

Poverty, Growth and Institutions

AERC Senior Policy Seminar VII

Cape Town, South Africa

22–24 March 2005

Seminar Report

Matthew Martin, Joseph Karugia
and Marjory Gichohi

African Economic Research Consortium
Consortium pour la Recherche Economique en Afrique

Poverty, Growth and Institutions

AERC Senior Policy Seminar VII

Cape Town, South Africa

22–24 March 2005

Seminar Report

Matthew Martin, Joseph Karugia and Marjory Gichohi

The *African Economic Research Consortium* (AERC), established in 1988, is a public not-for-profit organization devoted to the advancement of economic policy research and training. AERC's mission is to strengthen local capacity for conducting independent, rigorous inquiry into problems facing the management of economies in sub-Saharan Africa. There are two principal approaches to this: learning by doing research in thematic, collaborative and other modalities, and support for postgraduate training through collaborative master's and PhD programmes.

Networking – the linking of individuals and institutions in a knowledge sharing, experience sharing framework – is the key strategic instrument for implementing AERC's activities. The network approach links economists within and outside the region and promotes professional esprit de corps.

The Consortium is itself a network of 16 funders who support a commonly agreed programme of research activities, its dissemination and the training of future potential researchers. The Board of Directors sets broad policy, provides support for a multi-year programme of activities, approves annual work programmes and budgets, and appoints the Consortium's international staff. An independent Programme Committee sets the research agenda, advises on scientific matters, and reviews and approves proposals for research and training grants. Academic Boards for the collaborative master's and PhD programmes oversee the implementation of their respective programmes. A small Secretariat, based in Nairobi, Kenya, manages the programme and provides technical support to researchers, students and participating institutions. This organizational structure allows for ownership of AERC activities by the network of local researchers, an independent determination of the research agenda, and a programme of activities that is responsive to the professional and policy needs in the region, while at the same time ensuring accountability to funders.



Poverty, Growth and Institutions AERC Senior Policy Seminar VII, Cape Town, South Africa 22-24 March 2005 – Seminar Report

Published by: African Economic Research Consortium
PO Box 62882 – City Square
Nairobi 00200, Kenya

Printed by: The Regal Press Kenya, Ltd.
PO Box 46166 – GPO
Nairobi 00100, Kenya

ISBN: 9966-944-70-2

Contents

Abbreviations	iv
Acknowledgements	v
Poverty – A Policy Dilemma	1
Setting the Agenda	2
Growth and Poverty Reduction: Do Institutions Provide the Missing Link?	4
Growth, Income Inequality and Poverty in Africa	5
Governance, Power Diffusion and Pro-Poor Growth Policies	7
Human Capital Investment, Growth and Poverty Reduction	8
Institutions and the Design of Pro-Poor Globalization Policies	9
Institutions to Overcome Regional and Gender Dimensions of Poverty	11
Agriculture, Labour Markets and Pro-Poor Growth	12
The Role of the Financial Sector in Pro-Poor Growth	13
Priorities for New Research	15
The Way Forward	17
Annexes	
A List of Seminar Papers	19
B Seminar Participants	20
C Seminar Programme	25



Abbreviations

AERC	African Economic Research Consortium
CEMAC	Communauté Economique et Monétaire d'Afrique Centrale
EAC	East African Community
ISSER	Institute for Statistical, Scientific and Economic Research
NEPAD	New Partnership for Africa's Development
NISER	Nigerian Institute for Social and Economic Research
SADC	Southern Africa Development Community
SOAS	School for Oriental and African Studies
SPS	Senior Policy Seminar
SSA	Sub-Saharan Africa
UNECA	United Nations Economic Commission for Africa
UEMOA	Union Economique et Monétaire Ouest Africaine

Acknowledgements

The African Economic Research Consortium is grateful to all who contributed to the successful outcome of Senior Policy Seminar VII – and particularly those who participated in it. The researchers and policy makers, whose commentary and open exchange of experience were central to the utility of the proceedings, deserve our special thanks.

AERC also acknowledges with thanks Dr. Matthew Martin, Director of Development Finance International, Prof. Olu Ajakaiye, AERC Research Director, and Dr. Joseph Karugia, Research Manager, for their role in the seminar preparations. AERC appreciates, as well, the work of Marjory Gichohi, Communications Manager, Charles Owino, Publications Administrator, and Miriam Rahedi, Publications and Communications Assistant, for their work in organizing the seminar. Winston Wachanga, Information Resources Administrator, worked on promotional materials, Florence Maina, Conference and Travel Coordinator, assisted with logistics, and Margaret Crouch, publications consultant, edited and designed the report. To all of these and the many others who were involved, AERC extends its sincere appreciation.

William Lyakuzwa

AERC Executive Director





Poverty – A Policy Dilemma

Poverty – A Policy Dilemma

Poverty – A Policy Dilemma

Poverty – A Policy Dilemma

Poverty – A Policy Dilemma

Poverty – A Policy Dilemma

Senior Policy Seminar VII was the third such event to take up the issue of poverty in sub-Saharan Africa – responding to a most elusive goal of African policy makers. The fifth and sixth seminars (Dar es Salaam, Tanzania, 2003, and Kampala, Uganda, 2004) considered, in turn, the measures Africa must take to promote pro-poor growth, and how to mobilize the necessary resources for financing pro-poor strategies.*

The policy dilemma is that despite the economic growth and macroeconomic stability realized over the last decade, there is as yet no answer to pervasive poverty, nor is there sustained progress towards meeting the Millennium Development Goals. The majority of the African people continue to live under appalling conditions of suffering. What is going wrong, is the question policy makers ask.

One critical but often overlooked element of poverty reduction strategies is the role of institutions. Thus the Seventh Senior Policy Seminar responded to policy concerns by exploring how institutions can help make economic growth pro-poor. The seminar convened in Cape Town, South Africa, on 22–24 March 2005. Thirty-three policy makers and researchers from 18 countries attended. Seminar discussions covered several key themes:

- Growth and poverty reduction: Do institutions provide the missing link?
- Growth, income inequality and poverty in Africa
- Governance, power diffusion and pro-poor growth policies
- Human capital investment, growth and poverty reduction in Africa
- Institutions and policies for pro-poor integration into the global economy
- Regional and gender dimensions of poverty reduction strategies
- Agriculture, labour markets and pro-poor growth
- The role of the financial sector in securing pro-poor growth

*AERC convened its first Senior Policy Seminar in Nairobi in March 1995. The second seminar met in Abidjan in November 1996 to address financial sector reform, while SPS III, in Accra in October 1997, discussed fiscal policy. Gaborone was the setting for SPS IV, in February 2000, which analysed budget revenue mobilization in sub-Saharan Africa.

