ABSTRACT

The African economic crises started first in the non-CFA franc countries in the 1970s and then the CFA franc countries in the 1980s, such that for the period late 1970s to the early 1990s Sub Saharan African (SSA) countries experienced severe economic crises. These have sharply increased the poverty level of the SSA countries such that Africa today has the highest proportion of poor than ever before.

Based on money metric theoretical framework, the paper analyzes quantitative measures of poverty, and also includes qualitative dimensions of poverty, which help to give a better understanding of poverty. These measures show that poverty is more severe, more in depth and widespread in the rural Africa than in the urban areas.

In combating poverty different actors (the state, the civil society, NGOs, Groups and Associations) are involved. The paper brings out their different activities and roles in the fight against poverty using groups and countries examples. In some cases the different units do not work together, but in some countries they do cooperate and collaborate with the major goal of reducing poverty and improving the welfare of the people. Whatever the situation, the paper argues that a greater partnership necessary to reduce poverty in the growth process with different actors performing their respective roles.

Author biography

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Equitable Distribution of Resources in Growth Process for Poverty Reduction

INTRODUCTION

The African economic crises started first in the non-CFA franc countries in the 1970s and then the CFA franc countries in the 1980s, such that for the period late 1970s to the early 1990s Sub Saharan African (SSA) countries experienced severe economic crises. The gross domestic product declined more than half percent annually for this period. Heavy losses in the terms of trade and sharp decline in world commodity prices contributed greatly in this decline. This was severe partly because much of the export earnings in these countries are from one or two commodities. Also the adjustment process or structural reforms have been quite slow and inconsistent in most of this countries mainly due to internal none economic reasons. These have sharply increased the poverty level of the SSA countries such that Africa today has the highest proportion of poor than ever before. With nearly 50 percent of Africa 600 million people living on a dollar a day or less, output per head in constant prices at the end of the 1990s has changed little from three decades before. And for some, it had fallen by 30 percent or more. The principal aim of economic development is to promote the welfare of the population. A fair distribution of national income and low levels of poverty and improved living conditions of the poor are essential for the well being of the population. In Africa today, there is great interest in equitable distribution and poverty reduction. Hence poverty reduction strategies are sought, given the current magnitude of poverty. This paper is divided into six sectors with the rest of section one dealing with the poverty line. In section two some poverty measures are given. Growth, distribution and poverty reduction is discussed in sector three with the necessary resources for poverty reduction. Analysis of poverty reduction strategies are done in section five. And the paper concludes by discussing the roles of the different actors.

1.1. Poverty Lines

A poverty line is a measure separating the poor from the nonpoor. Persons with consumption or income falling below that line are regarded as poor and above that line are regarded as nonpoor. A well-defined concept of poverty in a country is important in constructing the poverty lines. The poverty lines or the cutoff points for the poor and .. nonpoor are the basis or starting point for poverty analysis. Proper measurement of poverty is a powerful instrument for focusing attention on the living conditions of the poor. Yet much more attention is paid on the functional form of measuring poverty that may show how measures are responsiveness to distribution changes below the poverty line. Much more attention should be on how the poverty line is drawn because the 'choices made in setting poverty lines matter greatly to policy decision guided by good poverty data. Changes of the poverty line with average income are important in determining the responsiveness of measured poverty to economic growth. The poverty line is often assumed fixed in real terms in assessing the effects of economic growth on poverty .Yet it has also been argued that the real value of the poverty line should be positively related with mean national income. This would produce a lower elasticity of poverty to growth. Classifying regions or other socio-economic groupings according to poverty is important in informing policy choices. This could also be very crucial in targeting for the purpose of poverty reduction. In fact different methods of conceptualizing and measuring poverty can give different poverty profiles and consequently give different policy
implications. Hence how the poverty line is drawn matters much in assessing the impact of economic growth on poverty reduction and the level of resource mobilization. Setting poverty lines in practice has tended to depend on the analyst. Often one would want the measurement method to be consistent with the purpose of measurement.

An examination of country-level data shows that countries with higher per capita income tend to have higher poverty lines. This suggests that with sustain growth, countries with low per capita income should be having higher poverty lines. Despite the controversy on the drawing of the poverty line, it could be said with little problem that high per capita income countries tend to have higher poverty lines than lower per capita income countries. Even within a country the same could be said about rich and poor regions of a particular country.

