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'The toad beneath the harrow knows  
Where every separate tooth point goes.' William Blake

'Ask not for whom the bell tolls.  
It tolls for thee.' Thomas Gray

## 1 ABSOLUTE POVERTY IN SSA: CAUSES AND CORRECTIVES

About one third of all sub-Saharan Africans exist in absolute poverty.<sup>1</sup> That percentage is rising<sup>2</sup> – probably from a fifth to a quarter in the late 1970s. Urban absolute poverty is roughly 15 per cent and rural 40 per cent with a significant urban component largely a 'development' of the 1980s. National absolute poverty proportions vary from under 10 per cent in Mauritius and the Seychelles to of the order of two thirds in Angola, Mozambique, Ethiopia, Somalia, Eritrea, the Sudan and Liberia.<sup>3</sup>

Absolute poverty is of course not new in SSA – records which are several centuries old sketch it as common in Ethiopia and existing – though less common – in the Kingdom of the Congo (present Cabinda-Kinshasa-Northwestern Angola triangle). It has had and still has three basic causes:

- 1 endemic inability of poor households<sup>4</sup> to produce (or earn) enough;
- 2 conjunctural shocks forcing households out of production;
- 3 with inadequate safety nets to mitigate low earned incomes, inadequate basic service provision to facilitate higher future (as well as present) productivity and inadequate rehabilitation or augmentation of poor household livelihood programmes or programme components.

Each cause has subcauses and, unless output losses are speedily reversed, the victims of conjunctural poverty tend to become trapped, in endemic poverty. The great mediaeval Sudanic/Sahelian empires appear, for example, to have disintegrated under the impact of multi-year drought cycles which set off cumulative impoverishment while in the same area over the past 30 years recurrent droughts have trapped many ex-pastoralists who have lost their herds in rural or urban absolute poverty.

The endemic inability to produce/earn has varying components of inadequate access to land, to working capital (including tools and food/time to invest in rural fixed asset creation), to knowledge, to water, to health services and to food. Again a cumulative pattern is evident – lack of education, health services and an adequate diet limit both the quantity and quality of work possible and thus limit production and/or wage earning capacity. Because high income sectors frequently have limited linkages with low productivity ones rapid dualistic growth with limited trickle down impact is perfectly possible unless high revenues from high productivity enclaves are systematically deployed by the state to enhance employment, production, access to basic services and transfer safety net opportunities for poor people – as in Botswana.

Low productivity can also relate to household characteristics briefly summarizable as too high a hungry mouths to able bodied hands ratio. This

<sup>1</sup> In simple terms absolute poverty is a condition in which at least 60 per cent of total (cash and kind) household income would be needed to provide minimum nutritionally acceptable diet. Other components include lack of access to basic health, education and poor water services and to normal participation in society. In practice these are closely correlated albeit the third is harder to measure quantitatively or to standardize for cross country comparisons.

<sup>2</sup> World Bank data show the SSA proportion on the way up to have met the South Asian on the way down.

<sup>3</sup> It is not accidental that all of these countries are war ravaged and all but Liberia drought prone.

<sup>4</sup> Households form better units for measuring consumption and income than individuals. This is independent of whether household budgets are fully unified (rare in SSA) and is especially true if household income is derived from several members, several income earning activities and several sectors (the norm in SSA).

applies primarily to households whose adult members are disabled or aged and to those with only one adult but several dependants (in practice basically female headed households).<sup>5</sup> So long as the mouths/hands ratio remains unchanged no likely production gains can raise them out of absolute poverty. In that sense they are fully or (more generally) partially unempowerable.

The main shocks at national or sub-national level in SSA are drought calamities and war catastrophes. In extreme cases of either over half of all households can be driven out of production. For single or even two year droughts with substantial good year periods intervening household production recovery is often within the scope of household and broader lineage group coping strategies. But these erode or collapse if droughts exceed two years and/or follow rapidly on each others heels and farmers are swept away like mud brick houses in a torrent by full scale, multi year armed conflict.

## 2 FROM CAUSE TO CORRECTION

The main approaches to correcting absolute poverty are also three in number:

- 1 enabling poor households to produce/earn more (primary redistribution);
- 2 providing basic health, water, nutrition, education and extension accessible to poor households to raise their present and future productive capacity (secondary redistribution);
- 3 building safety nets of cash or food transfers to alleviate consumption shortfalls arising from poverty (tertiary redistribution).