These themes provided a basis for exchanging information on the link between poverty reduction and institutions, identifying the role that pro-poor institutions should play in pro-poor growth, and defining areas for further joint research by policy makers and researchers.

Setting the Agenda

Chair:	SEM Senturel N'goma Madoungou, Ministère de l'Economie et des Finances, du Budget et de la Privatisation, Gabon
Introductions:	Participants
Welcome:	William Lyakurwa, Executive Director, AERC
Opening address:	Bethuel Setai, Member of the Board, National Institute of Economic Policy, South Africa
Vote of thanks:	Olu Ajakaiye, Director of Research, AERC

AERC Executive Director William Lyakurwa launched the seminar with an overview of AERC's mandate and current activities. He explained that AERC's link with economic policy making is integral to the research work and that senior policy seminars are an important way of strengthening that link. Citing the high calibre of policy making professionals who have participated in the seminars in the past, he said this has heightened the potential for impact on the policy process.

Poverty in Africa has been a recurring thread in AERC research activities, Professor Lyakurwa noted, not just in senior policy seminars, as it threatens to become an intractable obstacle to progress. To reduce poverty, policy makers must focus on creating a policy environment that promotes pro-poor growth, using mechanisms targeted specifically at assisting the poor to escape their unenviable condition. Thus Senior Policy Seminar VII aimed to shed additional light on aspects of poverty reduction policies.

In the official opening address, Bethuel Setai termed the theme of the seminar, "Growth, Poverty and Institutions", as relevant to all developing countries. Leaders across the African continent in particular are grappling with the question of how to eradicate poverty and spur economic growth, he said, so as to alleviate the pervasive and disheartening suffering among their people, and to redistribute wealth equitably. Reducing poverty, ensuring that all people have adequate food, shelter, education and access to basic social amenities, is of utmost importance to

Senior Policy Seminars provide a forum for feedback from policy makers on the A E R C research agenda.

African policy makers.

Since macroeconomic stability has not been able to end poverty, Professor Setai pointed out, we need a better understanding of the way institutions promote – or hinder – poverty eradication efforts. We must thoroughly explore the role of institutions – how they link growth and poverty reduction, how they work, and what needs to be done to ensure they function effectively. If African poverty is to decline in a timely way, we need to build the capacity of African institutions to ensure participation by all sectors of society, including the poor themselves. The biggest challenge is finding the appropriate institutional framework for accomplishing this aim. By sharing information and experiences among researchers and policy makers, he said he hoped the seminar would produce recommendations for lasting solutions to poverty reduction and sustained growth in Africa.

Matthew Martin then briefly reviewed the seminar issues. He cited recent initiatives such as the New Partnership for Africa's Development (NEPAD) and the Commission for Africa, as well as analyses by the Bretton Woods Institutions, that have stressed the essential role of strong institutions in good policy making. There is also an international consensus that growth alone is not enough for poverty reduction – that it must be specifically designed to be pro-poor. Yet there has so far been little analysis of how to make sure that institutions execute pro-poor growth policies. The analyses presented in this seminar were therefore a key attempt to fill this gap.

International literature on the sources of growth – especially pro-poor growth – is thin, Dr. Martin said, making it difficult for governments to analyse these issues sufficiently in their development and poverty reduction strategies. But he pointed out that African researchers and policy makers have rich experiences to share. That is why the seminar addresses four key sets of issues relevant to Africa: how institutions assist growth, how they ensure that growth is pro-poor, policies for pro-poor growth and policies for sustainable development. Underlying all of these is the effect of governance on pro-poor growth and how to make growth pro-poor by enhancing the power of the poor.

We need to understand how institutions promote or hinder poverty eradication efforts – how they link growth and poverty reduction, how they work, and what needs to be done to ensure they function effectively.

The emphasis on growth means that it is the only thing governments encourage. We need to take a deep breath and evaluate what people are actually doing.

Institutions are defined as “the rules of the game” in a society. More formally, institutions include any form of constraint imposed by human beings to shape human interaction. These constraints could be formal (such as the rules devised by human beings) or informal (such as conventions or codes or customs). Institutions affect the performance of the economy by their effect on the costs of exchange and production.

Growth and Poverty Reduction: Do Institutions Provide the Missing Link?

Chair: Caleb Fundanga, Governor, Bank of Zambia
Presenter: Ali A.G. Ali, Economic Adviser, Arab Planning Institute

Ali A.G. Ali examined whether institutions can provide the “missing link” between growth and poverty reduction, considering that NEPAD has singled out institutional improvement as the prerequisite for development. He concluded that sub-Saharan Africa suffers from below average – but considerably improving – institutions, and that the state of these institutions does help explain poor growth performance.

The ability of institutions to explain poverty levels is much lower, however, and the channels of transmission are very unclear. This is essentially because growth and poverty reduction are not closely correlated.

He posited that NEPAD and other examinations have not focused enough on rural poverty and the rural institutions that explain such poverty. More research needs to be done on how institutions can transform growth into poverty reduction; key rural institutions and how they develop over time; and how to design rural safety nets.

In the ensuing discussion, participants expressed the desire to understand what kind of institutions should be created to eradicate poverty. There were three key debates:

- *Whether the crucial factor is having a clear formal mandate for institutions and executing it conscientiously, or whether the quality of governance is more fundamental, regardless of institutional recipes.*

Participants concluded that both were important, and mutually reinforcing, but that clear mandates were vital.

Institutions as conventionally measured are not likely to have a major impact on poverty reduction: we need to look more closely at rural institutions and safety nets.

- *Whether formal or informal institutions are more important.* Many felt that informal institutions provide a better understanding of how poor people gain access to resources, build their assets and manage risk. Especially in rural areas, small-scale informal institutions need strengthening for full autonomy and empowerment of the poor.
- *Whether we should be discussing government institutions or the institutional structure of markets.* Both were held to be key factors in deciding prospects for pro-poor growth.

Participants also identified several important areas for further investigation, including:

- The institutional elasticity of poverty and its role in transmitting growth to the poor.
- Roles, incentives and choices of the poor in the evolution of institutions over time.
- The legacy of colonialism and post-colonial regimes in entrenching bad institutions.
- That NEPAD has not addressed the role of rural and traditional institutions in supporting or restricting poverty reduction in the rural areas.
- How political instability weakens institutions and undermines pro-poor policies.
- Decentralization, which is needed to enhance participation by the poor in both rural and urban areas.
- Roles of rural/traditional institutions in enhancing or restricting growth and access to assets and resources by the poorest.

Post-colonial systems did not reform what they inherited from the colonial powers. This is why our institutions are so weak so many years after independence.

Just because it is customary, does not mean that it is archaic.