1.2. Relative and Absolute Poverty Lines

There is often a difference between relative and absolute poverty lines. Absolute poverty line has a fixed real value over space and time. The absolute poverty income is based on the expenditures (in real terms) on a minimum consumption basket of goods and services. This is based on recommended necessary food energy intake augmented with some allowance for nonfood basic needs. For international comparisons, the absolute poverty line is usually set such that a constant purchasing power across countries is maintained. And relative poverty line changes with expenditure as it refers to the position of a person or household compared with the country’s average income. That is relative poverty line varies from year to year as the level of average income changes. It varies with the average income of the country. Ravallion (1998) argues that absolute poverty line in space of welfare is preferable in informing anti-poverty policies, since it can ensure that poverty comparisons are consistent. That is two persons with same welfare level are treated the same such that welfare gain do not increase poverty. Making poverty comparison across countries is difficult as different countries use different poverty lines. Some analysts use the absolute poverty line, yet there are variations in the establishment of this absolute poverty line. This makes comparison difficult. The World Bank (1990) tried to get around this problem by establishing an absolute poverty line of a dollar a day per person to estimate global poverty levels. There are still problems of conversion or having appropriate rates for converting local currencies into dollars. It is also a common practice to use the relative poverty line, sometimes by setting the poverty line at a common percentage of mean income. So setting the poverty line is not as easy as one may think but once the problem is solved it is easier to carry out poverty analysis. More often the poverty analysis is limited to those below the poverty line with the main focus on the number of the poor (head count) as defined by the poverty line. It must be noted that using the monetary measure of poverty excludes aspects of welfare, which cannot directly be captured by income. These include some services delivered by the government.

2. Some Measures of Poverty

The poverty measures of Foster, Greer and Thorbecke (FGT) (1984) incorporate various degree of poverty. The poverty index could be written as \( P(a) \) with \( a \) being the poverty aversion parameter. When \( a=2 \), the proportionate shortfall from the poverty line is the power 2. The magnitude of the shortfall is captured. It is summed over the poor and then normalized by the total population. \( P 2 \) therefore reflects high sensitivity to the poorest of the poor (ultra-poor). Intuitively, as \( a \) takes the values 0, 1, and 2 the index \( P(a) \) becomes more sensitive to extreme poverty.
In profiling poverty in Africa Ali, Mwabu and Gesami (2000) use the relative poverty line by setting the line as simple averages for a sample of African countries. The poverty results that are obtained are weighted means of population shares of the sectors (with the rural 75 percent and urban 25 percent).

Table 1 Poverty indicators in Africa by sectors in the 1990s

<table>
<thead>
<tr>
<th>Poverty Indicator</th>
<th>Rural Sector</th>
<th>Urban Sector</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head-Count Ratio (%)</td>
<td>55.58</td>
<td>43.03</td>
<td>52.30</td>
</tr>
<tr>
<td>Poverty-Gap Ratio (%)</td>
<td>23.42</td>
<td>16.12</td>
<td>21.50</td>
</tr>
<tr>
<td>Squared Poverty-Gap Ratio (%)</td>
<td>13.26</td>
<td>08.28</td>
<td>11.96</td>
</tr>
<tr>
<td>Mean Expenditure ($/person/year)</td>
<td>408.56</td>
<td>958.95</td>
<td>551.00</td>
</tr>
<tr>
<td>Mean Poverty Line ($/person/year)</td>
<td>324.57</td>
<td>558.44</td>
<td>441.51</td>
</tr>
</tbody>
</table>


From table 1, 52.3 percent of Africa are poor, with the depth of poverty of 21.5 percent and severity of 11.96 percent. But the spread, depth and severity are much higher in the rural than in the urban areas. Although table 1 shows aggregate poverty indicators, there are great inter and intra country differences in the spread, depth and severity of poverty and this aggregate picture tends to conceal differences between countries. For the countries, Ghana shows the least rural poverty with the spread of 29 percent, a depth of 6.01 percent and the severity of 1.8 percent. While Central Africa Republic has the highest spread of 78 percent, 45.7 percent of depth and 31.9 percent of severity of poverty of its rural population. In between these extremes, countries have different spread, depth and severity of rural poverty. Similarly, for urban poverty, South Africa has the least spread of 29.51 percent, depth of 0.73 percent and severity of 0.09 percent. And Swaziland has the highest incidence, of urban poverty with 59 percent of its urban population living below the poverty line. While Niger has the highest (or worst) depth of poverty of 17.2 percent and Guinea-Bissau has the worst severity of poverty of 9.4 percent. Within these extremes, there are wide spread urban poverty in many African countries with 50 percent of the urban population living below the poverty line. The distribution of poverty in terms of spread, depth and severity in the sample shows six countries having between 50 and 59 percent of the urban population living below the poverty line.

3. Growth, distribution and poverty reduction

Some of the challenges facing African governments are to be able to design growth enhancing strategies that are sensitive to poverty reduction. Targeting growth pattern results to poverty reduction may generate some losses in growth potential, but this may depend on the growth potential sacrificed as against gains obtained in poverty reduction. Growth has often contributed to poverty reduction. Yet some growth processes may be more effective in reducing poverty than others. If policies are designed such that growth is related to poverty reduction, we would expect greater sensitivity of poverty to growth.

We can describe the situation by relating growth to poverty reduction. We may then estimate the decrease by the poverty elasticity of growth showing the effect of a percentage change in mean income or consumption on the proportion of the poor-those below the poverty line.
Hence the elasticity here can simply be defined as the rate of reduction in the size of the population of the poor.