These three themes are quite standard in present analyses of poverty and its reduction.<sup>6</sup> They, like causes, interact. The service provision is in fact

both production enabling and present real welfare providing. And provision of survival ensuring food during crises and especially restoration of production is arguably working capital. The dead after all can rarely rehabilitate their livelihoods. Public works and other work for food (cash pay) and food for work (food pay) schemes are basically oriented to ensuring survival but, if well designed, are also investments in future production enhancement and/or risk reduction.<sup>7</sup>

Economists – and especially macroeconomists – have rarely had much to say about the role of poverty reduction in overall economic strategy and that little has frequently focused on human investment (which in practice is often inaccessible to absolutely poor households) and or the limitation of safety nets to financeable and non-disincentive to work creating levels. The World Bank's 1990 **World Development Report**<sup>8</sup> and 1992 Operational Directive and Implementational Handbook – the resurrection of Robert McNamara's 1970s campaign against absolute poverty – do mark a shift at what one might term conceptual operational level but have yet to be incorporated integrally into any SAP in SSA. Ironically, while the Bank – predictably – stresses that enabling poor people to produce more is central to sustainable poverty reduction – and is an area in which free markets and right prices, by themselves, will not yield adequate results – the human investment and even safety net components are better articulated and more effectively operated. At bilateral level disaster relief is – at the least – 20 times as high as post disaster rehabilitation of livelihoods and other poor person productivity enabling programme finance.

On present levels of overall growth, poor person production enabling resource allocations and programmatic conceptualization, design and implementation the most reasonable projection is a 3 per

<sup>5</sup> Poverty is gender specific for two reasons: women have poorer access to production resources and to education and female headed households have above average mouths for feeding to hands for working ratios. Rather scrappy data suggest 80 per cent to 90 per cent of single adult/several dependent households are female headed and that they encompass a clear majority of the 20 per cent to 25 per cent of households which are now female headed. Since the latter percentage has risen rapidly over the past two decades there is some reason to suppose that the feminization (and child focus) of absolute poverty is also rising.

<sup>6</sup> See for example World Bank, **World Development Report 1990, Poverty**, Washington D.C.

<sup>7</sup> Risk reduction for calamities such as drought can take the form of improving water supply or household food storage as well as of creating infrastructure for prompt response to future drought crises which allow households to stay on their farms and prepare for production when the rains return as opposed to being forced to flee to cities or feeding centres which greatly impedes subsequent livelihood restoration. After war effective restoration of demobilized combatants to production is such an investment - to discharge trained fighters into absolute poverty is a good way to ensure massive erosion of law, order and society which has very real macro economic as well as human, social and political costs.

<sup>8</sup> *op. cit.*

cent to 5 per cent a year increase in the numbers of absolutely poor persons in SSA, i.e. a stagnant or rising proportion of the population.<sup>9</sup>

### 3 DOES IT MATTER? TO WHOM? WHY?

The broad nature, depth and extent of absolute poverty in SSA are reasonably well known. But – from an economist’s point of view – the next question could be (and sometimes has been) ‘so what?’ In the 19th century a major economist, Nassau Senior, argued that the chief tragedy of the Irish potato famine was that it has not (by death and emigration) reduced the population of Ireland enough for it to be economically viable. Senior was in a minority but not alone and SSA in some ways rather resembles 19th century Ireland.

Does absolute poverty matter? Are the reasons economic, humanitarian or both? To whom – beyond absolutely poor people does it or should it matter?

Absolute poverty impact can be viewed in terms of: a) security, b) politics, c) society and/or, d) economy.

The security case for poverty reduction is usually the weakest. Absolutely poor people in general lack the time, strength and organizational capacity to bring down regimes or less uniformly to mount insurgencies eroding state strength. The two sets of exceptions are ex-combatants discharged into absolute poverty and exiles led by (usually non-poor) community members with organizational capacity and access to arms. Crime does tend to rise with increases in absolute poverty in general – e.g. Lusaka – but rarely to levels threatening state or even government overthrow.

The political case is stronger, at least in a context of high turnout, contested, fairly counted elections. It is no accident that Botswana and Tanzania with traditions of contested elections and a majority of districts in which poor (and in some cases absolutely poor) persons are a majority of potential and actual voters have devoted well above average attention

and resources to programmes designed to reduce poverty and/or provide better production possibilities and market access to poorer households.<sup>10</sup> But a minority of SSA countries hold contested elections with high turnouts by poor voters and attention demanding political activists are usually not absolutely poor, although in the 1980s a majority of trade union members may have fallen back into that category from which they had painfully escaped in the 1950-1970 periods and usually managed to avoid in the 1970s.

The social case is especially relevant to unempowerable households. They can make little direct economic contribution, are no threat to security and are usually totally marginalized politically. But historic African kinship and broader social systems did accept a duty to enable them to survive and – with variations and exceptions, especially in the face of massive calamities – honoured that duty. The calamities and catastrophes of the 1980s plus urbanization have eroded those human solidarity mechanisms.

The economic case is – perhaps surprisingly – strong except for unempowerable households and areas. This is likely to be especially true in post calamity and post catastrophe reconstruction and rehabilitation cases. In Mozambique for example investment to enable the small farming household sector to restore peak 1972 levels would more than double rural incomes, reduce staple food import requirements by half (to rice and wheat which are not grown in Mozambique) and counting multiplier effects on commerce, transport and urban production for rural markets raise GDP by over two thirds – doubling it on present rather dubious figures – for a cost equivalent over five years to present emergency and refugee external support after which the production and basic services operation would be self sustaining. The rural absolute poverty proportion would fall from the order of 70 per cent to 20 per cent to 25 per cent. Quite apart from the massive social and political implications that is ‘a good buy’ in strictly economic terms.

