

Development Diplomacy and Poverty Reduction Strategy Papers for Least Developed Countries: Non-State Actor Advocacy and Multistakeholder Diplomacy

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Abstract

This article describes in detail the application of development diplomacy in the context of international co-operation for poverty reduction in Highly Indebted Poor Countries. In particular, the authors describe the goal of the International Labour Organisation--a non-state actor--in advocating the inclusion of employment and Decent Work Agenda policies in Poverty Reduction Strategy Papers, an instrument developed by the International Monetary Fund and the World Bank. In order to achieve such inclusion, the International Labour Organisation mandated CSEND to create an advocacy based guidebook and negotiations simulation in order to influence future Poverty Reduction Strategy Paper negotiations.

In December 1999, the boards of the World Bank and the International Monetary Fund approved the Poverty Reduction Strategy Paper (PRSP) approach to reduce poverty in low-income countries. Since then, a PRSP has become the prerequisite for debt relief and concessional lending by international financial institutions. The World Bank and the International Monetary Fund now expect major donor agencies to endorse the participatory process prescribed by the poverty reduction strategy process as a pre-condition for international financial support. In other words, a PRSP is now the basis for all donor and creditor relationships with a low-income country.

The World Bank first conceived of the PRSP idea as an operational plan linked to its country-level Comprehensive Development Framework. The new approach has linked PRSPs to debt relief under the enhanced Highly Indebted Poor Countries initiative. International financial institutions now expect countries to have a developed poverty reduction strategy, reflected in a PRSP, to show how they would use funds released by debt relief to alleviate poverty in their countries. The central point of departure from other pre-PRSP development instruments is that PRSPs embrace a high level of civil society participation along with stronger national ownership.

The purpose of this article is to describe the advocacy strategy of a non-state actor, specifically, that of the International Labour Organisation (ILO) in Geneva, in attaining inclusion of employment and Decent Work Agenda policies in PRSPs.

The Role of Country Governments in Drafting Strategy Papers

A country government must lead the production of its own PRSP. The country-authored PRSP should be result-oriented and offer comprehensive, long-term road maps to serve as a framework for domestic policies and programmes, as well as for development assistance. The principle aims of a PRSP are multiple:

- to strengthen country ownership of poverty reduction strategies;
- to broaden the representation of civil society--particularly the poor--through participation in the design of such strategies;
- to improve co-ordination among development partners;
- to focus the analytical, advisory, and financial resources of the international community in reducing poverty.

In short, a poverty reduction strategy relies on a two-pillar approach: self-help through country-ownership and support of the international community

Scope of Poverty Reduction Strategy Papers

Poverty reduction strategies should include plans for rapid economic growth, macroeconomic policies, structural reforms, and social improvement; as well, they should lead to outcomes in which the poor experience reduced vulnerability to risks and increased benefits of growth. International financial institutions expect a PRSP to ensure consistency between a country's macroeconomic, structural, and social policies and the goals of poverty reduction and social development. Country PRSPs should be produced on a three-year cycle, with annual progress reports for intervening years. Progress reports could include modifications to the original strategy.

As a preliminary step leading to a full PRSP, beneficiary governments draft an intermediate PRSP that the donor will use to expedite the decision on debt relief. An intermediate PRSP will:

- make a commitment to poverty reduction;
- outline the strategy;
- include a three-year policy and macroeconomic matrix;
- provide a timetable and participatory process for completing the PRSP.

Core Principles of Poverty Reduction Strategy Papers

The World Bank and the International Monetary Fund (IMF, 2002) require that PRSPs adhere to six core principles. PRSPs will be:

- *Country-driven*: promoting national ownership by involving broad-based participation of civil society (country ownership of a poverty reduction strategy is paramount);
- *Result-oriented*: setting goals for poverty reduction with tangible and monitorable outcomes, for instance, universal primary education;
- *Comprehensive*: stressing the need for integrating macroeconomic, structural, sectoral, and social elements, and stressing that policies in these areas be consistent with the goal of poverty reduction;
- *Participatory*: requiring all stakeholders in the country to participate actively in transparently choosing poverty reduction strategies;

- *Partnership-oriented*: involving co-ordinated participation of development partners such as the beneficiary government, the domestic stakeholders, and external donors;
- *Long-term in perspective*: understanding the reform of institutions and building capacity in a long-term perspective.

