

# Infusing Participation into Development Planning: A CSO Review of the PRSP



## **Acknowledgements**

This research study was made possible due to the help of several local partner organizations of the South Asia Partnership – Pakistan in the Punjab and the NWFP. SAP-Pk facilitated the logistical arrangements for this study and an international policy fellowship granted to the researcher by the Open Society Institute in Budapest, impelled and subsequently led to design of the specific research proposal for the study, the facilitation of consultative workshops, and documentation of the emerging findings into this report.

## 1) Background

The Poverty Reduction Strategy Papers (PRSP) approach was articulated by the World Bank and the International Monetary Fund (IMF) during their annual meeting in Washington in 1999. Subsequently, this approach has been encouraged in developing countries in the attempt to enhance the much needed sense of country ownership and participation to enhance effectiveness of development strategies. Thus far, PRSPs have been formulated by 57 developing countries across the world, including Pakistan.

The PRSP approach places explicit emphasis on the issue of participation arguing that increased interaction and a sense of encouraging partnerships and a shared vision are vital for alleviating poverty. In fact, approval of PRSPs by the International Monetary Fund is conditional on the adoption of an acceptable participatory process for which a tool kit of methods has been suggested in the PRSP Sourcebook developed by the Bank. Also an annex in PRSPs on civil society organizations inputs is also required which can be viewed directly by the World Bank and the IMF.<sup>1</sup>

Although the focus on participation within the PRSP process is intended to channel development aid more effectively to the poor in developing countries, retrospect on this experience is not without controversy. What constitutes an acceptable process is not specified in PRSP related document. As a result, many countries have been interpreting the mandating of participation as a 'process' conditionality, as opposed to a 'policy' conditionality which in turn has led to widespread disgruntlement with the quality of participation in many developing countries which have formulated PRSPs.

Many Civil Society Organizations (CSOs) have been critical of national processes for leaving out genuine voices of the poor, directly or even indirectly, in the ensuing consultative process. Subsequently, there has been an onslaught of complaints about little or no involvement of associations of the poor in PRSP deliberations and of 'invisible' civil society organization/community based organizations which in turn represent groups such as homesteaders, peasants, and indigenous peoples. At best, the feedback obtained by the PRSP was considered to represent views of government authorities themselves, or a handpicked number of NGOs, which are considered by their critics as being weakly connected to the poor.

These wide ranging contentions have continued to undermine the sense of country ownership which is considered imperative for more effective poverty alleviation, as the experience of formulating the PRSP in many developing countries, including Pakistan, indicates.

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<sup>1</sup> Participation in Poverty Reduction Strategy Papers: A Retrospective Study (2004), Participation and Civic Engagement Group, Social Development Department, World Bank

## **1.1) PRSP in Pakistan**

While not categorized as a 'Highly Indebted Developing Country', the Government of Pakistan drafted the Interim and final versions of the Poverty Reduction Strategy Paper to gain access to concessional funds from International Financial Institutions (IFIs), namely the IMF and the World Bank. Formulated by the Ministry of Finance, the PRSP was presented at the Pakistan Development Forum in early 2004, under the title 'Accelerating Economic Growth and Reducing Poverty: The Road Ahead.'

The IMF and World Bank reviewed and approved Pakistan's PRSP through a joint assessment. Thereafter, the World Bank released a US\$300 million Poverty Reduction Strategy Credit in September 2004, which was the first phase of a three-year program to extend support for implementation of the PRSP.

A PRSP Cell has also been established under the Finance Ministry to coordinate and monitor the PRSP process. The PRSP is scheduled for an update in 2006, since it would have been three years since the Interim PRSP was first drafted. Therefore, this is a good time of review the PRSP process in the country.

Although the World Bank and the PRSP Cell are using a range of survey instruments to gauge what affect the PRSP has had on the poverty situation in the country, it is also necessary for them to consider what advice CSOs an the poor themselves give of relevance to the unfolding PRSP process, given that its formulation was predicated on the need for making development policy making more participatory.

## **1.2) Participation in the formulation of Pakistan's PRSP**

While still nascent, civil society organizations and particularly the non-government sector, has gained increasing influence in Pakistan over the past decade. So much so that the lack of building effective partnerships with NGOs was identified as a major reason for the failure of the Social Action Programs of the 1990s. The IFIs have also reiterated the need for greater government cooperation with civil society organizations, particularly with NGOs, since they have closer connections to the grassroots level. The Bank itself first initiated a consultative process in developing the Country Assistance Strategy 2001-2004 for Pakistan. Subsequently the IMF and the World Bank endorsed the importance of consultation during the I-PRSP and PRSP formulation process in Pakistan. Both the Interim and the Final PRSP acknowledged the need to forge 'a broad-based alliance' to reach out to the poor.