That is: \( \frac{a_p}{p} = e \cdot p + n \)

Where \( P \) is the number of the poor and \( a_p \) gives the proportional change in the number of the poor. The rate of mean income or consumption growth is \( p \) and the elasticity is being the population growth rate. A negative elasticity \( e \) shows growth with poverty reduction. Although with a negative elasticity, the number of the poor can still increase because of population growth effects. And a positive growth elasticity would reflect immiserizing growth.

Table 2: Responsiveness of poverty to growth.

<table>
<thead>
<tr>
<th>Poverty Index</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Elasticity with respect to Mean Expenditure</td>
<td>Elasticity with respect to the Gini coefficient</td>
</tr>
<tr>
<td>Head count Ratio</td>
<td>-1.17</td>
<td>0.34</td>
</tr>
<tr>
<td>Poverty Gap Ratio</td>
<td>-1.16</td>
<td>1.67</td>
</tr>
<tr>
<td>Squared Poverty Gap Ratio</td>
<td>-1.99</td>
<td>2.97</td>
</tr>
</tbody>
</table>


Recent studies on poverty show greater sensitivity of poverty to growth than changes to inequality. And the severity and depth being more sensitive to inequality changes than to growth (Ali et al., 2000; Ali and Thorbecke, 1998; UNECA, 1999). Table shows the responsiveness of poverty and distribution. It shows greater sensitivity of changes in expenditures to poverty spread, depth and severity in urban than in the rural sector. A percentage increase in mean expenditure would reduce the number of poor by 1.17 percent in the rural sector but by 1.24 in the urban sector. While the severity is 1.99 percent in rural it is 2.23 in the urban. On the other hand a percent decrease (increase) in inequality decreases (increases) the number of poor by 0.34 percent in the rural sector and by 0.84 percent in the urban. The positive relation is higher in the urban than in the rural when we also look at the depth and severity of poverty. The implication is that increase in expenditure or income tend to have greater impact on the urban sector than on the rural sector. Also reduction in inequality would have greater effect in the urban than in the rural sector.

3.1. Growth necessary for reduction of poverty

Table 3 gives some estimates of elasticities on growth and poverty. With the growth rate of population of 2.77 percent, Sub Saharan Africa would require a GDP growth rate of 7.16 percent in order to reduce poverty by 4 percent yearly. East Africa shows even the highest requirement of up to 8.12 percent economic growth rate yearly. The Gini coefficient is highest in Southern Africa (47.4 percent) and Sub Saharan Africa is 44.0 percent. With the elasticity
of growth with respect to poverty, we see the lowest reduction of 0.74 in East Africa and 0.92 in Sub Saharan Africa. Achieving the international development goal in poverty reduction may be difficult be not impossible.

Table 3: Estimations of the elasticities of Growth, Poverty and the growth rate of GDP required to reduce poverty by 4% annually

<table>
<thead>
<tr>
<th>Region</th>
<th>Average monthly Consumption Per inhabitant</th>
<th>Gini Concentration Index (%)</th>
<th>Elasticity of growth relative to poverty</th>
<th>Growth required by inhabitant (%)</th>
<th>Population growth rate</th>
<th>Growth rate of GDP required (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Africa</td>
<td>53</td>
<td>43.0</td>
<td>-0.85</td>
<td>4.71</td>
<td>7.61</td>
<td></td>
</tr>
<tr>
<td>Centre Africa</td>
<td>77</td>
<td>42.3</td>
<td>-1.02</td>
<td>3.90</td>
<td>6.70</td>
<td></td>
</tr>
<tr>
<td>East Africa</td>
<td>38</td>
<td>43.4</td>
<td>-0.74</td>
<td>5.40</td>
<td>8.12</td>
<td></td>
</tr>
<tr>
<td>Southern Africa</td>
<td>90</td>
<td>47.4</td>
<td>-1.05</td>
<td>3.80</td>
<td>6.20</td>
<td></td>
</tr>
<tr>
<td>North Africa</td>
<td>122</td>
<td>37.0</td>
<td>-1.11</td>
<td>3.60</td>
<td>5.60</td>
<td></td>
</tr>
<tr>
<td>Sub Saharan Africa</td>
<td>65</td>
<td>44.0</td>
<td>0-92</td>
<td>4.37</td>
<td>7.16</td>
<td></td>
</tr>
</tbody>
</table>

- 1985 purchase
- Source : Economic Commission for Africa (ECA) 1999

3.2. Resources necessary for reduction of poverty

Ali et al. (2000) estimates give 46 percent of GDP as the investment rate required to attain an economic growth rate of 8 percent annually for Sub Saharan Africa (SSA) necessary to reduce poverty by half by the year 2015. But the average rate of savings is quite low about 8 percent. This means about 38 percent of external sources would be required to meet up to the 46 percent of the investment rate yearly. But the average official development assistance flows into SSA are just about 15 percent of GDP. This leaves a huge development financing gap of 23 percent of GDP required to filled yearly. This is a way of looking at the challenges facing the African countries and how feasible the international development goals can be achieved. These are challenges to all stakeholders in development.