Progress on Poverty Reduction Strategy Papers

According to the ILO *Governing Body Report in 2002* (ILO, 2002a), 71 countries may qualify for a PRSP. Nearly 50 have produced intermediate PRSPs and nearly 20 have produced full PRSPs. The PRS process is ongoing. For an update on the countries participating, their timetables, and status of the process, please visit: http://poverty.worldbank.org/files/country_timelines.pdf and http://poverty.worldbank.org/files/prsp_deliveries.pdf.

The Main Concerns of the International Labour Organisation

The mandate to reduce poverty is inherent in the ILO constitution--the fight against poverty and for social justice lies at the heart of ILO concerns. The ILO believes that high quality employment is the most effective means to reduce poverty in a sustainable manner. Historically, the ILO has initiated many rights-based approaches to poverty, basic needs, and social exclusion. It has also identified other participatory approaches to issues of governance and empowerment, sustainable livelihoods, and income/consumption. It has noted that poverty is multidimensional and that it is essential that responses to poverty be integrated and multisectoral.

The ILO (2002c) has reviewed selected PRSPs, focusing on employment and decent work concerns, and has drawn from its experience in countries where it was engaged in their preparation, that is, Mali, Tanzania, Honduras, Cambodia, and Nepal. The review of other PRSPs has confirmed its findings. The overarching issues seen from the ILO perspective are four (ILO, 2002b).

- First, PRSPs need to include a more thorough analysis of employment and other aspects of decent work. Currently, sound employment policies are often missing in intermediate or final PRSPs.
- Second, employer organisations, worker organisations and labour ministries need more systematic integration into the participatory process underpinning the design and implementation of PRSPs. In numerous cases, the process either sidestepped or marginalised ILO constituents.
- Third, PRSPs require more attention focused on policies that maximise the effects of sustainable growth on poverty. Various macroeconomic policies geared to market liberalisation and privatisation, and to labour market flexibility, have failed to take account of the social impact on vulnerable groups.
- Fourth, in funding priorities, donor countries must include issues related to employment and enterprise creation, social protection, rights, representation and dialogue, promotion of tripartism (i.e., government, trade unions, and employer organisations), and other poverty reduction policies in which the ILO has expertise.

Additionally, a need is growing to build the capacity of the social partners to become actively involved in monitoring the implementation of a PRSP and to make the most of the opportunity to engage in PRSP dialogue.

