

**REDUCTION OF ABSOLUTE POVERTY:
A Priority Structural Adjustment**

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What have we learnt from development?
Development leaves the great bulk of
the population unaffected.

- Sir W. Arthur Lewis

The ultimate purpose, measure, justification
and test of development is man.

- Mwalimu Julius K. Nyerere

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I.

Development, Structural Adjustment and Absolute Poverty

Development is about people - as ends for which it is attempted and who benefit (or suffer) from its successes and failures and also as the primary means for its accomplishment. Certainly output of goods and services is important. In poor and lower middle income countries no realistic economic or political scenario does not require more resources per capita to meet needs (including that of political viability) and to provide incentives. Stability (or sustainability or balance) is also important because without it increased output of goods and services will not continue and because many kinds of instability - of law and order, of public policy, of food entitlements, of employment have very adverse affects on human beings. But there are crucial intermediate ends because of their impact on the ultimate end of human welfare (individual, household, community, social).

But over 1945-1970 the poorest 25% to 50% of the households in all but a few poor and lower middle income countries made limited gains - if any - even though, on average, GDP per capita rose 1% to 2½% a year. Therefore, it came to be argued by conservative economists (e.g. Arthur Lewis) and major agency heads (e.g. President MacNamara) that development strategy needed to incorporate components specifically aimed at achieving the reduction of absolute poverty.

As very general principles the foregoing paragraphs are rarely denied. However, attention to intermediate ends has a tendency to shove the underlying ends either to the periphery of actual operational strategy, policy and resource allocation or to be used to justify their deferral to the distant future. This is illustrated by the World Bank's recent Long Term Perspective Study. After demonstrating that over 1970-1990 many African economies and people have endured output, public service access and/or household consuming power declines of the order of 25%, it articulates a transformation to sustainable growth strategy with under 1% annual rise in per capita output and 0% in per capita private consumption for 1990-2010. The difficulties of demonstrating the feasibility of even this high a growth rate are very real and it does represent a turnaround. But is it humanly acceptable? In particular will it be acceptable for two

decades to African people either as to social and political cohesion or as to providing adequate incentives?

Equally it would be disingenuous to suppose that any government ever valued the welfare of all residents/citizens equally. By and large it will (of necessity) place a particularly high weight on those of its present or potential supporters. This is not to deny that some governments do have a genuine concern for all their citizens and that for them "public interest" has a meaning. It is to say that unorganised poor people not perceived as supporters of a government nor relevant to its achieving its policy aims, including staying in office (whether by elections or otherwise), are unlikely to receive systematic priority attention in operational strategy, policy, programme and resource allocation decisions.

Structural adjustment - or at any rate sustainable structural adjustment with growth - is about development and at the very least is a medium term, systemic approach. It does seek to comprise major macro and sectoral strategic, policy, programmatic and resource allocation decisions. To suppose that development objectives not embedded in a structural adjustment strategy can be pursued effectively in parallel to a seriously pursued comprehensive structural adjustment strategy/programme is exceedingly naïve. To attempt to do so by limiting the scope of the SAP is a recipe for confusion, incoherence, constant conflict and probable limited success (or failure) on all fronts. To attempt to add on social priorities runs a very high risk of peripheralisation.

The above comment does not hold for classic stabilisation programmes which do not posit growth and are short term in nature. Their overriding goal is to regain economic balance rapidly to allow a return to growth and development if they could achieve that, perhaps one to three year deferrals of social and poverty issues could be defended. Unfortunately, as the Bank's firm adherence from 1983 on, to the rubric "Structural Adjustment With Growth" symbolises, classic stabilisation programmes are most unlikely to achieve their objectives in the majority of SSA economies if they are not complemented by growth, rehabilitation and injection of external resources as medium term means to close external and fiscal account gaps.

Absolute poverty afflicts about one-third of the people of Sub-Saharan Africa according to the estimates contained in the 1990 World Development Report - Poverty. In proportion - not in absolute numbers - this is

comparable to South and Southeast Asia as the highest incidence in the world. In SSA - unlike the Asian region - the proportion has been rising during the 1980s. Nationally the proportions vary for 60% or above in Mozambique, Ethiopia and Sudan to very low in Cape Verde, Mauritius and Botswana (after transfer payments).

On a household income basis, absolute poverty can be defined as an income level (cash and self-provisioning) over a minimum nutritionally adequate diet or as comparable to the poorest 40% of the population of India or by a more complex basic consumption needs yardstick. Neither the definition nor, especially, the 'count' (more accurately rough and ready estimates) are particularly precise. Nor is the borderline between absolutely poor and plain (or less) poor precise. But the category does mean something and is identifiable - not least by those locked into it.

While global data tend to concentrate on the household income aspect of absolute poverty, access to basic services including health-education-water, extension, infrastructure (e.g. transport and communications), markets and family planning are no less relevant. In the first place they do affect household welfare - as perceived by poor people. In the second, their absence is often a major contributory factor to present low household incomes and an even greater obstacle to poor households raising their real incomes in the foreseeable future.

If development is about people and on average a third of the people are absolutely poor - and that percentage is stagnant or rising - development needs to address the issues relating to how these households could share in gains in output. And if development is being conducted within a structural adjustment with growth and transformation frame, then the SAP also needs to address reduction of absolute poverty seriously if any serious results are to be attained. That is not to say either that SAPs cause absolute poverty nor that SAP negative impacts on absolutely poor people should be offset by special measures limited to this sub-category. It is to assert rather more - that absolute poverty represents an unsustainable structural imbalance (on the productivity-production-consumption and on the access to basic services fronts) which it should be a priority of any comprehensive SAP to reduce just as much as fiscal, food or external account structural imbalances.

II.

Who Are Absolutely Poor?

Absolutely poor households are not homogeneous as to location, sources of income, degree of poverty. That is true in any country and among countries.

For SSA as a whole about 90% of absolutely poor households are rural. About 75-80% of SSA households are rural and the proportion of rural absolute poverty is higher than of urban. Rural socio-economic groups (overlapping) with high proportions of absolute poverty include households which are:

- a. landless or near landless without substantial, regular remittances from urban working household members;
- b. female headed;
- c. aged or crippled headed;
- d. without significant sources of cash income other than food crops;
- e. isolated (physically or socio politically);
- f. in hostile ecological zones;
- g. victims of natural disaster;
- h. victims of war.

Not all households in these categories - especially "d" - are absolutely poor. But the proportions are almost always above the national average and frequently very high.

Landless or near landless households usually need to earn cash by seasonal labour for less poor or not so poor farmers and by artisanal production of goods and services. If there are many seeking such incomes, earnings per person are usually very low, e.g. in southern Malawi and western Botswana.

Female headed households suffer from a low level of hours available for production of household food and of marketed outputs relative to household numbers. They also are impacted by lack of attention to reduction of

women's workload, by unequal access to services and by certain elements in evolving traditional allocation of land access and gender division of labour.

Aged and crippled headed households have - almost by definition - well below average productivity. In rural Africa their presence as isolated households not linked to less disadvantaged ones is usually evidence of a general poverty situation eroding extended family and communal solidarity mechanisms.

Isolation in the physical sense - e.g. far from transport routes - lowers access to services and markets. It may or may not affect self-provisioning output but it does reduce cash income and availability of health-education-water and extension thus lowering ability to consume. Socio-political isolation has the result of low government resource allocations and, in practice, an impact like physical isolation - indeed it is one cause of physical isolation.

Having only food crops to sell - whether because of ecological or access or market availability reasons - often leads to selling food even when the initial output was barely adequate for self-provisioning. Much of Northern and Upper Ghana illustrate this causal pattern. However, larger food cropping households with good market access, e.g. much of eastern Ghana, are rarely absolutely poor - their specialisation in food production is a genuine choice.

Location in a hostile ecological zone, e.g. drought prone, low soil fertility, eroded is a major cause of absolute poverty in many countries. Parts of the Sahelian Zone and many Ethiopian/Eritrean districts are examples.

Victims of drought (or flood) are often likely to remain absolutely poor after the disaster has passed. This is particularly true if they have been forced to abandon their homes or were pastoralists because in these cases the costs (especially the cash costs) of re-establishing their livelihoods are high relative to interim earning possibilities and (usually negligible) remaining assets. The same is even more true of war victims whether internally displaced persons or international refugees.

