



Overseas Development  
Institute

# ***The Political Economy of PRS Monitoring***

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# Some parameters

- ***PRS monitoring*** taken in the broad sense – not the technicalities, but the broad project of endowing development strategies with feedback loops
- ***Political economy*** taken equally broadly, as an invitation to take seriously the interest conflicts, incentives and collective action problems that constrain social engineering in the real world
- ***The “PR paradigm”*** taken not as a coherent and exclusive scheme, but a messy confluence of individually intelligent efforts to grapple with real problems, under real constraints:
  - criticise specific initiatives, not straw men
  - engage directly, don’t snipe from a distance

# Scope of argument

- Starting assumptions
- What has been tried?
- What has experience taught us?
- Conclusions
- The way forward

# Starting assumptions

- A country context as described by van de Walle: a hybrid, neopatrimonial state, in which politics is about getting and sharing the spoils of office, and policies steer practices only to a limited extent
- There are inherent weakness of accountability and policy learning in such systems, but some drivers of accountability do exist where there is electoral competition
- Assume designs for “PRS monitoring” have taken this situation as their point of departure too
- Ask how well they have dealt with the known constraints, by hooking into real and not illusory sources of accountability

# What has been tried?

- 1) Comprehensive results-oriented strategy processes with mandatory civil-society participation, and Annual Progress Reports to provide feedback loops
- 2) Joint performance assessment matrices and review processes to “operationalise” PRSs and institute effective feedback loops, starting with donors
- 3) Results oriented budget reforms, to operationalise PRS and institute feedback loops via parliament
  - ***How well have these dealt with the known constraints?***

# What has experience taught us? (1)

## ***Comprehensive, results-oriented participatory planning***

- It has *not* been proven that wagering on civil society was wrong
  - given a realistic assessment of parliaments, this was not a mere error; don't throw out the baby with the bathwater!
- But the comprehensive approach does produce plans that aren't implemented and can't be monitored
  - the broad objectives are too disconnected from politicians' election platforms, and thus from one of the few real incentives
  - they are too distant from activities for accountability purposes
- Failure of APRs, in particular, to generate domestic accountability stems from
  - the meaning given to “results orientation” etc.
  - not technical flaws (e.g. lack of coordination of M&E) or neglect of parliament

# What has experience taught us? (2)

## ***Operationalisation of PRSs with PAFs***

- Initially associated with World Bank PRSCs and budget support donors, and dismissed as “rewriting the PRSP”
- Now some examples genuinely derived from PRS, providing the necessary specificity to attract political interest and provide focus for accountability
- However, this depends on existence of a sufficient number of jointly agreed measures; otherwise ineffective *ex ante* conditionality re-emerges
- Donor tendencies to expand matrices and make them less action- and more results-oriented is a constant menace
  - great restraint would be required to give PAFs a potential in the domestic accountability sphere

# What has experience taught us? (3)

## *Results-oriented budget reforms*

- Starting point: budget and parliamentary scrutiny is most established mechanism of formal accountability, and budget processes generate real incentives
- PRS-budget links long recognised as crucial:
  - “outcome oriented” MTEFs and programme budgeting
  - targets and ring-fencing for “pro-poor spending” + newer linkage mechanisms
- But “pro-poor” too crude, and PRSs insufficiently specified at the activity level to provide an alternative
- Budget reforms often overambitious technically and miss the simple point of increasing the sensitivity of budget decisions to policies
- To some extent, this is a simple mistake, but it also reflects doubts about what and where the real policies are



# Conclusions

- The main problem isn't that the mechanisms deal badly with the known constraints
- The main problems are the constraints themselves:
  - policies are weak, because slogans not policies win elections, and politicians determine what governments do
  - getting a more policy-related form of political competition is a challenge that lies fully within the political sphere
  - monitoring arrangements can't influence either of these things, however good they are
- But the gap has been increased by two errors of conception:
  - comprehensiveness and “results orientation” as a planning orientation minimises contact with the only relevant drivers of accountability
  - policy dialogue tends to focus on technocrats who believe in planning, not politicians who want to win elections

# Way forward

- The solutions don't lie in the organisation of monitoring
- Being purely political, they may and may not be a matter for donors (but that's another story; cf. van de Walle and Dijkstra)
- At the margin, it will help if
  - work on “strategies” focuses on identifying specific things to do that would make a real difference to growth and poverty reduction, and which politicians might take up and make their own (e.g. Colombia); and
  - country-level monitoring effects concentrate on following up whether the agreed actions happen, not their results
- ***Thank you!***