and one hour per household to administer(!).[31] It has certain obvious design faults, which in some cases probably derive from compromises to coherence introduced by economising on certain questions from the original L.S.M.S. schedules, and in other cases probably spring from an ignorance of African conditions on the part of the designers. A few examples from the questionnaire will be used to illustrate these points.

There are only three questions about health (Section 1, Household Roster, 19–21): Has [name] consulted anyone about his/her health in the last two weeks? Was the person a traditional healer, health assistant, midwife/nurse, doctor, or 'other'? What was the cost of the last consultation? It has already been indicated that such an approach neglects issues of the availability of collective preventative services. Equally fundamentally, by omitting any questions about health status it prevents any relationship being established between the distribution of need and 'uptake' of facilities. It is something of a mystery why such

[29] Ibid. p. 23. [30] World Bank position paper, quoted in ibid.

[31] Christian Grootaert and Timothy Marchant et al., *The Social Dimensions of Adjustment Priority Survey: an instrument for the rapid identification and monitoring of policy target groups* (Washington, DC, 1991), S.D.A. in Sub-Saharan Africa Working Paper No. 12.

questions should have been omitted from the P.S., since they formed a useful part of the Living Standards Survey in Côte d'Ivoire.[32]

No less than 34 of the 83 questions in the P.S. instrument seek information about income and expenditure, in which respondents are asked to make comparisons with their positions a year before. Given the prominence of questions of this kind one might have anticipated that a good deal of thought would have gone into their construction. But such hopes are disappointed. On the grounds that 'It is not deemed possible to ask for the absolute amount of change due to recall problems',[33] respondents are simply asked whether they currently earn and spend 'more', 'less', or 'the same' as a year before. Given the existence of very high (or even hyper-) inflation in most parts of Africa, the probability of anyone earning or spending nominally less than a year before seems remote.

There is a curious lacuna in the interview schedule concerning household expenditure, namely the cost of hired labour. Indeed, this issue is treated in a rather cursory way, with only two questions being asked (Section 5B, Crop Production, 12–13): Did you use hired labour over the last two crop seasons? If so, has the amount increased or decreased? Evidence from Kenya shows that whether or not labour is hired-in tells us very little about households, whereas levels of expenditure on labour – in certain areas at least – are some of the most reliable indicators of social differentiation.[34]

Despite plenty of evidence about the increasing importance of full and part-time work in the informal sector for members of all social classes, efforts to reflect this in the P.S. are also rather weak. In Section 2, 'Employment of Head and Spouse', questions are asked about their 'main' and 'secondary' job or occupation (in the singular), and in Section 6, household members are asked to specify if they operated any 'non-farm enterprise' during the last 12 months, and if so, to list and then provide information about, 'the three most profitable', with the opportunity to give the 'main activity' of any other that had been closed down. Problems here are legion. There is no criterion specified for distinguishing 'main' from secondary work; farming may itself be a 'profitable' side-line for urban dwellers; and household members may participate in a range of 'non-farm enterprises' without

[32] Cf. Ravi Kanbur, *Poverty and the Social Dimensions of Structural Adjustment in Côte d'Ivoire* (Washington, DC, 1990), S.D.A. in Sub-Saharan Africa Policy Analysis, pp. 25–8.

[33] Grootaert and Marchant et al., op. cit. p. 72.

[34] E.g. Stephen Orvis, 'Men, Women and Agriculture in Kisii', African Studies Association, 1986.

'operating' any of them. Moreover, since some 'secondary' activities may only be undertaken on a seasonal or episodic basis, it is necessary to establish the number of months that they produce any additional income. A more meaningful approach to some of these questions would have been to ask which enterprises occupied the most household time, and to determine their returns to labour.

As regards household assets, a further 21 of the P.S.'s 83 questions (Section 3A, 1–11, and Section 9B, 1–10) are devoted to determining household living standards on the basis of amenities and property, including two about tenancy status, which the Bank's own data on Côte d'Ivoire shows has no relation to poverty.[35] Not a single question is asked about the materials from which the dwellings are constructed, or their number of rooms. As for property, households are asked to indicate whether they own a refrigerator, radio, T.V., car/van/truck, bicycle, motorcycle, fishing boat and/or net, crop-sprayer, and plough (but not what quantity and variety of simple furniture and tools!). Although the Bank notes that 'Since the list is a small selection... countries will have to select a list relevant for their condition and level of development',[36] the inability of the published set of questions to discriminate meaningfully in African circumstances is demonstrated by the fact that its inclusion in the Ghana Living Standards Measurement Survey of 1987–8 generated the 'information' that 92 per cent of households owned none of the listed items.[37]

The U.N.D.P. evaluation of S.D.A. makes the important political point that the P.S. was drawn up by the World Bank without consultation with government statistical services, and without determining their ongoing programmes and resources. The usefulness of the P.S. should therefore be placed in the context that its implementation and administration is likely to be both expensive in terms of financial and human resources, and possibly disruptive of other more important activity.

