This chapter analyses the new Poverty Reduction Strategy Paper (PRSP) of Lesotho and considers whether it can be successful in terms of poverty alleviation. The answer to this question is likely to be negative, the main reason being that the PRSP approach precludes a focus on the heterogeneous nature of poverty and its determinants. To illustrate this, the characteristics of some of the very poorest households in Lesotho are discussed and the extent to which the PSRP is likely to assist them.

Introduction

The Poverty Reduction Strategy Paper (PRSP) in Lesotho is internationally acclaimed for the intensity of the consultation that took place during its drafting (DFIDSA-Lesotho 2004: 35, Roberts 2003: 1). With up to 20,000 people consulted out of a population of 2.14 million, Lesotho has one of the most consulted PRSPs (Roberts 2003: 15). In addition, unlike other PRSPs, the Lesotho PRSP has integrated other policy initiatives, such as the national plan Vision 2020 and the Millennium Development Goals.1

This chapter considers the extent to which the new PRSP is likely to be successful in assisting the poor in Lesotho. This assessment is based, in part, on the results of a previously unreported survey of poor women, but the methods and data used in the PRSP are also critically examined. The focus of the

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1 See Cromwell et al. (2005: 16) for concern that PRSPs are often inconsistent with or superseded by other national plans.
Lesotho PRSP is an attempt to establish headcounts of poverty and a limited number of poverty correlates, such as the geographic location of the poor. Parallel to this, a set of poverty-reducing policies is developed. These policies, which are remarkably similar to those advocated in the PRS papers of many other African economies, emphasize investing in education and health and encourage foreign direct investment.

This chapter argues that while these policies have some merit, they are unlikely to benefit many of those among the poor. This is because the PRSP approach precludes a focus on the heterogeneous nature of poverty and its determinants. Three things are confused in the PRSP: snapshots of the number in poverty; an identification of the characteristics of the poor; and an understanding of the causes of poverty. Instead policy makers need to understand poverty in the context of dynamic local economic forces, external labour markets and domestic social structures.

How is poverty understood in the PRSP?

World Bank and IMF guidance states that a PRSP should contain relevant, timely and credible poverty diagnostics, with a careful choice of appropriate targets and indicators. The Lesotho PRSP aims to follow these guidelines and claims support from the results of an extensive consultation process that captured popular views of the character and causes of poverty in Lesotho. During the development of the PRSP, researchers engaged in a participatory investigation of the views of people in 200 villages, mostly in the rural areas of Lesotho. In addition to consulting the public, the production of the PRSP also involved all parts of the Lesotho government as well as many NGOs and the private sector (DFIDSA-Lesotho 2004). However, we will argue that despite these consultations, the PRSP reveals only a limited understanding of poverty in Lesotho. The PRSP analysis of the prevalence and characteristics of poverty, as well as its policy proposals, are flawed.

PRSP analysis of the prevalence of poverty in Lesotho

In its attempt to quantify the prevalence of poverty in Lesotho, the PRSP uses an arbitrary poverty line, coupled with poor quality data. Interestingly, drafters made little use of the extensive consultation exercise in developing the poverty assessment section of the PRSP. In fact, the results of the consultation exercise were written up entirely separately (DFIDSA-Lesotho 2004: 21). Roberts’s (2003: 29) interim review of the PRSP process came to a similar conclusion, saying that “it is disappointing that the rich analysis of the community consul-