But there are sharp divergences in opinions concerning NGO experiences of the IFI initiated consultative processes. According to critics<sup>2</sup>, the only 'participatory'

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<sup>2</sup> ActionAid, Oxfam, and coalitions such as 50 Years is Enough etc.

meetings that took place were those involving government functionaries and this sort of involvement should not be translated into the claim that the views of people at the district level have been solicited. The lack of consultation with political parties or with other civil society organisations such as trade unions, people's movements, civic and professional bodies, academics, or other potential stakeholders has also been highlighted. Moreover, even well established NGOs in Pakistan remain skeptical about the extent of government commitment to forge 'a broad based alliance' with them, often citing the evident hostility and mistrust of government functionaries towards them as a cause of their pessimism. The reluctance of government functionaries to involve NGOs is indicated by the following remark (of an anonymous GoP functionary) recorded during the PRSP consultation meetings:

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.<sup>3</sup>

A letter sent to IFIs and to the PRSP Secretariat at the Ministry of Finance by the Islamabad based NGO research and advocacy think-tank, Sustainable Development Policy Institute which contained signatures of several prominent civil society organizations of the country<sup>4</sup>, emphatically rejected the PRSP, both as a process and in its content.

Despite the rhetoric of participation, this lack of civil society endorsement of the PRSP process indicates a potential lack of acceptance, demand and/or support for the development strategy.

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<sup>3</sup> World Bank, 2002d, Pakistan Adjustment Policy Consultation Meeting: Comments and Suggestions by Participants, Islamabad, 23 January 23, 2003. Available at: <http://Inweb18.worldbank.org/SCSL+Dev/OD+8.60/CW-OD-860.nsf/MenuDocIDLookup/86B06E7FA6F9542E85256CC00052693B?opendocument>

<sup>4</sup> SDPI, 2003, "PRSP rejection by Pakistani NGOs", Copy of a letter written to the GoP by Pakistani NGOs. Available at: <http://www.eurodad.org/articles/default.aspx?id=430>

## 2) Justification of Proposed Review

Given the growing acknowledgement of the need to involve civil society in not only operationalizing development programs, but in the formulation of development policies themselves, the relative lackluster sense of ownership of the PRSP in Pakistan could severely curtail the potential for poverty reduction despite the country's recent economic resurgence. It is thus vital to actualize the sense of ownership of the PRSP process and to take it beyond mere rhetoric and unconstructive criticism. Civil society organizations also need to take a more proactive stance in engaging with the government and IFIs and there is particular need for this to put forth tangible suggestions to reduce poverty instead of adopting a confrontational stance and attempting to discredit claims concerning the existing approach to poverty reduction in the country (i.e. the PRSP).

If the existing policy prescriptions are to ever change, it will require that governments in poor countries get to hear from their own peoples about the specific policies they would like to see implemented. Independent research however suggests that borrowing governments are often self-censoring themselves and what they permit to be discussed in PRSP consultations. This is perhaps because governments of poor countries don't want citizens groups coming up with all kinds of alternative economic policies that they know the World Bank and IMF will never accept and which would jeopardize their access to more loans. Evidently, citizens groups are never really given the chance to participate freely in participatory policy making despite the rhetorical emphasis on participation.<sup>5</sup> Even in the limited 'invited' spaces available to CSOs, they are not able to set the agenda concerning what aspects of particular economic policies they can or cannot give input on. Given these constraints, there has been a growing need to create alternative spaces to engage in such debates.

While, retrospect on the given PRSP process which took place in Pakistan is useful to assess the quality of participation and to learn lessons for the future, it cannot rectify mistakes of misinformed policies currently under implementation. Even the monitoring mechanism of PRSP with its specific output and outcome level indicators is far from entrenched and even so its tracking mechanism is solely in the hands of the government and its findings are reported directly to the IFIs, without any provision of participation from civil society or the actual stakeholders at the grassroots level.

While one cannot turn back the clock and make the consultative or implementation process of the PRSP more participatory, or convince policy makers to change their stance towards civil society overnight, it is possible to undertake a parallel review of the PRSP process and to obtain unfiltered advice

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<sup>5</sup> ActionAid, 2004, Rethinking Participation, A discussion paper available at: [http://www.actionaidusa.org/pdf/rethinking\\_participation\\_april04.pdf](http://www.actionaidusa.org/pdf/rethinking_participation_april04.pdf)

concerning the document, which can then be used by a range of stakeholders to identify gaps, inconsistencies and contradictions of approaches to poverty alleviation articulated by the IFI endorsed PRSP formulated by the Ministry of Finance.

## 2.1) Specific Objective

The stated objective of this research was to enhance community level awareness of broad based development strategies and to engage public opinion for assessing, reviewing and soliciting suggestions for improving policy aspects of development planning, using the PRSP as a reference document.

## 2.2) Methodological Approach

The proposed activity has been undertaken in 4 districts of the Punjab and 2 districts in the North West Frontier Province at this initial stage. A range of stakeholders including 'invisible' civil society representatives who work with poor farmers, daily wage labourers; and political leaders at the grassroots level; and a due proportion of women, were invited to participate in the consultative sessions.