Countries receive different amount of capital inflow, generate different amount of savings, generate different levels of efficiency in their resource utilisation, and have different types of groups or institutions. More important, the way these institutions or groups function would determine the pattern of growth and poverty reduction or welfare improvement in the country concerned.

4. Income Distribution

The Gini coefficient is a measure of inequality. The index ranges from zero, when there is no inequality and everybody has the same income, to one when there is complete inequality and one person has all the income and the rest of the people have nothing. Most often the Gini coefficient is presented in percentage. But there are other measure of inequality such as using the shares of total income or consumption obtained by different groups of the economy. The inequality in distribution income is quite high in Africa. It is estimated that the Gini coefficient is 51.0 The share of top 20 percent receive 50.6 percent, the share of middle class
is 34.4 and the bottom 20 percent have 5.2 percent of income (Ali et al. 2000). But there are variations among countries. Countries which have the highest inequality include South Africa with a Gini coefficient of 58.5, Kenya with 58.3, Zimbabwe with 56.8, Guinea Bissau with 55.8, Lesotho with 56.3, and Senegal with 54.1 percent. At the other extreme with lowest inequality as measured by the Gini coefficient are Egypt with 32, Ghana with 34.1, Niger with 36.2 and Cote d'Ivoire with 36.9 percent. In between these extremes there are different degrees of poverty (UNECA 1999).

Table 4 : Gini coefficient, GDP and per capita income growth rate for some selected countries (1998)

<table>
<thead>
<tr>
<th>Country</th>
<th>Gini coefficient (%)</th>
<th>GDP growth rate (%)</th>
<th>Growth rate per capita income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>32</td>
<td>5.5</td>
<td>3.56</td>
</tr>
<tr>
<td>Ghana</td>
<td>34.1</td>
<td>3.8</td>
<td>0.94</td>
</tr>
<tr>
<td>Algeria</td>
<td>35.5</td>
<td>3.8</td>
<td>1.39</td>
</tr>
<tr>
<td>Niger</td>
<td>36.2</td>
<td>3.4</td>
<td>0.02</td>
</tr>
<tr>
<td>Côte d'Ivoire</td>
<td>36.9</td>
<td>5.5</td>
<td>3.57</td>
</tr>
<tr>
<td>Cameroon</td>
<td>40</td>
<td>5.2</td>
<td>2.36</td>
</tr>
<tr>
<td>Gabon</td>
<td>43</td>
<td>2.1</td>
<td>-0.78</td>
</tr>
<tr>
<td>Nigeria</td>
<td>45</td>
<td>2.4</td>
<td>-0.46</td>
</tr>
<tr>
<td>Senegal</td>
<td>54.1</td>
<td>5.0</td>
<td>2.21</td>
</tr>
<tr>
<td>Guinea-Bissau</td>
<td>55.8</td>
<td>5.6</td>
<td>3.46</td>
</tr>
<tr>
<td>Lesotho</td>
<td>56.3</td>
<td>6.9</td>
<td>4.31</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>56.8</td>
<td>3.5</td>
<td>1.40</td>
</tr>
<tr>
<td>Kenya</td>
<td>58.3</td>
<td>2.7</td>
<td>0.56</td>
</tr>
<tr>
<td>South Africa</td>
<td>58.5</td>
<td>0.8</td>
<td>-1.38</td>
</tr>
<tr>
<td>North Africa</td>
<td>37</td>
<td>4.4</td>
<td>2.1</td>
</tr>
<tr>
<td>West Africa</td>
<td>43</td>
<td>3.0</td>
<td>0.7</td>
</tr>
<tr>
<td>Central Africa</td>
<td>42.5</td>
<td>4.9</td>
<td>2.1</td>
</tr>
<tr>
<td>East Africa</td>
<td>43.4</td>
<td>2.5</td>
<td>-0.4</td>
</tr>
<tr>
<td>Southern Africa</td>
<td>47.4</td>
<td>2.7</td>
<td>-0.8</td>
</tr>
</tbody>
</table>

As seen in table 4, much inequality is witnessed in Southern Africa (47%) with North 1 Africa show lower inequality in revenue distribution (37%). At the two extremes, Egypt(32%), Ghana (34.1%) have the least inequality while South Africa (58.5%) and Kenya (58.3%) show much inequality. This does not however have a direct relationship with GDP growth rate or per capita income growth rate; for example though some countries with much inequality have low GDP growth rate (South Africa), others like Lesotho and Guinea-Bissau are characterized by much inequality and high GDP growth rate. The general tendency is that those countries with higher GDP growth rate have higher per capita income growth rate and there is no clear pattern relating the Gini coefficient with GDP growth rate. Yet reducing inequality is important for reducing poverty.

5. Poverty Reduction Strategies

Countries like South Korea, Taiwan and Thailand have emphasised on market mechanism, competition and international trade. At the same time ensuring that there is broad-based
participation in economic growth. This was done through the promotion of good schools, which generated high literacy rates and good health care systems that deliver good health services. Barriers to economic mobility were removed and gender equity was promoted mainly through education and employment of women. These were based on strategies that could easily be adopted. Today these countries fall within the group of newly industrialised countries. In other words, these countries have not experienced much inequality and their growth has tended to be evenly distributed. These are feasible goals, which are achievable with the partnership of all the actor.