<sup>9</sup> The World Bank reaches much the same conclusion for SSA in *World Development Report 1990*. The dominant issues affecting such projections are how effective post war and post drought livelihood rehabilitation will be. On the historic record, not very. However, that is an answer which is alterable because it turns on programme design and resource allocation decisions which are ‘within human reach’ (as put in UNICEF’s 1989 study of that title).

<sup>10</sup> Whether these were efficient in political or poverty reduction terms is another matter. Tanzania’s co-op, marketing authority, co-op crop marketing intervention cycle over 1975-1990 was intended to enhance small farming household market access and incomes but – with exceptions – may well have had the opposite effect and was surely cost inefficient in either political or production term. But without politicians who believed themselves to be accountable to the people in an operational as well as a political sense, major resource allocations to these goals would have been unlikely.

Clearly in economies whose output is less dependent on the family farming sector poverty reduction enabling measures cannot have as dramatic effect as in Mozambique, Ethiopia, Eritrea and Somaliland. But they are still important to poverty reduction, to restoring effective demand for manufacturing and commerce and to absolute poverty reduction and are likely to have relatively good input/payoff ratios – quickly after droughts, less so after floods or violence.

The problem areas are those districts which have limited resources (including assured rainfall) and/or are extremely isolated – peripheral in the literal sense. But to pose the issue in terms of shifting resources from higher potential rural areas (or credit from demonstrably viable urban medium scale enterprises to poor area public works schemes) is an inappropriate test. The number of SSA countries with no ongoing projects or programmes with low payoff – whether fragmented, bizarrely located steel works, \$1,000 per ton public sector wheat farms or high profile/high loss international conference centres and airport terminals – from which resources could be switched is negligible. The proper test in economic terms is not with the best but with the worst present resource allocation and except in well nigh uninhabitable areas that is likely to justify poor household income augmentation enabling spending. This test of course can also suggest encouraged (not forced) moves if better, nearer land is available – an approach which may require land reform and education of both moving and receiving communities.<sup>11</sup>

The social and economic cases can be combined as 'moral economy' to use Adam Smith's term. He argued that no nation could be great and prosperous if the majority of its people were poor and miserable. The social aspect is clear enough – acceptance of misery for a majority does debase, weaken and fragment society and clash with virtually any system of moral philosophy. The economic is less self evident until stated bluntly in terms of poor

people being limited buyers, poor payers and weak producers. Henry Ford took the same view – he paid relatively high wages and thought other employers should too both to ensure labour force loyalty and attention to productivity and to provide adequate markets.<sup>12</sup>

#### **4 BUT WE ARE NOT POOR**

The cost of poverty – in economic as well as social and political terms – is not limited to poor households (and their relatives). People who are very poor do not provide markets. If one is a rural tool maker or building artisan and everybody else in the district is absolutely poor, he is likely to be going to be close to absolutely poor because nobody can afford to buy his tools or building services. For a rural merchant if 80 per cent of the people in his district are absolutely poor, he may not be absolutely poor but will not do very well because his customers are not producing enough to sell to him and not getting enough money from selling things to buy much. Thus widespread absolute poverty is bad for everybody who would be getting goods from, or selling goods to absolutely poor people.

From the moral economy perspective, the case is similar. People who are poor and don't produce much don't provide any income to the people who would commercialize, process and manufacture what they do not produce, nor do they provide much income to the people who could produce and sell them goods and services. Furthermore, the African food crisis is very closely related to the fact that many farmers do not produce enough food for their own household needs let alone a surplus (in the physical sense) to sell to urban populations even. At the entitlement level (the ability to get food for the family, either by growing it or earning enough income to buy it), it is even more obvious that absolute poverty and disempowerment go hand in hand or are mirror images of each other. There is a parallel interaction between basic human services and absolute poverty.

<sup>11</sup> In fact rural-rural migration even without public enabling support is very common in SSA wherever there are not community and/or land use right barriers. Many states of Middle Belt Nigeria and a number of districts in Southern Tanzania and Western Kenya have internal immigrant majorities or pluralities. The political suppression reasons behind the late Ethiopian regimes' movement of people from Tigre do not mean a planned, supported move agreed among the state, the moving and the host communities would be inappropriate as a parallel to land plus tree restoration, small scale irrigation and other vulnerability reduction measures in Tigre itself.

<sup>12</sup> This is a strong case for intervention in fragmented, imperfect labour markets. Not only are very low wages micro inefficient (productivity falls make unit labour costs rise) but they are also macro damaging by reducing overall demand with resultant unit cost increases from under-utilised and/or stagnant capacity. What level is appropriate is a complex question but the minimum which more powerful employers can enforce on poor workers in a fragmented market is very unlikely to be the correct answer economically any more than socially.