The research activity itself was divided into two distinct sessions as follows:

- a) **Introduction to the PRSP:** The participants were provided with a concise but simplified introduction to the PRSP process and to the formulated strategy document to not only facilitate their own awareness but also enable relevant and informed feedback. An attempt was made to provide an unbiased explanation of the growing role of IFIs in funding development, their use of structural adjustment, the ensuing problem of inequitable growth, and the subsequent emergence of the PRSP approach with its emphasis on the need for participation. Thereafter, the salient features of the PRSP for Pakistan were mentioned.
- b) **Consultative Session:** The second session was used to obtain specific feedback on the Pakistan specific PRSP. This consultative session, in addition to obtaining feedback evoked by the presentation of the PRSP, some basic conceptual questions were also posed to the participants, for example:
  - o *Does the PRSP serve your strategic needs? If not, why not? In what sectors would you like to see changes, please specify?* (This query sought to obtain feedback from CSOs neglected by the PRSP process).
  - o *How can specific policies endorsed by the PRSP be made more participatory?* (This query sought to obtain feedback on policies like the hiring of teachers on

contract within the education sector, and/or on the microfinance strategy to alleviate poverty that has been endorsed by the PRSP).

- *Does the PRSP provide enough policy ground for alleviating poverty? If not, what else would you like you have liked to see in the document?* (This query was based on the evident critique concerning major PRSP's agricultural policies for example, which are seen to focus on big landholders and the corporate farming, to the neglect of small farmers<sup>6</sup>; and due to the lack of support given to the informal sector).

Moreover, in addition to seeking feedback on PRSP specific queries, an attempt was made to solicit feedback on conceptual issues<sup>7</sup>, such as the history of structural adjustment policies or the success of privatization or liberalization on alleviating poverty, which were not issues up for debate in any of the consultative sessions organized by the PRSP process, not only in Pakistan, but in many other developing countries. Feedback solicited in this regard has also been documented, as it provides the basis for not only supplementing the PRSP process, but also highlights the need and the utility of an alternative strategy for poverty reduction based on civil society priorities instead of those of the government or the IFIs.

However, it must be note that this document primarily focuses on articulating the findings emerging from the consultative process instead, instead of ensuring that all the implications of these findings are correlated to existing PRSP policies, since this latter task can be undertaken by relevant policy makers and other stakeholders themselves.

### **2.3) Methodological Issues and Constraints**

In addition to many local CSO representatives and local government officials (particularly councilors), several poor people themselves (including agrarian labourers, daily wage earners) also attended the CSO consultative meetings on the PRSP process. There were on average twenty participants at each of these sessions, including several women (except in Mardan). While this proved to be a good number, and a good mix of people, to carry out the proposed consultation,

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<sup>6</sup> According to the Pakistan Agricultural Research Council approximately 4.1 million farmers own small farms (under five ha), whereas only 620,000 farmers own medium farms (5-10ha), and 350,000 farmers own large farms (above 10 ha) in the post-2000 period

<sup>7</sup> see Annex I for a list of tentative queries from which selected questions of greatest relevance to different participants present at the six separate CSO consultations were put up for discussion



the variance in the knowledge base of the participants did pose a significant challenge.

The introduction to the PRSP process had to be significantly simplified. Only the four main pillars of the PRSP for Pakistan were mentioned. Given the numerous policies and programs contained within each of the pillars, it was not possible to provide details of each programme to the participants, they were just given a basic indication concerning the range of areas/issues under discussion so as to enable them to determine the sort of feedback of relevance to the activity at hand.

While an attempt was made to get as much direct feedback from poor people themselves, instead of their civil society representatives, this posed another methodological challenge. Often poor and illiterate people had problems articulating and/or linking their own problems to conceptual constraints or programmatic failures. Given the diversity of ground realities, it was not possible for an outsider to see the correlation immediately as well. Thus, members of local NGOs often intervened to contextualize the views of the poor.

Some respondents also could not communicate in Urdu and when they used a local dialect of Seraki (spoken in Southern Punjab) or spoke in Pushto (in the two consultative sessions held in the NWFP), the researcher had no choice but to ask for the intervention of a translator.

Several respondents were not used to meetings seeking their opinions about policy matters, they did tend to waver somewhat from the issue at hand despite the introductory session on the PRSP, and lacking a good sense of the existing policies and initiatives of the PRSP, they could not offer practical suggestions for an alternative strategy. Given this situation, feedback was sought concerning specific problems of the poor instead of asking them to comment on existing policies. Much of this micro-level feedback concerning the poverty situation is detailed in a following section on district-wise findings emerging from the consultations, given its relevance for assessing gaps between existing priorities/policies of the PRSP and the needs articulated through a limited but unrestrained people-based agenda on poverty reduction.

### 3) Research Findings

The following findings are being presented according to the 6 districts, 2 in the Punjab province and 2 in the NWFP, where the research took place. A following section will cluster some of the salient issues emerging from these districts and compare and contrast these issues to the existing PRSP framework.

#### 3.1) Feedback from Bahawalpur district in Punjab

There was a good mix of people in Bahawalpur and the session was held at a local NGO, which also runs a primary school for poor children in the area.