Urban absolutely poor households are perhaps 10% of the total in SSA as a whole. However, this varies widely. In Zambia, which is 60% urban and peri urban, they may well be of the order of 40% because peri urban and compound absolute poverty rates - except for access to health and education services - appear comparable to many rural districts. In any case 10% of the total implies of the order of 10-15% of urban households which is not negligible. The perception that urban absolute poverty is negligible has been untrue in some areas - e.g. the exurbs of Dakar, Mathare Valley and its successors in Nairobi, Kinshasa's bidonvilles - for at least 20 years. But it is also true that the 1980s have caused it to increase as a proportion of total absolute poverty: urban economies have often fared worse than rural in output terms, victims of rural disaster have often fled to urban areas, traditional security systems have eroded faster in urban areas under the excessive strains imposed by 10 (or in some cases nearly 30) years of economic unsuccess.

Urban household absolute poverty tends to be concentrated in the following groups:

- a. drawing on only one income source (excluding salaries and business proprietorships);
- b. lacking any formal sector wage earner;
- c. female headed;
- d. aged or crippled headed;
- e. victims of natural disasters, sacking (including 'redeployment') and war.
- f. gaining primary income from informal sector employment or urban petty commodity production.

Single income sources tend to be inadequate to keep a household of average size above the absolute poverty line. (Similarly, in Western Europe and North America the rise in two income households in the 1980s appears to relate in large part to the need to do so to maintain achieved household consumption standards, albeit well above the absolute poverty line.) For example, in urban Mozambique households with one formal sector job and access to a self-provisioning (or cash sale) green zone plot rarely

appeared to be in absolute poverty (as tested in this case by young child growth faltering) whereas comparable households without such access were. As a single minimum wage could be estimated to cover two-thirds of household absolute poverty line requirements, this is a not an unpredictable result.

Lack of a formal sector job frequently results in absolute poverty. Unless at salary level that job - even including fringe benefits/allowances - rarely covers needs fully. But it is a crucial - and relatively stable - building block in a multi income household budget.

Female headed households suffer from women's non-income generating workload, the likelihood of lacking a formal sector job and the low number of adults able to earn incomes relative to household size.

Aged or crippled headed households have even greater problems in achieving adequate incomes in urban than in rural areas - and less chance of integrating in not related less poor or not so poor households.

Victims of natural disaster or of war who have fled to cities and not been able to join existing households have rarely been able to build adequate multiple income structures. They are late-comers with limited urban experience and contacts in an overcrowded labour pool. This also applies to those sacked from economic decline and/or SAPs. Further, these 'redeployees' usually have been low skill, low initiative required (or allowed) employees whose chances as genuinely self-employed persons (as opposed to getting some income as "casual" workers) are very low.

Informal employment and urban petty commodity production as main income sources are often inadequate to escape absolute poverty. Most "informal sector" participants are in these categories - e.g. cart pushing and bag carrying, counter assistants or drivers mates, traders operating on a tiny scale on one day credit - not self-employed proprietors in any meaningful sense.

Again there are no categories in which all households are absolutely poor. Equally, as with rural, these categories overlap. A household headed by a crippled woman whose sole income is from petty commodity trade is a near certainty to exist in absolute poverty, a small household headed by a man

who is aged but has bookkeeping skills is unlikely to be absolutely poor even if his pension is negligible.

Vulnerability is sometimes used as a synonym for poverty. That is confusing. A better definition would be that of households not now poor (or absolutely poor) but identifiably at risk of becoming so. Living in a drought prone area or a war zone would be examples as would, in some countries, employment at low pay in a routine, low level public sector job.

III.

Why Does It Matter?

The ultimate reason for concern with absolutely poor households is human and normative. Very few people act fully on John Donne's "Ask not for whom the bell tolls, it tolls for thee" but relatively few (except when their and their household's literal survival is at stake - and not always even then) totally deny it. The characteristics of a society practising triage and categorising the absolutely poor as beyond help so targets for exclusion, the poor as unlikely to recover so eligible only for routine attention and only the not so poor and not poor as promising cases for full treatment are, perhaps, so uncongenial as to lead not merely to widespread revulsion but also to inadequate social and political cohesion and solidarity to work very well for very long.

The human concern is probably increased by the facts that higher proportions of women than of men and of children than of adults are afflicted with absolute poverty. In the case of women the primary causes are the work overload on female headed households and their low income earner/household size ratios plus the high proportion of women in refugee and displaced person populations. In that of children the reason is not that absolutely poor households on average are larger. Au contraire - in much of Sub-Saharan Africa less poor and not so poor households tend to add individuals (related but often not very closely) who would if isolated be absolutely poor. The reason appears to be the higher ratio of children to adults in female headed households and in refugee and displaced person groupings, both of which are household level high absolute poverty groupings.

The second and third reasons absolute poverty - at least when at high levels and widely dispersed - matters are social and political. Socially, absolute poverty, low chances of climbing out of it and high vulnerability to falling into it are very damaging to morale. Further, they erode traditional and evolved household/community safety nets at a time when full scale government substitutes cannot be provided. Politically a situation in which 20% to 60% of the population are effectively excluded from full human existence, from social participation and from hope is fragile and brittle. True, the absolutely poor by themselves rarely make revolutions or even urban riots and rural uprisings. But widespread absolute poverty (especially urban) and vulnerability do pose threats to political stability - or even survival - e.g. major subsidy cuts and 'redeployment'. And urban absolutely poor households are potentially mobilisable by other anti-establishment groups on the basis of minor handouts now and major promises for the future, whatever the likelihood of delivery on the latter.

Ecologically absolute poverty - and lesser poverty kept above the absolute poverty line by land or tree mining - is destructive. Need, in most SSA contexts, denudes more hillsides and impoverishes more soils than greed. Most African rural households do believe the land was left in trust by their ancestors to use and to pass on intact or improved to future generations. In that sense traditional peasants are now more modern (up to date) than the modernisation school of development! But if not cutting trees and bushes (even knowing erosion and loss of future fodder-food-fuel-building materials will result) means no cooked meals or no cash income now and not overtilling (shortening rotation, using steep slopes without building terraces) and/or overgrazing means not enough food to survive now long term prudence cannot be acted on - the dead, including dead children, can neither rebuild livelihoods nor inherit the land.

The interaction of poverty (including less poor) and population growth is two way - but in Africa the dominant direction is arguably poverty leading to high birth and population growth rates leading to ecological degradation. High infant mortality, low economic success chances for any surviving child (especially from a poor household) and absence of old age security other than surviving, economically prosperous children enforce high birth rates. These do raise infant and maternal death (and illness) rates and deplete per capita current household consuming power (as well as schooling and job access probabilities) but they rarely cause increases in

the overall death rate fully counterbalancing them. Granted African population growth rates - in the past severely underestimated - are probably overestimated now (vide the recent Ghanaian, Zimbabwean and Tanzanian Census results) which implies fertility may be falling (as well as death rate declines slowing or halting). That appears to relate to higher urbanisation, lagged response to past falls in infant mortality, and more female education acting opposite to the poverty impact.

But absolute poverty has economic costs too. At a very simple level it is evident that since SSA's principle resource (with a few country exceptions) is unskilled or semi-skilled labour and in particular rural labour. To have even 10%, let alone 60%, locked into a bare survival level of production cannot be economically efficient. This is especially true when - as is often, albeit not always, the case - the complementary (scarce) resource requirements, especially for imports, to added output ratios are lower for less poor and absolutely poor households than for the economy as a whole.

At micro economic level enabling households to climb out of absolute poverty would clearly raise the incomes of these households, of communities and areas in which they are concentrated and of households and enterprises from whom they do (or would if they could) buy. Clearly there are opportunity costs, but if the labour share of enhanced output is higher and the import share lower than the national average, then the net multiplier effect even on a straight reallocation of resource inputs to households from outside would be positive. If additional external resources can be mobilised and over time households escaping from absolute poverty have relatively high saving/investment ratios (not least by direct labour inputs into their own livelihood bases) this effect will be enhanced at micro and macro levels.

The macro economic gains flow in part from the net multiplier effect. More specifically: food production, export production, ability to sustain efficient markets in rural areas, demand for urban informal sector goods and for manufactured goods more generally and employment/self employment are all constraints not simply on human welfare but on development (including structural adjustment) and economic growth. In each case the relevance of reducing the proportion and numbers of households in absolute poverty is strong. The degree varies with the proportion in absolute

poverty, the feasibility of transfer payments on a broad front and the economic structure. It is arguably lowest in Botswana and Namibia and highest in Mozambique and Ethiopia. But in a majority of SSA cases it should be both positive and significant.

The overall case why absolute poverty reduction matters was put by Adam Smith (both as a moral philosopher and a political economist) when he argued that no nation could be great and prosperous the majority of whose people were poor and miserable. There is a direct application to LTPS type recovery and transformation scenarios. 4% growth is not socio politically sustainable. It will lead to strategic collapse by implosion (or if one prefers "adjustment fatigue" - the rather more serious and objectively justified analogue to the more discussed "aid fatigue").

