

መድረክ

MEDREK

The Newsletter of the Forum for Social Studies

A Centre for Research and Debate on Development and Public Policy

Volume 2 No. 2 & 3

December 2000

FROM THE EDITOR

Most Ethiopians derive their livelihood from the productivity of the soil, water and vegetation resources of the country. However, the country faces serious problems of environmental degradation the causes of which are many and complex. In this issue, we have included brief summaries of papers presented at the FSS symposium on *Environment and Development* which was held in September of this year in the hope of providing our readers a taste of the complex environmental and resource management problems and policy concerns that were discussed. The presentations and ensuing discussions gave

equal weight to the processes that have triggered the host of environmental problems and to the need for urgent and imaginative responsiveness by all stakeholders.

One of the heated debates at the symposium centered on the process of public policy making and the wide gap between policy and its implementation. How and by whom are development policies made and how do we ensure accountability for policies that are very often not implemented? These are issues of central concern to FSS. The organization believes that an inclusive process is one of the critical ingredients in formulating policies and their successful implementation. In this double issue of MEDREK we return once again to the importance of a transparent and inclusive process of policy making.

At the end of the symposium FSS held its second General Assembly which attracted a high number of the organization members. A number of issues regarding FSS' institutional and programmatic growth were discussed at the meeting and fruitful recommendations made to support the organizations activities

and future prospects. A task force was set up to examine the possibility of attracting young talent to the organization and to advise FSS on the measures it needs to take.

About a year ago, the International Monetary Fund and the World Bank launched an initiative known as the 'Poverty Reduction Strategy', which was supposed to be a transparent and participatory country-led initiative. In a number of countries with an active civil society, the initiative is seen as an opportunity enabling civil society organizations to move away from reacting to policy prescriptions to responding to policy choices. In this issue, we have included a lengthy interview with a Ghanaian activist aptly entitled 'Who Governs Low-Income Countries? Drawing on the Ghanaian experience in formulating a Poverty Reduction Strategy, the interview reveals the lack of open debate and the curtailment of the legitimate rights of citizen groups to shape their nations' policies and its consequences. The interviewee firmly asserts that citizens groups "have a legitimate right to shape their nation's policies, regardless of

In This Issue

- From the Editor
- FSS Moves to New Premises
- Environment and Development in Ethiopia: A Symposium
- Un-Natural Disasters
- Debates on Poverty
- Who Governs Low-Income Countries?
- Bank Ranks Ethiopia as "B" Student
- Book Review

Structure of Governance

FSS is democratically governed, with decision-making shared by the General Assembly, the Board of Advisors, and the Management Committee. The General Assembly meets once a year to review and approve the broad policies of the organization. The Board, which meets more frequently, is responsible for drawing up the policies and strategies of FSS, monitoring the work of the executive, and reviewing and approving the finances. Of the nine members in the Board four are women. The Management Committee is the executive body of FSS. It is responsible for implementing the decisions of the Board and managing the activities of the organization.

Members of the Board of Advisors

Professor Bahru Zewde Chairman
Wzo. Adeye Befecadu
Ato Hailu Habtu
Dr. Konjit Fekade
Dr. Nardos W. Giorgis
Wzo. Original W. Giorgis
Professor Redda Tekle Haimanot
Ato Shiferaw Jammo
Dr. Zemedu Worku

Members of the Management Committee

Ato Dessalegn Rahmato
Manager
Dr. Gebru Mersha
Ato Shiferaw Bekele
Dr. Yeraswork Admassie
Financial officer
Ms. Zenebework Tadesse
Editor

Address

Forum for Social Studies
P.O.Box 3089, Addis Ababa.
Tel: (251-1) 12-95-79/55-61-21
55-20-25
E-mail: fss@telecom.net.et

whether their views conform to the opinion of creditors or donors."

We think the piece will be highly instructive and timely for us in Ethiopia, as the government has prepared a first draft of an interim Poverty Reduction Strategy Paper in a context shrouded with secrecy. The issue of poverty is one of the pivotal research and policy concerns of FSS. At present, we are finalizing preparation for launching a series of public dialogues on poverty and destitution that we hope will contribute to a transparent and participatory preparation of a truly country-owned poverty reduction strategy. In the meantime, we include the World Bank's Country Policy and Institutional Assessment " (CPIA) of Ethiopia and invite our readers to send us their own assesement.

As we noted in the last issue of MEDREK, one of the objectives of FSS is to ensure the intergenerational transfer of knowledge. Again in this issue, we include a review of a book focusing on administrative and governance structures and processes of Imperial Ethiopia written by a senior public servant during the period under discussion. We hope that our readers will keep on sending us such reviews, which, as the reviewer of the current book notes, are important historical documents from which present and future generations can draw helpful lessons.

FSS has Moved to New Premises

FSS is pleased to announce that it has moved to a new and bigger office. It has also been able to increase the number of employees working on a full time basis. These changes were made possible by a generous core funding by the Royal Netherlands Embassy here in Ethiopia. It is hoped that our increased capacity and improved work environment will facilitate the expansion and diversification of our activities.

For those who know our previous office location, the new office is about 100 meters away on the road to Arat Kilo (Woreda 13, Kebele 10, No. 028) and located next to St Matthew's Anglican Church. Kindly note that we will maintain the previous telephone numbers and have added a new line.

New Publications of FSS

Issues in Rural Development. Proceedings of the Inaugural Workshop of the Forum for Social Studies, Addis Ababa, 18 September 1998. Edited by Zenebework Tadesse, Forum for Social Studies, Addis Ababa, 2000

Development and Public Access to Information in Ethiopia. Proceedings of the Symposium of the Forum for Social Studies, Addis Ababa, 25th March 1999. Edited by Zenebework Tadesse, Forum for Social Studies, Addis Ababa, 2000.

Environment and Development in Ethiopia: A Symposium

Introduction

The sixth symposium of FSS, entitled *Environment and Development in Ethiopia*, was held at the Ghion Hotel on 15-16 September 2000. Some 120 participants from a number of government agencies, civil society groups, donor and international organizations, academic institutions and professional bodies as well as FSS members attended the two-day debate and took an active part in the discussions. The Environmental Protection Authority, the main government agency responsible for the environment in Ethiopia, was well represented in the symposium, and two of the research papers offered for debate were by members of its staff. A large corps of reporters, both from the government and independent media, showed up to cover the event. Ten research papers commissioned for the symposium were keenly debated by participants. In addition, two environmental advocacy organizations, the Forum for Environment and LEM-Ethiopia, gave presentations describing some of their activities and programs.

H.E. Ato Girma Birru, Minister of Economic Development and Co-operation, formally opened the symposium. In his opening address delivered to a packed audience, Ato Girma stressed that there cannot be sustainable develop-

ment without giving adequate attention to environmental conservation and the judicious use of natural resources. He reminded his listeners that conservation and sustainable development is one of the major development strategies of the government and that this has been elaborated in a number of policy documents. He discussed the achievements of these policy initiatives and the foundation that has been laid for promoting sustainable development.

He went on to point out that with the policies and strategies in place the next step was to integrate effectively environmental concerns into the development process. To contribute to this goal, he said, the Ministry of Economic Development and Cooperation is preparing a document, which is expected to serve as an environmental guideline in planning and designing development projects. He reiterated that environmental protection is not an activity of one or two institutions but calls for the concerted effort of all government and non-government agencies as well as the general public. He concluded his statement by thanking the Forum for Social Studies for creating the opportunity for dialogue among policy makers, development practitioners, academics and donors and in the process contributing to raising public awareness about environmental issues.

The keynote address was

delivered by Dr Melaku Worede, a world-renowned geneticist, on the subject of agrobiodiversity and food security in Ethiopia. Dr Melaku received the Alternate Nobel Prize from Sweden in 1989 for outstanding work in genetic resource research and conservation. He is one of the founders of the Ethiopian Gene Bank now located in the Biodiversity Institute. He is also the founding dean of what was then known as Awassa Agricultural College. Currently he is a member of the International Panel of Eminent Experts on Ethics in Food and Agriculture established by FAO. He has published numerous works on genetic resource conservation and utilization. In his address, which was warmly received by the audience, he pointed out that Ethiopia is a major world gene center and a repository of plant and animal diversity, and the effective use of this invaluable resource will promote better nutrition and income, a stable system of food production and a safe and sustainable environment. The abstract of his paper is presented below.

