

## **PRSP Newsletter Interview with Hranush Kharatyan “Hazarashen” Socio-Ethnological NGO, Armenia.**

### **Background**

From June 19 to 22, 2001, a workshop on “Civic Engagement and Participation in PRSPs” for Armenia, Azerbaijan, Georgia and Moldova, was organized by the Bank’s Central Social Development Unit and its sister unit in ECA. The aim of the workshop was to familiarize participants with a range of tools for supporting participatory PRSP processes. Discussions focused on the areas of policy making, participatory expenditure management, participatory M&E, conflict management/mitigation and the roles of parliament and the media. Workshop participants included senior and mid-level public servants, parliamentarians, representatives of local and international NGOs, civic organizations, private sector associations, journalists, and donor agencies. The workshop was a direct follow-up to the Regional PRSP Forum organized for ECA PRSP countries in November 2000. The event was co-financed by British DFID and attended by other development partners including the IMF, EU and UNDP.

### **Views of an NGO Poverty Reduction Practitioner**

In the course of the workshop, Ms. Hranush Kharatyan, Chairwoman of Armenia’s “Hazarashen” NGO shared her views on the PRSP process and, more generally, on recent progress on poverty reduction in Armenia.

**World Bank:** How did you first learn about the Poverty Reduction Strategy Initiative?

**Ms. Kharatyan:** Our NGO has been involved in poverty reduction activities since 1984, and our work was picked up by the World Bank. “Hazarashen” focuses on vulnerable population, and is dealing with major social issues, including water, land reform, and refugee issues. We carry out surveys, and our assistance strategy is based on ethnography and culture. In fact, we specialize in transition economies. In 2000, we published a book entitled “Poverty and Democracy” – describing how democratic principles work differently in cases of extreme poverty. In the same year, the OSCE picked up on the topic. The NGO received a grant to publish “Stories of Poverty”, which described the challenges facing a country like Armenia - earthquakes, refugees, and the conflicts related to the areas bordering Azerbaijan. The Armenian Government and the Bank have been discussing these issues in the context of poverty reduction and our NGO has been able to join some of the discussions. Since spring 2000, the first serious discussion of PRSP took place at the national level. The Government accepted almost all of the constructive criticisms provided by our NGO, and agreed on the importance of coordination with the PRSP National Steering Committee (four large NGOs, Hazarashen among its members).

**World Bank:** Has your NGO observed any constraints in launching or supporting the PRSP process in Armenia, and if so, what are those constraints?

**Ms. Kharatyan:** No, not so far. We have not faced any major difficulty from the Government regarding the involvement of civil society. In fact, they seem to be interested in engaging civil society. The problem is that society tends to be passive. Emigration is a serious problem in Armenia. The middle-aged productive population is leaving the country due to the economic hardships and old people are not interested in participating. When donors offer support, peoples' motivation seems low because of the (a) absence of a vibrant market (b) agricultural stagnation (c) rapidly diminishing human and natural resources. Land, water, and forest resources are becoming depleted due to the poor management. People are ready to abandon villages. In my view, this is partly due to the inefficient implementation of the privatization of land.

**World Bank:** Given the prevailing economic and social circumstances in Armenia, what is Government's best way forward with the PRSP process – with the support of external partners?

**Ms. Kharatyan:** We need strong cooperation between Government and external partners, especially the Bank. We also need active participation of civil society in PRSP process. In late summer 2001, a platform for preparing the full PRSP will be declared and hopefully the NGO community, along with the Government and donors, will produce a joint framework for working on it.

There are two concerns in preparing the final PRSP:

- Reshuffles in the Cabinet could result in different approaches to the overall PRS process.
- Lack of incentives within the civil society : motivating strategy must be devised to expedite the PRSP.

Our NGO is trying to find tools to motivate civil society, but it will be a challenge to deliver. We need to establish priorities, and carry out poverty diagnostics effectively. We need to work with the Anti Corruption Commission, and think of the best way to mount a public information campaign on the PRSP.

**World Bank:** Do you have any particular messages to the World Bank and other donors for supporting the PRSP preparation?

**Ms. Kharatyan:** The WB Yerevan Office is making efforts to bring the related parties together. We certainly need a consensus of Government and civil society in the PRSP process. The PRSP needs visibility and status across the country. The Bank can play a role of a mediator between the Government and civil society, particularly if things get complicated. For example, Armenian people have good business ideas. The State needs to provide guarantees to facilitate the development of small businesses in Armenia. And here, the Bank with its knowledge base and expertise can play a crucial role.