Good Governance and Poverty
Some Reflections Based on UNDP'S Experience in Mozambique
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Mozambique
1997
1. Introduction

This brief paper aims to contribute to the debate on the links between democracy, social exclusion and poverty by summarising some of the experience within UNDP, both at the policy level and on the field through specific programs and projects.

It will first of all present UNDP's position on the topics discussed, as presented in the recently published report "Overcoming Human Poverty", which focuses on poverty reduction policies and on the importance of governance issues in making them more effective, and in other relevant policy documents. This will provide a general background for the presentation of some small examples taken from ongoing projects that UNDP is supporting in Mozambique. The final part adopts a critical stance and proposes some reflections on conceptual issues and on the role of external actors in promoting democracy and poverty alleviation in developing countries. The main arguments will be that the linkages between democracy (and/or good governance more in general) and poverty reduction are not missing, but weak and in need of clarification and strengthening, mostly due to the complex nature of the processes involved. Moreover, the need for external actors to adopt a more flexible approach and take cultural realities into account without imposing foreign models of democratic institutions needs to be further discussed.

2. UNDP on Governance and Poverty

"Governance" and "Poverty" are two terms that, especially in the past decade, have come to the forefront of the development agenda, meant in this case as the perceived general agreement among development agencies and actors on priorities for action. Indeed, the main reports prepared by UNDP and by the World Bank this year are dedicated to poverty, and have a particular focus on its links to governance and democracy.

According to UNDP, governance can be defined as "the exercise of political, economic and administrative authority in the management of a country's affairs at all levels. Governance comprises the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, mediate their differences and exercise their legal rights and obligations. Good governance has many attributes. It is participatory, transparent and accountable. It is effective in making the best use of resources and is equitable. And it promotes the rule of law." (*)

The key words included in such definition, such as participation, accountability, equity and rights, are linked to the existence of democratic institutions. The concept of "democracy" is therefore strictly related to that of "good governance". Democracy can be defined in a number of ways, be it in terms of institutions, processes or outcomes. It is generally understood to describe a system of accountable and representative government that affords citizens choice and participation in how they are governed and describes the distribution of power within the system and the ground rules of the process. The concept of good governance, as defined by UNDP, is then based on the normative judgement that a democratic system is the one best suited to reach the objective of sustainable human development. That is the reason why, for

(*) UNDP (1997) "Governance for Sustainable Human Development"
the purposes of this paper, I will use the two terms in a similar (although not interchangeable) way.

Poverty, on the other hand, is defined by UNDP as more than a lack of what is necessary for material well-being. It is the denial of choices and opportunities most basic to human development - to lead a long, healthy, productive life and to enjoy a decent standard of living, freedom and the respect of others.

Seen these two definitions, the creation of an enabling institutional environment based on democratic principles becomes, according to UNDP, a fundamental component of any poverty alleviation strategy. Improving the voice of the poor, their access to basic public services, their participation in decision-making, and encouraging them to engage in collective action to achieve lasting social and political empowerment, all become important linkages between good governance and poverty reduction.


More in particular, in its recent report on "Overcoming Human Poverty", UNDP identifies four specific areas where attention should be focused when spelling out the ways in which governance and poverty influence each other.

First of all, elections, at the national and local level, are an important way of promoting accountability. Through general elections all citizens, including the poor and marginalised, can exercise their basic democratic right to make their voice heard and influence the direction of public policy.

Accountability, however, comes not only from voting every few years, but also through the establishment of appropriate systems of monitoring and control that allow for a fair and transparent allocation of government resources. Lack of accountability means that the poor pay a particularly high price for corruption, as they often lack the power and the knowledge to avoid paying bribes and to defend themselves and their own rights. Another way of promoting accountability is through participation mechanisms, as the poor are likely to benefit mostly from programs that they have helped design and implement, and over which they have some degree of control.

Participation and accountability can work better for the poor if twinned with the decentralisation of decision-making and of resources. In this sense, decentralised systems of governance provide a more enabling environment for poverty reduction. However, for decentralisation to imply strengthening democracy, time, considerable resources, and extensive capacity building are likely to be required. Participation needs to be backed with resources to have a lasting impact on poverty. And the quality of participation will depend crucially on the capacity of the poor to organise themselves and engage in collective action to counterbalance the power of local elites or of government officials. The formal trappings of local democracy can disguise entrenched systems of privilege and patronage.

Finally, democratic opportunities depend crucially on the poor's access to information and communication, especially in the light of the great potential created by more recent technologies, access to which remains highly unequal. Expanding such access can enhance people's capacity to understand issues, to participate in public life more constructively, and to create important linkages that can result in coalitions for change. In this sense the potential
role of information and communication in the democratisation of governance structures is great.