The organization of the symposium was assisted by SOS-Sahel, an NGO with a strong focus on local-level environmental rehabilitation programs, which it runs in several parts of the country. PANOS Ethiopia, an NGO that promotes the cause of the environment through the use of the media also supported the sym-

posium. Funding for the symposium and the publication of the proceedings was provided by the Japan Fund for Global

Environment.

The proceeding of the symposium is now in prepara-

tion, and in the meantime we offer below brief summaries of the research papers that were presented for discussion.



Summary of Papers Presented at the Symposium

Agro-Biodiversity and Food Security in Ethiopia -

Melaku Worede

In Ethiopia, a region representing a major world gene center, the various traditional agro-ecosystems constitute major *in situ* repositories of crop and animal diversity. Effective use of this invaluable resource will serve as a good source of income, promotes diversity of diet, stability of production, reduced pest and disease inci-

dence and a safe and sustainable environment. This is especially true for resource poor farmers practicing agriculture under low input conditions in marginal environments.

There is also a serious threat of loss of diversity, which requires major inputs for its protection and sustainable utilization. Farmers' varieties, largely represented by indigenous landraces, are

among those suffering such losses. Developing ecologically and culturally based agricultural practices that raise land productivity while conserving and restoring the resource base is critical to ensure long term food and livelihood security of Ethiopia's rapidly growing population. This need becomes more significant as land holdings are becoming smaller and environments are degrading in the small-scale farming sector. There is a unique opportunity

for intervention in this regard through a farmers' seed promotion strategy which may draw on the experience in Ethiopia and other places in Africa.

Assessment of the Environmental Policy of Ethiopia - *Gideon Asfaw*

The country's Environment Policy, which has taken almost seven years to prepare and finalize, was approved by the Council of Ministers on April 2nd 1997. The policy outlines some of the major problems related to sustainable development that the country is facing. These include low levels of productivity of renewable natural resources, a high rate of deforestation, accelerated soil erosion resulting in destruction of pasture lands and large-scale loss of crop production, and low utilization of mineral, water and energy resources.

The fundamental concern of the policy is to address the issue of sustainable development through sound management and utilization of environmental resources. The policy is based on the assumption that all stakeholders will embrace the guiding principles enumerated in it and that the proposed institutional and legislative requirements will be realized. In the three years since its approval, the policy has brought about the following results: the formulation by all Regions of regional conservation strategies; the establishment of the Environmental Protection Authority and

Regional Environmental Coordinating Committees; the establishment of a sustainable environmental management training initiative; and an effort to put in place an environmental impact assessment system in the country.

Sustainable Development Indicators and Environmental Policy - *Getachew Adem and Demele Yismaw*

This paper emphasizes the need for sustainable economic performance indicators that take into account natural resource depletion arising from human intervention and utilization. The natural environment provides raw materials for economic production and important life support resources. The paper underscores the importance of measuring the impact of economic processes on the environment and using such measure as an indicator of economic performance. The conventional system of national accounts (SNA) measures depreciation of man-made capital assets but very little consideration is given to the depletion and degradation of natural resource stocks. Hence aggregate measures of economic performance such as GDP and GNP based on conventional SNA are incomplete and do not enable us to get a proper understanding of the concept of sustainable development. The broader concept of sustainable development must be based on sustainability indicators, which are best encompassed by natural resource ac-

counting (NRA) which helps us in evaluating and monitoring environmental resource management policies and strategies.

Since NRA is instrumental in assessing and evaluating the efficacy of implementation of environmental policies, there is a great need for a coordinated effort to institutionalize NRA in Ethiopia. Having reviewed the feasibility of generating NRA-based indicators within the framework of environmental and economic accounting, some crude sustainability indicators have been computed based on a one-time data on forest resource depletion in Ethiopia. Although the indicators are crude and hence tentative, they provide a feel for the magnitude of resource depletion.

Indigenous Conservation Practices in North Shewa Administrative Zone, Amhara National Regional State

Million Alemayehu

North Shewa Zone is part of the central highlands which has a long history of early settlement and agricultural cultivation. Due to a variety of reasons, most highland parts of the Zone have suffered from extreme degrees of environmental degradation. The main problem of environmental degradation is soil erosion, which is caused mainly by run-off. In response to this problem, both government and non-

government agencies have devoted substantial resources to the transfer and implementation of new conservation technologies for more than two decades. In most cases, the new technologies were imported from abroad. However, many farmers recognize that these technologies do not always suit their specific needs and are inappropriate for solving their problems. On the other hand, a number of indigenous conservation measures have been widely used by farmers in many parts of North Shewa over many generations. However, since greater attention has been given to the introduction of new or modern technologies, development agents have very little knowledge about farmers' indigenous practices. This paper deals with the indigenous conservation technologies used in the smallholder farming system of North Shewa.

Gender and Natural Resource Management in Ethiopia

Bogalech Alemu

The majority of women in Ethiopia live in rural areas and their relationship with the environment is centered on their concern for household food security and family welfare, the provisioning of water and firewood, and access to fodder and medicinal plants. Women are custodians of biodiversity resources; they are caretakers of agricultural and livestock genetic resources. Women play a



key role in the management of natural resources as they are often users of a wide diversity of environmental goods for household purposes. However, with greater environmental degradation, increasing demands are made on women's time and energy. In highly deforested areas, collecting firewood becomes a highly burdensome chore. Similarly, as water sources are depleted due to the loss of the vegetation cover, it takes women much longer hours to fetch water for household use. Due to the lack of access to alternative sources of household energy, women spend much of their time cooking with biomass fuel such as straw or dung in poorly ventilated rooms and are thus exposed to high levels of indoor air pollution resulting in acute respiratory infections and bronchitis.

Ethiopian women are absent or have limited roles at all levels of decision-making or

policy formulation having to do with natural resource management. Very few women are trained as land-use planners, foresters, or soil scientists. The few who are trained as professional environmentalists are under-represented in formal institutions whose decisions affect environmental quality. In general, since women are in a subordinate position special effort and resources are required to recognize and promote their effort and active participation in natural resource management. Women have a wealth of knowledge and experience about soil and water management, crop and animal husbandry, and this knowledge should be incorporated in the development and transfer of appropriate technologies.

Common Property Resource Management- A Real Solution for Environmental Management in Ethiopia

Eyasu Elias and Pippa Trench

In Ethiopia, like in many other Sub-Saharan countries, common property resource management is not considered a viable way of ensuring sustainable management of natural resources. This assumption has been based on the fact that an individual's interest will always over-ride the interest of the broader community leading to what has become known as the "tragedy of the commons"- uncontrolled and unsustainable levels of exploitation. To prevent this tragedy, two solutions are generally proposed: nationalise the resource, giving ultimate control to the State; or privatise the resource, putting ultimate control in the hands of individuals or private enterprises. Debates about land right policies in Ethiopia have thus tended to focus only on nationalisation and privatisation. The alternatives, which range from transferring full management responsibility to communities, to joint management by the community and the state, are relatively ignored.

Privatisation and nationalisation cannot provide the solution for natural resource management in all areas and for all land-use systems. Common property can provide a viable alternative management model. Pastoralism is a good example of one such form of land use.

Common property resources are resources that are communally owned and used by multiple users and for which there exist arrangements for the exclusion of non-owners. In dryland areas, pastoralist production requires mechanisms to respond to ever changing and uncertain availability of resources, depending on rainfall. Complex customary systems combining reciprocity and rules regulating access to resource use by many different groups (i.e. common property systems) were developed over time to deal with this uncertainty and improve productivity. But these systems have been undermined and today face serious challenges. It is therefore important that land tenure legislation and policy support these systems as viable and valuable alternatives.

Managing Forests as Common Property: Borana Collaborative Forest Management Project

Ben Irwin

Land tenure and property systems define how access to land, forests, water and other natural resources are managed. Access to land and other resources are fundamental to rural people who secure their livelihoods from these resources. Classical rural development approaches for a long time have condemned customary resource management systems, and common property systems in particular, as being counter to development and unable to prevent resource degradation. The alternative to common property

systems has been nationalisation on the one hand and privatisation on the other. However, in certain situations this alternative has not provided a solution to development problems and in many cases has made them worse. Therefore professionals are looking back to customary and other common property systems to resolve these problems. Forests, pasture, irrigation schemes, fisheries can be managed as common property. Collaborative forest management (CFM) is used as a broad term to describe systems in which communities (forest users) and government services work together to manage forest resources. This management system aims to define the rights of forest use, ways of sharing management responsibilities and forest benefits. It is with these broad aims in mind that the Borana collaborative forest management scheme was initiated.