Growth, Income Inequality and Poverty in Africa

- Chair: Caleb Fundanga, Governor, Bank of Zambia
- Presenter: Gary Milante (co-author with Ibrahim Elbadawi), Project Administrator, Development Economics Research Group, The World Bank
- Discussants: Monica Aoko, Deputy Chief Economist, Ministry of Finance, Kenya
Ibrahima Dia, Expert socioeconomist, Ministère de l'Économie et des Finances, Senegal

Policies that do not account for issues of inequality are not likely to be successful in reducing poverty.

Beginning by outlining the interactions among growth, poverty and inequality, Gary Milante reiterated that growth does not have an automatic impact on poverty. Instead, the importance of inequality as a variable within the growth-poverty relationship requires closer attention. He stressed that high levels of inequality can result in rates of growth that are unsustainable.

Following a review of the main literature on the subject, he then turned to the policy implications arising from an analysis of 47 developing countries, including 19 in sub-Saharan Africa. Political economy constraints, he said, mean that policies to counter inequality are most feasible when the problem is tackled indirectly.

Specifically, policies that increase political access and opportunities as well as strengthen access to credit markets, education and better health care were among the measures discussed. Further areas of policy action relating to addressing inequality were strategies to insure the vulnerable against external shocks and to improve access to infrastructure. In sum, policies that increase opportunities for the disadvantaged are most likely to be successful in ensuring that growth reaches the poorest.

The seminar participants generally agreed that there has been far too little focus and literature on the issues of inequality and redistribution. Yet growth without significant redistribution does not reduce inequality. Even where the issue of inequality is addressed, this has tended to focus on inequality of income, rather than its other aspects, such as gender or regional isolation. They observed that inequality of all types can create a vicious cycle of actually reducing growth because inequality and exclusion can lead to social disturbances and political instability.

Participants urgently requested much more positively-focused and country-specific analysis of how reducing inequality could contribute to sustained growth and poverty alleviation. Such analysis should take into account differing access to political power, social structures and social inclusion/exclusion, and inequality of access to assets (such as credit and land). It should also turn a spotlight on basic needs (such as education, health care and water) and infrastructure (such as roads, energy, markets and communications), the role of external shocks (such as exports or foreign direct investment) in exacerbating inequality, and the effects of social protection.

Power diffusion is central to a harmonious nation.

Improvement in the living standards of the poor is an equity issue – the transfer of resources from the wealthy to the poor, in terms of power diffusion and decision making.

Governance, Power Diffusion and Pro-Poor Growth Policies

- Chair: Speciose Baransata, 1ère Vice-Gouverneur, Banque de la République du Burundi
- Presenter: Mwangi S. Kimenyi, Professor, Department of Economics, University of Connecticut, USA
- Discussant: Mthuli Ncube, Professor, Wits Business School, University of Witwatersrand, South Africa

Mwangi Kimenyi started from the established premise that growth is a necessary but not sufficient condition for poverty reduction, and that human development effort is more fundamental than income levels. He then advanced a basic thesis that pro-poor policies are

Growth with power diffusion is the key to poverty reduction.

more likely to be implemented – and sustained – in those institutions where power is diffused sufficiently to give the poor leverage over policy outcomes. Country failure to adopt pro-poor policies reflects concentration of power in the hands of the wealthy – a situation that he says could be described as “stationary banditry”.

It is therefore vital to reform institutions to enhance and entrench power

diffusion, he said. Such measures include strengthening democratization, building up institutions that fight corruption and increase transparency, and bringing government closer to the people through decentralization. Diffusion of power also needs to be applied to the availability of basic needs and assets – including the power to gain access to services, land, infrastructure and financing. More research is needed into how to enhance power diffusion in Africa.

Participants agreed that power diffusion (especially among different economic groups and regions) is central to a harmonious nation and therefore to long-term growth and development. Power concentration had sometimes been seen as more efficient, but in the longer term had inevitably led to corruption, capital flight and political instability. Power diffusion supports poverty reduction by giving the poor a louder voice, especially through participatory democracy and decentralization.

The key issue is whether there is a minimum threshold level of income in a country above which the poor will

Power diffusion occurs only where many groups form, each with some substantial bargaining power, thus preventing the domination by one or a few groups that could otherwise capture the political power.

What literacy models do we use for African societies who can read and write in their own languages, but not in English or European languages?

naturally gain a voice. In the developed countries, power sharing evolved over many years, with power and voice being diffused as poorer groups organized themselves on the basis of education, health and higher income, and then changed governments and market institutions as a result. Currently in some African countries, "pro-poor" institutions to encourage participation are being created without these prerequisites being in place. This raises questions as to the sustainability of the institutions and their potential for facilitating the long-term impact of the poor on development policy decisions.

In addition, the policy makers suggested that more work should be done to determine exactly which institutions had proven to be more effective in reducing inequality and poverty and achieving redistribution.

Human Capital Investment, Growth and Poverty Reduction

Chair: Moita Chitala, Deputy Minister of Finance and National Planning, Ministry of Finance and National Planning, Zambia

Presenter: Germano Mwabu, Chair, Department of Economics, University of Nairobi, Kenya

A livelihood-based framework was Germano Mwabu's perspective for understanding the determinants and consequences of poverty. Lack of assets, low yields to household endowments, risks and exogenous shocks, and ineffective institutions are the main causes of

poverty, he reported. The institutional environment and human capital of households are the key to reducing poverty.

Because most people in Africa are involved in agriculture, this should be the main arena for poverty reduction efforts. Moreover, evidence from household surveys indicates there is a huge marginal income return to higher levels of education, so we should be focusing on education way beyond primary level. Education should include attention to agricultural transformation, as well as health issues. Improved health status can also improve productivity and the capacity to absorb technology. It is crucial to involve the poor in the design, management and financing of development projects through

We must focus on education way beyond primary level, because this dramatically increases the income of the poor.

decentralization, and to provide a macroeconomic and governance framework that ensures a favourable investment climate, which can in turn use the human capital created productively through employment, as well as generating fiscal revenue to finance more spending on human capital.

Participants urged closer attention to issues of how human capital changes access to agricultural assets, especially animals, land and credit, as well as to inputs such as fertilizer and seeds. They also called for analysis of the needs of the adult poor in both urban and rural areas and of how tailored technical training – including agricultural extension services – could help them to improve employment and income. They said it is vital to have a closer link between household or regional analyses and the macroeconomic overview, to ensure that overall economic policy enhances growth for the whole economy, beyond regional and household levels. This would allow policy makers to draw clearer policy implications for how to assist the poor to diversify activities and reduce risk. Finally, they said it is important to distinguish more closely sources of finance for different levels of human capital formation. For example, as there are higher private returns to higher education, people or enterprises should be encouraged to pay for education at this level. On the other hand, high social returns to primary education mean that government should remove user fees – particularly since primary education is also regarded as a human right.

