Decent Work and Poverty Reduction Strategies (PRS)
An ILO Advocacy Guidebook for staff and constituents

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An ILO Advocacy Guidebook

A supplement to

Decent Work and Poverty Reduction Strategies (PRS) – A reference manual for ILO staff and constituents

National Policy Group
Policy Integration Department

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Foreword

This *Guidebook* is a supplement to the main ILO manual, *Decent Work and Poverty Reduction Strategies: A reference manual for ILO staff and constituents* (2005).

It provides techniques to improve advocacy and negotiation skills for promotion of decent work in national poverty reduction strategies. It forms part of the capacity building support of the Policy Integration Department.

Advocacy, influencing, networking and negotiation skills in multilateral and multidimensional settings are important in order to advance the Decent Work Agenda in the context of national Poverty Reduction Strategy (PRS) processes. The need for systematic training in strengthening institutional capacity has been felt at ILO headquarters as well as in the field. This need is also evident among ILO constituents, as they increasingly work with policy-makers at country level in the design and implementation of PRSs. The objective is to ensure that these strategies embrace the principles and rights at work, productive employment and social protection, and listen to the voices of ILO constituents.

Therefore this capacity-building guide has been prepared to strengthen existing organizational and individual abilities to advocate, network, influence and negotiate. To do this it provides a Self-assessment questionnaire to review personal experiences and organizational practices, cross-referenced to relevant sections in this *Guidebook* and the PRS Manual. The *Guidebook* also provides practical country-level examples.

The final learning instrument is a *multi-stakeholder simulation* exercise designed for group learning in a workshop setting. It is intended for practical understanding and application of advocacy within a context of policy-making for poverty reduction. The simulation explores strategies and tactics to embed the Decent Work Agenda into PRSs. Two pilots were run to develop this exercise, one at the ILO Training Centre in Turin with ILO staff from HQ and the field; and one in Addis Ababa, Ethiopia, with ILO constituents.

It is hoped that the *Guidebook* will be useful to ILO officials, and to representatives of constituents, in advocating decent work during negotiations related to PRSs.

Azita Berar Awad
National Policy Group
Policy Integration Department

Background

At the United Nations Millennium Summit in 2000, the world's political leaders committed the community of nations to a concerted and coordinated drive to reduce and eventually eliminate extreme poverty (United Nations Millennium Declaration, 2000). The whole UN family adopted the Millennium Development Goals (MDG) as a focus for activities and agreed on a **core strategy** to help countries to meet these goals. The strategy consists of four complementary elements:

- **MDG Reports** monitor progress at global, regional and country levels.
- **The Millennium Project** identifies new solutions and ideas from across the natural and social sciences, drawing on the best experts from the North and South.
- **The Millennium Campaign** builds and sustains local support for achieving the MDGs, based on reports, research and other resources.
- **Coordinated country assistance** is needed from the entire UN system, aligning projects and programmes behind the Goals.

The International Labour Organization (ILO) has identified *Decent Work for All* as the crucial link between development and poverty eradication (ILO, 1999). The means of action for the ILO to achieve policy impact of the Decent Work Agenda (DWA) are **knowledge**, **service** (including technical cooperation programmes) and **advocacy** (ILO, 2003a).

The ILO is not a funding institution. It has no direct 'control' over resource allocation and budgetary processes of recipient countries. Instead, the ILO works by influencing various stakeholders and development partners to ensure that the Decent Work Agenda is reflected in national policies and incorporated into national budgets. The ILO also participates in international deliberations to ensure that international labour conventions are incorporated into overall development procedures and practices.

This training package has been prepared to strengthen the ILO's capacity to advocate equitable economic and social policies in line with the international labour conventions and the Decent Work Agenda. The term 'advocacy' is used throughout to refer to advocacy for the inclusion of decent work in development policies. It is aimed particularly at national PRS processes and defines ways and means that the ILO and its constituents can advocate the Decent Work Agenda to influence countries' development policies and action plans with the ultimate goal of achieving the Millennium Development Goals.

Goal and objectives

This *Guidebook* is a supplement to *Decent Work and Poverty Reduction Strategies (PRS): A reference manual for ILO staff and constituents* (ILO 2005) (referred to throughout as 'the *PRS Manual*'), providing further elaboration on approaches to advocacy and influencing. It forms part of the capacity building support from the Policy Integration Department aimed at:

- enhancing the incorporation of the Decent Work Agenda into a country's Poverty Reduction Strategy Paper and/or programmes; and
- helping to make the PRS programmes operational and consistent with pro-poor and rights-based concepts encapsulated in the Decent Work Agenda.

Decent work is fundamental to sustained poverty reduction. In effectively advocating its inclusion in poverty strategies, the ILO addresses some of the main **policy causes of poverty**. The principle is to create pro-poor and rights-based policies in line with the Decent Work Agenda and to ensure that they are effectively implemented.

Readership

The need for systematic training in strengthening institutional capacity for advocacy has been felt both in ILO Headquarters and in the field. The need for PRS-targeted training and advice for the ILO's constituents is also evident. These constituents (ministries of labour, employers' associations, and trade unions) are fundamental stakeholders in the PRS process. They should be empowered to play a pivotal role in the design and implementation of PRSs.

Hence, this *Guidebook* is intended for multiple users, targeting particularly three major groups:

- ILO Headquarters staff who have direct responsibility for programmes and activities related to poverty reduction
- ILO field staff, especially country directors and sub-regional office leaders
- Representatives of ILO constituents

Using this *Guidebook*

The main purposes of this *Guidebook* are to:

- help ILO officials and representatives of constituents in planning for advocacy and PRS related negotiations;
- provide a resource for practitioners covering the multi-dimensional context and processes of preparing a country PRS paper;
- serve as a guide for the constituents who need a fast-track learning tool in order to equip themselves with the capacity to influence the outcome of the PRS process;
- offer case examples on how to incorporate Decent Work Agenda effectively into a country PRS paper; and
- provide training materials and simulations for capacity building in advocacy.

Two key learning instruments have been developed specifically for the *Guidebook*. Module 1 includes a Self-assessment questionnaire to review personal experiences and organizational practices in advocating, networking, influencing and negotiating. The questionnaire serves as a road map for readers to navigate through the *Guidebook*. Readers should take the time to work through it before going into the substance.

The other learning instrument is a *multi-stakeholder simulation* exercise (Module 6) designed for group learning in a workshop setting. It is intended to facilitate practical understanding of advocacy and how it might be applied within the context of the policy-making process of the poverty reduction strategy. It explores the appropriate strategies and tactics to embed the Decent Work Agenda into PRSs, highlighting the role of ILO and its constituents.

ACRONYMS

ASEAN	Association of Southeast Asian Nations
ADB	African Development Bank
CAS	Country Assistance Strategy
CCA	Common Country Assessment
CSOs	Civil Society Organizations
DAC	Development Assistance Committee
DFID	Department for International Development
DWA	Decent Work Agenda
EU	European Union
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries (initiative)
HPI	Human Poverty Index
ICFTU	International Confederation of Free Trade Unions
IFIs	International Financial Institutions
ILO	International Labour Organisation
IOE	International Organization of Employers
IMF	International Monetary Fund
IPEC	International Programme on the Elimination of Child Labour
I-PRSP	Interim Poverty Reduction Strategy paper
KILM	Key Indicators of the Labour Market
LDCs	Least Developed Countries
MDG	Millennium Development Goals
MDT	Multi-Disciplinary Team
NGO	Non-Government Organization
ODA	Overseas Development Assistance
OECD	Organisation for Economic Cooperation and Development
PRGF	Poverty Reduction and Growth Facility
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
SIDS	Small Island Developing States
SME	Small and Medium Enterprise
SRO	Sub-Regional Office
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
WB	World Bank
WHO	World Health Organization
WTO	World Trade Organization

Module 1

Self-assessment questionnaire and study guide

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Module 1: Self-assessment questionnaire and study guide

Part One: Questionnaire

For you, the reader, to take full advantage of the concepts introduced in this *Advocacy Guidebook*, it is useful to reflect on your personal practices in advocating, networking, influencing and negotiating when participating in planning a poverty reduction strategy. You and other members of your group can work on photocopies. Working through this self-assessment questionnaire will greatly enhance the value of reading the *Guidebook*. The Study Guide at the end of this Module directs you to the relevant sections of the book for each question, and to sections of the *PRS Manual*, where you can find explanations of any terms unfamiliar to you. You may find it useful to return to the questionnaire after working through the main Modules of the *Guidebook*.

The goal is to help you and your team to review your methods of promoting a Decent Work Agenda (DWA) in the formulation and implementation of a country-specific poverty reduction strategy. These questions will help you review your actions and identify areas where you need to sharpen you skills to gain optimal results in the formulation and implementation of the Poverty Reduction Strategy paper (PRSP). There are 21 questions in total, divided into four sections.

Section 1 deals with the principles, terms and the concepts of advocacy.

Section 2 deals with the basic concepts and conditionalities of the PRS.

Section 3 helps you assess the opportunities and challenges offered by the PRS process. This set of questions is meant to trigger thinking and identify areas where advocacy could help in strengthening your negotiating positions.

Section 4 looks at specific actions that your team/organization might take.

Question 21 is an open-ended question. You are invited to sum up your own or your organization's experiences in conducting advocacy (i.e., networking, influencing and negotiations) and to brainstorm possible future actions.

Instructions

Most of the questions are provided with a multiple choice of potential answers. Each answer represents specific knowledge, skills or practices. For each set of competencies, you can find related information in this *Guidebook*. There are no right or wrong answers per se. Rather it is an exercise to inform you of the context of the PRS and its related subject matters, strategies and tactics. You should gain insights into advocacy that you can apply to your own work.

Please read each question and then **check all the boxes** where you feel that you have sufficient knowledge and are equipped with the needed skills. You may mark as many boxes as you feel are applicable. For those boxes that you and your organization are not yet sure about in terms of knowledge and skills, we suggest that you go to the text of this *Guidebook* for further study.

Section 1: Networking and advocacy

1. Are you and your team equipped with the **skills** needed for effective advocacy during the PRS process? Please tick the boxes that are applicable.

- ❑ Communication skills, including listening
- ❑ Presentation skills (personal and technical)
- ❑ Critical thinking and analytical skills
- ❑ Negotiation skills
- ❑ Networking skills
- ❑ Organization and campaign management skills
- ❑ Rapport-building skills

2. Is your organization equipped with the **capacities** needed for effective advocacy during the PRS process? Please tick the boxes that are applicable.

- ❑ Capacity in research and policy analysis
- ❑ Capacity to plan, manage and monitor advocacy work
- ❑ Capacity to mobilise the public and relevant civil society organizations (including constituents) through campaigns at local, national and international levels
- ❑ Capacity to influence policy makers through lobbying
- ❑ Capacity to manage media and communications materials
- ❑ Capacity in networking and building coalitions
- ❑ Capacity in bilateral and multilateral negotiations

3. Do the members of your team know the main steps of the system change model (Yiu and Saner, 1997a) consisting of the following phases: **unfreezing, moving and refreezing**? Please tick the boxes that are applicable.

Phase One: Unfreezing

- ❑ Conducting a force field analysis
- ❑ Raising awareness of stakeholders
- ❑ Heightening sense of urgency

Phase Two: Moving

- ❑ Generating vision for change
- ❑ Leading to bifurcation point
- ❑ Resource mobilization, prioritization for action
- ❑ Planning action for change

Phase Three: Refreezing

- ❑ Measuring differences before and after change
- ❑ Learning from past change processes
- ❑ Institutionalization/Internationalization of new status quo

4. To what kind of change model do you or your organization subscribe? Write it down, this will help you to articulate your own working model and serve as a mental map for your advocacy work.

5. The primary goal of advocacy is to **energize** targeted individuals and groups to effect wider social change. For your decent work campaign, you need to reinforce their capacities and strengths. Do you and your team members know who are potential **agents for change** of the system that you intend to change? You and your team need to identify individuals who are influential, such as the government and industrial leaders, and also individuals who are entrepreneurial and who set trends and influence the behaviour of their social groups. These people, known as **informal leaders**, include **sociometric stars**, **boundary spanners**, **gatekeepers**, **champions** and **entrepreneurial politicians**. Please tick the boxes that are applicable and list those you can identify.

   Sociometric stars

   Boundary spanners

   Gatekeepers

   Champions and salespeople

   Entrepreneurial politicians

6. Networking is an important part of the Decent Work for All campaign. It is not sufficient to network with only individuals with formal power and influence. What could you do differently in order to accumulate social capital with the people identified in question 4 and include them into your networks? This can be done in point form or as a list of action steps.

7. Are you and your team familiar with the different **tactics of advocacy**? Please tick the boxes that are applicable.

- ❑ Use of information politics
- ❑ Collecting information
- ❑ Framing information
- ❑ Knowledge accumulation
- ❑ Disseminating information

8. Describe the ways in which you and your team use these tactics in **influencing** the PRS process?

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9. Do you and your team use different **motivational tactics**? Please tick the boxes that are applicable.

- ❑ Material incentives – for example, technical assistance, training opportunities, information packages, and policy analysis
- ❑ Publicizing apparent deficiencies
- ❑ Accountability politics

10. Are you and your team familiar with the following **dimensions of advocacy** in the context of Decent Work for All campaign? Please tick the boxes that are applicable.

- ❑ **Raising awareness** about the issue of the working poor
- ❑ **Promoting a sense of urgency** about the social and exclusion of the working poor and their vulnerability
- ❑ **Campaigning** for the fulfilment of the Millennium Development Goals (MDGs) and Decent Work for All
- ❑ **Networking** with like-minded development partners, civil society groups and individuals to strengthen your power base and to enlarge your influence
- ❑ **Contributing to the debate** on promoting employment and reducing poverty
- ❑ **Influencing the opinions** of potential change agents and decision makers on the macroeconomic framework and development strategies
- ❑ **Negotiating changes in policies** to bring them more in line with the Decent Work Agenda and poverty reduction
- ❑ **Maintaining coalitions and other collaborative partnerships** regarding the Decent Work Agenda and poverty reduction
- ❑ **Monitoring the implementation** of policy changes in line with the Decent Work Agenda and poverty reduction
- ❑ **Developing and strengthening the capacity of advocacy** within partner organizations and networks

Section 2: Basic concepts and conditionalities

11. Are you and your team familiar with the **four pillars** of the ILO's Decent Work Agenda, and have you taken measures towards achieving the objectives of these four pillars? Please tick the boxes that are applicable.

- ❑ Promoting and realizing standards and fundamental principles and rights to work
- ❑ Creating greater opportunities for women and men to secure decent employment and income
- ❑ Enhancing the coverage and effectiveness of social protection for all
- ❑ Strengthening tripartism and social dialogue

12. Does your team know and understand the **six core principles** underlying the development and implementation of Poverty Reduction Strategies? Please tick the boxes that are applicable.

- ❑ **Country driven** – involving broad-based participation by civil society and the private sector in all operational steps
- ❑ **Results-oriented** – focusing on outcomes that would benefit the poor
- ❑ **Comprehensive** in recognizing the multidimensional nature of poverty
- ❑ **Prioritized** so that implementation is feasible, in both fiscal and institutional terms
- ❑ **Partnership oriented** – involving coordinated participation of development partners (bilateral, multilateral, and non-governmental)
- ❑ Based on a **long-term perspective** for poverty reduction

Section 3: Opportunities and challenges

13. Is your team aware of the following **areas of advocacy work**? Please tick the boxes that are applicable.

- ❑ Opportunities for civil society groups to influence poverty policies of governments
- ❑ Opportunities for developing countries to streamline their domestic policies and to break away from the development trap and poverty cycle
- ❑ Creation of synergies of untapped resources in the community
- ❑ Creation of a platform and a voice for the poor and vulnerable to participate more fully in escaping poverty
- ❑ Reduction of corruption through participatory processes and the need to display transparency in the policy-making process and resource allocation

14. Are you and your team aware of the following **instruments and conditionalities** linked to PRSs? Please tick the boxes that are applicable.

- ❑ Country Assistance Strategies (CASs)
- ❑ The completion point for Heavily Indebted Poor Countries (HIPCs) and debt relief
- ❑ The Poverty Reduction and Growth Facility (PRGF)
- ❑ Poverty Reduction Support Credit (PRSC)
- ❑ UN Development Assistance framework (UNDAF)
- ❑ General Budget Support (from bilaterals and IFIs)

15. Has your team calculated the financial and organizational **resources** which are needed for your advocacy work, e.g. in regard to the following? Please tick the boxes that are applicable.

- ❑ Skill acquisition for research, complex planning and diagnosis needed to develop the PRS and related programmes
- ❑ The cost of holding stakeholder meetings and publishing information for civil society organizations
- ❑ The cost of hiring facilitators and translators
- ❑ The cost of data collection and analysis

16. In terms of information capacity, is your team experiencing the following **capacity** constraints? Please tick the boxes that are applicable.

- ❑ Limited analytical and financial planning capacity
- ❑ Limited monitoring capacity
- ❑ Limited resources to use the media as a way to encourage public participation

17. Has your team faced constraints in regard to resources available for **participatory processes** required for the PRS? Please tick the boxes that are applicable.

- ❑ Lack of resources to travel to or participate in meetings
- ❑ Difficulty in providing a platform for the excluded like the poor, women, the handicapped and the unemployed because of their social isolation and difficulties in organizing, given that most of these people are not part of trade union organizations or other organized associations
- ❑ Lack of sufficient human resources to prepare documents and conduct meetings in addition to their regular work programmes
- ❑ Lack of experience in social dialogue processes

18. **Good governance** promotes the rule of law and should be based on participatory, transparent and accountable, effective and equitable processes. Impediments to good governance may lead to difficulties in following the principles of PRS formulation and implementation. Has your team been confronted with the following problems? Please tick the boxes that are applicable.

- ❑ Lack of a political culture of inclusion or participation
- ❑ Weak civil society
- ❑ Corruption in government
- ❑ Weak judiciary system
- ❑ Lack of information on government actions and statistical data
- ❑ Others, describe

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Section 4: Summing up and future pacing

19. Which advocacy **tactics** does your organization actually use? Please tick the boxes that are applicable.

- ❑ Provision of printed materials
- ❑ Networking with Civil society and civil society organizations, including workers' and employers' organizations
- ❑ Links to local government
- ❑ Awareness-raising programmes of the local media
- ❑ Internet-based information campaigns
- ❑ Workshops organized by civil society or international organizations
- ❑ Word-of-mouth campaigns
- ❑ Songs and concerts
- ❑ Drama, plays or storytelling
- ❑ Other means. For example:

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20. Has your team been able to obtain inclusion of the **Decent Work Agenda** into the PRS process? Please tick the boxes that are applicable.

- ❑ You and your team have been able to create a comprehensive framework whereby employment and social protection are included in the PRS process
- ❑ The process is shown to be a results-oriented long-term roadmap encompassing policies and programmes involving both government and civil society
- ❑ The PRS process in which you participated gives voice to under-represented groups like women, poor people and the unemployed
- ❑ Partnerships have been formed with civil society groups, government departments and communities
- ❑ Realistic goals have been set with outcomes which can be monitored through a clear set of indicators and targets
- ❑ Decent employment opportunities have been created for the jobless and the working poor
- ❑ Pro-employment growth strategies have been incorporated into the PRS

21. You have reviewed some of the main principles, concepts and actions required to influence the PRS process. Have you have also identified accomplishments, main tasks and gaps still remaining to be closed?

    a. Please summarize your **experiences** in conducting advocacy (i.e., networking, influencing and negotiations).

    b. Briefly state what **actions** you might undertake to strengthen your advocacy towards PRS and effectively mainstreaming the Decent Work Agenda.

Part Two: Study guide

Thank you for going through the Self-Assessment questionnaire. You had the opportunity to identify areas of your personal and organizational strengths in championing the Decent Work for All campaign and in conducting related advocacy. You have also become aware of the potential gaps that need to be closed. The matrix below will guide you in your use of this *Guidebook* and to *Decent Work and Poverty Reduction Strategies: A reference manual for ILO staff and constituents*.

Guide to studying the *Guidebook* and the *PRS Manual*

Section 1: Networking and advocacy

Questions	References in *Guidebook*
● Are you and your team/organization equipped with the competencies needed for effective advocacy during the PRS process?	Module 4
● Do the members of your team know the main steps of the system change model that consists of the unfreezing, moving and refreezing?	Module 4
● As the primary goal of advocacy is to energize individuals to effect wider social change, do you and your team members know who are potential agents of change?	Module 4
● Do you know how to accumulate social capital with these potential allies and include them in your networks?	Modules 3 and 4
● Are you and your team familiar with different tactics of advocacy?	Modules 3 and 4
● Do you and your team use different motivational tactics?	Modules 4 and 5
● Are you and your team familiar with the 11 dimensions of advocacy in the context of decent work?	Module 4
	References in *PRS Manual*
● How have you influenced the PRS process?	Section 2D
● How has the ILO engaged in PRS activities?	Section 2A & 6A

Section 2: Basic concepts and conditionalities

Questions	References in *Guidebook*
● Are you and your team familiar with the four pillars of the ILO's Decent Work Agenda, and have you taken measures towards achieving these four pillars?	Module 5
	References in *PRS Manual*
● What is the ILO perspective and the ILO role concerning PRSs?	Section 1A & 1F
● What are the main principles underlying PRS and what is its historical background?	Section 1B & 1C
● How do PRSs and MDGs link?	Section 1D
● What do PRS papers contain?	Section 2B
● How do PRS papers link with the ILO activities?	Section 2C
● What is the link between the PRS, public budgets and Public Expenditure Review?	Sections 3A & B

Section 3: Opportunities and challenges

Questions	References in *Guidebook*
● Has your team calculated the financial and organizational resources that are needed for your advocacy work?	Module 3
● In terms of information capacity, is your team experiencing constraints?	Modules 3 and 4
● Has your team faced constraints to resources available for participatory processes encouraged in the PRS Process?	Module 3 and 4
	References in *PRS Manual*
● What are the links between your Country Programme and the PRS and the UN country planning framework?	Section 1E
● PRS implementation and annual review process: how have you been involved? What challenges have you faced?	Sections 4A and 4B

Section 4: Summing up and future pacing

Questions	References in *Guidebook*
● In order to encourage social participation, how could the relevant stakeholders best be informed of the PRS process?	Module 4
	References in *PRS Manual*
● What progress have you made so far? What lessons?	
● Assessing progress: How should you engage in the process of determining national indicators, targets and reporting mechanisms?	Sections 5A,B, C

Module 2

PRS entry points

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Module 2: PRS entry points

2.1 Setting the scene

2.1.1 Urgency: decreasing jobs and increasing demand

The economic slowdown in recent years has seen the number of unemployed reach new heights worldwide (see table 2.1). "As tens of millions of people have joined the ranks of the unemployed or the working poor, uncertain prospects for a global economic recovery make a reversal of this trend unlikely in 2003." (ILO, 2003b)

While this is a worldwide trend, Latin America and the Caribbean were hit the hardest, with recorded joblessness rising to nearly 10 per cent (ILO, 2003b:Table 1.1) In addition, at the end of 2002, the number of **working poor**, or workers living on US$1 or less a day returned to the level of 550 million recorded in 1998 (ILO, 2003b:1).

Stark though it is, this picture does not tell the full story. Measures of unemployment largely record the jobless who have some form of social protection. In most cases they fail to register people who are outside the official domain. In fact, the majority of the population in many poor countries work in the informal economy without social protection: it is estimated that they total more than 1 billion. According to the ILO *Global Employment Report* (2003), the traditional 'safety net', such as the informal economy in developing countries, is no longer able to absorb all those who cannot find formal employment. This endangers one of the UN Millennium Development Goals (MDG), which is to halve world poverty by 2015 (ILO, 2003b:1).

Table 2.1 Unemployment rates by region, 2000–2002

	2000 (%)	2001 (%)	2002* (%)
Asia and the Pacific	3.8	4.1	4.2
East Asia	3.2	3.6	4.0
South-East Asia	6.0	6.8	6.5
South Asia	3.4	3.5	3.4
Industrialized countries	6.1	6.4	6.9
Latin America and the Caribbean**	9.7	9.6	9.9
Middle East and North Africa	17.9	18.9	18.0
Sub-Saharan Africa	13.7	14.0	14.4
Transition economies	13.5	12.6	13.5

* Projection. ** Open urban unemployment.

Source: ILO, 2003b:1

2.1.2 The challenge: Economic growth and creation of decent work

The ILO *Global Employment Report* (2003) states that: "… to absorb new entrants into the labour market and reduce working poverty and unemployment, at least **one billion new jobs** are needed" (emphasis added).

Table 2.2 Overcoming working poverty

	Required growth in GDP per capita compared to historical rates		
	1998–2010 (calculated requirement)		1990–99 Historical rate
	Growth needed to halve unemployment rate (constant working poor rate)	Growth needed to halve the rate of both unemployment and working poor	
Latin America and the Caribbean	1.8	2.8	1.5
Middle East and North Africa	2.9	3.0	0.9
Sub-Saharan Africa	0.1	2.8	-0.3
South Asia	2.2	6.3	3.3
East and South-East Asia*	2.1	3.0	3.3
China	2.8	5.9	8.8
World	**1.0**	**2.2**	**1.0**

*Excluding China.

Source: Berger and Harasty, 2002:6; reproduced in ILO, 2003b

Coupled with the continued shedding of jobs in the non-competitive business sectors, and with countries undergoing structural reforms and industrial realignments, the mission of creating employment for ever-increasing populations around the world seems to be a Herculean task.

The first Millennium Development Goal is to eradicate extreme poverty and hunger: halving the proportion of people living with less than US$1 per day by 2015. The ILO estimates that to achieve this target – halving both unemployment and working poverty rates – requires an annual per capita growth rate of over 2 per cent globally for the next eight to ten years. The most affected regions need between 3 and 6 per cent (see table 2.2).

Currently, such economic growth rates seem hard to achieve in most regions of the world. If the current economic conditions persist, it would take another 150 years for the poorest countries just to halve the number of people living in extreme poverty. The aggregated world growth fell to below 3.0 per cent in the early 2000s (see table 2.3) (IMF, 2004). Since then the economic performance of the leading economies, such as the United States, the European Union (EU) and Japan, has risen somewhat and the outlook is hopeful, though very uncertain. The downturn of the world economy negatively affected the employment situation in countries with a large share of the workforce employed in export activities. The sluggishness of the global economy is also dashing the hopes of many developing countries that counted on economic growth through increased exports. Now that OECD markets may be shrinking and export competition has increased, export-led growth does not seem to be a viable option for countries that are not already participating actively in world trade.

Employment-centred growth

The alternative to export-led growth, according to Langmore (2003), is self-reliant domestic policies combined with increased **concessional** external finance. Domestic savings are can be major source of private and public funds for investment. The rapidly growing East Asian countries, including China, have demonstrated that the boom in domestic investment, especially reinvestment by businesses of all sizes, can trigger an economic 'miracle'.

Table 2.3 Economic growth an projection to 2005 (annual per cent change)

	Ten-year averages					Projections (September 2004)	
	1986–95	1996–2005	2001	2002	2003	2004	2005
World	**3.3**	**3.8**	**2.4**	**3.0**	**3.9**	**5.0**	**4.3**
Advanced economies	3.0	2.8	1.2	1.6	2.1	3.6	2.9
United States	2.9	3.4	0.8	1.9	3.0	4.3	3.5
Euro area	…	2.0	1.6	0.8	0.5	2.2	2.2
Japan	3.1	1.6	0.4	–0.3	2.5	4.4	2.3
Other advanced economies	3.7	3.4	1.7	3.0	2.3	3.8	3.1
Other emerging market and developing countries	3.7	5.1	4.0	4.8	6.1	6.6	5.9
Regional groups							
Africa	1.9	3.9	4.0	3.5	4.3	4.5	5.4
Central and eastern Europe	0.8	3.6	0.2	4.4	4.5	5.5	4.8
Commonwealth of Independent States	…	4.1	6.4	5.4	7.8	8.0	6.6
Developing Asia	7.7	6.6	5.5	6.6	7.7	7.6	6.9
Middle East	2.7	4.5	3.6	4.3	6.0	5.1	4.8
Western Hemisphere	2.8	2.6	0.5	–0.1	1.8	4.6	3.6

Source: *World Development Report*, IMF 2004

Since the mid-1990s, a much broader view has gathered strength, giving greater attention to the important link between employment growth and poverty reduction. In some countries, employment growth has a more prominent role in PRS processes than it has been in others. In general, though, employment policy needs to be stressed more in all poor countries. Evidence has shown that:

> …growth of opportunities for wage employment and self-employment are centrally important to reducing poverty, increasing personal and national security, increasing efficiency (not least by reducing the waste of unemployment), improving equity and to strengthening social integration." (Langmore, 2003:2). Resistance to this new emphasis, however, remains fairly high within the International Financial Institutions (IFIs) and most finance ministries (Langmore, 2003).

Not all employment growth leads to economic improvement. Increasing work that is primarily confined to the exchange of physical labour for a living, as in the case of many farmers in rural areas and workers in the informal economy at the edge of urban centres, does not lead to significant individual or country development. To move up the development ladder, it is essential for individuals and for society as a whole to create jobs requiring a fair level of skill. Social policies must assure individual rights to education, health services, safe working conditions and at least the minimum social protection.

Labour conditions: Cost factor?

Many private-sector companies from developed countries have set up manufacturing operations in developing countries in order to benefit from lower wage rates and maximize profits. Many of these operations can be categorized as 'sweatshops' offering very low wages and poor working conditions. In recent years, these operations have stirred up a lot of emotion amongst consumers in developed countries, especially

when companies with household names were found engaging in 'sweatshop' practices.

The plight of sweatshop workers needs to be seen in the context of world poverty and the irregularities of the global economy. Working conditions need to be improved, not only for the benefit of these workers, but also for the benefit of millions of worse-off low-wage agricultural workers, poor farmers, street vendors, domestic servants, small-shop textile workers, and sex workers. Only when working conditions for all groups improve can one say "more world factory jobs are good news for the world's poor." (Miller, 2003).

Need for persuasion

Commenting on possible leverage for pro-employment growth, Miller (2003:4) states:

> …there is significantly greater scope than is generally recognized for employment generating policies and practices through independent action by countries, companies, communities and concerned individuals. The principal requirement is a determined and sustained commitment to the goal of decent work for all. Every concerned individual, every community organization, every government and every international organization has the opportunity for a role in creating the climate of opinion that encourages acceptance of that goal and in the action that implements the strategies necessary for its achievement.

2.1.3 Raising the voice

Development is about realizing everyone's potential and asserting his or her dignity. Today, two billion people are still deprived of this basic right. The 2003 UNDP *Human Development Report* predicted very long time horizons for abolishing poverty in many countries.

Conventional development strategies have not solved some of the major problems: they still persist. Development thinking, from bodies such as the Bretton Woods Institutions, is only slowly absorbing the lessons of experience. The relationship between decent work and the alleviation of poverty is still given too little weight. On the other hand, *Working out of Poverty* represents a synthesis of the ILO's more than 80 years of experience concerning workers' rights, employment, productivity, quality of work life, social protection and democratizing the workplace. The ILO message needs to be heard and understood in all the relevant decision-making forums, nationally and internationally; its Decent Work Agenda must take centre stage in leading the fight against poverty and human degradation.

Advocacy will give a voice to the working poor and the unemployed, supporting the ILO's efforts to 'enlarge' the intellectual space for policy debate and formulation, and strengthen the momentum of the PRS process to reach a 'tipping point' and achieve the paradigm shift needed amongst the key actors and power brokers of the poorest countries and the international communities. A paradigm shift means a radical change of behaviour and thinking; changing the set of assumptions, concepts, values, and practices that constitute a way of viewing reality for the community that shares them, especially in an intellectual community.

While Decent Work for All does not constitute a radical departure from accepted human rights (see Box opposite) it is, nevertheless, a radical new beginning to place 'inclusion in the world of work' at the centre of human and national development processes. Implementing this new orientation in values (changing national policies, laws and regulations) will represent a radical departure from 'business as usual' for many governments and financial institutions.

Tipping point

Social and behavioural 'epidemics' can take place ('tip') suddenly when certain conditions are put in place, said Gladwell (2000). Examples such as the rapid fall in crime levels in New York City in the mid-1990s elucidate his case. Murder rates fell by 64.3 per cent in a five-year period, with other types of violent crimes dropping by 50 per cent. This happened after years of steady increase. Gladwell argued that the factors conventionally cited as causing the improvement, such as improved policing, declining use of crack cocaine and ageing of the population, are not sufficient to explain the suddenness of change. All three factors included a gradual shift in behaviour, and yet the drop in crime occurred very rapidly. Positive social epidemics could be changed in a similar fashion.

The Universal Declaration of Human Rights (1948)

Article 23 states:

1. Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
2. Everyone, without any discrimination, has the right to equal pay for equal work.
3. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
4. Everyone has the right to form and join trade unions for the protection of his interests.

The inclusion of Decent Work for All in policy development is meeting varying degrees of resistance.

> Employment promotion is far from being at the top of the list of many of the major multilateral development frameworks. The ILO faces a major challenge to ensure that employment concerns are taken account of in the World Bank-driven *Poverty Reduction Strategy Papers* (Levin, 2002:3).

> … Within the development discourse, some protagonists are wary of the role of the trade union movement and argue that the demand for labour should be left to the market and that social protection is affordable only for the formally employed. For those holding this view, labour standards are not relevant for poverty reduction. Overcoming such misconceptions will require continued research and advocacy of the continuity of decent work strategies to provide poverty reduction (ILO GB285 2002a:4).

In this context, Advocacy has to be conducted in both the public and private spheres and in the national and international arenas. In order to 'tip' the status quo and pass the threshold of change, some conditions have to be placed in the crucial nodes of the social fabric.

> It is evident that many of the factors that need to be tackled lie in the global economy and are linked to trade and capital flows. Thus, promoting decent work also means changing the way the global economy works so that its benefits reach more people. Decent work… is not only a development objective at the national level but also a guiding principle for the global economy. (ILO GB285 2002a:7–8).

2.1.4 Determining the scope of the Decent Work for All campaign

Decent Work for All is a reaffirmation of fundamental human rights. Realization of this vision requires social mobilization, as well as behind-the-scenes diplomacy and persuasion. Campaigning for decent work is about influencing the current development discourse among the key players and decision makers, and making concerted efforts to change opinion through public education, raising awareness, research, inspection and publicity.

Progressive NGOs and civil society organizations (CSOs) report that social action – people's capacity to organize concerted action towards a common social goal – lies at the heart of the development process. To apply this to the proper representation of the Decent Work Agenda in the PRS process demands the use of advocacy in collaboration with the ILO's social partners. Social mobilization needs to be undertaken in order to change mind-sets and social practices. To halve the percentage of the world population living in extreme poverty within a reasonable time frame is an ambitious goal. It can only be achieved with accelerated resource mobilization and large-scale policy interventions. Resource mobilization does not necessarily imply more overseas development assistance (ODA), but also mobilization of the domestic resources including hidden social capital. In a similar vein, policy interventions need to readdress two prevailing shortcomings: under-investment in basic social services and under-utilization of cross-sectoral synergies (Vandemoortele, 2003:1-21). Attending to these requires reprioritizing both policy objectives and budget allocations. Generating this policy shift requires effective management of multidirectional and multidimensional advocacy processes as well as effective diplomacy.

Table 2.4 provides a first glimpse of the 'contour' of the potential application of advocacy by the ILO and its constituents. It shows the fields where advocacy for decent work needs to take place in order to influence the thinking, decisions, behaviour and

Table 2.4 Scope of social mobilization by stakeholder groups and level of intervention

Levels	Stakeholder						
	Inter-governmental bodies	National authorities, parliaments	Transnational NGOs	Civil society organizations*	Transnational companies	Private sector**	Citizens and public at large
International & global	x	x	x	x	x		x
Hemispheric/ Continental	x	x	x	x	x		x
National	x	x	x	x	x	x	x
Regional		x	x	x	x	x	x
Communal		x	x	x	x	x	x
Household		x	x	x	x		x

* Including the trade unions and employers' organizations.
** Excluding the transnational companies.

policies of the stakeholders vis-à-vis PRSs. Prioritization is necessary to concentrate the limited resources and to benefit from the ILO's institutional strengths.

Stakeholders of each group represent many different actors. For instance, CSOs include academic and research institutes, professional groups, trade unions, employers' organizations, faith-based groups and affiliates, chambers of commerce, and others.

2.2 The road map: PRSP planning and decision-making cycle

The task of influencing the outcome of a PRS process through advocacy involves:

> … preparing, with close collaboration with the national authorities, an analysis of the role of employment and other elements comprising decent work in poverty reduction, organizing tripartite meetings in the countries to influence the design and implementation of PRSs and an ongoing process of networking, advocacy and influencing among a variety of stakeholders in addition to the ILO's constituents such as bilateral donors, NGOs, the multilateral development banks, other UN organizations and think tanks. (ILO, GB 285, 2002a:2)

In order to make best use of available resources and to cascade the impact, the ongoing process of advocacy needs to be carried out not only by the International Labour Office and its regional offices, but also by the ILO constituents in the countries. The respective ministries of labour, employers' organizations and trade unions need to influence, a variety of non-traditional stakeholders in addition to their memberships and known partners (including-traditional stakeholders such as rural farm workers, informal economy workers and the increasing number of working poor).