Problems of the Urban Environment

Ammanuel Malifu

In Ethiopia, cities are the future but at present not more than 15 percent of the country's population lives in urban centers. The only primal city is Addis Ababa, accommodating less than three million inhabitants. Many of the residents of the capital as well as other towns are poor, eking out a precarious living either through low paid employment or other unreliable livelihoods. Full employment is unheard of, and social services, housing, and

amenities are in perpetual short supply; basic infrastructure is non-existent. Like in most other developing countries, urbanization problems, which include environmental problems also, are in abundance in Ethiopia: disease, crime, hunger, overcrowding, filth and stench, unsanitary conditions, etc. The environmental undesirables are in particular many, depending on the size and rate of growth of each particular town. Shortfalls of clean water, and wastewater and garbage disposal on the one hand, pollution indoors and outdoors, inadequate housing and sanitation facilities on the other plague every town in this country. These problems require immediate attention and all urban environmental stakeholders have to make their contributions if this sad state of affairs is to be made a thing of the past.

Experiences of Selected NGOs in Natural Resource Management

Ginjo Giya

The paper examines the natural resource management experiences of selected NGO projects in Ethiopia; the projects are ActionAid's Dalocha project, CPAR in Jarso, the Koisha project of SOS-Sahel, and World Vision's program in southern Ethiopia. Based on fieldwork and various recent project documents the paper argues that the projects in question suffered from



lack of clear concepts and approaches. The identification and delineation of degraded resources and the existence of policy guidelines for conservation are the important factors determining how and where conservation work can be carried out. NGO intervention has resulted in some promising achievements in the areas of afforestation, and soil and water conservation; the same cannot be said of the government environmental interventions of the past two decades. However, the sustainability of programs run by NGOs does appear to be in doubt unless concerned sector officials can fill the technical and institutional gap that the programs will have created in the targeted communities. In general, integrated watershed management such as that of SOS-Sahel is a more suitable approach for scaling up by government organizations and for replication by other NGOs, provided that socio-economic and cultural aspects are integrated in the

management approach adopted.

Mass Communication and Environmental Awareness in Ethiopia

Laeke Mariam Demessie

Ethiopia is the only country in Africa that has its own script, which is a great tool for communication. However, the Ethiopian alphabet became a great asset for mass communication when the printing press was introduced during the reign of Emperor Menelik II about a century ago. It was then that publication of books and newspapers started. Postal service, telegraph and telecommunications were introduced into the country at about the same time. Successful transmission of radio broadcasts was initiated in 1935; Emperor Haile Selassie's first appeal to the world for assistance against fascist invasion was broadcast in September of that year. Until the early 1960s, when a second radio station was set up and operated by the Lutheran World Federation, there

was only the government owned radio station in the country. At present, there are a number of radio broadcast services but only one television station in the country. The private press came into being in 1992 and has mushroomed significantly.

The private press covers mainly politics, business and sports; it deals with news and

other stories that is sexy and sells. If a private paper specializes in environmental issues the likelihood of it making money or thriving is almost nil. *Akirma* is the first specialized environmental magazine in this country. However, journalists working both for the private and government press need to be given continuous training in environmental reporting and profes-

sional journalism. Environmental NGOs and donors should subsidize the environmental pages. While both radio and television have a much wider audience, both have been poor in broadcasting environmental education programs or creating public awareness of environmental problems.

Un-Natural Disasters

By Howard Passell

National Public Radio commentary, Morning Edition (USA), March 6, 2000

A million people are homeless, the death toll is rising, and the cost of repairs in flooded Mozambique will probably run into the billions – and all this is being blamed on the rain. But maybe the *humans* have some responsibility for this disaster too.

Just a few months ago landslides in Venezuela buried tens of thousands of people and destroyed billions of dollars worth of property, and that was blamed on the rain. But the real disaster had been happening for decades as the growing population of Venezuelan poor deforested coastal hillsides. Without the forest to hold the water or the soils, the landslides ran free, the rivers overflowed, and lives and property were lost.

Mozambique, in turn, was being celebrated as the African country with the

greatest economic growth. But that growth has gone hand in hand with deforestation in the hills above the rivers that are now flooding, and with deforestation upstream in countries like South Africa and Zimbabwe. Time will tell how many of the dead and homeless downstream in Mozambique are poor, and if their poverty forced them to live in or near the floodplains.

Examples of these so-called natural disasters abound. Mudslides during Hurricane Mitch in 1998 killed 11,000 people in heavily populated and heavily deforested regions of Latin America. Deforestation in the hills of North Korea has contributed to flooding and the destruction of agricultural lands, which led to the famine that has

gripped that country since 1995.

Even the mighty Mississippi is getting into the act. Once, rising spring Mississippi waters would spread out into the forested wetlands – but now, more than 60 percent of the wetlands are gone, converted to agricultural fields, residential subdivisions, roads, malls and parking lots. Levees are built along the river to control it, but then the swelling spring waters flow even faster downstream, where they grow with each new tributary until finally, the levees are breached. In 1993 the Mississippi made the biggest flood in U.S. history, inundating 17,000 square miles in nine states, killing 48 people, and causing 21 billion dollars in damages.

So, why do we keep blaming these events on the weather? When the flood surge

(Continued on page 24)

DEBATE ON POVERTY

It is paradoxical that in this country, which by all measures is one of the poorest in the world, there is only limited debate on poverty and hardly on poverty reduction. All available indicators reveal that the country is at the bottom of the global scale in wellbeing and human development, and millions of its citizens lead the most wretched existence. Between 46 and 60 percent of the country's population, depending which sources one uses, live below the poverty line measured by the country's standards. And yet, it was only in the last six to eight years that poverty studies began to appear and to be included as part of the development discourse. This is a time lag of more than two decades: in Asia and elsewhere the poverty debate was initiated at the end of the 1960s. There is a lively debate on the subject in a number of countries in sub-Saharan Africa.

The government has now prepared a first draft of an interim poverty reduction strategy paper (PRSP), which it recently submitted to the IMF and World Bank¹. The initiative for PRSP has come from international donors agencies which, since 1999, have mandated that all low-income countries requesting or receiving debt-relief have to formulate what is

¹ Following this interview, we have included a piece on The World Bank's Rating of Ethiopia's Performance Rating Process

known as a "country-owned" poverty reduction strategy (PRS). The PRSP is expected to be a three-year strategy document that has to be endorsed by the IMF and World Bank for the country to qualify for concessional loans or debt-relief from the international financial institutions. There has not been serious public debate in this country of the government's interim PRSP nor the nature of the relationship between low-income countries and the two donor institutions arising from the PRS process. We believe the PRSP initiative actually transfers a good deal of sovereign power from the low-income countries to the IMF and the World Bank. Clearly then, poor countries like Ethiopia will not be able to "own" the PRS, and donor agencies will continue to impose their will on them.

Below is an interview on the PRS initiative in Ghana

Who Governs Low-Income Countries?

An Interview with Charles Abugre on the Poverty Reduction Strategy Initiative

News & Notices (N&N): Many civil society groups welcomed the launch of the Poverty Reduction Strategy (PRS) initiative last year. They felt that the IMF and World Bank had finally turned their attention to the big challenges: how to reduce and eliminate poverty and how to cancel the debts of highly in-

debted poor countries (HIPC). What's your position on the PRS initiative?

given by Charles Abugre, head of the Integrated Social Development Centre, which is a think tank working for the empowerment of the poor in that country². The interview is taken from *News & Notices for IMF and World Bank Watchers*, Volume 2, No. 3, Fall 2000, and published by the Globalization Challenge Initiative based in Silver Spring, Md., USA. In the interview Abugre recounts his experiences and perspectives on the PRS initiative. Abugre is familiar with the workings of the PRS process in his own country Ghana as well as other countries, especially Uganda and Kenya.

² ISODEC works in diverse areas, such as microfinance, water resources and reproductive health. It has three affiliates: The Centre for Public Interest Law (CEPIL); PA Publications which publishes a popular bi-weekly newspaper, *Public Agenda*; and a micro-finance institution, the CEDI Finance Foundation (CFF).

debted poor countries (HIPC). What's your position on the PRS initiative?

