

**Parliament's Role in Poverty Reduction:
Enhancing Macro-Economic Policy Approaches**

**A Regional Roundtable for SADC Parliamentarians,
November 24, 2006
Rosebank Hotel, Johannesburg**

Motivation and Objectives

Various international and national policy efforts – such as the Millennium Development Goals (MDGs) and Poverty Reduction Strategy Papers (PRSPs) – are devoted to eradicating, or at least, substantially reducing poverty. In Sub-Saharan Africa, most of these are failing. This failure can, in part, be attributed to:

- ❑ Poor implementation of policy
- ❑ Executive dominance with little real oversight
- ❑ Short-term budgeting cycles
- ❑ Macro-economic shocks

There is growing recognition that the poor are hardest hit by macro-economic crises since, due to a lack of assets (land, cash, etc) they have extremely limited access to credit and simply cannot protect themselves from the impacts of such shocks.

Effective poverty reduction requires stakeholders to have a good understanding of the pathways via which poverty reduction policies (at global, regional and national levels) are transmitted to the poor. Equally important is a grasp of the policy formulation process and the subsequent implementation channels. This is essential in order to identify and leverage the most appropriate points for intervention.

Parliaments are key stakeholders in poverty reduction initiatives for several compelling reasons:

- ❑ Crucially, they are the link between government and the people (most of whom in Africa are poor people); thus they should be a barometer of the public concerns and opinions and the route through which these are integrated into policy formulation.
- ❑ As the Legislative Arm of Government, they approve Budgets and Expenditure and thus are the gateway through which resources are released in order for policies to be actualized.
- ❑ As the Watchdog Arm of Government, they must monitor policy implementation to ensure that the needs of the citizens are being met, particularly those of the poor and marginalized.

**The overarching theme of the Discussion will be:
“How can parliaments ensure that poverty reduction policies are relevant and effective?”**

The objectives of this Roundtable are:

- ❑ To identify the challenges faced by SADC parliamentarians in fulfilling the roles detailed above, with respect to pro-poor policy formulation and implementation.
- ❑ To investigate examples of good practice in overcoming these hurdles and formulate appropriate recommendations for adapting these in the southern African context.
- ❑ To enhance the capacity of SADC parliamentarians to make definitive improvements to poverty reduction initiatives. The legislative, oversight and constituency roles of Parliamentarians vis-à-vis policy formulation and implementation will be emphasized.

Major Areas of Focus

In line with the principle of separation of powers, parliament, as an independent arm of government, has very specific responsibilities in the poverty reduction process. Prior research in this area identifies three areas in which parliamentary intervention has proved to have the most impact on poverty reduction:

1. **Direct involvement with the budget process** to ensure that pro-poor policy decisions are reflected in budget allocations and in post-budgetary spending. Parliament should be involved not only in budget approval but also in longer-term planning when policy is being formulated. Effective parliaments use the budget process as an instrument of accountability and policy influence.
2. **Contact with constituents:** Communication with individual citizens and civil society and community-based organizations, to ensure that the government's macro-economic policy adequately reflects the needs of citizens, especially the poor. Parliament has a key role to play in widening the circles of economic power, eg through public community hearings and through non-technical dissemination of information to citizens.
3. **Sustained Monitoring and Oversight** of pro-poor policy implementation in conjunction with civil society.

Expected outcomes

SARPN and SAIIA expect the Roundtable to result in (or at least contribute to) the following outcomes:

- (a) enhanced country ownership of macroeconomic policies for poverty reduction.
- (b) improved government accountability, and
- (c) strengthened M&E systems, through increased participation in key processes.