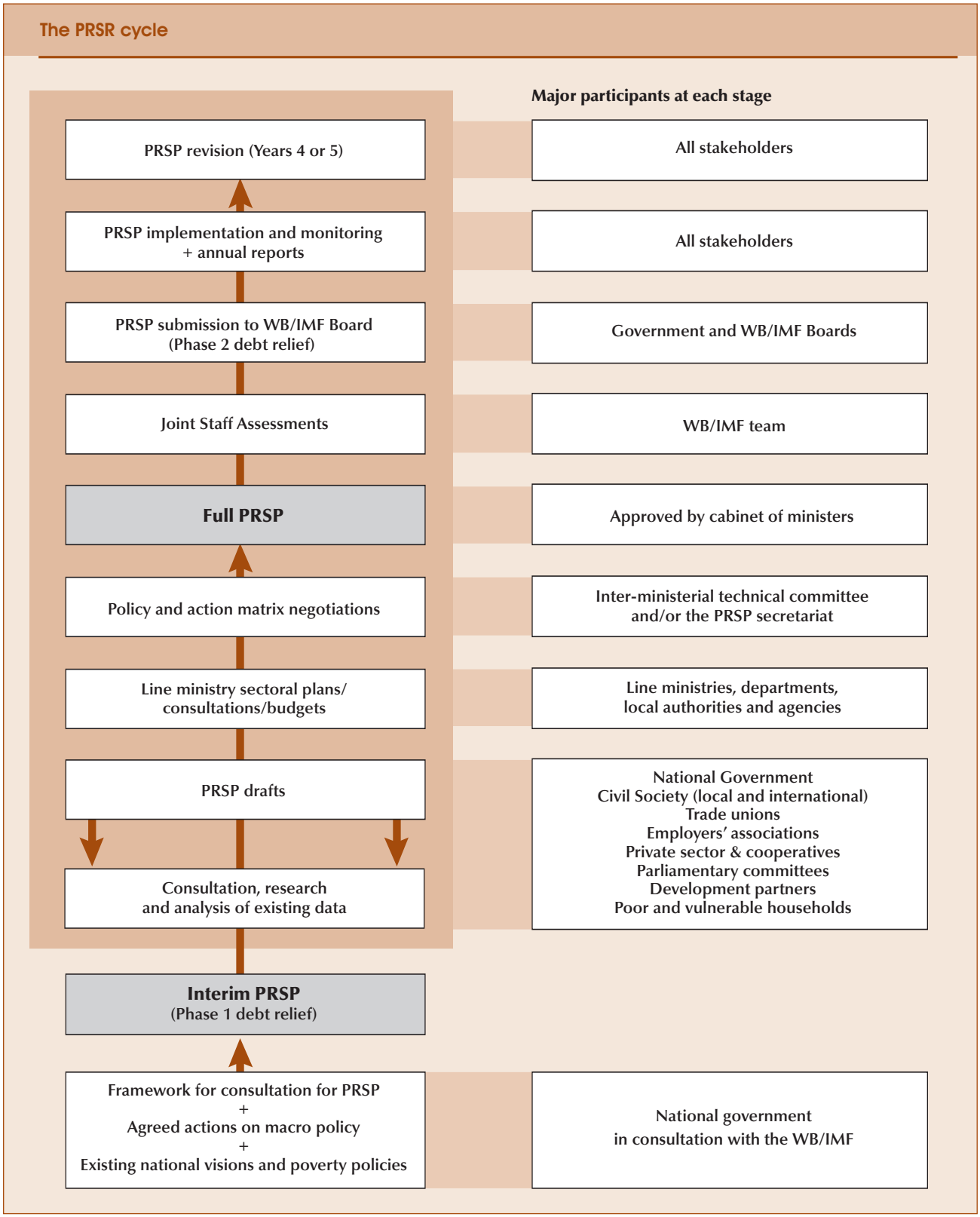
2.2.1 The PRS process at the country level

PRSs first emerged in 2000 as country strategies for addressing poverty. They act as road maps, by setting out priorities for poverty-focused domestic policies and programmes as well as for development assistance. They are developed under the leadership of national governments, with the coordinated support of the International Financial Institutions (IFIs), bilateral donors and the UN. PRSs are results-oriented, containing targets and indicators. Most are set within a three- to five-year rolling time frame.

Participation is possible at any point of the PRS process. Ideally, the point of entry should be where the ILO can get the greatest advantage from its technical expertise, political influence, available resources and international networks. Because of the ILO's limited in-country presence, active and on-going participation in a country's

PRS planning process very much relies on the institutional capacities of the constituents in each specific country, and their relative technical competence and motivation. Therefore, it is important to familiarize the ILO's social partners with the PRS process of and its decision-making criteria, so that they can engage in and monitor the process, and intervene at the right moment.

Figure 2.1 Preparing a PRS paper – the overall process and stakeholders



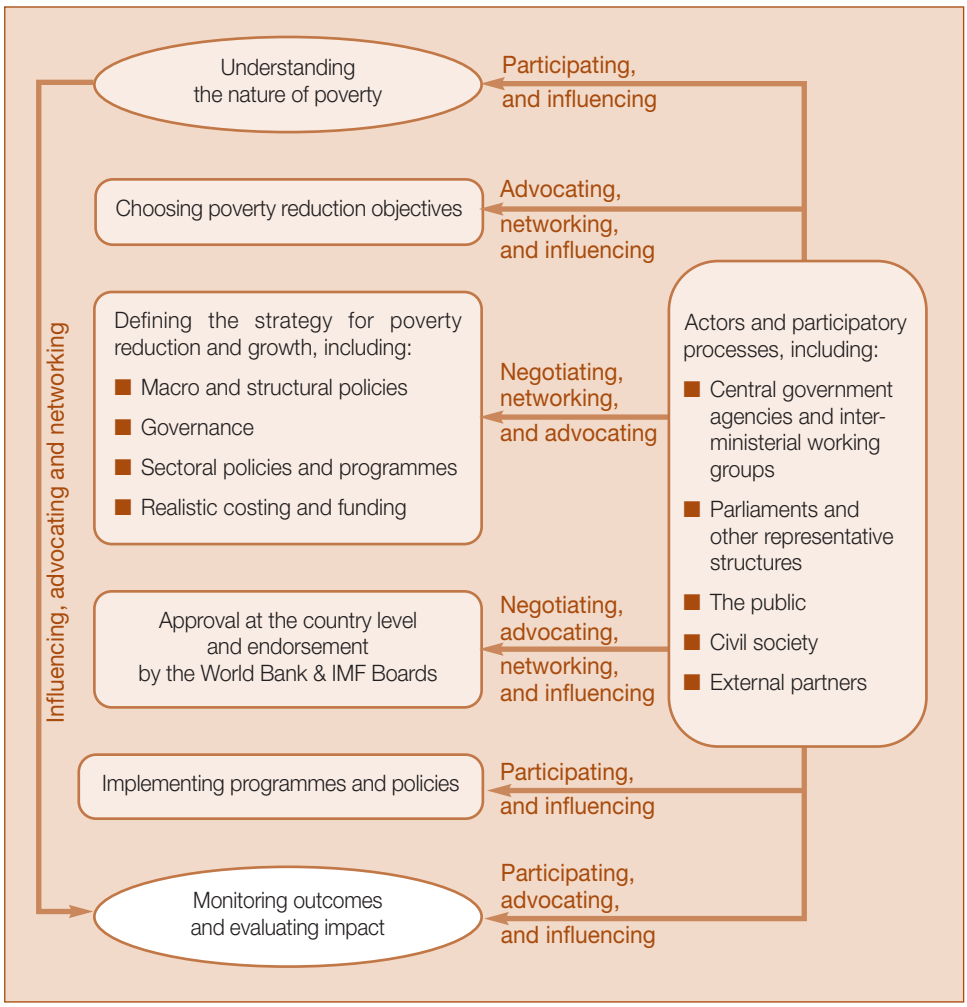
In addition to a Joint Staff Assessment (JSA) on the substantive thrust of the country PRS paper, the World Bank and IMF Boards also decide whether the paper provides a sound basis for Bank and Fund concessional assistance. The two key criteria that are required for the Boards' endorsement are **soundness** of macroeconomic policies and **soundness** of the social dimension of the PRS process. Descriptions of the consultative processes used to define key anti-poverty actions and monitoring procedures are also assessed. Countries that would like to be qualified for the Poverty Reduction Growth Facility (PRGF) and Poverty Reduction Strategy Credit (PRSC) have to fulfil these requisites.

The linkages

To advocate the cause of decent work effectively and to institutionalize international labour standards and conventions (i.e. translate the standards and conventions into procedures and practices), the ILO needs to intensify its advocacy and strengthen its influence. It also needs to make better use of the full power of its institutional knowledge.

Advocacy can be thought of in terms of four related facets, namely: advocacy itself, influencing, networking, and negotiation. These actions should be deployed throughout a country's PRS cycles (see figure 2.1), as well as in other national and international development forums. Figures 2.1 and 2.2 provide an overview of potential entry points for intervention of advocacy as a means to mainstream decent work into PRS papers.

Figure 2.2 How advocacy can unfold at the country PRS level



Source: The *World Bank Sourcebook for PRSPs*, 2003e, figure 3, p.10. (Wording of stages slightly modified.)

It is important to bear in mind that advocacy is an ongoing process and requires continuous commitment of the whole ILO, including its constituents and networks. Advocacy to promote decent work should be every staff member's responsibility. The PRS paper should be seen as a learning and living document, with ample scope for improvement.

The ILO and its constituents can influence the outcome of a PRS process through three strategies[1]:

1) positional or 'contact' advocacy;
2) methodological advocacy; and
3) standards (or rights)-based advocacy.

Positional or contact advocacy focuses on specific solutions or values. The goal of this form of advocacy is to convince the key players to choose pro-poor economic and social policies and to promote the value of decent work and "potential synergy between the social and economic goals underlying decent work" (Rodgers et al., 2002:11-26).

Methodological advocacy is about influencing the stakeholders and their representative groups to become active as problem solvers and to convince them to use appropriate methods for the PRS process; such as social dialogue, poverty mapping and problem solving. In its campaign for decent work to achieve MDGs, the ILO and its constituents should simultaneously advocate labour rights, employment and social protection, and the use of social dialogue as a methodological tool for both policy input monitoring and evaluation.

A **standards-based advocacy** strategy focuses on the implementation of conventions as a central platform of the PRS architecture. This standards-based advocacy, supported by the planned *Decent Work Deficit Index*, is important throughout the PRS process since it aims at choosing poverty reduction objectives and defining the strategy for poverty reduction and economic growth.

In the process of PRS planning and the campaign for decent work, the ILO advocates the need to employ all forms of advocacy simultaneously and strengthen their international, national and grass-roots networks in order to achieve a reasonable impact. Details on how to conduct advocacy and networking are presented in Module 4.

Policy makers in the key ministries

Officials and policy makers from ministries of finance, economics or planning, central banks, etc., determine monetary and fiscal policies and need to be convinced that the Decent Work Agenda contributes to the attainment of economic growth **and** poverty reduction. These institutions often prefer to focus first on the macroeconomic fundamentals underlying broad-based economic growth and give only secondary attention to human capital development and social safety nets. Experience from the ILO's past work with many developing countries can be used to support the claim that social stability is an indivisible part of economic growth.

Major stakeholders of PRSs

The working poor and women are key stakeholders and are expected to participate in the PRS process. It is obvious that their sustained participation can be achieved only through representation. Hence, the role of civil society organizations is pivotal in the

[1] Modified from the definition developed in Kubr 1993:47.

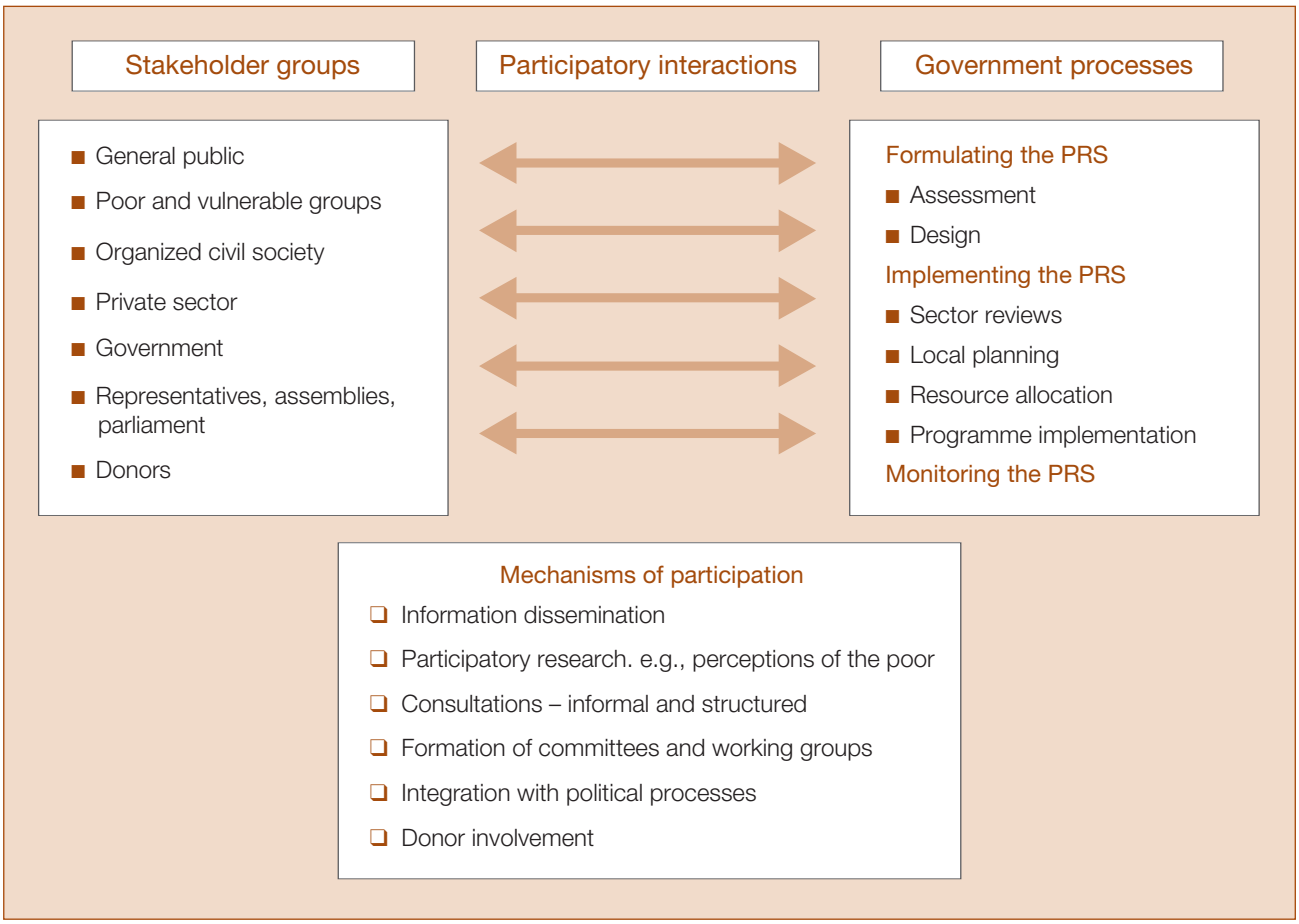


Figure 2.3 Process and mechanisms of participation

Source: *World Bank PRSP Sourcebook* 2002, Chapter on Participatory Processes in the PRSP. For more information, visit http://www.worldbank.org/poverty

PRS process. Trade unions and employers' organizations are important channels through which to advocate the Decent Work Agenda. Although the Agenda encapsulates basic human rights, there is a danger that it is perceived as the agenda of the few, simply because only a small percentage of the labour force is working in the formal economy and is represented by trade unions. Trade unions and employers' organizations would be well advised to actively facilitate the participation of all citizens in the PRS process, regardless of whether they are members or not.

Citizen participation can be seen as a continuum that ranges from more passive to increasingly active modes: information sharing, consultation, collaboration and empowerment (Brinkerhoff and Goldsmith, 2003:689). Figure 2.3 provides an overview on how stakeholder groups could interact with the PRS process through participation.

Sharing and dissemination of information, and consultation are important vehicles of participation. Trade unions and employers' organization can be effective intermediaries in achieving broad-based participation through these means. By so doing, these organizations enhance their own credibility as well as broaden the base of influence on the PRS paper.

The key difference between PRS papers and previous development assistance frameworks is the consultative process and partnership of the PRS process. The people, most importantly the poor, are given opportunities to voice their needs and concerns in a national policy consultation process. The macroeconomic policies thus formulated are expected both to stimulate economic growth and, at the same time, to offer better social provisions. Provisions which may be needed to offset the inevitable trade-offs between the needs of various interest groups and the government's policy priorities.

Officials and policy makers who decide on monetary and fiscal policies are often sceptical about participation in the macroeconomic policy making part of the PRS process. They often assume that citizens cannot understand or contribute to macroeconomic policy (Brinkerhoff and Goldsmith, 2002:66). Conversely, lower-income citizens do not always trust experts to make the right macroeconomic decisions for them.

The ILO's expertise in social dialogue can make an important contribution in this regard. Advocating a specific dialogue methodology which could bring diverse perspectives together for policy consultation would not only be valuable but would also create a more collaborative climate and restore social trust, which is fundamental to ensuring that PRS papers are equitable, implementable, and sustainable over time.

2.2.2 Entry points for policy networking

Advocacy without strong network support is of limited effect. To champion the Decent Work Agenda as part of the PRS process, the ILO and its constituents need to make sure:

> that employment and other aspects of the Decent Work Agenda are included in the PRS process and discussions as integral parts of economic and social analyses and PRS policies. This involves preparing an analysis of employment and other labour-related elements comprising decent work in poverty reduction in close collaboration with the national authorities, organizing tripartite meetings in the countries to influence the design and implementation of PRS papers and an ongoing process of networking, advocacy and influencing among a variety of stakeholders in addition to the ILO's constituents, such as bilateral donors, NGO's, the multilateral development banks, other UN organizations and think tanks (ILO, 2002a:2).

Networking is a fundamental vehicle of advocacy. Without the support of networks, advocates would be slow in getting their message through to the target audiences. They would also have difficulties in obtaining information from the ground and bringing these voices into the policy discussions (see Module 3).

2.2.3 Entry points for negotiations

Theoretically, the ILO could bring its institutional power to bear by challenging the IFIs and the national decision-making bodies. But in practice, such confrontation might elicit stiff resistance, especially if the ILO negotiation strategy is solely based on ethical grounds and framed exclusively on rights-based arguments.

Ideally, the ILO and its partner organizations should get involved in the PRS process right from the start. But as all change agents know from experience, **any** point of entry is a golden opportunity to affect change if there is sufficient readiness for change within the system. If not, the decision for the entry point has to be based on realistic assessments of: the urgency; existing capacities; the political will; the counterparts; and the quality of the existing relationship.

Advocacy campaigns for the Decent Work Agenda at the international level targeting IFIs, bilateral donors, and other governmental ministries need to be carried out on a continuous basis and should not be confined to the PRS arena alone.

In relation to the PRS process, a strong point was made by the ICFTU on the desirability of making labour standards one of the mandatory conditions for approval of PRS papers (ICFTU, 2003a), thus ensuring policies related to the labour market and creation of employment would receive proper attention within PRS papers. Even if such a conditionality cannot be realized on a global basis, it is worth the effort to try. Attempting to influence the PRS process with decent work arguments might facilitate a tacit understanding with the IFIs to eradicate gross violations of labour rights. This could well be one of the options to consider for the ILO's advocacy.

2.3 Strengthening the role of the ILO's constituents in the PRS process

2.3.1 Needed competencies

The required competencies may be grouped as follows: issues, technical know-how and process and relational skills.

Issues

The World Bank *PRSP Sourcebook* provides explanation of macroeconomic and sectoral issues; *Decent Work and Poverty Reduction Strategies: A reference manual for ILO staff and constituents* (ILO, 2005) provides another perspective and extensive links to further information. In a similar way, cross-cutting issues such as gender, governance, local economic development, the environment, etc. are also addressed in both resource books. However, only in the ILO manual is the cross-cutting issue of employment addressed in some detail.

The ILO considers employment and the conditions of employment as central to poverty reduction. Efforts need to be made to ensure that its constituents are well informed on employment issues in the relevant contexts, including:

- Macroeconomic and sectoral issues
- Rural and urban poverty
- Human development (including social protection)
- Private sector and infrastructure
- Cross-cutting issues (employment and labour-market issues are not included separately in the World Bank *PRSP Sourcebook* and therefore it is the responsibility of ILO to ensure that its constituents are well equipped to deal with them and with the relationship between macroeconomic policies and employment)
- Alternative forms of business creation, such as cooperatives

Technical know-how

The core techniques for the PRS process, as defined by the World Bank, are:

- Poverty measurement and analysis
- Inequality and social welfare
- Monitoring and evaluation
- Development targets and costs
- Strengthening statistical systems
- Public spending

The ILO considers decent work measurements to be an essential addition to this list Mastery of technical know-how could be envisaged as consisting of three levels. The first level is to be able to **understand** the results/forms/information. The second level is to be able to **check and validate** the application of these techniques when reviewing the PRS paper. The third level is to be able to **apply the knowledge** in carrying out basic studies or analyses as inputs for the PRS process.

Process and relational skills

The ILO constituents need to be equipped with the a wide range of process skills, including: social dialogue and participation, handling and disseminating information, advocacy, networking, influencing and negotiating.

2.3.2 Capacity building at all levels

Civil society groups and citizens alike need to be enabled so that they can participate effectively in the PRS process. Participation without minimum competency can be frustrating and its effects merely cosmetic. Worse, it could serve to legitimize interests of the powerful groups while the voice of the marginalized remains weak.

In addition to information needs, CSOs require the capacity to develop the competencies listed above. Potential beneficiaries also need to be given the tools and the relevant information in order to enable their meaningful participation and to be empowered to define their own development agenda. The ILO and its larger networks, including social partners, need to produce easily comprehensible information materials pertaining to the Decent Work Agenda and its possible integration into the country PRS papers.

Module 3

Ways of achieving change

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Module 3: Ways of achieving change

Introduction

This module focuses on the skills of advocacy, influencing, networking and negotiation. It introduces planning tools to provide guidance for effective advocacy.

Advocacy is a non-technical aspect of the development work of the international community and of its workers. It aims to build bridges between economic, social and ecological development policy objectives. Fundamentally, advocacy aims to reconcile different interests and communities. While it can imply 'going public' with the advocate's assertions and declared solutions, some aspects consist of more discrete interventions in restricted meetings and are strongly focused on the relationships among individuals.

The initial sections of this module present a framework of the change process and its dynamics. Practitioners should gain a broad perspective of the change process and see how advocacy can result in major changes.

3.1 Affecting change and change theory

Most change happens less as a function of the soundness of a new idea itself than as the result of the way in which changes are managed. The latter involves the acceptance of the change and commitment to implementation by those who must carry it out. In examining the behaviour change of individuals, Kurt Lewin (1951) conceptualized the process of change in three stages:

Stage 1: **Unfreezing**: creating disequilibrium in the current situation and motivating change.

Stage 2: **Moving**: developing new responses based on new information.

Stage 3: **Refreezing**: integrating the changes made and establishing the new situations developed through the change effort.

Unfreezing

The objective of this stage is to develop a **felt need** or **stimulus** for change. Generally, a strong sense of dissatisfaction with the status quo must be **acknowledged** before change can happen. The situation becomes ripe for change as questions are voiced for the first time, problems are exposed; opportunities disclosed and potential solutions aired. Critical feedback and transparency are important; there needs to be increasing openness as boundaries are being pushed and horizons of options expanded.

Advocacy could be one of the instruments used to raise awareness and to stimulate the formation of a new 'brand', a new approach or a new pattern of governance. By making public 'what is' (the status quo) and 'what could be' (the desired future), it facilitates public discussions and ownership. Advocacy in this instance is not only about promoting preferred solutions, but also about highlighting the underlying issues of persistent poverty and the marginalization of individuals. Furthermore, it is also about bringing facts, data and alternative interpretations into public discourse.

Moving

The unfrozen system loses its previous inertia and certainty and seeks ways to rectify deficiencies. In order to change, there must be some model of a better way to function or to develop. Mere awareness of the need for a new situation does not guarantee change unless the goals and direction are clear and agreed to by stakeholders.

Selection of appropriate models is crucial for any change process. It would be ludicrous for a small or medium enterprise in a developing country to emulate a high-tech company based in the Silicon Valley. In a similar fashion, it would be equally ludicrous to insist that least-developed countries (LDCs) should emulate neo-liberal economic policies, such as an unconditional open market or user-pay principles. Policies that are unrealistic and potentially harmful, especially if applied in LDCs where institutional infrastructure is weak and regulatory capacity unspecified.

China

After initiating the Open Door Policy and the Four Modernizations in 1979, there was fierce internal ideological debate and political dissention regarding these reform policies in China. Deng Xiao Ping, the then Prime Minister, advocated a new mindset as the means to unblock the reform process. He asserted, "black cat or white cat, it does not matter as long as the cat catches the mouse".

Role models can be inspirational if chosen appropriately. The choice of model may be a function of the country context and its current and potential future capacities. The choice of development strategies embedded in the model needs to be based on rigorous policy research, benchmarking and consensus building. Equally important is the selection of a 'vision' or 'message' to inspire the people and open up new political space.

The path chosen must be seen to be achievable and not more menacing than doing nothing. To get the change process started calls for small and unthreatening first steps. To reach the desired outcome, it is essential for those who would be **affected** to be fully involved through problem-solving and planning discussions. Such approaches help minimize the anxiety and resistance to the proposed change and maximize commitment to the strategy.

Influencing, negotiating and facilitating are actions that need to be undertaken. This is not the time for public campaigning but rather for quiet diplomacy where rules are negotiated, paths identified and agreements reached. The ILO and its constituents could initiate and facilitate this process by deploying effective advocacy.

Refreezing

This stage is also known as **institutionalization**. Changes are integrated into the policy-making criteria and standard procedures and, at a deeper level, become part of the norms and culture of the setting. Steps need to be taken and resources allocated to make the changes sustainable and to retain the vitality of the system for continuous growth and development.

Many change efforts fail at this stage because the infrastructures and mechanisms were not put in place. For example, if the Poverty Reduction Strategy remains a separate and parallel process to the national planning and budgeting processes and the consultative processes and extra-budgetary activity, it is questionable whether the multi-stakeholder approach can be sustained once external funding is phased out. A poorly conceived and executed **refreezing phase** could, for instance, jeopardize the achievements obtained through the PRS process should official development aid shift away from policies oriented towards poverty reduction.

Institutionalization of the PRS paper will require significant efforts in both capacity building and institutional realignment. Capacity building will be needed to help government personnel develop new skills needed to manage the new system. For instance, in order to institutionalize social dialogue, civil servants will need to learn how to facilitate the process, how to manage broad-based participation, how to deal with the public, how to use the media, and how to advocate the needs of the vulnerable and the marginalized segments of society. These skill sets will have to become part of the professional competencies of the personnel in charge of implementation of the PRS paper and follow-up activities.

At the institutional level, it is foreseeable that there may be a need to set up new arrangements such as outsourcing and private-public partnerships. However, if the organization or public administration is not prepared for growth, the intended transformation will be unsustainable and short-lived.

Refreezing does not mean becoming rigid in the new or changed situation; rather, it means changing or developing additional rules, regulations, procedures and mechanisms to enable continued adaptation and improvement. In the case of decent work, this would mean that the socio-economic and political systems of the PRS countries will have to integrate and internalize the philosophy, values, norms and practices of the desired rights-based and pro-poor development strategy embedded in the Decent Work Agenda. At the same time, they need to remain flexible so that they can interpret the Agenda to fit the country's economic and social context. Therefore, it is vital for the ILO and its development partners to both advocate the Decent Work Agenda and to be active in capacity building and institution development processes.

3.1.1 Readiness and capacity for change

Readiness to change[1] in this context means mobilizing attitudinal or motivational energy to prepare for the change. **Capacity to change** means mobilising physical, financial, or organizational capacity.

In determining readiness for change, David Gleicher[2] developed a change equation that helps in developing a strategy for implementing the ILO's advocacy and change effort to incorporate the Decent Work Agenda into PRS processes.

$$C = dvf > R$$

Where: C = Change,
d = level of dissatisfaction with the status quo,
v = clear vision of the desired state,
f = practical first steps toward a desired state,[3] and
R =Resistance to change.

As the formula suggests, the combined strength of dissatisfaction (d) times Vision (v) times First Steps (f) **must be greater than** the resistance to change (sometimes described as the 'perceived cost of change') R.

To determine the likelihood of change, some essential questions need to be addressed, including:

- Does the policy switch from 'business-as-usual PRS' to 'Decent-Work-centred PRS' cause too much cost?
- What are the costs?
- Who is paying the costs?
- How are the power relations between winners and losers affected by the changed status?
- Is dissatisfaction with the status quo contained or growing?

[1] Excerpted from Beckhard, 1976: 46.

[2] David Gleicher's formula was also cited in Plovnick et al., 1982:14.

[3] A recent example of using practical first steps as means to start a change process was reported in the *Far East Economic Review* (23 Oct. 2003:16) concerning the Association of Southeast Asian Nations (ASEAN)'s economic integration. Singapore's Prime Minister Goh Chok Tong and his counterpart, Thaksin Shinawatra of Thailand, first proposed a 'two plus x' mechanism to pilot regional economic integration. The 'two plus x' formula means that any two ASEAN countries can propose project for trade liberalization to the ASEAN leaders, and the two countries alone can carry on the project and leave the option open for others to join in later on a reciprocal basis. Secondly, they identified the 'open-skies' policy for air cargoes as the practical first step. The proposal was presented to other countries and received an immediate positive response from the Philippines, Cambodia and Brunei. Together, this group fulfilled the minimum requirement of participation. By choosing at this stage to initiate ways to apply the open-skies policy to air cargoes, the two Prime Ministers prevented the negotiation process from being bogged down by the more contentious issue of air passengers.

Table 3.1 The interaction effect of the elite's commitment and social dissatisfaction

Value orientation of the political elite	Stakeholders' dissatisfaction with status quo	
	Contained (dormant)	Aggravated (manifested, agitated)
Solidarity	Receptive to top-down change initiatives	Consultation and participation are key to any change efforts
Self-interest	Resignation and acceptance of status quo (benign neglect)	Confrontation, possible violence

Source: Yiu and Saner, 1997a

Change is neither a linear process nor a purely rational choice. Rather, it is a delicate balancing act of fine-tuning of different change levers. To facilitate the adoption of the Decent Work Agenda as part of the core of a PRS, it is important to assess the existing dynamics between the political elite and the common people. Table 3.1 lays down the parameters for gauging the risks of no action (benign neglect) or 'business-as-usual' type of passivity (entrenched status quo).

If the political elite of the country is focused on its own self-interest while the people are increasingly aggravated by social injustice, the felt grievance may manifest itself through violent protest. The ousting of President Gonzalo Sánchez de Lozada of Bolivia over the building of a gas pipeline to Chile based on the non-transparent actions of a private company is a good example. Bolivia has agreed its PRS paper, but it remains vulnerable to political upheavals each time the country is faced with solutions that are not seen as equitable or transparent.

3.1.2 Advocacy and large system change

Building on Lewin's change model and Moreno's work on sociometry[4] Yiu and Saner (1997a, b) developed a working model for large system change (see figure 3.1). This model is adopted here as the basis for formulating the ILO's advocacy and change strategies.

The Yiu and Saner model[5] takes into account the culture and history of the social system and the multiple stakeholders of a reform process. The systemic change model delineates a gradual process of galvanizing the target system through advocacy and organizational learning.[6] The model explains the process of reaching the tipping point when ideas, trends and social behaviour cross an invisible 'threshold' of resistance and spread quickly. Putting it differently, it attempts to conceptualize the process of creating the ripple effect.

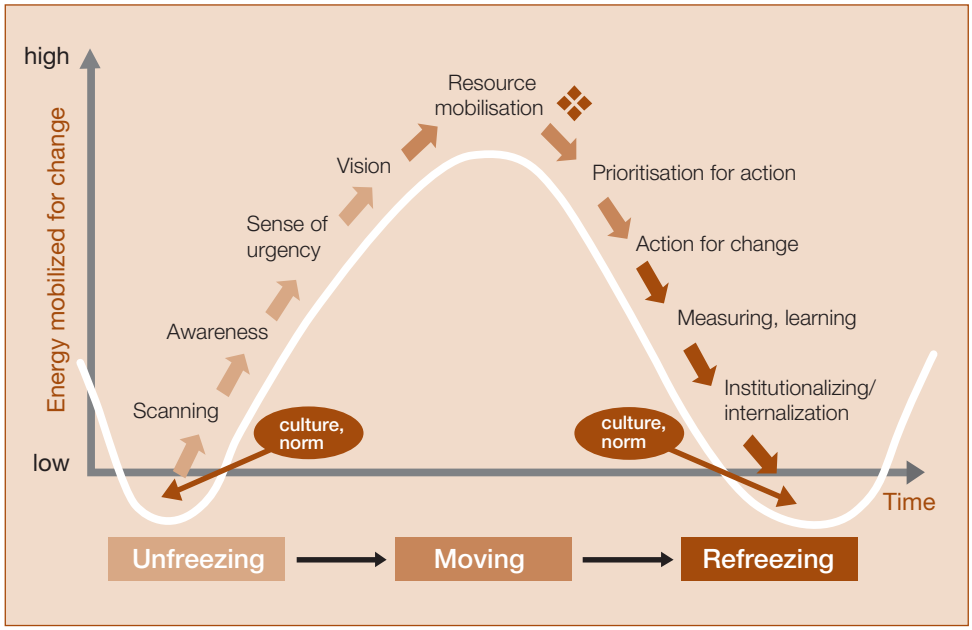
When remaining indifferent and apathetic, an individual or a group would find itself hard pressed to take action and make changes. Human systems behave in the same manner; the status quo means that different forces keep a social system in equilibrium. Therefore, the primary goal of advocacy is to **energize** individuals or groups within a specific social system by bringing them into closer contact with the larger environment. Closer contact in this context means getting a 'fuller and more engaged' view of reality. In the case of the Decent Work Agenda, society as a whole must recognize and honour the needs and the basic rights of the working poor, women

[4] Using experiential methods, sociometry, role theory, and group dynamics, psychodrama facilitates insight, personal growth, and integration on cognitive, affective, and behavioural levels. It clarifies issues, increases physical and emotional well-being, enhances learning and develops new skills (Moreno, 1934).

[5] Development based on the work of Fritz and Laura Perls and Edwin C. Nevis (Gestalt Psychology) and Jacob Moreno (Sociometry). Refer to Nevis, 1987; Moreno, 1932, 1934 in bibliography.

[6] Field application of this model in China and Slovenia for instance can be accessed at www.csend.org; Saner, Yiu, 2002:84–94; Yiu; Saner 1998:1; Saner; Yiu 1996:6–6...

Figure 3.1 Large system change process



Key: ❖ = point of change

Source: Yiu and Saner, 1997

and the vulnerable; and make changes to include these excluded members of society in a country's future policy planning and policy implementation.

The change model proposed here is based on three premises:

1. Social change requires both individual and system learning through 'quality' contact between citizens and their context.
2. Social change results from escalated and amplified awareness reached through feedback emerging from society at large.
3. A critical mass of individuals with substantial political and social capital needs to be mobilized before the **point of change** can occur (see figure 3.1).

This change model implies a generic process where momentum for change is harnessed and directed toward a desirable future condition. It offers a conceptual framework to understand the change process.

Social systems are collections of individuals governed by a set of agreed rules and norms which structure the way people relate to each other and organize their societies. By presenting the aspirations, facts and experiences on submerged issues and by unearthing ignored concerns, the advocate raises public awareness. When promoting social change, it is important to identify the appropriate entry points in a system: where the level of dissatisfaction with the status quo is the highest; where the desired state is clearly understood and articulated; where practical first steps toward helping people to be elevated from poverty could be demonstrated and be successful. It is by presenting the aspirations, facts and experiences on submerged issues and by unearthing ignored concerns that the advocate raises public awareness.

3.1.3 Change agents and partners

Social change requires collaborative efforts that cannot be delegated to outside experts. Instead, the impetus for change needs to come from within. Participation of key stakeholders and amplification of the voices of the excluded are important. While the system represents a myriad of relationships, the points of contact for advocacy should be the connectors that can elicit greatest impact and reach the greatest number of individuals, groups and networks in the shortest time.

Five categories are crucial for the success of a large social movement. They are:

Sociometric stars, who have accumulated social capital and therefore resources and power to influence perception and opinions. They connect people, form the central pull of a social network and are often the informal leaders of their community. They **legitimize the message** for change.[7]

Boundary spanners, who bridge social networks and have the talent of bringing people together. They are known in different networks that represent diverse interests and backgrounds. They may facilitate contacts and linkages between diverse groups and networks and help to **spread the message** of change.

Gatekeepers, who are eager for information and happy to disseminate it within their own networks. They are in general interested in whatever information they can find and curious to learn. They have an important function of bringing in new ideas to their group and organization. They hold the key to information and **provide the message** of change.

Champions and **salespeople**, who have enthusiasm for new ideas and new practices and the skill to persuade and to convince others of their value. They **promote and market the message** of change.