The urban absolutely poor household sector is smaller absolutely (perhaps a tenth of the urban/rural total) and as a proportion of urban population (perhaps a fifth although this, like national and district percentages varies widely from over half in 1993 Maputo to under a tenth in Gaborone). But it encompasses up to 50 million people and is growing rapidly. Here absolute poverty and its cause, low productivity, feed on each other. The 'informal sector' mantra is no answer. That sector sells first to formal sector wage earners and second to its own members. If wages are – literally – at starvation levels and any easy access occupation (e.g. petty trading, portering) so crammed with workers productivity is low, then the informal sector overall can share out absolute poverty and mitigate it slightly but not, by itself, provide a dynamic for escaping from it for more than a few persons.<sup>13</sup>

Absolutely poor people aren't fed and they have no or very limited access to health facilities. They are weak because they don't have enough food and also weak or disabled much of the time because they are ill. It is not surprising they do not – and cannot – work long, hard and effectively, indeed it would be very surprising if they could. Similarly, if they have had neither formal nor informal education – nor access to competent extension and other adult education services – it is not surprising that their level of productivity is quite often low. In most African countries a substantial proportion of tax revenue comes from indirect (consumption) taxes and of exports from small farming households. Therefore, widespread absolute poverty is fiscally and external balance crippling. High levels of absolute poverty's results are omnipresent – they affect not so poor people and macroeconomic balance.

## 5 TOWARD A STRATEGY?

Putting absolute poverty in these terms suggests the elements of a strategy with the central element enabling poor people to produce and to earn more. This may include initial asset provision, in the economic not national account sense of the term. To provide people during or after a drought with food to eat while they restore production on their land is from an economic point of view making a

capital investment. It is the necessary investment to get the production back. National accounts are selective in the way that they record things. In Ghana the present stock of cocoa trees which on conservative estimate are worth \$500,000,000. None of this has ever appeared as investment in the national accounts. If it were on plantations then all of it would have appeared. If a plantation in Tanzania or Mozambique hires workers to rehabilitate tea production then all of the money that is paid to workers until the tea estate is back in production is counted as fixed investment and capitalized. This is quite correct. If a small holder goes back to his overgrown tea farm and spends a year clearing it and he happens to be getting food assistance during that period, this is criticized as a consumption subsidy payment. From an economist's point of view there is absolutely no difference. Labour time has been used to create a fixed asset in one case financed by an employer and in the other by a donor. National accounts figures on fixed capital formation in agriculture for SSA largely include things irrelevant to agricultural production while what is relevant was usually under other sectors (e.g. roads, water), or, in the case of fixed investment paid for by small farmer labour and waiting time input, not recorded at all.

Poor people do need assets, but the asset very often is food so that they have time to build up or to rebuild a production base. This is especially true after a calamity or a catastrophe. Food is perhaps too narrow a specification – means of subsistence is more inclusive. Similarly there is no logical reason to provide that capital input in kind any more than for an estate to pay or a bank to lend in kind. If food is commercially available, then handing out food rather than the means to buy it cripples the domestic commercial sector and if imported is itself a barrier to raising poor household incomes. However, whether work for food (cash pay) is feasible and if so how (seasonally?) depend on time required for rehabilitation – no one person can clear and replant tea full time while also working full time on a road. Juggling peak and trough agricultural months and the time of different household members may produce a farm plus infrastructure investment package which is viable and *de facto* produces two asset stocks for the price of one.

<sup>13</sup> That fact is obscured by the total non-homogeneity of what is termed informal. Surely some small enterprise owners/employers grow rich but thousands of porters, manual labourers, petty (literally)

traders do not and cannot. Their incomes tend to be from 50 per cent to 125 per cent of the minimum wage.

After a drought a pastoral population which has lost most or all its livestock may well find lineage group methods of sharing livestock so that a wiped out sub-unit could get back into production are no longer viable – as appears to be the case in much of the Sahel. The drought may have caused such severe damage to the whole lineage group stock that the sharing methods will no longer work. A way, perhaps small grants or loans of livestock, repayable in kind out of offspring, is needed to enable newly absolutely poor pastoral families to go back into pastoralism. If that is not done, nor are they enabled to do something else, they are going to stay absolutely poor and a downward spiral will afflict the whole drought vulnerable pastoral community.<sup>14</sup>

In association with enabling poor people to produce more, basic human services are needed – health, education, water and nutrition. So too basic physical infrastructure and basic market infrastructure are crucial. Market infrastructure because a rural area which is capable of producing a surplus over the self-provisioning requirements, whether the surplus is food – which is likely to be the dominant new cash income source of most absolutely poor rural African households or a surplus of – e.g. – asparagus for Covent Garden, or cashew nuts for Japan but there is no rural commercial network with working capital to buy produce, goods to sell in return for the produce and transport to get the goods out and back, then people will not be in fact able, to increase their incomes. If they do produce a surplus it will simply sit there and rot. Evidently the market infrastructure needed to get asparagus to Covent Garden is more complex and expensive than to get maize to a provincial city or even a national capital. That is one reason that the number of areas in which it is going to make sense to produce asparagus for Covent Garden is smaller than the number of areas in which it is going to make sense to produce maize for the nearest city.