The issue of education was the first issue which came under discussion subsequent to the introduction on the PRSP. Many participants note that despite a decade of attempts, the formation on participatory mechanisms like Parent Teacher Associations or School Management Committees (acknowledged in the Social Action Plans of the 1990s and in the PRSP under the rubric of 'Education for All'), remains elusive. Poor people at any rate



are not invited to join these mechanisms, according to the poor parent of a young primary school girl, who was himself a tea seller by profession. This poor man feared for his child's safety and had complained to the teacher to do something about the school's missing boundary wall, but felt that his complaints were falling on deaf ears and he could not do anything else. Given his personal interest in the condition of the local school, this parent was never asked to be on the school's SMC. It was suggested that more parents of students, even if they are poor, be involve in SMCs and PTCs, instead of local influentials, or the henchmen of the head-teacher.

Moving onto the need for good governance for poverty reduction, a female councilor complained that she had no real role or authority under the devolution system. Her sense of grievance was not only directed towards the architects of the Local Government Ordinance or the higher local government officials within the district, but also towards other state institutions like the police; “Even the SHO (Station Head Officer) the local police station gives me no attention, so how can I be expected to safeguard basic rights of people within my constituency and help them get access to justice?”, she complained. The same councilor revealed that she, and many others colleagues like herself, have to rely on the local *panchayat* (council of village elders) given that the police is not accessible or responsive towards them, knowing that councilors are at the lowest end of the local government system and ‘lack any real power’. Besides making apparent the lack of integration between local governments and their public representatives, the seeming despondency of a lower tiered politician reveals that the local government system introduced alongside the PRSP process has still a long way to go, before it can empower grassroots political representatives to effectively solve the problems of their poor constituencies.

Many micro-entrepreneurs like those running a small paint or tea shop complained bitterly about the Tehsil’s use of contractor system.<sup>8</sup> These small entrepreneurs complain that the lust for making money by issuing contractor licenses is leading local governments to completely neglect the plight of poor people. When the district or tehsil government gives away government spaces to contractors, many contractors purchase the available space due to their easy access to cash, yet they do not utilize this rented public space for productive purposes themselves and instead rent the government space out to poorer entrepreneurs at exorbitant costs to make a good profit. The entrepreneur running the paint shop claimed he was paying four thousand rupees per month to a local contractor, who in turn only gives nine hundred rupees to the local government. Frustrated by their exploitation, a union of painters had been formed in Bahawalpur town but its membership apparently keeps drifting apart due to internal tensions, commonly caused when they lure away each others trained workers for a slightly higher pay. This disunity and infighting prevents them for fighting for a common cause to demand direct access to public spaces on lower rates without having to paying middlemen, so as to increase their living standards, which are hovering close to the poverty line. Similarly, poultry sellers also wanted to directly rent public space instead of going through exploitative contractors, they even requested that a separate place be allocated to them, so that other shop keepers stop chiding them for the inevitable smell of poultry, which drives away other potential customers from the vicinity.

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<sup>8</sup> The LGO 2001 enables Tehsil Municipal Administrations to act like a ‘corporate entity’ and sub-contract municipal services if they wish to increase local revenues. This corporatization of local governments resonates with the drive for privatization espoused by the PRSP. The PRSP document itself categorically endorses the ongoing devolution process as the most effective route to enhancing social service delivery in Pakistan.

Many respondents, including the councilors, thought that the Kushali Bank (recognized as the foremost vehicle to disburse micro-credit and help eliminate poverty under the PRSP) is too difficult to access, the interest rates charged by them are too high, and their officials are no less

“Even the SHO of the local police station gives me no attention, so how can I be expected to safeguard basic rights of people within my constituency and help them get access to justice?”  
(Female councilor from Bahawalpur)

fussy or inaccessible than those of commercial banks. Zakat employees were also perceived as being corrupt as ever, despite the supposed revamping of the system mentioned in the PRSP document to help make social safety nets more effective. Those with influence or money for bribe seem to get access to Zakat funds and some people were reportedly so proficient at ‘greasing the palms of the concerned officials’, that they can get money out from the Bait-ul-Mal and from Zakat funds simultaneously, although stipulated rules forbid such dual reimbursements. Respondents commented that there should be a public committee to oversee the work of these two institutions, if the government is really interested in making these institutions more accountable. Councilors argued for a quota for disbursing Zakat funds to needy people in their constituencies, or else they wanted a greater role in overseeing the work of these persistently ineffective institutions.

Fluctuating prices were cited as a major problem by several of the poorer respondents for their economic woes, one labourer questioned why was it that the price of luxury items like electronic items keeps decreasing instead of the price of items necessary for survival of the poorest.

### **3.2) Feedback from Multan district in Punjab**

Being a major contributor to the agrarian output of the country, many of the issues confronting the marginalized in this prominent district of the Punjab pertain to distribution of land resources. Many participants pointed out to the evident absence of land reforms on the PRSP agenda, which was an obvious sign of its irrelevance for them. In view of the weak and ineffectual history of land reforms in the country, it was suggested that records of land consolidation maintained at the district level should be used to check land-holding sizes and a significant proportion of uncultivated and unproductive lands be given to poor tenant farmers, despite what the landlords say.

