

# Poverty reduction strategy processes in Malawi and Zambia

Edgar Bwalya, Lise Rakner, Lars Svåsand,  
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## Abbreviations and acronyms

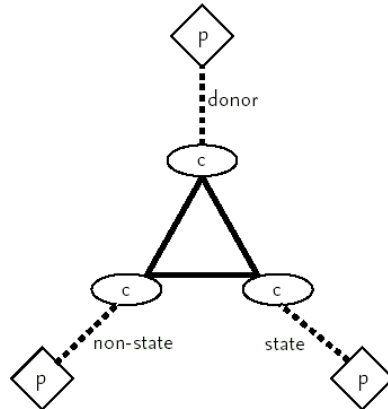
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AIDS	Acquired Immune Deficiency Syndrome
CCJP	Catholic Commission for Justice and Peace (Malawi)
CIDA	Canadian International Development Agency
CDF	Comprehensive Development Framework
CONGOMA	Council for Non-Governmental Organisations in Malawi
CSO	Civil Society Organisation
CSPR	Civil Society for Poverty Reduction (Zambia)
DFID	Department for International Development (United Kingdom)
ECAMA	Economics Association of Malawi
EIU	Economist Intelligence Unit (United Kingdom)
FDD	Forum for Democracy and Development (Zambia)
FES	Friedrich Ebert Stiftung
HIPC	Heavily Indebted Poor Countries
HIV	Human Immunodeficiency Virus
IMF	International Monetary Fund
IFI	International Finance Institutions
i-PRSP	Interim Poverty Reduction Strategy Paper
MEJN	Malawi Economic Justice Network
MFEP	Ministry of Finance and Economic Planning (Malawi)
MFNP	Ministry of Finance and National Planning (Zambia)
MoF	Ministry of Finance (Zambia)
MMD	Movement for Multi-Party Democracy (Zambia)
MP	Member of Parliament
NGO	Non-Governmental Organisation
NEC	National Economic Council (Malawi)
NSC	National Steering Committee (Malawi)
OXFAM	Oxford Committee for Famine Relief
PAP	Poverty Alleviation Programme (Malawi)
PRSP	Poverty Reduction Strategy Paper
SAP	Structural Adjustment Programme
SWAp	Sector Wide Approach (Malawi)
TC	Technical Committee (Malawi)
ToR	Terms of Reference
TWG	Thematic Working Group (Malawi)
UNDP	United Nations Development Programme
UPND	United Party for National Development (Zambia)
USAID	United States Agency for International Development

## Introduction

This report discusses the participatory aspects of the protracted policy-making process that led to the formulation of Malawi's and Zambia's respective Poverty Reduction Strategy Papers (PRSP). It argues that participation was considerable in both countries, especially by civil society organisations, and that, by contrast, key political institutions such as the parliaments were marginalised. It goes on to detail specifically the extent to which the range of stakeholders actually took part. The account does not, however, evaluate the substance of the policy outcomes in terms of their likely efficacy in reducing poverty, or their feasibility in the context of contemporary politics in Malawi and Zambia.

The studies of Malawi and Zambia form part of a larger comparative endeavour which covers altogether five countries: Honduras, Malawi, Tanzania, Vietnam, and Zambia. To facilitate comparison we developed a 'stakeholder molecule' depicting a triangle of interested parties in civil society, government, and the international donor community (see Fig. 1).<sup>1</sup> Within each category there is a 'core' group of actors which is hypothesised to exercise greater direct control of policy formulation than others who played a more peripheral role. The study seeks to ascertain which stakeholders performed core roles as distinct from those on the periphery and to venture explanations why. It also tries to discover whether the relationships between various actors have been reconfigured as a result of the PRSP process.



**Fig. 1: A 'molecular' model of the public policy arena**

The findings are based on the perusal of documents and secondary literature as well as qualitative, semi-structured, in-depth interviews with an array of respondents: politicians and senior civil servants; representatives of civil society organisations, including faith communities and business associations; as well as members of the donor community. The views of some district representatives have also been solicited.

<sup>1</sup> The comparative study of five countries will be published by Zed Press: Gould, J. (ed.), *The New Conditionality. Poverty Reduction Strategies, Aid and Domestic Politics*, London: Zed Books 2004 (forthcoming).

The first section places the Malawian and Zambian PRSP processes in the context of the Heavily Indebted Poor Countries (HIPC) Initiative under the auspices of the International Monetary Fund (IMF) and the World Bank. Part two traces the antecedents of the PRSP and similar consultative processes in Malawi before delving into the PRSP process itself as it unfolded over 18 months. Part three analyses the political processes leading up to the PRSP document in Zambia. The concluding section assesses the wider implication of the PRSP process for participation and transparency in Malawi and Zambia.

## **Part I: Debt relief, PRSPs and 'national ownership'**

Towards the late 1990s the emerging literature on conditionality-based aid began to suggest that more co-ordinated conditions had not been matched by efficient implementation and tangible results. New evidence on aid effectiveness found that aid transfers to date had been ineffective both in promoting growth and in inducing policy reform, except in good policy environments (Burnside and Dollar 1997; Killick 1998). Coupled with these studies, growing international criticism, fronted by large civic transnational movements, claimed that the structural adjustment processes had been donor-imposed and led to increased levels of poverty. For example the SAPRIN report has become an important reference document for the international movement to reduce Third World debt (SAPRIN 2002).<sup>2</sup> Public opinion – coupled with the negative reports that conditionality-based aid had accomplished little in terms of sustainable development – led to a marked change in the donors' mode of thinking and a renewed focus on poverty reduction towards the end of the millennium (Dijkstra 2002). The Poverty Reduction Strategy (PRS) processes adopted by the World Bank and IMF for achieving poverty reduction in the context of debt relief programmes are perhaps the most direct attempts by the international donor community to reinforce its commitment and accountability to poverty reduction from the outside. All countries requesting debt relief under the HIPC initiative are required to chart a poverty reduction strategy – laid down in a PRSP document – through a broad participatory process. This process aims to include a wide range of stakeholders' views on priority setting, resource allocation and access to public goods and services. Tied to a set of governance conditionalities, the PRSPs have placed issues of poverty reduction at the centre stage of the official agenda in a number of debtor countries.

In 1999 the Bretton Woods institutions introduced PRSPs as a condition for eligibility to the debt relief resources under the HIPC Initiative (Birdsall, Williamson et al. 2002). PRSPs were seen as vehicles for creating national commitment to poverty reduction so as to preclude disbursement of HIPC funds without a reasonable guarantee that they would be used appropriately.<sup>3</sup> This new conditionality was justified in terms of the greater good of poverty reduction. Taking cognisance of the disconcerting experiences with the Structural Adjustment Programmes (SAPs), the new form of conditionality ostensibly put far more emphasis on process and 'national ownership' than expected output indicators. Tangible outputs were not discounted but they were thought to be more achievable if the policies from which they were expected to result, had been grounded in a thorough and participatory process. In other words, the PRSPs were not all about process at the expense of output. Rather, the process approach was considered more instrumental towards achieving basically the same policy outcomes – albeit more broadly and with some modification – that the SAPs had failed to achieve.

The voluminous terms of reference that the Bretton Woods institutions have laid down for the PRSP processes are an extension of the World Bank's Comprehensive

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<sup>2</sup> See SAPRIN's website at <http://www.saprin.org>. Other international NGOs and social networks such as Attac and Jubilee 2000 have also contributed to the shift in the international aid regime witnessed from 2000 onwards.

<sup>3</sup> The lending facility of the IMF is referred to as the Poverty Reduction and Growth Facility and that of the World Bank as the Poverty Reduction Support Credit.



Development Framework (CDF). They comprise the following elements (Booth 2003:136):

- The PRSP documents should result from a country-led strategy process involving a broad range of stakeholders engaged in dialogue to ensure ‘national ownership’;
- The policy document should be result- and outcome-orientated based on careful analysis of poverty and its causes leading to an appropriate design of interventions;
- The PRSP should be comprehensive in scope and coverage, cutting across sectors and levels of intervention;
- Notwithstanding ‘national ownership’, the PRSP should take the form of a partnership with the international donor community to ensure adequate funding for its implementation;
- The PRSP should take a medium- to long-term perspective with careful timing and sequencing of interventions.

Thus, a key concept in the new conditionality is national ‘ownership’. Drawing on the scholarly literature Booth (2003:155) lists five salient dimensions for assessing national ownership, to which we shall return in the conclusion:

1. *Initiation locus*: Did the initiative to embark on the PRSP exercise originate mainly in external agencies or in the national government?
2. *Technical dimension*: Are key policy-makers intellectually convinced of the soundness of the PRSP and technically committed to its implementation?
3. *Political dimension*: Is the political establishment supportive of the PRSP as demonstrated by action?
4. *Legitimacy and popular support dimension*: Does the PRSP enjoy broad support in the population at large, derived from the policy-making process itself or from elicited support through campaigns?
5. *Institutionalisation dimension*: Are the various elements of the PRSP integrated into the institutional set-up by means of incentives and other mechanisms so as to mainstream action on a sustainable basis?