The basic point is about the vital role of appropriate market infrastructure, not just physical access to roads. In short a package (or user oriented packages) is needed: working capital to enable poor households to restore or expand production; basic human investment to free time and to raise productivity, improve capacity to work, raise productivity;

physical infrastructure and effective market access. The first and last are still rarely incorporated into economic strategy in any systematic way and are usually grossly underfunded.

## 6 STRATEGY – NOT PENNY PACKET ALLEVIATION

Strategies are needed first not just random, discrete projects. The point is not to rush about after one has done overall economic strategy to identify little projects that will – perhaps – help little groups of poor people – usually by consumption transfers or human investment services – not increasing their productivity – and to tack these on as an afterthought. That approach may demonstrate the softness of one's heart but as a strategy in dealing with production by poor people, it also demonstrates the softness of one's head.

The first step toward a strategy evaluating all programmes and projects to ascertain what they do for employment and livelihoods, including the livelihoods of poor people as well as in changing the incentives to enterprises to (in their own interests) do things which enable poor people to produce more. These are not the only criteria nor do they override others in all cases. To build a labour intensive cement plant which hires 10,000 people instead of 500 and produces cement that costs five times as much is folly. The damage to the small scale building industry and employment in it is likely to be infinitely greater than the extra employment in the cement plant. This example illustrates that a programme which, on the face of it, has nothing to do with the welfare of poor people may be absolutely crucial to them. In most districts of rural Mozambique the backbone of the commercial system is the *itinerante*. Such a trader/transporter probably has a store in a warehouse in some village, his key assets are a stock of goods in a lorry which trundles around to smaller villages and the countryside. With one hand the trader hands out money and puts rural produce into the lorry. Then he turns around and with the other hand takes back money and sells the goods he brought out. As a result of war, today such a trader transporter may or may not still have the shop and some, but not enough, goods. He rarely still has a lorry.

<sup>14</sup> Whether droughts are more frequent or longer than before 1965 is not certain. In the Sahel the probability is yes. But another factor in higher vulnerability (risk of being pushed into absolute poverty)

is the outward creep of cropped areas pushing livestock into more rain insecure areas and eroding drought year reserve pastures.

At the moment there is no credit system in Mozambique: formal, or informal, private or public which can provide credit for a lorry to such an entrepreneur. Not subsidized credit, any credit. A crucial factor for enabling poor households to produce more and to sell the cash part of it is seeing that term credit, at full commercial rates, is available to these businesspersons to buy lorries and that they can increase their overdrafts to increase their stock or goods and capacity to purchase crops.

What is needed are commercial financial channels – not as, strangely enough, the World Bank argues an aid agency to draw up standard packets of goods that a rural merchant would need, as defined by – say – DANIDA in Copenhagen, and hand these out as subsidized loans in kind to all rural merchants. A rural merchant knows what he can sell. It is not the same in every district. He can then afford unsubsidized credit, because if he has the right goods to sell and the funds to buy crops he can make significant profits. It is highly desirable to make profits because he will not unless the absolutely poor households have been able to produce and sell more goods and therefore they have a chance of getting out from being absolutely poor. This illustrates a basic point, in combating absolute poverty: one is not talking about programmes which are inherently targeted only on poor people or absolutely poor people.<sup>15</sup> What is needed is effective access to main line programme for households which are absolutely poor.

## 7 SOME GENDER ASPECTS

Nobody sets up an extension programme that is supposed to deal identically with coffee trees, millet stalks, sunflower plants, groundnuts, sheep and cattle because to do so would be laughable in technical agronomic terms. There are equally sharp differences relating to income level and therefore access to certain assets and to gender. For example, the female headed household is usually bedevilled by the fact that the work load of rural African women tends to be 12-16 hours per day. The first step toward allowing such a household to achieve more production is to reduce some element of existing work load. The two that it is most likely to be possible to reduce quickly by known cost efficient techniques,

happen to be water and primary health care. Water supply is often top of the list because it often takes 3-6 hours per day for women and girls. Under certain circumstances what reducing water collection time will do is raise the enrolment of girls in school rather than reduce the mother's work load, but usually some of both and if a household feels it can afford the time its prioritization of female education should be respected. The second is accessible preventative and basic curative health care. Taking the time to get sick people to a far away clinic and to care for people who are sick because of inadequate vaccinations and immunization programmes falls on women. Taking the most narrowly economic view, the time a woman spends taking her sick child to a clinic, waiting all day and coming back, and the money she spends on the fare to get there and back, are time and money that can't be spent on raising food for the household or crops to be sold in rural areas and on income earning activities in urban. This is a vicious circle, with nutrition low and the hours for growing food low so that the income is low and people are more likely to get ill. That cycle can spiral downward, frequently until it ends in an ill marked grave.