Free and fair elections, mechanisms and systems for accountability, transparency and participation, decentralisation, access to information and communication. These four elements constitute, according to UNDP, the main avenues through which the promotion of good governance can result in the reduction of poverty levels. Governance is therefore seen as the "missing link" between anti-poverty efforts and poverty reduction, just as is democracy in the title of this workshop.

The main challenge in dealing with these issues is their complexity. The language and the realities involved are varied and multi-dimensional. Generalisations about what "governance", "democracy" and "poverty" may mean in different contexts might lead to simplifications and lack of focus. Mixed evidence on their linkages increases such complexity. An interesting series of papers produced with the support of DFID (*) concludes that there is no consistent connection between pro-poorness and democracy. In some cases, anti-democratic regimes have performed very well in the fight against poverty. In others, democratic regimes have not managed to reduce poverty by much. These complexities "can be traced in part to differences in the quality of organisations in political and civil society, and the ways in which the poor realise voice within them" (pg. 6). Increasing the political capabilities of the poor, and finding the ways in which governance structures work towards or against that objective, seems in this case to be the key linkage between democracy and poverty.

In order to try and investigate further on these linkages, it is interesting to see how some of these considerations have been reflected in the work UNDP has been doing in the area of governance over the past few years in Mozambique.

4. Examples from UNDP projects in Mozambique

Mozambique represents a very interesting case for the study of the linkages between governance, democracy and poverty. On one hand, poverty levels in Mozambique are among the highest in the world. About 70 percent of the population lives below the poverty line. Governance structures are still very much in the making. Mozambique's first general elections were held in 1994 after 15 years of civil war. The country's transition from a one-party state to a multi-party democracy, and from a controlled to a market economy, is considered to be a success story, although still incomplete. Record rates of economic growth, increasing flows of international investment, a healthy multi-party political system, and a flourishing independent press have been cited as examples of Mozambique's democratic credentials.

UNDP has been involved in various areas related to assisting the Government in the promotion of "good governance" based on democratic principles.

For example, UNDP has coordinated international support to the general elections in 1994 and 1999, and to the municipal elections in 1998. An incredible amount of work has been put into bringing voter education and civic education campaigns down to the village level all over the country, to ensure as wide participation as possible. Voter turnout at the last general elections was estimated at about 75%. A particular focus was put on targeting women and

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youth as groups that were in particular need of inclusion and participation, and extensive use of civil society organisations was made to carry out civic education campaigns. The 1998 municipal elections were less successful mostly due to political problems, as the main opposition party, RENAMO, withdrew from the electoral process. Nevertheless, there is wide agreement that the establishment of a multi-party system and the holding of regular elections has greatly increased the participation of citizens, including the poor, in Mozambique's public life.

The independent media sector is currently being supported by a UNDP/UNESCO project aimed at strengthening democracy and governance. In the aftermath of new media legislation passed by Parliament after the transition to democracy, the independent media sector has expanded dramatically, but with many difficulties, and mostly in the capital city, Maputo. The project provides training for journalists and media personnel in the areas of management and of reporting on relevant issues, supports decentralised access and participation to information by helping establish community radios in rural areas, providing technical support to the provincial delegations of the national public service radio, and creating Communication Centres in the provinces. The project's impact in terms of its final objectives of course is still unclear, but it can be argued that expanded access to information and communication, support to community initiatives and a stronger independent press sector will all enhance opportunities for participation, accountability and, ultimately, better governance.

The area of decentralisation is also a very interesting one. Before describing ongoing projects, it is worthwhile giving a bit of background. During its 15 years as a one-party state, Mozambique has developed a highly centralised government structure, with rigid control mechanisms flowing down from national, to provincial, district and local levels. All nominations of government officials are done at the centre, and reporting lines flow mostly in a vertical manner. Opportunities for participation, once provided by party structures, have now been reduced significantly. During the last decade, a dual process promoting more independence and openness of local administrations has started. On one hand, administrative de-concentration has shifted some responsibilities to provincial and district administrations. On the other hand, a more radical political devolution process is being implemented in 33 municipalities created in 1998 with their own elected bodies and much more independence from higher levels of government. Another round of municipal elections is scheduled for 2003, when more towns and villages will be given the opportunity to manage their own affairs, and citizens to participate in a more significant way in public decision-making at the local level.

This "gradual" approach to decentralisation is inevitably creating tensions and difficulties, but also opening new opportunities. A recent review of governance issues carried out by UNDP has indicated that the support for the municipalisation process is very strong, and that many agree it is the way forward, although there are many challenges lying ahead.

UNDP's support to decentralised governance structures has taken various forms. Currently, effort is focused in three specific areas.