The entire ‘process conditionality’ approach is premised on the understanding that poverty-reduction policies – whatever their nature and coverage – are embedded in the politics of the country concerned, including its neo-patrimonial features. This implies in the cases of Malawi’s and Zambia’s PRSP experiments that they will work through the political system or they will not work at all (Booth 2003:137). As a corollary, to the extent it *does* work it would probably mean the retention of clientelist politics and continued inertia in the public sector as far as implementation is concerned. Thus, a contradiction emerges between, on the one hand, the desire for ‘national ownership’ with all its conservative institutional underpinnings, and, on the other hand, efficient implementation of the strategy. In other words, ‘national ownership’ is a double-edged sword. It is presumed to enhance implementation precisely because it is embedded in the existing institutional structure and culture rather than being an imposition from abroad. However, this embedded ‘national ownership’ may act to conserve the retrogressive institutions that produced poverty in the first place and that are

considered anathema to poverty reduction in the contemporary situation – at least in part.

Cognizant of this paradox, the issues paper circulated at the start of the Malawian PRSP process underlined the need for continued institutional reform (Government of Malawi 2000:15). Although the issues paper singles out civil service<sup>4</sup> reform as particularly important, section 4.4 on good governance of the final PRSP document takes a broader view (Government of Malawi 2002:71–85). It addresses political will and mindset problems, security and access to justice, responsiveness and accountability of public institutions, including public expenditure management, fraud and corruption, decentralisation, continued democratisation and human rights. The entire reform endeavour is geared towards creating incentive structures throughout society conducive to efficient implementation of poverty-reducing programmes.

We were told by interviewees that to date Malawi has been good at producing impressive policy documents but extremely poor at implementing them, presumably owing to institutional shortcomings – including the power relationships in which they are embedded. While greater national ownership may challenge the power of external agents, it does not follow that it would also alter the domestic, neo-patrimonial power relationships inherent in national institutions. A key question, therefore, is whether civil society and other stakeholders outside the formal political system in the two countries concerned have been able to assert themselves through the participatory PRSP processes, and thus been able to challenge the prevailing configuration of power relationships.

The inclusion of empowerment as a key element in poverty reduction strategies suggests a shift in the international aid regime and a pendulum swing from the focus on market liberalism of the 1980s and 1990s towards state intervention in selected fields. As part of these changes, a transition can be witnessed from *substantive conditionality* that stressed efficiency, goalposts and results to a form of *process conditionality*, which lays more emphasis on inclusive participation and ownership. Thus, largely reflecting the failure of the former aid regime, the new millennium introduced shifts in the international aid regime emphasising debt relief, poverty alleviation, and participation. Whether participation – induced by externally imposed conditionalities – will lead to increased responsiveness of the national political institutions (the executive, legislators, parties, courts, etc.) to the plight of the poor, will depend on the extent to which the PRSP process is ‘owned’ by the national governments. As stated by the IMF (2000): 4-5.

The new approach to poverty reduction ... builds on the traditional emphasis on macroeconomic structural soundness by also stressing the importance of country ownership of the poverty reduction strategy. The growing concern for country ownership, including through the involvement of civil society, is intended to reduce the risk of slippages

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<sup>4</sup> We define the civil service in the Weberian sense as the professional apparatus that the executive branch of government has at its disposal to implement its policies. We acknowledge, however, the tension that exists between line ministries and other entities over resources in the execution of strategies, as well as the friction that may arise between ministers and their civil servants as professional technocrats.

in implementation as the countries themselves take greater responsibility.

In this context, the actual formulation of the national poverty reduction strategy processes may provide some insights as to their prospects of success. It is noteworthy, however, that the above IMF quotation stops short of addressing domestic power relationships, which are likely to bear as much on policy-formulation and implementation as those between the international donor community and the HIPC countries.

It is a moot point whether the departure from previous conditionality represents a genuine concern with poverty reduction on the part of the International Finance Institutions (IFIs) but it is beyond the scope of this chapter to attempt a judgement in that regard. It will suffice for the purpose of this chapter to say that the PRSP approach offered, at least potentially and in some measure, an opportunity for changing the asymmetrical power relationship between the international donor community and poor recipient countries such as Malawi and Zambia. Whether this has in fact transpired is a matter for empirical investigation during the implementation phase. It would also involve an assessment of institutional change to enable Malawian and Zambian authorities to implement poverty reduction policies on a sustainable basis and to carry out programmes with attendant monitoring and evaluation systems to ascertain impact. In effect, this would mean the mainstreaming of poverty reduction efforts.

## Part II: The PRSP process in Malawi<sup>5</sup>

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Poverty in Malawi is pervasive, deep and severe. The 1998 Integrated Household Survey found that 65 per cent of the population could be classified as poor, while 29 per cent were extremely poor. The richest 20 per cent consumed 46 per cent of the total goods and services, while the poorest 20 per cent consumed only 6 per cent. As a good proxy indicator of poverty, life expectancy at birth has dropped from 43 years in 1996 to 39 years in 2000, largely due to the HIV/AIDS pandemic. Limited access to land, low educational levels, poor health status, limited off-farm employment and lack of access to credit are seen as the principal causes of poverty (Government of Malawi 2002). It should be pointed out, however, that some of these causes are also consequences of poverty, e.g. poor education and ill health.

The economy of Malawi is based on agriculture, which has constituted about one-third of GDP throughout the 1990s, of which three-quarters is produced by smallholders. Manufacturing and mining account for 17 per cent on average and services 27 per cent of GDP. The bulk of exports, some 85 per cent, are made up of agricultural produce, of which tobacco alone accounted for 63 per cent in the 1997–2000 period. The gap between public revenue and expenditure is financed by donor grants and lending, externally and domestically. As a result, Malawi is very aid-dependent and has accumulated huge debts. A debt sustainability study undertaken in 2000 showed a debt service ratio at 19 per cent as compared to the sustainable threshold of 15 per cent; the net present value of debt to exports ratio stood at 267 per cent against the sustainable threshold of 150 per cent; and the net present value of debt to domestic revenue at 472 per cent compared to the threshold of 250 per cent. As a result, in December 2000 the IMF and the World Bank found Malawi eligible for debt relief under the HIPC Initiative (Mkandawire 2001:2–3). The World Bank is the largest creditor, accounting for nearly three-quarters of multilateral debt, while Japan is the largest bilateral creditor, holding about 85 per cent of the country's debt to the Paris Club. Commercial debt is only about 2 per cent. This debt structure means that Malawi stands to gain greatly from the HIPC Initiative when embarking on PRSP implementation (Jenkins and Tsoka 2003:199). Over 20 years the debt relief accruing to Malawi will be in the region of USD 1 billion. In the 2001/2002 fiscal year Malawi was due to receive MWK 4.7 billion, equivalent to 3.5 per cent of GDP and 11 per cent of total government expenditure (NEC 2001:10).

Poverty-reducing policies were not entirely new to Malawi when the PRSP concept was introduced. But they had previously centred on safety nets to ameliorate the situation for the poorest, i.e. palliative measures which failed to address the root causes of poverty. After the transition to multi-party democracy in 1994 the government embarked on the Poverty Alleviation Programme (PAP). For that purpose a Technical Working Committee was formed and a Poverty Alleviation Programme Co-ordinating Unit established in the then Ministry of Economic Planning and Development. However, the PAP suffered from the absence of an action plan, poor prioritisation and inadequate linkages to the budget (Government of Malawi 2000: 6). Its main

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<sup>5</sup> The Malawian part of the study was undertaken by Arne Tostensen and Maxton Tsoka. They interviewed a range of stakeholders in January-February 2003. Supplementary information was extracted from written documents (see list of references)

achievement was the identification of poor groups and the formulation of pro-poor policies (Jenkins and Tsoka 2003:199).

Between 1996 and 1998 Malawi also went through a broad nationwide consultative process which produced a document called Malawi Vision 2020 (National Economic Council 2000).<sup>6</sup> It was an exercise of ‘the-Malawi-we-want’ type, eliciting long-term perspectives on the kind of society the citizenry wanted Malawi to become in 2020. As its name suggests it was just a vision, not a plan or a strategy for how to get there. It only listed objectives without specifying the instruments and resources needed to achieve them. As such it differed from the PRSP process, although partly overlapping in substance. Similar to the PAP it was not followed up with concrete measures. The PAP and Malawi Vision 2020 experiences and documents were fresh in the minds of policy-makers at the time when the PRSP process was launched. Despite the fact that those precedents were sometimes referred to as ‘source documents’ they only indirectly influenced the thinking surrounding the PRSP.

