Conclusions and some Suggestions for Reform

The context of poverty

This review of seven poor countries reveals a wide range of opportunities for external agencies which seek to support or influence the pursuit of poverty reduction (PR). These include the need for:

- more effective economic policies to promote employment-creating growth;
- a shift of resources and services into rural areas;
- a reorientation of public social services and an improvement in their quality at basic levels;
- the creation of mechanisms to assist poorer regions and districts;
- better targeting of credit and other measures to help the poor;
- a redistribution of land ownership and use;
- strengthened institutional capacities at local levels.

Most of these countries have moved towards some degree of greater political freedom and pluralism, which is potentially helpful. Yet in terms of political processes and cultures, formidable obstacles remain to the redistribution of public subsidies, and even more so to the redistribution of assets like land, and the reduction of discrimination against (particularly poor) women.

Unfortunately most governments have little incentive to protect or promote the interests of the very poor. This is not simply because of the weakness of the poor and the indifference of elites. Certain groups such as civil servants or urban working class groups (who are often fairly poor, at least temporarily) demand more attention to
their needs and predictably resist government attempts to re-target subsidies and social programmes such as education and health to benefit the truly needy. The key question then becomes the conditions under which governments are nonetheless likely to adopt pro-poor measures. Competitive democratic elections are no guarantee of influence for the poor. Domestically, political alliances with more influential groups can provide the poor with some benefits through broader-based programmes, though the poor usually remain the subordinate partners.

However, it is clear that there remains a powerful potential role for outside agencies as an ‘external lobby’ on behalf of the really poor within these countries. This is particularly so in countries which are highly aid-dependent. The manner in which this advocacy role is pursued raises important questions concerning the nature of partnership and dialogue (see below).

**Poverty reduction goals and strategies of the European development cooperation agencies**

All the European agencies have adopted the international development goal of halving the proportion of the poor by 2015, a goal which is enshrined in the OECD/DAC document, *Shaping the 21st Century*. They do not, however, share a common strategy on its achievement. Denmark, Finland, the Netherlands, Sweden and the UK have poverty reduction as their overarching goal, while for the European Community, Germany and (more ambiguously) Italy it is one priority among others. France and Spain do not have an explicit strategy for PR. French agencies do not consider that there are identifiable groups of poor people for whom a special strategy is required. The European Community programme has a number of Resolutions related to poverty, but is only slowly elaborating operational strategies.

Those agencies where poverty reduction represents an overarching objective make the strongest commitment to ‘mainstream’ all their activities in terms of it. There is some risk nevertheless that every activity will be presented as poverty-reducing, without real justification in all cases. Those agencies for which poverty is one priority among others, rarely reveal the weight to be given to the PR aim. This makes it harder to judge whether their implementation performance is adequate.