Entrepreneurial politicians, who have the ability to initiate actions spanning different administrative branches, creating efficient cross-cutting policies, administrative procedures; they know how to mobilize resources for practical actions.[8]

It is important to identify individuals who play these roles. The work of advocacy and networking therefore should start with the objective of raising awareness among the sociometric stars, the gatekeepers and the champions of the merits of the Decent Work Agenda, with the objective of cooperating also with the boundary spanners and different target groups, communities or networks to expand the influence movement for social change.

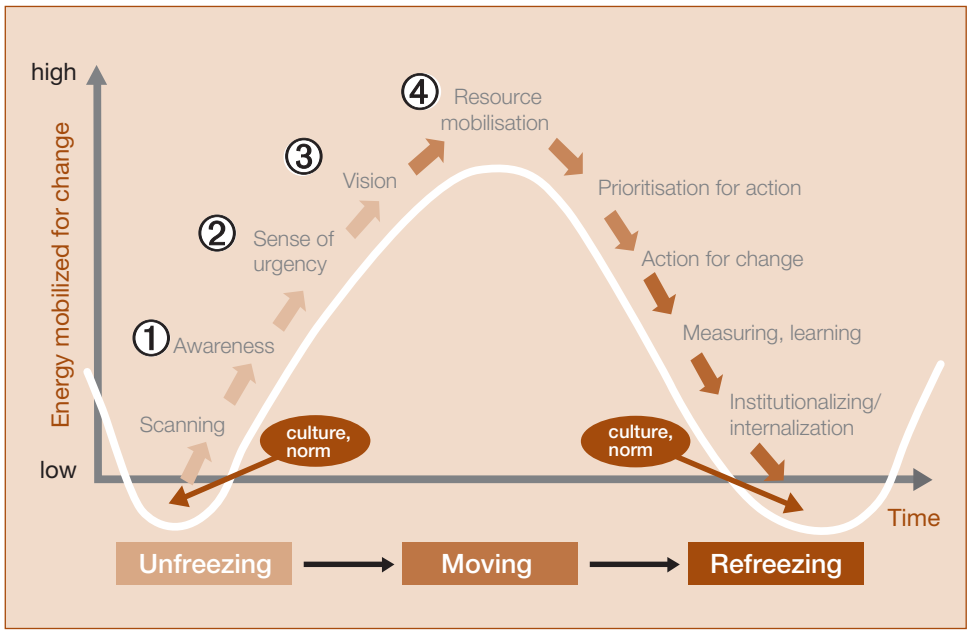
3.2 Extending the reach

By focusing on the informal and unacknowledged reality, the advocate increases the forces supporting change, thereby starting a process of altering the current status quo. This process needs to be extended to all who can influence policy making. Networks can promote advocacy groups and their issues. Both trade unions and employers' organizations have their own networks around the world. However, these belong to similar segments of society and are therefore limited in helping the ILO and its other social partners to expand their influence beyond their traditional contexts. It is vital to convince the leading lights within the trade unions and employers' organizations to extend their boundaries and to make contact with other segments of society through other boundary spanners and gatekeepers. The help of other influential people within these groups needs to be enlisted as well to spread interest in the Decent Work Agenda.

[7] J.L. Moreno researched the structure of groups and society and developed Sociometry - the scientific measurement of social relationships in groups. As in systems models, the individual is viewed in relationship to others. Sociometry in its most basic sense can be best characterized as a collection of methods to investigate and evaluate networks of existing and preferred relationships. Sociometric explorations measure, observe, and intervene in the natural attraction/rejection processes within a given group, e.g., family, social, work, community. The goals of Sociometry include: facilitate constructive change in individuals and groups; increase awareness, empathy, reciprocity and social interactions; explore social choice patterns and reduce conflicts; clarify roles, interpersonal relations, and values; reveal overt and covert group dynamics; and increase group cohesion and productivity.

[8] Definition adopted from Saner; Yiu 2000:32, 411.

Figure 3.2 The impact of advocacy on the dynamics of change



Key:
①②③④ indicate the mobilization points for change through advocacy

Source: Yiu and Saner, 1997

In promoting the vision of a just and decent society, the advocate helps shape collective expectations. These help unfreeze the status quo and galvanize the community into resource mobilization, public displays of malcontent, demonstrations and action.

3.2.1 Types of advocacy

Being an advocate for decent work involves different types of advocacy. It is important to educate the public on the fundamental human rights that the Decent Work Agenda is embedded in and on how the specifics are embodied in international labour standards (standards-based advocacy). It is necessary to advocate methodologies that are congruent with these basic rights and labour standards (methodological advocacy). Finally, advocacy needs to be oriented towards key players and organizations so that labour standards can be incorporated into specific policies that affect country development strategies.

3.2.2 Tactics of advocacy

Advocacy can be highly visible and controversial, an example being the tactics used by Greenpeace in its effort to bar shipping of nuclear waste by attempting to forcibly board shipping vessels. Although not all tactics used by high-profile advocacy groups are applicable to the ILO and its social partners, this topology of four broad categories of advocacy tactics could offer fruitful thoughts for the ILO's advocacy work.

A Information tactics

Information tactics involve the ability to generate usable and politically credible information quickly and move it to where it will have the most impact. The efficacy of information for advocacy depends on:

- what information is available and can be used to conduct a poverty diagnosis of a country;
- how information or data on poverty is aggregated, for example by gender, age, location, or working status;
- whether information is packaged as cold statistics or coupled with human stories and testimonies to create symbols for a poverty reduction movement; and
- how much information is made available to the public at large and whether it is represented in such a way that it is understood.

Information management is central to advocacy. Mastering information management should be a required competence at ILO Headquarters and at ministries of labour with the ILO's social partners. The proper division of work should make the whole value chain of information management more efficient and effective.

Framing information: Besides collecting quality data for poverty diagnostics, it is equally important to frame the poverty issue in the right context. An effective frame shows if a given state of affairs is either natural or accidental; it identifies responsible parties, regulatory restrictions, or outdated social and religious practices. Achieving good results requires clear, powerful messages that appeal to shared principles and solidarity; messages that also provide the basis for proposing credible solutions.

A powerful vision or message supported by moving human stories or testimonials are the ingredients used by many advocacy networks to influence international agendas. In the ILO's area of responsibility, the image of the 'working poor' is powerful. It argues against the unspoken belief that the poor deserve to be poor because of their laziness and that they have only themselves to blame. This message needs to be connected with appropriate narratives and images that both explain why this stereotyping is wrong and show the real causes of deprivation. Together with examples of life stories that the general public can relate to, basic facts on the working poor can provide a strategic message to propel the Decent Work Agenda forward.

Selecting the right audience: Another important consideration is where to disseminate information. It is important to seek hospitable venues, fertile ground for the message to catch the imagination of the audience. This is crucial in coordinating a campaign to produce the greatest resonance. Law practice calls this tactic 'venue shopping'.

Effective advocacy rarely involves mass mobilization except at key moments, although the people whose cause the advocates espouse may engage in mass protest. Instead, advocates seek out venues where their message will get the best resonance and where common concerns can be more easily established with the largest number of agents for change and members of the general public.

Venue shopping relies on the dual strategy of presenting an image (framing) and searching for a receptive political venue. The coupling of indigenous rights and environmental issues in the Amazon is a good example of a strategic venue shift by indigenous activists who found that the environmental arena was more receptive to their claims than the human rights venues.

Where is the most effective venue (ground) for the decent work campaign? Different cultures, political systems and socio-economic conditions lead to very different choices. Hence, each country team should conduct its own studies to identify the most suitable and favourable venues and framing their arguments to give the right accent and interpretation to the common goal of achieving decent work.

Labour conditions have been linked to international trade negotiations without actually moving the Agenda forward. What other venues could be explored? Security and peace? Solidarity? Globalization? Liberal theology? Development economics? The World Commission on Social Dimensions of Globalization offers further indications to venues and messages that could create the right frame for decent work.

Processing information and knowledge accumulation: One of the crucial challenges for advocacy is how to process information and reveal hidden knowledge or new interpretations. This capacity is critical when the country needs to identify poverty-

reduction objectives and formulate macroeconomic policies in PRSs. What should be the 'right' way for the country to achieve fiscal stability, fast growth, quality public services and ideally fairer distribution of wealth? Which development model should be emulated? What are the policy trade-offs? These are questions with no straightforward answers. Critical work conducted by think tanks and credible individuals need to be collected and disseminated in order to avoid the phenomenon of 're-inventing the wheel'. In addition, local communities should be empowered to conduct their own research and knowledge accumulation, if they have not done so already.

One role of advocacy networks is to gather relevant technical information and substantive research and to identify methodologies which allow for quick assessment and sound analysis of issues related to labour-market conditions, working conditions, informal economies and alternative working arrangements. The most important task of all is to continue to disseminate the right information to the public and to shape the debate by either 'enlarging the intellectual space' or by sharpening the focus of society. This however requires continued in-depth research and analysis. In many PRS countries this work is being done through poverty monitoring systems and arrangements. The United Republic of Tanzania and Uganda are two good examples.

Disseminating information: While direct communication with potential agents for change is vital, it is also important to inform a much wider audience, to ensure that crucial information reaches the right place at the best time for the effectiveness of advocacy.

Options for widespread distribution include the news media, TV spots, popular magazines, newsletters, professional journals and the internet. Multi-sensory messages; such as songs, visuals, stories, theatre performances, arts, films and video clips; have proved to effective in disseminating information to the general public.

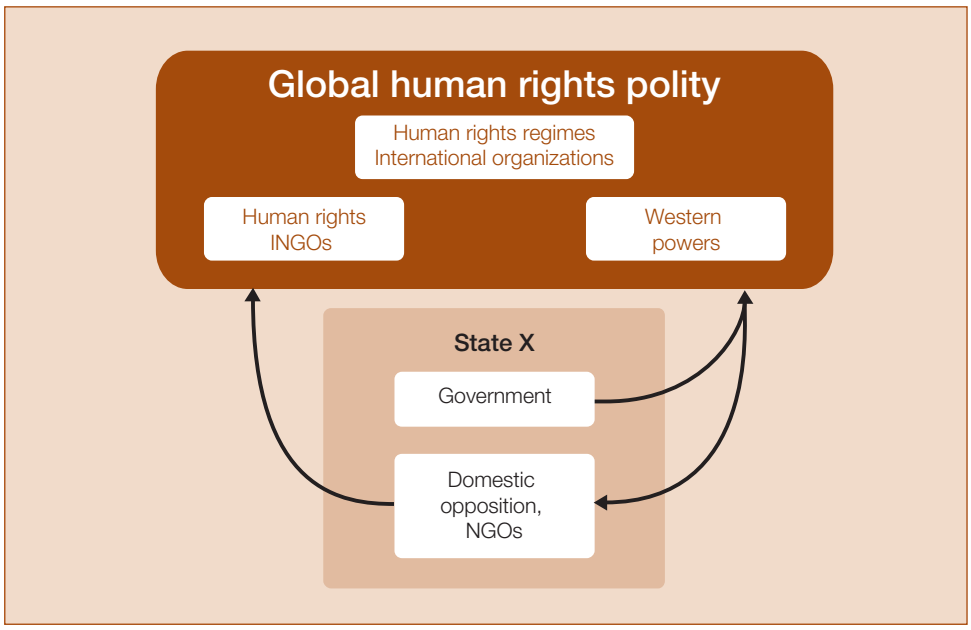
Just-in-time information sharing between networks has also proved to be most effective in mobilizing public opinion. The crucial element is a network created by advocacy groups for their common purpose. Wide network connections make information travel faster and galvanize a cross-sector and cross-border range of citizens. The 'boomerang effect' created by the information exchanges among networks can trigger a chain of events and create the impetus for policy change.

One recent successful ILO campaign was against the employment of child labour.[9] The Organization's International Programme on the Elimination of Child Labour (IPEC) and Red Card to Child Labour Campaign have galvanized global civil society and mobilized consumer groups to boycott products from companies known to have violated basic children's rights. This has created a boomerang effect (figure 3.3) with the result that big businesses have in some cases changed their practices in developing countries. One example is Nike and its use of child labour in its overseas production sites. When the consumers responded to the call of activists and boycotted its products, the slump in sales persuaded the company to shut down its operations in areas where child labour is common. The boomerang effect can impact different chains of events. History remains in the collective social memory through case studies taught at some universities.

In the fight against HIV/AIDS, the use of red ribbon "R" to symbolize the commitment to safe sex is another good example. Starting with a small number of people, this symbol has spread around the world and has become not only a symbol of personal choice but has extended the symbolic frame to other issues surrounding

[9] For more information, see www.ilo.org/public/childlabour

Figure 3.3 The boomerang effect



Source: Risse; Sikkink, 1999:19

HIV/AIDS such as the right of HIV/AIDS patients to access affordable drugs. The campaign slogan was "basic human rights to medicine!"

B Use of symbolic tactics

Symbolic tactics are the ability to call upon symbols, actions, or stories that make sense of a situation for an audience that is frequently far away. Advocates frame issues by identifying and providing convincing explanations on major issues and events. These in turn become catalysts for the growth of networks. It is part of the process of persuasion, by which advocates create awareness and expand their constituencies (Keck; Sikkink, 1998:22). Today, in the context of the anti-globalization movement, the issue of employment has been wrongly framed. In many quarters of developed countries, the employment issue has been simplified as "cheap labour of the South taking away jobs from the North". A symbol of solidarity coupled with convincing explanations is urgently needed in order to slow the deteriorating labour market conditions all over the world (ILO, 2003c: 1; UNRISD, 2000; Korten, 1995).

Artistic creations should also be explored in order to create a visual symbol of the Decent Work Agenda so that it can be carried and transmitted by ordinary people in everyday life, thus turning each supporter of decent work into a voluntary campaigner.

C Use of leverage tactics

Leverage tactics involve calling upon powerful actors to affect a situation where weaker members are unlikely to have influence. To bring about policy change, networks need to persuade influential actors such as governments, international financial institutions, or private entrepreneurs. Groups can gain influence far beyond their own ability through identification of effective advocacy material or moral leverage in campaigning.

Material leverage means linking the issue with money or goods. Potentially it could also be linked to votes, prestigious offices or other benefits. The issue of human rights became highlighted on the world stage when the practices of governments or financial institutions were connected to military and economic aid and bilateral diplomatic relations. Human rights groups obtained leverage by providing policy makers with information that convinced them to reduce military and economic aid in some areas.

To make the issue of decent work central to negotiations, the ILO and its constituents need to raise its profile. For example, promoting an employment-driven growth strategy as a means to accelerate poverty reduction and to hasten national development. Information and symbolic tactics are both needed. The labour ministry could advocate the introduction of decent work practices in other sectors, such as health and education, by emphasizing the need for vocational training, health and safety, employability and social protection. Ministries of labour might be able to reinforce support from the international community for ministries that espouse the cause of decent work, while gaining valuable leverage for their own perspectives.

Attributing responsibility: Moral leverage involves the 'mobilization of responsibility', where the behaviour of responsible individuals or organizations is held up to the light of international scrutiny. To demonstrate credibly that a state is violating international obligations or is not living up to its own claims, civil society can initiate a campaign advocates a change in policy or behaviour. The degree to which states are vulnerable to this kind of pressure tactic varies. For instance, during SARS crisis, the Chinese Government responded to the international pressure for greater transparency in its handling of the epidemic and agreed to allow a World Health Organization advisory team to visit its hospitals.

Attribution of responsibility has also been used frequently to pressure multinational companies, which are increasingly mindful of their reputations and the potential consumer backlash in high-value markets. The climb down by major drug companies in their legal action against South Africa for importing low-cost generic HIV/AIDS drugs is a case in point. The idea that these giant pharmaceutical companies were placing profit above human lives was threatening their business in developed countries.

The proliferation of private labels and corporate reporting concerning environmental issues, labour practices and sustainable development is another example of corporate concerns for a favourable image. Highlighting responsibility produces real leverage and causes industry to start self-regulating its own conduct.

Similar tactics can be used for the Decent Work Agenda campaign. Although the ILO has collected and disseminated labour statistics since 1921 on the characteristics of working populations and working conditions throughout the world, it has so far not created a scorecard with a ranking similar to that of the *Human Development Index and Human Poverty Index*.[10] In 1999, the ILO launched the *Key Indicators of the Labour Market* (KILM) programme to complement the regular data collection programmes and to improve dissemination of data on the key elements of the world's labour markets. However, KILM is framed in a technical context intended for use by experts, researchers and planners. The planned *Decent Work Index* could be an important benchmarking and advocacy tool in the future.

D Use of accountability tactics

Accountability tactics aim to hold powerful actors accountable for their previously stated policies or principles. Monitoring is one variation. Once a government has publicly committed itself to a principle – for instance, in favour of an agriculture-driven development strategy – advocates can use those positions, and their command of information, to expose any distance between words and action.

[10] *The Human Development Report* contains valuable information on the status of fundamental labour rights conventions and limited labour-related statistics, such as the youth unemployment rate and gender-related employment and wage figures.

In a more general manner, one accountability tactic is benchmarking performance results. For example, comparing the number of students enrolled in grades 1 to 6 with neighbouring countries or the crime rate in the cities of similar size and development could also influence authority to consider change. The *Human Development Index* is an excellent benchmarking instrument regarding government performance. One way to increase its potency would be to make its information more accessible to the people rather than just to specialist groups. The proposed *Decent Work Index* may prove an excellent tool for self-assessment in terms of monitoring progress and comparing countries.

3.2.7 Outcome variations

Greater transparency and participation inevitably energizes a social system and increases its degree of freedom. Increased awareness can result in unfreezing and desirable change. However, the outcome may not be an orderly and learning-oriented process. Instead of moving into the stage of prioritization and planned actions, the unleashed energy could become irrational and violent. Examples of social unrest and violence are many, the widely-reported anti-globalization protests at international economic meetings in recent years are cases in point. Each confrontation can lead to an erosion of social cohesion and render the system increasingly vulnerable. Once social unrest sets in, it may be much more difficult to resume equilibrium (refreeze). What's more, the unrest may bring severe responses from the authorities, leading to an entirely unwanted conclusion. Accountability and ethical standards, therefore, need to be taken into account by organizations and individuals who actively promote change.

3.2.8 Force-field analysis: a valuable analytical tool

Although in real-life situations, there are complex factors leading, for example, to the poverty trap, one can simplify the analysis of introducing the Decent Work Agenda into the policy-making process by thinking of the forces as operating in opposite directions[11] – those forces operating to improve or change the situation (*dvf* in Gleicher's formula) and those operating against improvement or change (*R* in Gleicher's formula). Should the combined forces pushing on the object cancel each other out, change will not occur. However should these two opposing forces be unbalanced, the object will move in a direction determined by the imbalance of these forces.

There are many instruments available to identify the resistance to change and where intervention could be most effective. A simple technique known as 'Force-Field Analysis'[12], to identify both obstacles to change and factors that are encouraging the system towards it. Applied to the advocacy of the Decent Work Agenda, Force-Field Analysis can:

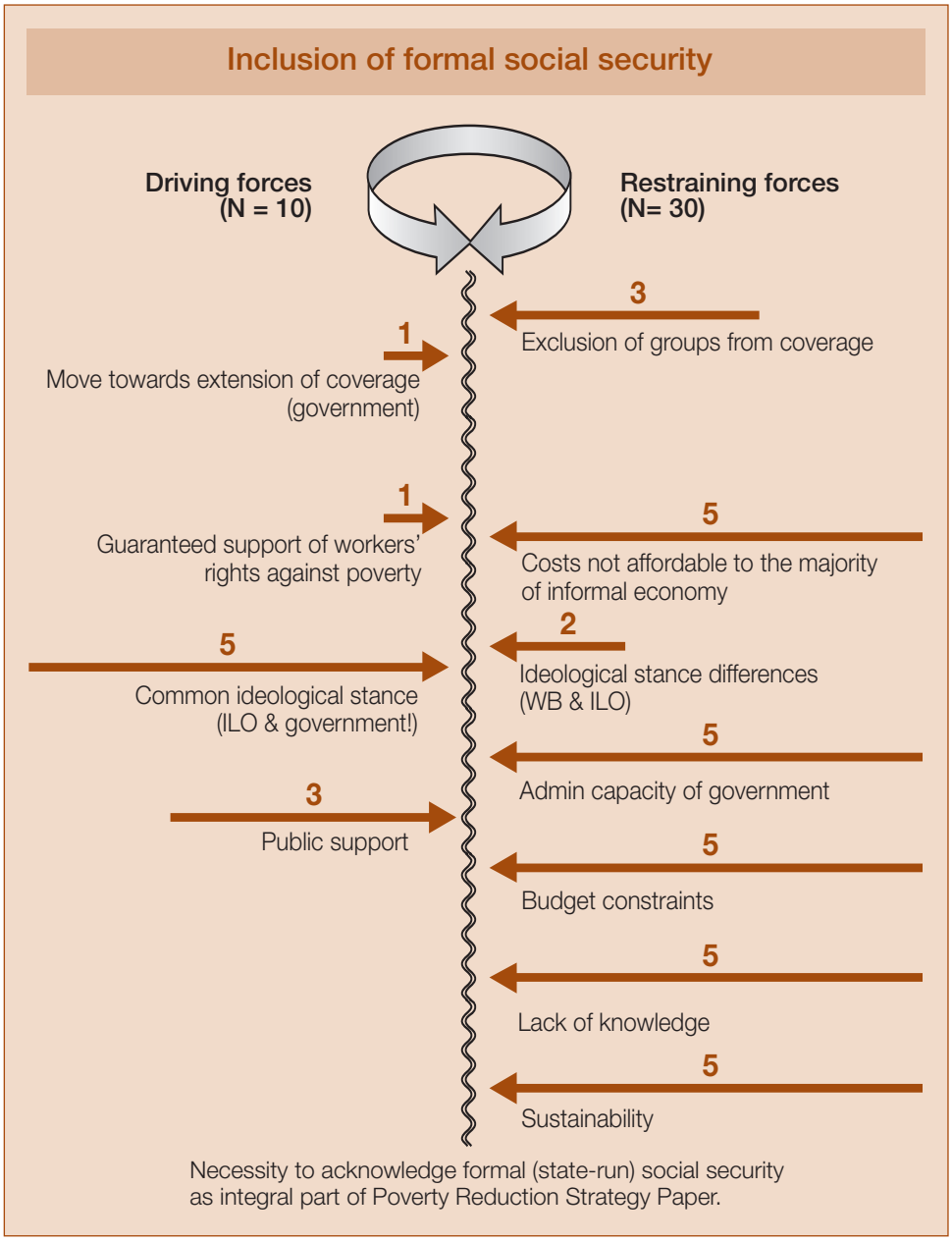
- develop an overview of the whole field where advocacy will be conducted;
- identify effective entry points for advocacy; and
- identify the information needs corresponding to the various and groups and individual agents for change.

Forces that tend to support the change are called the 'driving forces'. The forces that tend to resist change are called the 'restraining forces'. Figure 3.4 illustrates a Force-Field Analysis.

[11] The force-field analysis discussion is adapted from a teaching note by R. Beckhard, published in Plovnick, et al., and 1982:16.

[12] Developed by K. Lewin and refined by R. Beckhard.

Figure 3.4 Example of applying Force-Field Analysis to promoting formal social security in LDCs



Source: Participants' group work during a PRSP Workshop in 2003. The results are included here for demonstration purposes only

This is a 'force-field diagram'. The restraining forces in this example outweigh the driving forces in providing formal social protection. If the current state is to change, some major restraining forces have to be removed; otherwise, based on the analysis in the tables, it would be very difficult to introduce any form of social protection.

When advocating social protection, four criteria can be used to determine the appropriate starting point among a list of obstacles and resisting forces. They can be summarized as follows:

- **Capability** of changing: To what extent is the person or obstacle free to change? Are there other people or factors that preclude that person or obstacle from changing?
- **Accessibility** of the obstacle: To what extent is the restraining force accessible to the change agent(s)? The more accessible it is, the better the return on investment of the change agent's time.

- **Readiness** for change: To what extent is the obstacle unfrozen and prepared to consider change? The more prepared a system is, the higher the chance that the change effort will succeed.
- **Leverage** of the obstacle on other obstacles: To what extent does the obstacle in question influence other obstacles? If it is a person, is he or she a high-level politician or civil servant who can exert pressure on others? The more leverage a force has, the more important it is.

3.3 Policy influencing

The aim of advocacy is to influence another person's perception, to sway his or her opinion, to induce action, and to persuade. Policy influencing is the process by which stakeholders make their needs known on key issues prior to action taken by the policy makers, with the aim of initiating changes in policy, practices and procedures.

To galvanize the needed change, advocates have to influence potential change agents and partners, such as sociometric stars, boundary spanners, gatekeepers, champions, and entrepreneurial politicians, so that they support the desired policies or actions.

Influencing policy is also about creating a climate more conducive to policy change. This is done by providing relevant information to key people and by making information available for interested parties. Methods of influencing (Kubr, 1993:49) consist of:

- demonstrating technical expertise;
- exhibiting professional integrity;
- using assertive persuasion;
- developing a common vision;
- using participation and trust; and
- using tension and anxieties.

3.3.1 Suggested planning instrument

Efforts to influence should be made on a strategic basis. Richard Beckhard developed an instrument that provides an analytic tool that clarifies where to exert influence in order to achieve one's policy objectives. It is shown in Figure 3.5 opposite. There are three steps involved in using this grid:

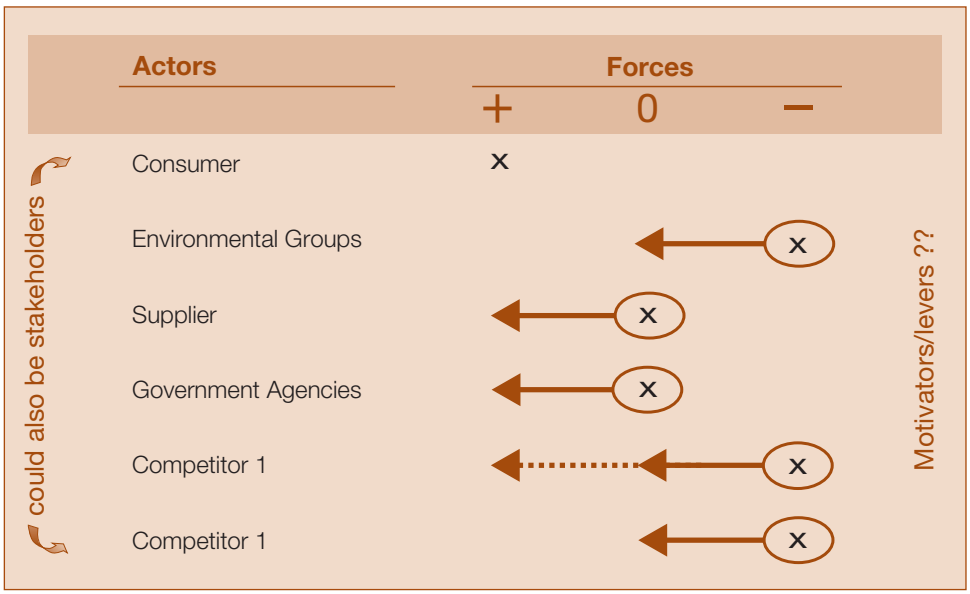
Step 1 Identify the actors and stakeholders regarding a specific policy issue.

Step 2 Assess the relative position of actors and stakeholders regarding the issue. Are they for or against the issue? There could also be bystanders, whose interests are unclear and remain neutral throughout the policy debate. A mark (**x**) is used to indicate the position of each actor in the table.

Step 3 Determine how to influence the actors or stakeholders who are negative about a proposed policy or solution. A choice needs to be made on whether to apply incentives or pressures in order to neutralize opponents or to identify empathic arguments to change their opinions. The arrows represent the intended movement as a result of influence.

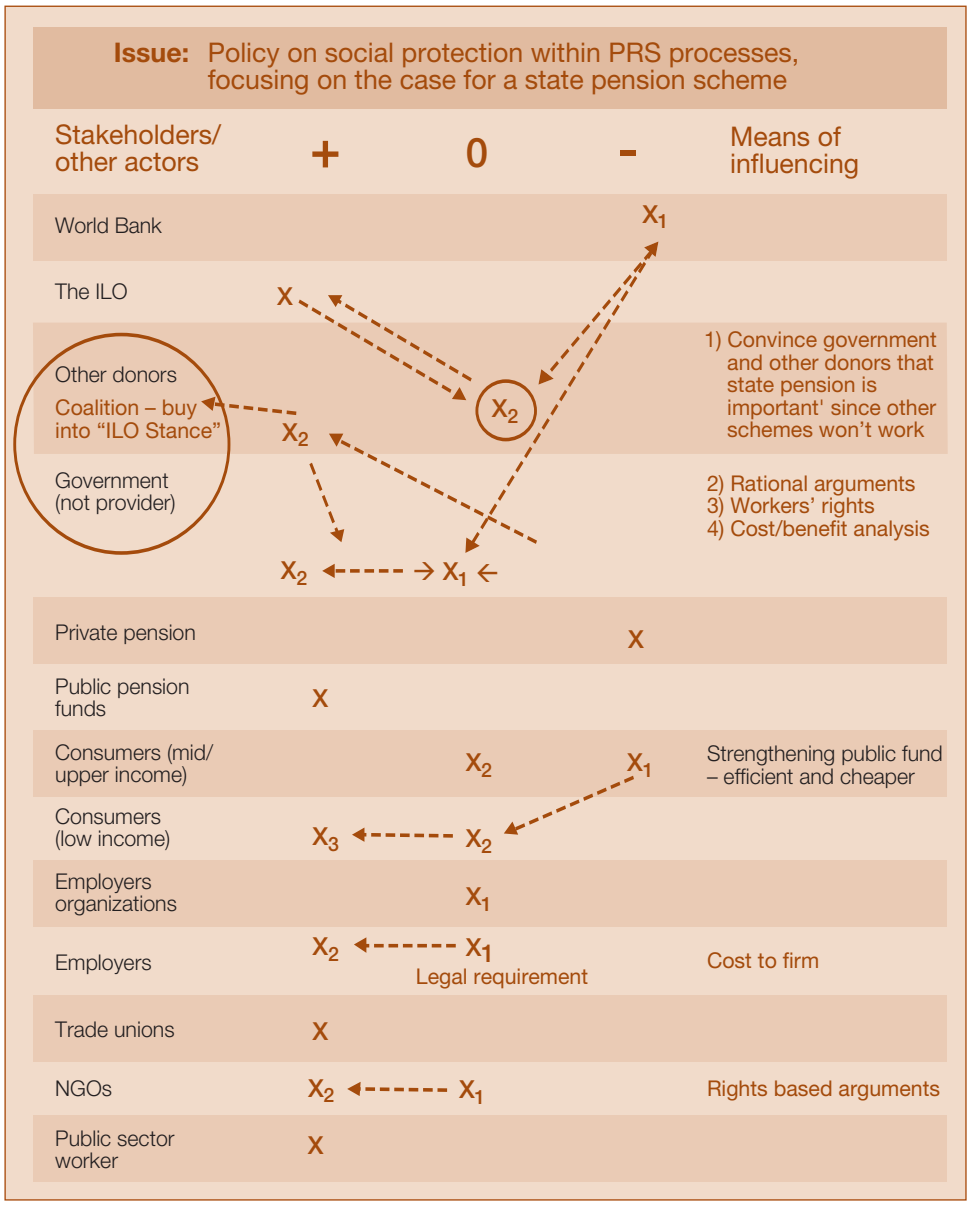
Figure 3.6 is an example of how an 'influencing chart' can be used in mapping out the positions of key actors and stakeholders, as well as determining ways to influence specific actors and stakeholders regarding social protection. The information presented here is the result of a workshop; hence, it does not represent the official views of the ILO. Readers are encouraged to conduct their own analysis in order to better understand this tool and issues of interest.

Figure 3.5 Richard Beckhard's influencing priority charting grid



Source: Beckhard; Harris, 1987

Figure 3.6 Example of the potential use of an influencing chart



Key:

X = Fixed positions

X_1 = Initial position regarding issue at hand.

X_2, X_3 = Positions to which actors might be influenced to move.

Source: Participants' group work during a PRSP Workshop in 2003. The results are included here for demonstration purposes only

3.4. Networking

Networking is about making connections or links with individuals and groups in a purposeful and organized manner. The primary motive of networking is to accumulate social capital in order to support a cause and achieve change. As Margaret Mead wisely said, "Never doubt that a small group of thoughtful committed individuals can change the world; indeed – it is the only thing that ever has!"

Membership of significant or recognized networks adds credibility and influence to the development of groups who initiate advocacy campaigns.

Studies of the rapidly growing economies of East Asia almost always emphasize the importance of dense social networks, so much so that these economies are sometimes said to represent a new brand of 'network capitalism' (Putnam, 1993:13). Economic transactions, such as contracting or job searches, are more efficient when they are embedded in social networks. Concentrations of social capital, based on network collaboration among workers and small entrepreneurs, fuel ultra-modern enterprises from the high-tech companies of Silicon Valley to the fashion industry in Milan. Research has linked high levels of social capital to better economic performance, educational attainment, public health, opportunities for women, tolerance and political participation – as well as to lower levels of violent crime, inequality, and social alienation (Wright, 2003:1–4). Therefore, networking is not only beneficial for promoting a social cause; it is necessary for economic development.

3.4.1 Social capital

> Social capital[13,14] refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. In that sense, social capital is closely related to what some have called 'civic virtue'. The difference is that 'social capital' calls attention to the fact that civic virtue is most powerful when embedded in a network of reciprocal social relations. A society of many virtuous but isolated individuals is not necessarily rich in social capital (Putnam, et al. 2001:10).

Neither the term 'social capital' nor its meaning are new; on the contrary, they touch on the foundations of sociological interest. In colloquial language, social capital signifies a degree of trust shared between individuals or groups. Trust can be divided into **inter-personal trust** (trust in ones' colleagues) and **general trust** (confidence in political institutions and figures).

Social capital has powerful and pervasive implications for public policy and for politics itself. Effective social dialogue facilitates the development of general trust and social networks resulting in the accumulation of social capital. The sense of 'community' encourages acts of solidarity and generosity of sharing. Encouraging the development of social capital could help the Decent Work Agenda to be more easily embraced.

Social capital can be classified into the following modes:

- **Formal social capital**: associations with membership that hold regular meetings and that designate officers. Examples are trade unions, and parents' or students' associations. Conversely, **informal** forms of social capital are meetings with friends, relatives, or people with similar ideas for the purpose of achieving an aim.

[13] The term "social capital" was first used by educator and social reformer Lyda J. Hanifan in a paper he wrote in 1916. He had observed that in rural Virginia certain customs, that he considered essential for the maintenance of democracy and the further development of the area, were no longer practiced. According to Hanifan, social capital was the good will, the community spirit, the compassion and the social exchange from which a social unit is made up.

[14] Offe and Fuchs (2001) defined the elements of social capital as attention, trust and engagement and used the terms formal and informal networks; they distinguished between the various levels on which networks function and adopted a more systematic approach in that they differentiated between the market, the state and civil society. Their studies focused on macro-sociological considerations, i.e. the effects of social capital on economic performance and the quality of state behaviour.

- **Extended social capital**: usually defined by the frequency and exclusiveness of a contact (for example, the family circle). Conversely, **limited social capital** is the result of passing acquaintances whose significance should not be underestimated, such as the contacts made while seeking employment or providing help in a sudden emergency.
- **Inward-oriented social capital**: inward-oriented forms of social capital serve the material, social and/or political interests of the members of a group. They include, for example, associations such as chambers of commerce, unions or professional associations. Conversely, **outward-oriented** forms include altruistic organizations, whose aims are to protect public 'assets', such as welfare organizations or environmental protection groups.
- **Bridge building social capital:** social networks, which bring together totally different types of people, are described as bridge building. These networks can be distinguished from those that link people of similar persuasions (or those with similar socio-economic, ethnic or religious ideas) and are described as **bonding**. The former include, for example, sports clubs, while the latter include religious associations or brotherhoods.

3.4.2 Approaches to networking

There are different approaches and dimensions to networking. Normally, networking is facilitated by personal encounters or through introduction and facilitation by boundary spanners who are linked with different groups across ideological, social and geographic divides. The common currency of this connectedness is the presence of the 'actor' (person, or organization). He or she can establish contact beyond transactional interest and interactions (give-and-take type of interpersonal behaviour) even when there is no past history of a relationship. He or she can inspire curiosity, confidence or respect even in a short contact.

Networking is a natural part of boundary spanners' activities. They exhibit interest in other people and are good in keeping in touch. It was said that when Ronald Reagan was a union representative he kept regular correspondence with thousands of people discussing all kinds of concerns and issues (Weber, 2003). When groups come together for a specific campaign, they exchange information, strengthen their presence, and importantly provide protection for their advocacy work.

Effective networking involves:

- establishing goals and objectives;
- analysing the kinds of help or resources needed in order to achieve these goals;
- developing 'people skills', especially in the area of building rapport and enhancing communication; and
- building and cultivating networks through exchanges, dialogue and regular contact.

Networking ranges from individual initiative to organizational initiative. Some organizations have now designated a specific role of 'boundary spanner' as a means to ensure participation in different networks and to have their voices heard. Action Aid in its scoping study (Chapman; Wameyo, 2001:39) summarized different approaches namely networking, networks, coalitions and alliances. These differ by the degree of global outreach, method and costs.