Progress in implementing the data-gathering component of S.D.A. has so far been slow. By October 1991, eight surveys had been started: fieldwork had been completed in five, and in one of the remaining three, 'field activities were delayed because of the retrenchment of staff'.[38]

[35] Kanbur, op. cit. p 3. [36] Grootaert and Marchant et al., op. cit. p. 76.
[37] Ghana Statistical Service, *Living Standards Measurement Survey. First Year September 1987–August 1988* (Accra, 1989), p. 92. [38] *SDA Activity Report*, Table 7, p. 113.

'Social Action Programmes'

Although the latest S.D.A. Activity Report (October 1991) lists 27 African countries with ongoing or proposed 'Social Action Programmes',[39] in only nine can poverty-alleviation interventions be firmly identified.[40] In some cases, moreover, these clearly predated S.D.A. and have simply been subject to redesignation. Of the 21 ongoing projects identifiable in these countries, ten were employment-related, roughly evenly divided between measures of support for retrenched civil servants and public works programmes (usually described as 'labour intensive' and sometimes as 'involving small-scale contractors'). A few registers of displaced civil servants and job-less graduates have been established (e.g. for 'several thousand' in Cameroon), and some new employment has been located (e.g. for over 700 in Guinea-Bissau). Four projects fall in the health category, including improved sanitation in N'Djamena and a malaria control programme in Madagascar. A number of small-scale pilot community-based non-governmental activities are going to be given assistance of up to $30,000 to 'improve the technical quality of their project proposals'. Total funds earmarked for future 'Social Action Programmes' amount to $253 million,[41] or – if all governments which have indicated interest actually participate – less than $10 million per country. Probably only a fraction of this has been spent so far.

All this seems a long way, both practically and financially, from the heady discussion of how to 'target' subsidies and support 'pro-poor' education and health measures found in successive *World Development Reports* and in *Making Adjustment Work for the Poor*. We have even moved far from the Pamscad emphasis on 'visibility', for the principal problem with 'Social Action Programmes' is to detect them at all.

Integrated Social and Economic Adjustment Programmes

One of S.D.A.'s aims is to serve as a preparation for the new generation of 'Social and Economic Adjustment Programmes' which, the World Bank promises, will be characterised by a coherent relation between economic policy reforms, social research, and social policy formation. Although until very recently there were few signs that this

[39] Ibid. p. 11.

[40] Benin, Burkina Faso, Cameroon, Central African Republic, Guinea, Guinea-Bissau, Madagascar, Mauritius, and Sénégal.

[41] *SDA Programme Discussion Paper*, pp. 10 and 82.

was reflected in the contents of the latest programmes, at least a partial exception is to be found in the recent Zimbabwean *Framework for Economic Reform, 1991–5* (F.E.R.).

Despite resistance throughout the 1980s to adjustment packages which would have involved reducing expenditure on social services, the Government of Zimbabwe promulgated in 1990 a programme explicitly committing itself to 'deemphasize...expenditure on social services'.[42] It discussed 'social dimensions of adjustment' only in terms of incentives for employers to increase employment, promotion of the informal sector, targeted subsidies, and 'an information system consisting of simplified literature, radio and television programmes, press reports as well as suitable public lectures to educate the people on the programme'.[43] However, when the F.E.R. appeared six months later, these points were presented in a more sophisticated way, notably in an Annex of approximately 12,000 words on 'Assessing and Addressing Social Dimensions of Adjustment'.