Growth at 4% allows no average personal consumption gains over the period to 2010. Given late 1970s (or in the most prolonged cases early 1960s) to date falls that is not a recipe for which sustained political support against cargo cult populism and other types of adventurism can be maintained for 20 years. A change of trend from negative to flat plus some initial recovery can gain 5 or even 10 years but that initial legacy wears off if the recovery is partial and plateaus far below past peak attainments - e.g. Ghana.

To argue that --2% at the top and +5% at the bottom can be achieved by redistribution is unreal. Redistribution away from the not so poor and not poor out of a static total by conscious policy measures is very hard. Further, the "deserving not so poor" in Africa - professionals, technicians, genuine entrepreneurs - need incentives to be more productive (or indeed in a not insignificant and growing number of cases to stay in their countries at all. Perhaps these can be offset by cutting incomes of the "undeserving not poor", e.g. bribe givers and takers, "entrepreneurs of adversity" (wingless, jet flighted two legged vultures) etc. and/or by the achievement of peace. But to ensure reduction of absolute poverty and some gains for the less poor and not so poor requires 5% to 6% growth rates. Looking at the purely economic parameters it is very hard indeed to see how these can be achieved other than from enhanced production by poor - including absolutely poor - households.

IV.

What Is To Be Done? A Strategic Overview

The details of activities which reduce absolute poverty are frequently very context specific. To attempt to articulate them in simple, homogeneous terms even for a whole province or region, let alone a country and least of all SSA (or the world) is likely to be highly counterproductive. The only simple, concrete, universally applicable answers at that level are wrong ones. At the level of strategic formulation matters are somewhat different - a general model can usefully be attempted.

In SSA its main elements are:

- a. enable absolutely poor households to produce more;
- b. provide increasing access (toward universality over a finite period) to basic services including "human investment" (health-education-water), extension (not only in agriculture), infrastructure (especially transport and communications) and commercial;
- c. restoration of peace and of law and order (which however inadequate as sufficient conditions for development have tended to be grossly underemphasised as virtually necessary ones);
- d. provision of safety nets (survival support) for these households and isolated individuals who temporarily or permanently cannot produce enough to survive or escape from absolute poverty.

This formulation - except for its third element as a separate strategic component - is not particularly novel. WDR-1990: Poverty's is relatively similar. However, it is uncomfortably true that the emphasis - verbally and in resource transfers - on "b" and - more recently even verbally and except for disaster, including war, victims still with little resource backing - on "c" has rather obscured that a - more production by absolutely poor people - is central. It suffers not so much from conscious rejection but from the apparent near invisibility of absolutely poor people to programme and project designers - with the very partial exception of rural public works. Similarly "b" has here been reformulated to link basic human services with production enhancing services (albeit extension could also be linked with primary and adult under basic education), with physical

infrastructure and with access to reasonably functioning markets (commercial infrastructure).

The elements are conceptually separable. In practice "d" is separable in high income economies (and probably upper middle income ones with broadly participatory systems of governance) but cannot be the main instrument for absolute poverty reduction in SSA. Even in Namibia, Botswana, Mauritius and Seychelles (the first of which has and the others could afford universal old age pensions), the cost efficient way of reducing the number of households in absolute poverty is usually to find means to enable them to produce more. Elsewhere the resources for broad and strong safety nets do not exist. "C" is a condition - perhaps not precedent to but at least in parallel with, "a" and "b". And "b" is both a necessary condition for sustained progress on "a" and a resource allocation cluster which cannot be sustained, let alone advanced to universality, unless absolutely poor and less poor households do in fact produce more.

Following a digression on the relationships of structural adjustment and absolute poverty - to date in fact rather low either as a portion of the problems or of the answers - production by absolutely poor people, extension of access to basic services and safety nets will be articulated in separate sections. A briefer note on peace-law-order is included here.

War causes absolute poverty in three ways. First, there are direct casualties - physical, psychological and economic. Second, cutting of communications hampers production generally and real and reasonably feared violence makes production in many rural areas very difficult to impossible. Third, the diversion of resources to defence cripples allocations to directly productive investment, to infrastructural investment, to basic services, to maintenance including diverting scarce high and middle level personnel and top policy decision taking capacity. A similar, if lesser, impact can result from massive inflows of refugees. The third cost cluster can have a massive impact even on countries with very limited fighting on their own soil, e.g. Zimbabwe, Tanzania, or limited fighting at all, e.g. Malawi, Zambia. Their interaction and rough magnitudes have been spelled out for Southern Africa in UNICEF's Children On The Front Line. If there were a comparable study, it would show an analogous picture for the Horn and - over the past two years - Liberia while in the past, Zaire, Uganda and Chad have been as severely impacted.

The costs can run to over 100% of actual wartime GDP (e.g. Mozambique), the proportion of refugees and dislocated persons to over half of all absolutely poor people (e.g. Angola, Mozambique), the resource diversion to over 40% of government expenditure and personnel (e.g. Angola, Mozambique) the loss of probable growth to 5% a year (e.g. Occupied Namibia, Mozambique, Angola and perhaps Zimbabwe).

To reduce these crushing costs requires peace. This is not to comment on the causes or justice of particular wars. It is to recognise that when states or governments perceive a real risk of overthrow by force they are rarely open to arguments for resource allocations away from security/defence - and especially not by outsiders whether citizen or expatriate. (Treasuries sometimes have somewhat better, if limited, results, e.g. Zimbabwe, Tanzania, recently Mozambique). But demonstrating the economic costs of war can in some contexts - especially when a strategy toward peaceful resolution is plausible and has some top level political backers - increase the probability of negotiated settlements.

Peace in the sense of absence of war is not fully adequate. Widespread, violent lawlessness - e.g. rural Buganda well before 1965 and during 1979-1983 when Uganda was not in a state of war - can be very poverty creating and both economically and socially destructive. So can an absent, grossly biased (by law, by politics or by corruptions) police and/or judicial system. Unless ordinary people are able to go about their daily lives (including production) in confidence that they will rarely be forcefully interfered with by anyone (thieves, police, government, bandits, armies) and that violent interference is forbidden by law and the law will usually be enforced by the police and by the courts, then there is very unlikely to be much reduction of absolute poverty or sustained structural adjustment or development.

Two points require brief attention - data and absolutely poor/other household interactions. Data on absolute poverty - especially in a form suited to articulated programme design are fragmentary and imprecise. But decisions are taken on them (not giving priority is a decision - often a conscious one); data on many other topics (including viability and requirements of large scale, high capital-import-expatriate intensive agricultural mega projects are no better; until priority is given to

absolute poverty reduction the data will not improve much because there will be little demand for them.

Absolutely poor households do not exist in vacuums. Many programmes (most excluding safety nets) benefiting them will benefit other households. But five points are relevant:

- a. in the case of basic services a drive toward universal access is almost the only way to reach absolutely poor households (and women more generally);
- b. some programmes - e.g. basic agricultural input supply, extension and training services for urban artisans - do benefit absolutely poor households more;
- c. in others - e.g. credit, extension - it is necessary to articulate how the absolutely poor will have access at the design stage or they will in fact be excluded during implementation;
- d. increases in less poor and not so poor incomes are not inimical to the welfare of the absolutely poor if within a context informed by the first three points;
- e. one need not quite go as far as Joan Robinson's comment that the only thing worse than being exploited is not to be worth anyone's time and effort to exploit to recognise that effective market access is needed to reduce absolute poverty (as is more formal and informal wage employment) and that most commercial business persons (employers) are not poor unless they are failing and unable to deliver the goods (literally as well as figuratively). Safeguards against exploitation are often needed but so are successful non-poor merchants and employers are at least as essential.

V.

Poverty and Structural Adjustment: What Linkages?

If structural adjustment is about development, development about human beings and absolute poverty a major obstacle to development, then the appropriate linkage of structural development strategy and policy with

absolute poverty is clear. The reduction of absolute poverty enabling absolutely poor people and households to produce more and to have less constricted access to services and to society is a key goal. The structures creating and enforcing absolute poverty require adjustment now and transformation out of existence over a finite time period. In that case the appropriate debate is about ways, means and side effects.

For historic and polemic reasons that has not been the main field of debate. The verbal battles have been over whether structural adjustment was inherently a major creator and enforcer of absolute poverty; over whether SAPs would in the long run reduce it; over whether in the short term the social consequences of structural adjustment could be "mitigated"; in respect to the possibility of adding on social priority action programmes to complement economic. This is a very curious set of parameters for dialogue and one neither advocates of structural adjustment nor of giving high priority to absolute poverty reduction should be willing to accept.