Abuger: We feel partially responsible for it. We campaigned for debt relief and for improving the poverty reduction outcomes of IMF and World Bank operations. These

campaigns pressured the IMF and World Bank to create something like the PRS initiative.

There are good, strategic reasons for the initiative. First, it tries to link IMF and World Bank Lending to poverty reduction outcomes as part of a transparent and participatory country-led strategy. Second, the initiative moves the debate on debt relief forward. Citizens' groups raised the question of whether resources liberated from debt relief would actually be deployed for poverty reduction. The initiative not only encourages participatory, national policy making, but also creates a framework for channeling resources into poverty reduction efforts.

The initiative builds on earlier initiatives³ that seek to overthrow a development assistance system driven by donor and creditor interests and replace it with a system driven by the interests of borrowing countries. However, the PRS initiative is not uprooting the old system. In some ways, it reinforces the old donor-driven system.

N&N: *Are the flaws in the concept of the PRS initiative or its*

application in the field?

Abuger: Both. With respect to the concept, it's important to realize that, through the initiative, the IMF and World Bank assume new powers over low-income countries. It is unprecedented for the IMF and World Bank to endorse a national strategy, such as the PRSP, that has been developed by a government together with its citizens and approved by its parliament. These creditor institutions only underwrite a small, almost insignificant, part of the costs of national strategies, yet they have the final say over national strategies. That is wrong. The function of endorsing or vetoing national strategies is a supra-governmental role that erodes the sovereignty of borrowing governments. It would be different if the Bank and IMF were judge and jury for only those portions of the national strategy that they intended to finance. That would make sense.

N&N: *So, you see the institutions undergoing "mission creep"*

Box 1

Principles Governing Preparation of Poverty Reduction Strategy

The principles governing preparation of Poverty Reduction Strategy Papers (PRSPs) attempt to put each Borrowing government in the "driver's seat" of a holistic and results-oriented development planning process.

These principles are guides to the development of a Poverty Reduction Strategy that is:

- Country-driven and owned, based on broad-based progress monitoring;
- Results-oriented, focusing on outcomes that would benefit the poor;
- comprehensive in scope, recognizing the multidimensional nature of the causes of poverty and measures to attack it;
- partnership-oriented, providing a basis for the active, coordinated participation of development partners (bilateral, multilateral, and non-governmental) in supporting country strategies; and
- based on a medium-and long-term perspective for poverty reduction, recognizing that sustained poverty reduction cannot be achieved overnight.

³ The PRS initiative builds on the Comprehensive Development Framework (CDF) proposal. After World Bank President Jim Wolfensohn launched the CDF proposal, it was "pilot" tested in thirteen countries (from mid-1999 to the present). The CDF requires that a borrowing government take the lead in developing its country strategy with participation by citizens' groups and multilateral and bilateral organizations

⁴ Article V, Section 6 of IDA's Articles of Agreement provides that "the Association and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned." In the last replenishment of the Bank's concessional arm, the International Development Association (IDA 12), Deputies "stressed that governance is a broad-based concept intended to encompass all factors that impact on a country's ability to assure sustained economic and social development and reduce poverty and noted that addressing those factors is compatible with IDA's mandate." This language makes IDA borrowers susceptible to political pressure from the IMF and World Bank. An explicit modification of the Articles would have been preferable. At least in a discussion of the Articles, borrowing governments would have a greater say. The IDA process is managed almost entirely by the Deputies of Northern governments

Abugre: "Mission creep" is an understatement. The PRSP process shifts considerable power from the governments of low-income countries to the IMF and World Bank. Once, the IMF had influence over certain macroeconomic variables. Now, it can endorse an entire country strategy, including its social and political dimensions. Once, the World Bank's Articles of Agreement were interpreted in ways that protected the sovereignty of borrowers. Now, the Articles are subject to the loosest interpretation imaginable.⁴ Governments of middle-income countries have stated that they would never tolerate the PRSP process.

N&N: *How do the institutions justify their expanded powers?*

Abugre: World Bank and IMF officials told us that they would never approve national plans. They would only "broadly endorse" them on the basis of staff assessments jointly produced by the IMF and World Bank. I'm sure that their lawyers draw fine distinctions based on terminology that are lost on those of us that think in broad strokes.

N&N: *Tell us about Ghana's PRSP process?*

Abugre: Ghana is preparing a

full, participatory PRSP over the next several months.⁵ But, in August, the Government submitted an "Interim PRSP" (I-PRSP) to the Boards of the IMF and World Bank. The I-PRSP is intended as a "road map" to prepare full PRSP and as a "bridge" between the long-term PRSP objectives and a country's short-term needs for financing and debt relief. The I-PRSP Paved the way for approval by the IMF's Poverty Reduction and Growth Facility PRGF)⁶ of a loan to our government.

Each Board of Executive Directors endorsed Ghana's I-PRSP, which consists of an innocuous policy statement and a "policy matrix" loaded with political "dynamite."

N&N: Tell us about the political dynamite in the I-PRSP.

Abugre: The PRSP process and content are politically explosive. First the process. Supposedly, the narrative part of the I-PRSP was public, but no one knew about it. Reporters from *Public Agenda*, our newspaper, called a range of actors including a Deputy Finance Minister, the Minister of Agriculture, the Ghanaian Association of Private Voluntary Organizations in

Development (GAPVOD). No one knew the first thing about an I-PRSP. This text is an innocuous policy statement written by our Ministry of Finance and the World Bank, which described the nature of poverty in Ghana and approaches to dealing with it⁷ In fact, a senior Bank official said that the document was terrible, but that it didn't really matter. The other part of the I-PRSP, **the policy matrix was secret**. The policy matrix is basically a list of policy conditions. External financing—at least financing by the IMF and World Bank—is contingent upon our Government's compliance with these

N&N: *Did the parliament have the policy matrix?*

Abugre: No, it didn't. Nor did the members of the Comprehensive Development Framework (CDF) subcommittees that have begun work on the full PRSP. They were working in the dark.

The content of the I-PRSP was also dynamite. People were astonished that when they saw that the Government commitments reflected in **the policy matrix effectively reversed**

⁵ As of early to mid-August, Ghana was one of about thirteen countries that had a PRSP or Interim PRSP approved. The other countries with IPRSPs include: Tanzania, Mozambique, Sao Tome & Principe, Senegal, Benin, Kenya, Zambia, Albania, Bolivia, and Honduras. At that date, full PRSPs had been completed for Burkina Faso and Uganda.

⁶ The PRGF was formerly called the Enhanced Structural Adjustment Facility (ESAF). The name of this facility was changed when the PRSP process was launched at the 1999 Annual General Meeting of the IMF and World Bank.

⁷ This text was largely an extraction from a series of documents prepared for Ghana's Consultative Group that took place in February 2000. It also constitutes the first chapter of the World Bank's Country Assistance Strategy (CAS) for Ghana. The CAS, which is the Bank's medium-term strategy for lending to Ghana, was approved by the Bank's Board just months before approval of the PRSP. Ideally, a PRSP should precede a CAS.

Box 2

**Description of (Interim and Full)
Poverty Reduction Strategy Papers (PRSPs)**
(Based upon IMF and World Bank documents)

Interim PRSPs. Governments prepare an Interim PRSP (I-PRSP) when there is insufficient time to prepare a full PRSP in order to qualify for (a) their Decision Points relative to the Highly Indebted Poor Country (HIPC) initiative or (b) Fund Board approval of new IMF Arrangements [through the Poverty Reduction and Growth Facility (PRGF)] or the review of annual IMF programs. (Uganda and Mauritania were exceptions to this rule.)

The Boards of the IMF and World Bank endorse I-PRSPs, which provides a framework for IMF lending and the World Bank's Country Assistance Strategy (CAS). The CAS is the World Bank's medium-term business plan that outlines the Bank's proposed lending operations and their rationale.

Interim PRSPs describe:

- the government's commitment to poverty reduction and the main elements of its poverty reduction strategy;
- commitments to a timeline and a consultative process by which the full PRSP will be formulated with the IMF, World Bank, and other creditors and donors;
- a three-year **macroeconomic framework and policy matrix**, which focus on reducing poverty through faster growth.