Most of this consists of a detailed and reasonably rigorous effort to spell out the implications of the F.E.R. for a series of socio-economic groups (defined occupationally and not, for once, in neo-classical terms). These are examined with regard to the possible impact of retrenchments, higher inflation levels, removal of subsidies, and cost recovery measures. A gender dimension is incorporated into each of these reflections. Although the unemployed are not one of the groups examined, it is predicted that there will be at least 45–50,000 retrenchments in the formal sector, disproportionately hitting hardest the lower paid; that at least half of all those employed, mainly the semi- and unskilled, will face a significant erosion of their wages; and that a further tenth of the remaining 180,000 workers in the manufacturing sector will see their incomes fall below the Poverty Datum Line. The phased withdrawal of subsidies to the Grain Marketing Board will probably lead to the closure of collection depots where production is low, with 'potentially devastating effects on the welfare of poor people in those areas'. Cost recovery measures will almost certainly reduce the uptake of social services in the absence of compensatory measures. The main burden of all this will fall especially on women, as a result of their lack of access to resources, their higher age profile in employed and unemployed populations, and their low social status.[44] Frankness only really completely disappears in relation to consumer price

[42] Government of Zimbabwe, *Economic Policy and Statement: macro-economic adjustment and trade liberalisation* (Harare, 1990), p. 6. [43] Ibid. p. 19.

[44] Government of Zimbabwe, *Framework for Economic Reform, 1991–95* (Harare, 1991), Annex III, pp. 8–18.

inflation; the impact of the potentially massive rise in the price of maize meal is simply not mentioned.

It is disappointing to see the manner in which the parameters for the integration of these considerations are specified. Annex III concludes:

> Understanding the possible adverse effect of the policy changes [will] allow some fine tuning to minimise or eliminate the potentially deleterious effects on vulnerable groups, while additional compensatory measures will also be...designed.[45]

Suspicions that most of the albeit limited analysis is destined to be shelved are confirmed by a glance at the main text of the F.E.R. The content of Zimbabwe's 'Social Dimensions of Adjustment', as described here, turns out to consist of a compensatory retraining package for retrenched civil servants – and possibly other workers as well – funded by setting aside 35 per cent of savings from the state's wage bill; the creation of a reserve fund for 'programmes designed to ensure food supplies to poor and vulnerable groups',[46] funded from 30 per cent of the withdrawn subsidy to the Grain Marketing Board; and a commitment to broadly protect social expenditures, especially on health.

The prevalence, as well as the politics, of helping retrenched public servants has already been described, and the F.E.R. only underlines its selectiveness. The food programme fund is likely to be a drop in the ocean relative to the hardships which will follow maize-price deregulation. Protecting existing levels of social expenditures, while a novel departure from other structural adjustment programmes, is more of a decision to carry on as before rather than a way of using the opportunity of general policy revision to ensure that the essential services provided are primarily targeted on the poor. Thus, even if it is accepted that such programmes should not address those already unemployed prior to adjustment, or leaving school during it, those who designed the F.E.R. have simply bypassed most of the problems for subordinate social classes identified in Annex III.

In November 1991 the Zimbabwe Government issued a further document on 'Social Dimensions of Adjustment' that reiterated its commitment to retraining retrenched workers, and announced the creation of a 'Social Dimensions Fund' to subsidise the increased cost of education and health provision to the poor. Although some of the modalities of this Fund's operation were clarified, the document stated that the state's contribution would be only Z$20 million (*circa* U.S.$4

[45] Ibid. p. 18.

[46] Ibid. main report, p. 22.

million), plus 35 per cent of the savings from civil service retrenchment, and that it was hoped to raise further funds from donors.[47] The announcement provoked protests from the trade unions and, more unexpectedly, from the strongly pro-adjustment Confederation of Zimbabwean Industry, questioning the financial and political logic of introducing school fees in the first place.[48]

THE FUTURE OF THE 'SOCIAL DIMENSIONS OF ADJUSTMENT'

In April 1991, six criticisms of S.D.A. operations were raised by some of the co-donors at a meeting of the project's 'Inter-Agency Steering Committee'. These were (i) that the World Bank's own resource commitments were limited to small 'in kind' contributions, costed rather generously; (ii) that there had been insufficient movement from 'methodological' work to national implementation; (iii) that programme objectives and actions had not been integrated into country strategies; (iv) that there was insufficient focus on the development of local capacity for programme implementation; (v) that other donors should be given a bigger rôle in that stage; and (vi) that the World Bank had been defensive and evasive in the way that it had addressed criticisms of the S.D.A.[49] Most of these, in effect, were repetitions of those first made by the U.N.D.P.