Poverty in Africa - as elsewhere - is not new. It has changed in immediate causation, in who is poor, in some cases in location but not in the fact of its widespread existence. Some - not all - present forms of poverty flow from the structures of the colonial era, as do some present forms of being not so poor. But poverty from drought, war and limited technological capacity for dealing with food storage, unfavourable climates and soils and health have led to poverty as far back as records exist (e.g. for over a thousand years in part of the Sahel, Sudan and Ethiopia).

The present forms and levels of absolute poverty include three elements which have little or nothing to do - in origin - with structural adjustment. The first is continuing absolute poverty enhanced (or pushed down and expanded) in some cases by expanding populations overloading and degrading (by necessity not greed or folly) passable land and pushing out into areas of poor soils (and pastures) and/or risky rainfall. The second is those once vulnerable, now absolutely poor, who have been hit by economic stagnation, decline and/or disintegration. Falls of a quarter or more in per capita output necessarily push down the livelihoods of most households. The vulnerable - low wage, low skill employment whether formal or informal; living in areas of poor soil or climatic risk; dependent on crops whose prices fell or transport routes and commercial networks which

fell into decay - households have more or less by definition, fared badly. So have many new young households setting up in a hostile economic climate and those whose particular losses (drought, fire, illness, crippling, death of an adult household member) might have been transitory in good times but have been rendered permanent by the declined caused weakening of family community and state safety nets (survival) and helping hands (rehabilitation of livelihoods). The third are the victims of war - refugees, internally displaced, severely affected - or of parallel war and drought.

In most SSA states the largest category of absolutely poor households are the first. Overall they may well number up to 75 million persons in 12.5 million households - including new absolutely poor households born into that structural context. The second category may be of the order of 40 million persons as may the third but which is largest depends very much on the country. The third group are concentrated in Angola, Mozambique, Sudan, Ethiopia, Somalia, Malawi (including refugees and their fellow poor Malawians who, unlike the Malawi government, bear a heavy burden in helping them survive), Uganda, Zaire, Burundi, Chad and Liberia.

People in these three groups are of the order of 95% to 97½% of absolutely poor people in SSA. And it is enabling them to escape from absolute poverty which is a central challenge to and priority for rehabilitation and development strategy and praxis.

Why then the argument that structural adjustment causes absolute poverty? Indeed why the half acceptance by SAP advocates that the charge is a valid one? Above all, if - as appears likely - only one in 20 to one in 40 of absolutely poor households are even arguably the victims of SAPs why concentrate - or seem to concentrate - absolute poverty reduction measures on them?

Classic stabilisation programmes do increase absolute poverty, in the short run even if successful both in the sense of recovery of growth and of the poor households initially impacted sharing in the subsequent recovery. Failed stabilisation - the norm in post 1979 efforts which were not married to SAPs with Growth components - leads to initial poverty growth from the continued decline following policy failure. Many of the increases in poverty charged to SAPs either took place before policy changes or relate to what are (usually were) classical stabilisation efforts which failed to

stabilise. For some reason the difference between short term, demand compression measures to regain equilibrium (classic stabilisation) and medium term supply enhancement strategies to restore growth and development (structural adjustment) is widely ignored or even denied.

Structural adjustment efforts not backed by higher outside resource transfers have a similar impact even if reasonably well designed. To restore balance they must cut resource use; to alter structures they must shift resource use (and shifting means taking away from as well as adding to). Tanzania 1983-1986 among national saps not externally 'endorsed' and funded and Zambia in the mid and late 1980s among those with an international "seal of approval" but clearly inadequate external funding illustrate that cause of increased absolute poverty.

Third, pre-1985 World Bank sponsored SAPs did not give priority to absolute poverty reduction not so much by addressing and rejecting it as by passing it by. Their macro balance and directly productive investment plus economic infrastructure rehabilitation/enhancement concerns led to inadequate attention to health-education-water. Their rejection of ill-functioning market intervention did lead to underestimating the perfectly, real market weakness, gaps and failures these interventions had - usually - been designed to mitigate. Their tending to see "Eradication of Absolute Poverty" (the Bank's own early 1970s initiative) and "Basic Human Needs" (the ILO's somewhat unfortunately titled thrust toward enhancing poor household production capacity backed by infrastructural and basic services inputs) with consumption transfer payments and economically irrelevant services affected coverage of production enhancement policies and allocation of public spending negatively (both as to poverty reduction and as to growth restoration). A somewhat absent minded failure to note how low government expenditure and civil service staff levels were relative to GDP (or minimum requirements) and to population, respectively led to an over-emphasis on cutting useless, ineffective, or desirable but not essential expenditure and employment to close budget deficits rather than to raise essential employment and expenditure and in parallel raise (often very low) government revenue to GDP ratios with additional external resources (including debt service deferral or cancellation) to plug the remaining gap.

All of these criticisms were valid. To some extent several remain so of some programmes. They were the objects of sharp academic, African organisation and state and UNICEF criticism. Except perhaps for the assumption most SSA public sectors have overall too many personnel as opposed to unsuitable employees, wrong allocations and, except in a handful of cases, pay too low to provide adequate incentives to competence, honesty, hard work or even presence, they are no longer general, conceptual and structural weaknesses of most SAP construction and adjustment work.

This is particularly true in an LTPS framework. In that context the message is one of higher overall growth, enhanced food production and household food security, more priority to basic services and infrastructure, higher public expenditure/GDP ratio's for most states (and higher real per capita levels for all but a handful) and - implicitly - more public servants to carry out these programmes (counterbalanced, with luck, by exorcising "ghosts", retiring or firing unusable, achieving a peace dividend of demobilisation). It also is a message calling for higher net inward resource transfers. In parallel most SAPs which are viewed as long running and successful by the World Bank (or anyone else) have come to be characterised by per capita overall output and (less uniformly) food production growth, by rising real expenditure per capita on public services (including infrastructural investment and excluding debt service) and by experimentation (often on a moderately large scale, at least in principle) with social priority programmes addressed to poverty issues. They are not in fact paralleled by continuing rises in overall levels of absolute poverty, albeit declines do tend to be limited and erratic. In that sense the late 1980s debate has been won by the enemies of poverty and advocates of action against it.

But it has been won on the wrong terrain and ended in what could well be a cul de sac with no clear way forward. At least verbally the programmes are - literally in Ghana's case - "Program to Mitigate the Social Consequences of Adjustment". That is an unhelpful approach to understanding or to resolving issues related to absolute poverty:

- a. most absolute poverty is not a social consequence of structural adjustment;
- b. therefore mitigating the social consequences of adjustment cannot - taken literally - touch the core of the problem;

- c. there is a systematic tendency to concentrate on health, education, water and - in some cases - labour intensive infrastructural work (seen as a consumption subsidy with employment and output mitigating factors more than as an efficient way of creating an enabling environment for production) and, with that partial exception, to pay little attention to enabling poor households to produce more;
- d. and in parallel to concentrate resources on livelihood restoration on terminated ('redeployed') civil servants who are often not absolutely poor and are in no case more than 2% of absolutely poor households. The poor design (as to entrants' interests and abilities, the market for the livelihoods promoted and, in some cases, the technical programme content) of most of the schemes is a secondary but additional defect;
- e. with little effort and less success in making these programmes central to SAP strategic design and implementation - even when some other elements of health and education have been integrated.

In practice these programmes are moving in two useful directions. First, little pretence is made that the education-health-water (or to a lesser extent rural public works employment) beneficiaries were impoverished by SAPS. Therefore, in practice the thrust is toward increasing all poor households' access to basic services. Second, the approaches do serve to raise maintenance and operating input (furniture, drugs, textbooks, other consumables, mobility) components of human investment/basic services budgets starved in pre-SAP decline, not - or not adequately - addressed by PIP (Priority Investment Programme) focused sapperly and remarkably hard in the past to 'sell' to ministerial civil servants, Treasuries and/or external funding sources.

But three basic weaknesses remain:

- a. production by poor people is not addressed holistically or explicitly;
- b. the "social" priorities are not integrated with the economic and - by implication at least - are characterised as less central add ons (at worst as baubles hung on the Christmas tree of macroeconomic policy);

- c. the rehabilitation of livelihoods (post war or post natural disaster) area is not treated directly and, by implication, is bundled together with relief to ensure survival during droughts and wars.

VI.

Higher Production By Poor Households

If the main thrust of absolute poverty reduction is to be on self-sustaining lines, it must increase poor households production, incomes and consumption. If it does that, parallel public expenditure increases on basic human and extension services and infrastructure can be largely offset by increased taxes collected - assuming a plausible indirect tax system. No other approach is feasible, on a scale which would enable large erosion of the numbers of absolutely poor household units, in more than a handful of Sub-Saharan African economies. The question is - how?