We examine the activities of some of the actors by first looking at the activities of some NGOs in Cameroon.

5.1. Contribution of private sector including NGOs, and Associations to poverty reduction

a. Heifer project international (HPI) is a non-governmental organisation, operating in many developing countries. It gives assistance to people and communities with limited resources in such a way that their assistance could have a snow ball effect. In Cameroon it encourages increased livestock and crop production, productivity and incomes of farmers. It also assists in improving protein consumption, environmental protection and integrated animal farming development. Its activities are financed from members and donors including governments' contributions. Its activities in Cameroon are mainly in the production of cattle, goats, sheep, swine, rabbits, poultry, oxen, honeybees and fish. At the same time, HPI is involved in assisting the agricultural (rural) poor in promoting sustainable agricultural development. Its activities are financed from members and donors including governments' contributions. Its activities in Cameroon are mainly in the production of cattle, goats, sheep, swine, rabbits, poultry, oxen, honeybees and fish. At the same time, HPI is involved in assisting the agricultural (rural) poor in promoting sustainable agricultural development. Besides providing them with farm inputs, subsidies and farm credits, they give technical assistance to small farmers for efficient allocation of resources and also seek for ways of increasing productivity and profitability of small farming operations through identification of practices by which production can be increased, upgrading of producer's knowledge and skills and enabling producers to have access to necessary support services such as inputs, credit, markets and training facilities.

HPI provides field co-ordinators and volunteers who enhance the training of group leaders who in tend train farmers. After this basic training, livestock gifts and short-term low interest loans are given to farmers by HPI. The field co-ordinators ensure the implementation of HPI ideologies and supervise the repayment of loans on time and under the agreed terms. The livestock gifts are not given back but the recipient undertakes a written firm engagement to pass on the gift to other poor families. The various traditional authorities assist HPI in ensuring the respect of the engagement. Group leaders on their part give monthly reports of their activities to HPI. The basic training aims at teaching low-cost production devices such as planting grass for feed, using local veterinary medicines, and sustainable animal health care services. HPI strives to bring families out of extreme poverty. Most of these families are now able to afford medicines, school fees for their children among other basic household needs. The project insists on the empowerment of women and augments their livestock productivity.

Besides providing food, agriculture is the main employer in the rural areas. Traditional farmers have been said to be efficient but faced with technological barriers that cannot be overcome by the influx of capital provided by aid schemes alone. The important question raised by this hypothesis appears to have been given necessary attention in the aid programme being supervised by HPI. HPI's philosophy of sharing and caring involves assisted fanners helping
others in need. This means passing on the first female animal, knowledge gained, milk and income to other poor families. After twenty years of existence a remarkable improvement has been observed in HPI assisted projects. The availability of aid enable low income farmers have the opportunity to invest in modernised input and enhance the utilisation of these inputs in such a manner as to realise the full extent of output gains.

Applying a Cobb-Douglas production function with two inputs (capital and labour), we tested for economies of scale based on the elasticities of inputs with respect to output. Results of the study show that the assisted workers are operating on an increasing returns (elasticity=1.507) while the unassisted workers on the contrary operate on decreasing returns (0.975). The assisted workers are more technically efficient than unassisted workers are mainly because the later are exposed to more extension services as designed by the HPI aid scheme.

Because HPI beneficiaries are more open to aid schemes, they employ more of labour, modern material inputs and knowledge acquired. People who have attained no level of education make up 60% of HPI beneficiaries, while 22% of the beneficiaries only attained primary educational level as against only 1% for those with university education.

Field experience shows that HPI assisted projects have ameliorated the living conditions of the farmers and improved farm production and productivity. The potentials of the project are not fully exploited by the targeted rural population. More education and extension of aid schemes need to be carried out to include more beneficiaries. To fully gain from the project, small farmers are encouraged to operate through co-operatives so as to facilitate training, marketing and co-ordination of activities. The community with the support of the government is providing electricity and portable water in the rural areas where HPI is operating. Equally the government has constructed some rural roads linking some of villages together. Although more is still to be done.

b. The Grounded and Holistic Approach for Peoples’ Empowennent (GHAPE) is also an NGO, a not-for-profit and apolitical organisation. Their principal mission is to get the poorest out of poverty, in health and ignorance through "empowerment credit", training and education. GHAPE tries to improve the quality of life of its members or beneficiaries by focusing more on the poor, particularly women and marginalized young people. Empowerment credit which they defined as micro credit preceded by desired training, determined from empirical data on the lived realities, needs and aspiration of the target population (in this case, the poor) for a sustainable self-employment in income-generating activities and development. Micro-credits sizing 15000frs on the average are given to Empowerment Credit Beneficiaries (ECB) for some specific income generating activities. The loan size remains small to enable the poorest benefit from the programme. However subsequent larger credits can be taken depending on viability and sustainability. Besides, ECB are obliged to deposit weekly savings and assist in an educative talk on a specific or emerging issue ranging from poverty alleviation, health/reproductive health and gender equity issues.

