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# Participation as the Means to Assess the Effectiveness of the Poverty Reduction Strategy Paper for Pakistan

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## Enhancing Effectiveness of Pakistan's Poverty Reduction

### Abstract

With the launch of the Poverty Reduction Strategy Papers (PRSP) in 1999, the World Bank and the International Monetary Fund (IMF) conceded that a sense of local ownership and participation in poverty reduction is vital for making economic growth more equitable. For Pakistan, policy recommendations that can infuse greater participation in the PRSP are of particular relevance since the country's PRSP is currently in the process of being revised. As the PRSP is being implemented, there are a limited range of options for making the process more participatory. The main constraints are the need for acceptance of the PRSP by all parties, limited institutional capacity, the costs involved and the time limitations. Given that the PRSP is subject to recurrent updates, the best way to infuse more participation is to review the policy options during this updating process. The current review process should not be solely confined to impact analysis but should actively solicit increased input from previously neglected segments of society. This should address how poverty reduction may be more effective, even if such feedback requires conceptual or programmatic changes. Although this might be a more gradual approach, it is the only feasible policy option to turn the rhetoric of participation into reality.

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The views contained inside remain solely those of the author who may be contacted at [ali@policy.hu](mailto:ali@policy.hu). For a fuller account of this policy research project, please visit <http://www.policy.hu/themes05/muslim/sali.html>.

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## Executive Summary

With the launch of the Poverty Reduction Strategy Papers (PRSP) in 1999, the World Bank and the International Monetary Fund (IMF) conceded that encouraging a sense of local ownership and participation in poverty reduction is vital for enhancing their effectiveness, and for making the phenomenon of economic growth more equitable. Since then, these international financial institutions have encouraged developing countries around the world to formulate their own PRSPs to qualify for development funds and 60 countries have already adopted the PRSP approach.

The growing emphasis on participation in poverty reduction makes it vital to determine not only the 'real' but also the 'potential' value of participation in the PRSP formulation process. There seems an evident need to make PRSP formulation processes much more participatory given the plethora of contentions which have emerged across several countries, including Pakistan. In the case of Pakistan, feasible policy recommendations to infuse greater participation in the PRSP are of particular relevance since the country's current PRSP is in the process of being revised, and its revised form will thereafter become applicable in June 2006 for another three-year period.

Given that the PRSP is already under implementation in Pakistan, there is a limited range of options available to make this ongoing process more participatory. Constraints evident in this regard include the need for acceptance of the PRSP by all parties, consideration to the limited institutional capacity, the implied costs and time limitations. These constraints must be kept in mind while considering the validity of potential policy options.

The lack of adequate participation in the existing PRSP seems to provide enough justification to opt for developing an alternative PRSP. Several civil society organizations have pointed to the need for devising an alternative, although none has yet risen up to the challenge. While an alternative PRSP could provide NGOs a tangible alternative to advocate against what they perceive are ineffective poverty reduction policies, bringing together all relevant stakeholders (including business concerns, politicians, government and non-government personnel), onto a unified platform to devise an alternative strategy, is both difficult and costly. Moreover, this attempt could just as easily be discredited as the original PRSP, if it fails to bring any of the diverse

stakeholders to engage in formulating an alternative strategy, or if it does not adequately address the simultaneous macroeconomic challenges facing the country.

Conversely, most PRSPs, including the one for Pakistan have reiterated the importance of participatory monitoring and evaluation. Yet a lot of effort still must be made to integrate and institutionalize participatory monitoring and evaluation mechanisms into the PRSP implementation process. Even NGOs have also not remained vigilant of the unfolding PRSP policies, since the strategy has been finalized. In part this seeming aloofness may be due to negligence but there is also unwillingness amidst many prominent NGOs to legitimize what they consider to be a presumptuous and superficial strategy. Nonetheless, the lack of civil society engagement with the PRSP process makes the task of devising monitoring or evaluative reforms to increase participation in the ongoing PRSP process a rather daunting task.