Firstly, UNDP provides support to provincial governments by strengthening their strategic planning capacity and by facilitating their linkages with district administrations through equipment and running costs. This project is aimed at enhancing "vertical" efficiency of the administration machinery and therefore the quality of the services it provides, making sure
that information is gathered and flows effectively between provinces and districts, a crucial link that is often overlooked.

Under its Economic Management Program, UNDP also supports provincial and district directorates for finance and planning in order to maximise the transparency, efficiency and effectiveness in the utilisation of public resources by local administrations and ensure the sustainability of their efforts. The main focus is on capacity building and in the creation of an adequate institutional framework (legislation, procedures, systems, etc.) for planning and budgeting at the local level.

Finally, the United Nations Capital Development Fund is supporting local economic development efforts in the province of Nampula by providing funds for small-scale economic and social infrastructure at the district level. The basic assumption underlying the project's design is that the key for a successful rural development effort leading to poverty eradication and sustainable human development is the improvement of local governance, to which, in turn, political, administrative and financial decentralisation and genuine popular participation are essential and critical dimensions. In particular, the project is supporting the creation of District Development Consultative Councils to represent community priorities, enhance accountability and maintain small-scale rural infrastructure, through training and use of participatory planning techniques.

5. Comments

The various examples taken from UNDP projects in the area of governance in Mozambique show how difficult it is to spell out clear linkages between assistance in the area of governance and democracy and poverty reduction efforts, and to define the role that external actors should play.

First of all, it is interesting to note that in the documents related to all the projects described, only the one related to district participatory planning mentions the importance of making the linkage between good governance and poverty reduction. In all others the linkage is either assumed or not taken into consideration. This gives a first indication of a possible role that external actors could play, in making these linkages more explicit and taking them into account by building them into project design, investing in research to spell them out, and including them as specific objectives as far as possible.

This is probably not easy or straightforward. The arguments behind the linkage (i.e. "poverty reduction efforts are more likely to succeed in a democratic environment, or in an institutional environment based on sound principles of good governance", or "democracy/accountable governance give the poor more voice and more opportunities to influence public policy, therefore contributing to poverty reduction") sound straightforward and unequivocal, as a matter of principle. The problem lies in clarifying the specific mechanisms that "make the linkage work", and in identifying appropriate interventions that can create or reinforce such mechanisms. All the projects described do something similar to that, but often not in a clear or evident way. This is partly due to the fact that processes of institutional and cultural change, such as those involved in democratisation processes, are very slow, and although they might bring about a reduction in poverty levels, that is likely to happen only some time after any possible project has completed its cycle. Moreover, identifying clear cause/effect mechanisms might not be simple, therefore making monitoring and evaluation more difficult. In this sense,
another possible role to be played by external actors is that of adopting a longer-term view, where focus on immediate tangible results is replaced by the will to invest in important "intangible components" of good governance, like, as already said, democracy, participation, and empowerment. Calling governance and democracy the "missing links" in poverty reduction strategies is therefore not quite correct. The links are clearly there, even if only as principles to be believed in. But they are often weak, invisible, or fuzzy.

Another important consideration, often voiced but just as often also overlooked, is that of taking local cultural factors into account. It should not be forgotten that concepts like "democracy" and "governance" are the products of western cultural traditions which developed along the centuries. Not necessarily the values, principles and institutional arrangements that are associated with them will generate positive paths of economic and social development, or the reduction of poverty levels as seen in developed countries.

Are the concepts external actors use adequate in the specific contexts where they are being applied? Are they acceptable? Or are they imposed as new forms of "political" conditionalities that end up impinging on national sovereignty? On one hand, it is very likely that poor citizens almost everywhere will agree that participation, ownership, voice, representation, basic human dignity, and other characteristics of democratic systems are important to them, and can improve their living conditions. On the other hand, the institutional arrangements that can turn those values and principles into reality can take a whole range of different forms, some of them more adequate, acceptable and effective than others, depending on the characteristics of social organisation, of local culture, customs and traditions, and on opportunities for building on mechanisms and institutions that already exist. External actors should build these considerations into their program design procedures, and be very cautious about adopting any blueprint approach or relying too much on arguments based on "replicability".

In summary, this paper has tried to present UNDP's position on the linkages that exist between good governance, democracy and poverty reduction. By presenting some evidence from other research and from ongoing projects in Mozambique, it has also argued that such linkages are complex and often difficult to spell out and to promote in specific contexts. The role of external actors in strengthening these linkages should be based on the attempt to make them more explicit, on the adoption of more flexible procedures that allow for a longer time-frame and different evaluation methods, and on a careful analysis of local social, cultural and political realities.