PRSPs presents a country's progress in several areas:

- poverty diagnostics based on good indicators of poverty reduction;
- shared societal vision on desired poverty reduction goals, reached through a participatory process;
- priority-setting in public action, focused on poverty reduction outcomes; and
- participatory processes to monitor implementation and progress in poverty reduction.

commitments made to the people of Ghana just months prior to its presidential election.

N&N: *What government commitments did the I-PRSP reverse?*

Abugre: In the run-up to the Presidential campaign⁸, our

government made certain promises to the small and medium-scale businesses and industries in Ghana. They are facing tough times. As a result of the decline in world market prices for cocoa and increases in petroleum prices, the country will lose about \$500 million in foreign exchange this year. To make things worse, bilateral donors have been withholding assistance to vari-

ous sectors. They say that the Government hasn't been paying foreign contractors for road construction. In sum, foreign exchange is both scarce and costly due to the dip in disbursement of aid combined with adverse terms of trade. The purchasing power of Ghana's currency, the *cedi*, is plummeting as its value relative to the dollar declines. This has created an impossible situation for many businesses.

⁸ The Presidential election is on December 9.

N&N: *Did the Government of Ghana come to the rescue of small and medium sized-businesses?*

Abugre: Yes. This is the point I was getting to. The Government agreed to implement modest export subsidies and tariff measures that provided temporary protection for textiles, processed agricultural goods and some household staples, such as toothpaste and soap.

These measures need to be understood in context. Ghana has low tariffs by any measure. Cheap goods from abroad are flooding into the country and

The Government's stop-gap measures were important to Ghana and the policy matrix effectively reversed them just months before the elections.

Whether the policy measures were good or bad is not the issue. The issue is that, behind closed doors, the institutions imposed these policies on a government "on its knees" and desperate for foreign exchange. The institutions have as much power as our government. If PRSPs are used to undermine domestic consensus, then they are dangerous tools, indeed.

N&N: *Have you talked with the IMF about these issues?*

Abugre: Yes. We met with

that we might be uninformed about the commitment our government made back in 1998 to reduce tariffs. She may not have her finger on the pulse of Ghanaian politics.

In terms of the process, they told us that our expectations of the I-PRSP were too high. U.K. officials had visited the IMF and world Bank the day before our visit and ordered the institutions to deliver debt relief for 20 countries by the end of the year⁹. They seemed to feel some panic about that assignment. I'm not sure that our concerns about the poor transparency or the poor timing of PRSP processes made an impression on them.

N&N: *What is the problem with*

Box 3

PRSPs: Manufacturing Consent for Trade Reforms?

The World Bank made the following presentation on PRSPs to the Development Committee in April 2000. It reveals the Bank's view that citizen's groups in PRSP countries will be involved in implementing, not designing, trade policies.

"First, transitory adverse consequences that planned trade reforms may have on poor groups in the country will have to be made explicit, and appropriate policies designed to offset them. Such short-term adjustment costs would need to be quantified and carefully designed and suitably targeted. Social safety Net would need to be put in place to help the most vulnerable. In some cases, consideration of the distribution of adjustment costs could lead to rethinking about the speed and sequencing of reform. Second, the PRSP... is envisaged to be the result of a participatory process which should help strengthen the sense of ownership of policies by the authorities and the public. This is particularly significant in the context of trade reform, because it should help to effectively counter affected interest groups' resistance to trade reforms and support the implementation of agreed policies. Third, the PRSP process includes systematic monitoring of changes in poverty outcomes over time, as well as evaluation of the impact of key policies, which can be used to inform the ongoing dialogue about the impact of trade reform on different groups in the society." -- "Trade, Development and Poverty Reduction, Draft," prepared for the Development Committee Meeting, April 17, 2000, p. 10-11.

squeezing out these industries.

them in Washington. In terms of substance, the country economist for Ghana implied

⁹ U.K. Chancellor of the Exchequer Gordon Brown together with Secretary of State for International Development, Claire Short visited the institutions at the end of August and delivered this mandate

the timing of PRSPs?

Abugre: Sometimes the IMF and World Bank make all the important lending decisions for a government just **BEFORE** a PRSP is finalized. Then, there is almost nothing left for the PRSP to influence. It is a “dead letter.” For instance, Tanzania’s full PRSP comes to the Board in November 2000, yet before that (from April through June 2000), the IMF and World Bank approved their lending frameworks and programs for the country. We wonder what purpose the full PRSP will serve in Tanzania.

N&N: *You've told us that the I-PRSP policy matrix was kept secret. Are there other problems related to information disclosure?*

Abugre: First, it's important to realize that failure to disclose critical information didn't only impair the I-PRSP process. It also calls the credibility of the full PRSP process into question. After all, if the content of the I-PRSP is a secret, how can the twelve or so sub-committees that are pro-

ducing Ghana's full PRSP turn out a decent product?

But, there are other problems related to information disclosure. In fact, the credibility problem of the IMF and World Bank is rooted in the “information parity” problem. The “information parity” principle should guide IMF and World Bank interactions with stakeholders; it would allow all stakeholders to have access to the same levels and types of information...with the exception of information that could put a government at risk.

In the PRSP context, this means that all the documentation relating to PRSP should be on the table, including policy matrices, the country assistance Strategy and triggers¹⁰, HIPC conditions, and analytical work¹¹. Where information is not on the table, there are no open debates and there is less chance for a social consensus around the choices embodied in the PRSP.

The IMF, World Bank and their borrowers release only one of the three structural adjustment documents¹². This makes it impossible to compare the policy

aspirations of the PRSP with the programs that the institutions *actually finance*. When you think about it, it is really incredible that governments – together with the IMF and World Bank – invite parliaments and citizens' groups to engage in designing macroeconomic policies in ways that can reduce poverty. Then, they refuse to disclose information about their adjustment-related activities.

N&N: *“Information parity” is essential if citizens' groups are to participate meaningfully in designing macroeconomic and structural policies. What else is necessary?*

Abugre: Several things. **First, the overall PRSP process must be transparent.** In Kenya's I-PRSP process, there was extensive participation and citizens' groups hammered out their recommendations. At the end of the I-PRSP process, citizens' groups were appalled to learn that there had been an exclusive, parallel process addressing macroeconomic and structural concerns. They had no voice in shaping these policies. The same was true in

¹⁰ Government compliance with the World Bank “Trigger” conditions determines whether the government will maintain, increase, or lose access to World Bank loan resources. Whereas a government's compliance with loan conditions may determine whether the government accesses successive installments of a loan, government compliance with trigger conditions (sometimes called “mega-conditions”) often determines whether a government can access **groups** of loans

¹¹ All Economic and Sector work (ESW), especially the Social and Structural Review (SSR), the Poverty Assessments, the Public Expenditure Review (PER) and Fiduciary and Safeguard Reports (including country procurement assessment reports, financial assessment reports and environmental action plans.)

¹² There are four key documents related to structural adjustment: 1) the Country Letter of Development Policy (CLDP) which is sent to the Bank by the borrowing government and 2) the World Bank President's Report, which outlines the final adjustment program. The IMF analogs to these documents are 3) the Letter of Intent (LOI) and 4) the PRGF Arrangement (for poor countries). Of the four documents, only the Letter of Intent is disclosed to the public.

Uganda's full PRSP process. Citizens had no involvement in macroeconomic policy choices.

Second, the institutions must sit back while country constituencies outline economic options and choices.

Traditionally, the institutions have been in the business of marketing and promoting certain economic reform policies¹³. Advocacy by the institutions has undermined the accountability of borrowing governments to their citizens. In many low-income countries, external donors and creditors supply half of the national budget. In such cases, how can a borrowing government listen to the cry of citizens when the external actors are whispering in its "ear?" External actors have little history of self-discipline in this regard.

We would like to see the institutions support a process wherein borrowing country governments and citizens' groups develop a set of macroeconomic policy options (along with the expected impacts of each option). As it is, the IMF and or World Bank present one set of assessment of their potential impacts. The current approach causes constituencies in borrowing coun-

tries to *react* to policy prescriptions (sometimes in leaked documents), rather than to respond to policy choices.