In addition there are likely to be other problems particular to female headed households. In most, not all, African cultures women do not work with large livestock. In certain African areas animal ploughing either with oxen or donkeys is usual. Poor women headed households do not have very much money and almost by definition they do not have a donkey. Therefore they either do not get an adequate area ploughed or they get it ploughed very late. A man may take pity on them and take a very small sum for ploughing after he has finished his own land, but this is often too late. In cases in which that really is the bottleneck to female headed households' production, consideration should be given to how to get access for poor female headed households to animal power at the right time of year. Perhaps a cooperative or semi-formal group of five or six women; which requires access to a loan or perhaps they need only to be taught how to manage a donkey and could then get together enough money to buy one. Or if they pool their money, perhaps they can hire someone to plough their chunks of land together at the right time. The exact programmatic answer will

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<sup>15</sup> Standard but amazing terminology. To target on is to aim an artillery barrage. Surely it is poverty, not poor people, which should be targeted?

vary; the general problem today is noticing the question and asking women farmers what constraints limit their production and how they believe they could be resolved. This is a rather good example of saying that the goal is not to set up a programme only for poor women; it is to see that poor women do have access to whatever programme one has for raising farmers' output. Affirmative action is far more often being sure to include people in, rather than pushing people out.

## **8 COSTS? AND SOURCES?**

On World Bank LTPs projections by 2000 a typical SSA state should be spending \$20-25 per person per year on government sector services. If absolutely poor households are 30 per cent, in principle this means spending about \$150-280 annually per absolutely poor household. That is a not insignificant volume of resources, if articulated properly. Similarly, it is by no means impossible to get supplementary foreign finance, especially for credible programmes for increasing the production of poor people.

Two large distinctive sub-categories of absolutely poor households can be identified. These are often victims of a natural calamity (usually drought) or a man made catastrophe (usually war). Their circumstances require livelihood rehabilitation before expansion. In both cases programming for more production is rather different in requirements than in cases in which a normal – if low – base level and production dynamic exist.

These absolutely poor people are post-vulnerable. They were vulnerable to the drought or war shocks which have damaged or destroyed their livelihoods. In rural vulnerability cases the first thing to do is ensure that the food support gets to the people before they are forced to leave the farm. This is rarely done, but it is the key to success in livelihood rehabilitation/production recovery. If a family can stay on the farm during the drought, they can be tidying up, doing a bit of infrastructure, working for pay on a road to earn money to buy food. As long as they are able to stay on the farm then when the rains come back they should be able to snap back. If the food has been earned for working on rural infrastructure, then the rural infrastructure will have been improved and, if infrastructure includes water, possibly future drought vulnerability will have been reduced. If most people would prefer to work for

their income rather than have funds handed to them they can be provided work for wages on a road. They can then go to a shop, lay down the money and get food or other necessities rather than line up and be handed some food. Most people appear to prefer that and it helps preserve the rural commercial system.

The case of a flood is different. Flood relief is basically providing the household with food and materials to restore their own flood damaged land and house. Additional work for wages may not be practical. But it is still the key to keep the household in place, not for it to be forced to run away to the outskirts of the nearest town because that is the only place that there is any food. To restore a house that washed away is not possible from 50 miles away, any more than it is to prepare a field for the next time it rains from 50 miles away.

## **9 AFTER THE WAR IS OVER**

The aftermath of war is more extreme. Half of the population in Mozambique is totally out of production. Of the population 10 per cent are refugees outside the country, 10 per cent are refugees in internal refugee camps. Another 30 per cent have either fled from war, but are not in refugee camps, or have been pauperized in place. They are near where they lived before, but their house has gone, their field is overgrown and until the 1992 Peace Accord most simply hid under a different bush every night and tried to hack out a little bit of food. Mozambique is in this respect very like Ethiopia, Eritrea and – probably – Liberia today and similar to Sudan, Angola, Somalia, Rwanda and Burundi when peace is achieved. Furthermore large chunks of rural Zaire and Uganda have not experienced reconstruction and rehabilitation after earlier wars and pose analogous challenges. About 30 per cent of the population of SSA and 40 per cent of its absolutely poor people are in those countries so while not general to all countries, post war rehabilitation is, or should be, a major issue on SSA continental as well as afflicted country national agendas.

The idea of some emergency organizations, that as soon as the war is over these people can feed themselves, requires a belief in instant crops or beneficent fairies. Returning households need to make a year's investment (at least) to clear their land, rebuild their house. That requires a year's investment of food, plus investment in tools, investment in seeds. A major factor in countries which have just finished a



war is working out the non-material package for getting rehabilitation of these livelihoods underway: a) adequate security for moving home – basically to a self-chosen point usually near where they came from; b) transport if it is a long way from where they are to home; c) access to adequate land with security of use rights. Paper titling is probably not relevant and certainly not practicable. Luckily nor is it necessary. People are going back home, usually to some local allocation system which can deal with 90 per cent of the land allocation cases fairly amicably. The one sensible government intervention may be to require equal access for female headed households and the two supporting actions to provide mediation for the 10 per cent of cases and to avoid handing out titles to enterprises and other non-returnees until after the return and a clear picture of what land – if any – is truly vacant.