Institutions and the Design of Pro-Poor Globalization Policies

Chair: Moita Chitala, Deputy Minister of Finance and National Planning, Ministry of Finance and National Planning, Zambia

Presenter: Machiko Nissanke, Professor of Economics, School of Oriental and African Studies (SOAS), University of London, United Kingdom

Discussants: Bethuel Setai, Member of the Board, National Institute of Economic Policy, South Africa
Felina Chongola, Chief Economist, Ministry of Finance and National Planning, Zambia

Machiko Nissanke underlined two pressing challenges facing policy makers in Africa: how to integrate their national economies into the world economy, and how to ensure that this integration is pro-poor. She analysed the impact of globalization on the poor

Pro-poor integration into the global economy must be strategically designed to overcome imbalances in the technological access and market power of the poor.

through the link between openness, growth and poverty reduction; and through other price, factor/market and technology effects. In this context, institutions are vital to how globalization affects the poor.

Professor Nissanke cited three types of policy and institutional measures that can enhance the pro-poor effect of African integration into the global economy: designing a pro-poor strategy for integration; transforming economic and market structures to ensure that the poor can access and benefit from the global economy; and transforming and innovating institutions to ensure that the poor have the power and information to benefit. She detailed ideas for each of these steps, but stressed that the exact design of pro-poor globalization must be country-specific, linked to national conditions and institutions.

Africa is losing out in globalization because it sells faceless goods with no brand names.

The discussion centred on how global technologies and information flows could help the poor – and how the poor could have access to them. In particular participants considered:

- How Africa could compete, given the global trend to product branding, by exploiting niche markets and improving linkages with marketing and distribution networks.
- Africa's role in the global trend to outsourcing, especially of manufacturing and services.
- The role of trade access and increased value-added in enlarging Africa's trade share.
- How African governments can undertake strategic planning to identify opportunities, using government institutions to provide incentives for entrepreneurs as in Asia.

Another focus of the debate was how redistribution policies could be made to work at regional and global levels. Further analysis was urged to determine:

- How regional integration arrangements in Africa and other continents (e.g., Europe) had overcome income inequalities between and within countries to ensure that all benefited from integration.
- How global institutions should be reformed to regulate globalization and provide greater voice to poorer countries and people.

If agriculture were supported, health would improve.

Finally, participants reiterated that inequality within and between countries affects growth and globalization, reducing global demand for goods and services, and potentially eroding the political, social and environmental sustainability of globalization itself.

Institutions to Overcome Regional and Gender Dimensions of Poverty

The average poverty level masks important regional and gender differences that are critical to understanding the institutions that generate poverty.

- Chair: Saïdou Djibo, Secrétariat Permanent du DSRP
Charge des questions macroéconomiques,
Cabinet du Premier Ministre, Niger
- Presenter: Abdul G. Garba (for Kasseï Garba), Senior
Lecturer and Head, Department of Economics,
Ahmadu Bello University, Nigeria
- Discussants: Elias Masilela, Acting Deputy Director-
General, National Treasury, South Africa
Babangida Aliyu, Permanent Secretary, National Planning
Commission, Nigeria

Poverty is a by-product of national economic, political and social processes, Dr. Garba said, which are in turn determined by power relations between the genders and across regions within countries. The poverty wrought by the marginalization of women and regions is a humanly created problem, reflecting existing institutions, and must be

Investment in human capital is the surest way to improve human life.

addressed by changing those institutions. Sub-Saharan Africa lags behind other regions in gender and regional imbalances, and Nigeria shows particularly high gender and regional disparities, notably in lower levels of employment and education.

Overcoming gender and regional poverty will require much more detailed analysis of imbalances in access to employment opportunities, physical assets such as land, and credit and capital. It also requires a deeper understanding of the gender dynamics at work in rural development infrastructure, small-scale rural markets, human capital formation, sustainable use of natural resources and safety nets for vulnerable groups. With such a background it should be possible to counter the low participation of women and poorer regions in the design of development strategies. International, national, urban and rural institutions (and even households) discriminate against poor people in different ways, because of different incentives, choices and circumstances. Each level of institution therefore requires different action to change its behaviour.

The discussion proposed further work to focus more closely on what

types of institutions and policies could overcome regional or gender dimensions of poverty. This would need deeper analysis of:

- The determinants and nature of regional and gender related inequality and poverty, both of income and of other aspects (assets, capacity, and basic needs), and of their effects on economic performance.
- Case studies of institutions in Africa and other developing countries that have been successful in promoting greater regional and gender equality.
- Whether rural and urban settings require different institutions.
- How the poor (especially specific targeted vulnerable groups) have empowered themselves to participate in and run such institutions.

Agriculture, Labour Markets and Pro-Poor Growth

Chair: Margaret Kakande, Head, Poverty Monitoring and Analysis Unit, Ministry of Finance, Planning and Economic Development, Uganda

Presenter: Ade Olomola, Research Professor, Agriculture and Rural Development Department, Nigerian Institute of Social and Economic Research (NISER), Nigeria

Discussant: Tebogo Keseabetswe, Principal Policy Analyst, Ministry of Finance and Development Planning, Botswana

Agriculture is the key sector in most African economies, Ade Olomola reported, but its growth has been dismal for nearly three decades.

Poverty reduction strategy papers (PRSPs) often stress the key role of agriculture, but fail to present clear strategies for accelerating its growth. Among other aspects, it is necessary to analyse how to enhance food self-sufficiency, diversify into secondary and tertiary agricultural production and non-farm activities, and increase commercial orientation. Infrastructure, human capital, urban market development, technology improvement, and protection against risks and exogenous shocks are essential complements. International experience shows that agricultural growth is also a prerequisite for wider growth.

An understanding of labour market earnings is essential to rural poverty reduction efforts, according to Professor Olomola. This includes diversification of earnings between farm and non-farm sources – but creating such employment opportunities requires overcoming remoteness, building

The majority of our rural people are in small-scale agriculture, and do not have appropriate farming technology.

access to assets, promoting smaller family structures, and reducing ethnic and gender discrimination.

Employment is a prerequisite for social inclusion and empowerment, and therefore for sustainable poverty reduction. Yet recent trends have seen reduced formal employment, alongside increased landlessness, casual/seasonal employment and child labour. If Africa is to overcome rising rural and urban un/under-employment, it must improve productivity and technology levels in rural income generation, as well as prospects for higher returns on education and health investments for children. Professor Olomola concluded by identifying key measures relating to institutions and technology; finance, labour and markets; and agricultural policy. He also suggested research into non-farm rural activities and reinvestment of profits from these into agriculture and rural areas.

The three main aspects of the ensuing discussion were:

- The need for much more multidisciplinary work to resolve the problems identified in the presentation. In particular, economists should work with engineers and agronomists to innovate technology that can increase agricultural production through research, and to analyse its potential impact on growth, inequality and poverty reduction.
- The need not to ignore bottom-up development and appropriate low-cost technology that is more easily accessible by the poor.
- The role of government – whether it should concentrate on providing an environment friendly to agricultural markets, or (as suggested by most) play a much more active role through extension services, irrigation schemes and encouragement of high value commodities.