Figure 3.7 Global collaboration methods among environmental NGOs

Global contact	Approaches	Methods/characteristics	Costs
Increasing degree of global contact and organization	NETWORKING	Decentralised or unpredictable use of information from elsewhere. Publications, IT 'nets' used passively or occasionally. Open access opportunities to information flows.	*Increasing costs of coordination, time, people, resources*
	NETWORKS	More active exchange of information with co-coordinating secretariat. Less specific tasks, more long-term support boosting morale. More regular personal contacts especially with trusted buddies. Emphasis mostly on information sharing rather than joint campaigning.	
	COALITIONS	Single event joint campaigns often among fairly diverse NGOs. Attempted division of labour into most appropriate tasks. Limited life recognised and accepted, given diverse missions.	
	ALLIANCES	Long-term allegiance to common ideals among very trusted partners. Northern partners committed to empowering southern NGOs. Very regular consultation by fax, IT and personal meetings. Time investment justified by certainty of shared values.	

Source: adapted from Chapman and Wameyo, 2001:39

3.4.3 Networking and representation of trade unions and employers organizations

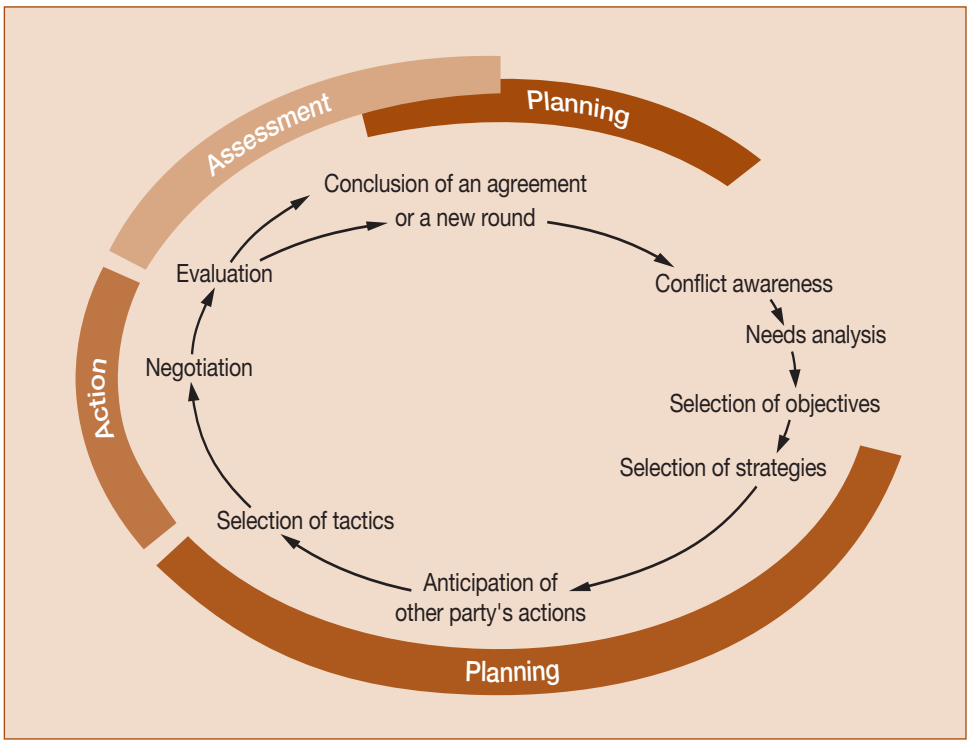
Participation in the policy consultation of PRSs tends to be through representation. Civil society groups and associations are recognized by the government to represent broad sectors of society. However, the trade unions and employers' organizations, for instance, cannot claim a universal representation role in a country where the majority of people work outside the formal economy and thus are not associated with either a labour union or a large company. Networking could be one avenue to broaden the representational function of the trade unions and employers' organizations.

3.5 Negotiations

Negotiation is defined as "a process whereby two or more parties seek an agreement to establish what each shall give or take or perform and receive in a transaction between them" (Saner, 2000:16). According to this definition, the process of negotiations involves the follow aspects:

- Two or more parties
- Convergent and divergent interests
- Voluntary relationship
- Distribution or exchange of tangible or intangible resources
- Sequential, dynamic processes
- Incomplete information
- Alterable values and positions as affected by persuasion and influence.

Figure 3.8 The negotiation life cycle



Source: Saner. 2000:20

Competence in negotiations is important for effective participation in the PRS process at both the international and national levels. When the economic pie is frozen or shrinking, it is understandable that a 'winner-take-all' mentality among rival interest groups could set in and turn policy consultation of the PRS process into a zero-sum competition. Should this happen, the aim of the PRS paper and its participatory philosophy would be undermined. Maintaining a more collaborative climate so that PRS papers embody policies that are genuinely pro-employment and pro-decent work is the task of negotiation.

3.5.1 The negotiation cycle

Negotiation is a powerful tool to resolve differences. It designates a specific type of interaction between conflicting parties and a process for reaching an agreement (see figure 3.8).

3.5.2 Distributive versus integrative bargaining

Negotiation is often over dividing the available resources; a procedure is known as **distributive bargaining**. One of the parties is set to gain and the other to lose. The two positions are diametrically opposed and in competition with one another. Relatively speaking, there is a winner and a loser. In the PRS context, advocating a particular resource distribution without also focusing on economic growth is typical of this bargaining process.

The principle of **integrative bargaining** is that both sides win on some points and give way on others. In an ideal world, each side gets what is important to it, so that ultimately both sides win. The colloquial expression of this negotiation outcome is 'win-win' negotiation. This requires creativity and skills on all sides of the negotiating table.

A distributive approach is not the best way to negotiate for arrangements that are in the best interests of all. It can lead to all parties regarding the others as adversaries rather than partners, and each taking a hard line. However, a more integrative bargaining process might be difficult if the social capital (i.e., general trust and social

networks) has been diminished by unsatisfactory economic conditions and other factors (Jun, 2003; 63-66).

In an ongoing relationship where both parties share some degree of interdependency, it is advisable to solve conflict through integrative negotiations. After all, if one side drives too hard a bargain and tries to take everything, that leads to an 'agreement' that is unlikely to be implemented, especially if implementation requires cooperation. The PRS process is one such instance. How can the ILO and its constituents ensure that the PRS papers reflect decent work values? There are no easy answers. The case studies in Module 4 can help to shed some light on this important question.

3.5.3 Negotiation strategy and tactics

Both strategy and tactics are important considerations for the negotiation process. However, it is important to make a clear distinction between the two. Strategy is the overall guideline, indicating the direction needed to achieve the objectives. If a wrong strategy is chosen, a wrong course will be set from the very start. Then it takes much more effort to achieve the desired objectives. Tactics flesh out the strategy with concrete lines of action.

If strategy is the thought, then tactics are its formulation. For the decent work message to get across, both will be necessary. Tactics should not be directly oriented towards the objectives, but rather towards the strategy. For this reason, they may sometimes take an unexpected turn, which may appear to be at odds with the general direction. But as long as strategy has been served, the choice of tactic will have been a good one.

Negotiation strategy can be thought of as having five basic modes: compete, compromise, cooperate, collaborate and avoid (Saner, 2000:106-109). The optimum negotiating position is determined by two interacting pairs of factors, e.g., **power** and stakes on the one side and **quality of relationship** and **common interests** on the other. In deciding on a negotiation position, power is often the strongest influence on the choice.

When faced with a powerful negotiation party, the way to avoid a distributed bargaining process is to influence the other factors, for example, increasing the stakes (making it more risky to fail), improving the quality of relationships or identifying greater common interests.

For the ILO and its constituents, it will be important, among other things, to:

- identify shared interests between the business world, elite communities and the poor;
- improve the working relationships with the key economic ministries and other relevant ministries that are receiving support; and
- make the stakes higher concerning non-compliance of international labour standards and an increased decent work deficit.

The ILO and its constituents could also increase their relative power in setting fiscal policies and labour market conditions by strategic partnerships with other actors in order to benefit from the collective strength as a means to shift the power balance.

In order to achieve a common solution, negotiators must be willing to listen and adapt. If there is incomplete information, it is up to the negotiators to uncover missing pieces and to use persuasion and influence.

3.6 Basic competencies of advocacy

The term 'competency' is defined as "application of knowledge, skills and behaviour in performance".[15] Applied to the task of promoting the Decent Work Agenda in the context of PRS papers, competencies should be defined both on an organizational and on an individual basis.

3.6.1 Organizational competencies

Organizational competencies are expressed through the presence of political will and vision, the availability of organizational knowledge, the quality of its human resources to support advocacy. In carrying out effective advocacy, the competencies in the following areas are essential:

- Context-specific scanning capacity
- Labour and macroeconomic research and policy analysis (including gender analysis)
- Planning, management and monitoring
- Mobilization of the public and trend-setting organizations (e.g., information pamphlets, Internet, publications, public education events, demonstrations, direct actions)
- Influence the policy makers through lobbying
- Management of development communication
- Public relation campaigns at the grass-roots, national and international level
- Networking and coalition building
- Negotiating with bilateral and multilateral entities

Social change often starts with a few dedicated individuals who have competencies in the roles of boundary spanners, salespersons, gatekeepers and sociometric stars. These individuals provide the organizational competency to accumulate social capital in different contexts. Furthermore, through the connections of these individuals, the organization may enjoy visibility and credibility.

3.6.2 Personal competencies

Individuals who are given the responsibility of carrying out advocacy for the ILO and its constituents in relation to PRSs should be equipped with knowledge, skills and appropriate attitudes. The list here is neither exhaustive nor exclusive. The cultural and political contexts are key determinants of the effective approach to advocacy.

Knowledge

A decent-work advocate needs to be familiar with:

- **The country-specific context** (historical, political, recent PRS processes and experiences, development priorities and perspectives)
- **Decent Work Agenda and related information**
  (a key reference is the Director-General's report, *Working Out of Poverty*)
- **Poverty Reduction Strategic Plan and related policy debate**
  (a key reference is the ILO *Decent Work and Poverty Reduction Strategies; A reference manual for staff and constituents*, 2005)

[15] ISO10016 is an international standard on quality for training and education. It was developed by an international team of experts designated by the member countries and was published in December 1999. Information is available at www.iso.org.

- **Introductory knowledge on macroeconomics and development studies** (to follow the debate and access to alternative development models, country case studies)
- **Concepts of social change**

Skills A decent-work advocate needs the following skills:

- Rapport building skills including showing empathy, respect and contact
- Communication skills, including listening
- Presentation skills
- Critical thinking skills
- Negotiation skills
- Networking skills
- Organization and campaign management skills

Attitude The right attitudes will help decent-work advocacy:

- Commitment to other people's well being
- Integrity
- Curiosity and interest in learning
- Flexibility and entrepreneurial skills

3.7 Evaluating advocacy

The process of advocacy and decent work can be separated into eleven dimensions. These dimensions offer the framework to assess the organizational performance and should be to be broken down into measurable targets for monitoring and continuous improvement:

- **Enhancing capacity** for advocacy
- **Raising awareness** about the issue of working poor
- **Promoting a sense of urgency** about the social exclusion of the working poor and their vulnerability
- **Campaigning** for the fulfilment of the Millennium Development Goals and Decent Work for All
- **Networking** with like-minded development partners, international NGOs, civil society groups and individuals to strengthen one's power base and to enlarge influence
- **Contributing** to the debate on promoting employment and reducing poverty
- **Influencing** the opinions of potential change agents and decision-makers on the macroeconomic framework and development strategies

- **Negotiating** policy changes that are more consistent with the Decent Work Agenda and poverty reduction
- **Maintaining coalitions** and other collaborative partnerships regarding the Decent Work Agenda and poverty reduction
- **Monitoring the implementation** of policy changes in line with the Decent Work Agenda and poverty reduction
- **Developing and strengthening** the capacity of Advocacy within partner organizations and networks

The long-term impact needs to be assessed in terms of:

1) policy changes in favour of the working poor and more equitable labour market conditions;
2) improved capacities of the ILO's social partners in the country;
3) active participation of marginalized groups and communities in the PRS and Decent Work Agenda processes;
4) improved economic and social benefits of working people.

3.8 Conclusion

In conclusion, it is clear that in order to participate more fully in the PRS process all stakeholders including governments, civil society organizations and marginalized groups need to develop new skill sets that facilitate change and help create dynamic and clear policies for the implementation of the PRS papers. The ILO has a critical role to play in the development of these skills.

Although clearly systemic barriers exist and resistance to change is common, creating an atmosphere of cooperation and win-win solutions for negotiating parties is critical. Having a clear strategy for advocacy is very important for achieving effective and participatory implementation of the PRS process.

Module 4

Case studies of advocacy and decent work

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Module 4: Case studies of advocacy and decent work

Introduction

This Module focuses on the ILO's experiences over three years (2000–2003) in working with five special-focus countries to strengthen decent work within the PRS process. In the five countries, the ILO contributed to an understanding of the linkages between economic growth and poverty reduction, concentrating on the **functioning of labour markets, means of skill acquisition** and **the extension of social protection** (ILO, 2002c, para.15) (methodological advocacy). The ILO has also undertaken PRS-related activities in a number of countries in addition to these five.

The special-focus countries were Cambodia, Honduras, Mali, Nepal, and the United Republic of Tanzania; representing a diverse background of cultures, economic conditions, political systems and recent history. Consequently, the ILO experiences in integrating the decent work dimension with PRS policies also vary. The development of this module relies on a desk synthesis of available ILO reports and limited individual interviews with ILO Headquarters staff, as well as insights obtained during joint Headquarters and ILO field staff seminars. Additional source material was obtained from NGOs, and donor-supported reviews when available.

The intention is **not** to evaluate the achievements or possible shortcomings of the ILO endeavour in promoting the Decent Work Agenda; rather, it is to record the ILO experience in promoting decent work through advocacy, networking, influencing and negotiating.

4.1 Summary of experiences to date

The development of the PRS process and the role of the ILO since the inception of the PRS process have been under review internally. Questions about the potential added value of the ILO and its social partners in contributing to PRSs have resulted in continued improvement of the ILO's operations. The ILO aims to achieve the following:

- Policy objectives:

  … to link poverty reduction strategies with **employment-intensive economic growth** and the **generation of decent work opportunities**, and sees considerable scope for strengthening policy integration through its involvement in the PRS and UNDAF (United Nations Development Assistance Framework)[1]

[1] As the common strategic framework for the operational activities of the United Nations system at the country level, the UNDAF (United Nations Development Assistance Framework) provides a collective, coherent and integrated United Nations system response to national priorities and needs within the framework of the MDGs (Millennium Development Goals) and the other commitments, goals and targets of the Millennium Declaration and the declarations and programmes of action adopted at international conferences and summits and through major United Nations conventions. The UNDAF emerges from the analytical and collaborative effort of the Common Country Assessment and is the foundation for United Nations system programmes of cooperation. As of January 2003, 36 Least Developed Countries (LDC), 19 LDCs and 14 Small Island Developing States have completed UNDAFs.

- Process objectives:

  … to introduce the ILO's unique **tripartite structure** (government, workers' and employers' organizations) as a means to introduce the voices of key stakeholders into the development dialogue and thus giving substance to the objective of national ownership (ILO, 2001a, emphasis added).

The value added of the ILO's work is in fostering dialogue between the government and the largest organized civil society organizations, i.e., employers' and workers' organizations. Therefore, involvement of the ILO in the PRS process can enhance participation and lend legitimacy to the PRS process in these countries.

Generally speaking, the ILO's experience has been fairly positive in that "governments have usually welcomed offers to help provide specific technical inputs in ILO areas of competence and to promote consultations with employers' and worker' organizations" (ILO, 2002a:para. 35). The ILO's expertise in rights, employment and social protection were well recognized. Countries sought assistance when the links between poverty reduction, employment creation and minimum social protection were clearly articulated.

In most of the pilot countries, the employers' and worker' organizations influenced the preparation of PRS papers and brought employment-related policy issues into PRS discussions. However, in some cases, these social partners expressed concerns and frustration that their views and potential support appeared undervalued (ILO, 2002a:para. 36). On the whole, the ILO has made major progress in terms of its original objectives of integrating policies to promote decent work into Poverty Reduction Strategies and to empower its social partners to influence the design and drafting of PRSs in the five special-focus countries. This demonstration effect has triggered a large number of requests from other countries for the ILO to become further involved in their PRS processes.

4.2 Characteristics of ILO phase I special-focus countries

Background information on the ILO focus pilot countries is given below. The reference points used consist of the following:

- Demographics
- *Human Development Index*
- Status regarding ratification of international labour conventions
- ILO presence in the country

4.2.1 Demographics

The high rates of population growth exert high pressure on the overall productivity of the economy in all five countries, resulting in tensions between equity and growth-oriented policies.

Table 4.1 Comparative demographic data and trends for pilot countries in year 2000

	Total population (millions)		Annual population growth rate (%)		Urban population (as % of total)		Population aged under15 (as % of total)		Population aged 65 and above (as % of total)		Total fertility rate (per woman)	
	2000	2015	1975–2000	2000–2015	2000	2015	2000	2015	2000	2015	1970–1975	1995–2000
Cambodia	13.1	18.6	2.5	2.3	16.9	26.1	43.9	38.6	2.8	3.4	5.5	5.2
Honduras	6.4	8.7	3.0	2.0	52.7	64.3	41.8	33.7	3.4	4.1	7.0	4.3
Mali	11.4	17.7	2.4	2.9	30.2	40.7	46.1	46.3	4.0	3.8	7.1	7.0
Nepal	23.0	32.1	2.2	2.2	11.8	17.9	41.0	37.2	3.7	4.2	5.8	4.8
Tanzania	35.1	49.3	3.1	2.3	32.3	46.2	45.0	40.4	2.4	3.0	6.8	5.5

Source: UNDP, 2002a: 164–165.

4.2.2 The *Human Development Index* and the *Human Poverty Index*

The *Human Development Index* (HDI) (UNDP 2002a: 152-153) is a composite index measuring average achievement in three basic dimensions of human development – a long and healthy life, knowledge, and a decent standard of living.[2] *The Human Poverty Index* (HPI-1) for developing countries is a composite index measuring deprivations in the three basic dimensions captured in the human development index – longevity, knowledge and standard of living.

A significant percentage of the total population in these countries lives below the respective national poverty line, ranging from 36.1 per cent to 53 per cent. In Mali, 72 per cent of the population lives on less than US$1 per day, PPP.

Table 4.2 Country comparison on the level of human development and human poverty in 2000

	Human development index ranking*	HPI-1 ranking**	Population below income poverty line (%)			% of the population under nourished (1998–2000)	Population with access to improved water resources (% of population) (1999)
			$1 a day (1993 PPP US$) 1983–2000	$2 a day (1993 PPP US$) 1983–2000	National (1993 PPP US$) 1987–2000		
Cambodia	*Medium* (rank 130)	# 75	n.a.	n.a.	36.1	21	90
Honduras	*Medium* (rank 116)	# 36	24.3	45.1	53.0	36	30
Mali	*Low* (rank 164)	# 81	72.8	90.6	n.a.	47	54
Nepal	*Low* (rank 142)	# 76	37.7	82.5	42.0	20	69
Tanzania	*Low* (rank 151)	# 54	19.9	59.6	41.6	19	81

* HDI includes 173 countries, with 1 representing the highest level of human development, 173 the lowest.

** HPI-1 is the ranking for 88 developing countries, with 1 representing the least impoverished amongst the 88 developing countries and 88 representing the most impoverished country.

[2] For details on how the index is calculated, see UNDP, 2002a, Technical Note 1. Accessible at www.hdr.undp.org/reports/global/2002/en/indicator.

International Labour Conventions

C 87: Freedom of Association and Protection of the Right to Organize Convention

C 98: Right to Organize and Collective Bargaining Convention

C 29: Forced Labour Convention

C105: Abolition of Forced Labour Convention

C 100: Equal Remuneration Convention

C 111: Discrimination (Employment and Occupation) Convention

C 138: Minimum Age Convention

C 182: Worst Forms of Child Labour Convention

Table 4.3 Status of ratification of core *International Labour Conventions*

	Freedom of Association		Abolition of Forced Labour		Equality		Elimination of Child Labour	
	C 87	C 98	C 29	C 105	C 100	C 111	C 138	C 182
Cambodia	x	x	x	x	x	x	x	
Honduras	x	x	x	x	x	x	x	x
Mali	x	x	x	x	x	x	x	x
Nepal		x	x		x	x	x	x
Tanzania	x	x	x	x	x	x	x	x

Source: Data obtained from http://webfusion.ilo.org/public/db/standards/normes/appl/appl-ratif8conv.cfm?Lang=EN

4.2.3 Status regarding ratification of core international labour Conventions

Table 4.3 shows the status of each of the five focus countries regarding ratification of some important international labour Conventions.

These countries have ratified all of the core conventions with the exception of Nepal (missing two) and Cambodia (missing one). Ratification does not necessarily mean that countries are implementing these conventions. However, it does provide a legal base for advocacy work.

4.3 Overview of the ILO's involvement in the pilot countries

4.3.1 ILO's in-country capacities

With a limited field structure in place, ILO has achieved a considerable amount in facilitating PRS dialogue. The following table shows the in-country capacities of the five countries.

Table 4.4 In-country capacities of the pilot countries

	Regional office/ Sub-regional office	Country office	ILO project staff
Cambodia			✔
Honduras			✔
Mali			✔
Nepal		✔	✔
Tanzania	✔		✔

During this pilot phase, the ILO Geneva Headquarters provided major support to the teams on the ground. As the ILO increasingly scales up its involvement in the PRS process, it will not be able to field adequate human resources to continue this level of support and its social partners will have to take forward much of the advocacy and influencing role associated with its objectives on PRSs.

Table 4.5 Entry points of each special-focus country (2000–2003)

	Cambodia	Nepal	Tanzania	Mali
Contact point	Ministry of Planning invited ILO to participate in PRS process	National planning commission invited ILO to participate in the preparation of PRS	Joint Staff Assessment	Networks based on prior work in the country, (Job for Africa Programme)
Thematic issues	Preparing Interim PRS paper	Promoting employment-intensive growth	Social dialogue	Employment
	Promoting Decent Work Agenda	Promoting informal means of social protection	Employment	Training

4.3.2 Entry points for ILO's participation

The entry points listed in Table 4.5 are defined by the initial contact between the special-focus countries and the ILO and by the thematic issues for which the ILO was requested to provide assistance (2000–2002).

4.3.3 Advocacy actions that contributed to the ILO's achievements

On the process side, the ILO sees a PRS as "a dynamic process providing opportunities for improved policy dialogue on poverty reduction and decent work" (ILO, 2002b). Of the five special-focus countries, according to the ILO's own account, Honduras was the only country where the ILO's contribution and performance were below expectations. It was not because the PRS prepared by the Honduran Government did not include decent-work-related policies. Rather, it was due to the lack of involvement and participation of the ILO and its social partners. Moreover, expected support from the World Bank staff for social dialogue was not forthcoming (ILO, 2002a:para. 32).

In the following section, a more detailed account will be given of each country case. This account focuses on the use of advocacy, influencing, and networking to achieve the following process objectives:

- Raising **awareness** about decent work and working poor issues and setting alternative development agendas
- **Changing the policy positions or policy commitments** of states and international organizations regarding employment creation, social protection and basic rights
- Promoting **institutional procedural changes**, for example participation and social dialogue
- Asserting influence on **policy changes of 'target groups'**, such as the donor community, the World Bank, ILO social partners or private actors such as multinational companies
- Influencing **behavioural change in 'target groups'** (e.g., ministries, development partners, constituencies)

4.4 Cambodia

The initial conditions in Cambodia were not favourable for the ILO. There were many donor initiatives in the country, which created absorption problems for the government and negative competition within the donor community. Also, the ILO did not have a field office or staff dedicated to the PRS in the country to influence the ongoing consultation of the various working groups.

The I-PRS contained no reference to decent work issues. However, positive results were achieved through empowering the social partners and influencing the Council for Social Development, which coordinates the drafting of the full PRS. Workers' representatives were included for the first time in national consultations on the PRS in August 2002. Policy recommendations from the ILO were integrated into their respective PRS policy matrices.

Personal contact and discussions with government officials and consultations with World Bank, UNDP and Asian Development Bank responsible for facilitating the PRS process helped bridge the gap on the need for social dialogue and participation.

Use of information politics

A comprehensive report was prepared titled *Generating decent work for poverty reduction in Cambodia: The voice of workers, employers and the Government,* which was subsequently used in a series of consultations and discussions. This report served as the input for drafting the PRS.

Soft policy briefing notes were prepared by the Bangkok Regional Office, which made it easier for the respective ministries to integrate the ILO's policy recommendations into their respective PRS policy matrices.

By using its in-house technical expertise, the ILO contributed to the Cambodian PRS by analysing the link between urban and rural economies and the role of employment-intensive investment through the use of labour-based appropriate technology.

The social partners were empowered through a series of capacity-building and awareness-raising workshops. Through such workshops, contacts were made between the workers' and employers' representatives in order to form relationships. More importantly, the trade unions and employers' organization were both young and lacked resources. Capacity building prepared these actors to participate meaningfully in the policy discussions of the PRS process.

Through analysing the general context of the country, the ILO was able to identify strategic issues for country development and proposed appropriate solutions. This level of responsiveness made the ILO's advocacy more palatable to government officials, and therefore the influencing tactics became more effective.

Table 4.6 Summary of advocacy actions taken in Cambodia

		Overall strategies				Practical tactics		
		Networking		Influencing	Negotiation	Contact	Methodological	Standard
Information politics		Social capital formation	✔ Networking			✔		
Symbolic politics			✔ Networks	✔	✔	✔		
Leverage politics	Material		Alliances					
	Moral		Coalitions					

4.5 Honduras

Although Honduras moved fairly rapidly and successfully from drafting an I-PRS (early 2000) to producing a full PRS (late 2001), the country has been less efficient in presenting its PRS to the World Bank/IMF Boards. The PRS contains a reasonably good treatment of labour market and employment issues and covers social protection in some detail.

The specific policies and programmes that the ILO contributed were:

- improving statistics and indicators to measure linkages between employment with poverty reduction;
- identifying the interrelationship between economic growth, employment generation and poverty;
- studying the impact of macroeconomic policies on the pattern and pace of economic growth and employment generation;
- assessing the impact of existing social programmes in general and specific impact on excluded and vulnerable groups; and
- developing work programmes with social partners in all these areas.

Use of information politics

A comprehensive report was presented to the Honduras Government. The report elaborated the following:

- formulation of an appropriate policy on the interrelationship between economic growth, employment generation and poverty reduction;
- the impact of macroeconomic policies on the pattern and pace of economic growth and employment generation; and
- the impact of existing social programmes and their impact on excluded and vulnerable groups.

Support from the World Bank and IMF in Honduras

Although this was a joint pilot project, the ILO did not receive sufficient support from the World Bank and the IMF as expected (ILO, 2002a:para. 32). It was difficult for the ILO to engage the World Bank in the social dialogue process.

According to the Honduran Debt and Development Coalition (FOSDEH), there is an ideological contention between the Fund and the Government:

> The policies imposed by the Fund are very short term and recessive and give priority to macroeconomic aspects (especially public finances) over policies to strengthen the microeconomic situation and small, medium-sized and large companies which provide employment for the majority of the Honduran population." (Cornally, 2002:11).

The dialogue between the Bank/Fund and the Honduran Government typifies one of the key challenges facing the ILO regarding mainstreaming of the Decent Work Agenda. However, this project could be an opportunity for the ILO to be engaged with the Bank and Fund staff in a systematic **campaign** and **contact advocacy** in order to influence their perception as to what would be the 'right' path for country development and to highlight the plight of the poor and the working poor due to a neo-liberal macroeconomic recipe.

Table 4.7 Summary of advocacy actions taken in Honduras

		Overall strategies				Practical tactics		
		Networking		Influencing	Negotiation	Contact	Methodological	Standard
Information politics		Social capital formation	Networking				✔	
Symbolic politics			Networks					
Leverage politics	Material		Alliances					
	Moral		Coalitions					

Relationship with stakeholder groups of the PRS

Different groups were involved in the operationalization of the PRS in Honduras, namely the Social Cabinet, the Poverty Reduction Fund, and the Consultative Council for the Poverty Reduction Fund. Both the workers' and employers' organizations are represented in the Consultative Council. The World Bank and the Swedish Government have observer status on the Consultative Council. This represents a venue for advocacy and social dialogue by the social partners. Unfortunately, the social partners have not been consulted systematically during the PRS process. There is scope to identify the restraining forces in this regard and to devise the appropriate influencing strategies to increase the profile of the ILO and its constituents.

International networking has proved to be an effective instrument for the civil society groups to gain greater influence. In addition to empowering social partners through capacity building, the ILO could also facilitate a closer working relationship between the employers' and workers' organizations with the International Organization of Employers (IOE), the International Confederation of Free Trade Unions (ICFTC) and the International Chamber of Commerce. Both trade union organizations could benefit from international networking and leveraging of global networks to strengthen the impact of their advocacy (leveraging politics).

Broader dissemination of the report that was presented to the Government could also be envisaged (information politics). To be more engaged in the PRS process, the ILO could try to get observer status on the Consultative Council for the Poverty Reduction Fund.

Table 4.8 Summary of advocacy actions taken in Mali

		Overall strategies				Practical tactics		
		Networking		Influencing	Negotiation	Contact	Methodological	Standard
Information politics		Social capital formation	✔ Networking				✔	
Symbolic politics			✔ Networks	✔	✔			
Leverage politics	Material	✔	Alliances			✔	✔	
	Moral		Coalitions				✔	

4.6 Mali

The ILO's experience in Mali (2000-2002) was considered to be a good model for West African countries. A fairly comprehensive and broad-based participatory process has been followed and both the I-PRS and PRS contain good coverage of decent-work issues backed up by a National Action Plan for Employment. Two thematic groups, on income generation and employment and on training were set up explicitly on the advice of the ILO and the social partners.

The best way to influence is to be responsive to the partners' needs, which might range from technical to strategic policy inputs. In the case of Mali, it involved providing basic research on employment-generation strategies and drafting related economic policies. The assistance provided by the Sub-Regional Office (SRO) made it easier for the Government to have these pro-decent work elements included in the country PRS paper.

Use of symbolic politics

A Tripartite Solidarity Pact for Growth and Development was signed in 2001; it aims at job creation as well as improving working conditions in the public and private sectors. Through the Pact, employers and workers' organizations committed themselves to negotiating a new collective agreement to help workers without social protection. This Solidarity Pact was also highlighted in the country PRS.

Use of leverage politics

By participating in the Economic, Social and Cultural Council, which reports to Parliament, bringing support from the donor community and ILO worldwide resources, workers and employers could magnify their political power in advocating the Decent Work Agenda.

Coordination within the donor community has been greatly facilitated by the Development Assistance Committee (DAC) of the OECD. As a result, donor-driven, non-integrated and often competing donor initiatives could be avoided. The ILO thus could concentrate its efforts on advocating a pro-decent work PRS without having to compete with conflicting interests. It also provided the ILO with greater leverage.

Use of information politics

Personnel from the the SRO, based in Dakar, made frequent visits to Mali and was effective in recognizing and meeting the need for assistance in the drafting employment-related studies for use in the PRS. The Government was therefore well positioned to include the components of the Decent Work Agenda in the employment section of the PRS. In this instance, the SRO was able to supplement the technical competence and resources of the total ILO to assist the Malian Government.

The Malian Government was receptive to the ILO's technical advice and inputs. Confidence building and networking activities were carried out. In addition to in-country workshops, a meeting was organized in Dakar to facilitate dialogue between the Employment Minister, the PRS coordinator (from the Finance and Economy Ministry) and employers' and workers' representatives. This networking and influencing opportunity helped to define the detailed framework of the employment section of the PRS.

Furthermore, a *National Action Programme for Poverty-Reducing Employment* has also been agreed, with provisions for biannual meetings of an inter-ministerial steering committee and a tripartite technical committee (networks). This high-level committee will provide a powerful platform for future advocacy and influencing tactics. It also represents a milestone of the work done so far.

4.7 Nepal

The precarious internal security situation has delayed the PRS process since the I-PRS was first prepared in July 2001. As a way of integrating the poverty reduction objective into the national development strategy, the Government of Nepal has linked the drafting of the PRS to the development of its Tenth Five-Year Plan (2002-2006) and its Medium-Term Expenditure Framework.

Unlike in many other countries, the World Bank in Nepal adopted a relatively hands-off role in regard to the preparation of the PRS, even though the Bank and the ILO are partners in the development of it. This hands-off stance inadvertently created the space for active involvement of the ILO. In late 2000, the ILO Office in Kathmandu was requested by the National Planning Commission to provide technical inputs and advice for the drafting of the PRS.

Recommendations made through the ILO consultation processes were incorporated in the PRS/Tenth Five-Year Plan, and contributions of the social partners to the PRS process were recognized. A trade union leader was invited for the first time to be a member of the National Development Council, along with the President of the employers' organization. This was a major breakthrough for the trade unions, which gained influence in these settings.

Since then, trade union representatives were also invited to open meetings of the Nepal Development Forum. For the ILO, the experience in Nepal clearly illustrated the value added of developing an integrated policy framework comprising various elements of decent work for poverty reduction (see box 4.1).

Several joint headquarters and regional teams for technical backstopping missions demonstrated the commitment of the ILO to the PRS process. These missions also established personal contacts between ILO staff and key counterparts and social partners. In addition, they propelled both the ILO and the decent work issues to the forefront.

Use of information politics

All together, the ILO conducted eight related national studies on the request of the Government. These studies covered: minimum wage, gender equality, social protection, employment and public investment, constraints on enterprise development and social dialogue. They provided a strong base for advocacy with country-specific information and policy recommendations.

The draft document was translated into Nepali and used as a background for regional consultation meeting. This was effective leverage and created momentum and receptiveness in Government to adopt the ILO's policy recommendations.

Use of leverage politics

Organizing tripartite consultations in four different regions in Nepal helped get broader views on poverty in the lives of women, men and children and remedial actions. These voices have provided credibility for the ILO's policy recommendations.

The ILO contribution to Nepal's Poverty Reduction Report was sent to the Asian Development Bank (ADB) and the Department for International Development (DFID) for comments and consultation. This is another example of using information exchange to build up shared views and to strengthen the network effect for leveraging politics.

The representational role of the ILO Office in Kathmandu was important. Being locally present and available, the Office could stay in touch with the social partners and local networks and influence the process on a steady basis.

ILO's PRS policy recommendations to the Nepal National Planning Commission

1. Make employment-impact analysis an explicit **criterion of macroeconomic** policy decision-making, and make employment-intensive growth objectives an explicit criterion of public expenditure programmes.
2. Link essential investments in infrastructure to **private-sector developmen**t with a focus on products and services in which Nepal has a distinctive comparative advantage or the opportunity to develop one.
3. Train for emigration of Nepalese workers, systematize and streamline public support for **outward-bound and returning migrants**, render transparent and expand the productive uses of remittances.
4. Begin the reform of Nepal's system of **vocational training**, linking it more closely to employment policy objectives and labour demand and extending it to workers in the informal economy.
5. Strengthen the implementation of measures already agreed, including the enforcement of relevant **legislation**, including land distribution to former kamaiya (bonded labour) families, laws on minimum wages and child labour, and the extension of targeted labour inspection services to informal/unorganized sectors.
6. The pervasive nature of **gender discrimination** warrants that specific policy measures for women be 'mainstreamed' throughout the strategies and activities of policy recommendations. It is advisable, however, that specific proposals for impact analysis and affirmative action accompany all poverty alleviation strategies contained in the PRS policy matrix.
7. Bring a draft of the updated **Social Security** Bill before Parliament, following full consultations with the social partners and a full-scale technical assessment and design exercise, and strengthen support to the most vulnerable members of society through an increase in allocation to the existing national social assistance scheme.
8. Develop a national strategy for extending **social protection** to the poor and excluded. Priority could be given to identify ways to provide access to better health care, including HIV/AIDS, life insurance, maternity protection, livestock insurance, etc.
9. Promote the **organization of workers and employers** in those economic sectors, industries and forms of work that are currently unorganized.

Table 4.9 Summary of advocacy actions taken in Nepal

		Overall strategies				Practical tactics		
		Networking		Influencing	Negotiation	Contact	Methodological	Standard
Information politics		Social capital formation	✔ Networking	✔	✔		✔	✔
Symbolic politics			✔ Networks					
Leverage politics	Material		Alliances			✔	✔	
	Moral		Coalitions				✔	

4.8 The United Republic of Tanzania

The United Republic of Tanzania was the one of the first countries to prepare a full PRS. Its PRS process was marked by strong country ownership and broad-based participation of civil society. The ILO's contribution to the first PRS was ensuring that employment became an integral part of the PRS progress report, as well as obtaining the recognition of child labour issues.

The ILO engagement in the second-generation PRS was even broader and deeper. The Organization played an important part in supporting the MInistry of Labour, helping the Ministry to play a pivotal role in the PRS process. A Role that ensured that workers were involved in the consultative process and that a broad set of views on employment – especially its importance for growth – were reflected. ILO projects – on labour law reform, urban services (provision of sanitation and waste disposal facilities) and gender – also provided analysis of issues which are considered key to the next phase of poverty reduction.