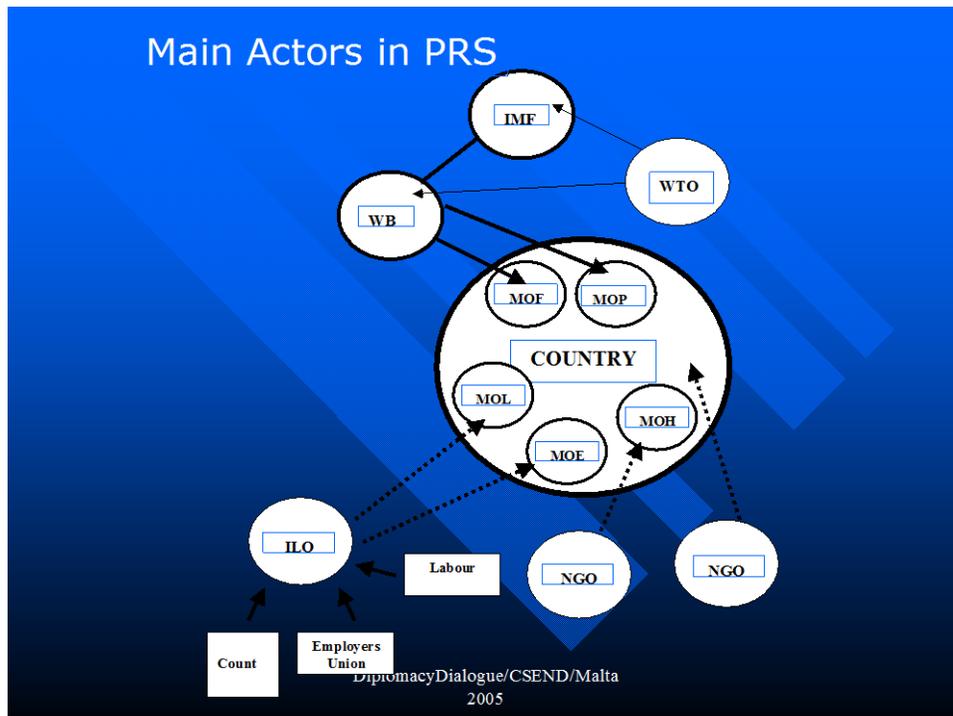


Figure 1: Main Actors in PRS Negotiation.

Figure 1 depicts the core actors within the PRSP process, namely Ministries of Finance and Ministries of Planning. They are the counterparts of the International Monetary Fund and the World Bank within a specific country. Together, these four actors control and manage the PRSP process. Other government ministries, such as Ministries of Labour, Manpower and Youth, and Ministries of Rural Development, often are completely excluded from participation. Ministries of Labour rarely participate, nor do their constituent partners, namely, labour unions and employer associations.

ILO Development Diplomacy and Advocacy Approach

Development diplomacy (Saner, in press) describes the non-technical aspect of the development work of international organisations and development workers. The onus of development diplomacy lies in advocacy, influence, networking, and negotiation. While advocacy has all the implications of “going public” with an assertion and declared solutions, other aspects of development diplomacy consist of more discrete interventions in restricted spaces and are strongly focused on relationships among individuals.

The aim of advocacy and development diplomacy is to build bridges between economic,

social, and ecological development policy objectives. In other words, it aims at bringing about reconciliation of different interests and communities. Ultimately, the goal of development diplomacy is to trigger a socio-economic development process to arrest the vicious cycle of underdevelopment and to help countries progressively achieve sustainable development.

Affecting Change and Change Theory

The ILO Decent Work Agenda (ILO, 2005) proposes a new approach to the eradication of poverty and deprivation. Implementing the Decent Work Agenda gives dignity and, to varying extents, security, and spending power to the poor. It offers both a theoretical understanding of poverty and practical solutions different from neo-liberal macroeconomic thinking. In order to be recognised as a viable alternative to the Washington Consensus, the ILO Decent Work Agenda has to reach a critical mass able to influence the public debate and the actual PRSP process.

The aim of advocacy and influence is to change the perception of what is right and appropriate; the aim of negotiation is to reach agreement on what should be done and how to do it. Combining advocacy and negotiation, advocacy and development diplomacy accelerates the rate of adoption of the Decent Work Agenda by national authorities. Such action fosters consistency between words and actions within international financial institutions and donor communities.

Basic Competencies of Advocacy and Development Diplomacy

According to ISO 10015 Quality Standard (ISO, 1999), the term “competence” is defined as “application of knowledge, skills and behaviour in performance” (p. 4). Applied to development diplomacy and the PRSP process, the required competencies consist of organisational and individual competencies.

Organisational competencies. Identifying organisational competencies provides a means for pinpointing the most critical capacities for their success. Agencies express these abilities through their political will and vision, availability of knowledge, quality of their human resources, and resources used in support of advocacy and development diplomacy. In carrying out effective advocacy and development diplomacy, specific capabilities are essential:

- environmental scanning capacities;
- capacity to perform labour and macroeconomic research and policy analysis, including gender analysis;
- capacity to plan, to manage, and to monitor advocacy work;
- capacity to mobilise members of the public and targeted trend-setting organisations (through information pamphlets, Internet contact, publications, public education events, demonstrations, direct action);
- capacity to influence policy makers through lobbying;
- capacity to manage the media and conduct development communication;
- capacity to conduct public relation campaigns at grass-roots, national, and international levels;
- capacity to network and to build coalitions;

- capacity for bilateral and multilateral negotiation.