Given that the PRSP is not meant to be a static policy, but instead subject to recurrent updates, the best way to infuse more participation in the PRSP is to review relevant policy options during the updating process which can be adopted to make the revised PRSP better reflect, and subsequently address, ground realities. For this purpose, it is necessary that the PRSP review process, which has already been initiated in the case of Pakistan, does not remain confined to impact analysis of existing policies but that it solicits increased input from previously neglected segments of society concerning potential means for making poverty reduction more effective, even if such feedback requires making some conceptual or programmatic changes. Although more gradual, this is the only feasible policy option to turn the rhetoric of participation into reality.

## 1 Introduction

The infusion of participation in the process of poverty reduction admittedly has tremendous potential for increasing empowerment and in making economic growth more equitable. The PRSP approach was specifically introduced to reflect aspirations of the poor and to increase the sense of country ownership of international development policies, by adopting a participatory approach to poverty reduction. PRSPs were officially launched by the World Bank and the IMF at their annual meeting in Washington in 1999.

The PRSP process was meant to articulate a comprehensive country-based strategy aiming to create a vital link between national public actions, donor support, and development outcomes and to serve as the basis for channeling all foreign aid to poor countries. As of end-August 2005, 49 countries have developed full PRSPs, and an additional 11 countries have completed preliminary, or "interim", PRSPs.<sup>i</sup> Yet, the extent to which PRSPs have been able to adopt participatory principles remains a controversial issue for most developing countries. Since what constitutes an acceptable process has not been specified within any PRSP related document, an inherent tension is thus observed between the mandating of participation and the decision to not evaluate quality (Whaites, 2000).

In the case of Pakistan for instance, the Government of Pakistan (GoP) did in fact commission Participatory Poverty Assessments prescribed by the World Bank and the GoP also sought feedback through over a hundred community dialogues<sup>ii</sup> prior to formulation of the PRSP. Yet, the fact remains that many prominent civil society organizations disagreed with either the scope or methodology of these participatory initiatives or else with the lack of importance given to their emergent findings.<sup>iii</sup> Moreover, political parties and political representatives at lower tiers of local governance are largely unaware of the PRSP process. Since the views of many relevant stakeholders were not sought prior to finalization of the PRSP document for Pakistan in 2003, there remain serious contentions concerning the legitimacy of the finalized strategy. The PRSP for Pakistan is therefore considered by many neglected stakeholders as no more than a social conditionality imposed on the government by the World Bank.

In view of these contentions, it is necessary to determine not only the 'real' or actual but also the 'potential' or perceivable value of participation in the PRSP. But in assessing the extent of participation, divergent perceptions of a range of stakeholders concerning the formulation and the ongoing implementation of the PRSP need to be considered. For this purpose, this policy paper draws upon a range of experiences, identified through secondary sources, concerning PRSP consultative processes in several countries, including Pakistan itself. Primary research based on interviews with a several relevant stakeholders including World Bank personnel, Pakistan government officials, and civil society representatives will also be drawn upon to illustrate different implications and perceptions concerning participation in the PRSP process. Additional supplemental research has also been undertaken to obtain direct feedback from

communities and lower tiers of government concerning the sense of ownership of the existing PRSP and concerning means to enhance this required sense of local ownership.

It is evident that assessing policy options concerning a complex issue like poverty and proposing alternatives to a policy document which took months in the making, and had input from a range of leading experts, is not an easy task. Evident challenges in this regard include the fact that even if all the salient viewpoints concerning formulation of the PRSP could be gathered using a systematic format, there is still sparse information concerning how the PRSP processes has been made participatory on ground. Even the quarterly progress updates of the designated PRSP Secretariat in the Ministry of Finance do not provide this information. None of the other contending stakeholders, including NGOs, has remained vigilant of the unfolding PRSP policies to put forth an informed evaluation.<sup>iv</sup> The inevitable challenge is thus to merge divergent opinions into viable policy options and to further identify one alternative which may potentially serve to make the PRSP more representative and effective. This is a difficult task but a worthwhile one since the PRSP for Pakistan is scheduled for revision by June 2006, which provides an ideal opportunity to infuse greater participation in the revised strategy.