By the time the PRSP process started, the broad consultation processes associated with the Malawi Vision 2020 document had created a perception in some policy-making circles that the people had been consulted enough and might suffer from ‘consultation fatigue’. Reflected and articulated at the NGO level, people at the grassroots were thought to have become weary of being asked repeatedly about their needs and preferences, without seeing tangible improvement in their lives as a consequence. Therefore, a certain despondency or cynicism had spread that may have impacted adversely on the PRSP process and caused reticence on the part of policy-makers towards deeper participation. More seriously, the fact that the PAP and Malawi Vision 2020 had proved virtually empty exercises as seen from the point of view of the poor had cast grave doubt on the government’s ability or willingness to address the pervasive poverty problem in the country.

At any rate, the incentive for the government – in terms of anticipated debt relief – to embark on the PRSP process was evidently so strong that strenuous efforts were mobilised. Dissimilar to the PAP and Malawi Vision 2020 antecedents, the PRSP involved fully-fledged strategising with costing of priority projects and tangible outcomes to be monitored and evaluated down the line. As such it was a novelty because emphasis was given to budget allocations reflecting concrete action in addition to policy changes in a pro-poor direction. This new approach has made budget tracking possible as part of the monitoring and evaluation system.

## **Institutional superstructure**

At the outset, it was clear that the PRSP process would be owned by the government of Malawi as befitting a representative liberal democracy. Still, since multi-party democracy was only beginning to take hold in the country, in opposition to the autocratic legacy of the Banda era, broad extra-parliamentary consultation and participation were deemed necessary not only by the government but also by the

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<sup>6</sup> The Vision 2020 exercise was undertaken under the auspices of the National Economic Council with funding from UNDP and Danida.

Bretton Woods institutions.<sup>7</sup> The importance of the expected policy set and its comprehensive nature underlined the need for participation across a wide range of stakeholders.

Once in place, the official structure of the Malawian PRSP process involved four tiers:

1. At the apex was the Ministerial Committee which consisted of representatives of six ministries, chaired by the Minister of Agriculture, although the Minister of Finance played a dominant role. In addition, the Reserve Bank of Malawi (the central bank) was represented;
2. One tier down, the National Steering Committee (NSC) comprised the principal secretaries of all ministries, the manager of the central bank, plus representatives of the Treasury and the National Economic Council (NEC). The chair was held by the Secretary to the Treasury. The NSC also included the National Co-ordinator – a Malawian national – who was on secondment from the World Bank office in Lilongwe although he had been seconded before the PRSP process started. His primary role was the co-ordination of activity at all tiers;
3. At the third tier, the Technical Committee (TC), chaired by the NEC, played a pivotal role in the actual management and oversight of the PRSP process;
4. The fourth tier was made up of Thematic Working Groups (TWGs) of which there were 21. They included representatives from government, civil society, the private sector, and donors. The TWGs constituted the main arenas for participation in substantive discussions. Their reports were fed into the work of the Technical Committees and the drafting team. The latter originally consisted of government representatives only and an IMF consultant, but after civil society lobbying, non-government members were added (Nyirenda 2002:13).

An issues paper was circulated by the government at the start of the process (Government of Malawi 2000). After completion of the singularly non-participatory interim PRSP process the government was in a hurry to secure the release of HIPC money and hoped the full PRSP process could be carried through in just three months. Instead, it took 18 months, largely due to the insistence by civil society that thorough consultation required a long time horizon to be meaningful.

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<sup>7</sup> One informant dismissively used the term ‘coercive participation’ to denote a situation in which people are brought together to discuss items on an agenda set by others. Although there might have been an element of this in the PRSP process, it cannot be said to characterise it. Most participants took part voluntarily and eagerly, and even challenged the agenda.

**Table 1: Chronology of the PRSP Process in Malawi**

Date	Activity
October 2000	Issuance of Issues Paper by the Technical Committee (TC)
December 2000	Malawi reaches the decision point under the enhanced HIPC Initiative
January 2001	Official launch of PRSP process
January 2001	Launch of Thematic Working Groups (TWGs) at the Malawi Institute of Management. Clarification of roles and discussion of terms of reference
February 2001	District consultations in all 27 districts, facilitated by the TC and some TWG members
April 2001	Circulation of first PRSP draft
May 2001	Workshops for comments on first draft by TC, experts, civil society and TWGs, and charting of the way forward
May 2001	Stakeholders' meeting on draft PRSP document
July 2001	Sharing of TWG costing experience and addressing problems
August 2001	Status reports by TWGs and charting the way forward
September 2001	Media campaign
October 2001	Workshop for comments on first draft by private sector, traditional authorities, councillors, donors, and civil society
October 2001	Comments on first draft by Members of Parliament
November-December 2001	Finalisation of third draft by drafting team
December 2001	Discussion of third draft by Principal Secretaries
January 2002	Discussion of comments by donors, based on written submissions
March 2002	Cabinet discussion of PRSP document
March 2002	Submission of final civil society comments, co-ordinated by MEJN
April 2002	Final draft completed, printed and circulated
April 2002	National launch of PRSP document

### *Pillars, sectors and cross-cutting issues*

Malawi's PRSP is built around four pillars: sustainable pro-poor economic growth and structural transformation; human capital development; quality of life for the vulnerable; and good governance. These pillars are the main strategic elements around which interventions and policies are grouped into a coherent framework for poverty reduction.

The first pillar on sustainable pro-poor economic growth singles out agriculture as the most important source of growth, although diversification of the economy into micro, small, and medium-sized enterprises in natural resources processing, manufacturing, tourism and small-scale mining also forms part of the growth strategy. For growth to be achievable attention is given to physical infrastructure (roads and transport, water supply, rural electrification and telecommunications); trade and investment arrangements; as well as a review of the taxation regime. This pillar stresses sound

macro-economic policies and stability as a precondition for private sector development and economic growth.

The human capital development pillar focuses on the educational sector at all levels but particularly primary education. Technical, entrepreneurial and vocational education and training was given special attention. Complementary to education, health care is considered essential for human capital to be productive, emphasising the provision of an essential health package for all.

The third pillar recognises that, regardless of achievements stemming from the first and second pillars, some sections of the poor need special assistance to improve their quality of life. The means are various safety nets: targeted inputs programmes; public works programmes; targeted nutrition programmes; and disaster relief. The sustainability of this pillar is said to hinge on good targeting mechanisms.

The fourth pillar addresses governance issues such as popular participation; protection from crime, violence and abuse of state power; improved public expenditure management through better linkages between the PRSP and the budget; elimination of corruption through the establishment of a Malawi Procurement Authority and the strengthening of the Anti-Corruption Bureau.

A number of specific Thematic Working Groups (TWGs) fed the results of their work into the higher tiers of the institutional architecture and contributed substantively to the ongoing discussion of policy options. TWGs were established for the following themes/sectors: agriculture; credit; decentralisation; education; environment and natural resources; governance; health and population; industry; infrastructure; macro-economic stability; nutrition; poverty profile and monitoring; public expenditure management; safety nets; security and justice; taxation; technical, entrepreneurial and vocational education and training.

Apart from the sector-specific TWGs, four cross-cutting issues were also the subject of discussion in separate TWGs: gender relations; the HIV/AIDS pandemic, environmental protection and conservation; and science and technology. Not all these concerns figure equally prominent throughout the PRSP; they tended to be treated as compartmentalised 'sectors' rather than fully integrated throughout the strategy.

Despite the work of the TWG on gender and empowerment, the gender dimension did not run through the first drafts of the PRSP as a cross-cutting issue. There was a tendency for the sector-specific TWGs to refer gender concerns to the TWG thought to be specifically designated for that purpose. Some TWGs had gender expertise among their members (e.g. agriculture) but others had not. As a result, the gender dimension was integrated to varying degrees in the sector chapters. The Ministry of Gender, Youth and Community Services was not pro-active in the process and was not included in the implementation and monitoring committee. Some donors (e.g. CIDA and UNDP) were far more preoccupied with the inclusion of gender concerns than the line ministries. In the end, a rather mechanical procedure was applied to ensure the insertion throughout the document of formulations such as "women and girls and men and boys" to achieve gender-specific references. But most interviewees saw this as mere lip service.



## Representation

### *Civil society involvement*

Initially, civil society organisations (CSOs) assumed a generally sceptical position and in some cases adopted a dismissive attitude, because the government had previously been hesitant to involve civil society in policy-making. They were clearly apprehensive about being co-opted and neutralised. Gradually, however, civil society came to see windows of opportunity and hence got better organised to seize the opportunities in order to provide constructive inputs. Above all, at the initiative of the Catholic Commission for Justice and Peace (CCJP), the Malawi Economic Justice Network (MEJN) was formed in early 2001 as a coalition of CSOs. The CCJP had international links to the Jubilee 2000 campaign on debt relief and could draw on international support and experience. The MEJN comprised 28 member organisations and became a singularly active player in the PRSP process, largely with funding from OXFAM. Other significant coalitions of CSOs involved in the PRSP process included the Civil Society Agriculture Network; the Civil Society Coalition for Quality Basic Education; and the Malawi Health Equity Network. Although only four NGOs had originally been formally invited into the process by the government, by April 2001 altogether 101 CSO representatives took part in TWGs (James 2002:8). The semi-official Council for NGOs in Malawi (CONGOMA), established in 1985 with a current membership of some 300 NGOs, also played a significant role through its membership in the drafting team.