These competencies lie in individuals dedicated to social change. Within social change organisations, it is necessary to have individuals competent to act in the roles of boundary spanners, salespersons, gatekeepers, and sociometric stars. These individuals have the organisational competence to accumulate social capital in different social contexts. Furthermore, due to the connections of these individuals, the organisation also enjoys other benefits, such as visibility and credibility.

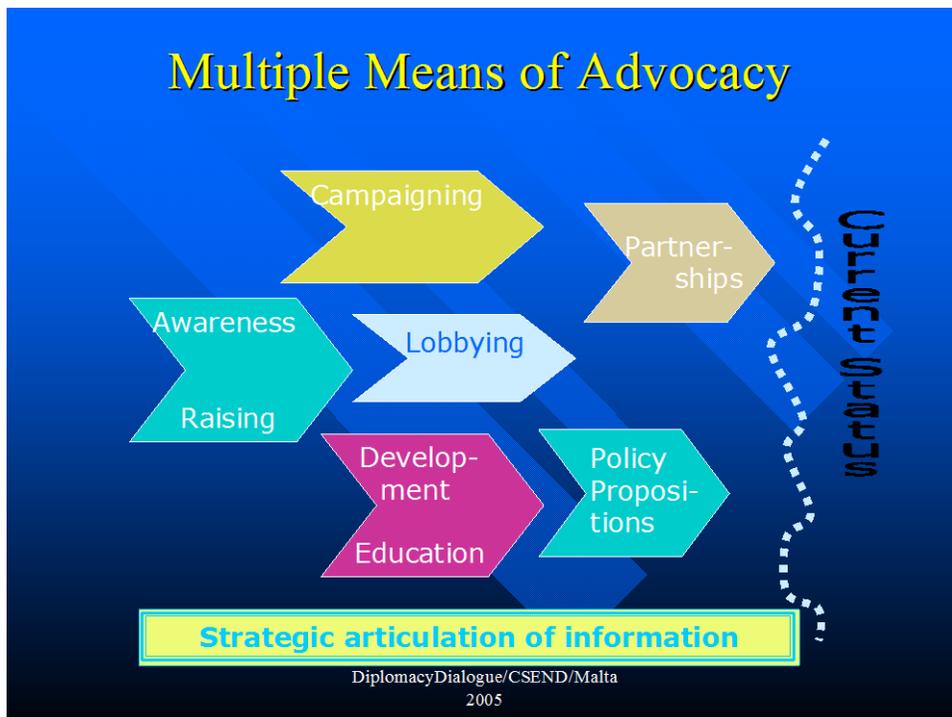


Figure 2: Multiple Means of Advocacy

Figure 2 depicts the ingredients of an advocacy campaign to influence the PRSP process in favour of inclusion of employment and the Decent Work Agenda.

Individual competencies. Individuals given the responsibility of carrying out advocacy and development diplomacy should be equipped with adequate knowledge, skills, and appropriate attitudes. Civil society organisations should add country-specific knowledge and experience to a generic competence set. Country adaptation is crucial, since the cultural and political contexts determine effective approaches to advocacy and development diplomacy. In regard to *knowledge*, a decent work advocate and diplomat will be familiar with

- the Decent Work Agenda and related information (a key reference is the report of the ILO Director-General, called the *Report on Working Out of Poverty*);
- poverty reduction strategic plans and related policy debate (a key reference is the World

Bank's *PRSP Sourcebook*);

- introductory knowledge of macroeconomics and development studies (to follow the debate and to have access to alternative development models and country case studies);
- theoretical framework of social change.

Individuals effective in the development diplomacy process will be equipped with specific *skills*:

- communication skills, including listening;
- presentation skills;
- critical thinking skills;
- networking skills;
- organisation and campaign management skills;
- rapport building skills, including empathy, respect, and contact.