Beginning with locating the PRSP approach in a broader context, and thereafter in a Pakistan-specific context, this policy paper identifies three potential options which could help enhance the sense of participation and by implication promote greater local ownership and increase the effectiveness of the PRSP for Pakistan. This policy paper ultimately recommends utilizing certain identified means for increasing participation within the ongoing PRSP process, instead of arguing for the option of formulating an alternative PRSP, or of confining participation to monitoring of the unfolding PRSP process. The paper will conclude by identifying salient features within the selected policy option that deserve specific attention for ensuring greater participation in the PRSP for Pakistan.

## 2 Problems Concerning Participation in the PRSP for Pakistan

Making poverty reduction strategies more effective has become a major challenge both for developing countries, as well as for International Financial Institutions (IFIs) like the IMF and World Bank, which provide these countries access to development funds. World Bank assessments of poverty in Pakistan had found that 'one third of the population could be classified as poor in 1999, and somewhat more in rural areas' and that this level of poverty had not 'appreciably changed' over the last ten years (World Bank, 2002, 10).

Poverty has lingered in Pakistan despite the fact that the GoP has initiated a series of economic reforms since the late 1980s under the guidance of the IFIs. When the expectation that poverty could be reduced by macroeconomic reforms did not materialize, the need for creating a policy environment simultaneously conducive for macroeconomic stabilization as well as for poverty reduction gained increasing acknowledgement amongst policy makers. The GoP subsequently decided to adopt the PRSP approach, which was also endorsed by the IFIs themselves. The IFIs themselves maintain that the PRSPs mark a major shift in the way that poverty is addressed since it encourages borrowing countries to not only implement, but also to design their own development strategies. Yet, the question remains as to whether the IFIs have been able to involve recipient countries and communities in the project design of their poverty alleviation efforts, as this is an important question given that this involvement was acknowledged as being necessary for the legitimacy and effectiveness of the resulting PRSPs.

Determining the extent to which the PRSP process has been able to initiate a culture of participation in policy making in Pakistan is not without controversy. During an interview, the Country Director of the World Bank in Pakistan was quick to point out that since the PRSP is a nationally owned document, the Bank's role is neither to undertake participation nor to coordinate it. Yet assessment of the PRSP formulation process and the implicit assumptions made by it concerning growth, poverty incidence and macroeconomic policies, makes the influence of the World Bank philosophy on this process hard to ignore. But at the same time, it is important to realize that the PRSP is no longer a standalone policy document for alleviating poverty in Pakistan, even for the government itself. While the Ministry of Finance had assumed the overall responsibility

for formulating and implementing the PRSP, the Federal Planning Commission unveiled a Mid-Term Development Framework (MTDF) in mid-2005 - not unlike prior five-year plans – with the aspiration of subsuming the PRSP in order to achieve the Millennium Development Goals (MDGs).

Given that the PRSP is being revised at present, and the growing prevalence of this approach in a multitude of other countries, it seems unlikely to be subsumed by the MTDF. Yet, there is evident confusion amongst line departments resulting from the formulation of the MTDF alongside the PRSP, with government officials themselves considering the PRSP 'irrelevant' or 'dead' after the MTDF was introduced.<sup>v</sup> While the Millennium Development Goals provide a semblance of convergence to these two policy matrixes, there are evident variances amongst macroeconomic assumptions of these two policy documents (Khan S, 2005). The participatory component of the MTDF is even less extensive than that of the PRSP, based on feedback of merely 32 working groups facilitated by the Planning Commission (Planning Commission, 2005).

On the other hand, it is hard to find consensus regarding the PRSP itself within civil society in Pakistan. Many prominent civil society actors invited to participate in the PRSP process still maintain that they were called in when the policies had already been decided and that there is no binding obligation on the IFIs or the GoP to listen to their recommendations. This is despite the fact that the Draft PRSP itself had highlighted a need to forge 'a broad-based alliance' to reach out to the poor (GoP, 2003, 2). The IFIs also reiterated the need for greater government cooperation with NGOs (World Bank, 2001). The seeming move towards involving NGOs not only in operationalizing development programs, but in the formulation of development policies, thus seemed significant due to its potential for giving a greater voice to those working in close collaboration with the grassroots. But while the PRSP document itself suggests that extensive public consultation took place during its preparation stages (GoP, 2003), there is not much independent evidence confirming this claim. No cumulative details concerning this participatory process have been made public either.