In fact that question - and more particularly answers to it - is an area of conceptual, articulation, of programme and project design and implementation and of results achieved weakness. Micro successes are more common but not ones which are readily applicable or generalisable on a broad front with comparable results. One reason is that the techniques of articulation and monitoring, and especially of project design and implementation have been evolved largely (not wholly) to deal with large, medium or hi-tech, capital intensive, high training requirement personnel led, centrally controlled cases. These are probably more or less the inverse of the characteristics of most feasible programmes designed to enable poor household to produce more. A related reason is that it is possible to write about price policy for a country - and to say at least something sensible - even with limited detailed knowledge of its economy and to articulate large unit centred technical strategies and projects for some sectors (e.g. commercial - albeit not household - energy) by combining standard economic and technical principles with knowledge of a limited number of pieces of macro and sectoral data from a particular country. One cannot do the same in identifying programmes relating to enabling poor households to take advantage of their actual capabilities and of the actual production/sale possibilities open to them. Much more contextual data, which is often very nonhomogeneous over very small physical distances and

posits different approaches within any one area, is needed. Without it the objective correlatives to which policy formulations need to relate are invisible and going ahead regardless produces very uneven and frequently negligible (or even negative) results.

Despite the contextual element - or because a large number of contexts have certain elements in common - several characteristics for certain types of production/productivity enhancing programmes can be identified. Three flow from the characteristic of absolutely poor households and crosscut the rural/urban boundary: female income access, labour intensive public works and diversification of household production/income generating opportunities.

Women's income is constrained by total workload and by limited access to employment, land and credit. These constraints are particularly binding on rural, female headed households but are by no means absent in urban low income areas with poor and time consuming (or expensive) access to water, health services, fuel and transport.

The workload problem is very easy to describe: collecting wood and water, tending the sick (especially but not only children) and taking them to medical facilities, household and clothing cleansing and maintenance and cooking are seen as "women's work". In the absence of nearby drinking water, easy access to health posts and reliable, cheap public transport they can take up to 10 hours a day. That leaves inadequate time to produce much to eat or to sell and virtually precludes a full time formal sector job unless children are left on their own or child minders found (e.g. grandmothers or 'grandmothers').

One immediate consequence is that the first step to raising women's incomes often needs to be reducing workload. For this purpose raising productivity e.g. in agriculture - and reducing time spent on wooding and watering (e.g. village or household woodlot development, broadening access to stand-pipe water) can be equally effective. One raises output per hour in the field and the others raise hours available to spend in the field.

Traditional land tenure normally gave wives and widows secure access to land to raise food for household provisioning but does so within household allocation because virtually all women were in one or another way members of male headed households. Modernisation has often eroded security within

the household without evolving tenure to give adult females (especially heads of household) direct access to land use rights. The policy needed is not so much "modernisation" of tenure but evolution - direct female access to land use rights on the same basis as male. This is especially true for women who need to produce not only to provision their households but also to earn an income by producing with the intention of selling (i.e. cash cropping).

Access to employment for women is constrained by their non-income generating workload, socially or historically determined gender divisions of labour and near literal 'invisibility' to potential employers as well as by educational and experience gaps related to (flowing in large part from) the 'accepted' division of labour. How strong customary social objections to women's waged employment are, and how difficult it is to overcome invisibility varies. Purdah is an extreme case (albeit it does not prevent home based production and trade in goods and services) but is not the norm even in a majority of SSA Islamic communities. Elsewhere domestic and seasonal agricultural labour for cash are normal. As the case of Botswana's rural supplementary employment programme demonstrated the supposed failure of women to seek public works jobs often related largely to well-founded belief they wouldn't be hired or invisibility to hirers and vanishes when the women and the hirers know that hiring a substantial proportion of women is required (advised may not pierce the veil of invisibility). The appearance of women to employ and the absence of significant negative reaction to their being hired suggests that "social norms"/"community values" as a general barrier to employing women are more often asserted than real.

Lack of skills is partly real - artisanal and related secondary and adult education courses have few women enrolled except in traditional "women's work" largely because that is their open or subliminal enrollment policy. But much is "social custom" (by women including educated women responsible for promoting women's employment!). Unskilled and semi-skilled construction work does not require formal training - learning is on the job, informal and brief. In Asia women are employed in this work (as they now are in Botswana). Yet the "not suitable"/"not trained" excuse is still raised and still accepted by women.

Labour intensive production goes beyond rural public works viewed primarily as open air relief with a small cost offset from work done. A substantial volume of construction (buildings as well as civil engineering) and maintenance (including preventative and routine urban street and building maintenance) can be carried out at least as cheaply in money terms with less heavy equipment, lower import content and less highly skilled technical personnel. The barriers are at organisational and semi-skilled (especially foremen) levels. They are soluble - as Asian experience demonstrates. The same holds true of some services, e.g. urban sanitation (rubbish collection).

There need be no trade-off between employment generation and efficiency (in cost terms) of investment. Reallocation - whether from existing spending or, admittedly easier, by targeted allocation of all additional spending to labour intensive avenues - would make very substantial contributions to low wage employment especially if paralleled by seasonal patterns in rural works (to provide slack season wage employment to poor farming households) and effectively ensuring at least a third of all jobs went to women.

Diversification of income sources is linked to reducing barriers to women's earning power and shifts to labour intensive production. These approaches would increase the average number of persons per household who could earn significant contributions toward household requirements. Other avenues include enabling and facilitating more artisanal production (rural as well as urban) and urban agriculture (for cash crops, e.g. horticulture as well as household self-provisioning). The barriers again are not usually cost as such but identifying opportunities and organising to respond to them. Centralised bodies - whether the World Bank, bilateral aid agencies or national macroeconomic ministries - by their nature do that very badly if they attempt to carry out the micro work rather than create strategies and frameworks for decentralised identification, design and implementation. Unfortunately a combination of limited decentralised capacity and a desire to optimise creates a tendency to try to centralise - within frameworks suitable to large projects - which totally transforms attempted micro, local and household initiative oriented programmes into hi-tech, hi-bureaucrat, hi-centralisation parodies. One cannot realistically at the same time demand total decentralisation, total application of standard cost benefit analysis and northern auditing procedures and household

initiatives. In practice, that is a recipe for doing nothing or doing very little and that little under a relief not a production rubric.

Rural production by absolutely poor households will for the next two decades at least centre on crops, agro-forestry and livestock. In the short term productivity and production enhancement can turn on better and more timely access to basic inputs, to markets and to knowledge of best locally known and used techniques. Given the debilitated state of much self-provisioning and small scale commercial agriculture (typically in the same households) that can raise output by the absolutely poor - say - 4 to 6% a year for at least ten years.

Beyond that, relevant research and effective (in knowledge to transmit, in listening as well as telling, in adaptation to contexts and in basic education approach) extension are essential to sustaining output growth potential of poor as well as not so poor farmers. To begin to pay off by 2000, this work needs to be stepped up within a coherent strategic frame now. Some basic research needs to be done in SSA (perhaps regionally), more can be imported. In either case adaptation, field testing and farmer testing (including for and by women farmers) is essential for potential gains to be realised, especially by poor households.

Further, agronomists and plant breeders need to be given social and political (plus economic viability) guide-lines. For example, one can breed seeds for drought resistance and production with limited soil inputs. Output for these seeds as opposed to pure output maximisation varieties will be lower on well watered land with high inputs and hi-tech management. But with limited water, input and technological capacity of farmers it will be higher than for the more 'sophisticated' seeds at present varieties. And at some price ratios - e.g. those in Malawi - hi-yield/hi-cash input hybrid maize reduces farmers' net income compared to lower yield/low cash input selected seed from current harvests. The latter case applies to most African self-provisioning and absolutely poor plus less poor cash crop production, i.e. perhaps 75% of SSA crop output. Plant breeders left to their own devices usually go for maximum output - it is for politicians, social scientists and actual farm systems personnel (who do listen to peasants) to set guide-lines as to what characteristics are necessary.

But diversification of incomes is also needed. Labour intensive, seasonal construction and maintenance is needed to rehabilitate and improve

infrastructure for production (e.g. erosion control, small scale irrigation), transport (e.g. roads, bridges, culverts) and basic services (e.g. schools, clinics, extension offices, staff housing). At the same time it can - relatively quickly - provide significant augmentation of the cash incomes of absolutely poor households.

Non-crop activities have varying potential and, indeed, changing since better transport both opens up new markets and erodes natural protection. What is possible and how is a question for local identification - to assume nothing is practicable and viable, is rarely accurate. Like rural works employment, enhanced artisanal production would have the side benefit of putting a higher floor under seasonal and year round agricultural labour wages which are important to many land short absolutely poor households.