N&N: *Can the IMF provide leadership by for instance, renouncing its practice of imposing rigid policy prescriptions?*

Abugre: We asked the IMF that question. Maybe it was like asking if a leopard could change its spots. A senior IMF official replied very emphatically, saying that he is suspicious of people who want flexible approaches to policies. Pointing to the example of Bolivia, he asserted that flexibility was often the pretext for corruption. It seemed as though he saw civil society getting in the way of governments governing and the Fund doing its work.

However, the IMF's public relations staff and its publications paint a rosy picture.

N&N: *Is the IMF taking any positive steps?*

Abugre: The IMF is endorsing assessments of the distributive impact of proposed structural adjustment policies. This is important and long overdue, but it is only a beginning. And a problematic beginning at that.

The IMF says that the World Bank needs to shoulder respon-

sibility for helping countries assess the distributional impact of IMF reform measures. But, I understand that World Bank lawyers don't like the IMF passing the buck. There are interesting questions, such as: Does the World Bank have an incentive to assess the impacts of the adjustment loans?

The IMF also says that distributional analysis should be restricted to substantial macroeconomic adjustments (e.g. a big tax increase, subsidy reform, or exchange rate realignment) or major structural reforms (e.g. civil service downsizing or price liberalization)¹⁴. It will be important to see how the IMF defines "substantial" adjustments.

Citizens' groups generally see adjustment policies as a principal cause of the widening gap between rich and poor in our countries. We also see how some adjustment measures promote production and distribution patterns that contribute to poverty creation and environmental problems. Yet, the IMF and World Bank almost never conduct social or environmental assessments of adjustment loans¹⁵. When they design adjustment loans, the institutions increasingly include damage mitigation programs, such as social safety nets. But these programs offer too little assistance too

¹³ The institutions work closely as demonstrated by the fact that 89 of the 101 adjustment operations approved by the World Bank in fiscal years 1998-99 had an IMF arrangement in place at approval or shortly thereafter. Most installments, or "tranches," of World Bank adjustment loans are disbursed in coordination with IMF disbursements

¹⁴ See "Key Features of IMF Poverty Reduction and Growth Facility (PRGF) Supported Programs," IMF, August 16, 2000.

¹⁵ The World Bank's structural adjustment loans are exempt from the institution's safeguard policies, including its environmental assessment policy. There is no social safeguard policy outside policies that address resettlement and indigenous peoples.

late to poor and vulnerable people. Besides, as public institutions, the IMF and World Bank should be providing benefits to the poor, women, and other marginalized groups. It is unacceptable to set a standard that says, "we will limit the damage we do to vulnerable groups."

The IMF and World Bank do place a much higher priority on the protection of social sector budgets than they did years ago. Still, these budgets are often squeezed by efforts to reduce fiscal deficits and dampen inflation. IMF and World Bank programs still support efforts by governments to impose and maintain "user fees" for services, including primary health care and basic education. This is devastating to our countries.

N&N: *Is the World Bank more flexible than the IMF in its approach to policy-making?*

Abugre: There is flexibility at the margin of social policy-making. Macroeconomic and structural policies are another story. The problem is illustrated by the annual report card that the Bank issues for each of its low-income borrowing countries.

Each country is graded according to 20 criteria grouped in four areas (economic management, structural policies, social inclusion and public sector management). A gov-

ernment's overall grade influences the amount of money it can borrow from the Bank¹⁶. At the country level, people don't know about this report card – much less the factors that influence the grading of a country. Imagine. The Bank has identified a set of policies that fit all country circumstances...a Policy monoculture, stifling diversity, dialogue and democratic process.

The report card raises many questions about the scope and depth of World Bank involvement in low-income countries and their qualifications to sit as judge and jury over virtually all aspects of a government's business. However I would stress two points here. First, why should people participate in the formulation of national policies if the World Bank has predetermined what constitutes "good policies"? The IMF and World Bank see a good government as one that does their bidding. The Burkina Faso PRSP illustrates that nicely. (Note : See Box 4.)

Many governments are so dependent on external resource flows, they are forced to try to conform with the Bank's concept of "good policies" in order to survive. Why bother with the views of citizens if the meaning of "citizenship" has been hollowed out?

¹⁶ The Bank calls this report card the "Country Policy and Institutional Assessment" (CPIA) process. It does not use letter grades; rather it uses numbers (with 6 being the highest score and 1 being the lowest). The Bank uses the CPIA together with a government's Annual Report on Portfolio Performance Rating (as well as an overall governance weighting) to determine a government's allowable level of borrowing.

Box 4

Donor Dominance in Burkina Faso

From 1997-2000, lenders and donors, led by the European community, conducted an experiment in Burkina Faso. According to the Burkina Faso PRSP:

*The idea is for all donors and Lenders to reach consensus. On a series of performance Indicators would then be used as the basis for decisions regarding disbursement of financial assistance – preferably in the form of budget support...Once sector targets and strategies have been discussed, donors will grant governments complete freedom with respect to the means chosen to implement their policy, as well as the pace and sequence of reforms. [Emphasis added.]**

This quote from the PRSP illustrates that donors and lenders control the process of governing by determining the goals that government should achieve and timing disbursements of money to reinforce their directives. "Freedom," in this context, means "latitude in the means a government can employ in order to achieve externally-imposed goals."

*PRSP, p. 58.

Second, the report card shows that "A" students, like Ghana, are micro-managed, just like "C" students. Ghana might borrow more than a "C" student ... a dubious benefit. But, Ghana's loan instruments are as heavily laden with policy conditions and directives as a poorly performing govern-

ment. The PRSPs of star performers contain over 100 policy conditions. Take a look at Ghana's policy matrix.

N&N: *What are other factors that undermine democratic processes in your country?*

Abugere: The manner in which the PRSP and related processes hijack national, sector-wide and budget planning processes. In Ghana, there is a vision statement, *Ghana 2020*, and in addition, there is a constitutional requirement to develop a medium-term strategy every five years. The current medium-term strategy expires at the end of 2000. The PRSP will be the next medium-term strategy. This is problematic because the PRSP arises from a flawed conception of partnership. This conception gives external actors – donors and creditors – considerable power relative to citizens¹⁷. Participation by external actors constitutes a conflict of interest. These institutions are not neutral actors. They are shaping a program for Ghana that will ensure that, first and foremost, creditors and donors meet their goals. They are fashioning country strategies through their own eyes to serve their own interests. The problem with the PRSP is that it conflates two things: the need for a donor coordination system and the need for a country-owned plan.

This process violates the intent of the constitution, namely that the government and people of Ghana fashion a 5-year strategy. The constitution does not invite external donors and creditors into the process. Citizens' groups are out-gunned by the collusion between donor interests and government dependency. They are disadvantaged in other ways, as well. First, their input to policy choices is handicapped by the fact that they do not have access to many of the key analytical or planning documents from which the other actors are working. Second, representatives of civil society – trade unions, NGOs, religious organizations – are often hand-picked in such a way that they do not bring a common position to the table.

N&N: *You mentioned problems related to national budget planning and sector policy development?*

Abugere: Yes. Donors and creditors can play a decisive role as they sit at the table with government, parliament and citizens' groups hammering out policy decisions on a sector-by-sector basis. Given the government's heavy aid dependency, what chance is there that government will not be sensitive to the wishes of donors and creditors? Citizens have a higher stake in this process than donors and creditors, but their input does not have sufficient weight. Budgetary processes, which build the Medium-Term Expen-

diture Framework (MTEF), are even worse because citizens' groups are often entirely absent. For instance, there is a partnership Forum for the education sector comprised of government and foreign creditors and donors, including international NGOs. But normally, domestic actors in the sector (e.g. the Association of Private Schools, NGOs, religious groups) are not included. This formula is lethal for local or national ownership.

N&N: *What is your advice to the IMF and World Bank?*

Abugere: Three things. First, de-link the debt reduction process from the PRSP process. If the Bank and Fund want to provide debt relief, they can do so without an I-PRSP or PRSP. All they need is a simple framework by which special accounts for debt service can be managed and monitored in a transparent way. Acceptable performance by a borrowing government can trigger debt relief.

Second, don't conflate a country's national strategy with a document to coordinate donor and creditor involvement in the country. These should be two separate processes. A country will never "own" a process, such as the PRSP process, in which donors and creditors play a significant role. Furthermore, IMF and World Bank endorsement of a national strategy is inappropriate. It sets a bad

¹⁷ The PRSP is formulated by the subcommittees of the Comprehensive Development Strategy (CDF) process

precedent.