Use of leverage politics

The ILO applied leverage politics by encouraging the social partners to convene a formal tripartite forum that took its own initiatives to consult with NGOs and donors and other stakeholders in the PRS process. This formal tripartite forum ran parallel to mainstream PRS consultative processes during the formulation of the first PRS, and has been subsequently integrated during the revision process (2004). The lesson from this is that the ILO may need to consider carefully workshops and forums and their relation and influence on the PRS process.

Building on a long working relationship in the country, the technical cooperation project staff of the local ILO office developed working networks mainly, but not exclusively through the Ministry of Labour, Youth and Sports. Staff were able to use these networks to push for the inclusion of some key Decent Work Agenda statements in the first PRS paper (2000).

Table 4.10 Summary of advocacy actions taken in the United Republic of Tanzania

		Overall strategies				Practical tactics		
		Networking		Influencing	Negotiation	Contact	Methodological	Standard
Information politics		Social capital formation	✔ Networking				✔	
Symbolic politics			✔ Networks		✔			
Leverage politics	Material	✔	Alliances			✔		
	Moral		Coalitions				✔	

4.9 Conclusion

Summarizing the reviews in this Module, the common advocacy actions taken by the ILO across all five countries were:

- Policy analysis and local research as the basis for advocacy and influencing
- Leverage for its tripartite mechanism for policy dialogue
- Technical support to the government when requested
- Using existing networks to gain access and to influence

The twin use of research-based policy recommendations and social dialogue at different levels has proved to be effective in Nepal and other countries. It was also evident that the ILO was able to use the social capital that has been accumulated through prior involvement and programmes. This past work resulted in established networks, resident competencies and in-depth country knowledge that have made it possible to galvanize the advocacy process within a reasonable time.

The cases also illustrate how tripartite consultation was used effectively during the preparatory phase of the PRS process. The next test will be the implementation of these PRSs and their continued improvement resulting from vigilant monitoring and setting of appropriate indicators.

Module 5

Conclusions

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Module 5: Conclusions

5.1 The ILO's role

5.1.1 General

PRS papers could present genuine opportunities for the ILO and its constituents to influence the macroeconomic policies at the country level. They provide the ILO with an entry point for alternative policy advice and proposals. They provide the ILO's constituents with an entry point for asserting influence in the policy debate and for playing a potentially vital role in monitoring policy implementation and assessing policy impact. As illustrated in the previous modules, there are three types of advocacy:

- **Positional advocacy** which influences the public and stakeholders to choose particular policies or to accept particular values.
- **Methodological advocacy** which influences the public to become active as problem solver and to use certain methods of problem solving.
- **Standards-based advocacy** which influences the 'actors' to adhere to proposed guidelines and demands certain standards or codes of conduct.

The ILO and its constituents need to carry out all three types of advocacy within their respective operational contexts. Effective advocacy requires integration of all three primary activities. Major support activities involve policy research, methodological development, capacity building and empowerment. Contributions from the ILO and its constituents have to be a sequenced set of sub-processes mainstreamed into the PRS process.

5.1.2 Policy

The ILO's advocacy activities have two dimensions with two polarities, namely the international and global dimension, and the national and local dimension. Each entails targets, strategies, inputs and expected outcomes. Each is distinct but integrated and mutually reinforcing.

Successful advocacy has to be supported by a substantial information and knowledge accumulation process, and by the social processes of understanding and ownership. Therefore it is not a process that could be handled by the ILO alone, even with the assistance and contribution of the constituents. Rather, this information and knowledge process needs to be reinforced and strengthened by a much larger policy research 'community' around the world. This research community is by no means cohesive or coordinated and the ILO has not visibly utilized its existing resources. Enhanced efforts are needed to build networks and coordinate inputs.

Decent work as an instrument has not caught the general public's attention. It has not been used as a reference point by the media, major NGOs and stakeholder groups who are indirect beneficiaries of the ILO's policy prescripts. Successful advocacy requires a clear and resonant message, in-depth understanding of poverty in the local context, and solid policy analyses.

The key policy messages for advocacy are:

- **Employment-centred growth through decent work**: Increased opportunities for wage employment and self-employment are centrally important for reducing poverty, increasing personal and national security, increasing efficiency, improving equity, and strengthening social integration. Work primarily confined to the exchange of physical labour for a living – as is the case for many farmers in rural areas and workers in the informal economy at the edge of urban centres – does not greatly enhance individual or country development. To help individuals and countries move up the development ladder, it is essential to create jobs that have a skills content. In addition, social policies are crucial to assure individual rights to education, health services, safe working conditions and minimum social protection.
- **Decent labour conditions as a basic human right**: Working conditions need to be improved, not only for the benefit of sweatshop workers, but also for the benefit of millions of low-wage agricultural workers, poor farmers, street vendors, domestic servants, small-shop textile workers and sex workers.
- **Work inclusion as the centre of human and national development processes**: To place the 'inclusion in the world of work' at the centre of human and national development processes is a new beginning. To implement this new value orientation in practice (including in national policies, laws and regulations) will represent a radical departure from 'business as usual' for many governments and international financial institutions. Advocacy has to be conducted in both public and private spheres, and in national and international arenas.
- **Decent work as a principle for the global economy:** Many problems underlying the prolonged poverty and stagnation in the poorest countries are linked to trade and capital flows that need to be tackled through the global economy. Promoting decent work also means changing the way the global economy works so that its benefits reach more people. Decent work is not only a development objective at the national level, but it must also be a guiding principle for the global economy. This message needs to reach the powerful players in determining the global economic structure and its rules.

5.1.3 Promoting social dialogue

Social dialogue is both a means and an end. It includes all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers, workers and representatives of civil society on issues of common interest relating to economic and social policy. The definition and concept of social dialogue vary from country to country and from region to region, and it is evolving. Social dialogue has a specific meaning to ILO and its constituents. Its objectives are to:

- strengthen legal frameworks, institutions, machinery and processes of tripartite and bipartite social dialogue;
- promote sound industrial relations at enterprise, national, sectoral and sub-regional levels;
- increase the number of member States which frame their labour laws and other employment-related legislation based on ILO standards and advice, involving a tripartite consultative process;

- strengthen labour administrations in their policy-making capacity, responsibility in the implementation of decent work policies and the enforcement of labour law;
- assist member States to establish and strengthen labour courts, tribunals and dispute resolution mechanisms so that individual or collective disputes are dealt with more efficiently, effectively and equitably;
- increase participation of social partners in economic and social policy making in regional or sub-regional groupings and enhance links with relevant international institutions.

Whereas work/employment opportunity is the bedrock of a country's economic soundness, harmonious employment relations is the necessary condition to ensure it. The ILO's effort in advocating an **active participation** and **facilitation** role of the social partners should include three major elements.

A Promoting conditions which enable social dialogue

The ILO adds value to the participatory aspect of the PRS process by facilitating dialogue among key stakeholders: trade unions, employers' organizations and labour administrations. It is a core task of the ILO, not a new initiative catering only to the PRS process. This process, though, links to ongoing social dialogue and provides ILO constituents with an important forum to engage in cross-cutting macroeconomic policy discussions.

The ultimate aim for the ILO's social partners is a range of major institutional developments, which include:

- strong, independent workers' and employers' organizations with adequate technical capacity and access to the relevant information to participate in social dialogue;
- political will and commitment to engage in social dialogue on the part of all parties;
- respect for the fundamental rights of freedom of association and collective bargaining; and
- appropriate institutional support.

B Fostering a culture of dialogue

Despite the strong emphasis on consultations in the PRS process, it remains patchy and hampered by both human and organizational impediments in many countries. The ILO is promoting a culture of social dialogue by advocating a social and labour dimension to policy making, action planning and institution building. Similar social dialogue needs to take place at regional and communal levels in each country so that a culture of dialogue permeates all aspects of social life. It would be impossible for the ILO and its regional offices alone to implement the social dialogue of the PRS process. Instead, the methodology needs to be transferred to social partners so that they act as facilitators, drawing on the ILO's expertise and resources as support. Social partners in countries with a long democratic tradition have already shown signs of such partnership.

C Promoting solidarity between social partners and the unrepresented parts of society

Trade union membership is dwindling in most industrialized countries today and the picture is similar in other parts of the world. This decreasing membership has posed a unique dilemma in the PRS process. On the one hand, trade unions represent one of the largest segments of social organization; offering the most efficient mechanisms for participation in and consultation on poverty reduction policy. On the other hand, credibility of the consultation hinges on the degree of representation. In most

PRS countries, those formally employed often represent less than 25 per cent of the working population. It is hard to overcome the credibility gap, no matter how well social dialogues are conducted.

Therefore, the social partners – especially the trade unions – are confronted with a fundamental choice. Do they perceive themselves as carrying a larger social mandate or do they remain attached to their traditional role and identity? Could the unionists forge solidarity with all working poor and advocate also on their behalf? Or are the trade unions only aiming at getting a larger piece of the pie for a small privileged group employed in the formal economy?

The ILO has an obligation to honour its roots in basic human rights and should encourage its social partners to take up the causes of all working people, be they in the formal economy or informal economy, or self-employed. Most people in the developing countries work in the informal economy, which itself remains by and large fragmented. The ILO has embarked on projects to improve cohesion using its unique expertise to create alternative forms of organization, such as cooperatives, and needs to scale-up these efforts.

5.1.4 Advocating international labour standards

Violations and non-observance of established international labour standards have been made public through the ILO annual international Conference, Governing Body meetings, press releases and on-line dissemination tools. Under article 26 of the ILO Constitution, the Governing Body may consider establishing a special Commission of Inquiry to examine the situation in a member State. Even so, the human rights violations have **not** received attention commensurate with that accorded to other forms of human rights violations, nor has such attention led to a visible improvement of labour conditions in the short term. Why is this so?

The ILO as an international body has been active and hard at work in developing ever more differentiated codes of conduct and practices. But this work remains as specialized knowledge and in experts' domain. There is need to disseminate the eight fundamental and principal Conventions in everyday language, so that the people become aware of their rights and learns to exercise them.

5.2 Success factors to date

5.2.1 Mobilization and investment for policy inputs

To place decent work in the mainstream of a country's PRS process and to demonstrate the added value of the ILO, needs high-quality country-specific inputs. It is evident that these technical and policy inputs require time, making considerable demands on the ILO's existing research capacities and its country-specific knowledge and understanding. Success to date has been mostly from joint efforts based on the total ILO and its experts and specific teams responsible for pilot projects.

Social partners provided variable support to the social dialogue process, depending on the stage of their development. The ILO has been at the forefront in organizing and facilitating these important consultative processes and networking among key stakeholders.

Like all success, the follow-up question inevitably is whether the success could be replicated within the normal work processes of the Organization. This question warrants further assessment. Expanding the role and functions of ILO field offices in close collaboration with its constituents might offer promising alternatives to the current limited engagements.

5.2.2 Existing social capital and in-country capacities

The case studies of Tanzania and Mali demonstrate that the work done by the ILO, drawing on its long-established social capital, helped shape the decent work dimension of the PRSs. The process involved existing networks and also helped develop a tightly knit community of practitioners. They were well prepared to counter traditional orthodoxy reluctant to address the need to create employment opportunities and able to advocate effectively for employment creation. However, the accumulation of social capital requires time. The ILO has been active in the field for more than 80 years and can identify countries where the it has accumulated the greatest amount of social capital and networks for future efforts.

5.2.3 Organizational infrastructure and social dialogue

In most countries, trade unions and employers' organizations have established organizational infrastructures at different levels of the administrative system offering broad coverage of localities and access to different memberships. Although it is sometimes unclear to what extent the coverage extends to rural areas. These institutions therefore provide a useful base for consultations and surveys. The information gathered through such consultations can be fed into the tripartite dialogue process, thereby facilitating the consensus-building process amongst the ILO constituents and contributing to the formulation of policy proposals in line with the Decent Work Agenda.

Thanks to the facilitation by the ILO, the workers' and employers' organizations have also been able to establish international cooperation and exchange know-how. Thus, horizontal networks are also enhancing the institutional development of these organizations and strengthening their influence and presence within the PRS process.

5.2.4 Dedication of internal champions

The role of a champion is vital to the dynamism and eventual success of ILO projects. There is anecdotal evidence to support this observation and the fact that champions, as change agents, are able to cross the boundaries and garnered support and resources. These champions shared some common profiles:

- A comprehensive understanding of the complexity confronting the policy makers in a global economy and ability to articulate a **shared** vision
- Good interpersonal skills to establish a rapport with different actors and target groups
- A good grasp of the core business of the ILO and its organizational capacities
- Access to informal networks to mobilize commitment, support and resources
- Links to networks outside the ILO and therefore an unhindered view of the ILO and the possibility to leverage resources
- The ability to take risks by going beyond the 'ILO box'
- Innovativeness

It could be useful to analyse the competencies of an ILO advocate that fit best with the ILO traditional operational contexts and to develop the needed human capital in these areas.

5.3 New opportunities for the ILO's advocacy

5.3.1 Targets

Working out of poverty represents a synthesis of the ILO's more than 80 years of experience concerning workers' rights, employment, productivity, the quality of working life, social protection and democratizing the workplace. Its message needs

to be heard and understood at decision-making forums, nationally and internationally. The Decent Work Agenda should take centre stage in leading the fight against poverty and human degradation. At the moment, it has not fully entered the public domain. It remains cloistered within the government ministries and a limited number of development partners, despite the fact that employment is a cross-cutting issue requiring collaboration of all sectors as well as of all major actors.

Labour conditions have not been included in the WTO trade talks. However, at the start of the Doha Round, the WTO members gave a mandate to the ILO to look into the relationship between trade and labour conditions. Unfortunately, this is not yet a high priority among the ILO's many concerns. Also, the Organization has yet to take initiatives to address the trade-labour nexus.

The general public and the media: Advocacy should also entail concerted efforts to change public opinion through public education, awareness raising, research, inspection and publicity. At the moment, the media focus on development communication, and have not adequately picked up the Decent Work Agenda.

Holders of local resources: Social action – people's capacity to organize concerted action towards a common social goal – lies at the heart of the development process. Social partners need to be urged to be more proactive in their own work in order to mobilize resources other than ODAs. Mobilization of domestic resources including hidden social capital needs to be part of the strategic objective of the ILO's social partners.

Research and academic institutions: Local research and academic institutions need to be part of the social mobilization efforts. These could strengthen the social partners' capacity to monitor implementation of PRSs and evaluate socio-economic impact. On the policy formulation side, these research institutions could play an active role in promoting decent work since they often act as a brains trust of the government

5.3.2 Entry points

Policy interventions need to readdress two prevailing shortcomings in PRS countries: under-investment in basic social services and under-utilization of cross-sectoral synergies. To find remedies requires re-prioritizing policy objectives and budget allocations. Advocacy for Decent Work for All is essentially about four things:

- Creating receptive conditions for adoption of the Decent Work Agenda
- Creating rights-based policies such as active labour policies and pro-poor economic development strategies
- Reforming harmful or ineffective policies such as those that discriminate against women or impose the costs of macroeconomic transition on poor populations
- Ensuring that good policies are implemented and enforced

The choice of entry point should be made in accordance with where the ILO can take best advantage its technical expertise, networks, political influence and available resources. These may include seeking to influence international financial institutions, policy makers in key ministries engaged in the PRS process and a widening range of stakeholders in civil society.

5.4 Recommendations

Instilling the essence of decent work into national policies, including PRS policies calls for focused action with all constituents and social partners in a country and its region. Actions to underpin successful advocacy include:

1. **Developing a change process model**: As a catalyst for development, the ILO and its constituents need to articulate its theoretical underpinning of social change and clarify the policy framework for the development process.

2. **Supporting basic and applied research** in the field of decent work and its impact on national competitiveness and economic performance. It is necessary to provide sound policy advice backed by facts, analyses and benchmarking. Hence, advocacy should be supported by comprehensive policy analyses to enable the governments to articulate an alternative vision and negotiate with the development partners with greater conviction and persuasiveness. Applied research should be undertaken to strengthen advocacy. Strategic alliances with various think tanks and academic institutions for collaborative research should be explored. Research could include:

   - Analytical and diagnostic research to deepen the understanding of the causes and persistence of poverty.
   - Analysis of public expenditure options in light of their potential for poverty reduction and identification of the public actions that would have the strongest positive impact on poverty reduction. Employment-intensive economic growth should be targeted and fiscal policies linked to efficient and equitable tax policies.
   - Clarification of links between decent work, PRS papers and subsequent concessional loans from WB/IMF and bilateral donors to governments.
   - The division of roles and responsibilities between the ILO, its social partners and the IFIs to ensure implementation of decent work in the PRS implementation process.

Research by the World Bank and the IMF on PRS issues within countries has increased dramatically, and it is easy for those who are not accustomed to their language to become confused by the multiple statistics and relevant cause-effect analyses. The ILO is identifying and digesting important PRS publications and research documents, and can help orient non-initiated social partners.

3. **Preparing briefing sheets**. It is important to target information pamphlets at specific populations and actors to ensure that they understand and can use the information. It is important to include wider dissemination of lessons learned and a knowledge management component as an integral part of the strategic thinking and PRS planning cycle.

4. **Tapping into broader bases of power**: The influence of the advocacy groups and networks is built upon their ability to obtain, interpret and disseminate information. In the context of PRSs, advocacy groups and think tanks need to undertake independent data collection and analysis, such as poverty diagnoses and social impact studies, to understand fully the impacts which current economic and social policies or proposed policy alternatives might have on poverty reduction.

Influential international NGOs, such as Human Rights Watch, Oxfam, Care, Amnesty International, EURODAD, Christian Aid, and ActionAid have the in-house capacity that helps them differentiate themselves from other advocacy groups. The ILO and its constituents need to tap into this information source for policy consultation and reflection. It is also foreseeable to form policy research alliances between the ILO and these international NGOs so that synergy could be created.

5. **Expanding the partnership for social dialogue**: Officials and policy makers of ministries of finance and economics, and of central banks often assume that citizens can neither understand nor contribute to macroeconomic policy. Conversely, lower-income citizens do not always trust the experts to make the right macroeconomic decisions for them. The ILO's expertise in social dialogue could make an important contribution in this regard and should not be restricted to the trade unions, employers' organizations and labour administrations but should instead include the representatives of the financial management ministries and other citizen groups.

6. **Identifying potential change agents and partners**: Five categories of change partners or connectors are crucial for the success of any large social movement. They are: sociometric stars, boundary spanners, gatekeepers, champions and entrepreneurial politicians. Starting a social movement requires concentrating resources on a few key nodes of a social network. Therefore, it is important to identify individuals who play these roles within any given target organization or community.

Module 6:

PRS negotiation simulation:

PRS Process in 'Equatoria'

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Module 6: PRS negotiation simulation

6.1 Introduction

The simulation exercise is intended to facilitate the understanding of **advocacy**, **influencing**, **networking** and **multi-stakeholder negotiation** techniques and how they might be applied to the specific policy-making process of a Poverty Reduction Strategy. Special emphasis is given to the role of the International Labour Office, trade unions and employers' organizations in influencing policy formulation. The simulation engages participants in a hypothetical negotiation exercise in a fictitious sub-Saharan country called 'Equatoria', which has already published an I–PRSP.
The exercise should be managed by two or three experienced facilitators or trainers. Those who would like to use the simulation for the first time should contact the National Policy Group, Policy Integration Department, ILO, for more detailed information. The role of these facilitators is to:

- ensure participants are given the background information and time to read and plan their roles and strategies;
- to coach participants during the process, providing actively suggestions for how they might improve their advocacy; and
- to provide individual and group feedback on advocacy techniques at the conclusion of the simulation.

It is advisable to provide background information to participants at least 12 hours before the simulation, allowing for adequate time for preparation. Throughout the exercise, facilitators should be available to help with any clarification required.

Participants should take all the key roles: ministers, representatives, etc. (Annexe a). It is important that these responsibilities are shared between as many participants as possible. Participants who have actual experience in specific areas of the simulation should be fully drawn into the discussions, but should not necessarily play their own roles.

The simulation takes place during the period when the country's key ministries are drafting the Poverty Reduction Strategy Paper (PRSP). The Government has decided to have initial informal consultations with representatives from civil society organizations (CSOs) including workers' and employers' organizations. The Government also has decided to hold discussions with staff from the World Bank and the IMF as well as with different key donor country representatives.

6.2 Structure of the simulation

The simulation consists of three consecutive phases:

- An initial preparatory stage
- Three parallel meetings along thematic lines
- A closing session to draft an outline of a PRS paper text

Participants will be exposed to both the thematic issues of the PRS and the process of influencing and negotiating the final policy document.

This document would allow the Government to draft the final PRS paper within one month following these initial meetings and discussions. It is expected that the ILO and its constituents will try to influence policy recommendations in line with the Decent Work Agenda in the agreed policy matrix and/or the communiqué prepared by the Equatorian Government.

The three stages of the simulation exercise are structured as follows.

6.2.1 Preparatory stage

During this initial stage, the following activities are scheduled to last a maximum of 45 minutes.

Government meeting

Under the leadership of the Chef de Cabinet of the Prime Minister's office, several government Ministers will meet to discuss government strategy regarding the PRS process, the relationships with international financial institutions (IFIs), donors and CSOs and the tactics regarding the following thematic group discussions.

The following Ministries will be represented by their respective Ministers: Finance, Planning, Agriculture and Rural Development, Trade, Health, Education, and Labour.

Civil society organizations

The UNDP Resident Representative invites CSO parties and others to a meeting to discuss civil society's views on the PRS process and the thematic group meetings. Invited are representatives of the following: ILO, trade unions, employers' associations, Chamber of Commerce, Pro Development (an international NGO), and the Muslim Solidarity Fund (a local NGO).

IMF/World Bank meet bilateral donors

The IMF/World Bank team invites the donors (Paris Club creditors and two non-Paris Club creditors) to a meeting to discuss the scope and importance of the PRS process. In particular, the donors present at the informal meeting are the Ambassadors of France, Italy, Libya, China and the USA.

6.2.2 Thematic group meetings

The Government organizes three parallel and simultaneous thematic group discussions. Each thematic group meeting lasts 45 minutes.

The three thematic topics will focus on: Macroeconomic, Financial and Fiscal Policies; Health and Education; and Rural and Agricultural Development. The three thematic groups will be chaired by government officials, namely:

1: Macroeconomic, financial & fiscal policies

The Minister of Finance (MOF), who invites the representatives of the Chamber of Commerce, the employers' association and the IMF representative to join the group.

2: Health and education

The Minister of Health, together with the Minister of Education, who invite the representative of the UNDP to join them.

3: Rural and agricultural development

The Minister of Planning and the Minister of Rural Development and Agriculture, who invite the representative of the World Bank to join the group.

6.2.3 Drafting a PRS paper outline

The final stage consists of drafting an outline for the PRS paper under the leadership of the Chef de Cabinet of the Prime Minister's office. Also present are the Ministers of Finance, Planning, Agriculture and Rural Development, Labour, Health, Education and Trade. Invitations might also go out to the representatives of the World Bank and the IMF, depending on the outcome of the thematic group meetings. Some or all donor country representatives might also be invited, depending on the decision of the Government.

The ILO is not invited to Phase 2 and Phase 3 meetings. The UNDP Resident Representative has offered to represent the interests and concerns of the ILO and its constituents.

ILO Geneva Headquarters follows events in Western Africa through its regional ILO African Office in the neighbouring country of Mango. ILO Headquarters can contact the ILO representative who is attending the PRS meeting in Equatoria, through e-mail, phone or fax messages.

6.3 Issues to be negotiated

The issues to be negotiated during the simulation are:

- Economic growth and pro-poor macroeconomic policies
- Employment policies
- Labour market conditions concerning social protection, collective bargaining and wages

6.4 Rules of the simulation

All participants will be given publicly known information that will help them understand their roles and prepare for the different phases of the simulation. In addition, they will be given confidential instructions from their respective headquarters. These instructions give indications as to what should be achieved during the meetings.

While specific participants play defined parts in the structured meetings, all participants should maintain their given roles for the entire simulation, acting as observers wherever practical. The press representative should draft a report for syndication and the representatives of other organizations and countries should make notes so that they can brief their superiors at a later date. After the simulation, the facilitators should ensure that all participants have the opportunity to comment on the whole process and on the documents produced, both from the standpoint of their roles and from their personal viewpoints if they wish.

6.5 Documentation

Each participant will receive copies of the following documents:

a. Public information about the roles of the simulation and their respective publicly known positions vis-à-vis the PRS process

b. A copy of the I–PRSP of Equatoria (produced in 2002)

c. A summary of Equatoria's macro-economic framework

d. A medium-term expenditure framework (MTEF)

e. A proposed budget allocation of HIPC debt relief resources

f. 'Confidential instructions', specific to each role (to be custom-tailored in accordance to the target groups and their specific learning needs)

The participants' package is enclosed as an Annex to this *Advocacy Guidebook*.

6.6 Timing

All participants should have had time to read the documentation before the simulation begins. They must understand the material relevant to their roles.

Total	360 minutes (6 hours)
Stage 1	(60 minutes maximum)
Break	lobbying time (30 minutes maximum)
Stage 2	(60 minutes maximum)
Break	lobbying time (30 minutes maximum)
Stage 3	(60 minutes maximum)
Feedback	(120 minutes maximum)

6.7 Number of participants

The optimal number of participants for this simulation is 25–30 per two trainers/facilitators. A larger group of up to 60 people could be handled by three trainers.

PRS paper preparation in Equatoria: a multi-stakeholder simulation exercise

(Dr Raymond Saner, CSEND, www.csend.org, August 2003)

Annex: Participant package

The package includes of the following documents:

a. Public information about the roles of the simulation and their respective publicly known positions vis-à-vis the PRS process

b. A copy of the I–PRSP of Equatoria (produced in 2002)

c. A summary of Equatoria's macro-economic framework

d. A medium-term expenditure framework (MTEF)

e. A proposed budget allocation of HIPC debt relief resources

- 'Confidential instructions', specific to each role will be distributed independently by the facilitators to each participant.

Disclaimer

This simulation is fictitious and constructed for instructional purpose only. Any similarity to actual negotiations is purely coincidental. The authors do not take responsibility for such a coincidence.

Facts taken from published material are referenced.

Annex a: Equatoria, actors and roles

I. Government roles

1. Chef de cabinet Office of Prime Minister

Until about 15 years ago, Equatoria was ruled by a general who had taken power in a coup d'étât in the late 1960s. He was member of a minority tribe and ruled in an authoritarian ruthless manner. Then, thanks to pressures from western countries, the general stepped down from the presidency and Equatorians could again select their government democratically. With the renewal of democratic principles came a change of constitution away from a dominating presidential regime to a parliamentary democracy with a strong Prime Minister and a much weaker, almost purely representative, president. The democratically elected Prime Minister is a well-educated man with several degrees from French and American universities. He is a leader of the modern type, intent on making Equatoria again a respected member of the international community through democratic rule and a strengthened market-oriented economy. While not being overtly religious, the government takes a conservative line and regards religion as an integral part of Equatorian society. The PM follows the coming PRS process closely without being openly part of it. He prefers to guide progress through his Chef de Cabinet who studied with him in French and American universities. They are long-time friends. The PM is a Muslim of the northern Bambo tribe; the Chef de Cabinet is a member of the southern Christian minority of the Huanga tribe.

2. Minister of Finance

The Minister of Finance (MoF) also studied in France and the USA and subsequently worked at the World Bank for five years. He knows the Bretton Woods institutions very well and stays in close contact with his former colleagues at the International Finance Institutions (IFIs). The MoF is convinced of the benefits already gained from the I-PRS paper and wants to get the job done as fast as possible. The sooner the PRS paper is completed and approved, the faster thinks he can then apply for debt forgiveness through at the Paris Club and through the HIPC process. He is the son of a former high-ranking military officer who served under the previous regime. He is a Muslim and belongs to minority Manga tribe located in the east of Equatoria.

3. Minister of Planning

The Minister of Planning (MoP) is older than the MoF and Chef de Cabinet. He got his basic education in the country partially still under the final stages of French colonial rule then complemented his education with a degree from the University of Aix-en-Provence in France. Subsequent to his studies, he opted for French nationality and worked in a municipal administration of Marseille for over 10 years. After the renewal of democracy and the election of the new PM, he was recruited by the new government to return to his home country and to take over the job of MoP. He is a professional civil servant trained in the French manner of administrative management. He believes in the market economy but favours a more continental European approach rather than an Anglo-Saxon form of capitalism. He is a Muslim from the northern Bambo tribe.

4. **Minister of Trade**

The Minister of Trade (MoT) was a successful entrepreneur before joining the government. He and his family own a textile company. He has studied under the French colonial rule, reached the level of BA, then was invited to do two of one training courses in France with French trading companies. He has been in business for the last 20 years. During the previous regime of the military dictatorship, he was able to expand his business thanks to earmarked subsidies and tariff protection. Over the last 10 years, he and his family members have been able to invest in neighbouring countries and even open subsidiaries in France and Italy. Because of his international business experience, he has become an expert of trade issues and helped the country become a member of the World Trade Organization three years ago. The MoT is a Christian and member of the southern Huanga tribe.

5. **Minister of Rural Development and Agriculture**

The Minister of Rural Development and Agriculture (MoRDA) studied agronomy in Belgium and subsequently came back to Equatoria at the end of the military dictatorship to take on a project director role of a Belgian technical cooperation project in the field of water irrigation and cotton crop production. He joined the new government by invitation of the new PM, and is like him a Muslim and member of the northern Bambo tribe. The MoRDA has been a strong supporter of infrastructure projects for the underdeveloped northern part of the country. He is in favour of road construction, irrigation schemes and installation of telecommunication networks, which he thinks are needed to diversify agricultural production and to help develop the services sector of Equatoria.

6. **Minister of Health**

The Minister of Health (MoH) studied medicine in France and Switzerland and has been a practicing doctor for more than 10 years in Equatoria-Ville. Before joining the new government at the invitation of the MoF, he was the director of the best (privatized) hospital in the capital. Already under the previous military dictatorship, he had been the head of delegation of Equatoria to the annual meetings of the World Health Organization in Geneva as well as to other scientific conferences. He has made himself a reputation as one of Africa's best experts of Onchoceriasis (River Blindness). He is a practicing Muslim from the Manga tribe of Eastern Equatoria.

7. **Minister of Education**

The Minister of Education is a young professional woman from the Christian Hunga tribe of southern Equatoria. She studied languages and political sciences in France and has been a teacher of the main public school of the capital of Equatoria. While in her previous job, she was project director of a World Bank special project which looked into ways to introduce privately owned schools to compete with public schools and to increase cost sharing by parents in order to reduce the governments' expenditures in education.

8. **Minister of Labour**

The Minister of Labour (MoL) has had only minimal schooling due to the fact that his family were members of the opposition party during the military dictatorship. As a young man, he joined the socialist labour union, which was persecuted by the previous government. He is a member of the animist Kange tribe of western Equatoria. He was nominated to his current job thanks to the chef de cabinet of the PM.

II. Roles of the IFIs, UN & bilateral donors

9. IMF Representative (IMF Rep)

The IMF Rep has been with the IMF for the last 15 years. He is an economist trained at the Chicago school of economy and has previously worked in the department focusing on balance of payment difficulties of developing countries. He is a US citizen who taught macroeconomics at Harvard before joining the IMF. This is his first assignment to an African country.

10. World Bank Representative (WB Rep)

The WB Rep is an Indian national who studied development economics first in New Delhi and then at post-doctoral level at Chicago University. He has been with the Bank for more than 10 years working in departments focusing on public administrative reform & governance and physical infrastructure projects in China. He has been to previous PRS assignments to other African LDCs and is rumoured to be close to an important promotion at World Bank headquarters.

11. UNDP Resident Representative (UNDP ResRep)

The UNDP ResRep is on his second assignment to Equatoria. His first assignment was during the end period of the military dictatorship leading to the democratic transformation of the country. His second assignment started a year ago. During his first assignment in the country, he was able to organize special donor commitments to combat prevalent illiteracy and to reduce infant mortality.

12. ILO representative (ILO RR)

The ILO representative covers Equatoria from neighbouring country of Mango. He is often in Equatoria to supervise traditional ILO programmes and to convince Equatoria to sign up to all ILO conventions. He is a Franco Canadian labour standard expert who has been with the ILO for more than 20 years.

13. ILO Headquarters (Geneva)

Headquarters of ILO are following closely the PRS process of Equatoria. The Policy Integration Department in cooperation with other branches follows the process and stays in touch with the ILO representative officer who is in Equatoria during the whole PRS process. From Geneva, an ILO staff member responsible for Equatoria and its PRS paper is following closely the developments on the ground. He hopes that the ILO will finally make progress in getting involved in a PRS process which would set a benchmark for other countries. The success of ILO's intervention will be determined by whether some aspects of the Decent Work Agenda would have been included in the Equatoria's PRS paper.

14. Ambassador of France (Resident)

The resident French Ambassador knows the country very well. He spent part of his youth in Equatoria-Ville while his father was a high-ranking French colonial administrator. A number of Equatorian citizens have studied in France. Some opted for French citizenship at the end of the colonial rule and now live in France and constitute an important source of remittance. France has had a privileged influence and presence in Equatoria, which includes strong commercial presence and close cooperation with the Equatorian military.

15. Ambassador of Italy (non resident)

Italy covers Equatoria from Nigeria and its Ambassador is not so often present in the country. He visits Equatoria mostly to safeguard the interests of Italian companies who have invested in the mining and textile sectors. Recently he has been given the task and budget to find technical cooperation projects in areas which are important for Italy and which would help Italy develop a stronger political presence in the country.

16. Ambassador of Libya

Libya has had historical ties with the northern and western part of the country for several decades. In addition, Equatoria satisfies 80% of its energy needs through imports of oil products and gas from Libya. It is an important creditor of this heavily indebted country.

Libya has projected itself as special friend of Equatoria. It cultivates ties with the religious leaders of the Muslim tribes and has interfered militarily in the past at times of armed conflicts between different leaders of previous governments. The Libyan Ambassador lives in Tripoli but comes to Equatoria on a regular basis.

17. Ambassador of China

China has extended preferential trade conditions to Equatoria since its independence. It has also conducted several infrastructure development projects (particularly improvement of railway connections between northern and southern part of the country). In the past, both countries were close allies in the non-aligned movement. The old bonds continue up to today even though bilateral trade has been minimal. However, China is interested in the development of the rich deposits of strategic metals used of industrial production. The Chinese Ambassador covers Equatoria from Beijing and makes 3–4 trips to Equatoria per year.

III. Civil Society Organizations

18. Chairman of the United Chambers of Commerce (ChamCom)

The Chairman of ChamCom has studied commercial law in Paris and worked in Paris and London with two well-known American Law firms. He was nominated to the chair of ChamCom by the PM with whom he shares the same religious and ethnic background. This role is only part time. He is in private practice and his law firm represents important North American multinational companies.

19. Director of Employers' Association (EA)

The director of the Employers' Association is a relative of the MoT and a close friend of the chef de cabinet of the PM. He has been in this post since the change of government. He serves on several governmental committees, which focus on various issues including irrigation, fiscal policy and internal security. He is the owner of a medium sized transport company. Over the last two years, he has been invited three times to conferences in Washington organized by the WB's African department.

20. President of Trade Union Association (TU)

The president of the labour union has been leading the TU over the last 10 years. During the military dictatorship, he was twice sentenced to prison terms for political reasons. He is an experienced organizer, a well-known motivating speaker and an able organizer. He is close to the current opposition and has been shunned by the current government for his politics. He comes from the south and belongs to the Christian Huanga tribe.

21. Resident Representative of Pro Development (PD)

Pro Development is a London based international NGO active in the field of child labour, gender equality, and illiteracy and aids prevention.

The resident representative is of British origin and is an experienced fundraiser and campaigner. This is his first assignment in Equatoria. Because of fluctuating budgets and internal restructuring, PD has had a succession of country representatives, none having stayed longer than one year.

22. Resident Leader of Muslim Solidarity Fund (MS)

Muslim Solidarity is a religious based NGO financed by a Saudi-Arabian benevolent society close to the King's family. The NGO has been active in building and repairing mosques and providing Koran texts for the religious schools. Its resident leader is of Sudanese origin. He often gives speeches at religious institutions and has spoken out against westernization of Equatoria's society. While being critical of some new social policies, he has been a supporter of the current conservative government against the more secular opposition.

23. Media Representative (France-Afrique)

The resident director of the newspaper France Afrique has been in Equatoria and neighbouring countries for many years. He knows the country since the ending period of French colonial rule. His newspaper has been critical of the IFIs and Anglo-Saxon style globalization. He has a very well established network of contacts both in Equatoria and back in Europe. He is also consulted as the sounding board by the international community.

France-Afrique is the most widely read French newspaper in French speaking Africa.

Document b: Equatoria's I–PRSP

Government of Equatoria

"Working with and for the people of Equatoria"

Interim
Poverty Reduction Strategy Paper

Presented to the International Organizations

March 2002

Purpose of the I–PRSP

The objectives of this interim poverty reduction strategy paper are twofold: first, to broaden the conceptual framework of the *National Strategy for the Fight Against Poverty* by including areas not covered therein and, second, to indicate progress thus far in the preparation of the development strategy and future stages, and to describe the process for preparing the final PRSP.

