



## Poverty alleviation: a way forward?

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THIS PAPER OUTLINES the plans to implement a restructuring programme in Malawi geared to poverty alleviation. Malawi is a small land-locked country in Southern Africa. In terms of per capita income it is ranked by the World Bank in the bottom 10 countries. Malawi is a classic case of a country which has suffered for many years at the hands of a powerful elite who paid little regard to the real needs of the poor. There was little effective attention paid to reaching the unreached; in essence poverty had become institutionalised.

Significant political change occurred in Malawi with the instigation of multi-party elections in 1994 and the formation of a new government. Now the policy agenda emphasis for national development is that of poverty alleviation. A Poverty Alleviation Programme (PAP) was launched on 25th August 1994 and outlined the President's vision on poverty alleviation (Government of Malawi, 1994). This centred on a process of economic and social development in which people are directly involved and empowered to improve their livelihood, with proposals to be implemented right from the community level to the national level. A Presidential Council on Poverty Alleviation and a National Steering Committee were formed to guide the development of a policy and operational strategy framework.

The history of development in the country aptly showed that those who benefited were a small privileged elite. Until the early 1990's it was a situation which the international community chose to ignore as it was deemed to be counter-productive to make a stand on behalf of the poor. It was not until it was obvious that political change was sweeping Southern Africa that international pressure was put on Malawi.

Prior to 1990 the recurrent budget expenditure was biased towards the production and service sectors like agriculture and transport. The budget allocation to the social sector (education, health, social welfare) was not only below other Sub-Saharan Africa countries but also lagged behind inflation and population growth rates so that the allocation had been declining in real and per capita terms.

The endemic poverty in Malawi was reflected by low agriculture production, low income, low level of education, poor health, rapid population growth, inadequate social infrastructure, rapid environmental degradation, and limited access to production assets, e.g. land and credit facilities. There were also weak institution structures in place and divergent donor influence led to unco-

ordinated projects and implementation strategies which were often incompatible.

In Malawi it has now been recognised that the principal role of Government is to provide a conducive environment for the introduction of a Poverty Alleviation Program. With this objective the government has initiated a systematic review of policies and regulations with a view to identifying those that have a negative impact on the ability of the poor to improve their situation. It is also intended to promote poverty projects and programme using participatory approaches where the targeted groups are allowed to take a lead role in shaping their own development. It also places substantial responsibility on the private sector, NGOs and government to actively participate in the development process.

To ensure sustainability, the programme aims to:

- mobilise domestic and foreign financial resources;
- rationalise the planning system procedures;
- establish distribution and redistribution systems to ensure the sharing of income among the population;
- develop human resources potential, via community participatory strategies.

### The overall strategy for poverty alleviation

The overall PAP strategy is intended to focus on groups in poverty through the identification of the causes of their poverty and the formulation of appropriate strategies to address them. To support and sustain the programme the strategy incorporates an institutional structure which will require financial and technical support.

The overall strategy of PAP is characterised by the following elements:

- To promote the increased participation of the poor in economic, social and political affairs by the provision of basic services that enable them to take advantage of opportunities.
- To foster economic empowerment of the poor by promoting the productive use of their abundant resources, namely labour, and also acknowledge their rights to natural resources.
- To develop a safety-net program to cushion those who are adversely affected by changes to policies and natural disasters.
- To promote the spirit of self-determination and reliance by accelerating the de-centralised process and encouraging participatory approaches to development.

- To instill the philosophy of poverty consciousness in planners, administrators, politicians and the general public by intensifying PAP information, education and communication and capacity building.
- To improve the poor's access to credit facilities by decentralise and broaden the financial sector to assist the poor to diversify their source of income.
- To introduce a system of poverty monitoring and evaluation to inform the policy formation process and subsequent planning for poverty alleviation intervention.
- Review the membership of the committees in the Institutional Framework to ensure gender and development balance and adequate representation of poverty groups in district/lower level committees.
- Assess the feasibility of establishing a rural development replenishable funds in the districts as a decentralised mechanism for community projects and programmes.

These policies therefore requires socially sensitive, poverty conscious and people-friendly policies. As a result there is need for institutional collaboration, integration of public, private and community sectors into the macro-economic framework and also to enhance the consultation with and participation of all levels of communities including the most impoverished.

The PAP policy framework calls for short, medium and long-term implementation actions on poverty alleviation. Specific priority interventions would be undertaken aimed at promoting and enhancing management and institutional capacity capable of responding efficiently and effectively to poverty alleviation.