As well, rather than taking an administrative approach to the development of PRSPs, a development diplomat will have

- genuine concern over other people's well being;
- curiosity and interest in learning;
- flexibility and enterprise in bridging differences and in framing solutions;
- integrity.

Advocacy and Development Diplomacy Task List

The advocacy and development diplomacy process in the context of the Decent Work Agenda has eleven dimensions:

- *Raising awareness* about issues of the working poor;
- *Promoting a sense of urgency* about the social exclusion of the working poor and their vulnerability;
- *Campaigning* for the fulfilment of the Millennium Development Goals and decent work for all;
- *Networking* with like-minded development partners, international NGOs, civil society groups, and individuals to strengthen a power base and to enlarge influence;
- *Contributing to the debate* on promoting employment and reducing poverty;
- *Influencing opinions* of potential change agents and decision-makers on the macroeconomic framework and development strategies;
- *Negotiating policy changes* more consistent with the Decent Work Agenda and poverty reduction;
- *Maintaining the coalition and other collaborative partnerships* regarding the Decent Work Agenda and poverty reduction;
- *Monitoring implementation* of policy changes in line with the Decent Work Agenda and poverty reduction;
- *Developing and strengthening* the capacity of advocacy and development diplomacy within partner organisations and networks;
- *Enhancing capacity* in advocacy and development diplomacy.

These dimensions offer the framework to assess organisational performance in the field of

advocacy and development diplomacy. These eleven dimensions need to be broken down into measurable targets for continuous, monitored improvement.

The long-term effect of advocacy and development diplomacy requires assessment. The following areas need monitoring: (a) policy changes that favour the working poor and equitable labour market conditions; (b) the improvement of capacities of social partners in a country; (c) the participation of marginal groups and communities in the PRSP and Decent Work Agenda processes; and (d) improvement of economic and social benefits of working people. The bottom line of effectiveness will be the achievement of the Millennium Development Goals by 2015 and a significant reduction in the decent work deficit.

Entry Points and Strategies for Advocacy

Advocacy for the Decent Work Agenda in the context of a poverty reduction strategy works to achieve four objectives:

- creating receptive conditions for adoption of the Decent Work Agenda;
- creating rights-based policies such as active labour policies and pro-poor economic development strategies where they are non-existent;
- reforming harmful or ineffective policies, such as policies discriminatory to women or macroeconomic policies that impose the costs of transition on poor populations;
- ensuring that good policies are implemented and enforced.

The ILO and its constituents can influence the outcome of a PRSP in the direction of these four objectives through three strategies: (1) positional or “contact” advocacy; (2) methodological advocacy; and (3) standards- (or rights-) based advocacy.

Positional or contact advocacy focuses on specific solutions or values. The goal of this form of advocacy is to convince key players to choose pro-poor economic and social policies and to promote the value of decent work and the “potential synergy between the social and economic goals underlying decent work” (Rodgers, 2002).

Methodological advocacy concerns influencing stakeholders and their representative groups to become active as problem solvers and to use certain methods in poverty reduction strategies, such as social dialogue, poverty mapping, and problem solving. Normally, an advocate is careful not to favour openly any particular position. In its campaign for decent work, the ILO and its constituents simultaneously advocate labour rights, employment and social protection (positional propositions), and the use of social dialogue as methodological tools for both policy input monitoring and evaluation.

A standards-based advocacy strategy focuses on the implementation of conventions as a central platform of the PRSP architecture. Standards-based advocacy, supported by the planned Decent Work Deficit Index, is important throughout the process of a PRSP since it aims at choosing poverty reduction objectives and defining the strategy for poverty reduction and economic growth. In the process of a poverty reduction strategy and a Decent Work Agenda campaign, ILO advocates simultaneously utilise all forms of advocacy and strengthen their international, national, and grass-roots networks in order to achieve a reasonable result.