## **10 A BASIC SECTORAL PACKAGE**

Packages of tools, basic household equipment and production inputs such as seeds are micro working capital requirements and if livestock is key to livelihoods there is a need for some method of providing access to core herds. In parallel at a broader level human infrastructure (health services, water, education), physical infrastructure (roads that a lorry can get by on most of the year), access to a functioning market and, at least until other rural cash income recovers, intensive public works projects to restore infrastructure, are middle (or sub-macro) components. This package is unlikely to cost very much more than the money paid to support refugees abroad and to operate domestic emergency programmes. The operational trick is to convince donors to convert one to the other because they seem more willing to support short run survival than long term rehabilitation of livelihoods even though the latter is self phasing out while the former – without rehabilitation – is not.

There is no longer much intellectual argument against the type of case outlined here. There certainly used to be, but today many external sources of finance are willing to back such packages. However, the amount of articulation that has been done either by Africans or by outside agencies is low. Articulation is always context specific, requires listening to poor people and is often boring. But, having fought the battle to get reconstruction and rehabilitation on the agenda, it is now necessary to articulate to finance and to programme it. This is an area in which only a

person knowing a local contact can be fully competent – not an expatriate mission member or a citizen from the capital city who goes to an outlying province he has never been in before. This, by itself, is one reason to talk to poor people. By and large they know why they are poor, and what they could do to produce more with what enabling actions to support them. Ironically, in this area people say of the Mozambican programme – which at least seeks to be returnee friendly – that it sets out what government bodies and enterprises and foreign NGOs should do, but not what poor people should do. That is not Planning's business. It should seek to use what data there is including local and returnee information, think they want to and can do and from that to discover how they can be assisted or enabled to do it. The senior planning officer's business is to advise the government what it probably ought to be doing, not to tell poor people what they ought to be doing.

## **11 PRINCIPLES FOR CONTEXTUAL SPECIFICATION**

An example of the reverse approach also includes a gender issue. In Northern and Upper Ghana there is a crop known as a sheanut. It is an oil nut which can be used to make vegetable oil or to make environmentally friendly cosmetics for Northern ladies. Since it is rather cheaper to use palm and groundnut oil for food, it is probably better to export it and get four times as much money from the European ladies. In any case, the Ghana Cocoa Board quite intelligently saw shea as a significant potential income source with few buyers for which it could get better prices on the European market than Nigerian traders would pay for cooking oil use. Since the Board operated through cooperatives, it promoted sheanut cooperatives, the price of sheanuts went up and many of the cooperatives prospered. However, when the poverty impact was investigated a catch was discovered. The cooperative officers were all men. Anybody who knows the method of 'producing' sheanuts knows they are gathered (not grown) by women. It turned out that the women were gathering the sheanuts and selling them to the cooperative officers for half the price the Cocoa Board paid. The male cooperative officers were bulking and bagging the nuts and providing working capital for a couple of weeks, between the time that the women brought them in a pan full at a time and the time the cooperative sold by the sack to the Board. Whether this is a cooperative society or a

rather disguised, exploitative merchant operation with a gender bias is an open question.

When asked, the women said they needed a little initial working capital to have a gatherers cooperative to hold the nuts until the Cocoa Board comes and to put them in proper sacks. They also indicated they know how to double output if a small investment were made in rubber boots, cutlasses, kerosene fridges and snake bite serum. The groves of trees had undergrowth infested by snakes and gatherers dared not walk unless they had rubber gum boots and/or unless they had cutlasses to chop down the bush. Even so there would be some risk. Therefore if the rural clinic had an operating kerosene fridge with snake bite serum there would be a good chance of staying alive even with a snake bite. This case may seem trivial but for 10,000 households it was not. As it could lead to 10,000 tonnes more nuts (\$20 million) it is not absolutely insignificant. But its bottom line points are four:<sup>16</sup>

1 poor person production raising has general principles but detailed specific contextual realities;

2 poor people are well aware of at least many of the potential ways to raise their output and of the constraints hindering them from doing so;

3 gender issues are not always self evident but nor does addressing them always require major attitude changes nor coercive (as opposed to enabling) action;<sup>17</sup>

4 programmes within or linked to main line agencies can be relevant to particular poverty problems (including gender related ones) if adequate data are secured and a little ingenuity used in articulation.

## 12 MAINSTREAMING, STRATEGIZING, DECENTRALIZING

Three challenges confront any serious reallocation of resources to promoting production by poor people (including wage employment expansion).