The activities for which loans are being used range from poultry, pig rearing through vegetable and crop cultivation to grocery shops, buying and retailing of basic items. Loan repayment rate is estimated at 100%. Goals are fixed which are known as "12-Decisions" in the socio-economic development agenda to which the participants verbally agree to adhere to the goals and this is reiterated in their weekly meetings to re-enforce adherence to the decisions.
Three different types of EC are disbursed:

i. General Empowerment Credit: This is given to each group after training to undertake any self-chosen income generating activities. Its repaid over a period of 52 weeks on a regular weekly bases.

ii. School Fees Empowerment Credit: this is given to members too meet up school requirements of their children or relatives, it is repayable over a period of 52 weeks on weekly bases. It aims at fighting illiteracy and encourages educational investment.

iii. Pig Project Empowerment Credit: this aims at increasing women access to livestock farming and it equally enables women to benefit from manure, food, employment and eventually increase cash resources with its multiplier benefits. This credit is paid once when a beneficiary pass-on 2 piglets to 2 other women within the project.

Before any initial training is given, assessment is made to determine the participants' needs so as guild the training. During the centre meetings, weekly repayment of instalments is made, savings are made both compulsory and voluntary and educational talks are held during which resource persons like trained centre-chiefs, group chairpersons and members share their experiences on a wide range of socio-cultural, economic and equity issues. Post centre activities are designed to monitor, supervise and control, identify needs as well as re-enforce collective responsibility. These activities include home visit, credit utilisation checks, socio-cultural activities.

GHAPE works in partnership with a number of NGO to enhance networking and avoid wastage resulting from activities duplication. Some of these NGOs include Women's Law Programme (Zimbabwe), Heifer Project International, Rural Development Group (Yaounde), and MUSASA Project (Zimbabwe). Many other groups are involved particularly in the rural areas in reducing poverty through their activities. These include Association Française des Volontaires du Progrès (AFLP) a French NGO which assists in rural through the implementation of agricultural projects, the Organisation Neerlandaise du Développement (SNV) PGTAV which mainly vulgarise experiences of soil management and conservation techniques and it operates in many countries (Mali, Burkina-Faso, Cameroon and Benin).

5.2. The role of the Government and other actors in development strategies and poverty reduction.

An objective of development activity is to increase the productivity of the people including the productivity of the poor; such that the poor do not only benefit from growth but they also contribute to growth. Government investment in human capital (basic health, education training, etc) and infrastructure (transportation, communication network, etc) have significant positive effects on development. The society's well being is a function of the level of its health, education and the longevity of its people. Investment in health, education and training improves human capital productivity and becomes an important component for poverty reduction. The government has important role of developing and encouraging institutional structures or mechanisms, which promote and support market activities. Creating an enabling environment for the private sector such as reducing the cost of doing business and ensuring enough social and political security, justice and transparency. Without well functional institutional mechanisms, government policies too cannot be efficiently implemented with
continuity ensured. The inability of a government to provide credible rules for the functioning of the markets can create an atmosphere of uncertainty for business investors in the country.

Generally the economic agents, both foreign and domestic, are scared to undertake any economic activity where the legal framework does not efficiently enforce property rights and contracts. For example, Some countries notably Botswana, Ghana, Kenya and Uganda have given marketable property rights in place of traditional rights to landowners (Collier and Gunning 1999). This has been done to prevent the loss of output and stagnation resulting from traditional social institutions. The government should encourage competition through policies that discourage inefficient and monopolistic practices. For instance, the poor management of publicly owned companies also explained the rampant bankruptcies particularly in banks common with in some countries during the period 1980-1993. This uncertainty in the survival of banks and other financial institutions has been a deterrent to provide private sector savings and incentive for capital flight. Heavy regulations in the real sector discourage the emergence of profit making private sector economic agents. However, progress has been made in reforming the financial sector particularly in the Francophone countries. This should go a long way to crowd in private sector economic activities.

The public sector should play an important role in ensuring a broad based coverage of basic social services. The most important basic services are basic education and primary (including preventive) health care. A broad base elementary education should be extended to the poor with the education equally relevant to local realities. The schools should impart the necessary skills and knowledge as an integral component of the workforce. Hence the quality of these services is crucial. Some countries have increased their social services to the poor by allowing the private sector provide free education but financed by the state. In reducing or eliminating poverty, education is very crucial as it provides the necessary skills and ability for the poor to live a productive and rewarding life.

In the health sector, emphasis could be placed on primary (and preventive) health care facilities and treatment as well as nutrition particularly targeted towards the poor women and children. Health education programs and basic sanitary conditions should be developed to encourage preventive health care. Also the poor often have little or no access to credit. Many groups have in different countries developed various mechanisms of rendering the poor financially viable through increasing their access to credit. This has also required the joined government, policy maker and financial institution action so as to change credit granting criteria and the decentralization of credit granting institutions.