Given Malawi's colonial and authoritarian past it is not surprising that civil society is still comparatively weak, but it has managed to strengthen itself since the democratic opening in the early 1990s (Minnis 1998; Chirwa 2000). It has been the subject of much debate, however, how representative the CSOs really are of the citizens on whose behalf they purport to speak. Many new CSOs have been started by enterprising individuals with a laudable purpose and connections to funding sources, though often without a solid grassroots foundation. Perhaps with the exception of the faith communities, few CSOs in Malawi have a strong membership base. That is not to say that they are totally divorced from the grassroots but there is no way of ascertaining their representativeness in a reliable manner. Even so, if more than a hundred different CSOs have been involved in the PRSP process, it is reasonably safe to conclude that the voices of the citizenry has been heard, not least because the faith communities were so heavily involved.

Even though the representation of the grassroots through various CSOs may have been satisfactory in the PRSP process, it cannot be taken for granted that civil society is a monolithic entity pushing a uniform agenda. Not only do CSOs have dissimilar origins and are different in structure, they also have diverging mandates. Some are single-issue NGOs while others address a broad spectrum of concerns. Notwithstanding this diversity, in the context of the PRSP process civil society appears to have buried their differences and coalesced in common efforts to pull the PRSP document as much in favour of the poor as possible. As one informant put it: "A piano has both black and white keys but together they produce harmony." The prominence of CSO advocacy coalitions in the PRSP process attests to that (James 2002).

James (2002:10–12) draws attention to cultural, social, political and economic factors and practices that militate against participation in Malawian society generally but they pertain particularly to civil society. These factors may have restrained the participatory inclination of people in civil society. He claims that undue respect for authority is pervasive in most traditional settings, leading to submissiveness and reluctance to challenge superiors. Ostensibly, such subservient traditional attitudes were reinforced under British colonial rule and further under Banda's repressive rule which extolled the virtues of unity, obedience, discipline and loyalty. People are still reluctant to speak their minds for fear of reprisals, and to take responsibility because the sacrifice is likely to outweigh the rewards.

Carried over into the political realm, any attempt to criticise (even constructively) or challenge authority (in a benign fashion) could be misconstrued as insubordination, opposition or hostile acts. In this regard, the pre-1994 political culture appears to linger, perhaps even thrive. It is difficult to see how policy dialogue and participation can prosper in such an atmosphere of intolerance. Furthermore, on account of the historical legacy of authoritarianism the majority of Malawians have little knowledge about the operation of a liberal democratic system of governance, especially about the separation of powers between branches of government and the distinction between government and incumbent party. The low educational level at the grassroots and limited analytical skills among NGO staff compound the situation and hamper the development of a forceful stance on policy issues. Combined with a servile attitude, the result might be a tendency to dance to the tune of the donors or other external agents.

The PRSP itself discusses the need for changing the mindsets of the civil service, the general population and the private sector. Such mindsets have created and reinforced patronage systems, a dependency culture and a proclivity on the part of the private sector to blame the government for its trials and tribulations (Government of Malawi 2002:73–74).

Notwithstanding the restraining effect of the above factors, the message conveyed by nearly all interviewees across the board is that civil society organisations, principally through their coalition, MEJN, were able to assert their interests vis-à-vis government and to lobby effectively for them in the TWGs and beyond. The very definition of the PRSP process as participatory at the outset is likely to have countered the subservience allegedly embedded in the political culture of Malawi.

### *Private sector cynicism*

Being preoccupied particularly with economic growth prospects as a precondition for poverty reduction the private sector was involved in the PRSP process through the three TWGs on Industry, Credit, and Macro-economic Stability. Private sector interviewees underscored emphatically the need for leadership change in Malawi at all levels and a departure from the historical legacy of perceiving the state as the ubiquitous provider. In their view, this widespread perception was anathema to private entrepreneurship and creativity, and throttled economic recovery. They also deplored the pervasive 'culture of defaulting' in the country, which made a mockery of credit schemes. It was alleged that people – in all segments of society from the smallest loanee to large companies – would take up loans without the slightest intention of ever

servicing them. Overall, this state of affairs crippled the banking and credit sectors and, in turn, hampered economic growth because of frequent bankruptcies. The PRSP document also laments the poor credit culture and lists a number of underlying causes (Government of Malawi 2002:39).

The private sector was reasonably satisfied with the final PRSP document in terms of the macro-economic framework and the growth prospects deriving from it. Although the Malawian economy is not growing at the moment, the seven per cent growth target in the PRSP was considered achievable if the right things are done as prescribed. However, Malawi's poor implementation record was bemoaned in an almost cynical tone.

### *Modest role for parliament*

Producing a PRSP was above all the responsibility of the government. With the Ministry of Finance and Economic Planning at the helm the government took charge of the process through the civil service. Throughout, the TC – made up of civil servants only – oversaw the process on a daily basis. As another branch of government the national assembly was only marginally involved (Chimango 2002: 11). Indeed, parliament was considered by senior civil servants to belong to the CSO category when the TWGs were composed! A long-serving senior MP lamented that parliamentarians in general were rarely invited to PRSP meetings despite repeated requests. Only about one-third of the MPs took part in the district consultations, which the government considered the main vehicle for parliamentary involvement in the PRSP process. Given the approaching election in May 2004, one would have expected MPs to be keener in making their presence felt in their constituencies on matters so central to the welfare of the voters.

The chairs of some parliamentary committees were members of TWGs: the Agriculture and Irrigation Committee on the Agriculture TWG; the Health and Population Committee on the Health and Population TWG; the Education Committee on the Education TWG; the Transport and Public Works Committee on the Infrastructure TWG; the Budget and Finance and Public Accounts Committees on the Public Expenditure Management TWG. All MPs were invited to comment on an early draft PRSP at a workshop in October 2001. Parliament only approved the PRSP after its completion in mid-2002, based on the rationale that it is the government's prerogative to make policy and parliament's responsibility to approve, amend, or reject it outright.

The modest involvement by parliament in the PRSP formulation process reflects the current subordinate position of the national assembly relative to the executive branch in a presidential system of government such as that of Malawi. By implication, the political parties represented in parliament are also in a weak position. The incumbent party makes extensive use of the civil service for policy elaboration but the opposition parties' capabilities to formulate alternative policies are virtually non-existent. Indirectly, however, parliament holds a key position in the passing of legislation as a follow-up to the PRSP and in the approval of the state budgets that are critical to effective PRSP implementation (Government of Malawi 2002:108). But it is a reactive position. Parliament would probably have been more committed to active follow-up had it been more fully involved in the policy-formulation process at the outset. The

present situation does not augur well for the institutionalisation of poverty-reduction endeavours beyond the one-off PRSP exercise.

### *District consultations*

Beyond the capital city of Lilongwe and other major urban centres consultative meetings were organised by the TC in all of Malawi's 27 districts. Most of them lasted half a day or a full day at most. Allegedly, they were hurriedly summoned and many CSOs did not have enough time to organise travel for their representatives. As a result, attendance was far below what had been anticipated, which undermined the representativeness of consultation. Those in attendance included elected councillors of the District Assemblies; traditional authorities (chiefs); field officers of line ministries; MPs from the relevant constituencies; the police; community leaders; and CSOs from the area, especially from faith communities who tended to be grassroots orientated. Some interviewees felt that the discussion only rubberstamped views from the centre, whereas others said the debate was lively and addressed real issues. Either could be true, depending on the locality.

### *Donors' posture*

With the exception of IMF and the World Bank, of course, most donors had been kept in the dark in the preparation of the interim PRSP (i-PRSP) which was an exclusive government affair. They seemed set, however, to get more involved in the PRSP process proper and the Malawian government considered them stakeholders with legitimate roles to play in the technical working groups (TWG). After all, Malawi's aid dependence put the donors in a strong position. In view of their insistence on Malawian 'national ownership' as a key feature of the PRSP process, one would expect the donors to be reticent. Most of them appear to have been so even though they participated in the TWGs. This ambivalence characterised the donor community throughout the process. On the one hand, they were committed to keeping their hands off in the interest of national ownership but, on the other, they were somewhat apprehensive that the policy outcome would not meet the expectations of the Bretton Woods institutions. For instance, after the first draft was circulated to all stakeholders, many donors, including IMF and the World Bank, submitted substantial written comments (Jenkins and Tsoka 2003:204).

The donor community in Malawi is organised in an aid co-ordination group, chaired alternately by UNDP and the World Bank. It meets monthly. Through this forum donor representatives were deployed to specific technical working groups to secure wide coverage. PRSP issues were often on the agenda as monitoring items. The donors felt that the prioritisation between sectors and objectives was too lax; all interested parties cried out for solutions to *their* particular problems and demanded resources to those ends. Moreover, complaints were often made that inputs from the various TWG did not filter through to the TC, especially in relation to the first PRSP draft.