The GoP did commission Participatory Poverty Assessments prescribed by the World Bank, and also sought feedback from over 120 community dialogues held across the country,<sup>vi</sup> prior to formulation of the PRSP for Pakistan. Yet, the fact remains that many prominent civil society organizations either disagreed with the scope of these participatory initiatives, or else did not consider their findings to be adequately reflected in the finalized PRSP. The organization (Rural Support Programs Network) which was

commissioned to undertake the community based consultation however did not thereafter review how many of the findings emerging from its consultations were in fact reflected in the PRSP document itself.<sup>vii</sup>

Since the views of many relevant stakeholders were not sought prior to finalization of the PRSP document for Pakistan, this has led to serious concerns about the legitimacy of the finalized PRSP. A letter sent to IFIs, and to the PRSP Secretariat at the Ministry of Finance, by a coalition of civil society organizations spearheaded by the Islamabad based think-tank, Sustainable Development Policy Institute (2003), took up issue with the content of the PRSP, to firmly reject 'the essentially neo-liberal stance' of the document. The PRSP has been criticized for leaving out genuine voices of the poor; given the scant involvement of independent associations of the poor in PRSP deliberations, or of 'invisible' civil society organization/community based organizations, which in turn represent groups such as homesteaders, peasants, and indigenous peoples. The Sustainable Development Policy Institute, in the above mentioned letter, also pointed out how none of the political parties in Pakistan has explicitly supported the PRSP process, a fact which remains true until today.

Also, government officials and public representatives at lower tiers of government are still unaware that a cohesive poverty reduction strategy for the entire country, what to talk of being involved in implementing it. This fact has been reaffirmed by a recent preliminary study conducted with help from the Human Rights Commission of Pakistan.<sup>viii</sup> Including regional and local governments in policymaking and monitoring is essential for enhancing participation within the PRSP process. Several mechanisms for linking national and local levels to devise overall national goals of poverty reduction can be used; one effective way is to distribute documents to local authorities and soliciting feedback in writing, as in the case of the revision of Uganda's Poverty Eradication Action Plan.<sup>ix</sup>

Simultaneously, it is important to concede that misconceptions concerning participation and ownership have not only arisen in Pakistan, but in many other countries where this approach is being implemented. In the case of Bolivia for example, dialogues for the PRSP are being viewed by some as a way to bypass a dysfunctional central government captured by elites, instead of trying to strengthen the government to carry out its mandate (Entwistle, J et al, 2005). Therefore, the PRSP approach does not appear as popular and uncontested as euphemistic slogans like 'increased interaction' and 'partnerships' and 'shared vision' for alleviating poverty in Pakistan might indicate

(IMF, 2001, 3). This lack of civil society participation indicates a potential lack of acceptance, demand and/or support for the PRSP. Even the monitoring mechanism of PRSP, with its specific output and outcome level indicators, is criticized since its tracking is usually done by the government itself, without any provision of participation from civil society organizations (Zehra, 2002).

However, it is not going to be easy to infuse greater participation in the PRSP process, now that it has already been formulated. The reluctance of government functionaries to involve civil society even prior to formulation of the initial PRSP is evident in the following remark (of an anonymous GoP functionary) recorded during a consultative meeting:

*Consultations with civil society would take too long and NGOs would stall reforms because of politics. We need the participation of officials and agencies affected by reforms, not just civil society. Consultation cannot just be with NGOs. Consultative processes should be left to government as they should know and be able to decide what segments of society they need to deal with.x*

On the other hand, critics within civil society suspect that evoking genuine feedback will imply conceding control over policy formulations, which the GoP does not consider desirable.