Many countries have developed different approaches to this program, for example Rwanda’s system of community banks assists the poor to save, to obtain needed loans and to improve their living standards. Private banks collaborate in establishing community banks. In Kenya, the rural women are encouraged to save, while NGOs set up community banks. Cameroon has established saving and loan co-operatives through the co-operative unions, which unite many credit granting institutions and provide services to all members. Ghana have developed private banks which are supervised by the central banks. In this case the state has mainly a supervisory and regulatory role.

Any viable strategy for poverty reduction must be decentralized and participatory. Through this approach the poor who best know what they need, can contribute creatively in designing solutions to meet up with these needs. Increase participation also gives the poor an active
role in determining their own destinies and enhances the self-confidence needed to confront their problems with a positive attitude.

To create an adequate production work opportunities with a reasonable sustainable standard of living, economic policies should be tilted in favor of job creation and not biased in favor of scarce factors such as capital. Hence the need to create new jobs to absorb the unemployment and the youths who join the labor market every year. Experience has shown that education and training are the central elements of an effective national employment strategy. Investing in education, job training and technical training would impact basic skills needed in the job market and at the same time crucial in overcoming poverty. This is mostly true when it attracts the female population. Generally, the most effective policies and programs in training people for any kind of productive employment should include a systematic cooperation among governmental bodies, autonomous governmental institutions and the private sector with NGOs, Associations and other groups or institutions.

Though the private sector generates most of the new employment opportunities, the state's traditional market functions such as creating a favorable market situations can not be underestimated. However these roles go beyond this to include the broadening of opportunities for the private sector and in some cases, enable private enterprises to take charge of the social programs targeted at the poor. The equitable distribution of resources and increase access to factors of production are very important in ensuring sustainability. Protection and a precise definition of property rights for goods and physical assets are very important for economic growth especially when it concerns agricultural products and those factors directly related to the poor.

Poverty creates inefficient use of the country's resources as the country's fails to achieve the potential productive contribution of the poor. Labour is the only asset possessed by the poor. Generally the asset of the poor may not embody the necessary productive skills or human capital required to live a decent life. Because of lack of other assets, labour -the human capital of the poor is underutilized. Human resources, human capital, their own labour services-education and health could be greatly improved to significantly contribute to growth and development. The improvement could be complemented with the necessary financial resources and physical assets such as capital and land. Although with productive human resources other assets could easily be acquired. But the most effective way to broaden the benefits of economic growth so that they could reach the poor and to permit the poor to participate in increasing national production is to also give them a chance through productive employment. A productive paid job implies that the poor will have income with which to satisfy some of their basic needs.

Developing countries should make the best use of their most abundant resources (labor) so as to exploit their relative advantages. The appropriate means of production is that which is labor-intensive so that it brings greater flexibility to the labor market and foster the creation of new jobs. When the market discriminates against some segments of the population (women, ethnic groups, disabled etc), the state needs to target those groups with appropriate projects or affirmative action programs.
5.3. Some countries' examples of poverty reduction Strategies

I. Kenya

At independence Kenya's key developmental problem was to integrate her large uneducated population into the mainstream of production and decision making. However in the early 1970s, this problem became a more complex evidenced by macroeconomic instability. The structural adjustment program (SAP) has reduced macroeconomic instability considerably and provided hope for renewed and sustained growth. In spite of this, poverty, problems of access to health care, illiteracy and unemployment have received much attention recently. Unlike the pre-adjustment period, when the government was the key actor, today NGOs and the civil society are leading the struggle against poverty and aiming at improving the living standards of Kenyans.

a. Job creation programs and Rural access road program

This program seeks to build and maintain farm to market roads. Though labor-intensive, employment is temporal hence negative overall effect on future expectation and well-being. With one of the program's key objectives being participation among the beneficiaries, the district development committee participated in the program from the selection phase, coordination, supervisory and control and today it plays an important role in the maintenance and upkeep of the roadways.

Besides facilitating movement of goods and persons from the farm to the market, trade and commercial activities have developed along the roadways, not neglecting the employment it has created. Road building has also facilitated the sales of agricultural products by small landowners and diversify employment opportunities in rural areas. Increase in economic activities has also meant increase in income and consequently improvement in standard of living. Other projects, such as Jua Kali project, are based on small and mid-sized firms. To facilitate the incorporation of rural activities and products into local area trade, these projects are designed to provide better credit conditions, offer technical and commercial training, promote technological development and develop infrastructure. Credit and savings cooperatives are cooperative institutions, which receive savings and give out loans to its members who are at all levels of income. The cooperatives invest and subsequently share the profits to its members. These institutions are found in both urban and rural areas and also give loans of all types for education, healthcare, housing etc. Participation of the poor is very prominent. The government regulates its activities in order to improve its performance. The Jua Kali program in particular seeks the participation of women as women are very present and active in the textile industry and other informal commercial activities.