One of the reasons for the lack of progress in agriculture in Africa is because it is everybody's "business" even when they are engaged in other activities.

The Role of the Financial Sector in Pro-Poor Growth

Chair: Sadikiel Kimaro, Personal Assistant to the President (Economic Affairs) President's Office, State House, Tanzania

Presenter: Ernest Aryeetey, Director, Institute of Statistical, Scientific and Economic Research (ISSER), University of Ghana, Legon, Ghana

Discussant: Njuguna Nlung'u, Director of Training, AERC

If children miss the opportunity to go to school their chance for better income will be lost, even as their contribution in small-scale agriculture remains insignificant due to technological shortcomings.

Financial services to enable the poor to engage in income generating activities are critical to poverty alleviation.

Recent literature has proven the linkage between financial development and growth, according to Ernest Aryeetey, who looked at how Africa's formal, semi-formal (micro) and informal financial systems affect the poor. The formal financial sector, in spite of high expectations, has been inefficient, illiquid and thin, Professor Aryeetey said, resulting in high interest rates, low domestic savings and investment, and little impact on poverty reduction. Micro-finance has tried to fill the gap in financing for the poor, and has contributed immensely to increasing incomes and assets, nutrition, education, and health, and to reducing vulnerability to crises. He detailed the best practices in the design of micro-finance institutions, but also underlined the remaining difficulties in management, often caused by unstable

macroeconomic conditions. Informal institutions overcome problems of lack of collateral or financial liquidity and are therefore also helpful to the poor, but they are limited in scale and charge high interest.

As a result, he said, it is vital to establish inter-linkages among different institutions so as to encourage the poor to access formal and micro-financing. He suggested many measures to achieve this, including changing the institutions themselves: leaner structures, accountability and incentives for operational efficiency, streamlined operations, and outsourcing and networking. He concluded by focusing on broader policy measures to ensure pro-poor financial sectors. Among these are macroeconomic stability, regulation and supervision of financial institutions, and the creation of specialized institutions and credit information structures. Besides these, he said it is necessary to strengthen property rights and enhance micro-finance institutions.

Subsequent discussion agreed that financial sector reforms had done little to reduce poverty. Like the presenter, the participants made many suggestions for pro-poor measures for the financial sector:

- Focusing on "markets of the poor", by encouraging banks and other market players to develop products for the poor, especially in rural areas, perhaps through commodity-based savings and credit rather than cash loans.
- Improving information on financial issues, institutions and products for the poor.
- Widening the capacity of African stock exchanges to reach smaller companies through over the counter markets and decentralization.
- Increasing access of women and other vulnerable groups, as well as far-flung regions, to credit.

"Front door" credit – the banks – is not used by poor people. This is a challenge to policymakers. If there are no incentives for the banks to help the poor, how will the front door be opened?

- Increasing tailored training in business and financial planning for the poor, so as to improve financial savings levels and credit repayment records.
- Conducting further analysis of benefits and risks, and identifying best practices in micro-finance, to encourage a dramatic scaling up of such finance.
- Ensuring access to reasonably priced finance to smooth consumption among the poor, so they can avoid commercially-based moneylending, which increases their high-interest debts.

Priorities for New Research

Following the plenary discussion, the participants divided into four groups representing Southern Africa, Francophone Africa, Eastern Africa and West Africa. These groups produced a wide array of suggestions for priority areas and issues for analysis and research.

Further Analysis and Research Topics

Overall, across the range of subject areas examined in the seminar, policymakers identified their priorities for further policy-focused analysis and research. Governance, power and pro-poor growth (session 3), and pro-poor integration into the global economy (session 5) were at the top of the list. Secondary priorities were institutions to fight regional and gender poverty (session 6); agriculture and labour markets (session 7); and overall identification and reinforcement of pro-poor institutions (session 1). These were followed by pro-poor financial sector institutions (session 8) and institutions for human capital development (session 4), with least emphasis given to inequality (session 2).

Priorities changed somewhat when participants were asked to identify key individual subjects for research. Here the following specific topics were most important:

- Design of traditional and new rural and urban institutions to reinforce pro-poor policy.
- Decentralization of power/fiscal policy and promotion of participatory democracy.
- Design of national strategies for pro-poor globalization that link the poor to global markets – based on comparative advantage, technology and information flows.
- Design of pro-poor financial sector institutions and instruments.

Well focused pro-poor financial sector development measures should take greater priority in the design of programmes for the sector, rather than such issues as inflation reduction and single currencies.

Other key issues were felt to be:

- Pro-poor societal groupings and interest groups.
- Power diffusion, redistribution and their impact on social/political stability.
- Identification of national-level priorities and strategies for human capital formation.
- Interrelationships between human capital formation and wider poverty reduction efforts (access to assets such as land, finance and infrastructure; inequality and distribution).
- The effects of regional integration and South-South interaction on poverty reduction.
- Reform of international institutions to enhance their role in pro-poor growth.
- The role of public expenditure in overcoming regional and gender poverty.
- Protecting the poor against shocks (including through agricultural insurance).

The key priority after this seminar is to analyse best practices in designing pro-poor institutions and to look at individual country needs.

Some issues were particularly important to specific regional groups. The group from Southern Africa, for example, was especially concerned about rural safety nets and food security/self-sufficiency. The francophone participants expressed the need for measures to reduce inequality of income and of access to basic services and assets, the role of corruption in concentrating power and income, and urban-rural imbalances. Those from anglophone West Africa called for more attention to the impact of inequality on political and social stability, and how to reduce high interest rates to combat poverty. Finally, the East Africans cited the effects of regional and gender poverty on overall growth and poverty reduction, and policies for transforming agriculture to reduce poverty.

Pro-poor growth should be employment focused and based on an appropriate strategy of agro-industrialization.

The key priority after this seminar is to analyse best practices in designing pro-poor institutions and to look at individual country needs.

Follow-Up Mechanisms and Processes

The four groups were also asked to identify the best mechanisms for following up the analysis and research presented at the seminar. They asked for:

- Future research that:
 - Focused much more on case studies and practical examples of best practices.
 - Was much more tailored to key current priorities for policy makers,

involving them before the seminar in setting the key issues through advisory structures.