A special case of heavy donor involvement – contrary to the reticent posture that national ownership would have dictated – concerned the overall macro-economic framework, on which the first and second PRSP drafts had no section at all. The TWG on these issues met only once. To remedy this anomaly, a small group of professionals

were brought in late in the process to form a task force to ensure that a macro-economic section was included in the third draft. There was a widespread perception that the macro-economic framework was largely 'received' from the Bretton Woods institutions, adapted, in effect, from the iPRSP and the Medium-Term Expenditure Framework with some modification. Some interviewees claimed that Malawians are good at anticipating donor responses and adjusting accordingly. Hence, they considered it inconceivable that the macro-economic framework would depart appreciably from the precepts of IMF and the World Bank. It is a moot point, however, whether the fundamentals of macro-economic management by now reflect an international consensus, despite nuances stemming from adaptations to specific national circumstances. There are indications that an epistemic community has formed as far as the basics of macro-economic management are concerned, as expressed through the Economics Association of Malawi (ECAMA), which comprises virtually all economists in the country.

## Part III: The Zambian PRSP Process<sup>8</sup>

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Economic development indicators for Zambia provide alarming figures. The *Zambia Human Development Report 1999/2000* states that Zambia is the only country in the world for which data on the human development index is available with lower human development indicators in 1997 than in 1975 (UNDP 2001:1).<sup>9</sup> Overall poverty was in 1998 measured at 72.9 per cent, with extreme poverty having risen to 57.9 per cent (UNDP 2001). Poverty in Zambia is multifaceted. Nevertheless, poor economic governance, revealed by spending priorities not conducive to development, increasing corruption, and unaccountable budgetary procedures on the part of the executive branch of government, are raised as major explanatory factors by both Zambian citizens and the international donor community.

The process of formulating the Zambian PRSP started in December 2000 when Zambia reached the HIPC decision point. The final PRSP document was completed in May 2002 and approved by the IFIs in the same month. In September it was officially adopted as a Transitional National Development Plan 2002–2005. But it was not submitted to parliament for approval before being sent to the IMF and the World Bank.

The chronology lists the steps in the official PRSP process. In addition, there were other events, and in the follow-up of the official launch of the document several steps remained before it was ready for implementation. In mid-June 2002, the Friedrich Ebert Stiftung (FES) organised a regional conference for parliamentarians on the PRSP processes, and later in the autumn of 2002 the Ministry of Finance and National Planning (MoF) organised a meeting for all parliamentarians on the document. Plans have also been made to convene quarterly meetings between the ministry and the civil society sector during the implementation phase. Civil society has committed itself to monitoring the implementation of the PRSP from start to finish in order to hold the government to account.

The timing and organisation of the PRSP process was hardly of Zambia's own choosing, but tied to the country's negotiations over debt relief with the IFIs. The chronology above reflects the expectation of the initiators of the process and the way in which the process was organised in Zambia is contained in the specifications that the World Bank and IMF had stipulated in the 1999 terms of reference for preparing PRSPs. The timing of the PRSP process, however, coincided with the electoral cycle in Zambia. This, and the deadline for the process, affected the participation of various groups and the quality as well as depth of the PRSP.

A further challenge was to mobilise the necessary resources to facilitate a bottom-up process that would create local ownership of the final plan. As it turned out, the

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<sup>8</sup> The Zambian country case study was carried out by Edgar Bwalya, Lise Rakner and Lars Svåsand. This section is based on information gathered through key informant interviews with participants and observers of the Zambian PRSP process as well as written documentation (see reference list). The fieldwork was undertaken in October–November 2002.

<sup>9</sup> The Human Development Index is a measurement of average achievements in long and healthy life, education and decent standards of living, developed by the UNDP.

international community – bilateral and multilateral donors alike – covered approximately 60 per cent of the costs, with the balance covered by the national government.

**Table 2: Chronology of the PRSP process in Zambia**

Date	Activity
December 2000	Zambia reaches the decision point under the HIPC Initiative
March 2000	Start of preparing an interim strategy (referred to as the i-PSPR)
May 2000	Sensitisation workshop for government officials on the PRSP process
June 2000	i-PSPR submitted to World Bank and accepted as background for the PRSP proper
June/July 2000	Submissions invited from the general public in the media, submissions summarised and included in the draft PRSP
August 2000	General stakeholders' workshop, targeting wider civil society, political parties, the churches, academia, government officials, local and international experts
August 2000	Thematic working groups defined
November 2000	Consultation with cabinet ministers and chairmen of parliamentary committees and provincial deputy ministers
Jan-Feb 2001	Working groups present zero drafts
March 2001	Seminar for all working groups
April-May 2001	Provincial consultations. Attended by traditional leaders, private sector, Government departments, NGOs, the church from all districts and provincial level. Draft circulated for comments
October 2001	National summit. Convened following finalisation of draft PRSP, including participation from the provinces
November 2001	Summit on Poverty Reduction held for stakeholders to review the PRSP
March 2002	Workshop for chairpersons of working groups and authors of cross-cutting issues papers to discuss second draft
April 2002	PRSP draft approved by Cabinet
May 2002	PRSP submitted to and approved by the IMF and the World Bank
September 2002	PRSP transformed into a Transitional National Development Plan 2002–2005

## Organisation of the PRSP process

The interim PRSP was prepared exclusively by the Ministry of Finance. The time constraint imposed by the IMF and the World Bank did not allow for an extensive participatory process. However, actors in civil society, particularly the Jesuit Center for Theological Reflection, were aware of the upcoming process and contacted the Ministry of Finance in order to be included.

A critical juncture in the process was the stakeholders' meeting in August 2000. Its main outcome was the identification of the Thematic Working Groups (TWGs) and the organisation of these groups. Eight TWGs were organised: Macro-economic issues; agriculture; tourism; mining; industry; education; health; and governance. In addition

to the thematic working groups, cross-cutting issues (such as HIV/AIDS; gender; environment and natural resources; transport, communications and roads; water and sanitation; and energy) were addressed in commissioned papers by experts within as well as outside of the ministries.

Each working groups had 10–12 members selected by the Ministry of Finance. In the case of civil society representatives, however, the ministry confined itself to identifying which organisations should be on the committees; it was up to each organisation to identify the particular person to represent them. The allocation of organisations to the working groups depended on their social profile. The chairs of the various working groups were government officers, as were the secretaries and a consultant employed by the Ministry of Finance. The consultant assisted the chairs and reported to the PRSP co-ordinator in the ministry. For each working group the Ministry of Finance had developed Terms of Reference that served as guidelines for its work.

## Representation in the process

The central actor in the process was the Ministry of Finance which was charged with the co-ordinating responsibility for the document, decided on the thematic groups, selected the participants, developed ToRs, provided the secretariat, drafted the integrated document, organised the national conference, and prepared the final plan. The selection of the eight themes for the various working groups was made by Ministry of Finance and reflected the ministry's concerns with economic growth as the most important factor in terms of poverty reduction. This identification of certain issues is likely to have impacted on who participated and also on the final document. It is likely that issues assigned 'their own' thematic working group would stand a better chance in being analysed in detail compared to the cross-cutting issues. For example, one critic of the process dismissed the way in which the PRSP plan dealt with gender issues. By defining gender as a cross-cutting issue, it was marginalised and reduced to a 'technical issue' – something to be included but requiring no in-depth analysis. Whether this actually led to marginalisation requires an analysis of the content of the PRSP plan, which is beyond the scope of this report, but similar claims could also be made about the other cross-cutting issues.

The eight working groups did not function equally well. In some groups participation varied between the members. The Civil Society for Poverty Reduction (CSPR) coalition (see below) claimed that in some cases 'their' representatives neglected to attend meetings. Some groups submitted inconsistent reports, which left the Ministry of Finance with a freer hand in handling their concerns in the integrated drafts. Subsequently, at the national conference in October 2002 some TWGs claimed that their views were not properly represented. Whether this was due to incoherent reporting on their part or biased interpretation by the Ministry of Finance is impossible to judge, but it underlines the central role of the ministry in the process. By contrast, the working group on tourism was very pleased by the way in which its recommendations had been incorporated into the plan. A representative from this TWG argued that the tourism group consisted of participants who shared a common understanding of the problems facing the sector and how an improvement of its performance could address poverty issues. Its members were committed to the issues.



## *District consultations*

In April/May 2001 the various working groups took the PRSP process to the provinces. Each group was assigned one or two of the nine provinces in Zambia. In some cases, a working group would for this purpose also include a member from another working group in order to bridge the thematic separation of various groups. Prior to the province tours, the provincial administrators had been asked to select representatives who included the traditional leaders, civil society within the province, elected and governmental office holders and business leaders who would meet with the working groups to voice their views on the poverty issues.

Following the provincial consultations the working groups presented their documents to the Ministry of Finance which prepared an integrated plan. This was discussed at a national conference in October 2001, with participation by provincial representatives. The deliberations at this conference provided the input to the final draft of the PRSP, which was subsequently submitted to the Cabinet and approved by IMF and the World Bank in May 2002.