Development Diplomacy in Mali

The ILO experience in Mali (**Table 1**) is a good example of development diplomacy. Participants participated in a fairly comprehensive and broad-based process and both the intermediate and the final PRSPs contain good coverage of decent work issues backed by a national action plan for employment. The government of Mali established two additional thematic groups on income generation, employment, and training explicitly on the advice of the ILO and the social partners.

Table 1: Summary of development diplomacy action taken in Mali

	Advocacy			Development Diplomacy		
	Contact	Methodological	Standard	Networking	Influencing	Negotiation
<i>Information politics</i>		✓		Social Capital Formation	✓ Networks	✓
<i>Symbolic politics</i>	✓					
<i>Leveraging politics</i>	✓			✓	Networking - Coalitions - Alliances	
Material						
Moral (shaming)						
<i>Accountability politics</i>						

Contact Advocacy. The aim of contact advocacy is to convince essential players to choose economic and social policies that promote the well being of the poor, and to promote the value of decent work. The *use of symbolic politics and a Tripartite Solidarity Pact* was vital. International financial organisations and the government of Mali signed a Tripartite Solidarity Pact for Growth and Development in 2001. The Pact aims at job creation as well as improving working conditions in the public and private sectors. Through the Pact, employer and worker organisations committed themselves to negotiating a new collective agreement to help workers without social protection. The country PRSP also highlighted this Solidarity Pact.

The *use of leveraging politics* also had a place. By participating in the Economic, Social and Cultural Council, which reports to the Parliament of Mali, workers and employers could use their political power in advocating the Decent Work Agenda.

The Development Assistance Committee of the OECD facilitated the co-ordination within the donor community, avoiding donor-driven, non-integrated, and often competing donor initiatives. The ILO thus could concentrate its efforts on advocating a pro-Decent Work poverty reduction strategy without competition with conflicting interests. It also provided the ILO with greater advantage.

Methodological Advocacy. Methodological advocacy consists of finding effective means to influence stakeholders in becoming active problem solvers and in using certain methods in their poverty reduction strategy, such as social dialogue, poverty mapping, and problem solving.

The ILO was particularly effective in Mali in its *use of information politics*. The ILO Multidisciplinary Team based in Dakar made frequent visits to Mali, recognised, and met the need for assistance in drafting the PRSP. Therefore, the government was well positioned to include the components of the Decent Work Agenda in the employment section of the PRSP. In this instance, the team was able to utilise the technical competence and resources of the ILO to assist the Malian government.

The Malian government was receptive to ILO technical advice and input, enhancing *networking and social capital formation*. Confidence building and networking activities were undertaken in both in-country workshops and a meeting in Dakar that facilitated dialogue between the Employment Minister, the PRSP co-ordinator (from the Finance and Economy Ministry), and employer and worker representatives. This networking and influencing opportunity helped to define the detailed framework of the employment section of the PRSP.

Furthermore, a *national action programme for poverty-reducing employment* was also agreed on, with provisions for biannual meetings of an inter-ministerial steering committee and a tripartite technical committee (*networks*). This high-level committee will provide a powerful platform for future advocacy and influencing tactics. It also represents a milestone of the work done so far.

Influence also took place through research and drafting of text. The best way to influence is to respond to the needs of the partners. These needs might range from technical input to strategic policy input. In the case of Mali, responding to local needs involved providing basic research on employment-generation strategies and drafting related economic policies. The assistance provided by the Multidisciplinary Teams made it easier for the government to have pro-Decent Work Agenda elements included in the country PRSP.

Development Diplomacy in Cambodia

Initial conditions in Cambodia were not favourable for the ILO. First, many donor initiatives in the country created absorption problems for the government and negative competition within the donor community. Second, the ILO did not have a field office or staff dedicated to the PRSP in the country to influence the ongoing consultations with various working groups. **Table 2** summarises the work done by the ILO in Cambodia.

The intermediate PRSP contained no reference to decent work issues. However, positive results resulted through empowering the social partners and influencing the Council for Social Development, which co-ordinated the drafting of the full PRSP. National consultations on the PRSP included workers' representatives for the first time in August 2002. Policy recommendations from the ILO were integrated into their respective PRSP policy matrices.