- Increased institutional links between researchers and policy makers through joint country-specific research and application of resulting policy recommendations.
- Short, focused training sessions at the national level to teach policy making technicians and researchers how to apply analytical lessons to the design of national poverty reduction strategies.
- Study visits for policy makers and researchers to examine more closely successful examples of pro-poor institutions.
- Strengthening of the analytical capacity of civil society to enhance the participation of the poor in decisions on the construction of pro-poor institutions and design of pro-poor policies.
- Closer networking by AERC with other African regional institutions (African Union, African Development Bank, NEPAD, United Nations Economic Commission for Africa) and sub-regional institutions (Communauté Economique et Monétaire d’Afrique Centrale – CEMAC; East African Community, Southern Africa Development Community – SADC; Union Economique et Monétaire Ouest Africaine – UEMOA).
- Establishment of a network and/or of online discussion groups among seminar participants with posting of key papers on websites.
- Partnership with non-African institutions doing similar research to enhance quality.
- Greater exchanges of personnel and experiences between government and research institutions through internships and secondments.
- Fuller participation by African countries in funding and designing AERC projects.

Civil society capacity to analyse issues should be strengthened so as to enhance the participation of the poor in policy processes.

The Way Forward

Chair: Olu Ajakaiye, Director of Research, AERC

Closing

remarks: William Lyakurwa, Executive Director, AERC

The seminar was only a start to discussions of how to reduce poverty by improving institutions for pro-poor growth, Professor Ajakaiye told participants. The priority is to increase the interaction between researchers and policy makers, so that they can jointly produce research that is both methodologically sound and designed to be able to answer

African countries should participate more fully in funding and designing AERC projects.

current policy questions. As participants agreed, this needs to be done through the identification of best practices and the development of case studies in creating pro-poor institutions to promote growth and reduce inequality.

In his closing remarks, Professor Lyakurwa thanked all participants for the lively contributions to the discussions. He said the report of the seminar would be available on the website and in hard copy as soon as possible, and added that future Senior Policy Seminars will address the hot topics the

group had identified. Governor Fundanga said the challenge was to apply what everyone had learned to improve performance in each country, by marrying theory with practice in making policy. He urged AERC to try to increase participation by government ministers in future senior policy seminars. Minister Madoungou noted that many people in francophone Africa do not know much about AERC or its senior policy seminars, but he praised their high quality policy relevance and said that the application of the knowledge through national action plans could have a fundamental impact on poverty reduction in Africa.

Annex A

List of Seminar Papers

"Growth, Poverty and Institutions: Is There a Missing Link?", by Prof. Ali. G. Ali, Economic Advisor, Arab Planning Institute, Kuwait

"Growth, Income Inequality and Poverty in Africa", by Prof. Ibrahim Elbadawi, Lead Economist and Manager, Regional Programme for Enterprise Development, and Gary Milante, Project Administrator, Development Economics Research Group, The World Bank, Washington D.C., USA

"Institutions of Governance, Power Diffusion and Pro-Poor Growth Policies", by Prof. Mwangi Kimenyi, University of Connecticut, USA

"Human Capital Investment, Growth and Poverty Reduction in Sub-Saharan Africa", by Prof. Germano Mwabu, Head, Department of Economics, University of Nairobi, Kenya

"Institutions and Policies for Pro-Poor Integration into the Global Economy: A Perspective for Sub-Saharan Africa", by Prof. Machiko Nissanke, School of Oriental and African Studies (SOAS), University of London, UK

"Agriculture, Labour Markets and Pro-Poor Growth", by Prof. Ade Olomola, Agriculture and Rural Development Department, Nigerian Institute for Social and Economic Research (NISER), Ibadan, Nigeria

"Regional and Gender Dimensions of Poverty in Sub-Saharan Africa: Implications for Poverty Reduction Strategies", by Dr. P. Kassey Garba, Senior Lecturer, Department of Economics, University of Ibadan, Nigeria

"The Role of the Financial Sector in Securing Pro-Poor Growth", by Prof. Ernest Aryeetey, Director, Institute for Statistical, Scientific and Economic Research (ISSER), Ghana

Annex B

Seminar Participants

Botswana

- 1 Ms. Tebogo Keseabetswe
Principal Policy Analyst
Ministry of Finance and
Development
Planning
Private Bag 008
Gaborone, Botswana
Tel: (267) 3950 366
Fax: (267) 3900 763
Email: tkeseabetswe@gov.bw

Burundi

- 2 Mr. Alain Hatungimana
Technical Advisor to Cabinet
Ministry of Finance
BP 1830
Bujumbura, Burundi
Tel: + 257 22 2775 / 964957
Fax: + 257 22 3827
Email: halain3@yahoo.fr
- 3 Ms. Speciose Baransata
1ère Vice-Gouverneur
Banque de la République du
Burundi
Avenue du Gouvernement
BP 705
Bujumbura, Burundi
Tel: 257 22 27 63
Fax: 257 22 31 28
Telex 507-5072
Email: spes.baransata@rb.bi;
barspes@yahoo.fr

Comoros

- 4 Mr. Ibrahim Mohamed Soule
Conseiller Technique
Ministère des Finances, du Budget
BP 324
Union des Comores
Moroni, Comores
Tel : + 269 74 41 64
Cell : + 269 732 140
Fax: + 269 74 41 40
Email: ibrahimsoule@snpt.km
ibrahimsoule@hotmail.com

Gabon

- 5 SEM Senturel N'goma Madoungou
Ministère de l'Economie des
Finances et du Budget
Ministre de Finance
BP 165
Libreville, Gabon
Tel: + 241 79 50 03
Fax: + 241 79 57 05
Email: margeriel3@yahoo.fr
oganismira@yahoo.fr

The Gambia

- 6 Mr. Yusupha F.J. Dibba
Prog. Officer/Social Dev. &
Decentralization Coordinating
Office
Department of State for Finance
Women's Bureau Complex
14/15 Marina Parade

Banjul, The Gambia
Tel: +220 -4 22 6204
Fax: +220 -4 22 79 54/ 8398

Kenya

- 7 Ms. Monica Aoko
Deputy Chief Economist
Ministry of Finance
PO Box 30007
Treasury Building, 13th Floor
Nairobi, Kenya
Tel: + 254 020 220177
Fax: +254 020 218475
Email: macko@treasury.go.ke
- 8 Mr. Joseline Ogai
Head of Macroeconomic Planning
Ministry of Planning and National
Development
PO Box 30005
Nairobi, Kenya
Tel: 254 020 251836
Email: jsogai@treasury.go.ke

Lesotho

- 9 Mr. Mamahao Leuta
Principal Budget Officer
Ministry of Finance and
Development Planning
Kingsway Street
PO Box 395
Maseru 100, Lesotho
Tel: 266 313491
Fax: 266 310964
Email: mamakhooal@yahoo.co.uk

Malawi

- 10 Mr. Ben Botolo
Director
Ministry of Economic Planning and
Development
Capital City
PO Box 30136
Lilongwe 3, Malawi
Tel: +265 1 - 788 888
Fax: +265 1 - 788 247
Email: bbotolo2000@yahoo.com