To what extent the tour of the provinces contributed to the grassroots orientation of the process depended to some extent on the selection of the participants at this level. The province secretaries selected the participants for this part of the process. They were instructed to include various types of representatives (as specified in the chronology in Table 2 above), but to what extent representation varied across provinces is not possible to ascertain. Nor do we know whether participation in the province meetings was dominated by the working group approach to the process or by the active contribution of the delegates. It would to a great extent depend on the level of information that each delegate had about the process. There was no particular media campaign for the PRSP. Poverty issues had been the centre of attention in most speeches and public statements by government officials during the autumn of 1999, but this fact was not linked to the PRSP as such. In the aftermath of the PRSP process a frequently heard criticism has been that there was too little sensitisation about the issues. To the extent that this is correct, it may have adversely affected the ability of province representatives to contribute to the process.

## *The role of civil society*

A central concern in the PRSP process was to ensure its linkage to the 'grassroots' and to avoid developing a plan primarily from the central authorities' perspective. The involvement of civil society and the province tours were the instruments by which these concerns were accommodated. Civil society organisations were well aware of the significance of the PRSP. In advance of the process, 90 organisations, under the leadership of the Jesuit Centre for Theological Reflection (JCTR), joined an umbrella group of NGOs which called itself Civil Society for Poverty Reduction (CSPR), with a steering committee of representatives from 25 of its constituent members. These included churches, trade unions, academics, the women's movement, youth groups and micro-finance bodies. The CSPR members were not themselves represented in the working groups but its steering committee acted, through a permanent sub-committee of five CSOs (the Task Force) as an important link to the different organisations serving on the various working groups. Although civil society was integrated into the process, it remained sceptical. As a result, the CSPR organised its own 'shadow' PSPR

process parallel to the official one, including a limited number of hearings in four of the poorest provinces. The motivation behind this 'shadow' process was suspicion that the civil service would dominate over other participants in the official process. The CSPR wanted to widen the consultative process because it felt that the government's approach to the PRSP dealt inadequately with major themes. The CSPR launched its own report in July 2001, entitled *A PRSP for Zambia – A Civil Society Perspective*. According to the CSPR, the official PRSP overlapped considerably with its own recommendation, a view shared by the MoF.

### *The role of the donors*

Each working group had at least one representative from the donor community. They took an active part in the process, for instance by hiring experts, except in the macro-economic group where the IMF simply followed the unfolding process in an unobtrusive fashion. When setting up the working groups the MoF made a deliberate effort to include the donors. It was seen as a pre-emptive move against potential criticism after the PRSP had been finalised. It is also worth noting that after the government had explained the important role of donors in the process, there was very little resistance from members of the working groups to include them.

### **The political context of the PRSP**

The PRSP process took place in a particular context that may have had its own independent effect. The Movement for Multiparty Democracy (MMD) government that had been re-elected in 1996 approached the end of its term in 2001. The constitution specified that the incumbent president could not be re-elected as he had already served two full terms. Yet, in spite of this rule, at the end of 2000 and in the early months of 2001 President Chiluba started a campaign with a view to changing the constitution to allow him to run for a third term. The issue polarised the Zambian polity and pitted supporters of Chiluba against opponents of the third term – within as well as outside of the incumbent MMD party. During the process, the MMD split as a number of Chiluba's opponents left the party or were kicked out. The fragmentation of the MMD had started already a few years after the first electoral victory in 1991 but was further nurtured by the third term issue. As the elections drew closer, several new parties were formed by politicians intending to run for the presidency. When the elections were finally held on 27 December 2001 the voters had eleven presidential candidates to choose between and in many constituencies almost as many parliamentary candidates. The electoral campaign was dominated by personality issues, with claims and counter-claims as to who would be the most competent candidate to fill the presidency. Policy issues played a less central role, although the MMD emphasised that most of its electoral pledges had been fulfilled while the opposition pointed to the many failures, particularly the declining economic trend during the MMD's two terms of office. The electoral atmosphere was venomous owing to claims of rigging and government interference in the campaign and the exploitation of government resources in favour of the incumbent party.

It is important to place the PRSP process within this evolving political context. From the outset parliamentarians and political parties were intended to take part in the PRSP process. The ambition of the workshop in November 2000 for the ministers and chairs

of the parliamentary committees was “... to avail the political leaders, very early in the process, the opportunity of presenting their views and ideas on PRSP rather than them waiting to comment later on a completed PRSP.”<sup>10</sup> But because the PRSP process coincided with the debacle over the third term issue and the subsequent electoral campaign, parties and candidates were conspicuous by their absence from the PRSP debate. From the start of the process the print and electronic media had covered the issues by attending the workshops and conferences, but as the agenda became dominated by the upcoming elections, the PRSP issues disappeared from the public debate.

To speak of the involvement of *parties* would be misleading as some parties (FDD, HP, PF)<sup>11</sup> were formed so close to the elections that they did not even exist when the PRSP process started. The former state-carrying party, UNIP, had boycotted the 1996 elections because its presidential candidate, Kenneth Kaunda, had been barred from running after a constitutional change had made him ineligible. The United Party for National Development (UPND) was formed in December 1998 and had gained six seats through by-elections by December 2001. However, neither the UPND leadership, nor its MPs were involved in the formulation of the PRSP. When the PRSP process started, the perception among the opposition parties may have been that this was an MMD initiative. The MoF was concerned that this might be the predominant interpretation and was intent, therefore, upon preventing the process from becoming a partisan affair. This attitude on the part of the MoF:

made it difficult to effectively consult with the political leadership and therefore some decisions could not be made and this contributed to the delay in the completion of the PRSP. It was also difficult in the sense that being an election year, it meant there was a general fear that a misunderstanding was likely to emerge and perceive the PRSP as a political platform for political parties to gain unnecessary mileage. So it made it difficult to invite parties to the PRSP conferences (Mulungushi 2002:3).

This concern was also conveyed to the province secretaries. There was also a real possibility that the elections would lead to a change of government. What would the reaction of a new government be to the PRSP document completed under the MMD regime? The MoF representative co-ordinating the PRSP formulation process presented the government’s view very clearly on this matter:

Politicians were deliberately excluded [from the PRSP discussions]. We reflected on whether the parties should be put in. But due to the political circumstances and the elections looming, we thought it safer to remove the political parties from this process. Our fear was that the PRSP would become politicised and branded an ‘MMD document’, what would then have been the status of the document given that the elections produced a new government?<sup>12</sup>

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<sup>10</sup> PRSP conceptual framework for media setting. Document supplied by the MoF, 14 October 2002.

<sup>11</sup> FDD: Forum for Democracy and Development; HP: Heritage Party; PF: Patriotic Front

<sup>12</sup> Interview with S. Musokotwane, advisor and co-ordinator of the PRSP process, Ministry of Finance and National Planning,

Yet, the marginalisation of the parties and the MPs in the process cannot be understood solely as the result of the MoF's concern. The MoF did organise a separate workshop for the cabinet ministers and MPs, albeit with little participation.<sup>13</sup> Parliamentary candidates may have had difficulties in identifying what the particular implications of the PRSP would be for their own constituencies. Thus, when the national conference to discuss the first draft of the PRSP plan was held in October 2001, the presidential candidates were primarily preoccupied with drumming up support for themselves, and the candidates for parliament with fighting within their parties for the right to run as their party's nominee. In the aftermath of the elections, parties and MPs have continued to play a marginal role. This is due to several factors. The elections themselves were controversial. Three of the losing presidential candidates challenged the fairness of the elections and asked for their annulment by the courts, and 43 losing parliamentary candidates petitioned the courts to overturn the results in their constituencies. In addition, three-fourths of the MPs were new, which means that there was limited political experience carried over from the previous parliament. The senior players in Zambian politics, therefore, focused much of their attention on elections well into the new term. Moreover, several of the newly formed parties were in disarray, suffering from defections to the MMD. The estrangement of politicians from the PRSP exercise was illustrated by the poor attendance at a conference on the PRSP process in June 2002 in Lusaka, sponsored by the Friedrich Ebert Stiftung. The target group was members of parliament in East African countries and all the 150 members of the Zambian parliament had been invited. However, only four Zambian MPs showed up. According to one informant, this was the first time they had heard of the PRSP process.

### **The Zambian PRSP: a partnership between civil service, civil society and donors**

In summary, the case of Zambia proved largely incorrect the negative prediction by the Economist Intelligence Unit (EIU) Country Report from October 2000: "The PRSP formulation process has to include representatives of civil society, which makes it likely that the process will turn into a battleground between the government and civil society groups as the elections draw nearer" (EIU 2000:9). First of all, the participatory nature of the Zambian PRSP process was probably more pronounced and influential than the donor community had foreseen. Zambia's civil society was integrated into the process, partly because of its own organisational strategy but also because the MoF<sup>14</sup> saw civil society as a valuable partner. Due to their active participation in the working groups and the successful merger of the civil society 'shadow process' with the final PRSP document, Zambian civil society may have been more influential in the formulation process than what has been the case in other sub-Saharan African PRSP processes. From our observations, the PRSP process seems to have created a partnership between the civil service and Zambian civil society. The ability to align the interests of the civil service and civil society in terms of overarching development goals may augur well for the PRSP implementation process. However, the virtual absence of the political parties

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<sup>13</sup> The Ministry of Finance invited 158 parliamentarians and cabinet members to a conference in early June 2002. However, the turnout was very limited.