In urban areas the key avenues to enabling poor households to produce more and to benefit therefrom are to expand formal sector wage employment (by macroeconomic success and shifts to labour intensive approaches) and to maintain (or rehabilitate) the effective minimum wage (including allowances) to at least two-thirds of household absolute poverty line consumption needs. The second line is probably economically justified even on narrow grounds - wages of perhaps one-third to one-half the household absolute poverty line are below "efficiency" level to employers. The workers are unable to work hard, full time and honestly - therefore the unit labour cost of output is raised, not lowered by near starvation wages. More broadly the low purchasing power of the workers households limited demand for both artisanal and industrial output.

It is sometimes argued that wage earners are under 5% (or in some cases 2%) of population so that wages are irrelevant to absolutely poor households. This is rarely - if ever - true. In the first place even on the stated data, the share of households with wages as a significant proportion of income would be 12% to 30%. In the second place urban proportions are higher, e.g. on average one formal sector job per household and 80% of households with a formal sector job in Maputo in 1988. Further, most formal wage employment estimates are arrived at by methods (e.g. a voluntary mailed questionnaire to known employers to ten or more) which produce serious underestimates (probably well over 50% in Tanzania). Finally, the exports of the urban informal sector are largely to formal sector wage earners (and its imports formal sector manufactures and

informal plus formal rural sector food) so that formal sector employment and wage levels do affect urban informal sector demand, output and wages. (Most urban informal sector members are wage earners or petty commodity producers whose incomes are basically labour incomes - strictly defined independent small employers are probably under 10% in most cases.)

Micro enterprises (including self-employed artisans and traders) should be able to produce more. How to enable them to do so is a vexed, complicated and contextual issue. Reducing negative regulations will help - since these are rarely seriously enforced often not as much as is hoped. Selective training at levels and in skills which surveys of such enterprises indicate are needed is a way forward (once the surveys are done - otherwise it has frequently proved a waste of resources for government and students). So are selective provision of desired services (e.g. bookkeeping) and improvement of market access (via, e.g. "fair price" shops and support for co-ops to buy inputs or market outputs). Credit is a vexed problem. Normal hi-tech institutional methods are unsuitable: the unit administration cost is too high for tiny loans; there is no effective social pressure to repay a large, outside, non-poor entity (whether governmental or private). Community (including artisanal community) savings and credit societies, tontines, etc., may provide a way forward both for mobilising and allocating less poor and absolutely poor household savings - as well as those of not so poor artisans - and for providing an intermediary to whom banks can afford to lend and which can use social pressure and community sanctions to recover loans.

An area often overlooked is urban and peri urban agriculture. This is increasingly common for self-provisioning and cash income diversification. If land allocation is managed to favour low income and, especially, female headed households the poverty reduction potential appears (e.g. on Ville de Tete and Maputo 1988 evidence) to be substantial. The enabling needs - e.g. small scale irrigation, inputs including simple processing equipment, support whether technical or credit for transport and marketing co-ops - vary but are determinable by surveys or from plottolders groups.

A special set of enabling measures are needed in livelihood rehabilitation cases. These relate to households (urban and rural) whose livelihoods have been wiped out by economic collapse, natural disasters or war. They may well number 30 to 50 million (e.g. 6 million refugees, displaced persons

and severely war affected persons in Mozambique, over 2 million in the exurbs of Khartoum - Omdurman - Khartoum North). Because they have lost their assets (e.g. access to cleared land, houses and household equipment, tools, working capital inputs whether seed for farmers or wood for carpenters, livestock) they cannot make a new start without funding beyond that needed by an absolutely poor household which already has a real - even if inadequate production base. Transport home, tools to clear and build as well as till, core livestock, artisans tools and initial materials, food until harvests - or artisanal sales - are among the requirements.

Unfortunately livelihood rehabilitation falls in a deep ditch between two established fields: survival relief and development promotion. Aid agencies and - to a slightly lesser extent - domestic disaster-calamities-emergency operations concentrate on the former while the latter is outside development strategy as defined in SAPs or national macroeconomic strategies. UNHCR and WFP have some experience in this field but in SSA perhaps 80% of the persons are not formally refugees and neither UNHCR nor WFP have the resources (logistical and personnel as well as financial) to do more than play supporting roles in nationally devised, international consortium funded strategies when - if - they emerge.

For Mozambique, Angola, Ethiopia/Eritrea, Sudan, Somalia, Liberia livelihood rehabilitation is not a peripheral area. Once peace is regained, it is central to any absolute poverty reduction strategy because the households requiring it comprise the majority of the absolutely poor. It is a bitter irony that they actually risk being less able to survive after peace because international disaster relief is likely to decline faster than rehabilitation support rises - a problem which already confronted Mozambique in 1990.

VII.

Access To Services, Infrastructure And Markets

Absolutely poor households have in practice absolutely poor access to health and education as well as to nearby pure water. They are - even in urban poor areas - afflicted by inadequate to near non-existent access to infrastructure (especially transport and communications) and to extension

services. These lacks of access combine with low selling and purchasing power - plus war and local level oligopoly/oligosity - to deny them effective and adequate market access; a weakness sometimes exacerbated by regulations designed to protect public sector (or on occasion - e.g. Tanzania co-ops over 1986-90 - private sector) commercial bodies intended to improve equitable market access but failing to do so.

These gaps are neither of purely welfare nor only of longer term economic significance. People who are malnourished, uneducated and in poor health cannot work very long, very hard or very productively. Producers who find they cannot sell or - if they can - cannot buy desired goods will not produce. Women tied down by watering and caring for the sick have neither time nor energy to produce for self-provisioning or for sale. These points may appear self-evident. Unfortunately they do not, in practice, form part of the built-in background to most rehabilitation, structural adjustment and development discourse.

In practice, debates on extension of access to primary education and primary health care now focus on timing, content and financing - not priority. Continuing adult education is in principle no more contentious but in practice receives priority resource allocation in only a few countries - e.g. Tanzania - and, except in them, is not very closely linked to a diversified pattern of response to local demand. The priority given to access to nearby, pure water varies sharply.

The funding debate surrounding basic services turns not so much on broadening community inputs, but over whether these should be centrally set locally collected user fees remitted to and spent by the centre or something else. The something else school tends to advocate community/service unit negotiated, community collected (not necessarily on a straight user charge basis) contributions in labour, food and materials as well as cash and on the use of these resources primarily or wholly at community level in ways agreed by the community with the service unit. The "Iringa model" nutrition programmes in Tanzania and the village health worker and urban stand-pipe (fontenario) water scheme pilot projects in Mozambique are examples.

Standardised fees - except perhaps for urban water which many absolutely poor households do buy at high unit cost - demonstrably limit access of absolutely poor households. Exemption systems which are equitable and

effective are remarkably hard to devise - at least for state institutions - and offset funds are highly complex and do not appear to function well. Further, the total impact of separately set fees on absolutely poor household budgets is rarely, if ever, considered in practice when fees are set.

In respect to extension there is no debate in principle as to universal access. There is a conflict between those seeking the highest short run returns by concentrating on not so poor farmers and those advocating initial priority to less poor and absolutely poor because they - unlike not so poor and not poor - have no access to new knowledge and demonstration except through the extension service. Outside agriculture, livestock and - less frequently - forestry and fishing, extension services are very limited. Even in the core area developing articulated advice to relate to particular needs - e.g. of female headed and of absolutely poor households - is the exception as is building-in flexibility to relate advice to particular geographic/ecological contexts.

Infrastructure rehabilitation is another area of agreement in principle but problems of organising ways and finance. The approach of labour intensive construction and maintenance has been discussed above. So long as large national food deficits, concentrated in urban areas, remain the use of the counterpart funds of additional monetised food aid may be one practical avenue for augmenting finance.

Commercial infrastructures (vehicles to transport, cash to purchase, goods to sell, shops and warehouses and - above all - businessmen) are vital to absolutely poor households. In much of rural SSA that lifeblood of the commercialised economy has been thinned or virtually drained away. Exploitation is a problem but low volume of trade and low numbers of traders worsen it. Therefore, encouraging (allowing) more commercial units and more competition (possibly with fair price shops and buyers of last resort as back-ups) is the first step toward limiting exploitation.

If the would-be commercial operators lack capital - e.g. after long recession or war - they need medium term, moderate interest loans. While clearly benefiting not poor households, such loans may be essential to reviving cash income earning (and consumption level raising) opportunities of absolutely poor households.

More generally, the services/infrastructure aspects of absolute poverty reduction require ensuring that absolute poverty afflicted households do have access; not that others do not. In some cases - e.g. research and extension - the needs and capabilities of absolutely poor households differ enough to require differentiated services. This is not always the case, e.g. rural roads, primary education, primary health services.

VIII.

Safety Nets: What Can Be Done?

Either temporarily (e.g. orphans, calamity victims) or permanently (e.g. aged, disabled), some absolutely poor households are and will be unable to raise their production to levels compatible with passing the household consumption absolute poverty line. The case for safety nets is normatively absolute and has an economic front in respect to those who can in the future be productive. The main debate is about affordability and practicability.