Gender issues also came under discussion in Multan. According to a local NGO, the Women’s Rights Association, poor female workers like embroidery workers are glaringly exploited by middlemen due to their lack of access to the market and lack of mobility and negotiating power. Instead of allowing exploitative middlemen to make a bulk of the profits, it was pointed out that the PRSP and the Devolution Plan should have established *dastkari* committees at the Union

Council<sup>9</sup> level to buy embroidered items from poor women at a fair price, and sending them into the bigger cities or even tried to export them in the international market.

However, privatization was not considered a viable option for ushering in equitable development. A high court lawyer argued for establishing a Private Regulatory Authority to ensure that multinational companies (MNCs) abide by their international human and environmental rights agreements and that the government must ask them to spend at least 10 percent of profits on local communities. It was further suggested that provision of social security become a precondition for registration of MNCs in Pakistan, or else their workers will never have the sense of security that employment in a public organization provides. Concerning local private companies, it was suggested that they must provide Terms of Reference even to the lowest paid of their employees, it seems that many local companies do not comply with this practice, in an around Multan at least, since several other participants concurred with this suggestion.

It was noted that devolution can only facilitate poverty reduction if local government officials themselves are aware what mechanisms can facilitate community empowerment and poverty alleviation within the devolutionary framework. Councilors in Multan also said that the tehsil/town and district government offices should have information cells which actively provide information on government policies like the PRSP.

It was pointed out by a local journalist that the formation of Community Citizen Boards (CCB) was not viewed by local government officials as the means to ensure community empowerment, but rather as the means to extend physical infrastructure. None of the government officials who monitor the work of CCBs concern themselves with how participatory the implementation of physical infrastructure schemes has been or how many people are actively involved in a given CCB.

Concerning the issue of access to safe water, local NGO personnel reiterated the need for more pervasive and less technological approaches than putting up expensive water treatment plants at the UC level, as proposed by the current government. Instead the need for bio-sand filters, which are cheaper, easier to maintain and can be constructed indigenously was reiterated. The potential role of CCBs - particularly those which have already completed development schemes in their areas - in putting these bio-filters in place within their own communities, was also identified.

Concerning the issue of health which is a major component of the social services delivery system encapsulated in the PRSP, problems concerning the quality of

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<sup>9</sup> UCs are at the lowest rung of the local government system; all four provinces of Pakistan corresponding have local governments at the districts, tehsils/towns and union council levels

medicines continue to be a concern, and it seemed that the internal mechanism for procurement of medicines have not been altered sufficiently to have a visible impact on their quality. While there is an ongoing thrust to hand over management of the Basic Health Units (BHUs) across the country to the quasi-government NGOs, the Rural Support Networks, many people instead recommended that their charge should have been given to public monitoring committee, and these committees could have been directly linked to the department of health. Councilors in Multan opted to be a part of such committees; smaller NGOs also expressed an interest in this regard. Issues concerning capacity aside, an arrangement of this sort would make the management of basic health services more participatory than it is at present.

### 3.3) Feedback from Khenewal district in Punjab

There was palpable resentment against supposed government plans to address the persistent poverty in the area. After the introduction to the PRSP, there were many skeptical comments claiming that the government has the resources, but it is its priorities which are a problem. The poor are not considered important in practice, people said. "The existence of the poor is acknowledged only to the extent of sloganeering."



Alongside the expressed discontent, suggestions to improve the situation included emphasis on value added small scale production to address the chronic problem of poverty and to empower people who are subsisting just above the poverty line. One tangible example of this was the suggestion that milkmen should be given loans to turn their milk into butter and to then be given access to markets for it. Instead, companies like Nestle, being ushered in to help alleviate poverty in the country under the PRSP, takes milk from a livestock keeper at Rs. 16 per kilo and then processes this milk to make thrice the amount of profit. It was recommended that the government must give NGOs, or even dairy worker representatives themselves, a chance to keep a check and balance on such profiteering, instead of seeking input on agricultural and dairy policies from industrialists and big land-lords only who themselves have shares in these multinational companies. The only thing going in favour of Nestle was that it makes payment on time compared to the *dode* (local milkmen), but it was said to make an unreasonably bigger profit without sharing any of the dividends with smaller livestock owners. Some of the participants concurred that milk is becoming a scarce commodity even in adjoining rural areas due to the assertive purchasing by multinationals. The ensuing discussion on this topic indicated that

a culture of 'multinationalism' had pervaded into unexpected places, one example mentioned in this regard was the practice of private doctors in Khanewal commonly giving prescriptions mentioning brand names of pharmaceutical companies, even prescribing Nestle water for children with diarrhea.

Again with specific reference to Nestle, it was suggested that a government monitoring body could also keep a check on this company (and presumably on other multinationals), to see how much of a profit was being made after factoring in the due processing and supply costs. It was interesting to note that according to the perception of local participants at least, Haleeb, a Pakistani private milk company was considered better than Nestle. Haleeb was apparently giving local milk producers a slightly better deal, but its requirements were lesser and so many local milk producers thus had to sell their milk to Nestle.