Nigeria

- 11 Dr. M. Babangida Aliyu
Permanent Secretary
National Planning Commission
Old CBN Building, Garki II
Shehu Shagari Way
Abuja, Nigeria
Tel: +234 9 23485158; 08033140161
Fax: +234 9 5230056
Email: talbanminna@yahoo.com
- 12 Mr. Olugbemi A.O. Agbola
Director, Macroeconomic Analysis
National Planning Commission
Old CBN Building, Garki II
Shehu Shagari Way
Abuja, Nigeria
Tel: +234 9 2901816
Fax: +234 9 5230056
Email : abelagbola@yahoo.com

Niger

- 13 Mr. Saïdou Djibo
Secretariat Permanent du DSRP
Charge des questions
macroeconomiques
Cabinet du Premier Ministre
BP 893
Niamey, Niger
Tel: +227 72 21 52
Fax: +227 72 21 58
Email: saidou-djibo@yahoo.fr

Senegal

- 14 Mr. Ibrahima Dia
Expert socioeconomist
(SPLP/MEF)
Ministère de l'Économie et des
Finances
Immeuble Peytavin, Rue Carde, 1er
etage, Porte D
Dakar, Senegal
Tel: 221 889 21 66
Email: ibradia@refer.sn

South Africa

5. Prof. Mthuli Ncube
Wits Business School
University of Witwatersrand
2 St. Davids Place, Parktown
Johannesburg, South Africa
Tel: 27 11 7173588
Cell: 27 83 454 6597
Fax: 27 11 643 62336
Email: Ncube.M@wbs.ac.za
16. Prof. Bethuel Setai
Managing Director
ECI Africa Consulting
PO Box 409
Wendywood, South Africa
Tel: 27 11 8020015
Fax: 27 11 6565642
Email: beth.setai@eciafrica.com
17. Dr. Haroon Bhorat
Director
Development Policy Research Unit
(DPRU)
University of Cape Town
Rondebosch 7701
Cape Town, South Africa
Tel: 27 21 6505705
Fax: 27 21 6505711
Email:
hbhorat@commerce.uct.ac.za
18. Mr. Elias Masilela
Acting Deputy Director-General
National Treasury
120 Vermeulen Street
Bag X115
Pretoria 0001, South Africa
Tel: 27 12 315 5455
Fax: 27 12 325 1048
Email:
elias.masilela@treasury.gov.za

Swaziland

19. Ms. Sebenzile Motsa
Assistant Economist
Ministry of Economic Planning and
Development

Macroeconomic Unit
PO Box 602
Mbabane H100, Swaziland
Tel: +268 404 3765/8
Fax: +268 404 6697
Email: smotsal@yahoo.co.uk

Tanzania

20. Dr. Sadikiel Kimaro
Personal Assistant to the President
(Economic Affairs)
President's Office
State House
PO Box 34577
Dar es Salaam, Tanzania
Tel: 255 744 695565
Fax: 255 22 2133792
Email: kimaros@pepau.co.tz

Uganda

21. Ms. Margaret Kakande
Head, Poverty Monitoring and
Analysis Unit
Ministry of Finance, Planning and
Economic Development
Speke Road
PO Box 8147
Kampala, Uganda
Tel: +256 41 23 50 55
Fax: +256 41 23 20 15
Email:
Margaret.Kakande@finance.go.ug

Zambia

22. Hon. Mbita Chitala
Deputy Minister of Finance and
National Planning
Ministry of Finance and National
Planning
PO Box 50062
Lusaka, Zambia
Tel: +260 1 253388
Fax: +260 1 250012
Email: Mchitala@zamnet.zm

23. Ms. Felina Chongola
Chief Economist
Ministry of Finance and
National Planning
PO Box 50062
Lusaka, Zambia
Tel: 260 1 253454
Fax 260 1 2528827
Email: chongolaf@yahoo.com

24. Dr. Caleb Mailoni Fundanga
Governor
Bank of Zambia
PO Box 30080
Lusaka 10101, Zambia
Tel: 260 1 223307
Cell: 260 97 857536
Fax: 260 1 237040
Email: cfundanga@boz.zm

Authors

25. Prof. Ernest Aryeetey
Director
ISSER, University of Ghana
PO Box LG 74
Legon, Ghana
Tel: 233 21 512506
Fax: 233 21 512504
Email: aryeetey@ug.edu.gh

26. Prof. Ade Olomola
Research Professor
Agriculture and Rural
Development
NISER
PMB 5, University Post Office
Ibadan, Nigeria
Tel: 234 0803-6132535
Fax: 234 2 8101194
Email: as_olomola@yahoo.com

27. Prof. Ali A. G. Ali
Economic Advisor
Arab Planning Institute
PO Box 5834
Safat 13059
State of Kuwait
Tel: 965 4843130, 4844061
Fax: 965 4842935
Email: aali@api.org.kw

28. Mr. Gary Milante
Project Administrator
Development Economics Research
Group
The World Bank
111 11th Street, NW, #609
Washington, D.C., 20001 USA
Tel: 202 842 43337
Email: gmilante@worldbank.org

29. Prof. Machiko K. Nissanke
Professor of Economics
SOAS, University of London
Thornhaugh St., Russell Square
London WC1H 0XG
United Kingdom
Tel: 44 207 8984542
Fax: 44 207 8984559
Email: mn2@soas.ac.uk

30. Dr. Abdul Ganiyu Garba
Senior Lecturer and Head of
Department of Economics
Ahmadu Bello University
Zaria, Nigeria
Tel: +234 803 7014346; 069 550774
Email: kagarba@yahoo.com
ganigarba@hotmail.com

31. Prof. Mwangi S. Kimenyi
Department of Economics
University of Connecticut
Montieth Hall
Storrs, CT 06269 USA
Tel: 860 486 3022
Email: s.kimenyi@uconn.edu

32. Prof. Germano Mwabu
Chair, Department of Economics
University of Nairobi
PO Box 30197
Nairobi, Kenya
Tel: 254 020 2728080
Email: mwabu@form-net.com

Consultant

33. Dr. Matthew H. Martin
Director, Development Finance
International/Debt Relief
International



151 Farringdon Road
London EC1R 3AF, UK
Tel: +44 207 278-0022
Fax: +44 207 278-8622
Email: matthew.martin@eri.org.uk

Miriam Rahedi, Publications and
Communications Assistant
Florence Maina, Conference and Travel
Coordinator
Rachelle Siele, Secretary

AERC Secretariat

Prof. William Lyakurwa, Executive
Director
Prof. Olusanya Ajakaiye, Director of
Research
Prof. Njuguna Ndung'u, Director of
Training
Dr. Joseph Karugia, Research Manager
Marjory Gichochi, Communications
Manager
Charles Owino, Publications
Administrator