Now that the PRSP is to be updated by June 2006, for an implementation period of another three years, the PRSP Cell in the Ministry of Finance has initiated a review process which includes holding workshops to seek input from select parliamentarians, provincial governments, line departments, academics and practitioners. The PRSP Cell has again asked the Rural Support Programmes Network to obtain feedback from 121 of its community organizations in 49 districts. It is noteworthy that the RSPN has decided to revisit the same communities it had sought feedback from prior to formulation of the first PRSP document in 2003. While this is a good idea, the methodology for seeking input from communities concerning the PRSP needs to be carefully managed so as to get explicit suggestions concerning specific interventions, instead of seeking generalized comments which are more easily maneuvered to serve as a justification for existing interventions. For example, it is not enough to point out that the poor lack access to credit, it is necessary to ask poor people what terms and conditions are most suitable for them to benefit from lending schemes, and this information must in turn be considered while extending the scope of existing micro-credit schemes.

However, many other civil society organizations are still unwilling to concede to the legitimacy of the PRSP process, and have not really kept up with the implementation of the PRSP process either. This makes it even more difficult to immediately involve them in making the ongoing PRSP processes more participatory. But to deepen the sense of country ownership of the PRSP process, it will be necessary for the government machinery to start giving more attention to institutionalizing participation. It is therefore imperative to consult with a broader range of local stakeholders in drawing up PRSP recommendations, instead of the entire process being managed by the Ministry of Finance through arranging workshops for a selected number of participants.

Despite government and civil society reservations, and the generally prevailing lack of awareness, increasing participation is necessary to enhance the ownership of the PRSP. There are still some feasible policy options available which have the potential to change the rhetoric of participation into reality. The following section of this paper will identify these policy options, and also discuss the potential advantages and disadvantages of each of them.

### 3 Potential Means to Make the PRSP Process More Participatory

Participation is meant to allow for the expression of divergent views of different stakeholders, which can essentially help governments develop a comprehensive strategy which in turn gets broad support from the population. This is what a sense of local ownership implies and this sense of ownership is what is considered to make development strategies more effective, including those formulated for alleviating poverty.

Given this understanding, it is necessary to focus on how participation can be facilitated across the executive, how institutionalization of participatory mechanisms can be strengthened, and how an increasing amount of civil society concerns can be reflected in the PRSP process. With this end in mind, it is also necessary to keep an eye on the role of internal and external development partners, other national institutions, and current economic and political events, all of which would impact the sense of ownership of the PRSP. Moreover, the need for the acceptance of PRSP by all parties, costs, institutional capacity and time constraints are some of the issues which must be considered while identifying options to infuse greater participation.

The above issues also need to be kept in mind while assessing the overall strengths and weaknesses of adopting each of the following policy options to increase participation within the ongoing PRSP process:

### *3.1 Formulate an Alternative PRSP*

Given the varied contentions which emerged subsequent to the formulation of the PRSP for Pakistan, there seems enough justification to call for developing an alternative PRSP. Indeed, several civil society organizations have pointed to the need for an alternative PRSP, although none has yet risen up to the task.

While an alternative PRSP could provide NGOs a tangible policy document for which they could undertake advocacy and lobby for change of existing policies, there is also an evidently reformist utility in devising an alternative PRSP. For example, the World Bank itself acknowledges that the PRSP process can become more participatory by development of an alternative PRSP (World Bank, 2003), and there are evident examples of countries like Kenya and Honduras which have in fact undertaken this exercise.

Yet to be meaningful, it is important for an alternative PRSP process to bring together all the relevant stakeholders (including business concerns, politicians from all major political parties, officials from all provinces and governance tiers, and a wide range of civil society concerns), instead of a limited number of NGOs onto a unified platform, a task which has proven difficult for governments themselves.

Given the polarized perspectives concerning the PRSP, the lack of readily available platforms and facilitating mechanisms to bring together the diverse stakeholders required to formulate a comprehensive alternative to the PRSP, implies a serious implementation challenge. Besides requiring an extensive and costly exercise, the outcome of this policy option would also run the risk of being just as easily discredited as the original PRSP, if the formulated alternative does not adequately reflect macroeconomic realities, or the interest of powerful stakeholders like big businesses, which continue to play a prominent role in poverty alleviation policies.

### *3.2 Increase Public Monitoring of the PRSP*

While most PRSPs - including the one for Pakistan - mention the need for participatory monitoring and evaluation, the level of implementing this feature has not become evident. The primary approach to participation remains instrumental in effect. Monitoring by the PRSP Secretariat at the Ministry of Finance lays much emphasis on tracking pro-poor expenditures. For progress in outcome indicators, the PRSP has relied primarily on the Pakistan Integrated Households Survey. The only new data series to have been developed with participatory elements is based on the Pakistan Social and Living Standard Measurement survey (PRSP Secretariat, 2005).