The need for Public Privatization Authorities was subsequently identified with reference to the recent privatization of Pakistan Telephone Company Limited (PTCL). A PTCL technician present in the discussion feared that in a few years there would be no job security or security of tenure left for PTCL workers. He said that most workers that he personally knew had wanted the government to retain management control, as they did not trust giving so much autonomy to a private firm.

The privatization of PTCL was also criticized by the present CBO personnel who pointed out that there is going to be no competition for the private company which takes over the mammoth public telephone company and when the company begins to exploit the advantage of its monopoly in the market, the burden will be passed onto consumer indirectly. Again the PTCL technician pointed out that soon after the physical takeover, things at the company would change forever. He had heard rumours that a new company rule was going to be introduced according to which pays of all concerned workers using a given piece of equipment would have their pays deducted in case of any malfunctioning caused due to human error. Yet the government was seen to have ignored many of these concerns, being keener to expedite the privatization of the company under the broader urge of privatization (reiterated by the PRSP).

Concerning the reinvigoration of the agricultural sector, which is vital for economic growth, many of the suggestions emerging from the consultative process were not in congruence to ongoing government attempts. Instead of moving towards corporatization of farming, it was suggested that the capacity of the poor farmers in secondary and tertiary stages of production be built up to enable them to increase their competitive era of global competition. The recent government idea for creation of agri-malls on experimental basis was appreciated however. But instead of focusing on the needs of big landlords, it was suggested that these agri-malls should work more closely with smaller farmers. Agriculturalists in the participation added that in this era of declining subsidies, the government should focus on supporting smaller farmer instead of

the entire agricultural sector. CSOs in the participation added that instead of the government, NGOs should be involve in cooperative farming to avoid the corruption and inefficiency which led to the failure of such experiments in the past.

Many participants considered the CCBs create by the government as being useless and also commented that it was unfair to generate 20% funds for provision of basic social services from community resources. It was suggested that the funds reserve for CCB development schemes be given to councilors instead. This was a contentious suggestion which generated some debate with the converse side arguing that CCBs are meant to facilitate active community participation in development processes instead of leaving this responsibility in the hand of incapable government officials or politicians, who had failed to provide basic amenities to the common man. Subsequently, it was agreed that locally elected councilors could at least be given some responsibility in monitoring the work of CCBs, instead of leaving this task in the hand of government officials alone.

In Khenewal, there were also some contending views concerning the benefit of micro-credit lending schemes. One person who was a satisfied PRSP beneficiary had no problems returning the loan. Yet this was not a poor enough man, some other people pointed out. There was a feeling amongst some critics of micro-credit schemes that many of the NGOs which work in this area feel pressure to enlarge their outreach and thus thrust micro-credit schemes on people who get little long termed benefits given the small amounts disbursed and the high interest rates that have to be paid back along with the original amount. Giving credit to the poor did not seem a good idea to these people, since the lack of productivity is an evident symptom of poverty which cannot be overcome by superficial capacity building exercises. It seemed that many of these people had friends and relatives living under the disconcerting burden of debt.

### **3.4) Feedback from Sialkot**

In Sialkot the most visible concern identified after the introduction of the PRSP was its inadequate focus on addressing the urban-rural divide. In this context, the expressed requirement was for a village or a UC instead of cities to be considered the epicenter of development. The state needed to adopt a more active role in helping bolster the poor farmers by providing them access to the required facilities which causes them to lose their competitive edge despite the hard work. For example, if the government could build grain stores specifically for poor farmers at UC level they would not be compelled to sell their produce at low prices to avert their risk of spoilage. It was recommended that peasant organizations be formed with the help of NGOs and thereafter linked to factories and agencies to give them access to cheap agricultural inputs. NGOs also demanded the privilege of appointing representatives within factories to help safeguard worker rights and environmental concerns.



The water in the surroundings was already very contaminated by tannery industries, and reports of sewerage and drinking water getting mixed and causing health problems was also not uncommon in the area. The implementation of the PRSP seems to have had no effect on this worsening situation.

In response to the evident provision of micro-credit under the PRSP, CSOs and some daily wage earners expressed the preference for tangible job opportunities instead of being given loans to try and make an income.

Concerning the education sector, it was suggested that the government needs to assert a sense of consistency. One suggestion was to have the same uniform for all schools in the country to remove the visible distinction between public and private schools. Teachers needed to be invested in, instead of removing their security of tenure (conversely the Education Sector Reforms initiated under the PRSP have argue for hiring of teachers on contract to lessen pressure on the education budget).

Teachers needed to be invested in, instead of removing their security of tenure

### **3.5) Feedback from Mardan district in NWFP**

A Pakistan People's Party worker attacked the idea of party-less elections under the devolution exercise initiated by the present regime, saying it was no more than a strategic attempt to weaken the connection of political parties at the grassroots level.