Those involved in this project are the government and NGOs, which provide training, loans, infrastructure development and technological promotion. There are over eighty NGOs and community associations involved. On the other hand rural electrification project expands the availability of electricity in rural areas targeting agricultural areas, small and micro-enterprises, administrative and population centers. Some projects have specifically named poverty reduction programs, which are focused on the growing of fruit and vegetable, and the diversification of crop production. To increase profits from international trade and improve well being among farmers, this project seeks to diversify and strengthen exports by moving
away from traditional products towards fruits and vegetables, production of these crops is mainly in rural sector.

2. Zimbabwe

At the dawn of independence, the new government had as challenge to combat racial discrimination, redress the inequalities of the past through welfarist policies and sustained agricultural production. After the first ten years, much of the social imbalance was redressed especially in health, education, gender equality, nutrition etc. However development and growth was still sluggish because of macroeconomic and climatic weaknesses. In 1990, the government adopted the economic structural adjustment program (ESAP), with the principal aim of improving economic performance through market oriented policies. Conducive environment was created for other economic agents to undertake economic activities. Currently, among others, there are agricultural and industrial cooperatives involving many trade unionist. It is meant for employment generation for members, training and the development of skills and abilities especially formal combatants. Other successful cooperatives took part in designing and coordinating the project. Specific employment programs include public works program, which are labor-intensive such as construction and infrastructure development, creating sanitary, road and port infrastructure. It also provides income to the poorest rural resident especially during droughts. This program mainly targets those with irregular incomes, with no food reserves and owing less than 10 sheep.

Also a social fund was created. This was to help in softening the effects of ESAP on the most vulnerable groups and at the same time it has a national scope and seeks to improve access to education and health care. Other programs include supplementary nutritional programs, which provide additional nutrition to children in rural areas as well as vitamin A to children between the ages of 5-10 months including lactating mothers. The social integration programs mainly abolished post independence education segregation, improved schooling conditions and secure a 100% registration rate in primary schools.

3. Ghana

Because of the macroeconomic difficulties facing her from the late 70s ranging from zero GDP growth, overvaluation of the Cedis, triple digit inflation etc, Ghana launched the economic recovery program (ERP) in 1983. This program which had both structural and financial reforms, has very much improved her economy, with more liberalization and infrastructural development. Ghana has implemented a variety of poverty reduction programs that are contributing to human development. These programs include the following:

   a. Job creation programs, and Entrepreneurial training and development

These programs support the many governmental projects aimed at promoting growth in the private sector, boost job creation and foster investment. They aim at developing skills and capabilities through training, seminars and developing networking between companies and financial institutions.

   b. Pilot project to promote integral development in agriculture.
This agrarian development program turns to give out loans to those planting cereals and vegetables. This in the bit to increase food self-sufficiency, increases net agricultural income and foster rural development. This project involved local farmers. The long-term impact of this project is reducing unemployment.

c. Poverty reduction programs and Integral rural development

The program, which involves community participation, seeks to reduce poverty in the rural areas where the lack of development has led to low incomes, urban migration and low living conditions.

d. Health care planning and management

It designs and implements appropriate health infrastructure especially in the rural areas. Also it develops systems and technical procedures for reducing malnutrition among children. Accelerated development of the rural sanitary system also grants some 80,000 residents of central Ghana and the Volta region access to quality sanitary services through a systematic reduction of bacterial illness.

e. Social integration programs and Clean water supply management project

The project aims at improving health and standard of living among the rural population through supplying and administering a safe, secure sanitary system including basic health education.

4. Cote d'Ivoire

To enable Cote d'Ivoire come out of the economic hardship it witnessed in the late 1970s, the year 1981 saw a major policy changes to restructure the economy. Hence, in the mid-1980s, the economy grew again, demonstrating a promising end to the stagnation of 1978. This success was however short lived hence a new adjustment program was launched in mid-1989 and August 1991. Among others, this policy program enhanced development of human resources. The following reflect elements of the government's program: Regional funds for rural administration (FRAR)

With this project a variety of sectors received assistance and cooperation from the government in social investment. This project depended on the leadership capabilities of the local administrators.

-National regulation fund

The nature and scope of the project is to train workers especially in technical and professional sectors.

-Forestry development society (SODEFOR)

It aims at promoting reforestation in areas where desert threatens too wipe out farmland and generate new activity in the reforestation area.
6. Conclusion

All these projects or programs were supported and are still supported by the public sector, the private sector including the NGOs, civil societies and associations. In certain areas the government provided both the funding and regulations while the private sector undertake the implementation. Whatever the role played by each actors, the government tends to do very well in playing a greater role where there are market failures such are in public and externalities. This is notably in the social sector such as in education and health. Although the government could even do much better through the financing of those services and the private sector deliver them. In some cases because of the bureaucratic nature of governments' services the private sector has done quite well. Yet better still the NGOs and Associations or Groups tend to have the best performance as they are nearer the beneficiaries- the poor particularly in the rural areas.
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