The first is **mainstreaming**. Production enabling needs to be assessed in terms of sectoral and macroeconomic impact. This can be done – approximately and subject to error as for any programme. Indeed the only sectoral programme for which Mozambique has ever done a systematic macroeconomic impact over six years assessment is the National Reconstruction Programme. The strategic goals need to be incorporated into main line institutions – e.g. water, health, education, agriculture, transport, roads. The role for an analytical, data collection, conceptualization and review unit is real, but it should be in Planning or Economic Affairs as a senior diversion thereof, not trying to run an underfunded, main line alienating set of petty projects.<sup>18</sup> Special measures to make programmes accessible/beneficial to poor people are needed not ghettoized, marginalized 'pauper;' agencies which will in practice be precisely that.<sup>19</sup>

Second is the need to make enabling poor people to produce/earn more a **strategic goal**. That is in a sense the policy making/resource allocation face of mainstreaming. Adding on poverty projects after a strategy is basically complete is at best like decorations on a Christmas tree. The evidence of poverty alleviation – itself a chilling choice of word as contrasted with reduction or elimination since it implies a band aid approach to reduce misery not a serious production oriented are to enable poor people to end it - programmes in Africa is that parallel agencies for poor persons are poor relatives and poor performers.

<sup>16</sup> A fifth may be that unconventional approaches accepted in principle are not so often accepted in funding practice. A project on the above lines was in the draft Ghana PAMSCAD (Programme to Mitigate the Social Costs of Adjustment) but Ghana Treasury and World Bank non-comprehension (or disbelief) resulted in its excision.

<sup>17</sup> An analogous – and successful – example is Botswana rural works employment. While initially non-gender biased in principle most Districts did not in practice hire women asserting women's wage work was socially unacceptable and no women applied (unsurprisingly if not hired). Because several Districts (including those with female DO's) were exceptions, a minimum proportion of female hirings order was sent out. Female employment rose to 35 per cent with no evident absence of candidates or presence of social problems.

<sup>18</sup> This point applies to women's programmes. Token Ministries with token Ministers and token budgets amount to apartheid style

femalestans (even if not so intended). A Ministry (or a Minister of State in Planning, Economic Affairs or in Prime Minister's or President's office) heading a research-analysis-conceptualisation-advocacy team could be useful, but the target would be to make main line institutional programming gender sensitive not to run a handful of small projects looking suspiciously like 'dolls for the girls to play with'.

<sup>19</sup> Some programmes may have little take-up by non-poor households (just as veterinary programmes have little take-up by households with no livestock). E.G. public works income augmentation will not be attractive to households with higher production and earning opportunities on a farm, in a business or in higher paid jobs. Some user committees may be self selected on similar bases - e.g. women's co-ops or standpipe water users. But this is not the same thing as designing in general to relate only to poor people or to supposing they have no common interests with others.

This need for strategic consideration holds even if poor person production enhancement would not raise GDP substantially, but could have a major impact on a substantial proportion of households' earned incomes, e.g. Botswana, Namibia, perhaps Angola. For example, if rural public works are to be a significant income source for poor households, they should (as in Botswana) be built into the priority works programme and its technical and seasonal patterns adjusted to allow use of more labour, more concentrated in low alternative productive activity time slots. That can increase efficiency of resource use both in person months of income generated and value of infrastructure created per \$1 million spent.

Third is **decentralization**. This is not inconsistent with mainstreaming and strategizing. As a source of information it is a crucial input. Operationally it is even more important, because how production can be raised and what inputs are needed to enable poor households to do so is contextual. It cannot be deduced in detail from an African any more than from a donor capital - much less operated on the basis of a rigid centralized rulebook as opposed to broad national (not donor) generated guidelines. Decentralization and use consultation/participation are not well developed in Africa — a colonial not a traditional African heritage in most cases — so the

initial proportion of mistakes will be alarming and some will be gross not minor. But application of a rigid centralized scheme will make no fewer mistakes - even if it may be easier to blame the victims, i.e. the poor people who could not respond because the programme did not in fact enable them. And the plausible attainable level of efficiency is higher with decentralization/participation than without. In a sense then decentralization errors are learning cost investment whereas centralized ones are recurrent costs of an ill suited approach.

It is a measure of progress that the practical problems of action are enabling poor people's production can now be put in these terms. The concept is accepted as desirable and inherently practicable. A growing number of SSA and external governments are willing to allocate not insignificant resources to it.<sup>20</sup>

The challenge is to develop efficient (as to poverty reduction and output growth therefrom) planning approaches, institutional channels and operational programmes. Bits of knowledge and experience (positive and negative) exist. The task is intellectually, politically and operationally feasible, but only if sustained hard slog and participation of (including pressure by) beneficiaries is mobilized and sustained as part of that hard slog.

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<sup>20</sup> Some states (or more accurately leaderships) do not take this stance and few give it top priority. But substantial room to do more, more effectively exists in most SSA states and with most donors.