The following action is proposed:

- Take immediate steps to mount the introduction of PAP to the civil society to prepare them for direct involvement and local empowerment in community-based PAP programmes and projects.
- Review immediately existing institutional and human capacities to execute and implement PAP with a view to identifying critical capacity gaps at the community, district, and national levels that should be targeted for improvement.
- Develop and implement guidelines for the preparation of sectoral policy frameworks for application in the public sector investment programme cycle.
- Immediately undertake the development of a data base for vital statistics and poverty mapping as an input in the vital registration system and monitoring and evaluation system for PAP.
- Develop and implement a poverty monitoring and evaluation system that integrates (upstream and downstream) intervention with the active participation of the target beneficiaries.
- Mount campaigns to encourage private sector involvement in poverty alleviation activities at the grass-roots level in recognition of the fact that an economic viable society provides markets for their products.
- Initiate and implement, as a priority, a programme that will go beyond stabilising public finances and balancing external sector accounts to restructure the entire economy in a development-orientated approach.
- Enhance political commitment to the program, as a continuous process through direct campaigns for resource mobilisation, encouragement of and direct support to local community development projects that foster group self-reliance and self-confidence.
- Develop and implement a human resources development plan targeting identified groups in poverty, support communities, institutions, systems and procedures.

### Further considerations

Further analysis and research on poverty alleviation is necessary. Certain questions have been raised (Msukwa, 1994): What is the role of District Development Committees vis-a-vis that of local communities? How far down should Malawi decentralise and what would be the responsibility assigned to each level? What resources will be required at each level to make decentralisation effective? What role will be given to the community? etc. Resolving the issues raised would go a long way towards ensuring that decentralisation is not just a policy statement while the real authority remains with the centre but that it is a strategy which will benefit the poor.

Throughout this process it is necessary to monitor who is gaining from economic growth? Poverty cannot be fully understood unless it is realised how it is linked to prosperity. Unless the grip of institutionalised poverty is broken, it will be impossible to make progress. In the past Malawi Government policy has deliberately defined who should benefit the most from policies. A section of the population had access to unlimited land, non-restrictive crops and free market policies, commercial credit. The majority of the small-holder farmers labour under restrictive practices, e.g. government determines the price of tobacco to be paid to them, which is very low, but the estate owner sells the same tobacco at the price prevailing that year, which in some years is as much as four times. The minimum wage policy was intended to protect the worker but has ended up protecting the huge profits of the employer. These are examples of how poverty has been institutionalised in Malawi. This duality in agriculture meant that the majority of the people were denied the benefits reserved for the few.

The provision of credit facilities is a major issue. This is needed to address the problem of access to inputs: improved seeds and fertiliser. In the past credit facilities have benefited only a few small-holders.

The challenge for any future analysis is to answer the question: To what extent are the programme objectives benefiting the target group? If not, what are the constraints and how can they be dealt with?

Although the concept of participatory development has gained much credence in the development literature in most sub-Saharan Africa, the poor do not participate in public policy decisions that affect their lives or in choosing the kind of services directed towards them. Policy-making for poverty alleviation is still top-down. Most resources and decision-making are still heavily concentrated in central ministries, not at the local government or community level.

Despite rhetoric to the contrary, many African governments have still not made poverty alleviation a central focus of public policy, as evidenced by the low level of budgetary allocations and other resources directed at helping the poor. The often cited 'political will' is still lacking.

Even when African governments have defined the broad political directions for poverty alleviation in their respective countries, problems and lack of progress have persisted. This situation has arisen because of imprecise policy implementation and follow-up policies. Conflicting or diffuse donor support in the identified policy areas has compounded the problem.

Poverty alleviation cannot be successfully addressed by African governments alone. It needs the combined efforts of government, private and non-government agen-

cies, the international donor community, and international private investors. Financial resources have to be made available. Hand in hand with these inputs is the mobilisation of the poor themselves.

Empowering the poor requires fundamental change in both individual attitudes at all levels, institutional reforms to promote the decentralisation and participation appropriate to development, public sector reform and private sector re-orientation. Whether Malawi will be able to achieve the reforms it has documented has yet to be proven. Unless countries like Malawi are enabled to get on with the task the possibility of 'reaching the unreached' will remain an idealistic slogan.

### References

- Government of Malawi, 'Draft Policy Framework for Poverty Alleviation Programme', Ministry of Economic Planning and Development, Lilongwe, Malawi; April 1994.
- Msukwa, L.A.H., 'The Situation Analysis of Poverty in Malawi: A Critique'; Seminar paper presented at Regional Seminar on the Introduction of Poverty Alleviation Strategies into Economic Policies; Blantyre, July 11-21 1994 - source: Centre for Social Research, University of Malawi.