The World Bank responded at the October 1991 meeting of the S.D.A. Steering Committee by stating that its 'in kind' contributions were on the increase (from U.S.$0·5 million in 1989 to $2·7 million in 1992), and that spending on 'country programme support' now easily exceeded that on methodological work (hardly surprising since this is said to have been completed). It claimed that S.D.A. 'task programming' was now a regular feature of the activities of the World Bank country departments, as was consultation with the Poverty and Social Policy Division. Other donors were becoming more involved in project implementation through strengthening consultative procedures and 'increasing debriefing' by S.D.A. staff 'for those projects in which there is mutual interest'.[50]

[47] Government of Zimbabwe, 'Social Dimensions of Adjustment (SDA). A Programme of Actions to Mitigate the Social Costs of Adjustment', Harare, November 1991, p. 14.

[48] According to the Confederation of Zimbabwean Industry, the most that would be raised by such school fees was Z$80 million, as against a budget deficit of Z$1,400 million, while the effects on levels of workforce literacy and numeracy were potentially grave. See L. Sachikonye, 'Structural Adjustment and Organized Labour in Zimbabwe', Scandinavian Institute of African Studies Workshop, Harare, 1992.

[49] *SDA Activity Report*, pp. 2–4.

[50] Ibid. p. 3.

As for the general criticisms raised by the U.N.D.P. and other donors about the relation of the S.D.A., and specifically its data-gathering exercise, to questions of local capacity, the World Bank claimed that its newly designated 'Institutional Development and Training' activity was now one of the central components of the S.D.A., along with conceptual work, information gathering, and social action programmes. However, the evidence produced to support the elevation of local institution-building to this new status was flimsy, comprising the organisation of three regional training sessions – one of which involved 14 persons for six weeks, while the other two lasted four weeks, with an unspecified number of participants.[51]

The World Bank's response to open or veiled criticism of the priority being given in social action programmes to retrenched civil servants is of special interest, since it also indicates the extent to which the organisation really provides 'a candid view' of programme activities 'and an assessment of major implementation problems', as promised in the April-September 1991 *SDA Activity Report*. It looks as if some Bank officials were hoping that those attending the ensuing meeting in Washington had not thoroughly read *Making Adjustment Work for the Poor*, since the emphasis on assisting the 'vulnerable but not poor' was now officially attributed not to the Bank, but to the recipients:

> In some countries, there have been real difficulties in reaching agreement with policymakers on the importance of real poverty issues. Some governments were initially interested in the welfare of vocal groups, who may not be the poor, rather than the plight of the poor themselves. But, whatever the initial obstacles, by bringing poverty issues into the mainstream of policy dialogue, the SDA programme has made progress in influencing the proposition that poverty reduction should be at the centre of each country's development strategy.[52]

Besides attempting to address criticisms of the S.D.A., the World Bank announced to the other donors at the October 1991 meeting that the project would be continued beyond its planned life via a successor programme entitled 'Social Dimensions of Development'. The distinctive features of this would be that 'the economic framework [will become] poverty conscious...[and] the poor, and especially women [will] effectively participate in the design of the strategies that affect their lives.[53] The mechanisms for achieving this were not disclosed.

[51] Ibid. pp. 6–7.
[52] *SDA Programme Discussion Paper*, p. 6.
[53] *SDA Activity Report*, p. 4.

If it is true that many co-sponsors have now acquired serious misgivings about the 'Social Dimensions of Adjustment', and that their doubts are unlikely to have been soothed by the Bank's disingenuous reactions in October 1991, it is equally true that most of the donors involved will have difficulty in extricating themselves from the project. Firstly, current political conditions in many of the 'like-minded nations' favour a strengthening rather than a weakening of ties with the World Bank. Secondly, agencies in these countries would themselves attract much of the 'fall-out' of any collapse of the S.D.A., since their pressures were instrumental in starting this in the first place. Finally, most donor agencies who are politically serious about poverty will only abandon a related programme in which they are currently involved *if* a genuine alternative is available.

ALTERNATIVE APPROACHES TO POVERTY

At least two embryonic alternatives to the 'Social Dimensions of Adjustment' are worthy of serious consideration: (i) the strategy formulated by Oxfam, one of the world's leading non-governmental organisations (N.G.O.s), in response to the *World Development Report, 1990*, which itself consisted largely of a popularised summary of *Making Adjustment Work for the Poor*; and (ii) the proposals that have emerged from the work of Alan Fowler. These have been selected mainly because they broach some of the central issues relating to poverty alleviation currently found amongst organisations outside the mainstream donor community.