<sup>14</sup> In mid-2001, the Ministry of Finance changed its name to the Ministry of Finance and National Planning (MFNP).

and parliamentarians in the PRSP formulation process is a source of concern. As the PRSP formulation process coincided with the 2001 electoral campaign, there were valid reasons why the Ministries of Foreign Affairs and Finance alike wanted to avoid the 'politicisation' of these important development debates. However, lack of 'ownership' by the political class may prove to be a serious obstacle in terms of the implementation of this important document.

## Part IV: Comparative perspectives on the Malawian and Zambian PRSPs processes

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Both the Zambian and Malawian country cases indicate that the ‘national ownership’ of the final PRSP documents was considerable. In the case of Zambia, respondents across the board from civil society, government and the donor community communicated a common perspective suggesting that the process was anchored in Zambia and that the donors played a constructive, but secondary role. Similarly, in Malawi the fact that participation by civil society was largely funded by foreign sources was not deemed to have compromised their involvement. Most interviewees insisted that they did not heed any strings that might have been attached to external funding. Nor did donor participation in the working groups in either country appear to have diluted ‘national ownership’, with the exception of the macro-economic framework in the case of Malawi.

It is hard to assess, however, the real influence of various stakeholders on the substance of the various chapters of the final PRSPs. In other words, to what extent was participation tantamount to a form of co-optation that meant nothing of substance? An answer to that question would depend on the definition of participation. Sometimes that term is used interchangeably with consultation. We consider the latter a more superficial form of engagement with non-state actors because it tends to be reactive without deep involvement. By contrast, participation entails more pro-active and symmetrical relationships with other stakeholders. As a result, the chances of real influence on substantive policy issues would be greater. In the case of Malawi, the degree of participation in the PRSP process stopped far short of joint decision-making on a par with the top layers of the civil service and the political leadership. For some Malawian stakeholders there were inadequacies and missed opportunities in the work of the TWGs because their representatives did not have an adequate grasp of the issues involved, leading, in turn, to uneven input. By contrast, the fact that the Zambian government’s PRSP document was amalgamated with that produced by civil society, suggests a decision-making process that went relatively far in terms of including actors outside government in the formulation of poverty-reducing policies.

By revisiting the ownership dimensions enumerated in the introduction we should be able to make some inferences with regard to national ownership. *First*, it is evident that the initiation locus of the PRSP process was not in Malawi or Zambia but rather in the headquarters of the Bretton Woods institutions in Washington D.C. There can be no doubt that the impetus to the process of formulating poverty reduction strategy papers in both Malawi and Zambia came from the international donor community. The debt relief process, of which PRSP is an integral part, determined the timing and set the time frame for the PRSP process. In Zambia, the timing became particularly significant as it coincided with a heated constitutional debate and the 2001 election campaign. The emerging consensus in the donor community in general about macro-economic management and poverty reduction further removed the initiative from Malawian and Zambian sources.

*Second*, with respect to the technical dimension, the policy-makers in government and the civil service appear convinced of the soundness of the PRSP document and technically committed to its implementation in both Zambia and Malawi. The same applies to civil society, with few exceptions. Thus, the technical design of the PRSP pulls in the direction of 'national ownership'. It is significant to note, however, that in both countries, the position of parliament appears marginal or equivocal at best.

*Third*, the political dimension is likely to be decisive. In the case of Malawi, if the previous record from the Poverty Alleviation Programme (PAP) and Malawi Vision 2020 exercises is anything to go by, the prospect for wholehearted support from the political establishment is in doubt. This is inauspicious since the PRSP process is essentially political. The successful implementation of this important policy document ultimately depends on the operation of the political system and its commitment to change. In the Zambian case, party politicisation was shunned and as a result, both parties and parliamentarians were excluded or excluded themselves from the formulation process. This created an imbalance in the process that may impede the implementation process as the support from the political establishment is in question.

*Fourth*, notwithstanding the external impetus and the wavering commitment from the top echelons of the political system, the participatory nature of the PRSP processes in the two countries has underpinned the legitimacy of the final policy documents. Participation in the Zambian process was probably deeper and more influential than the donor community had foreseen. Zambia's civil society was deeply involved in the process, partly because of its own organisational strategy but also because the MoF saw civil society as a valuable partner. Owing to their active participation in the working groups and the successful 'merger' of the civil society 'shadow document' with the final official PRSP document, Zambian civil society appears to have been more influential in the formulation process than what has been the case elsewhere in sub-Saharan Africa. Due to its comparatively weaker position Malawian civil society was perhaps less influential although the formation of several civil society coalitions no doubt enhanced their impact. Moreover, several interviewees in both Malawi and Zambia emphasised that the PRSP is a living document subject to amendment through a continuous political process. Parts of civil society seem committed to systematic monitoring and participatory auditing of the implementation phase. However, the actual outcome in terms of improvement in the quality of life for the ordinary citizens will determine the long-term legitimacy of the PRSP endeavour. Since financial inputs are required from foreign sources the international donor community share responsibility for the ultimate outcome.

*Fifth*, with regard to institutionalisation and mainstreaming of poverty reduction measures the litmus test is public sector reform. Past performance will simply not do but the inertia of an entrenched bureaucracy is difficult to break, and the neo-patrimonial power relationships difficult to change.

## **A reconfiguring of power relationships stemming from the PRSP process?**

Referring back to the 'molecular' model of the public policy arena, some findings may be highlighted. Among the core state institutions there is no doubt that the Ministries

of Finance in the two countries were firmly at the helm throughout the process and asserted their views in a decisive manner. The line ministries played a lesser role, although to varying degrees. Since some elements of the PRSPs were considered key instruments in poverty reduction, the corresponding line ministries, e.g. agriculture and education, occupied a comparatively more important place than other line ministries.

As far as the state corner of the triangle is concerned, it cannot be substantiated that a reconfiguration of power relationships has occurred as a result of the PRSP process, neither in Malawi nor in Zambia. Rather, the Ministries of Finance reasserted their authority and steered the processes to their completion without serious challenge from other state actors. Among the three branches of government the executives worked through the respective civil services to make their imprint. The marginal position of the legislatures in presidential political systems appears to have been reinforced by the PRSP process. In Zambia, the coincidence of the PRSP process and the 2001 electoral campaign only strengthened the executive further. Finally, the judiciary was virtually absent in the PRSP processes in both countries.

Similarly, the donor corner of the triangle saw few fundamental changes in power relationships. Although keeping in the background the Bretton Woods institutions were clearly in charge, mainly by virtue of their administration and funding of the HIPC Initiative and their generally dominant position in the donor community. Among the bilaterals some were more active than others, depending on their sector-specific foci, but no fundamental power shifts could be detected. In both countries the PRSP process reconfirmed the *status quo* of power relationships within the donor community.

By contrast, within the civil society camp some reconfiguration occurred, above all through the formation of coalitions in order to pool resources and increase their impact on policy. The pivotal role played by Malawi Economic Justice Network (MEJN) in Malawi and the Civil Society for Poverty Reduction (CSPR) in Zambia must be highlighted in particular. But similar civil society coalitions confined to specific sectors or subject areas also manifested themselves and played significant roles. Throughout the PRSP processes the faith communities continued to make their presence felt, partly in their own right and partly through the coalitions in which they took active part. It would probably be an overstatement to say that power relations within civil society changed in fundamental ways but the emergence of capable CSO coalitions on an *ad hoc* basis certainly crystallised civil society interests and advanced them in the context of PRSP policy-making.

If power relations within each of the categories of stakeholders did not change fundamentally, what, then, were the effects of the PRSP processes on the dyadic relationships between the three corners of the triangle: state, donors and civil society? Certainly, it is safe to claim that non-state actors strengthened their position vis-à-vis the state, albeit not fundamentally. The revitalisation of civil society in Malawi after the democratic opening in 1993 was brought a step further through the PRSP process. It may be argued, however, that CSOs became more financially dependent on the donors as a consequence of heavy PRSP involvement. A trade-off is discernable between assertion and strengthening vis-à-vis the state at the cost of greater dependence on donor funding.



Furthermore, the state-donor relationship remained stable. Given Malawi's and Zambia's high aid dependence the state could not be expected to gain any ground vis-à-vis the donor community as long as there is negligible growth per capita in the economy. It should be recalled that the entire PRSP exercises were embarked upon precisely because the two countries are heavily indebted. Eligibility under the HIPC arrangement is itself an expression of donor dependence.