So while some efforts to enhance public monitoring of PRSP are becoming evident, the process as a whole remains a challenge since it requires substantial public capacity and commitment. A review of 21 PRSPs by the World Bank itself indicates that there is generally more emphasis given to participation on the supply side of the monitoring and evaluation systems, while participation in the demand side of the system, i.e. public information, review and joint decision making, often appears vague or rather neglected (Forster R & Schnell, S 2003). This same trend is evident in the case of Pakistan. Multi-stakeholder participation, in defining and setting up adequate monitoring and evaluation systems, has also so far received very little attention. There is also scant evidence of use of participatory tools like citizen scorecards to assess PRSP related outcomes on ground.

Furthermore, securing consent of civil society to undertake monitoring of the existing PRSP framework has also proven difficult since this cooperation has often been interpreted as a tacit sign of complicity to macro-economic assumptions underlying the PRSP approach. NGOs themselves have also not remained engaged enough with the implementation of PRSP programs to assume this responsibility independently.

Therefore, a lot of effort still has to be made for integrating and institutionalizing participatory monitoring and evaluation systems into the PRSP process. Given this scenario, it would be difficult to expect monitoring, or evaluation, of the PRSP process to be reliable or genuinely participatory at the current stage.

### *3.3 Infuse Participation in the Ongoing Revision of the Existing PRSP Framework*

Given that the PRSP process is already underway in Pakistan, and that it is not meant to be a static policy but instead subject to a review and an update every three years, which in the case of Pakistan is currently taking place, this is an ideal opportunity to obtain retrospect on the existing framework and try to make the revised PRSP more participatory.

However, engagement with the existing PRSP document does not necessarily imply abandoning all concerns that have generated so much controversy, particularly those relating to its macro political and economic assumptions. It is of no use to act locally and think globally: one must act locally, nationally and global.<sup>xi</sup> The PRSP review process therefore must not be confined to impact analysis of existing policies, but also seek further input from previously neglected segments of society concerning possible means for increased poverty reduction, even if it implies conceptual or programmatic changes. Initial contact established with the PRSP Secretariat indicated a favourable response to considering such suggestion, although it is not yet clear the extent to which the submitted suggestions will impact the PRSP revision.<sup>xii</sup>

There are various other issues which also need to be considered so as to infuse a greater sense of participation within the unfolding PRSP process, which will be identified in the subsequent policy recommendations section.

### *3.4 Policy Recommendations*

While an alternative poverty reduction strategy could provide the tangible means to infuse outstanding concerns into the mainstream PRSP process, perhaps it is due the threat of de-legitimization or else the difficulty posed in devising a platform to bring together diverse stakeholders required to formulate a creditable alternative, that there are no evident efforts being made to formulate an alternative PRSP. Since NGOs themselves have also not remained engaged enough with the implementation of PRSP programs, recommending institutionalization of participatory monitoring and evaluation systems into the PRSP process at this stage would also prove difficult.

Thus, rather than arguing for the policy options of formulating an alternative PRSP, or of confining participation to monitoring of the unfolding PRSP process, it would be

more strategic to identify and to pursue means by which participatory concerns can be better reflected in the ongoing PRSP process.

To facilitate this process the following recommendations are made:

- *Conduct preliminary study to help better inform broad based policy discussions*

Prior to embarking on updating the PRSP for Pakistan, it would be useful to carry out an in-depth analysis of how much of the prior feedback obtained for the PRSP formulation process was in fact reflected in the finalized PRSP. Furthermore, it would also prove useful to probe the reasons for neglecting emergent concerns from the previous participatory initiatives. Even the Rural Support Programmes Network did not analyze the extent to which the consultative feedback provided by their provincial programmes to the GoP was in fact reflected in the finalized PRSP document. Undertaking this analysis would also enable the RSPN itself to be better prepared for the next consultative phase.<sup>xiii</sup>

- *Focused consultations concerning existing gaps and future needs of the PRSP*

The above prior assessment would provide a basis for undertaking more focused consultations to identify future priority areas and to find alternative solutions which may gain greater acceptance within the existing PRSP framework. In this regard, local government officials and invisible civil society organizations must be taken into confidence and their suggestions concerning poverty reduction need to be given serious thought, since these are the stakeholders who work most directly with poor communities (some preliminary work done in this regard is mentioned in the following section).