INTERIM PRSP
March 2002

In recent years, the Government of Equatoria has expressed its willingness to make poverty reduction its top development priority. This responds to a double requirement: first to benefit the poor through more effective development actions, and second, to design new policies and instruments and take appropriate short- and medium-term measures that will enable the Government to use its domestic and foreign resources in a practical and effective manner.

Document prepared and adopted by the Government of Equatoria.

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List of abbreviations

AP–SRAD	Draft regional development and land use plans
BCEAO	Central Bank for West African States
BCS	Equatorian Bank for Trade
BIE–SA	International Bank of Equatoria
BECD	Equatorian Credit and Deposit Bank
CAS	Country Assistance Strategy (World Bank)
CCIE	Chamber of Commerce
COCSSA	Coordinating Committee on Food Security
CNCS	National Coordination and Monitoring Committee
CPS	Planning and Statistical Unit (in line ministries)
CRE	National Pension Fund
CSCOM	Community health center
DGDP	Public Debt Department
DNCC	National Directorate for Trade and Competition
DNI	National Tax Department
DNP	National Planning Directorate
DNSI	National Directorate of Statistics and Computer Services
DNTCP	Treasury
EBC	Consumption budget survey
EDS	Demographic and health survey
EMCES	Equatorian survey of economic and social conditions
ENP	*National Outlook Study: Equatoria 2025*
ESAF	Enhanced Structural Adjustment Facility
ESAT	Draft land national use plan
EWS	Early-warning system
FNEE	National Employers Federation
GDP	Gross domestic product
HDI	Human Development Index
HIPC	Heavily Indebted Poor Country
HPI	Human Poverty Index
INPS	National Social Security Agency
NGO	Nongovernmental organization
ODHD/LCPM	Sustainable Human Development and Poverty Reduction Observatory
OMA	World Food programme
PAIB	Project to Support Grassroots Initiatives to Fight Hunger and Poverty
PASR	Framework programme for rural sector support
PFP	Policy framework paper
PNA	National Action programme for employment generation in order to reduce poverty
PNE	National Employment Policy
PRODEC	Ten-year development programme for education
PRODESS	Ten-year health and social development programme
PRODEJ	Ten-year legal system programme
PRSP	Poverty Reduction Strategy Paper
RGA	General agricultural census
RGPH	General population and housing survey
SAPRIN	Structural Adjustment Participatory Review Initiative Network
SETI	International railway company
SFD	Decentralized financial services
SLIBEP	Lightweight system for poverty monitoring
SME	Small and medium enterprises
SMI	Small and medium industry
SNLP	National Strategy for the Fight Against Poverty
UNDP	United National Development programme
UNICEF	United Nations Children's Fund

GOVERNMENT STATEMENT

1. In response to the expectations of the Equatorian people, poverty reduction has been made a top priority. Indeed it is, and remains, the primary objective of all the country's development efforts. The Government demonstrated its political will by adopting, in July 1998, a National Strategy for the Fight Against Poverty (Stratégie Nationale de la Lutte contre la Pauvreté – SNLP) covering the period 1998–2002, structured around eight major themes and accompanied by a programme of priority actions.

2. The main objective of this national strategy is to provide all Equatorians, and the poorest in particular, with a reasonable standard of living by meeting basic needs such as access to sufficient healthy food, drinking water, health care, education, and decent housing.

3. In addition to strengthening the actions already undertaken by the Government and other development stakeholders, the National Strategy for the Fight Against Poverty (SNLP) provides the reference and coordination framework for all actions aimed at reducing poverty in Equatoria.

4. Equatoria's development partners, who were deeply involved in the discussion and preparation of this strategy, recognized its relevance and gave it their full support at the Round Table held in Geneva in September 1998.

5. Nevertheless, the Government of Equatoria remains aware that the ongoing social deficit, extreme poverty and vulnerability of the population together constitute a major handicap to economic growth and sustainable development. For this reason, in subscribing to the recent debt relief initiatives of the Bretton Woods institutions, the Government decided to update and intensify SNLP actions with a framework of consistent macroeconomic and sectoral policies that ensure strong and sustainable growth. Therefore, the Government resolved to prepare and implement a medium-term Poverty Reduction Strategy Paper (PRSP) based on the major themes and priority actions defined in the SNLP. To be fully effective, the paper takes a long-term view but also includes short term actions.

6. The purpose of this new strategy paper is to create a structured institutional and macroeconomic environment conducive to growth and increased economic competitiveness, as well as conditions for the effective participation of the population in the achievements and benefits of this growth, with an emphasis on improving income and access to basic social services.

To this end, the PRSP will be based on the following principles:

- Firm Government commitment to placing poverty reduction at the center of all its development policies and strategies. Equatoria will therefore invest more in the social sectors, particularly education, health, housing, employment and vocational training;
- The need, while strengthening the macroeconomic and financial framework, to pursue and consolidate the adjustment measures in order to initiate a phase of true growth and development through strong growth rates, in keeping with the legitimate ambitions for the economic well-being and social advancement of the Equatorian people. In this respect, developing potentially highly productive sectors must be a priority, particularly at this time, when regional economic areas are being formed and markets are being opened up.
- The need to provide a suitable framework within which all economic and social players can carry out their activities appropriately, particularly by:
  - establishing a modern, efficient, and competent administration;
  - developing basic infrastructure (transportation, communications, energy);
  - creating an enabling regulatory, legislative, and institutional framework;
  - consolidating peace and security;
  - strengthening democracy and the rule of law;
  - implementing the decentralization policy;
  - strengthening regional integration.

7. The Government intends to involve all stakeholders in its poverty reduction efforts. In addition to the participatory process used in designing and

monitoring poverty-reduction actions, financing will be provided by the Government and also by the private sector, grassroots organizations, Equatorians living abroad, and other members of civil society. In addition to its own efforts, the Government will actively seek support from the international community to finance specific actions.

INTRODUCTION

8. Poverty in Equatoria is endemic and widespread, and afflicts the population in various ways. More than half of them do not have access to clean drinking water and about half are illiterate; child nutrition indicators (the rate of chronic malnutrition among children under 3 years is 25 per cent) also seem to confirm the trends shown by the income data on poverty. Furthermore, the enormous debt burden is a significant obstacle to poverty reduction.

9. The advent of democracy in 1992 has been accompanied by a growing popular demand for a better standard of living. In addition, there has been increased national and international awareness (1995 Copenhagen Summit) of the need for poverty reduction. Against this backdrop, between 1995 and 1997, the Equatorian authorities initiated a series of discussions and studies on poverty, culminating in 1998 in the adoption of a National Strategy for the Fight Against Poverty (SNLP). Following the 1994 devaluation of the CFA franc and aided by a sound stabilization policy, the country has entered a phase of growth. Since then, the pace in growth of poverty has slowed somewhat, and its depth declined between 1996 and 1998. Nevertheless, despite regular economic growth since 1994, the economy has faced new problems such as the energy crisis and falling world cotton prices.

10. Faced with these new challenges, and in light of the strategies developed in the SNLP, the Equatorian authorities wish to consolidate their poverty reduction policy by incorporating additional dimensions into the SNLP objectives and establishing close links between poverty and national policies. Thus, the PRSP adds value to Equatoria's poverty reduction process. Moreover, the PRSP fills a void because in Equatoria, at present, there is no single, agreed medium-term reference document that establishes guidelines to clarify development policies and strategies. Several documents exist that could be used to prepare such a framework, in particular:

- *National Outlook Study: Equatoria 2025* (ENP);
- Policy framework paper (PFP);
- National Strategy for the Fight Against Poverty (SNLP);
- Draft national land use plan (ESAT) and draft regional development and land use plans (AP–SRAD);
- Development policy and strategy paper for Equatoria;
- Sectoral policy and strategy papers (PASR, PRODEC, PRODESS, PRODEJ, PNA, etc.);
- Annual Reports of the Observatoire du Développement Humain Durable.

11. Making sense of the abundant information in these various documents needs a clear and precise idea of the country's medium-term objectives and strategies. Consequently, the Government has developed this organized framework to provide clarity to all its policies.

12. The basic principle is that the Poverty Reduction Strategy Paper should draw on and be based on the long-term view of the existing *National Outlook Study: Equatoria 2025*. This is a global and systemic study, which has the advantage of being the most recent (1999) and projects a view of Equatorian society one generation hence.

13. The strategy paper should also be based on the SNLP, which was prepared in a participatory manner and presented at the 1998 donor round table, and which, at the operational level, is targeted directly at the poor. It is recognized that the strategy must be part of a more comprehensive framework because sustainable poverty reduction requires that measures be taken in all areas.

14. The PRSP should also take account of Equatoria's commitments in the policy framework paper (PFP) and provide the link between the long-term view and current short-term programmes.

I. POVERTY IN EQUATORIA

Poverty determinants, characteristics, and profile

15. Equatoria has carried out three major surveys on household consumption, which have also been used to evaluate the socioeconomic situation of the population:

- Consumption budget survey (EBC), 1988/89;
- Equatorian survey of economic and social conditions (EMCES), 1994;
- Survey of household expenditure in the capital city, Equatoria-Ville, 1996.

16. These surveys provided the basis for a quantitative poverty analysis, particularly by establishing the poverty line (see Annex 1) and profile. Thus, in Equatoria:

- Poverty is predominantly rural, since 74 per cent of the poor are in these areas. Farmers are the most affected because of their vulnerability to the combined effects of uncertain climatic conditions, fluctuating prices for their products, and precarious conditions of production.
- Poor households tend to have more children than the nonpoor. This often results in a lower standard of living and increased vulnerability.
- The older the head of household, the greater that household's exposure to poverty. This implies that special attention should be paid to senior citizens with many dependents, because they are less able to meet their basic needs.
- Households in which the head has attained a certain level of education are generally less poor than those in which the head has no education. This implies that improving basic education can have a marked impact on poverty reduction.
- Individual spending in poor households is less than one-third of that in nonpoor households. To bring spending levels of the poor up to those of the nonpoor, actions aimed at increasing the income of poor people should be given priority.

17. Furthermore, the quantitative analysis of poverty has identified certain population categories as being most vulnerable. These are women, especially in rural areas, children suffering from malnutrition, young people with no access to employment, and the elderly.

18. Despite their relevance, these analyses should be regarded as only indicative, since the basic data are derived from surveys not primarily aimed at measuring poverty. The usefulness of the analysis is even more limited by the fact that the surveys were not carried out with integrated samples.

19. Given these limitations on establishing the profile of poverty, surveys have been planned (EBC, EDS, agricultural and employment surveys) to improve data quality in order to monitor changes in poverty status and in household living standards. In addition, a lightweight information system on poverty and well-being (Système Léger d'Information sur le Bien-Etre et la Pauvreté – SLIBEP), set up for SNLP monitoring, will provide information on the socio-economic situation of the population.

20. While waiting for these surveys to be carried out to obtain a clearer picture of poverty, the Equatorian authorities conducted quantitative assessments of sustainable human development, which provided data for the SNLP on the various aspects of poverty through the people's own perception of their situations based on their experience.

Peoples perceptions and opinions on poverty

21. Popular and civil society's perceptions of poverty were collected in a series of consultations and qualitative surveys of the population in 24 sites distributed among the areas defined and used by the DNSI for the EBC and EMCES surveys. In focus groups and organized discussions, people characterized poverty in terms of unfulfilled needs (qualitative and quantitative). Such needs should be analyzed in relation to both physical availability, and financial and geographic accessibility. According to the survey, the non-satisfaction of a number of needs deemed essential for a reasonable standard of living (food, health care, clothing, accommodation, employment, social support and collectively-owned equipment) is due to natural disaster,

poor social integration and unfavourable economic conditions. The importance of these needs (indicated above in parentheses) varies slightly by environment and gender. In addition to this popular perception, the survey also helped to identify the principal causes of poverty, again according to the population.

Causes of poverty

- **Natural disasters:** ranked as the primary cause in rural areas and related to a fragile ecosystem that threatens agricultural sector development;
- **A difficult socioeconomic environment:** according to the population, this contributes to the lack of availability of factors of production, a low level of socioeconomic infrastructure, lack of initiatives for self-employment, poor use of public funds, and low level of education and literacy, thereby reducing individuals' capacity to make better use of economic opportunities;
- **Breakdown of solidarity links:** reflected in the disintegration of links with family members or with members of surrounding communities;
- **Conjuctural conditions:** related to the early 1990s rebellion in the north of the country and the devaluation of the CFA franc (1994).

Trends in poverty and inequality

22. Poverty analyses performed on the basis of the above-mentioned surveys have highlighted the fact that between 1989 and 1996, poverty increased both in rural and urban areas. However, the average annual increase was much greater between 1989 and 1994 (11 per cent) than between 1994 and 1996 (2 per cent), reflecting a slowdown in poverty growth since 1994.

23. The situation improved more between 1996 and 1998, when both the incidence and depth of poverty declined throughout the country for the first time on record, reflecting the beginning of an improvement in the well being of the population. Indeed, the incidence of poverty declined from 71.6 per cent in 1996 to 69 per cent in 1998, corresponding to an annual decline of 1.8 per cent.With respect to inequality changes, available data from EMCES does not allow for an accurate analysis.

Other standard of living and quality of life indicators

24. It is difficult to corroborate trends in income poverty by examining other standard of living and quality of life indicators. However, there is a reliable comparison of anthropometric indicators of child nutrition based on EDS-type surveys conducted in 1987 and 1995/96, that is, over a time period close to that of the consumption surveys. Child nutrition indicators seem to show the same negative trend as the income data. The number of children aged 3–35 months showing stunted growth seems to have increased by 38 per cent between 1987 and 1995–96, the proportion of emaciated children has apparently doubled and, lastly, the proportion of underweight children increased by 42 per cent over the same period.

25. At the same time, a certain number of standard of living indicators show improvements, but these are sluggish indicators providing information on long-term trends.Thus the infant and child mortality rate (which was 165 per 1,000 between 1976 and 1986) has declined steadily in Equatoria from 149 per 1,000 between 1986 and 1996 to 140 per 1,000 between 1992 and 1996.

26. Similarly, the education level of the Equatorian population, and of women in particular, seems to have improved considerably. Thus, again according to the EDS surveys, the percentage of adults with no education dropped from 51 per cent to 46 per cent between 1986 and 1996. During the same period the proportion of individuals with a secondary education rose from 15.6 per cent to 33.3 per cent. In particular, the percentage of women with secondary education rose from 6 per cent in 1989 to 25 per cent in 1996. This spectacular trend is a result of the coming to adulthood of a generation educated all throughout the 1980s. Trends in the 1990s, especially in the second half of that decade, indicate marked improvements, although disparities persist between girls and boys and between the various regions, as shown in the table opposite.

27. Taking childbirth assistance as the indicator of access to and quality of health services, the rate of medical assistance increased from 86.7 per cent in

Table 1. Gross school enrollment rate (in percentage for the first cycle of basic education in 1996–97 and 1997–98 by gender and region)

Regions	Boys		Girls		Total	
	1996–97	1997–98	1996–97	1997–98	1996–97	1997–98
Saba	52.6	55.6	29.4	32.7	41.3	44.0
Kiku	63.7	68.8	37.7	42.8	50.8	55.8
Sambala	52.1	56.2	30.1	35.3	41.0	45.9
Lesa	49.7	50.9	29.2	33.7	39.2	42.5
Noktou	29.8	32.2	19.2	21.4	24.5	26.8
Dokta	31.5	34.4	22.6	23.7	27.1	29.0
Jallal	38.9	44.0	26.9	28.4	33.1	36.0
Kuandu	33.0	32.7	16.6	21.5	24.6	27.3
Equatoria-Ville	158.8	136.8	118.4	139.9	137.5	138.3
Total Equatoria	57.0	58.9	36.5	41.0	46.7	50.0

Source: Ministry for Basic Education Statistical Unit

1987 to 89.4 per cent in 1996, and doctor assistance from 0.9 per cent in 1987 to 3.1 per cent in 1996. In 1987, 34 per cent of infants aged 12–23 months had a health card; by 1996, the number had risen to 70 per cent. Vaccination rates similarly improved (and became more verifiable at the same time): the proportion of fully vaccinated children rose from 42 per cent in 1987 to 54 per cent in 1996. Despite major efforts, geographic accessibility to health services and medical coverage with essential medicines remain relatively low.

28. Other health indicators may warrant special attention in the final PRSP, depending on data availability; these include:

- Morbidity and mortality due to malaria, which greatly affects children under 5;
- AIDS prevalence, estimated by the health services as affecting around 3 per cent of the population.

29. Improved access to services is also noticeable in the area of housing. The proportion of dwellings with electricity rose from 7 per cent in 1995 to 12.3 per cent in 1999, and those with running water rose from 11.8 per cent to 17.4 per cent. However, these changes affect few poor households, and it is not certain that they benefited from improved housing conditions or improved water and sanitation, particularly in semi-urban and rural areas where women continue to bear a considerable burden with regard to drinking water supplies.

30. As regards employment, the study on the informal sector carried out in 1996 by the Observatoire de l'Emploi showed that unemployment affects 3 per cent of the working population. This low level is broken down into 14.2 per cent in urban areas compared with 1 per cent in rural areas. These rates are based on definitions of unemployment that do not consider either precarious informal sector jobs (which contribute to a reduction of unemployment and help improve the living standards of poor households) or underemployment in rural areas.

31. Regarding nutrition, popular perception has made it abundantly clear that the lack of food is the primary feature of poverty. This perception has led to an in-depth analysis of the links between food security and poverty. More specifically, grain production, consumption levels and agricultural prices will constitute aspects of food security to be monitored in relation to poverty. These analyses will be done by the Comité d'Orientation et de Coordination du système de Sécurité Alimentaire (COCSSA)[1] and will be integrated into the full PRSP.

[1] The mandate of the COCSSA is to coordinate and implement strategies aimed at ensuring food security in Equatoria. Its role is to (i) orient and monitor strategies related to food security; (ii) implement the process designed to reinforce the food security system (iii) supervise the functioning of the food security system and monitor the quality of services rendered by the different components of the system; (iv) decide on the actions to be undertaken to address food crisis, ensure their effectiveness and efficiency, and when needed, implement the emergency plan; (v) establish permanent cooperation between the Government and external partners regarding food security, especially through common management of financial instruments; pooled counterpart funds of the PRMC and food security fund.

32. Despite the relative improvement in certain standard of living indicators, inequality of access to basic social services by different sectors of the population, regional disparities, and quantitative weaknesses in infrastructure show what is still needed to reduce poverty in Equatoria in an effective, sustainable way. There are also constraints on improving all the indicators, be these related to income or living standards, and efforts must be made to raise them by rapidly implementing appropriate and complementary policies and strategies.

II. GROWTH AND POVERTY REDUCTION: MAJOR CONSTRAINTS AND ADVANTAGES

Primary structural constraints

33. Despite efforts in the last five years, Equatoria is consistently ranked in the UNDP Human Development Report as one of the countries with the lowest levels of human development in the World.[2] This poor performance is reflected in most of the main indicators of capacities and welfare generally used (except life expectancy), and particularly in school enrollment and education. According to this report, Equatoria's net primary school enrolment rate was 53 per cent in 1998, compared with an average of 60 per cent for least developed countries and 56 per cent for sub-Saharan Africa. Moreover, the literacy rate was 48 per cent in Equatoria, compared with 54 per cent in least developed countries and 57 per cent in sub-Saharan Africa.

34. The low level of human development is compounded by the extreme vulnerability of populations with little control over a highly unstable environment.This vulnerability stems first of all from the fact that Equatoria is in the Sahelian region and is exposed to uncertain climatic conditions.[3] It is also attributable to insufficiently diversified production and, more specifically, reliance on a small number of exports commodities (cotton, livestock, and gold, which account for more than 90 per cent of exports), the prices of which can be volatile. Lastly, Equatoria's vulnerability results from its heavy dependence on external assistance.[4] Households must therefore contend with a high degree of uncertainty and with incomes and living conditions that can vary widely over time.[5]

35. According to the 1998 census, the population of Equatoria was 9,790,000, indicating average growth of 2.2 per cent per annum since 1987. The natural growth rate of the population is estimated at 2.9 per cent. So, 0.7 per cent per annum are lost through the balance of migration[6] International migration is characteristically important in Equatoria[7], while a similar level of internal migration explains the country's high rate of urban drift, 29 per cent of the population were living in towns in 1998 (up from 23 per cent in 1989).The main target of this urbanization is Equatoria-ville, which, according to the 1998 census, had a population of 2 000 000 and an average growth rate of 4 per cent per annum since 1987.

36. Nearly half of Equatoria's GDP is agricultural in origin, which is substantial from an international perspective. The structure of the economy has been relatively stable over time. However, the share of the secondary sector grew on average in the 1980s and 1990s (from 10 per cent in the late 1970s to 19 per cent in 1999), mainly as a result of the burgeoning cotton industry and, more recently, expanded gold mining operations. At the same time, the share of services fell to 33 per cent in 1997, owing to steady erosion of the share of non-market services.

[2] Equatoria's Human Development Index (HDI) ranks 166 th out of 174 countries according to the 1999 Human Development Report.

[3] Cereal production thus varies widely from year to year, even when there are no serious droughts (example: +36 per cent in 1991, -25 per cent in 1992, +23 per cent in 1993, etc.).

[4] In the 1990s, external assistance varied from 14 per cent of GDP in 1993 to 25 per cent in 1994.

[5] The standard deviation for the growth of the Equatorian economy in 1980–97 is 4.8 per cent; though high, not unusual for a low-income African country.

[6] This is a surprisingly high rate. A regional survey on migration in West Africa conducted by REMUAO [Migration and Urbanization in West Africa Network] led to an estimate of 0.4 per cent over the 1988–92 period. Population growth would therefore be between 2.2 per cent and 2.5 per cent. This discrepancy signifies more than a mere dispute among demographers. The measurement of all per capita aggregates – and the growth rate first of all – varies significantly, depending on which rate is selected. It should be noted that the figure used in World Bank yearbooks is natural growth of 2.9 per cent.

[7] In the early 1990s, the number of Equatorians living abroad was estimated at 1,000,000 (not counting binationals and, more notably, emigrants' children), or one-eighth of the Equatorian population. Of this number, 735,000 were living in the Mango (Bocquier Diarra 1999).

A rapidly changing country: opportunities available

37. Given these multiple constraints, the 1990–2000 decade appears in retrospect as a period of profound political, institutional, and economic change in Equatoria.

38. On the political front, Equatoria changed from an authoritarian regime little concerned with national development to a democratic system. A transition period that began in 1991 ended with presidential and legislative elections in 1992. New elections were held in 1997, and democracy now seems firmly established in Equatoria and on the way to being consolidated as a result of the sweeping decentralization programme currently being implemented.[8] This process unfolded in tandem with the establishment of freedom of speech and association, respect for human rights, and pacification of the northern part of the country.

39. Along with democratization, a remarkable network of civil organizations has emerged in Equatoria. In 1998 there were more than 4,000 officially registered associations and 1,300 NGOs, compared with a handful in the late 1980s (although many of these civil structures are largely inactive or nonrepresentative). This phenomenon was no doubt greatly amplified by the decentralization of external assistance. The scope of the phenomenon, however, reflects a genuine institutional and social transformation, which has led to increased public participation in the handling of a number of development issues (in particular: health, water resources, and education).

40. On the economic front, Equatoria is committed to a far-reaching structural reform aimed at promoting private-sector activities and restructuring the public sector. Up to the late 1980s, despite the uneven implementation of a number of programmes with the IMF, Equatoria's economy remained under tight Government control. In the space of a decade, this situation was cnanged drastically by a liberalization policy with four distinct focuses:

- price and trade liberalization[9]
- reform of business regulations[10]
- public sector restructuring and privatization[11]
- tax reform[12]

41. At the same time, Equatoria has pursued a policy of controlling public expenditure and promoting the competitiveness of tradable goods. This was assisted, at the regional level, by a 50 per cent devaluation of the CFA franc in 1994. This policy also led to a reduction of the civil service and a sharp decrease in real Government wages.[13]

42. The policies and strategies to be implemented will focus on gradually removing these constraints by maximizing the opportunities described above. The final PRSP will contain more detailed analyses of the links between constraints and advantages and policies and strategies.

III. POVERTY REDUCTION POLICIES AND STRATEGIES

Analysis of growth trends

43. Examination of the general growth trend in Equatoria reveals a trend shift in 1994/95. Prior to that time, growth was irregular and, on average, lagged slightly behind population growth. Since 1995, Equatoria has posted four consecutive years of growth above 4 per cent. This quickened pace is no doubt linked to the 1994 devaluation, which had significant direct effects, such as boosting cotton production.

[8] The first democratic local elections were held in 1999.

[9] At present, only the prices of water, electricity, telecommunications, and the producer price of cotton are controlled.

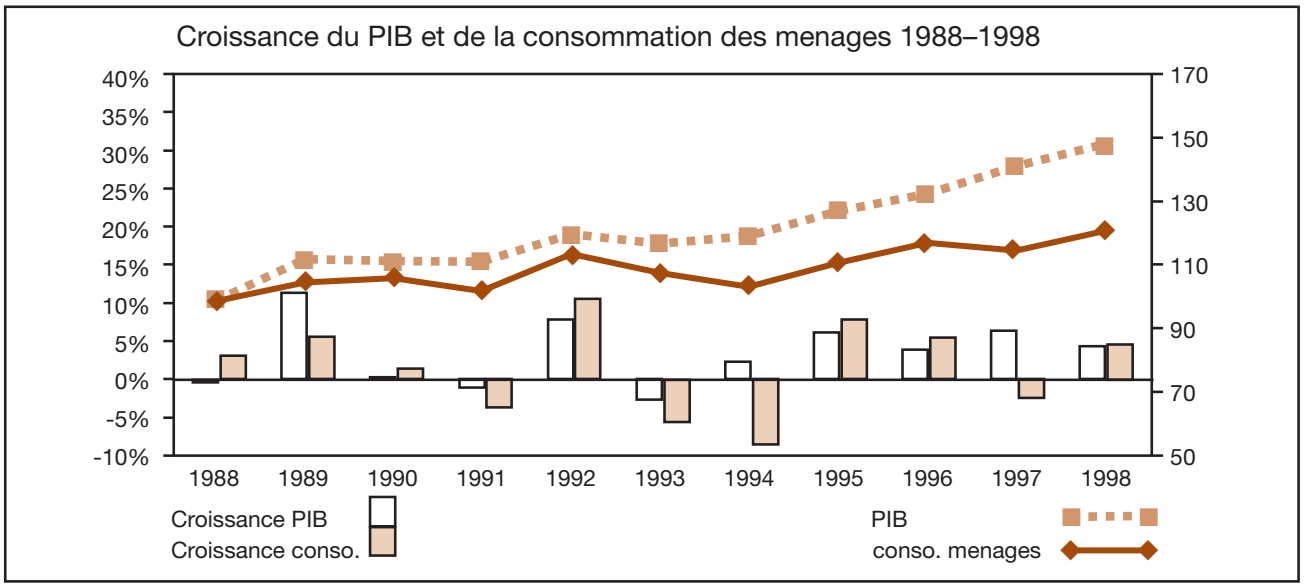
[10] In particular, liberalization of the labour market, reform of business law and of the banking and financial system, and introduction of a one-stop window for small businesses.

[11] The number of public enterprises shrank from 90 in the mid-1980s to 36 in 1998 owing to the liquidation of 26 enterprises and the privatization of 28.

[12] In particular, decrease in the number of non-tariff taxes, reduction of import tariffs, introduction of VAT.

[13] The total number of Government employees decreased 17 per cent between 1991 and 1998 (reduction from 45 500 to 37 700), while Government wages contracted 11–18 per cent in real terms, depending on the grade, between 1990 and 1998.

Graph 1 Growth of GDP and household consumption 1988–98



44. However, other factors were also at work during the same period. The steadiness of growth in recent years is chiefly the result of stable weather conditions. In 1995, major investments were made for the first time in mining. Lastly, the devaluation had an 'accidental' positive effect by automatically increasing the local value of external assistance flows to Equatoria.

45. The above chart shows that GDP and household consumption grew at the same rate except during the period 1989–94 when household consumption declined on average. The rate of growth of household consumption rose during 1994–96 when it was 6.7 per cent, while GDP growth was only 5.2 per cent. During 1996–99, GDP grew much faster than household consumption. The following table summarizes the growth of various aggregates in 1989–99.

46. Real GDP growth per capita was zero for the period 1989–96 as a whole (Again, based on the median assumption of population growth of 2.5 per cent.) while per capita consumption declined by 0.9 per cent per annum on average, for a total decrease of 6.0 per cent. However, the differences are quite pronounced between the sub-periods, especially for household consumption, with a net recovery beginning in 1994, following a bout of recession.

47. The adjustment policy brought about a substantial improvement in the economic and financial situation. The tax burden grew steadily from 8.5 per cent of GDP in 1988 to 14.0 per cent in 1998. Current government expenditure, including off-budget expenditure, decreased significantly (from 15.0 per cent of GDP in 1988 to 10.8 per cent in 1998), resulting in an improvement of the current fiscal deficit. Control of the government wage bill also allowed for a sizable

Table 2 Real growth in principal national income aggregates (per cent)

Average annual growth	1989–96	1989–94	1994–96	1996–99
Real GDP	+2.5	+1.5	+5.2	+5.6
Real GDP per capita	0.0	–1.0	+2.6	+3.2
Household consumption	+1.6	–0.4	+6.7	+2.1
Public consumption	–0.8	–0.5	–1.6	+4.7
Gross fixed capital formation	+5.5	+5.7	+5.2	+3.6
Imports	+2.6	+0.8	+7.2	+12.2
Exports	+5.6	+4.6	+6.4	+14.3

Source: Equatoria National Income Accounts-DNSI

Table 3 Growth by sector (per cent)

Average annual growth		1989–96	1989–94	1994–96	1996–99
Primary		+2.2	+1.1	+5.0	+5.6
	of which: food crops	+0.6	+0.2	+1.5	+1.8
	agribusiness	+6.0	+0.9	+19.8	+13.3
Secondary		+6.5	+5.8	+8.2	+2.9
	of which: mining	+6.9	+4.7	+12.7	+42.7
	industry	+5.6	+5.2	+6.5	+9.8
Tertiary		+1.5	+0.7	+3.6	+4.8
	of which non-market services	–4.8	–6.4	–0.6	–1.7

Source: DNP: Equatoria Economic Situation for 1999 and forecast for 2000.

reduction in expenditure: the ratio of the wage bill to tax receipts decreased from more than 75 per cent in 1988 to 27 per cent in 1998. Moreover, the external current account deficit, excluding official transfers decreased from 17.4 per cent of GDP in 1988 to 9.5 per cent in 1998, particularly as a result of an improvement in the trade balance.

48. On the sectoral front, the period was marked by the spectacular growth of the cotton sector, which in turn boosted agriculture, manufacturing, and exports. Partly as a result of the devaluation, cotton production swelled from 200,000 tonnes in 1988 to 520,000 tonnes in 1998. Rice production rose from 240,000 tonnes in 1988 to 590,000 tons in 1998. Remarkable growth was also observed in the mining sector, with positive repercussions on the entire secondary sector since 1995.

49. Conversely, the performance of food crops is poor and lags behind population growth, while services are sluggish, owing in particular to a sharp decline in the production of non-market services.

50. The adjustment and liberalization policies were supplemented by reforms that led to investments in agriculture, infrastructure, and the social sectors.[15] Throughout the period, there was an effort to provide budget funding for the social sectors. Education thus represents about 21 per cent of public expenditure and health 13 per cent.

51. It is worth noting that poverty alleviation, or improvement in the living conditions of the population, has always been part of the political discourse in Equatoria and can be traced in successive economic and social development plans and programmes . However, despite good intentions, the objectives were not met. On the contrary, the economic and social situation deteriorated leading the country to conclude economic programmes with the Bretton Woods institutions beginning in the 1980's supported by arrangement under the Enhanced Structural Adjustment Facility (ESAF). These programmes allowed the country to resume growth by reestablishing macroeconomic equilibrium.

52. Despite this, poverty remains a widespread phenomenon and persists at an unacceptable level, with almost three-quarters of the population living below the poverty line (US$1 per day). In other words, poverty reduction has not yet kept up with economic performance. For these reasons the Government, with UNDP assistance, prepared its National Strategy for the Fight Against Poverty (SNLP), widely shared and accepted by the donor community at a Round Table in Geneva in September 1998.

53. To enhance the poverty-reduction impact of macroeconomic policies and create a favourable environment for the poor, the current HIPC Initiative represents an opportunity to benefit from resources that will be allocated in accordance with the objectives of the PRSP, and will be better targeted through a participative process.

54. Improvements in the political, institutional, economic, and social situation should be reinforced by actions initiated by the Equatorian authorities with support from the international community. The SNLP,

[15] The main reforms were the reorganization of the Office d'Equatoria, the introduction of a double-shift system in schools, and increased community participation in the management of social infrastructure

which was conceived as a framework for Equatoria's poverty reduction policies and strategies, signals the authorities' commitment to initiating action on all fronts to combat poverty. Consequently, the eight themes (see below) of this poverty reduction strategy and the iterative process set up between it and the sectoral strategies will serve as the framework for the actions to be defined in the context of this PRSP:

1) Improve the economic, political, legal, social, and cultural environment to benefit the poor;
2) Promote income-generating activities and self-employment opportunities for the poor;
3) Improve the access of the poor to financial services and other factors of production;
4) Promote the development and improve the performance of the food sectors, in which the poor are concentrated;
5) Improve the access of the poor to education and training;
6) Promote the access of the poor to basic health care, nutrition, drinking water, and sanitation;
7) Improve housing conditions for the poor;
8) Ensure effective coordination of the poverty reduction strategy.

55. In addition to this strategy, the Government of Equatoria intends to create the conditions for strong, sustainable economic growth capable of accelerating poverty reduction. This growth strategy will continue to reflect Equatoria's long-term development perspective. Economic policy will focus on the attainment of sustainable multisectoral growth that creates employment. It will also be accompanied by an appropriate development policy designed to improve basic social indicators.

Economic growth objectives and strategies

56. As part of its poverty reduction strategy, the Government of Equatoria is aiming at an average growth rate of 6 per cent per annum in the 2000–2002 period, an inflation rate of no more than 2.5 per cent, and an external current account deficit (excluding official transfers) of less than 9 per cent of GDP by 2002. An investment ratio of about 25 per cent will be needed to attain this growth objective.

57. The policies that would allow the achievement of the job creation and poverty reduction objectives will be focused in the following areas:

- Cooperative employment;
- Promotion of women's employment;
- Development of SME and SMI;
- Labour-intensive infrastructure;
- Informal employment;
- Consolidation of labour market information;
- Training policies and systems.

These aspects will be developed in the full PRSP.

Macroeconomic strategy

58. **In the area of public finance**, a long-lasting improvement in the budgetary situation will remain a major component of the national growth and poverty-alleviation strategy. The objective of the authorities is to ensure the long-term viability of public finances in order to increase domestic savings and to reduce Equatoria's dependence on external assistance. The fiscal deficit (commitment basis and excluding grants) would be limited to 9 per cent of GDP. Meeting this objective will require a continuous increase in revenue, based on an equitable fiscal burden and continued expenditure control. It is expected that total government revenue will increase from 15.5 per cent of GDP to 17 per cent in three years time. The government will take several measures to broaden the tax base, simplify procedures for direct taxation, increase the efficiency of tax collection, and further reduce tax evasion. Measures aimed at strengthening the tax department include: improvements in the taxpayer identification system; improvement in controls especially with respect to the VAT; and increased use of computer systems. To strengthen the customs administration, the authorities will reorganize customs services, strengthen verification and control, improve equipment in operational units, especially for the fight against smuggling, and increase control of storage facilities. With respect to public expenditure, the objective is to continue to improve public finances while ensuring that adequate provision is made for social expenditures, the public investment programme and maintenance. It is expected that government expenditure will not exceed 26 per cent of GDP.

59. **Monetary and credit policies** are conducted by the Central Bank of West African States (BCEAO) at the regional level. In this context, the monetary authorities will continue to implement a policy that is prudent and compatible with the objectives set in the balance of payments. Money will increase in parallel with nominal GDP growth during the period 2000–2004. The monetary authorities will continue to use the instruments adopted in 1993, with increased recourse to a flexible interest-rate policy, obligatory reserves, and intervention in the monetary market. They will promote non-banking financial instruments within the Economic Community and facilitate the implementation of open-market transactions as well as the creation of a regional financial market and stock exchange. To encourage savings and ensure an efficient credit allocation, the authorities will maintain interest rates at levels consistent with those on international reference markets. In the context of its policy of restructuring the banking sector, the Government will prepare and implement an action plan to strengthen the financial sector, including the development of microfinance institutions.

60. **Promoting the development of private investment** through measures such as the simplification of administrative procedures and stabilization of the fiscal environment. The legal security of investments will be addressed through implementation of the ten-year legal strategy (PRODEJ). At the same time, the quality of basic infrastructure will be improved by successfully concluding the privatization initiatives currently under way, especially in the energy, telecommunications and transport sectors – SETI, Aéroports du Equatoria (Theme 1). In particular, the sectoral transport project will be carried out with a view to opening up the interior and diversifying access routes to the sea through the construction of three new roads corridors.