## **A new emerging accountability relationship without politicians?**

Overall, we are inclined to conclude that despite initiation from abroad and equivocal commitment on the part of the political establishment, the PRSP processes in Malawi and Zambia have moved policy-making a decisive step in a democratic direction. For, apart from the PRSP process itself, there seems to be three significant spin-offs. First, civil society has strengthened its organisational capacity and political position considerably by participating in the PRSP process. This capacity has the potential of spilling over into other spheres of policy-making, thus broadening the democratic space. In the case of Malawi, the culture of secrecy in the civil service as a legacy from the Banda era seems to have given way to greater transparency. Public documents are easier to come by. The mass media have become bolder and more outspoken. In both countries the PRSP processes have created better links between civil society, on the one hand, and the civil service and politicians, on the other. Access to decision-makers has improved and the pervasive hostility on their part to whom they consider outsiders is no longer as pronounced.

Similarly, the provincial tours and district involvement in both countries went some way to prevent the process from being exclusively a matter for centrally located actors, although it is difficult to evaluate what the precise impact of these hearings were. On the one hand, provincial hearings might have provided more legitimacy and ownership to the process and to the final document, but in order for this to happen the grassroots also expect concrete results in the form of public delivery of services. In the words of one Zambian informant: "In the provinces they suffer from consultation fatigue." So often are they consulted but nothing ever happens. To the extent that this is the case, the consultation process may lead to alienation from, rather than inclusion into, the political process. The implementation phase of the PRSP will give some clues as to the speed of change.

To a certain extent, the new aid regime represents a break with the past due to the increasing emphasis on prioritised poverty-reducing budget items, and civic participation, thereby attempting to break the pattern of economic policy-making being the preserve of a few government ministers and the international finance institutions. Considering the prevailing scepticism towards the international donors – in particular the IFIs – from both Malawian and Zambian civil society in recent years, it is interesting to note that the donor community also played an active part in the formulation process. In the case of Zambia, donors were active participants both in the working groups and the provincial meetings in both the civil society process and the official PRSP process. We note that this was regarded as desirable by both civil society and government.

In both Malawi and Zambia all stakeholder groups indicated that the tripartite relationship between civil society, the state and the donors in the process is a key to the successful implementation of the PRSPs. Yet, the absence of parliamentary involvement and the exclusion of political parties in the processes in both Malawi and Zambia are sources of concern. Organisations in civil society are primarily organised to pursue particularistic single-issue interests, sometimes confined to particular geographical turfs, although many do not have territorially defined constituencies. Consequently, they tend not to take into consideration the overall effects of their actions on the polity. Nor are they 'responsible' to anybody but their own members, if they are membership-based at all. CSOs often make assumptions about conditions at the grassroots which are not necessarily correct. Still, the poverty reduction strategy processes in both Malawi and Zambia can be said to have been overwhelmingly 'demand orientated' in the sense that the interests of the poor were mainly articulated through an array of civil society organisations, regardless of their lack of explicit mandate from below. In the absence of CSOs 'speaking on their behalf' the poor would have few means of interest articulation. The main problem, however, is that key actors and institutions in terms of implementing and co-ordinating the PRSPs, namely politicians, political parties and parliament have not been party to these processes and do not really feel 'ownership' of their tangible output. To what extent the individual government ministers and the presidents are committed to and identify with the PRSP documents will ultimately be crucial for their usefulness as vehicles for reordering government priorities.

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## Appendix 1: List of interviewees

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### *In Zambia:*

Chanda, Donald, Economic Advisor to President Chiluba (MMD) 1991–2001  
 Chisenga, Nelson, Acting Chief Executive, Zambia Association of Chambers of Commerce and Industry (ZACCI)  
 Elleyne, Mark, IMF Resident Representative  
 Henriot, Peter, Jesuit Centre for Theological Reflection  
 Kabata, Jaqueline, TV Manager, Zamcom  
 Koyi, Grayson, Economist/researcher, Civil Servants' Union of Zambia (CSUZ)  
 Longwe, Sarah, Feminist consultant  
 Lungu. M., Former advisor to Kenneth Kaunda and former Central Committee member for Economic and Planning, UNIP  
 Mpepo, Besinati, Co-ordinator, Civil Society for Poverty Reduction (CSPR)  
 Mubanga, J.C., Principal Economist, Ministry of Finance and National Planning  
 Musokotwane, S., Advisor, Ministry of Finance and National Planning  
 Mutala, S. M. N., Senior Economist Ministry of Finance and National Planning  
 Ngoma, Hon., Member of Parliament, Deputy Minister, Office of the Vice President  
 Olsen, Arne, First Secretary, Royal Norwegian Embassy  
 Sampa, Josephine Mehl, Executive Director, Tourism Council of Zambia  
 Schultheiss, Michael, Resident Director, Friedrich Ebert Stiftung  
 Sikota, Sekwiba, Member of Parliament, first vice-president of UPND

### *In Malawi:*

Banda, Daniel Mafias, Head of Administration, Deputy District Commissioner, Ntcheu  
 Botolo, Ben A., Head of PRSP Unit, Ministry of Finance and Planning  
 Casey, Daphne I., Deputy Resident Representative, United Nations Development Programme  
 Chanika, Emmie, Executive Director, Civil Liberties Committee  
 Chikhosi, Zangazanga, Principal Secretary, Ministry of Education  
 Chimutu, Isaac, Malawi Confederation of Chambers of Commerce and Industry  
 Chimango, Louis J., Member of Parliament and Chair of Parliamentary Budget and Finance Committee  
 Chulu, Osten, Senior Research Fellow, Agricultural Policy Research Unit, Bunda College of Agriculture  
 Eidhammer, Asbjørn, Ambassador, Norwegian Embassy, Lilongwe  
 Givah, Hendrina, Programme Officer, Norwegian Embassy, Lilongwe  
 James, Rick, Senior Consultant, International NGO Training and Research Centre  
 Kaferapanjira, Chancellor L., Chief Executive, Malawi Confederation of Chambers of Commerce and Industry  
 Kalyati, Esnath, Gender Co-ordinator, United Nations Development Programme  
 Kandodo, Fredrick, Justice and Peace Awareness Officer, Catholic Commission for Justice and Peace  
 Kanyuka, Mercy, Deputy Commissioner of Statistics, National Statistical Office  
 Kambuto, Zebrohn M.K., Labour Commissioner, Ministry of Labour and Vocational Training  
 Kulemeka, Peter, Assistant Resident Representative, United Nations Development Programme  
 Kuppens, Jos, Centre for Social Concern  
 Kutengule, Milton, Principal Secretary, National Economic Council

Liwewe, Olivia M'chaju, Programme Officer (Gender), Malawi-Canada Programme Support Unit, Canadian International Development Agency  
Lwanda, Francis, Unit Manager for Learning and Design, CARE International  
Magalasi, Collins, National Co-ordinator, Malawi Economic Justice Network  
Mchiela, Andrina F., Principal Secretary, Ministry of Agriculture and Irrigation  
Monongo, M.M., Principal Secretary, Ministry of Labour and Vocational Training  
Mkwapata, Nicholas, Co-ordinator, CADECOM  
Mkwezalamba, Maxwell, National PRSP Co-ordinator, Ministry of Finance and Economic Planning  
Mpemba, George, Director of Administration, Ntcheu  
Nandolo, Emmanuel Ted, Executive Secretary, Council for NGOs in Malawi  
Ngoma, Bettie, Chief Planning and Research Officer, Ministry of Labour and Vocational Training  
Pandame, Richard, Principal Secretary, Ministry of Health  
Tembo, Norman, Education Project Manager, CARE International  
Wai, Dunstan M., Country Manager Malawi, World Bank, Lilongwe  
White, Robert, OXFAM  
Zimalirana, George, Director, Monitoring and Evaluation, Office of the President and Cabinet

# Summary

Malawi and Zambia are poor and heavily indebted countries whose dependence on foreign aid is pronounced. They both qualify for debt relief in terms of the Heavily Indebted Poor Country (HIPC) initiative under the auspices of the Bretton Woods institutions, provided they formulate a Poverty Reduction Strategy Paper (PRSP) that satisfies the new 'process' conditionality which emphasises broad participation. In grappling with the PRSP process the stakeholders (the state, non-state actors, and donors) appear to have produced credible policy documents with a measure of 'national ownership'. On a comparative note, it is significant that civil society organisations played an active role in both Malawi and Zambia in formulating the PRSP and thus lent the outcome some legitimacy. It is also significant that in both countries the national assemblies were marginalised in these policy-making exercises, which were driven by the respective executive branches of government, notably the Ministries of Finance. In the case of Malawi the modest involvement by parliament was attributable mainly to its general subordination to the executive in a presidential system of government, while the coincidence of the PRSP process and the 2001 elections was the main explanatory factor in Zambia. The donors found themselves in an ambivalent position. On the one hand, in the interest of creating national ownership of the PRSP they were expected to keep their hands off. On the other hand, they were apprehensive that the substantive nature of the final document would not satisfy the World Bank and IMF eligibility criteria for debt relief. Hence, they took active part in the process.

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