- *Introduce greater flexibility in the implementation of the PRSP approach to fit better the needs of, and capacities of, the political and administrative systems, particularly in view of the new devolutionary framework*

It is necessary to examine how local government structures can own the PRSP process. The establishment of district/tehsil information cells, where they do not already exist, will help further the aim of increasing awareness of the PRSP at the grassroots level and of obtaining feedback concerning its implementation as well. Moreover, these information cells must be provided explicit instructions in this regard. The PRSP Secretariat also needs to devise a mechanism to maintain direct liaison with these cells.

It would further be necessary to emphasize the need for enhancing community participation and alleviating poverty through specialized trainings, and through the existing provisions of the Local Government Ordinance, particularly through the Citizen Community Boards, which are currently being focused on to merely extend physical infrastructure, instead of as potential platforms to empower marginalized segments of society.<sup>xiv</sup>

#### *3.4.1 Implementation Issues*

While obtaining more public input concerning PRSP policies will not require much financial input, yet ensuring utilization of this feedback will require much more tolerance and flexibility by government functionaries and even by the international financial institutions concerning what should be the right mix of priorities to effectively alleviate poverty. Various NGOs would be interested in such providing the required feedback on the PRSP process<sup>xv</sup>, particularly on assurance that their findings will be given the due importance when it comes to finalizing policies. The World Bank Institute in Washington DC may help design the methodology for it, but again, it too must not have the final say on what kinds of questions NGOs can or cannot ask from people while seeking their advice. For example, the use of privatization need not be defended at all costs and may instead be described as having multiple implications including increased efficiency at the cost of raising unemployment. While this consultative process need not involve as many stakeholders as devising an alternative PRSP would require, to increase the validity of this consultative exercise, and to articulate and assess the feasibility of incorporating its emerging findings onto the PRSP agenda, it would prove useful to obtain conceptual, logistical and lobbying support from a recognized think-tank with an explicit interest in this topic; the Sustainable Development Policy Institute in Islamabad would perhaps be the best choice.

Discussing the PRSP through more inclusive consultation sessions would be useful but not enough. It will also be necessary to engage directly with the local government system to try and enhance participation and ownership of the PRSP. This is an enormous task, and at this stage there still remains evident need for dissemination of information concerning the PRSP and its processes. Using District/Tehsil information Cells to disseminate and or even to collect information on the PRSP process will not incur substantial costs either since the infrastructure required for this purpose already exists at the local governments, only nominal costs would be implied by translating and

publishing pamphlets or questionnaires concerning the PRSP. In addition to providing information, and facilitating Community Citizen Boards, it may also prove useful to develop training modules on the PRSP for government officials, that could be incorporated into existing capacity building programs of the various government and donor sponsored devolution support programs ongoing in the country.

#### *3.4.2 Communications Analysis*

To bolster the level of participation in the PRSP, it is vital to familiarize the public at large with the scope and objectives of this approach. While the Ministry of Finance has developed a communication strategy for the PRSP, it serves more as the means for popularizing the existing approach, rather than creating awareness or raising the capacity of people to participate in it. An effective communication strategy in this regard must try to shift the emphasis away from the reiteration of facts to facilitating the development of sound domestic policy options for poverty reduction and to make the public aware about the need to become involved in their implementation processes. For the latter purpose, it is also necessary to undertake advocacy concerning the need for participation and to familiarize people with the cost and benefits associated with particular policy choices available to alleviate poverty. Given the prevailing illiteracy, it will be necessary to go beyond use of media and to involve government functionaries and politicians at the lower tiers, as well as grassroots organization to increase public awareness and to build their capacity to participate in the formulation and implementation of bottom-up poverty alleviation strategies. But a meaningful public information strategy cannot be confined to carrying out advocacy about the PRSP, or worse, hiring a consultancy to publicize its contents, instead feedback must be sought from the public itself and this feedback must directly be posted onto Web sites, in newspapers, on television and radio, in addition to being sent to relevant policy makers. Such a multi-pronged approach should help create greater synergy and momentum to bridge the divide between growth and disparity, and to strengthen open society in Pakistan.