Although the Oxfam document contains a long list of suggestions for poverty alleviation, its central focus is on the need to extend donor conditionality in order to persuade African (and other L.D.C.) régimes to take poverty more seriously.[54] For example, it calls upon the World Bank to oblige governments to draw up comprehensive 'National Strategies for Poverty Eradication', starting from the mobilisation of existing resources, notably military expenditures. The targeting of aid should then be based on national performance with respect to a set of poverty indicators, including under-five and maternal mortality rates, female literacy, and a Gini coefficient-based measure of social inequality. In addition, conditionality should be attached to the adoption of specific pro-environmental and anti-poverty policies, such as preventing in-migration to 'fragile lands' and introducing tenure/

[54] John Clark, 'Oxfam Comments on World Development Report 1990', Oxford, 1990.

ownership reforms (or, at least, redistributing land currently held as state property). An additional reward for adopting such policies would be debt reduction.

This approach represents a turn by Oxfam towards a more pragmatic way forward, on two counts at least. The principle of conditionality has been accepted (as against those who continue to argue that this involves a repudiation of sovereignty), as well as the probability that donors are not disposed to find any new money for L.D.C.s or, at least, not for poverty relief. The World Bank has repaid this pragmatism with clear signs of interest.

At the May 1991 meeting of the Development Committee, which brings together industrial and developing countries to advise the I.M.F. and the Bank, a communiqué was issued which 'emphasised the need to re-examine the possible reallocation of public expenditures, including excessive military expenditures, to increase their impact on poverty eradication'. This immediately followed a paper by McNamara to the Bank's development economics conference which 'highlighted instances where developing countries had spent far more on the military than on health and education'.[55] When it was published two months later, the *World Development Report, 1991* contained a list of L.D.C.s alleged to be guilty of this offence.[56] Then, in October 1991, the Bank released a new policy document recommending that overall lending levels 'should be linked to a country's effort to reduce poverty', based on a periodic assessment of the 'consistency of each country's policies, programmes and institutions with the reduction of poverty'.[57] Indicators of a 'consistent' approach to poverty include the presence of growth strategies emphasising labour intensity, as well as commitments to protect and extend social services – another uncanny reprise of the *World Development Report, 1980*.[58]

A number of general doubts can be raised about this approach, and particularly about the World Bank's apparently favourable response. One difficulty is that the central instrument it rests on, namely conditionality, is highly problematic. The Bank's experience of policy-based lending has often been that many régimes have agreed to reforms they have been unwilling, or at least unable to carry out, in order to obtain foreign exchange – then used in ways reflecting or supporting

[55] *Financial Times* (London), 2 May 1991.
[56] World Bank, *World Development Report, 1991* (Washington, DC, 1991).
[57] World Bank, *Assistance Strategies to Reduce Poverty* (Washington, DC, 1991).
[58] John Clark, the author of the Oxfam response in 1990, became the International Relations Officer in the World Bank's External Relations Department in October 1991.

the *status quo*. Some governments (in Africa, e.g. Kenya and Zaïre) have done this not once but repeatedly. The basis of this seemingly puzzling phenomenon is that, despite imposing conditionality, donors sometimes need to meet disbursement targets, and/or retain good relations with recipients, quite independently of the social and even economic policies which are being followed.[59] Hence conditionality promises more than it delivers. Moreover, there is a cumulative aspect to this, whereby additional externally-imposed stipulations necessarily place further stress on already weak implementation capacities (even assuming that the national leaders are willing to undertake particular reforms).

A second doubt refers to the realism of expecting fundamental political changes of the kind envisaged from governments which, in many cases, reflect rather narrow class interests. In such cases, 'fragile lands', for example, are usually under threat from precisely the socio-economic forces represented by those in power, while any serious moves to introduce a more equitable system of land tenure and/or ownership will be at their direct expense too. To such classes, implementing social-democratic measures of this kind would represent an abdication of their basic interests. Even where oligarchies are not entrenched, most such reforms would usually still be 'difficult' for ruling groups.

A final question concerns the compatibility of certain proposed measures, if taken seriously, with maintaining ongoing structural adjustments programmes (S.A.P.s). Some aspects of the Oxfam agenda, such as land reform and the reduction of social differentiation, suggest kinds of direct intervention by the state in the market which it has been precisely the intention of S.A.P.s to roll back. Surely the World Bank has gone too far to abandon and/or modify 'adjustment' out of existence? This would suggest that when hard choices have to be faced, it will be the anti-poverty commitments which become diluted or downgraded.