**African Economic Research
Consortium**

PO Box 62882 – City Square
Nairobi 00200, Kenya
Tel: 254 020 273 4150/7
Fax: 254 020 273 4170 / 2734173
Email: exec.dir@aercafrica.org;
communications@aercafrica.org

www.aercafrica.org

Annex C

Seminar Programme

Seventh AERC Senior Policy Seminar (SPS VII)
GROWTH, POVERTY AND INSTITUTIONS
Cape Town, South Africa
22–24 March 2005

Day 1: 22 March

08h30–09h30 Registration

09h30–10h30 **OFFICIAL OPENING**

Chair: SEM Senturel N'goma Madougou, Ministère de
l'Economie et des Finances, du Budget et de la
Privatisation, Gabon

Introductions: Participants

Welcome: Prof. William Lyakurwa, Executive Director, AERC

Opening address: Prof. Bethuel Setai, National Institute of Economic
Policy, South Africa

Vote of thanks Prof. Olu Ajakaiye, Director of Research, AERC

10h30–10h45 TEA/COFFEE BREAK

10h45–11h45 **SEMINAR OBJECTIVES AND OVERVIEW**

Presenter: Dr. Matthew Martin, Director, Development
Finance International/Debt Relief International, UK

- 11h45–13h15 **Session 1:** **GROWTH AND POVERTY REDUCTION: DO INSTITUTIONS PROVIDE THE MISSING LINK?**
- Chair:** Dr. Caleb Fundanga, Governor, Bank of Zambia
- Presenter:** Prof. Ali A.G. Ali, Economic Advisor, Arab Planning Institute, Kuwait
- 13h15–14h30 BUFFET LUNCH
- 14h30–16h00 **Session 2:** **GROWTH, INCOME INEQUALITY AND POVERTY IN AFRICA**
- Chair:** Dr. Caleb Fundanga, Governor, Bank of Zambia
- Presenter:** Gary Milante (co-author with Prof. Ibrahim Elbadawi), Project Administrator Development Economics Research Group, The World Bank, Washington, D.C., USA
- Discussants:** Ms. Monica Aoko, Deputy Chief Economist, Ministry of Finance, Kenya
Mr. Ibrahima Dia, Expert Socioeconomiste a la Cellule de Lutte Contre la Pauvrete, Ministère de l'Économie et des Finances, Senegal
- 16h00–16h30 TEA/COFFEE BREAK
- 16h30–18h00 **Session 3:** **INSTITUTIONS OF GOVERNANCE, POWER DIFFUSION AND PRO-POOR GROWTH AND POLICIES**
- Chair:** Mme. Speciose Baransata, 1ère Vice-Gouverneur, Banque de la République du Burundi
- Presenter:** Prof. Mwangi Kimenyi, Department of Economics, University of Connecticut, USA
- Discussant:** Prof. Mthuli Ncube, Wits Business School, South Africa
- 19h00 COCKTAIL/RECEPTION

Day 2: 23 March

09h00–10h30 **Session 4:** **HUMAN CAPITAL INVESTMENT, GROWTH AND POVERTY REDUCTION IN AFRICA**

Chair: Hon. Moita Chitala, Deputy Minister of Finance and National Planning, Zambia

Presenter: Prof. Germano Mwabu, Chair, Department of Economics, University of Nairobi, Kenya

10h30–11h00 TEA/COFFEE BREAK

11h00–12h30 **Session 5:** **INSTITUTIONS AND POLICIES FOR PRO-POOR INTEGRATION INTO THE GLOBAL ECONOMY: A PERSPECTIVE FOR SUB-SAHARAN AFRICA**

Chair: Hon. Moita Chitala, Deputy Minister of Finance and National Planning, Zambia

Presenter: Prof. Machiko Nissanke, School of Oriental and African Studies (SOAS), University of London, UK

Discussants: Prof. Bethuel Setai, National Institute of Economic Policy, South Africa
Ms. Felina Chongola, Chief Economist, Ministry of Finance and National Planning, Zambia

12h30–13h30 BUFFET LUNCH

13h30–15h00 **Session 6:** **REGIONAL AND GENDER DIMENSIONS OF POVERTY IN SUB-SAHARAN AFRICA AND IMPLICATIONS FOR POVERTY REDUCTION STRATEGIES**

Chair: Mr. Saïdou Djibo, Charge des questions macroéconomiques, Secrétariat Permanent de la SRP, Cabinet du Première Ministre, Niger

Presenter: Dr. Abdul G. Garba, Senior Lecturer and Head of Department of Economics, Ahmadu Bello University, Nigeria, for Dr. P. Kassey Garba, Senior Lecturer, Department of Economics, University of Ibadan, Nigeria

Discussants: Mr. Elias Masilela, Deputy Director-General, National Treasury, Pretoria, South Africa
Dr. M. Babangida Aliyu, Permanent Secretary, National Planning Commission, Abuja, Nigeria

15h00–15h15 TEA/COFFEE BREAK

15h15–16h45 **Session 7: AGRICULTURE, LABOUR MARKETS AND PRO-POOR GROWTH**

Chair: Ms. Margaret Kakande, Head of Poverty Monitoring and Analysis Unit, Ministry of Finance, Planning and Economic Development, Uganda

Presenter: Prof. Ade Olanola, Agriculture and Rural Development Department, Nigerian Institute of Social and Economic Research (NISER), Ibadan, Nigeria

Discussant: Mrs. Tebogo Keseabetswe, Principal Policy Analyst, Ministry of Finance and Development Planning, Botswana

16h45–18h15 **Session 8: THE ROLE OF THE FINANCIAL SECTOR IN SECURING PRO-POOR GROWTH**

Chair: Dr. Sadikiel Kimaro, Personal Assistant to the President (Economic Affairs), Tanzania

Presenter: Prof. Ernest Aryeetey, Director, Institute of Statistical, Scientific and Economic Research (ISSER), Ghana

Discussant: Prof. Njuguna Nlung'u, Director of Training, AERC

Day 3: 24 March

09h00–11h30 **Session 9: WORKING GROUPS**
Briefing by: Dr. Matthew Martin, Director, Development Finance International/Debt Relief International, UK

11h30–11h45 TEA/COFFEE BREAK

11h45–13h00 **Session 10: PLENARY AND CLOSURE**

Chair: Prof. Olu Ajakaiye, Director of Research, AERC

Closing remarks: Prof. William Lyakurwa, Executive Director, AERC

19h30 CLOSING DINNER (Cape Town Waterfront)

African Economic Research Consortium

Consortium pour la Recherche Economique en Afrique

PO Box 62882 -City Square

Nairobi 00200, Kenya

Middle East Bank Towers, 3rd Floor, Milimani Road

Tel: (254-20) 273-4150

Fax: (254-20) 273-4173

www.aercafrica.org

ISBN: 9966-944-70-2