

**POVERTY REDUCTION AND THE WORLD BANK: Concept to Operational
Directive to Implementational Handbook**

By Reginald Herbold Green

... governments need to do more in areas where markets cannot be relied upon... investing in people, building social and physical infrastructure, and protecting the environment... income redistribution and growth.

- World Development Report, 1991

Since poor people live at the margin of existence, downside risks are life threatening.

- Operational Directive 4.15, 1991

The World Bank's issuance of an Operational Directive and a Handbook (for action) on Poverty Reduction is welcome on two counts. The re-affirmation that overcoming poverty is a priority goal and a central focus for government action is backed by the bureaucratic means and symbols to ensure it is taken seriously. And the content is sensible, sensitive and based on the acceptance that to date structural adjustment has largely failed to reduce or improve social indicators, especially but not only in SSA.

But could not the Handbook have been written with more of an eye to national, local government and civil society programme designer and operator use? Most need the analytical summaries, check-lists of questions, comparative case insight boxes as much as Bank "task managers". Could not dialogue on a companion edition for them be begun now?

Empowering The Poor

The Directive and Handbook focus on more, more productive employment (and self-employment) opportunities accessible to the poor and on ensuring they do have access to them and to the human investment and infrastructure needed to benefit from them. Similarly, they stress ensuring that poor

households and marginalised groups (geographic, gender, calamity victim) are enabled to be included in programmes. This is a coherent, logical approach relevant to the acceptance that growth alone is not enough and that specific add-on projects outside mainstream resource allocations are far from adequate means to poverty reduction.

Ironically, this is the old (1975) ILO "Employment, Growth and Basic Needs" except that the Bank puts more complementary stress on safety nets and consumption transfers than the more austere productionist World Employment Programme did.

But the focus is frequently fuzzed. The concept of buying off 'victims' of adjustment processes may or may not have much to do with poverty reduction priorities and has frequently bedevilled attempts to set strategic, overall priorities. The focus on projects (as opposed to programmes) reinforces the built-in tendency for experts to upgrade and gold-plate broad access/low cost per beneficiary proposals into high cost/low access conventional projects not very relevant to poverty reduction.

There is an uneasy conflation of including the poor with excluding non-poor, despite a realisation that for basic human investment and infrastructure, the goal is universality. True, poor households may need special assistance to have access (e.g. fee waivers or outreach education), or particular sub-programmes (e.g. different sized loans tailored to particular contextual needs). And some programmes - e.g. seasonal, labour intensive infrastructure works - will attract few non-poor household members. But, except for safety nets, excluding is rarely the basic problem and the main barrier to including the poor is an overall shortage (e.g. of primary school places or pumps for simple wells).

Participation and Payoff

Formally the commitments to participation, decentralisation and a competent, efficient, committed public service are rather strong. The caveats, e.g. that user initiatives often need technical back-up and decentralisation to levels at which no such capacity exists are reasonable, even perhaps too understated.

But calls to plan and manage participation and to research to see where it is worth the bother carry a different subliminal message. So for that

matter does the Bank's own highly centralised mode of operation which interacts uneasily enough with national, let alone local governments or organisations, of poor people and communities. And on NGOs, diversity of approach has become homogenised conflation. The boxes' success stories are of domestic, broad membership NGOs (civil society bodies) but in some countries the Bank pushes foreign and elite NGOs at best patronizingly using, and at worst antagonistic to domestic broad based civil society bodies.

On pay, a clear issue is left unfaced. \$10 to \$250 a month public service emoluments (common in SSA and not unknown elsewhere) are not efficient. Self-employment, the private sector and donors pay more and erode national capacity by pulling out the most able and innovative. Macro balance is said to prevent plausible pay. But the real reason is non-fungibility of foreign funds - \$100,000 is readily available to replace a lost citizen by a technical assistance expert but not \$4,000 toward an agreed, interim national public service pay structure to keep the citizen in place so capacity building can replace capacity erosion.

Contextuality, Pragmatism and Experience

The Handbook does strive (and the boxes back this up) to stress the need to be context specific. In general it avoids rhetorical ideological tags. Lessons of experience are both openly cited and underlie key shifts in position (e.g. acceptance that rigid, centrally constructed fee systems for basic services often do exclude the poor).

But there is a certain unevenness. For example, why single point (at production or importation point) are less distorting than VAT with basic foods exempt is not clear. Why they are harder to administer, less easy to make equitable and less efficient in collecting revenue is only too clear (but not mentioned).

The key warning that in human investment and small infrastructure there is a bias toward too much fixed investment relative to recurrent funding is not integrated into "project" and programme design analysis. Nor, as noted above, is the horrific inefficiency of too low wages faced.

At a very applied conceptual level the reality that most poor households have multiple sources of income differently affected by many policy

measures is not stressed. Nor is the risk that import liberalisation can hurt low income import competing tradables producers with few adjustment options, e.g. domestic food producing and artisanal product supplying households.

On safety nets the separate mention of calamity and war victims is a welcome start. But the need to plan both survival and livelihood rehabilitation for and with them (quite unlike the aged or crippled or labour power short safety net recipient households) is not articulated even though for some countries (in the Horn and Southern Africa but also Afghanistan and probably Cambodia) it is the central production growth/poverty reduction strategy.

Unboxing Boxes

The wealth of experience, insights, challenging ideas in the case boxes is exemplary. They do introduce contextuality and examples of concreteness.

But most are summaries of restricted documents which are, in any case, too long for the country programme builder's use. Could not 4 to 6 page fuller conceptual and key results/means summaries be prepared so interested users could follow up on a selection they found potentially valuable.

Envoi

Yes, ... but need not be seen as praising with faint damns. The Handbook and Operational Directive: Poverty Reduction deserves better than that. It is a potential breakthrough on building an operational conceptualization leading to strategy-policy-resource allocation-action with poor people and countries. That breakthrough neither need nor should be for World Bank "task managers" alone which is why early dialogue and an improved variant more user friendly to non-Bank technicians would be welcome and potentially important.

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30-VI-92