## 4 Conclusion

In view of the broader and location specific context surrounding formulation of the PRSP, as well as the challenges facing each of the above policy options to make it more participatory, this paper has recommended infusing participation in the ongoing revision of the existing PRSP framework.

The IFIs are themselves being pressured to initiate ex-ante Participatory Social Impact Analyses to develop a greater understanding of linkages between growth, macroeconomic policies and poverty reduction for developing countries around the world. Thus, the proposed activities identified above for the recommended policy option in the case of the PRSP for Pakistan could become a micro-level attempt at infusing less formalized, but just as necessary, social impact assessments into the program design of the PRSP. What could be a better time to do so then when the PRSP is being revised?

If this currently available opportunity for infusing more participation into the PRSP is lost, we may yet see the resurgent growth in Pakistan remaining inequitable, and in turn declining to further exacerbate the poverty situation, as had happened during the 1980s.

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## Endnotes

i This number is subject to change as more countries complete their interim papers or join up to initiate the PRSP process. Updates in this regard are available from <http://www.imf.org/external/np/exr/facts/prsp.htm>

ii 120 consultative sessions were held in 80 districts by the Punjab/Sarhad/Sindh/Baluchistan Rural Support Programme (RSP) across the country prior to finalization of the PRSP.

iii Refer to two Voice of America's Urdu service panel discussions between GoP and civil society personnel, including the author, downloadable from [www.policy.hu/ali](http://www.policy.hu/ali)

iv This lack of vigilance was confirmed during an interview of Dr. Shaheen Rafi, Research Fellow at Sustainable Development Policy Institute in Islamabad, the leading think-tank in the country which had spearheaded major civil society concerns during the PRSP formulation phase.

v Assessment based on personal conversations and responses by government officials outside the Ministry of Finance itself.

vi These consultative sessions were conducted by the provincial (RSPs) and managed by the Rural Support Programmes Network (RSPN) based in Islamabad

vii This fact was confirmed by RSPN personnel in interviews conducted during the latter half of 2005, although the PRSP is once again involved in the PRSP revision process for which it intends to revisit the same communities which had been consulted before the first PRSP was formulated.

viii Refer to my research on devolution and the PRSP available at [www.policy.hu/ali](http://www.policy.hu/ali)

ix In reference to discussions with lead PRSP consultant to the Government of Uganda

x WB, 2002d, Pakistan Adjustment Policy Consultation Meeting: Comments and Suggestions by Participants, Islamabad, 23 January 23, 2003 Available from: <http://Inweb18.worldbank.org/SCSL+Dev/OD+8.60/CW-OD-860.nsf/MenuDocIDLookup/86B06E7FA6F9542E85256CC00052693B?opendocument>

xi In reference to a statement made at the Jubilee South PRSP Workshop in Kampala, Uganda

xii During the course of a panel discussion on the PRSP, aired by the Voice of America's Urdu service, the Deputy Secretary at the Ministry of Finance, affiliated with the PRSP Cell, welcomes the idea of a retrospective review of the PRSP and requested findings of this report. The researcher also received an acknowledgement from the Federal Planning Division concerning a newspaper article calling for the infusion of participatory concerns and greater synergy between the PRSP and the MTFD.

xiii A proposal submitted to the RSPN to undertake a review is currently under their consideration

xiv An initial research study undertaken to assess the impact of devolution and the PRSP was initiated by the researcher in collaboration with the Human Rights Commission (The study is downloadable from [www.ali.policy.hu/ali](http://www.ali.policy.hu/ali))

xv A retrospective CSO review of the PRSP was undertaken in 6 districts of Pakistan by the researcher with the help of a local NGO (A document prepared subsequent to this retrospective CSO review of the PRSP is downloadable from [www.policy.hu/ali](http://www.policy.hu/ali))