Table 2: Summary of development diplomacy action taken in Cambodia

	Advocacy			Development Diplomacy			
	Contact	Methodological	Standard	Networking		Influencing	Negotiation
<i>Information politics</i>	✓			Social Capital Formation	✓ Networking		
<i>Symbolic politics</i>	✓				✓ Networks	✓	✓
<i>Leveraging politics</i>					- Coalitions		
Material Moral (shaming)					- Alliances		
<i>Accountability politics</i>							

Contact advocacy. Personal contact and discussions with government officials and consultations with the World Bank, the Asian Development Bank and the United Nations Development Programme, responsible for facilitating the PRSP process, helped to bridge the gap in acknowledging the need for social dialogue and participation.

In the *use of information politics*, the ILO prepared a comprehensive report titled *Generating Decent Work for Poverty Reduction in Cambodia: The Voice of Workers, Employers, and the Government*. Subsequently, this report was used in a series of consultations and discussions; it further served as the input for drafting the PRSP. Soft policy briefing notes prepared by the Bangkok Multidisciplinary Team Regional Office made it easier for the respective ministries to integrate ILO policy recommendations into their respective PRSP policy matrices.

As an effective example of *leveraging politics*, the ILO contributed to the Cambodian PRSP through its in-house technical expertise. By analysing the link between urban and rural economies and the role of employment-intensive investment using labour-based appropriate technology, the ILO made certain possibilities clear to all parties.

The ILO empowered the social partners through a series of capacity-building and awareness-raising workshops, demonstrating *empowerment and networking skills*. Through such workshops, worker and employer representatives made contacts and formed relationships. However, more importantly, since the trade unions and employer organisations were both young and lacked human and financial resources, broad-based capacity building prepared these actors to participate meaningfully in the policy discussions of the poverty reduction strategy process.

The ILO influenced the policy orientation of the Cambodian PRSP by providing technical support to carry out the drafting of the PRSP. This support occurred in the form of briefing notes,

extensive research and recommendations, and consultations. Through analysis of the general context of the country, the ILO was able to identify strategic issues for country development and to propose appropriate solutions. This level of *responsiveness to country needs* made ILO advocacy more palatable to government officials and, therefore, the influence became more effective.

Conclusions

In conclusion, it is clear that in order to participate more fully in the poverty reduction process, all stakeholders--including governments, civil society organisations, and marginalised groups--need to develop new skill sets that facilitate change and create clear policies for the implementation of the PRSPs. The ILO has a critical role to play in the development of these skills since it has established networks as well as training capacities and information-gathering abilities that can help identify and provide information for the concerned parties.

Since systemic barriers exist and resistance to change is common, creating an atmosphere of co-operation and creating win-win solutions for negotiating parties is critical. Additionally, in a strategy for advocacy and development diplomacy it is very important to achieve effective and participatory implementation of the poverty reduction process, thus leading to successful implementation of the PRSP and the Millennium Development Goals.

The need for international organisations such as the ILO to deploy their resources more effectively and to engage more effectively in development diplomacy is more evident than ever. Easy access to information and communication technology and to increasing knowledge capacities of civil societies has gradually resulted in a change of the role behaviour of specialised UN agencies, such as the ILO, the World Health Organisation, and UNICEF.

For these UN agencies, and for civil society agencies, a development diplomacy role is unsettling and requires a paradigm shift. To be effective, these UN agencies and their staff will have to master an additional set of competencies and to develop new partnerships with other social actors who may share similar concerns but who may not join “traditional” alliances. Additionally, organisations like the ILO will have to redefine their institutional relationships with the World Bank, with the International Monetary Fund, and with donor communities if they hope to promote their perspectives and advocate for people in abject poverty with little voice of their own. The case examples illustrate this shift and provide glimpses of the competence requirements and the challenges presented to them in the context of PRSP and the Decent Work Agenda.

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