A rather different approach is represented by the work of Alan Fowler, who for many years worked with N.G.O.s, and who believes that those in Africa, if reformed, could help to address the economic problems of the poor and strengthen their political position.[60] Departing from Michael Bratton's idealisation of N.G.O.s as 'essen-

[59] For an extended discussion, see Paul Mosley, J. Harrigan, and J. Toye, *Aid and Power: the World Bank and policy-based lending in the 1980s* (London, 1991).

[60] See Alan Fowler, *Non-Governmental Organisations in Africa: achieving comparative advantage in relief and micro development* (Brighton, 1988), I.D.S. Discussion Paper No. 249, and 'The Role of NGOs in Changing State–Society Relations: perspectives from Eastern and Southern Africa', in *Development Policy Review* (London), 9, 1, 1991, pp. 53–84.

tially' pro-poor and popular in character,[61] Fowler argues that they tend, in practice, to reflect funding histories and orientations, particularly where they seek to parallel government services and are exclusively concerned with administering projects. On the other hand, where N.G.O.s set up 'contracts' with beneficiaries rather than donors, they are able both to realise substantial comparative advantages in development work, and to enhance the self-organising capacity of poor people.

This raises the rôle of N.G.O.s in changing state-society relations, typically characterised by enormous governmental sensitivity about their hegemony, security, independence, legitimation, and revenue base. In this context, the issue of politically strengthening the poor has to be addressed by increasing the autonomy of N.G.O.s, and Fowler suggests that this process could be assisted by donors channelling funds to African N.G.O.s away from governmental intermediation, and by allocating resources for 'periodic substantive (internal) consultation' (local accountability as a budget item), advocacy work, and for N.G.O. umbrella organisations.[62]

While more sensitive to the contradictory realities of the African situation than the emphases of the Oxfam strategy, and more realistic about the character of African N.G.O.s than others, Fowler's approach still needs qualification. In the first place, he is not claiming to be formulating a comprehensive solution to the problem of African poverty. There are some types of intervention (notably in the provision of basic social services) in which the state will always have a comparative advantage, and in which it is undesirable for N.G.O.s to 'compete', since this can only damage the former's capacity. In addition, he reminds us that in Africa there is a shortage of all kinds of N.G.O.s, let alone those realising their comparative advantage, and that any strategy for poverty alleviation based on them will soon run up against their limited capacity.

Even given these qualifications, some further reservations are merited. Fowler is certainly correct in his observations concerning delicate N.G.O.-state relations, but may have underestimated the possible implications of any conflict for the donors. While the latter often experience strained relations with officialdom during periods of structural adjustment, once donors decide to stay with particular régimes they become unwilling to risk major splits with them. If a

[61] Michael Bratton, 'The Politics of Government-NGO Relations in Africa', in *World Development* (Oxford), 17, 4, 1989, pp. 569–87.

[62] Fowler, 'The Role of NGOs in Changing State–Society Relations'.

major confrontation seems likely to arise because of their support for increasingly activist organisations outside state control, donors may withdraw their financial/technical programmes of assistance precisely when N.G.O.s have become most dependent on them.

Also problematic is the relation between N.G.O.s, local politics, and the distribution of a country's resources. Most vehicles for mobilisation may just as readily become localistic as democratic, with fundamentally ambivalent implications for national political development. Likewise the geographical location of N.G.O.s often reflects pre-existing distributions of political and economic resources. For example, the deregulation of the provision of secondary education in Tanzania, and the resulting rise of schools sponsored by voluntary organisations, has led to a skewing of additional facilities towards already-wealthier parts of the country.[63] While many N.G.O.s are designed to benefit the poor, they are generally organised by those who already possess resources.

Although the 'Social Dimensions of Adjustment' project is a thoroughly unsatisfactory (and perhaps unserious) attempt to confront the issue of African poverty, it is clear that there are no easy alternative strategies available – at least, not to donors. Conditionality-based programmes tend to fail to address the issue of politically strengthening the poor, while N.G.O.s seldom tackle collective consumption and disparities in capacity to organise. In so far as donors become involved with such alternatives, potential conflicts of interest are inevitable with respect to adjustment and government-donor relations. The fact remains that those in the best position to eradicate poverty are the poor themselves, through political organisations that are autonomous both of states and donors.

[63] G. Malakela, 'Girls' Educational Opportunities and Performance in Tanzania', TADREG Research Report No. 2, Dar es Salaam, 1990.