61. **Improving the quality of financial intermediation** by promptly implementing the financial restructuring program. This will involve strengthening the technical and financial capacities of credit institutions (banks and decentralized financial services) and nonbank entities (INPS, CRM, and insurance companies) to promote increased savings for the financing of productive investments (Theme 3). Bank privatization will take place in two phases. The first phase will concern the BECD (Banque Equatoriaenne de Crédit et de Dépôts), BIE–SA (Banque Internationale pour le Equatoria), and BCS (Banque Commerciale du Sahel) and will end with the Government's share in the capital of these banks limited to 20 per cent. In the second phase, which will end in December 2004, the government will completely disengage from the banking sector. As in the past, a prudent monetary policy will be pursued, based on the use of indirect instruments to regulate bank liquidity. The objective will be to control inflation by mobilizing sufficient private savings to help preserve the country's competitiveness and control the cost of living;

62. **Achieving a high rate of budget savings** by rationalizing public expenditure and mobilizing domestic revenue. Expenditure policy will be reviewed in light of the objectives of the 20/20 Initiative.[16] On the revenue side, greater emphasis will be placed on the promotion of domestic taxation (to take account of the introduction of the common external tariff) by strengthening tax administration and restoring taxpayer compliance. These actions will be accompanied by measures aimed at ensuring greater justice and equity among the various segments of the population (Theme 1);

63. **Mobilizing substantial external resources**. First, the Government will maintain harmonious relations with bilateral and multilateral partners, particularly by honoring its external debt obligations. Second, it will strengthen its capacity to absorb external resources by establishing effective administrative and accounting procedures and streamlining civil service operations. The resources expected from debt relief under the HIPC Initiative will be used to bolster investments, with priority for the health and education sectors.

Sectoral strategy

64. In addition to the structural constraints mentioned earlier, the Government will pursue the following sectoral policies:

[16] This initiative recommends that on average, 20 percent of the budget and 20 percent of external assistance will be destined for essential social services (basic education, health, water and sanitation, food and nutrition). This initiative rests on the conviction that provision of essential social services is one of the most efficient and cost-effective ways of reducing the most blatant physical manifestations of poverty.

65. **Rural Development.** The country's agricultural sector is faced with major challenges related to the control of water resources and the inadequacy of infrastructures needed to diversify production. The objectives and strategies for the next 10 years are defined in the rural development master plan and action plan adopted by the government. The global objective for this sector is to improve the income and living conditions of the population in a sustainable and equitable manner (by geographical zone and gender). The specific goals are:

i) to seek food security in a manner that integrates the expansion, diversification, and optimum development of production in agriculture, livestock, fisheries, and forestry;

ii) increase the productivity and protection of the environment, within a sustainable natural resource management framework.

66. In order to confront the obstacles to rural and water development, the strategies defined aim at:

i) **in relation to physical constraints**, the opening up of rural areas, the availability of infrastructure and equipment, water management to secure production, the supply of drinking water, erosion prevention and rational management of natural resources, and the implementation of a river management facility;

ii) **in relation to human and institutional resource constraints**, capacity building for promoters in the rural development and water sectors, decentralization of decision making, setting up an adequate coordination framework for environmental, rural development and water activities;

iii) **in relation to financial and economic constraints**, increasing the access of the private sector (producers, private entrepreneurs) to viable savings and credit systems, beneficiary contributions to the financing and maintenance of public investments, the creation of an environmental fund, the promotion of competitiveness of agricultural subsectors, the promotion of a enabling environment conducive to private sector development (producers, private entrepreneurs), and the involvement of national private enterprises and local communities in the design, implementation, and maintenance of hydraulic works.

67. The government will therefore pursue a hydro-agricultural development policy aimed at improving food security and boosting the incomes of the poor. To this effect, the government will pay particular attention to the development of rice production in which Equatoria could benefit from a comparative advantage vis-à-vis others countries in the sub-region. With respect to the cotton sector specifically, a sector rehabilitation plan will be prepared, based on the financial audit currently under way. Additional measures will be adopted to enhance the competitiveness of the sector. The Government will take appropriate measures to reestablish a sound financial structure in the sector, in order to increase farmers' incomes and maximize linkages to the financial and transport sectors.

68. **Education**. The Government must meet the challenge of upgrading human resources to promote harmonious development and individual achievement among the general population. To that end, implementation of the actions identified in the ten-year education development programme (PRODEC) adopted in 1998 will serve as the basis for the national policy. The objective is to raise the basic education enrollment rate from 53 per cent in 1999 to at least 62 per cent in 2002, and the literacy rate of adults from 48 per cent to 55 per cent during the same period. This objective will be attained through improved resource allocation within the sector and the construction of school infrastructure to facilitate public access to education.

69. **Health, drinking water, and sanitation.** The major constraints identified are, inter alia, the severity of nutritional problems, the accessibility of services and care in order to expand medical coverage, and the prevention of certain diseases (AIDS, diarrheal and respiratory diseases). The Government will focus on improving the quality of service and care, expanding health coverage, and promoting reproductive health by implementing the 1998–2002 health and social development programme (first phase of the 1998–2007 ten-year health and social development plan 1998–2007). The objective is to increase the number of fully vaccinated children from 40 per cent to 80 per cent; reduce deaths from malaria, acute respiratory diseases, and diarrheal diseases among children aged 0–5 years by 50 per cent; and lower AIDS seroprevalence

from 3 per cent to 2 per cent. The drinking water and sanitation policy, as defined in the national strategy adopted on March 22, 2000, will focus on satisfying real needs for drinking water and sanitation in rural and semi-urban areas (both quantitative and qualitative) with significant participation by the central Government, local Governments, and users in investment for drinking water infrastructure.

70. **Employment**. The major challenge is to reach full employment in the long term and to reduce unemployment, poverty and exclusion in the short and medium term. To this effect, the implementation of actions identified in the National Action Plan for Employment (PNA) will be the basis for national employment policy. The first objective of the PNA is to create and promote productive employment, both quantitative and qualitatively, and reduce poverty. The second objective is to reinforce national capacities to design, implement and monitor employment strategies for poverty reduction. These objectives will be met through the implementation of action programmes directed towards employment creation and action plans for support services. In addition, through its hydro-agricultural development policy, the Government will promote self employment, particularly in rural areas, where agricultural underemployment is viewed as one of the major obstacles to diversified production. It will also move forward with the consolidation of vocational training, the renewable employment fund, and the support fund for vocational training and apprenticeships.

71. **Housing.** The constraints identified relate to the cost of constructing urban housing. The Government, in addition to its land development and real estate promotion activities, will step up the promotion of housing and credit cooperatives and encourage the construction of low-cost housing. Building these housing facilities will contribute to encouraging private sector involvement and create more employment for the poor. It will also draw on their know-how and contribute to their training. Furthermore, the Government intends to promote savings and credit unions for housing.

72. **Manufacturing**. In addition to activities to promote private investment, auxiliary accompanying measures will be adopted. These will include activating the agency for industrial park development and management, and facilitating access to technological information by economic agents. The role of private sector management units will be strengthened to enhance the private sector's contribution to transformation of the economy in favour of the manufacturing sector.

73. **Mining**. The Government will implement the new mining code in order to promote the development of mining operations, including small ventures, while monitoring their impact on the environment and the competitiveness of the sector. It will finalize and implement the mining sector institutional reform.

74. **Environment**. The basic challenge is to protect the ecosystem from harm and to manage natural resources in such a way as to ensure the survival of populations and boost output. To that end, the Government will continue implementing projects in the fields of biodiversity, the conservation of natural reserves, and combating dune movement and desertification.

75. All the above policies will be implemented against the backdrop of decentralization, which organizes the distribution of responsibilities between the central Government and the local collectivities. The institutional development programme will also set forth the framework for administrative deconcentration in conjunction with the decentralization process. The reforms envisaged in the control of public resources to establish good governance will reinforce ongoing actions in the fight to end corruption. The Government will therefore give priority to the improvement of public resource management and expenditure, in order to enhance its effectiveness and efficiency in support of essential social sectors (implementation of the 20/20 Initiative) and to ensure maximum impact on the improvement of household living conditions. These policies and strategies will be developed into a detailed matrix of measures in the full PRSP.

V. PRSP MONITORING SYSTEM

Objective

76. The statement of this Poverty Reduction Strategy Paper reflects the Equatorian Government's commitment to achieving sustainable reductions in poverty and thereby improving the living standards of the population, particularly the most vulnerable segments. The implementation of such a policy requires a system to monitor poverty in its various forms.The purpose of this system will be to generate a regular flow of information on the status of PRSP implementation and the results of actions undertaken in the context of the PRSP, as well as on the socio-economic status of households. However, before a steady stream of data can be generated, the national statistical system needs to be strengthened so as to increase its capacity for data collection and analysis.

Proposed indicators

77. An assessment of poverty in Equatoria identifies three dimensions of poverty:

- Monetary or income poverty, reflecting insufficient resources, leading in turn to insufficient consumption;
- Human poverty, characterized by unsatisfied needs in terms of food, education, health, employment, housing, etc.;
- Poverty of prospects, typified by the lack of capital (access to land, infrastructure, credit, employment, etc.).

78. The indicators chosen (Annex 2) to monitor the full PRSP are obtained from the numerous indicators proposed for the operational implementation of the SNLP. The criteria governing the choice of indicators fall into three categories: indicators must be quantifiable; they must provide information on one of the types of poverty referred to above; and they must measure the impact of actions undertaken. As a general rule, the entire set of indicators will be produced by region, residential environment (urban, rural), and by gender. Finally – using the data processed and analyzed from the EBC, EDS, and the third population census – it should be possible to compute current levels for these indicators and make projections, while the light-weight survey will provide the levels for these indicators at yearly intervals until other national full-scale surveys are undertaken.

79. The consensus of opinion is that there is a strong correlation between economic growth and poverty reduction. Accordingly, the Equatorian Government intends to build an environment conducive to economic growth of a kind that is strong, sustainable, and able to significantly reduce poverty. Macro-economic indicators (Annex 2) will therefore also be monitored by the system established for this purpose.

80. With respect to the interim PRSP, a limited number of indicators (Annex 3) providing information on the attainment of key objectives have been adopted. These indicators will be elaborated on the basis of data collected from the statistical departments at the line ministries. The indicators will be published by the DNSI in a quarterly report.

81. Finally it should be noted that a limited list of key indicators will be retained for the full PRSP. The participatory process will help define the role of each stakeholder in the monitoring scheme to be put in place.

Research methods and instruments

82. Indicators will be generated by a light-weight survey of households conducted by the DNSI, as well as on the basis of administrative reviews performed by the Observatoires and by the statistical departments of the line ministries. The light-weight survey, which will be conducted at annual intervals beginning in 2002, will be based on a series of full-scale surveys (EBC, EDS, RGA) scheduled for 2000 and 2001. The final objective is to set up an integrated household survey system linked to poverty reduction.

83. Transcription forms will be prepared to ensure that the indicators are calculated in a uniform and consistent manner.

84. Implementation of the methods and instruments described above will require a reliable flow of financial resources; furthermore, it will be necessary to strengthen the capacities of the DNSI, the statistical

departments of the line ministries, and the Observatoires. The cost of the light-weight survey is estimated at CFAF 150 million per year (i.e., one tenth of the cost of an EBC survey), and support for the rest of the national statistical system is estimated at CFAF 50 million per year.

85. The costs associated with the establishment and operation of the information system should be funded with HIPC resources and contributions from the Government and its bilateral and multilateral partners.

Institutional framework

86. The DNSI is responsible for the production and publication of indicators. It draws on the national statistical system, which comprises, inter alia, the statistical departments of the ministries (DNSI, the Planning and Statistical Units, and other entities engaged in the production of statistics) as well as the Statistical Coordination Committee (producers and users of statistical data).

87. The Observatoire du Développement Humain Durable (ODHD) is in charge of the analysis of data generated by the system. The ODHD's reports are submitted for approval to the Sustainable Human Development Monitoring Committee, which comprises representatives of technical departments, development partners, and civil society.

88. The National Directorate of Planning is responsible for programming and monitoring investments, including those directly associated with the PRSP. Furthermore, it is in charge of orienting financing for priority sectors and making the requisite tradeoffs.

Targeting and preparation of the poverty map

89. In 1995, Government and civil society in Equatoria firmly committed themselves to the task of reducing hunger and poverty. Thus, in 1996, with financial support from the World Bank, the Project to Support Grassroots Initiatives to Fight Hunger and Poverty (PAIB) was duly established. To identify suitable target areas for the PAIB in the test region, the DNSI and the Early Warning System (EWS) prepared a methodology that categorized that region's cercles, arrondissements, and localités according to their level of poverty.

90. For cercles and arrondissements, the method is based on a composite indicator (Ic) which reflects indicators for health, nutrition, access to drinking water, education, literacy, income, and food security; for localités, it is based on a score (Is) which takes account of population size and distance from a selected number of socio-economic infrastructures.

91. The poverty map prepared using the above methodology permitted the PAIB to apply greater objectivity in its selection of the target areas. Furthermore, this approach facilitates a spatial assessment of the financial investments and the results obtained.

92. The publication of the final results of the third population and housing census will permit an improvement of the methodology and a more widespread application in order to prepare an updated poverty map. In the full PRSP, detailed regional maps will be available. These poverty maps will be compared to the maps based on the key indicators selected for monitoring the PRSP.

IV. PARTICIPATORY PROCESS

Equatoria: A tradition of participatory development

93. A participatory approach has always been used by the current Equatorial Government whenever there is a need to discuss major issues and concerns involving the broader interests of the general public. The participatory approach is based on a concept of social dialogue that builds consensus. A number of recent endeavours in Equatoria exemplify this process:

- Preparing the various economic and social development plans, particularly the decentralized process, has generally enlisted the support of local stakeholders, particularly through grassroots organizations and regional and local development committees;
- Preparing and adopting (under the 2nd Republic) the Charter for Governance and Conduct of Public Affairs;
- The regional and national consultation exercises organized by the Government of the 3rd Republic to discuss major issues such as the devaluation, the conflict in the North, the problem of education, etc.;
- Preparing, adopting, disseminatiing, and implementating the SNLP;
- The National Outlook Study, Equatoria 2025;
- Preparing sectoral programmes ,(PRODEC & PRODESS);
- The preparation for decentralization.

94. Two participatory processes for the PRSP (SNLP and National Outlook Study, Equatoria 2025) are presented in Annexes 4 and 5.The design of the PRSP will take account of the experiences described above.

Stages in the process of preparing the final PRSP

95. The preparation of the final PRSP will be a complex, ongoing, and iterative process, requiring the direct involvement of all stakeholders and a synergy between them.Coordination is crucial.Thus the preparation of the PRSP will be built around the following major stages:

Building PRSP Ownership within Government

96. All members of the Government must share the same perception, view, and understanding of the new framework.The Government will define the most appropriate means of achieving this common outlook.

Preparation of a participatory strategy

97. The participation strategy will be prepared on a participative basis with the involvement of the following stakeholders:

- Government representatives;
- NGO associations;
- Other members of civil society: press, unions, university, human right organizations, etc.
- Private sector organizations in particular, the Chamber of Commerce and Industry (CCIE) and the National Employers' Federation (FNEE);
- State institutions such as the National Assembly and the Economic, Social and Cultural Council;
- Representatives of decentralized collectivities, especially the Association of Mayors;
- Donors.

98. The different mechanisms for dialogue and consultation already available, will be used to develop the participation strategy for the full PRSP.The various stakeholders will be responsible for determining the form of participation to set up for the full PRSP. Discussions will focus on the following issues:

- Appropriate mechanisms for participation;
- Which stakeholders are to be involved in the process;
- How the participants will be chosen, and what their involvement in the process will be;
- The role to be played by each participant;
- The frequency of consultation/dialogue;
- The resources necessary to conduct these consultations/dialogues;
- How the financing will be obtained.

Practical preparations for the PRSP

99. These preparations will be conducted according to the participatory strategy established by the various stakeholders. Preparations may revolve around major themes, including the strategic themes of the SNLP and cross-cutting issues. In any event, the interim PRSP will be the starting point for the technical preparations. Particularly close attention will be paid to assessing the costs of the PRSP and the SNLP, in particular, in order to identify the financing gap.

VI. INSTITUTIONAL FRAMEWORK OF THE PRSP

100. The appropriate institutional framework for the PRSP will be determined on the basis of the participation strategy described above. However, it will rely heavily on the experience acquired in connection with existing programmes ,strategies,and policies,such as the SNLP, ENP–Equatoria 2025, and the aid reform process.

101. Pending the implementation of the PRSP, the authorities have established a temporary technical steering committee consisting of about ten professionals.This committee, which oversaw the preparation of the interim PRSP, will be charged with steering the process towards the finalization of the participation strategy. For this purpose, the technical steering committee may hold enlarged workshop-style meetings, or engage in separate meetings with the main stakeholders or any organization deemed relevant to the process.

102. The final form and membership of the technical steering committee will come out of the preparations for the participation strategy. It goes without saying, however, that the steering committee ought to have a high degree of operational effectiveness. For the preparation of the interim PRSP, the committee had the following composition:

- Chef de Cabinet of the Prime Minister's office, acting as coordinator;
- Minister of Finance
- Minister of Planning;
- Technical Advisor, Agriculture and Rural Development;
- Representatives of the Ministries of Health, Education, Labour and Trade.
- Joint Secretariat,Aid Reform System;
- Coordinator, National Outlook Study: Equatoria 2025;
- DNSI;
- DNP;
- ODHD.

103. This committee has facilitated the organization of various working meetings and sessions bringing together people from the technical agencies of the Government, representatives of NGOs, private sector organizations, state institutions, and bilateral and multilateral partners. The technical preparations for the interim PRSP were conducted through the establishment of four working groups:

Group 1: Diagnostic assessment of poverty and its linkages with policies and strategies;

Group 2: Monitoring system and indicators;

Group 3: Assessment of the costs of the PRSP;

Group 4: Participatory process and institutional arrangements.

104. Upon completion of the working sessions, each group produced a report, which was presented in synthesis meetings. The synthesis was discussed by the participants at many levels.

105. In terms of institutional roles, and in accordance with the responsibilities of the various ministerial departments, the PRSP will prepared by the Ministry of Finance and the Ministry of Planning, coordinated by the Chef de Cabinet of the Prime Minister's office. The Ministries of Health, Education, Labour and Trade will monitor the implementation process through the line ministries. The ODHD and the DNP are the technical entities responsible for evaluating the implementation process. The Ministry of Economy and Finance and the Ministry of Social Development, Solidarity, and the Aged will work together closely.

VII. ASSESSMENT OF COSTS

106. Given the current status of the operational implementation of the SNLP, it is not possible to make a realistic assessment of the costs for allocation of the resources available under the HIPC. It is therefore necessary to engage in dialogue and discussion to undertake an appropriate assessment of costs, particularly to prepare a resource allocation formula that will expedite and maximize the impact of the poverty reduction effort. The results of this exercise will be described in the final PRSP. A proposed methodological approach is shown in Annex 6.

107. Furthermore, the cost of preparing the PRSP will be assessed as part of the process of designing the participatory strategy so as to ensure the full and active involvement of all stakeholders.

VIII. TIMETABLE

108. The main activities involved in preparing the final PRSP are shown in the table below. The table does not, however, include a specific cost assessment for each activity. Such assessments will be prepared in the course of designing the participatory strategy.

Table 4: Provisional timetable for the preparation of the PRS paper

Activities	Anticipated outcomes	Impacts	Time frame
Approve the interim PRS paper	Finalized version of the interim PRS paper available	Draft of a single framework for policies and strategies available	Completed
Prepare participation strategy	Participation plan available	Involvement of stakeholders in the PRS process	4 months
Carry out the EBC	Production of socio-economic data	Sound basis for poverty analysis	7 months
Carry out the EDS–III	Production of socio-economic data	Sound basis for poverty analysis	12 months
Publish the definitive results of the third population census	Detailed demographic and socioeconomic data available	Updated data for preparation of poverty maps	18 months
Engage in dialogue with the sectors regarding definition and updating of sectoral policies	Sectoral policies focusing more closely on poverty reduction	A more effective involvement of stakeholders in PRS paper implementing and monitoring	4–12 months
Update the poverty profile	More accurate knowledge of poverty in Equatoria	Better targeting of poverty reduction measures	9 months
Institutional framework and policy evaluation	Reports available	Greater visibility for actions undertaken	8 months
Update and deepen the Interim PRS paper	Improved interim PRS paper	More effective use of the available data	6 months
Prepare detailed plan of the final PRS paper	Plan available	Participatory approach	6 months
1st draft of full PRS paper	Report available		8 months
Assess costs of the PRS paper	Cost of the PRS paper assessed	More accurate information on financing requirements	9 months
Fine-tune draft report	Specific meetings and seminars held	Improved document available	9 months
Approve the final report	Full PRS paper available	Single framework for policies and strategies available	12 months

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Annex 1: Methodology used to update the poverty line

For comparability with the method used in 1996 to calculate the poverty line, the 1998 estimates were based on the 2,450 kilocalorie daily energy requirement for a healthy adult, established by the World Health Organization and the rice equivalent consumption (3,500 kilocalories per kilogram) that can supply an individual with that quantity of energy. The monetary value of minimum required consumption was increased by half to reflect nonfood consumption.

Accordingly, the following formula was used to calculate the minimum annual expenditure (ME) per capita, or the poverty line:

ME = 1.5 x [(2,450/3,500) x P x 7 days] x 52 weeks

(where P is the annual average price per kilogram of rice)

In 1996, the poverty line was established at CFAF 102,971. Given the stable macroeconomic situation and the fact that there has been no substantial change in the price of rice (from CFAF 269.40 in 1996 to CFAF 269.83 in 1998), the poverty line is estimated at CFAF 103,130 for 1998.

Household income and expenditure in 1998 were estimated on the basis of data collected in the 1994 Equatorian survey of economic and social conditions, adjusted to reflect per-capita GDP growth for the period 1996–1998. This made it possible to assess the key indicators for 1998, that is, the incidence (P0) and depth (P1) of poverty, in rural and urban areas, and by administrative region.

The assumption that household expenditure trends are reflected by trends in per-capita GDP is debatable, as it implicitly assumes no change in income distribution or expenditure during the period 1996–1998 (the approach used reflects the same income distribution as in 1996, when in fact it is income trends during the period 1996–1998 that need to be analyzed in the inequality study). The results should therefore be considered in light of this limitation.

Table 1 Poverty lines (CFAF per capita per annum)

Year	Poverty line
1994	77 204
1996	102 971
1998	103 130

Source: ODHD

Annex 2: Indicators for monitoring poverty reduction

Type of poverty and indicators	Frequency of monitoring	Indicators			Data Source
		Input	Output	Impact	
I. INCOME POVERTY					
1. Average adult equivalent income	Annual			✖	EBC, light survey
2. Poverty line	Annual			✖	EBC, price survey
3. Incidence of poverty	Annual			✖	EBC, light survey
4. Depth of poverty	Annual			✖	EBC, light survey
5. Severity of poverty	Annual			✖	EBC, light survey
6. Gini index	Annual			✖	EBC, light survey
II. HUMAN POVERTY, OR LIVING CONDITIONS					
Human development					
1. Human Development Index	Annual			✖	EBC, light survey
2. Human Poverty Index				✖	EBC, light survey
Education					
3. Share of education in budget	Annual	✖			CPS–education
4. Share of basic education in budget	Annual	✖			CPS–education
5. Share of household expenditure on education	Annual	✖			EBC, light survey
6. Gross enrolment rate	Annual			✖	light survey, CPS–education
7. Literacy rate	Annual			✖	light survey, CPS–education
8. Pupil/class ratio	Annual			✖	CPS–education
Number of classrooms constructed	Annual		✖		CPS–education
9. Teacher/pupil ratio	Annual			✖	CPS–education
Number of teachers trained	Annual		✖		CPS–education
10. Relative enrolment rates for girls and boys	Annual			✖	CPS–Education
Health and demographics					
11. Share of health in budget	Annual	✖			CPS–health
12. Share of household expenditure on health	Annual	✖			light survey
13. Infant mortality rate	Annual			✖	light survey
14. Child mortality rate	Annual			✖	light survey
15. Rate of vaccination coverage	Annual			✖	CPS–health
16. Medical personnel per capita	Annual			✖	CPS–health
17. Medical infrastructures per capita	Annual			✖	CPS–health
18. Average number of children per woman	Annual			✖	light survey
19. Average size of households	Annual			✖	light survey
20. Life expectancy at birth	Annual			✖	light survey
Food and nutrition					
21. Total cereal production	Annual			✖	EAC, light survey
22. Available production	Annual			✖	EAC, OPAM, foreign trade, SAP
23. Production prices of cereal					OMA, light survey
24. Consumer prices of cereal					OMA, DNSI
25. Average per capita expenditure on food	Annual	✖			light survey
26. Household expenditure on food	Annual	✖			light survey
27. Acute malnutrition rate	Annual			✖	EDS, light survey
28. Growth retardation rate	Annual			✖	EDS, light survey
29. Rate of underweight children	Annual			✖	EDS, light survey

Type of poverty and indicators	Frequency of monitoring	Indicators			Data Source
		Input	Output	Impact	
Transport and communications					
30. Share of transportation infrastructure in budget	Annual	✖			CPS–transport
31. Share of household expenditure on transportation	Annual	✖			light survey
32. Percentage of households with means of transportation	Annual			✖	light survey
33. Average transportation time required to reach market	Annual			✖	light survey
34. Average transportation time required to reach school	Annual			✖	light survey
35. Average transportation time required to reach a health centre	Annual			✖	light survey
36. Kilometres of rural roads built	Annual		✖		CPS–transport
Housing					
37. Percentage of homes rented	Annual			✖	light survey
38. Average number of persons per room	Annual			✖	light survey
39. Percentage of households with access to drinking water	Annual			✖	light survey
40. Percentage of households with access to electricity	Annual			✖	light survey
41. Percentage of households with a modern toilet	Annual			✖	light survey
42. Percentage of households using cooking gas	Annual			✖	light survey
42. Percentage of households using renewable sources of energy	Annual			✖	light survey
Vulnerable groups					
44. Percentage of women who are heads of household	Annual			✖	light survey
45. Number of street children	Annual			✖	social affairs
45. Number of beggars	Annual			✖	social affairs
III. POVERTY OF PROSPECTS					
47 Number of members of decentralized financial services (SFD)	Annual	✖			CAS/SFD (Ministry of Finance)
48. Volume of savings collected by the SFDs	Annual	✖			CAS/SFD (Ministry of Finance)
49. Volume of credit extended by the SFDs	Annual	✖			CAS/SFD (Ministry of Finance)
50. Unemployment rate	Annual			✖	light survey, Employment Observatoire
51. Underemployment rate	Annual			✖	light survey, Employment Observatoire

List of macroeconomic indicators

Indicators	Periodicity	Sources
Per capita GDP	Annual	DNSI
Rate of growth of GDP	Annual	DNSI
GDP deflator	Annual	DNSI
Wage bill/tax revenue	Annual	DNTCP
Basic budget balance/GDP	Annual	DNTCP/DNSI
Public investment/tax revenue	Annual	DNTCP
Stock of debt	Annual	DGDP
Debt service	Annual	DGDP

Annex 3: List of monitoring indicators and targets

Sector	Periodicity	Targets	Indicators	Sources	Comments
MACROECONOMY	Quarterly	Rate of annual growth (%)	Industrial production index (IPI)	Industrial survey (DNSI)	Measure the share of the secondary sector in GDP consistent with sustainable economic growth
			Number of industrial enterprises established	Records of DNI/DNSI	
	Quarterly	Inflation rate of 2.5 per cent	Consumer price index for foodstuffs	Price survey /DNSI	The food item having the highest weight has a decisive role in determining the level of general inflation
	Quarterly	Current account deficit reduced to 7 per cent of GDP within four years	Rate of revenue collection	DNI/DGD	Assess improvement in revenues and expenditure control
			Wage bill	DNB	
	Quarterly	8 per cent rate of increase in the money supply	Currency in circulation	BCEAO	
			Deposits		
	Quarterly	Private sector development	Number of enterprises established	DNI	
AGRICULTURE	Quarterly	Increase food security	Volume of inventories (public, merchants, and farmers)	OPAE/DNCC/ DNSI–DNA	
			Producer and consumer prices	OEA/DNSI	
EDUCATION	Quarterly	Primary school enrollment rate up to 61 per cent within four years	Number of schools opened Pupil/Teacher ratio Share of education in budget	CPS/education	
HEALTH	Quarterly	Raise infant immunization rate from 45% to 76% within four years	Number of children vaccinated by antigen	CNI/DNSI	
		Raise the percentage share of the population reached by primary health care services from 40% to 60% in the same period	Ratio of population to primary health sector care centers	CPS/MS	
			Ratio of population to medical personnel		
			Share of health in budget		

Annex 4: Participatory approach used to develop the National Strategy of the Fight against Poverty (SNLP)

Development of the strategy was based on four fundamental principles:

- A gradual, participatory approach, drawing on existing and past experiences, and involving the key participants in poverty reduction in all stages of the elaboration of the strategy.This participation is essential to enhance the strategy, to ensure that it reaches a consensus, and to give the participants a sense of ownership in the process and of commitment to its implementation;
- An approach that targets poor and vulnerable groups and their socioeconomic environments;
- An approach that is based on a sustainable development perspective and a rigorous economic approach, to ensure that the activities will have a sustainable impact;
- A combined sectoral and cross-cutting approach, which makes it Possible to reflect better the dimensions of poverty and to propose innovative actions that will attack the root causes of poverty in Equatoria and strengthen the ability of the poor to benefit from the opportunities offered by the physical, economic, social, and cultural environment.

Using these principles as a basis, the strategy was developed in five stages:

1. The first stage involved a) describing poverty, b) summarizing progress made in recent years on the standard of living and poverty in Equatoria; and c) identifying the basic factors underlying this poverty.

2. The second stage included an assessment of the impact of standard assistance programmes implemented in different regions in recent years to reduce poverty and improve the standard of living for the most disadvantaged segments of the population.This assessment was used to prepare a diagnosis of successes and failures, and to draw on the lessons learned for the elaboration of the SNLP.

3. The third stage consisted in identifying a set of themes and actions based on national concerns, results from the diagnostic phase, the concerns of the people, and lessons from past experience. This effort culminated with a national workshop in November 1997, involving more than 80 participants representing all of the country's special interests (representatives of the government and civil service, research institutes, NGOs, associations, private entities, donors, etc.).A consensus approach was used by these specialists to identify strategic themes and priority actions to be carried out. On this basis, a preliminary version of the National Strategy for the Fight against Poverty was prepared in December 1997.

4. In the fourth stage, this preliminary version was revised in January 1998 with the help of four regional workshops, and one national workshop (in Equatoria-Ville); events that included technical specialists representing the District of Equatoria-Ville and most participants in the poverty reduction effort. The preliminary version of the strategy was also widely disseminated to all ministerial departments and technical and financial partners, to enable them to validate once more the relevance of the analyses, themes, and proposed actions.The current version of the report includes the relevant observations and comments collected during the process.

5. In the fifth stage, the Council of Ministers adopted the document as Equatoria's official paper for the Geneva round table.

The SNLP was prepared using the institutional mechanisms for coordinating and monitoringsustainable human development and poverty reduction.

The following structures are involved in coordination and monitoring of the strategy for sustainable human development and poverty reduction in Equatoria:

- Steering Committee;
- National Coordination and Monitoring Committee (CNCS);
- Observatoire du Dévoloppement Humain Durable (ODHD) et de Lutte contre la Pauvreté in Equatoria (LCPE).

The Steering Committee is responsible for supervision and guidance of sustainable human development and poverty reduction strategy in Equatoria. To that end, it has the following functions:

- to promote synergies between the different partners (government, grassroots communities, NGOs, donors, and other technical and financial partners);
- to guide and oversee the activities of the CNCS.

The Steering Committee is chaired by the Prime Minister, and includes members of the government, civil society, and the technical and financial partners (bilateral and multilateral) represented in Equatoria. The Steering Committee holds meetings called by its chair as required, and its secretariat is provided by the Secretary-General of the Ministry of Planning.

The National Coordination and Monitoring Committee is a consultative body responsible for coordination and monitoring of projects and programmes , and any other activities in the area of sustainable human development and poverty reduction in Equatoria. Its duties are to:

- validate essential definitions, approaches, and strategies for the implementation of sustainable human development and poverty reduction;
- coordinate and monitor implementation of the SNLP and ensure that sectoral, intersectoral, regional, and local poverty reduction projects and programmes are rational and consistent;
- develop and implement a communication plan in connection with the SNLP;
- guide and monitor the activities of the ODHD/LCPE and provide it with the support that it requires;
- validate the annual report on sustainable human development prepared by the ODHD/LCPE;
- validate the annual monitoring and evaluation report on the implementation of the SLNP prepared by the ODHD.

The National Coordination and Monitoring Committee is chaired by the Minister of Planning, or his or her representative, and has the same tripartite composition as the Steering Committee, for which it serves as the technical unit. It holds a regular quarterly meeting, and may also hold special sessions as necessary. The Committee may appoint any other national structure or technical or financial partner, depending on the issue to be addressed. It may also draw on any human resources whose expertise may be required.

The Observatoire provides the secretariat for the National Coordination and Monitoring Committee. It submits the report of the National Coordination and Monitoring Committee to the Steering Committee for approval.

Poverty reduction coordination and monitoring entities were established for the regions, the District of Equatoria-Ville, and communes, by joint decree of the Minister of Planning and Minister of Territorial Administration. These entities are made up of representatives of government, civil society, and decentralized local authorities, at their respective levels.

The Observatoire is a small technical unit attached to the Ministry of Social Development, Solidarity and the Aged. Its duties are to analyze, process, and disseminate existing information, in order to enhance the definition and assessment of policies, programmes , and projects focusing on sustainable human development and poverty reduction in Equatoria.

In this connection, the ODHD/LCPE provides decision-makers with reliable, useful information, in suitable form for the following purposes:

- to monitor trends in the population's standard of living over time, in terms of poverty and sustainable human development;
- to assess the impact of policies, programmes , and projects implemented in connection with the standard of living;
- to produce and publish, each year on a specified date, the annual report on sustainable human development in Equatoria, as well as studies on specific subjects, as required;
- to implement a mechanism for monitoring performance and for periodic review of the SNLP; and
- to produce each year an assessment and monitoring report on implementation of the SNLP.

Annex 5: Participatory approach used in the *National Outlook Study: Equatoria 2025*

The *National Outlook Study, Equatoria 2025*, a component of the planning renewal effort, places development in a long-term context and focuses on the following objectives:

- to construct a realistic image of possible future scenarios for Equatoria one generation hence, and to strengthen the country's capacity to project future events and trends;
- to construct a common image of the future and appropriate strategies for its realization;
- to mobilize all participants to reach development objectives.

The following institutional framework was implemented for the forward-looking exercise:

a) **Orientation and Oversight Committee**, composed of some 60 persons representing Equatorian society and reflecting its sociological, economic, cultural, and political diversity, chaired by a member selected by fellow committee members.

b) **Steering Committee**, responsible for conducting the outlook study and composed of four experts, one of whom serves as national coordinator. These experts are specialists in economics, anthropology, sociology, and the spatial dimensions of development.

c) **Outlook Study Group** including some 40 members selected for their expertise, availability, and open-mindedness (historians, sociologists, philosophers, economists, geographers, and scientists). This group served as the key support for the participatory process and technical quality of the work.

The study was carried out in three major stages:

Stage I: Research

- Surveys of the population's aspirations conducted throughout Equatoria and covering the general public, experts, opinion leaders and public figures, and focus groups;
- Studies of eight major topics by national consultants to produce proposals for subsequent phases of the exercise;
- Structural analysis to provide an overall understanding of Equatoria's system and to identify variables, making it possible to determine the political and institutional conditions needed to give socioeconomic and sectoral policies optimal chances to succeed.