The basic safety nets in SSA today are land, livestock, family/communal and drought or war displaced person relief. Under increasing pressure in the 1980s the first three have begun to unravel while the third has ballooned. The unravelling whatever the long term evolution of security/safety nets in SSA - is undesirable now and for several decades. Successful SAPs which reduce the numbers in absolute poverty and raise those of less poor and not so poor will increase the strength of family and communal safety nets. Selective injections of supporting knowledge and resources - e.g. in the

- Iringa type nutrition programmes (which include community supported feeding for poor children and do in several districts reduce severe malnutrition very sharply) and two Zambian village pilot programmes for AIDS orphans - can produce evolved variants, at least in rural areas. Urban areas, in many cases, especially in Eastern and Southern Africa pose more serious challenges because historic (traditional) systems have broken down rather than evolved. In some cases - e.g. many Lusaka compounds - no family or community unit larger than the narrow household survives.

For orphans - including non-HIV afflicted AIDS orphans - the most promising way forward is support (including material assistance incentives) for

placing in new families (neither adoption nor, a fortiori, fostering describes the 'placement' very well). In Mozambique this has been highly successful whereas massive orphanage networks clearly could not have been.

For calamity victims the three crises points are: averting the need to leave homes (by prompt food or employment provision); organising facilities and flows of goods to camps for those who do need to leave home; livelihood restoration after the calamity. The weakness of the last has been cited earlier. The weakness of the first two appears to lie in the efficacy or otherwise of early warning systems broadly defined, e.g. in 1990 Tanzania flood relief was prompt, effective and scheduled to cover the period to the next harvest; Zambian and Zimbabwean information flows were disastrously slow so that, even if grain, vehicles, finance and a high level will to act were present (as all were in Zimbabwe), action did not happen until triggered by reports of actual calamity and was then hampered by logistical bottlenecks which an earlier, phased response could have averted.

Income supplements are normally perceived as non-feasible for absolutely poor households. In fact Namibia has a universal old age pension system (even if at a low level) which appears to be fiscally and operationally viable. Presumptively Mauritius and Botswana - and conceivably Zimbabwe - could follow that route within a decade. Most SSA economies however have neither the financial, the administrative nor the data capacity to do so.

Urban supplements depend on being able to identify administratively feasible categories (e.g. aged, disabled, female headed households or households with pregnant women and/or children suffering from specified malnutritional problems) which do encompass most absolutely poor households plus means to register and to pay. Most SSA countries probably do not have the neighbourhood local government or civil society groups to identify the households - some, e.g. Mozambique and Tanzania probably do. Paying (e.g. via a card to be stamped monthly at a paying bank) is practicable and if basic data are to hand so is administration. But, unless the state can cover the costs itself, it seems - from Mozambican experience - that multiple external advice and attempts to improve such systems (not incidentally complicating data needs and administrative requirements) will prevent their reaching even capital city, full scale test status.

Targeted subsidies and/or "fair price" shops (no subsidy but controlled prices below "scarcity" levels prevailing in other sectors of the market)

may be applicable for selected basic goods (e.g. staple grain, sugar, cooking oil, tea or coffee) in urban areas. In practice they require either a self-targeting good (e.g. an inferior as to preference staple such as yellow maize) or a rationing card system to ensure that all households do have access. In the second case - exemplified by Maputo and Beira - while all households receive the same real income boost, this is 25% at minimum wage level (or about a sixth of absolute poverty line total consumption needs) but 3% at the top of the public service salary scale. However, the case for an urban only subsidy/fair price shop system in an overall national absolute poverty reduction strategy needs to be that it is practicable to enhance employment/production opportunities in rural areas but less so in urban. This may in some contexts be valid, and be backed by actual rural production/employment enabling measures. Otherwise, urban only subsidy and income supplement schemes objectively constitute urban bias.

IX.

Some Implication: Unit Costs, Decentralisation, Participation, Accountability

To reduce absolute poverty rapidly requires acting on a broad front, within other main line strategic objectives (not primarily in separate programmes), contextually and at a low cost per household served or enabled. The first three conditions relate to the logic of reducing absolute poverty and of coherent economic strategy and resource allocation - the last to resource constraints.

The LTPS sets out a broad - albeit incomplete set of public expenditure programmes and targets. These adjusted for rather austere levels of administration, emergency/survival and security expenditure come to about a third of GDP or \$190 per capita on average for SSA. As most of the programmes are ones required to enable growth, and have minimum levels per household or area to be effective at all, they are - unfortunately from the resource mobilisation point of view - not readily reduced in cases of below average GDP. For countries with \$150-200 per capita GDP estimates (which probably reflect inaccurate pricing of domestic GDP after massive inflation, parallel marketing and devaluation with more realistic estimates

in the \$200-250 range) the figures would imply, say, a 25% recurrent domestic revenue to GDP ratio plus up to \$100 per capita net soft inward external resource transfers. No large SSA state has ever achieved the latter - and only a few the former. This very real problem is exacerbated because the \$140 does not include debt service and while a roll-over of principal is a plausible assumption interest will not be insignificant.

Of the \$140 about half will necessarily go on very general heads (law and order, i.e. security and administration, housekeeping, large infrastructural projects) which can create a macroeconomic context for reducing absolute poverty but cannot by themselves do so. If, of the remaining \$70 per capita one assumes - optimistically - the same proportion is absolute poverty reduction oriented as absolutely poor households form of all households and then \$20 per capita on basic services, \$5 per capita on research and extension, \$15 per capita on public works and other infrastructure (including commercial sector), \$5 per capita on emergency survival and income supplements and \$25 per capita on enabling additional production per absolutely poor person are more or less maxima. In fact \$140 is not attainable in many countries in the short run - under half that in some cases so that \$25-50 per capita (\$150-300) per household is the maximum realistic range in most poor countries if high priority is given domestically and if external sources of finance are responsive. The case for broad access is, therefore, necessarily a case for low cost per household served/enable programmes, not high per household cost projects (including traditional agricultural development projects, especially most large scale irrigation ventures). The latter may or may not enable some households to escape from absolute poverty (given actual clientele selection success rates rather few in practice), but cannot be generalised to broad access because of resource constraints.

But broad front, low unit cost programmes articulate into contextually differentiated sub-programmes and micro projects are not readily compatible with existing planning and design practices especially if they are to be within a coordinated national strategic framework. The instant answer of decentralisation to regional/provincial and district levels is partial. It may deal with contextuality (albeit as a necessary not a sufficient condition). It cannot by itself result in a national strategic framework or inter-regional allocations. Nor given the extreme shortages of high and middle level personnel (nationally and therefore - necessarily - a fortiori

at district level) can it provide effective overall design and technical back-up services.

Further, absolute poverty reduction programming is even more dependent on detailed substantive content of activities than most economic 'sectoral' work. A macroeconomic body which seeks to do more than set a frame for and coordinate specialised operational body (ministries, regional and district analogues, local government and domestic civil society organisations) will be unlikely to be effective even if it is fully decentralised. The actual present framework is one of anarchy not over-centralisation, especially where external governmental and NGO operation of autonomous projects and pseudo governmental units has emerged as a major decapitating force against local, regional and national government. For example, one district in northern Mozambique had over 60 rural projects responsible to half as many agencies (over half foreign) with non-coordinated and often partly inconsistent objectives none of which corresponded very closely to what poor peasant households stated to be their priorities.

These considerations suggest that a possible institutional structure would include:

A. Central

Strategic Decision Taking (Cabinet and National Assembly advised by a committee of senior officials)

Strategic Formulation/Broad Articulation (Planning Unit in conjunction with inter-ministerial plus regional working parties)

Resource Mobilisation/Allocation By Province/Region and - as guidelines - By Programme (Finance - Planning - Working Parties)

Selected Programme Support Functions (Relevant Ministries)

Monitoring-Evaluation-Modification (Planning - Ministries - Working Parties to Cabinet/Assembly)

B. Provincial/Regional

Analogues to Central

Technical Personnel and Programme Support (Regional analogues to or units of operating ministries plus large urban authorities if these are strong)

Selected Programmes which are inter-district by nature or well beyond district technical capacity.

C. District

Analogues to provincial level

Micro Programme Operation

Micro Data Collection - inputs to programmes and to monitoring/evaluation (probably partly by national/provincial personnel with substantial portions of analysis and design at broader levels).

That structure turns on bottom up information inputs, more centralised design and monitoring and middle to bottom level detailed articulation and implementation as an iterative process. Coordination of activities of main line units (whether central-provincial-urban-district governmental, domestic NGO/civil society or external) is central; special parallel government structures - especially if externally run - are incompatible with it.