Finally, the institutions need to be clear...are they asking constituencies in borrowing countries to formulate macro-economic and structural policies? Are they agreeing that the litmus test of macroeconomic and structural policies relate to the capacity of these policies to reduce poverty? We hope that official actors understand that citizens groups have a legitimate role in discussing a wide range of macroeconomic and structural policies. These policies should not be left to the economic priesthood. People buy and sell and pay taxes. They understand how their reality intersects with these policies.

But, as citizens, they shouldn't need to prove their economic prowess. They have a legitimate right to shape their nation's policies, regardless of whether their views conform to the opinions of creditors or donors. Recently, donor governments and creditors gathered to discuss the lessons of the PRSP process to date. The donor governments complained about the IMF and World Bank dominating PRSP processes and said that they wanted a bigger piece of the action. Donors and creditors are trying to "have their cake and eat it too." They want borrowing countries in the "driver's seat, but they won't give up control.

N&N: *Will your organization,*

ISODEC, weigh in on Ghana's PRSP process?

Abugre: Yes we will work with the Civil Society Council of the Structural Adjustment Participatory Review Initiative (SAPRI)¹⁸ to help involve the poor, women and other marginalized groups in creating homegrown macroeconomic and structural policies that can improve their lives.

N&N: *Thank you.*

¹⁸ SAPRI is led by the government, the World Bank and NGOs

Ethiopia Rated as a " B" Student in the World Bank Grading System¹

During the Fiscal Year 1997-1999 Ethiopia was one of the top ten borrowers among low-income countries with a loan of 769 Million US Dollars.

Called a Country Policy and Institutional Assessment (CPIA), The World Bank classifies countries as "Winners" or "Losers"². The

Bank rates countries on the basis of current performance in relation to twenty, equally weighted criteria that are grouped into four categories. The four categories are:

- **Economic Management;** including management of inflation and current account; fiscal policy; management of external debt; and management and sustainability of the development program.
- **Structural Policies,** including trade policies and

foreign exchange regime; financial stability and depth; banking sector efficiency and resource mobilization; competitive environment for the private sector; factor and product markets; and policies and institutions for environmental sustainability

- **Policies for Social Inclusion,** including equality of economic opportunity, equity of public resource use, building human resources, safety nets; and

¹ Note that the Bank uses numerical scale from 1-6 and not grades.

² Most of the information in this section is obtained from *News & Notes for IMF and World Bank Watchers*, Volume 2, Number 3 Fall 2000.

poverty monitoring and analysis.

- **Public Sector Management and Institutions**, including property rights and rule-based governance; quality of budgetary and financial management; efficiency of revenue mobilization; efficiency of public expenditure; and transparency, accountability, and corruption in the public sector.

Accordingly Ethiopia got the following grades:

Overall rating-	B
Economic Management-	C
Structural Policies-	D
Social inclusion-	A
Public Sector-	A

Editor's Note: We find the assessments regarding social Inclusion and public sector management, quite amazing.

Social Inclusion

As indicated by the synopsis above, policies for social inclusion and equity assess the extent to which the disadvantaged are affected by laws, policies, practices or institutions that limit access to economic opportunities. That means that countries with high scores like that of Ethiopia have legal systems (as written and applied) that provide equal access to assets, credits and markets to women and all socio-economic groups. The high grade further implies that the government has adequate policies and institu-

tions to implement these laws fairly and effectively. Policies provide for equal access to education, training, credit, markets, or the labor force. There are effective policies or programs to eliminate any barriers to disadvantaged people's access to opportunity.

Not only does the notion of social inclusion include assessment of safety nets, that is the protection of those who are, or may be unable to make a living at all, but also availability of poverty monitoring and analysis that is timely, widely accessible and disaggregated by gender and socio-economic groups. **Moreover, the criterion assesses the extent to which the country has built its human resources by looking at policies and institutions that affect access to and quality of education, training, literacy, health, AIDS prevention, nutrition and related aspects of a country's human resource development.** Countries with high grades like Ethiopia have allegedly involved the public and affected groups in shaping appropriate priorities and a strategy to build the country's human resources.

On Rule-Based Governance

Likewise the other criterion for which Ethiopia scored a high grade- Public Sector Management and Institutions - implies that the country has a rule based governance structure and that contracts are enforced. Laws and regulations affecting

businesses and individuals are consistently applied and not subject to negotiation.

In terms of quality of budgetary and financial management, the Bank assesses the quality of processes used to shape the budget and to account for public expenditure. The rating addresses the extent to which the public, through the legislature, participates in the budget and audit processes. Moreover, the rating assesses the extent to which audits of public accounts are carried out and submitted to the legislature as well as the quality of resource mobilization, efficiency of public expenditure and the transparency, accountability and corruption in the public sector

Invitation to Our Readers

In the last nine and half years all the above issues that have been positively assessed by the Bank have been of great concern to the Ethiopian public and topics of controversial debate. We would like to invite our readers to carry out their own assessment of these issues and send it to MEDREK as we strongly believe that it is citizens who benefit from the outcomes or live with the consequences of policies who should actively participate in such assessments.

Let us put at least a dent to the existing 'policy monologue'.

Book Review

The Emperor's Clothes: A Personal Viewpoint on Politics and Administration in the Imperial Ethiopian Government 1941-1974. Gaitachew Bekele. African Series No. 3, Michigan State University Press, Lansing, 1993.

Reviewed by Meheret Ayenew, Addis Ababa University

Ato Gaitachew Bekele deserves praise for giving us an insider's story of administration and politics in Emperor Haile Selassie's Ethiopia. But, like so many such stories, his presentation is not without pitfalls. A great deal of posthumous analysis of events during the Imperial period falls into the trap of either unduly magnifying the misdeeds and frailties of the late Emperor, or uncritical exaggeration of his achievements and successes. Ato Gaitachew succumbs to the former temptation in his writing on Ethiopia's last monarch. I say a dispassionate assessment of Haile Selassie's government and administration falls somewhere in between the two.

Emperor Haile Selassie was neither an angel nor a devil. First and foremost, he would be remembered as a statesman who devoted nearly 50 years of his life to the service of this country and there is no denying the fact that Ethiopia's political history is inextricably linked with this leader for half a century. His government enjoyed remarkable internal and external legitimacy, which neither of the two regimes that succeeded him has been able to achieve. The country experienced a long period of relative peace and stability during his rule. Much of the political and

ethnic turmoil that plagued the post-Imperial state bore testimony to this observation.

On the negative side, the Haile Selassie government manifested a dismal failure in bringing about meaningful improvement in the economic and material well-being of the vast majority of Ethiopians. Despite Ethiopia's record as one of the world's oldest independent states with a proud historical legacy, the country remained one of the poorest nations on earth under his rule. In addition, the Haile Selassie regime also frustrated the aspirations of the then emerging civilian and military elite for a more participatory political order. This generated a culture of dissent and resentment against the status quo among the country's small but highly vocal educated elite. In the end, this phenomenon undermined the legitimacy of the Imperial Government and precipitated its demise in the early 1970s.

The book is an important historical document from which present and future generations can draw helpful lessons. The author provides important insights about politics and administration in Imperial Ethiopia based on personal observations while serving as a senior public servant under the monarchy. This gives much cre-

dence to what he is telling readers. Like any other print work, however, the book contains some typographical errors most of which, I presume, are simple oversights. No less than 20 of these can be detected in the 206-page book. These errors by no means diminish the informative value of the book as an important historical and political source. However, some of the inaccuracies are too serious to be dismissed as mere typographical errors because they can raise doubts about the veracity of facts and statements contained in the book. For example, putting the size of the Ethiopian army at 2,000,000 (p. 23, para. 2., line 10) can give people the impression of utter carelessness if not deliberate misinformation. In my opinion, such inadvertent errata deserve serious attention and should be taken care of.

Ato Gaitachew provides many believable observations about administration and politics during the Imperial regime. For example, many scholars of Ethiopian history would agree with his assertion that traditional institutions in Ethiopia had rooms for people from low classes to rise to power and positions of

influence. He also brought out the point that the late Emperor valued personal loyalty to the crown more than love and service to the country. For example, he raised to positions of authority individuals who were accomplices in Fascist Italian occupation (commonly referred to as *bandas*) rather than the patriots who bravely fought for their country. Adding insult to injury, some prominent patriotic fighters were shunned so as to render them politically impotent while others who challenged his personal power and relentless centralization drive were given unimportant appointments in remote parts of the country so that they would be alienated from their traditional power bases.