According to a local UC Nazim, the newly elected political representatives required clear-cut lines of action and modules for poverty alleviation. Councilors elected on special seats also needed to be elected with greater care, since many of them were not themselves workers or peasants. Special seat candidates should have been asked to obtain verifications from their constituencies prior to contesting as that would have also brought about awareness amongst the public that they were voting for someone who was mean to represent their specific concerns.

The recent amendment to the Local Government Ordinance 2001, subordinating Nazims to the Chief Minister of their province also came under discussion. It was feared that the District Nazim would now become dominated by Members of the Provincial Assembly (MPA) who have influence with the Chief Minister, and thus dilute the essence of establishing an autonomous cadre of public representatives nearer to the grassroots level. It was further pointed out that in addition to causing political complications, there would also be turmoil created in the social sectors since a teacher in the secondary schools could take his complaint to an MPA if the Nazim asks him to leave due to negligence of duties, and thus create a political tussle between these politicians. Now Nazims will think twice before

taking such action against officials who have evident political backing of their local MPAs.

Even the tehsil Nazim had not himself heard of the PRSP nor did he know of any discernable implications of it on the process of devolution, of which he was himself a product. His own suggestion following the query about the PRSP was to have such development programmes better publicized right own to the Union Council level. A councilor present also concurred with this suggestion. To these comments, a CSO representative added that a UC office board should be required to place notices of annual expenditures and project information for public display instead of it being kept in files alone

The poor do admittedly need to borrow money from relatives in times of need, but unlike with micro-credit, there is no interest tied to such borrowings.

Many people present did not think that Islamic philanthropic traditions like Zakat are being managed to serve as effective social safety nets, as the PRSP perceives them to. Concerning the constitution of the Zakat Committee itself, it was suggested that the nomination of its committee should take place through secret balloting to prevent influentials to

exert blatant pressure to have their own people nominated. It was difficult for ordinary people to challenge these nominations in public. which is difficult to challenge openly. It was also suggested that the selection of Zakat benefactors should be more participatory, and that the concerned officials should be randomly asked to justify why or why not Zakat was granted to a particular beneficiary. There were also suspicions of Zakat funds being misappropriated in Mardan (despite the PRSP emphasis on making this system more transparent). One participant narrated a recent incident of an 'official' coming to their area, waving a piece of paper based on which he took note of their ID card numbers and had many of them sign papers saying that he would get their due Zakat funds released, but they have not hear from this 'official' since.

The poor do admittedly need to borrow money from relatives in times of need, but unlike with micro-credit, there is no interest tied to such borrowings. A poor man participating in the discussion, who made his income making and selling *pista*-candy, needed only six thousand rupees to purchase the equipment he hires to make his candy. But given the minimal margin of his remunerations, he was not willing to take on the burden of micro-credit, nor had anyone approached him for this purpose. Another respondent who had heard about Kushali Bank said it had very cumbersome procedures. It is easier going to money lenders, who give the required money immediately, which is vital when there is an emergency and the need for cash is urgent.

A primary school teacher was also present and he stated that his current salary was six thousand rupees, having gone up gradually from twenty four hundred rupees over a period of ten years. This teacher had taken a loan from National

Bank but had still been unable to repay them due to the growing inflation. In his opinion, giving credit to people with much lesser income security was not a good idea.

Many participants complained that even devolution had not ended the political corruption in the country. The Executive District Officer (EDO) for Health, for example, was considered by many people to be a political appointee due to which, the tehsil hospital was still in shambles. Apparently, one of the doctors at the hospital owned a medical store which made a comfortable profit selling medicines not available at the hospital.

### **3.6) Feedback from Dera Ismail Khan district in NWFP**

There was generally a palatable sense of alienation from urban centers in Dera Ismail Khan as well. CSOs of the area wanted the non-development expenditures costs of urban areas to be channeled for development projects. Quoting a phrase used to explain the macroeconomic thrust of the PRSP, one respondent stated that 'FDI' (foreign direct investment) needs to be diverted



rural areas, where the majority of the population lives. Given potential fears of corporate farming and multinationals however, the respondents were less sure if FDI could in fact be harnessed to improve the lives of poor people in rural areas. Instead, it was recommended that non-agricultural economic opportunities like kitchen gardening, cottage industries are needed for small agriculturalists living in rain-fed areas (in DI Khan, and in other parts of the country), who presently remain unoccupied for many months of the year when it doesn't rain. Small farmers were also interested in learning more about drying and processing vegetables and a CSO representative who works on agriculture pointed to the need for large scale trainings on sun-dried processing and organic produce for small farmers in particular, supplemented by access to markets for them.

The lack of information was reiterated by students and CSO workers in DI Khan. Some of them who interact regularly with local government officials recommended that LG officials should be given printed handbills stating their rules and responsibilities, particularly with relevance to the alleviation of poverty.

A labour union leader from DI Khan suggested that labor/worker councilors should have been required to get an affidavit from one of the local labour unions,

which could in turn have to have ensured their focus on their specified constituencies.

It was observed that the Bait-ul-Mal could be a good safety net if it were to be run effectively, yet it still doesn't show positive results despite supposed reforms. It was suggested that both Zakat and Bait-ul-Mal committees should have doctors, lawyers and other civil society representatives.