Stage II: Construction of alternative scenarios and the vision

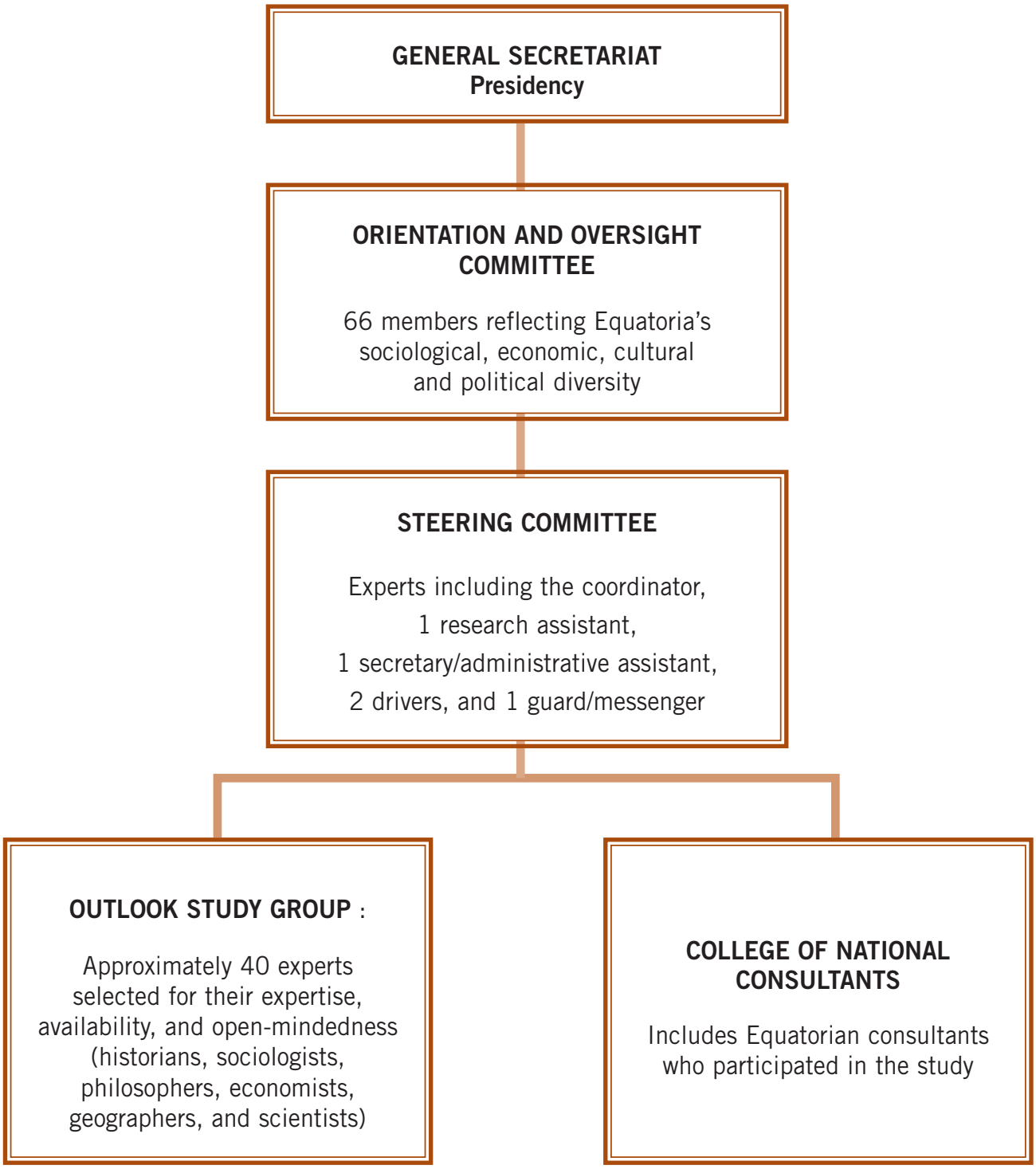
The Orientation and Oversight Committee and the study group each prepared a number of tentative scenarios, representing the vision of their various members. The groups refined and combined their proposals over a number of discussions. Each then submitted their favoured version, together with argued divergences of opinion to the Steering Committee.

The committee combined the proposals and produced a single draft 'vision' for consideration by all the participants.

Stage III: Formulation of overall development strategies

The preparation process involved regular meetings of the above institutions, as well as the preparation and implementation of a communication plan. This plan was essential to the success of the various activities in the exercise. Communication activities included an official ceremony to launch the study, information meetings with members of the Orientation and Oversight Committee and the Forward-Looking Study Group, and activities to promote general public awareness.

Institutional organization of the *Equatoria 2025* project



Annex 6: Methodological approach to assessing PRS paper costs

It is difficult to prepare a precise estimate of the costs of the strategy for the interim Poverty Reduction Strategy Paper because of the poor state of existing data.

However, a methodological approach is provided below for assessing the costs of the full PRSP, so that the financing gap can be determined and priority actions to be financed with HIPC resources identified.

This methodological approach will include the following stages:

1. Defining the content of PRSP priority actions

This will require:

- updating the poverty reduction strategy objectives and targets for the period 2000–2002 based on specific results, and present macroeconomic, structural, and social policies in a coherent overall framework; and
- reviewing the priority actions defined in the SNLP and supplement them as required, to reflect the sectoral programmes (PRODESS, PRODEC, PRODEJ, TRANSPORT, etc.).

2. Estimating the cost of activities based on the priority actions adopted in the PRSP (current and capital expenditure). The costs of the activities adopted in the SNLP and sectoral programmes for the period 2000–2002 will be updated to reflect inflation and exchange rate fluctuations.

3. Taking stock of available resources

- Taking stock of financing (domestic and external) for projects and programmes that directly support SNLP implementation; Assessing disbursements at December 31, 1999;
- Assessing available funds for each project and programme for the period 2000–2002, and for each year.

4. Assessing the financing gap by theme and by year

- Assessing the gap between the costs of activities and acquired financing available for the period 2000–2002;
- Measuring the impact of the gap on the fiscal deficit;
- Making the necessary adjustments so that the gap can be financed (identify scenarios).

5. Identifying priority actions to be financed with HIPC resources

Priority will be given to projects and programmes to promote:

- income-generating activities (primarily self-employment) for the poor;
- access to basic health care, nutrition, and drinking water for the poor;
- access to education for the poor.

The absorption capacity for these projects and programmes should be taken into account.

Authorities responsible for the various stages:

Item 1. Ministry of Social Development, Solidarity, and the Aged, in cooperation with the Ministry of Economy and Finance.

Items 2, 3, and 4 must be assigned to consultants under the supervision of the Ministry of Economy and Finance, through the DNP.

Item 5. The DNP will provide arbitrage on the use of HIPC resources.

Document c: The macroeconomic framework as of 2002

1. Macro-economic objectives

The proposed scenario incorporates the impact of new measures to be implemented within the PRS framework. These include not only better integration of sectoral and macro-economic policies, but also: a development of synergies arising from the liberalization of productive sectors, combined with policies to support professional and producers' organizations; an acceleration of the establishment of economic and social programmes for decentralized local administrations; and the securing of financing for transport and basic infrastructure development. The purpose is to attain an average annual growth rate of at least 6.7 per cent over 2002–06.

Underpinning the scenario is a recovery in the cotton industry after the 2001 crisis, and higher than initially anticipated debt relief confirmed by creditors under the enhanced HIPC Initiative. The scenario also reflects a broad consensus based on extended discussion between all stakeholders; this constitutes an important indication of commitment of the authorities and the population to implement the new measures.

1.1. The international environment

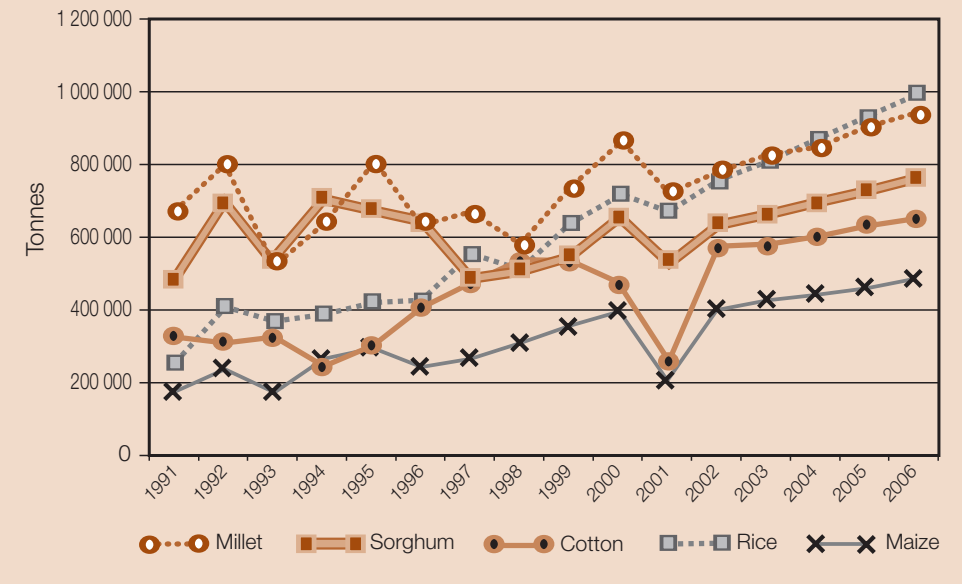
The framework is based on the IMF's international economic outlook for the international economy for the 2002–06 period. Projections include a stabilization of gold prices at around 275 dollars per ounce between 2003 and 2006, or US$5 higher than the average price expected in 2002. In 2002, cotton prices should drop to US$0.46 per pound, or their lowest level recorded in the past ten years, owing to a decrease in demand relative to supply. However, from 2003 onward, prices should recover steadily. The price of petroleum products will be below the 2001 levels. These assumptions about the international economic environment are an integral part of this framework.

1.2 Equatoria

1.2.1 Production

Cereal production forecasts for the 2001/02 crop year are based on preliminary results from the Agricultural and Economic Survey. They foresee production increasing by 24.1 per cent over its level in 2001 (2,865,609 tons in 2001/2002 compared with 2,309,868 in 2000/2001), when production dropped by 20.2 per cent. By crop, the increases are 13.1 per cent for rice, 103.8 per cent for corn, 13.6 per cent for millet, and 23.1 per cent for sorghum. For the 2003–06 period, dry cereal production is projected to increase by 5 per cent per annum, assuming adequate rainfalls. For rice, production is expected to rise 7 per cent per year over 2003–06, given the increase in irrigated areas and local agricultural development. **The implementation of a land tenure policy will ensure that the rice sector plays a significant role in economic growth and export diversification.**

Figure c1 Evolution and projecftions of production of principal crops 1991–2006



Cotton production, which reached a record 575,000 tons in 2002, will not exceed this level in the 2002/03 crop season due to worsening world prices and a reduction in the producer price to CFAF180 per kilogram (compared with CFAF200 per kilogram in the 2001/02 crop season). The cotton parastatal company, CMDT, projects a subsequent expansion of the area under cultivation leading to an annual growth in cotton production of an average of 3 per cent.

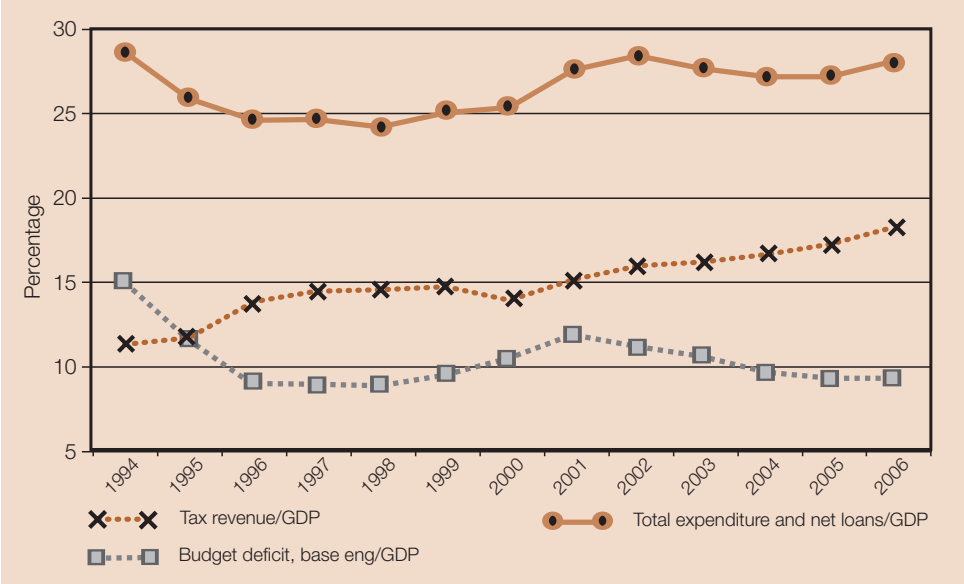
In 2002, the mining industry, which played a leading role in the economy over the past few years, will experience a decline in production of 9.3 per cent, with gold production declining from 53.6 tons to 48.6 tons. The decline is due to the a slowdown in activity at some of the mines. Nonetheless, gold production is forecast to increase to 64.1 tons in 2003, and production will increase slightly until 2006, though at a less sustained rate.

1.2.2 Growth

The macro-economic framework reflect the production forecasts described above; they will enable the Equatorian economy to achieve a 6.7 per cent average annual growth rate over the 2002–2006 period. In 2002, growth is anticipated to be about 9.3 per cent, attributable largely to a 16.5 per cent increase in cereal production, and a record 102.4 per cent increase in cotton production. This technical rebound in 2002, following the stagnation recorded in 2001, is necessarily reflected in a slowing down of growth in 2003. Over the period 2002–06, the growth in the primary sector (7.3 per cent on average) will be based mainly on rice and cotton.

The mining industry, along with textiles, agro-business and public works, constitute the main sources of the 6.2 per cent growth expected to be recorded in the secondary sector. This reflects: (i) the dynamism of the gold sector, which will achieve record levels of production and benefit from stable international prices; (ii) the acceleration in construction of transport and other basic infrastructure works; and (iii) the development of textile and food processing facilities. Tertiary sector growth (5.9 per cent annually on average) will be sustained essentially by the transport and telecommunication sub-sectors, financial services, non-market services and commerce. The revival in the supply of services is attributable to the development of transport infrastructure, the dynamism created by liberalization of the telecommunications sector, government withdrawal from the banking sector, and the strengthening of basic services, as well as the impact of growth on the rest of the economy.

Figure c2. Evolution of public finance indicators 1994–2006



1.2.3 Investment

The overall investment rate will average 22.7 per cent over the 2002–06 period. Implementation of the PRS action plan and ongoing road projects will boost public investment as a share of GDP to an average 8.2 per cent a year, higher than in previous years. Private investment as a share of GDP should increase gradually from 8 per cent to 10 per cent, although in 2002 the share will be only 4 per cent However, these investment levels will be possible only with the implementation of the strong foreign direct investment policy included in the PRS paper.

1.3 Public finances

As regards public finances, a lasting improvement of the government's financial situation is an essential component of budgetary policy. The objective is to maintain the overall fiscal deficit at a sustainable level, while ensuring that the pressing needs of the priority sectors are met. This requires a rapid increase in total government revenue, to be achieved by a broadening of the tax base, as well as the maintenance of tight control over public expenditure. Improvement of public finances during the PRS period will be due to increased domestic resources associated primarily with the tax system reform, notably improved taxation of oil products.

Implementation of the proposed fiscal policy and maintaining tight control over budgetary expenditure will lead to a sustainable budgetary position over the period and an improvement in all budget indicators.

1.4 Balance of payments

The trade surplus is expected to average 3.5 per cent of GDP over 2002–06. This surplus reflects principally the increase in gold production and exports. The external current account deficit will average 8.9 per cent of GDP over the period. As a result, the WAEMU convergence criterion of an external current account deficit of less than 5 per cent of GDP will not be met, due partly to a deterioration in the services trade balance, particularly transport, and in net factor services due to dividends paid abroad by mining companies.

2. Risk factors

The macro-economic framework is based on optimistic assumptions regarding the evolution of the core real sector variables and of the international economic environment. It must be noted, however, that the Equatorian economy remains fragile due to several factors, the most important of which are: natural risks (climate, parasites, etc),

which influence agricultural production; commodity prices (gold, cotton, oil); unstable external resource inflows; social and political tensions, both domestically and in the sub-region; and the AIDS pandemic.

To evaluate the sustainability of the macro-economic framework, three alternative scenarios were prepared, as follows: (i) instability of agricultural production, (ii) a decrease in gold production, and (iii) a combination of the first two.

2.1 Scenario 1: with unstable cereal production and a levelling-off of cotton production

In this scenario, cereal production (excluding rice) evolves according to the trend over the last five years. This assumption, in effect, implicitly integrates the variable climatic and rainfall conditions in the forecast.

From 2003 to 2006 cotton production levels off at 550,000 tons. While this level of production is lower than that recorded in 2002 (575,000 tons), it is still higher than the production in any other previous year. Due to unfavourable world market prospects and especially to the new producer price setting mechanism linked to world prices, cotton production will tend toward a level that is compatible with the currently cultivated area, and with the sustainable deficit level of the cotton company. In this case, the growth rate will average no more than 6.0 per cent annually over the period 2002–06 and 5.1 per cent over the period 2003–06.

2.2 Scenario 2: with gold production corresponding to the current production plan

This scenario, characterized by a steady decline in mining production, underscores the sector.s importance in the Equatorian economy. In this case, the growth rate will be no more than 5.1 per cent a year over 2002–06. Excluding 2002, the growth rate would be lower at 4.1 per cent a year for the period 2003–06.

2.3 Scenario 3: Scenarios 1 and 2 combined

This scenario combines the two preceding scenarios. It is the most pessimistic one of the three, with a growth rate of 4.3 per cent for the period 2002–06 and only 3.1 per cent for the period 2003–06.

Table c1 Results of the alternative scenarios relative to the base case

		2000	2001	2002	2003	2004	2005	2006	2002/06	2003/06
Real GDP growth	Base case	3.7%	1.5%	9.3%	7.4%	5.9%	5.6%	5.3%	6.7%	6.1%
	Scenario 1	3.7%	1.5%	9.3%	5.8%	5.3%	4.9%	4.5%	6.0%	5.1%
	Scenario 2	3.7%	1.5%	9.3%	2.3%	4.4%	3.6%	6.0%	5.1%	4.1%
	Scenario 3	3.7%	1.5%	10.1%	0.7%	3.8%	2.8%	5.1%	4.3%	3.1%
Basic budget balance excluding HIPC	Base case	–0.6%	–1.2%	–0.5%	–0.4%	0.1%	0.3%	–0.2%	–0.1%	0.0%
	Scenario 1	–0.6%	–1.2%	–0.5%	–0.7%	0.3%	–0.4%	–1.1%	–0.6%	–0.6%
	Scenario 2	–0.6%	–1.2%	–0.5%	–1.5%	1.3%	–1.8%	–2.3%	–1.5%	–1.7%
	Scenario 3	–0.6%	–1.2%	–0.5%	–1.7%	–1.7%	2.4%	–3.2%	–1.9%	–2.3%
Financing gap (in billions of CFA francs)	Base case	0	0	45.1	64.6	66.8	74.0	81.0	63.3	71.6
	Scenario 1	0	0	45.1	68.8	74.3	85.5	94.4	73.6	80.7
	Scenario 2	0	0	45.1	82.9	91.8	110.0	117.9	89.5	100.6
	Scenario 3	0	0	45.1	87.5	99.1	120.6	133.6	97.2	110.2
Current balance	Base case	–13.0%	–14.2%	–10.9%	–7.6%	–7.9%	–8.6%	–9.7%	–8.9%	–8.4%
	Scenario 1	–13.0%	–14.2%	–10.9%	–7.1%	–7.2%	–7.7%	–8.5%	–8.3%	–7.6%
	Scenario 2	–13.0%	–14.2%	–10.9%	–9.5%	–10.3%	–11.7%	–12.4%	–11.0%	–11.0%
	Scenario 3	–13.0%	–14.2%	–10.9%	–9.1%	–9.7%	–10.8%	–11.3%	–10.3%	–10.2%

Document d: Medium-term expenditure framework (MTEF)

The medium-term expenditure framework (MTEF) incorporates the following elements:

1. Personnel expenditure

The civil service wage policy reflects the following priority items:

- harmonization of civil service salary structures by adopting a single structure for all civil service employees, except those of the judiciary, the armed forces and university personnel;
- adjusting civil service salaries, while observing the corresponding WAEMU convergence criteria, and strengthening the social security system for civil servants. Furthermore, an efficiency- and merit-based personnel policy based will be established;
- a recruitment policy oriented towards strengthening human resource capabilities in all sectors, with particular emphasis on the social sectors (education, health) and disadvantaged areas; definition and implementation of a training programme for government employees and preparation of a career path for all employee categories.

The wage bill will increase from CFAF 89.5 billion in 2002 to CFAF 97.5 billion in 2003, CFAF 103.8 billion in 2004, and CFAF 113.5 billion in 2005 . an increase of 26.8 per cent between 2002 and 2005 compared with a 26.6 per cent increase in nominal GDP. The wage bill will increase on average 8 per cent annually over the period. The largest increases occur in 2003 and 2005, reflecting statutory promotions which are granted every two years.

Review of the wage bill

For 2003, the calculation of personnel expenditure is based on the wage bill budgeted for 2002. For 2003, the following elements have been taken into account:

- statutory promotion amounting to CFAF 3.6 billion;
- personnel recruitment valued at CFAF 2.7 billion;
- provision for family allowances amounting to CFAF 1.7 billion; and
- administrative harmonization of allowances and bonuses, with a single pay scale.

Personnel expenditure rises to CFAF 97.5 billion in 2003 from CFAF 89.5 billion in 2002, an increase of 8.9 per cent.

For 2004, the following elements are taken into account along with those provided for 2003:

- indexation of wages to the GDP deflator for a cost of CFAF 2.9 billion;
- recruitment valued at CFAF 2.7 billion; and
- administrative harmonization of family allowances amounting to CFAF 0.7 billion.

The wage bill would be CFAF 103.8 billion in 2004 compared with CFAF 97.5 billion in 2003, representing an increase of 6.5 per cent.

Based on 2004 provisions, the following elements are taken into consideration for 2005:

- statutory promotion amounting to CFAF 6 billion;
- recruitments valued at CFAF 2.7 billion; and
- administrative harmonization of family allowances amounting to CFAF 13 billion.

The wage bill in 2005 would be CFAF 113.5 billion compared with CFAF 103.8 billion in 2004, an increase of 9.3 per cent.

The objective of the salary and personnel reforms is to improve civil servants' living conditions in accordance with the provisions of the Solidarity and Growth Pact. As a share of tax revenue, the wage bill will fall from 26.6 per cent in 2003 to 24.7 per cent in 2005. This performance is well within the WAEMU convergence criterion (of a wage bill < 35 per cent of tax revenue).

Table 1 Costs of personnel recruitment (CFAF millions)

Armed forces	500
Police	300
Health	350
Education	450
Judicial system	300
Civil Service	800
Total	2 700

2. Expenditure on materials and equipment

The projections for outlays on materials and equipment take into consideration the needs of the government departments for furniture, office supplies and computer consumables in the context of the modernization and the strengthening of government capacities.

Efforts will be directed towards the services of administration at the regional level. It is also pointed out that expenditure on teaching materials will increase in line with the increase in the number of students.

Thus, outlays for materials and equipment will rise by 12.9 per cent in 2003 to CFAF 37.5 billion, by 8.4 per cent in 2004 to CFAF 40.7 billion, and by 9.8 per cent in 2005 to CFAF 44.7 billion.

3. Communication and energy expenditure

The Government will implement measures to control communication and energy expenditures better. In this context, all agency and department managers will be required to take all necessary measures enabling rational utilization of water, electricity and telephone services.

Communication and energy expenditure projections take into consideration:

- billing from the two companies (Energie du Equatoria–SA and Société des Télécommunications du Equatoria);
- the development of mobile telephony (GSM);
- the increase in government services;
- development of new communication technologies.

Outlays for these categories rise to 20.5 billion in 2003, by 4.8 per cent to CFAF 21.5 billion in 2004 and by 2.32 per cent to CFAF 22 billion CFA francs in 2005.

4. Travel

Efforts will be made to control costs related to domestic and foreign trips, and relocation costs due to job transfers and new assignments.

Projections for these expenses for the period 2003–05 take the following assumptions into account:

- increase in transport costs to domestic and foreign locations;
- the need for revision of civil service relocation bonuses and allowances; and
- allocation increases for government-devolved administrative units.

Travel expenses will rise on average 7.5 per cent over the PRS period, to CFAF 22.1 billion in 2003, CFAF 23.7 billion in 2004, and CFAF 25.6 billion in 2005.

5. Other expenditure

This heading groups together transfers, subsidies, the social safety net, elections and other areas.

a. Transfers and subsidies

The projections reflect:

- the impact of hospital reforms;
- increased transfers to autonomous public agencies to make them more efficient;
- increased contribution to international organizations in line with the country's commitments;
- adjustment of butane gas subsidy to account for consumption increases;
- adjustment of the subsidy granted to oil companies for the distribution of oil products in the northern regions;
- increased transfers to the departments of the Ministry of Rural Development for implementing a poverty-oriented contractual plan;
- increased transfers for implementation of capacity building of the decentralized local administrations.

Note that the cotton subsidy is not renewed, except in 2003 for CFAF 6 billion. Thus, transfer expenditure will rise in 2003, 2004 and 2005 to 41 billion, 40.3 billion and 44.3 billion CFA francs, respectively, which represent an average increase of 3 per cent per year.

b. The social safety net

Expenditure for the social safety net will remain constant at CFAF 10 billion per year. It will finance activities to combat exclusion and poverty.

c. Elections

Projections for election expenditure take into account organization costs for various elections. These are:

- revision of the electoral register at a cost of CFAF 1 billion a year in 2003 and 2005;
- organization of local elections in 2004 at a cost of CFAF 4 billion.

d. Others

This groups together expenditure relating to VAT credit reimbursement, payments of judicial court fines, building maintenance, and other items. All these expenditures have been adjusted to avoid any buildup of arrears, in particular: VAT credits relating

to development of mining company activities (opening new mines); and judicial court fines reflecting the level of fines the Government had to pay in the past.
Building and security maintenance expenditure has also been adjusted to take inflation into account, in addition to the increasing number of government departments. Hence, maintenance expenditure will rise to CFAF 32.9 billion in 2003, by 7.9 per cent to CFAF 35.5 billion in 2004, and by 10.1 per cent to CFAF 39.1 billion in 2005.

6. PASEP and public enterprises

Expenditure for this line item reflects charges relating to the restructuring of public enterprises, particularly the CMDT, the railway company (Régie des Chemins de Fer du Equatoria) SOTELMA, and the airports management company (Aéroports du Equatoria).

It should be noted that the annual budget of CFAF 10 billion is only indicative, since the cost of restructuring the enterprises has not yet been assessed.

7. Facilities and investment (domestic financing)

The provision for these items will incorporate a part of the priority expenditure identified in the PRS paper: counterpart expenditure linked to investment projects, with priority given to applicable projects and programmes that have an impact on poverty reduction; expenditure on facilities and on investment will rise from CFAF 105.3 billion in 2003 to CFAF 121 billion in 2004 and CFAF 145.6 billion in 2005, that is 14.9 and 20 per cent, respectively.

8. The special investment budget (external financing)

Projections for expenditures in the Special Investment Budget (SIB) are conservative, taking into account the evolution in external aid levels. No increase has been forecast relative to 2002.
As Equatoria will receive debt relief in the context of the HIPC Initiative, official development assistance can only increase slightly in the coming years. In consequence, efforts will be made to mobilize private external resources to finance the investment program. The SIB expenditures will increase annually to CFAF 208.2 billion.

9. Debt principal and interest

Debt repayment during 2003–2005 has been assessed on the basis of projections by the Public Debt Department for external debt, and by the Treasury and Public Accounts Department for domestic debt. These projections take the expected debt relief amounts into account.

External debt servicing will rise to CFAF 71.4 billion in 2003, CFAF 74.0 billion in 2004, and CFAF 90.7 billion in 2005.

Domestic debt servicing is estimated at around CFAF 13 billion a year, taking into account the reimbursement of Treasury bills issued in 1991 by the Equatorian Government.

10. HIPC-funded expenditures

Debt relief resources will finance priority programmes and projects of the Poverty Reduction Strategy Paper, notably for education, health, social development, rural development, sanitation, drinking water and gender promotion activities.
Proposals for use of these resources relate to current expenditure to improve basic social services, particularly the recruitment of health personnel and teachers. HIPC-funded expenditure resources will rise to CFAF 23 billion in 2003, CFAF 24.3 billion in 2004, and CFAF 24.5 billion in 2005.

11. Government budget (2003–2005)

The analysis of government budget expenditure for 2003–2005 consistent with the Poverty Reduction Strategy Paper highlights the following objectives:

11.1 Health and population

- Create 300 new health care centers (CSCOM).
- Strengthen the 533 existing CSCOMs.
- Reduce neo-natal, infant and child mortality by 15 per cent through reducing mortality caused by: diseases targeted by vaccination; diarrhea; malaria; respiratory infections; malnutrition; and mother-child transmission of HIV/AIDS.
- Reduce maternal mortality from 577 to 450 per 100,000 live births by increasing the rate of assisted childbirths, and the provision of essential and emergency obstetric care.
- Reduce the morbidity associated with malaria to at least 30 per cent.
- Provide the screening and care for 70 per cent of cases of positive microscopy tuberculosis.
- Reduce and maintain the number of cases of infantile paralysis at zero.
- Maintain the prevalence of leprosy to less than 1 case per 10,000 inhabitants.
- Reduce and maintain the number of cases of dracunculiasis at zero.
- Maintain the number of cases of trypanosomiasis at 0.
- Maintain the prevalence of onchocercosiasis at less than 1 per cent.
- Reduce the prevalence of trachoma in children under 10 years of age in poor areas to 15 per cent.
- Reduce the prevalence of neo-natal tetanus to less than one case per 1,000 live births.
- Reduce the lethality and sequelae associated with potential epidemic diseases by 30 per cent.
- Reduce the rates of chronic malnutrition respectively in children under 5 years of age and women in poor areas from 24.5 per cent to 18 per cent and from 16 per cent to 9 per cent respectivelyand increase the number of infants aged 6 to 36 months breast-fed and supplemented by infant formula by 10 per cent.
- Reduce the incidence of diarrhea in children from 0 to 5 years of age by 30 per cent.
- Reduce the incidence of acute respiratory infections in children from 0 to 5 years of age by 30 per cent.
- Reduce the incidence of sexually transmitted infections by 50 per cent.
- Reduce the prevalence of HIV/AIDS from 3 per cent to 2 per cent.
- Control demographic growth through reduction in the fertility rate:
    - from 7.3 to 7.1 in rural areas;
    - from 5.4 to 5.2 in urban areas.

11.2 Education/ literacy

- Increase the gross primary enrollment rate to 65 per cent overall, and to 55.1 per cent for girls by 2002/2003.
- Orient at least 32 per cent of students admitted to secondary school toward vocational education.
- Raise the literacy rate from 31 per cent to 41 per cent in 2003, with a figure of 30 per cent for women.
- Raise the textbook ratio to two books per student in the first-phase primary school grades and four books per student for second-phase primary school grades.
- Lower the repetition rate from 21 per cent in 1998 to 15 per cent in 2003, and the drop out rate from 8 per cent to 6 per cent in the first phase of primary school.
- Reduce the repetitions rate in the second phase primary grades from 23 per cent to 15 per cent over the same period.
- Lower the repetitions rate for secondary school from 25 per cent to 17 per cent.
- Establish training programmes for 10 industry sub-sectors according to the curricular approach.
- Reduce the ratio of pupils per classroom in primary schools to an average of 50 in 2003.
- Increase the per week teaching hours of secondary school teachers from 18 to 24 hours in 2002–2003.
- Establish and implement decentralized development plans in at least 7 of the 9 regions by 2003.
- Raise the share of the budget, excluding salaries of the Ministry of Education, managed by the education academies to 40 per cent by 2004.
- Increase the share of education in the recurrent government budget to 27.9 per cent in 2003.
- Increase the share of primary education in the total education budget from 56 per cent in 2000 to 58.4 per cent; stabilize the share to secondary education at 24 per cent, and reduce the share of higher education from 19 per cent to 14 per cent.

11.3 Employment and vocational training

- Create independent employment opportunities by promoting independent workers, autonomous cooperatives or similar organizations.
- Create a favourable environment for the cooperatives:
  - establish a network of associations and link it with the promotion of cooperative enterprises (creation of institutions at the national, regional and local levels);
  - strengthen the capacity of support services to formulate overall policies for promoting the micro sectors and the informal sector, on the basis of the collection and analysis of reliable sectoral data;
  - formulate and adopt a policy aimed at creating a favourable economic environment for the creation, growth and expansion of small enterprises.

11.4 Basic Infrastructure for development

Rehabilitate and maintain a priority infrastructure network.

- Routine maintenance of 9,000 to 14,100 km of roads and improved feeder roads:
  - scheduled maintenance of 1,055 km of roads (397km RB, 648 km RT);
  - rehabilitation and construction of 4,975 km (3,221km RB, 1,754 km RT);
  - construction of 2 bridges.
- Rehabilitation of 583 km of railroad.
- Repair and maintain the quays.
- Installation of beacons on the Equatoria river.
- Acquisition of two low draft boats.
- Acquisition of a dredger.
- Construct seaport bulk station.
- Provide 5,000 villages with telecommunications services.
- Fully digitize the telecommunication networks.
- Create 250,000 new LP telephones.
- Increase the proportion of the population with access to electricity supply.
- Supply 500 villages with electricity.
- Reduce the consumption of firewood through the use of improved equipment and substitutes.
- Implement a programme to promote solar energy and photovoltaic technologies for most of the population.

11.5 Rural development and natural resources

- Construct 30 markets, each equipped with a poultry processing center.
- Develop 2,180 ha of low-lying land surveyed in the underprivileged areas.
- Develop 10,000 ha of land, 5,000 ha of which to be dedicated to out-of-season crops.
- Increase poultry production by 15 per cent.
- Increase the number of grazing animals by 15 per cent, particularly sheep and goats.
- Create 8,272 km of feeder roads classified as top priority in the NRIP.
- Allocate 3,000 ha of land to women in the areas developed.
- Increase by 25 per cent per annum the production by women of organic fertilizers in compost containers.
- Promote access to the main agricultural inputs and production factors to at least 50 per cent of the farming units in the poor areas (PASAOP; self-supporting by reforestation).
- Increase rice production by 80,000 tons through development of irrigation in disadvantaged regions.

- Create 2,500 watering places for livestock in the disadvantaged areas.
- Develop at least 30 water bodies for fishing and fish farming.
- Promote women's representation within decision-making bodies to 40 per cent.
- Initiate and train 30,000 women in the new technologies for processing and conserving agro-business products.
- Equip women's associations of wholesale fish trading for the processing/conservation/transport of fish products.
- Develop and reclaim 30,000 ha of designated forests and natural stands.
- Fix at least 8,000 ha of dunes around watering places and waterways.
- Create and invigorate at least 500 associations to fight against land degradation.
- Supply at least 50,000 women with improved stoves (all types).
- Train at least 50,000 women in the techniques of reclaiming and conserving water and land.

11.6 Revenue-generating activities (AGR)

- Strengthen the implementation capability of the private sector support structures (technical services, local chambers, commercial courts, FAFPA).
- Promote the creation and development of professional groups.
- Establish special funds for the execution of local markets.
- Undertake a study for an export finance and credit insurance facility.
- Develop infrastructures for commerce (exhibition stands, livestock corridors, wholesale markets, warehouses).
- Develop decentralized industrial zones.
- Promote the creation and development of processing plants.
- Organize the sectors to increase the quality and quantity of production.
- Increase export production and diversify external markets.
- Promote the use of appropriate technologies to increase production and competitiveness of production facilities.
- Support industrial competitiveness and decentralization.
- Promote revenue-generating and employment-generating activities.
- Promote a clean ecological environment and renewable energy sources.

11.7 Environment and living conditions

- Increase investment in infrastructures and facilities.
- Adopt and apply the water code and relevant texts.
- Strengthen the capacities of organizations and participants.
- Increase the participation of the communes and populations in the implementation and management of the installations through IEC campaigns.

- Adapt databases for use in the decentralization context.
- Promote the use of local techniques and materials in housing construction.
- Provide easier access to housing credit for the poor.
- Support the development of housing cooperatives for the poor.
- Encourage the private sector to construct low-cost housing accessible to the poor.

11.8 Governance and institutions

- Improve public sector performance.
- Consolidate ongoing processes of democratization and decentralization.
- Improve performance and credibility of the judicial public service.
- Strengthen the capacities of the civil society.
- Promote and ensure conditions for greater participation of women in policy making.
- Implement an effective anti-corruption programme.

11.9 Culture, religion, peace and security

- Support the cultural industries.
- Make an inventory of Equatoria's cultural, artistic and eco-tourism heritage.
- Support decentralized initiatives involving the creation of cultural infrastructures.
- Introduce teaching of the cultural heritage in schools.
- Organize educational workshops on heritage aimed at disadvantaged children.
- Organize training workshops in the management of the cultural heritage and handcrafts.
- Involve the administration staff in international forums and training courses.
- Equip cultural organizations with logistical resources and modern communication tools.
- Support the training of hotel staff, travel agencies and tourist guides.
- Provide easier access to credit for the hotel and catering sector.
- Support the decentralized local administrations with conflict management.
- Introduce the culture of harmony in teaching programmes.
- Increase staff in the security and civil protection forces.
- Construct and equip one security station per commune.
- Undertake a review of the texts on weapons and munitions.
- Intensify the campaign against trafficking of children.

Document e: Proposed allocation of HIPC debt relief resources

Table e Proposed distribution of HIPC resources (in millions of CFA francs)

	Priority sectors	Year			Total (CFA Francs)	% of total 2002–2004
		2002	2003	2004		
1	Health and population	4 562	3 260	3 360	11 182	15.0%
2	Education/literacy	11 179	11 179	11 179	33 538	45.0%
3	Employment and vocational training	1 531	456	300	2 287	3.1%
4	Basic infrastructure development	900	480	480	1 860	2.5%
5	Rural development and natural resources	2 887	3 226	3 467	9 582	12.9%
6	Revenue-generating activities, solidarity and social security	3 110	3 792	3 802	10 704	14.4%
7	Environment and living conditions	829	1 850	1 850	4 529	6.1%
8	Governance and institutions	–	–	–	–	0.0%
9	Culture/religion/harmony and security	–	–	–	–	0.0%
10	PRS implementation, analysis and monitoring/evaluation	295	285	285	865	1.2%
	TOTAL	25 294	24 529	24 724	74 547	100.0%

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