This model is open to three criticisms flowing largely from Integrated Rural Development Programmes in the 1970s/1980s:

- a. complexity makes coordination impossible and coordination weakens existing units;
- b. IRDPs failed because they were multi-sectoral and fragmented overall public sector activity;
- c. and because they were inflexible and non-participatory paying little attention to the needs and capabilities of those they were intended to serve as perceived by those people.

The first criticism appears to confuse parallel government with coordination. The whole logic of enabling poor people to produce more and of providing basic services/infrastructure as part of that enabling exercise requires broad coordination not monolithic single authority

operation nor anarchic autonomy. IRDP failures did relate to the parallel government problem - in part. Their other problems related to design in respect to production (not so much to services/infrastructure which frequently were well done): a.) lack of any serious production enhancing core disguised by pages of sensitivity analysis about totally meaningless hypothetical numbers, e.g. Tanzania's Mwana Region programme; b.) technically plausible agricultural content not tested for economic viability in actual/projected cost-revenue context, e.g. Tanzania's Kigoma Region and Malawi's South-central Region programmes; c.) basically external agency design and operation of programmes and parallel governmental structures (even if nominally responsible to host central and/or district governments).

These characteristics did indeed reduce participation, flexibility and capacity for national policy setting. To avoid them would seem to require:

- a. strengthening existing structures, not creating new parallel ones;
- b. minimizing external agency and/or expatriate run units and channelling resources including personnel into main line national bodies (including domestic NGOs);
- c. decentralising to make contextuality practicable;
- d. broadening participation - especially in data provision, programme, design and evaluation/modification;
- e. building in domestic accountability to the intended beneficiaries.

Participation in data provision means more than experts (still less 'experts') surveying absolutely poor households. One does not describe cattle as participating in livestock surveys and many surveys of poor households are disquietingly similar in approach to livestock surveys. It also means listening and learning. Absolutely poor households do have limited knowledge and horizons, but they also know a good deal more about what they do, why, under what constraints, with what priorities for enabling services and with what capabilities of benefiting from them than most researchers, analysts, government officials, technocrats or social scientists. That is the bottom line case for their participation in data collection, programme design and evaluation/modification. Not acting on that principle increases mistakes and for both psychological and programme

content misspecification reasons reduces participation in implementation. To be blunt and macro economic - it reduces resource mobilisation and misallocates the resources that are mobilised.

How is a contextual question. If the programmes are to serve absolutely poor households (or to be general access with specific priority to ensuring absolutely poor households can and do participate) standard local leadership groups may not be adequate fora. At least some direct contact with absolutely poor households is needed, irrespective of how seriously and sincerely not so poor leaders seek to represent them.

Participation's effectiveness ultimately depends on accountability (unless one believes in the possibility of a public service and of a body of businessmen/entrepreneurs made up of able, participatory, totally non self interested Platonic Guardians). One requirement for accountability is accounts and audits - in the broad sense of real as well as monetary resource allocations, intermediate outputs and end results (as perceived by intended beneficiaries). Without accounts specific accountability - beyond "throw the rascals out" - and especially improved results from resource allocation and programme design modification is virtually impossible.

The standard representative political process - even when decentralised - does not in general cope well with programme and resource allocation modification. When largely at central government level, it also suffers from overgeneralisation which masks concrete contextual problems. The classic example is Tanzania. The government believes itself accountable primarily to rural agricultural households perhaps 40% of whom are absolutely poor. As an average 30% of MP's and Party officials are replaced at five yearly competitive elections, it has some reason to believe so. It does respond to demands and criticisms by changing resource allocations and programmes (often massively) and practices heavy net channelling of urban and external mobilised resources to rural areas and support programmes plus pricing and credit policies far more favourable to rural agriculture households and agriculture related sectors than to workers or urban producers. But there are no effective fora for dialogue on projects and programmes (especially sectoral and regional ones). As a result accountability and participation via the political process are associated with remarkable inefficiency in use of resources and in results achieved either at intended beneficiary or macro economic level.

What type of accountability mechanisms are needed to complement representative political structures is not clear and probably not general. Organisations of absolutely poor people - or their participation in broader ones - at vocational (e.g. the shoe shine men in Maputo), interest group (e.g. women's) and locational levels to propose, discuss and evaluate concretely can be useful. So, perhaps, can advisory committees so long as they are chosen by the intended beneficiaries or their elected political representatives at the appropriate (i.e. local, regional not just national) level and have access to these representatives when/if their advice is regularly disregarded.

Accountability and coordination both require quantifying and dating inputs and intermediate outputs plus at least order of magnitude targeting of final outputs plus accounting/auditing mechanisms to keep track of the flows and cumulative results. Even on universal access programmes such exercises are possible and relatively easy conceptually and given present data processing methods actually if initial entries are appropriately cross-coded. Quantifying and dating - apart from more evident operational pay-offs - should help prioritise and sequence. At present there are tendencies to look at programmes in isolation and either to seek universal coverage within five years or to start at such small levels that by year 6 coverage would still be below 10% (which may make sense as pilot testing but not once main line programmes are begun). The former approach is unrealistic given instrumental, institutional, personnel and finance/forex constraints; the latter either represents low prioritisation, technological/technical caution run rampant or a failure to recognise political reality.

Absolute poverty reduction targets are no less logical than GDP growth or budgetary balance ones (and no less problematic and subject to misuse). What is practicable will vary widely. In the 40% to 60% absolutely poor households cases a 6% a year trend reduction until 25% is reached and 5% a year thereafter might be a starting guide-line and for others 5% a year. However, given lags this might be a target to be reached in year 3 after serious implementation begins.

X.

Structural Adjustment/Absolute Poverty Reduction Revisited

To the question "Is Absolute Poverty Reduction relevant to Structural Adjustment?", and visa versa, the answer is fairly clearly "Yes?". This is not because absolute poverty is primarily the result of structural adjustment (nor visa versa).

Rather it is that for economic and political as well as social and human reasons absolute poverty is a major obstacle to development and as such needs to be confronted by serious overall development frameworks which is, after all, what Structural Adjustment With Sustainable Growth seeks to be. If the interaction is defined in that way absolute poverty reduction would appear most effectively incorporated in SAPs as a specific central priority and as a test for major macro and sectoral policies and programmes together with budgetary balance, external account sustainability, and growth rates. Add on parallel programming, e.g. Ghana's PAMSCAD; incorporation of funding for specific sub-sectors under Social Priority Action Programmes plus implicit smuggling in of more general elements in a non-coordinated way, e.g. Tanzania and even explicit prioritisation and efforts at specific integration without adequate articulation (and with donor response primarily a desire to redesign in a variety of mutually contradictory directions), e.g. Mozambique to date are unlikely to be very effective or cost efficient.

Similarly there is no reason SAPs as now perceived by several SSA countries and by the World Bank should be obstacles to objectively attainable and sustainable absolute poverty reduction strategies and programmes. This is especially true given the longer time perspective and higher initial resource transfer framework within which SAPs are now formulated. However, there is no guarantee that without specific attention being paid to absolute poverty a SAP will be efficient at reducing it or reducing it rapidly. Sustained growth and structural rebalancing can be consistent with unchanged or more inegalitarian income and access to services distribution. Indeed, since SAPs seek to coordinate and allocate across the board at macro and sectoral levels, any serious political economic priority needs to be incorporated in their design if it is to be pursued effectively without being damaging to (and damaged by) the SAP.

The strength of SAPs tends to be at macro economic and broad sectoral levels just as the strengths of development design and evaluation (and institutions) tend to be focussed on the large, general and replicable. These strengths are real, but if contextual issues and specific flexibilities are to be handled need to be complemented by decentralisation and participation in concrete data collection - operational design - implementation - ongoing monitoring/evaluation/modification. That is a general point but one particularly relevant to absolute poverty reduction because while strategically the needs and capacities of absolutely poor households can be spelled out at national and sectoral (or at cross-country regional and global) levels, in the sense of detailed design, implementation and monitoring they are very contextual. Micro successes do suggest that providing concrete action programmes and institutional space to operate them is not impossible; to date relating them to a central enabling environment and capacitating frameworks of resource mobilisation and allocation is very much the exception (and the transitory exception at that) not the rule.

It is in this set of issues of iterative relationships between macro and micro, overall strategic frameworks and decentralised implementation, coherence and flexibility that the largest amount of work and the most difficult questions arise. Debate on whether SAPs are compatible with absolute poverty reduction are ultimately sterile - the basic issue is how an absolute poverty reduction priority can be turned into strategy, programmes, policies and proxies and how structural adjustment with sustainable growth as a macro and sectoral coordination, prioritisation and allocation framework can most usefully interact with and capacitate that process.