Apart from being mistrustful of his rivals from within the traditional nobility, Emperor Haile Selassie was notorious for centralizing leadership and decision-making power so much so that even mundane state matters were brought to his attention. The system worked well when the government was small and had limited functions. But, the excessive centralization of authority was later to cost the absolute monarch his power because the centralized system set up to deal with traditional imperial court functions failed to shoulder the much expanded responsibilities of a modern state. It proved incapable of handling the pressure for change and as a result turmoil ensued. This ultimately led to the collapse of Ethiopia's long-reigning mon-

arch and its replacement by the *Derg*. The seventeen years of military-cum-civilian dictatorship under the *Derg* plunged the country into a protracted period of political turbulence thereby causing immense hardship for the entire Ethiopian people.

Ato Gaitachew Bekele's defense of certain economic and political practices that prevailed at the time cannot find many adherents in contemporary Ethiopia. For example, his argument that the '*Gebar*' system in Wollaita was an acceptable socio-political arrangement that should be cherished and carried on to the next generation is indefensible. There was no doubt that *Gebar* represented an exploitative land tenure system based on master-servant relationship with ethnic cleavages. I presume most of us want to bury past inequities and construct a society based on the principles of equality and social justice. Feudal administrative and political practices might have served their usefulness in the past but are out of place in present-day Ethiopia. More important, such ill-fated political practices have the potential to sow discord and polarize Ethiopian society to the detriment of everybody. Far from being antiquated, an attempt to revive an unpopular idea can only engender inter-ethnic resentment that will be anathema to a stable multi-ethnic and -religious Ethiopian state.

Many readers will find in Ato Gaitachew Bekele's book a great deal of self-indulgence and

personal aggrandizement. The author incessantly tries to impress upon the reader how he worked hard to bring about administrative and political change despite the wall of resistance put up by the Emperor and the traditional nobility. For example, he cites several instances where he had to confront the Emperor and other senior government officials to push through his suggestions even while fully knowing that was not an advisable move at the time. Indeed, he portrays himself as a benevolent bureaucrat and a champion for change with more progressive ideas than many of the then government officials he worked with. His claim that he would have supported the 1961 abortive military *coup d'etat* against the Emperor if the plotters had asked him to do so is intended to lend credence to this assertion. I have no basis to question Ato Gaitachew's love for his country and people but I firmly believe that he should have told us more about how the Imperial bureaucracy operated rather than shower upon the reader a heavy dosage of personal history.

Throughout his book, Ato Gaitachew has time and time again come out a bitter critic of the leadership style of the Emperor whom he accuses of being obsessed with personal fame and who relegated the interests of his people to a secondary level. In comparison with his predecessors, including Em-

perors Yohannes IV and Menelik II, Emperor Haile Selassie is admonished for abrogating traditional Ethiopian values of leadership and adopting western practices, which often were alien and unwelcome in the eyes of his people. Excessive centralization of politics and administration is blamed on the Emperor's hunger for personal power. A lot of blame is hurled at the Emperor for failing to provide for a smooth succession that would have averted the fall of the post-Imperial state into the hands of a brutal military dictatorship led by Mengistu Haile Mariam.

Much of the criticism directed against administration and politics in Imperial Ethiopia is unfair because it ignores important socio-historical circumstances of the time. One of these is the capacity of the Imperial State. An attempt to judge Haile Selassie I by the standards of great reformers like Bismarck or Kemal Ata-Turk is totally out of place. These great leaders had at their disposal powerful bureaucracies that undertook major reforms involving nation building and modernization. On the contrary, the Emperor was an absolute monarch who was at the helm of a state with limited administrative and institutional capacities. His traditional political regime could manage routine imperial court functions but had severe institutional and resource constraints to cope with the complex tasks of a modern state. In sum, the greatest weakness of the Imperial regime was that

there were no strong institutions in place to respond to the demands of an emerging modern state and society. When it was put under stress, for example, the abortive military coup of 1961 and the student movements of the 1960s, the Imperial system was least prepared to respond. As a result, its legitimacy was eroded and the seeds for its eventual collapse were sown.

On the positive side, Emperor Haile Selassie should be given some credit for institutionalizing modern public administration and government in this country. After coming to power first as regent (1923-1929) and then as Emperor (1930-1974), he was more successful than any previous ruler in transforming Ethiopia into an absolute monarchy. Modern public administration was set up through the organization of a central government, a parliament, a national army, a salaried bureaucracy and a restructured provincial administration. The Emperor's major act of modernization was the introduction of the country's first constitution in 1931, later revised in 1955. Apart from formalizing the Emperor's pre-eminent authority over the nobility and the Orthodox Church, the constitution also created a BI-cameral deliberative chamber consisting of a senate and a house of deputies. As a modernizing autocrat, he expanded transport and communication, modern education, public health and introduced a national budget. He enhanced Ethiopia's international status by establishing bilateral contacts with coun-

tries in Europe, Asia, the former USSR, USA, China, and emerged as a prominent statesman in the Non-aligned movement and African affairs. Not deterred by the fact that Ethiopia was one of the poorest nations during his time, Emperor Haile Selassie stood shoulder to shoulder with eminent statesmen of the world at many international fora in promoting the country's national interest. I think that it is against this background that history and posterity should judge the contribution of Ethiopia's last monarch to the growth and expansion of modern public administration in one of the world's oldest state.

The attempt to explain the shortcomings of politics and administration in the Imperial Ethiopian Government between 1941-1974 in terms of the personal traits of the Emperor stands out as a major weakness in Ato Gaitachew's book. A balanced assessment of politics and administration during the Haile Selassie era requires an administrative-institutional analysis of the political regime. This approach focuses on the formal structures, functions and authority of the institutions of the state and can thus help to assess the strengths and weaknesses of the Imperial system. In addition, such an approach can also help in assessing the capacity of the system to absorb and manage change. As was pointed out elsewhere in this piece, it is *institutional decay*, i. e. the inability of the Imperial

system to adequately respond to popular demands, which precipitated its eventual demise. Grounding the politico-administrative debate about the Imperial state on the virtues and vices of an aging monarch is not only sterile but will also be subject to personal biases and innuendoes. Further, such an approach does not encourage seasoned and independent argument nor does it help us to know the truth. In sum, it is necessary to consider the political and institutional dynamics of Imperial Ethiopia in order to give a balanced assessment of politics and administration during Emperor Haile Selassie's time.

In a nutshell, what needs to be emphasized is the suggestion that public administration and politics in Imperial Ethiopia must be examined from an institutional perspective. Such a perspective can bring out the major administrative and political deficiencies of the Imperial system, including its limited resource and organizational capacity to carry out the complex tasks of a modern state. For example, the fact that the executive bureaucracy employed no more than 100,000 civil servants in the early 1970s was one measure of the limited administrative and institutional capacity of the Imperial government to undertake major reforms. As was alluded to earlier, the public ad-

ministrative and governance structure was crafted to deal with a limited set of state functions typical of a medieval European state. It lacked the necessary administrative and governance capacity to address the aspirations of the people for much needed economic and political changes. All told, observable limitations in the public administrative and governance structures and processes of Imperial Ethiopia were results of a narrow resource and institutional base of a prototype medieval state rather than the product of the personal strengths and weaknesses of an individual monarch.

Un-Natural Disasters . . .

(Continued from page 9)

of a hurricane sweeps across deforested coastal wetlands and kills 138,000 people – mostly poor -- as occurred in Bangladesh in 1991, is that a natural disaster? Maybe the disaster is really our inability to control our human population, our culture, and our impact on the ecological systems that support both.

Natural disasters are – by definition – un-avoidable. But disasters caused by poor management of our own population *and* of natural resources might one day – with a bit more wisdom -- *be* avoidable. The question is not just one of how we define events in the world around us, but how we live in that world. Maybe our definition of the

disasters in places like Mozambique and Venezuela need to change, and if we can do that, then perhaps the natural consequences of yet greater human disasters can be averted.

Howard Passell works as an ecologist at Sandia National Laboratories and at the University of New Mexico, both in the Middle Rio Grande Valley.

The publication of this newsletter has been made possible by financial support from the FRIEDRICH EBERT STIFTUNG to which we are grateful