Another suggestion concerning the local government emerging from this session was to provide a Special Judicial Magistrate the charge of removing encroachments instead of Tehsil Municipal Administration (TMAs) which are often under political pressure exerted on the tehsil Nazim not to disturb the encroachers, who then tend to usurp half the road to sell their wares, soon after it is constructed, and inevitably choke up the traffic flow.

### **3.7) Salient gaps between CSO suggestions and the existing PRSP**

While the consultative session was hard to facilitate due to the variance of knowledge of the participants, and the exhaustive list of programs and projects under the ambit of the PRSP, the above documentation shows that something to the effect can be managed and it even brings some very useful suggestions to the forefront.

While most of the above documentation has focused on conveying the responses emerging from a simplified discussion of the PRSP, without attempting to counter misperceptions or to waste time in drawing broader policy linkages, a retrospect at this stage of documentation does allow one the chance to consider the relevance of the feedback to some conceptual issues. For instance, the above discussion provokes several questions which were largely ignored during the official consultative process prior to the formulation of the PRSP. Consider for example the issue of whether foreign investors should be required to pay minimum wages or follow labor laws, or else should there be greater regulatory requirement of foreign investors to ensure that the host country eventually benefits from such partnerships? Or, could the thrust of privatization even be revised if the workers are not happy with the incoming management, and if there are detrimental effects on the lives of the poor, due to it? It seems that such questions were never asked when the PRSP assumed that FDI and privatization are required ingredients for growth and subsequently for poverty alleviation.

Many of the participants in the discussions made very valid comments concerning how to temper the sharp edges of privatization, or how to enhance community participation on the ground. They recommended for example the need for the devolutionary framework, introduced almost parallel to the implementation of the PRSP in Pakistan, to become more responsive to the needs of the poor. Many councilors themselves have identified relevant platforms where they can play a greater role in reaching out to the poor. The poor have

commented on policies formulated in their name and the evident utility of these policies for them. CBOs have expressed their reaction to the programs and policies of the PRSP and provided some useful alternatives to help empower the poor.

What was most interesting to note in the above discussion was the willingness of many smaller CBOs and even councilors to take an active part in the monitoring and implementation of PRSP schemes. The means by which to turn their willingness into actual participation deserve further consideration.

Yet, many of the above suggestions from 'invisible' CSOs may also be found to contradict the broader thrust of the existing PRSP document. However the basic aim of this particular exercise was to identify the sort of concerns which the PRSP needed to have reflected upon in order for it to have had an increased the sense of ownership amongst the marginalize poor people of Pakistan. Without exploring the feasibility of the provided suggestions, an effort was made to reflect as many of the emerging concerns emerging from the limited dialogues as possible, the time for further policy analysis and advocacy purposes is still there and should extend beyond this given analysis.

#### **4) Conclusions**

Besides the spin-off effects of creating awareness, and of demonstrating the potential of enhanced participation in development planning, the proposed activity has been undertaken at a critical juncture when the PRSP is due for a revision for the period 2006 to 2009, and where another development strategy has simultaneously been unveiled by a contending government department (the Midterm Development Framework for 2005 - 2015, by the Federal Planning Commission of Pakistan), which aspires to subsume the PRSP formulated by the Ministry of Finance.

Instead of speculating on gaps and convergences between the PRSP and the MTF, the above exercise conversely has aimed to provide more representative feedback and suggestions concerning salient development requirements, which are based on the direct articulating a people based agenda for poverty reduction. Feedback obtained from the participants of this study reveals the potential for altering and/or modifying existing policies within the PRSP to enhance their ownership on ground. Which policies can be altered or modified in view of the above feedback, however, is better left to the discretion of policymakers and to the motivation of pressure groups like SAP-Pk which remain concerned that the PRSP better reflects and addresses the needs of the poor people of Pakistan.

**Queries to solicit CSO Feedback<sup>10</sup>**

- What are the current demands of external donors/creditors when it comes to structural adjustment policies?
- What are the opinions of parliamentarians and civil society organizations about these current demands?
- What are other possibly more progressive taxation structures?
- Is there evidence that private providers can serve poor people better than can public services?
- When SOEs are inefficient in terms of profitability, are there still not other social, economic, and political benefits to maintaining the steady employment and other economic spin-off benefits that employment provides to local economy, community?
- If a certain factory or industry is financially unproductive, are there other reasons for the state to continue subsidizing or protecting it (employment, taxes, spin-off benefits to communities and other industries, etc)? Are there good reasons to liberalize less than what is being called for by external donors/creditors?
- What sorts of mechanisms could create a more just distribution of land?
- Should the government have any special requirements or limitations on foreign investors in order to guarantee that there are benefits to the rest of the local economy?
- Are there your suggestions to promote investment in the domestic market instead of focusing on export oriented growth activities?

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<sup>10</sup> These tentative queries were derived from an annexure from the ActionAid Report, 'Rethinking Participation', which were modified in view of further discussions with one of the authors in Washington DC and in view of the Pakistan specific PRSP context