



Graduate School of Development Studies

AN EXERCISE IN WORLDMAKING 2008

Best Student Essays of 2007/08
evaluated and published by students
from the batch 2007/08
with the support of
the PhD students and ISS staff

ISS Scholas Executive Comittee

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Published by the Institute of Social Studies
Kortenaerkade 12
2518 AX The Hague
Netherlands

First published in 2009

ISBN 978-90-812200-2-6

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A catalogue record for this book is available from the Royal Library,
The Hague, The Netherlands

Printed in the Netherlands by Datawyse bv
Universitaire Pers Maastricht

A participatory and student-driven academic exchange and
reference tool created for the Institute of Social Studies
MA students of 2007 & the future

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Acknowledgements

The production of this book is the result of a collaborative exercise between many ISS staff members and students. We would particularly like to thank:

- the program administrators, Sharmini Bisessar, Josée Haanappel, Karin Hirdes, Cisca Vorselman, Marja Zubli, Katherine Voorvelt, and Lubna Sharwani. For some of them it has been the third year assisting Scholas with this initiative and without their time and energy this book would not have been possible.

- Louk de la Rive Box, Renée de Louw, Wil Hout and Inge van Verschuer for their support in this student initiative. Especially when urgent matters needed to be discussed, decisions had to be taken and prompt actions had to take place their doors were always open for us.

- the dedicated team of evaluators, formed by MA and PhD students who applied their knowledge, time and energy in grading the essays with valuable qualitative comments, providing us a selection of the best among the best essays of Terms 2 and 3. Namely, we thank to Achmad Uzair, Amjad Sajjad, Anne Stella Muchiti Mulama, Ariane Agnes Corradi, Bilisuma Dito, Dawood Mamoon, Debendra Parsad Majhi, Iftekhar Ahmed Robin, Lazar Konforti, Muhammad Ali, Paula Ellinger de Fonseca, Shyamika Jaysundara, Ronald Kiberu Ssekabembe and Trudy Ann Davis.

- the editing team, formed by talented MA students who contributed their time, energy and many hours on the English language editing of this book, namely Amjad Sajjad, Lazar Konforti, Astha Kapoor and Krista Anne Hund. We also thank two ISS staff members Amy Gammon and Jane Pockock who dedicated their time and energy to edit the English language of some of the essays that compose this project.

- Joy Misa, for the third year in a row, she has taken up the meticulous task of assuring that the layout and format was done to professional standards. Thank you for working so hard within such a short span of time.

- Karen Shaw, for taking the time and using her creative talent to design such an aesthetically pleasing cover for this publication.
- We also owe a special word of thanks to the team of evaluators. Their hard work and commitment—during the stressful research paper time in the case of the MA students, and during the thesis elaboration in the case of the PhD students—truly made this book. We wish them the best!
- Last, but certainly not least, we would like to thank the members of the 2007/08 Scholas Executive Committee who have contributed with their time and dedication to this publication. We especially thank Muhammad Ali and Ariane Agnes Corradi who came to rescue as the publication deadline was just round the corner.

1

Unfair Trade: The Causes of Unequal Profit Distribution within Commodity Chains

LAZAR KONFORTI

If Oxfam is making noise around its Make Trade Fair campaign, it's because there's enough people out there willing to listen. What they are being told is that as a commodity makes its way from producer to consumer, the total profit made along the commodity chain is distributed very unevenly amongst its participants (see, for example, Gresser and Tickell, 2002). Though it appears that people at large are willing to accept that trade is not necessarily 'fair', academic discussion has generally steered clear of this issue. Perhaps this is because various academic traditions have broached the topic and addressed it adequately, according to each tradition's internal logic.

This essay will explore various theoretical approaches to the fundamental question at hand: 'Why are profits distributed so unevenly in a commodity chain?' Neoclassical economics, the theory of unequal exchange, global commodity chain analysis and bargaining theory are assessed for strengths and weaknesses with respect to this question. An attempt is made to reconcile the differences and integrate various explanations which may in fact turn out to be complementary.

Neoclassical economics

The neoclassical revolution in economics, led by Léon Walras, William Stanley Jevons, and Carl Menger in the 1870's, introduced the mathematical rigour many at the time felt was lacking. This allowed methodological individualism and utility theory to dominate economics textbooks, such as Marshall's *Principles of Economics*, originally published in 1890, as well as more recent university standards such as Varian's *Intermediate Economics* (2002).

Frank Ellis (1991) gives a concise account of the neoclassical theory of agricultural production, which can be summarised as follows: the farmer

maximises his profits by manipulating the quantity of inputs such that their marginal cost equals their marginal benefit. The farmer's profit thus depends on the equation

$$\frac{\partial f(x)}{\partial x} p = cx$$

where $f(x)$ is the production function, x is a vector for agricultural inputs, p is the price for agricultural outputs, and c is the marginal cost of x . When the marginal cost of the inputs (on the right hand side) equals the marginal benefit obtained from selling the output (on the left hand side), no more profits can be made.

What can this tell us about the distribution of profits in the commodity chain? First, it implies that whether the farmer sells directly to the consumer or is part of a larger commodity chain is irrelevant. Second, the above equation indicates that profit depends on inputs, prices for inputs, and prices for outputs. Third, because classical theory of price (prices are determined by aggregate supply and demand schedules and the 'law of one price' holds) still applies in neoclassical economics, the variables p and c are fixed, leaving the amount of inputs as the only decision variable. It is easy to see that methodological individualism's main drawback is its inadequate analysis of the larger forces at play. By allowing price to be exogenously determined, 'we submit to agnosticism' and 'this agnosticism would mean bankruptcy of the theory' (Pen 1954: 24).

Furthermore, neoclassical axioms of perfect competition and free entry and exit into various industries means that the economy operates at zero economic profit – a notion still taught in most economics textbooks (see, for example, Ragan and Lipsey, 2005). Thus the answer to 'why do profits differ so widely at different nodes of the commodity chain?' is a rather stubborn 'no they don't!' Perhaps even more troubling is the normative neoclassical assertion that low incomes are a 'market signal' to move to a different industry. Poverty thus becomes a benevolent agent pushing various actors to allocate resources efficiently.

Some of Byres' (2003) criticism of more advanced theories also applies to neoclassical theory's most basic form. First, the language of maximising profits makes any trade appear mutually beneficial since they allow the farmer to earn a profit he otherwise wouldn't have, eliminating the term 'exploitation' from the vocabulary. Second, because prices are set by the market, any notion of bargaining and bargaining power cannot conceptually exist. Third, as mentioned in the above paragraph, poverty and inequality are not explained or, worse, seen as ultimately beneficial.

Pertaining to the question at hand, neoclassical theory only implies that profits are determined by prevailing market prices for inputs and outputs. The (obvious) notion that prices determine profits has been carried over to most other theories. However, neoclassical theory only provides simplistic supply and demand explanations of price determination.

Unequal Exchange Theory

In the years following World War II, the noted decline in terms of trade for most developing countries was seen as a major obstacle to development and a whole new literature of unequal exchange surfaced in an attempt to explain this phenomenon. Heintz (2006) summarises the three main arguments found in the literature, crediting Arghiri Emmanuel, Raúl Prebisch, and Arthur Lewis, respectively, as the main figures associated with each point:

Flexibility in sourcing decision mimics the effect of capital mobility in the sense that competitive pressures limit the scope for subcontractors to raise production costs without triggering a substantial loss of output.

Oligopolistic, or monopolistic, structure in advanced economies are explicitly linked to competitive conditions in developing countries.

A surplus of labour exists at the point of production such that an expansion in output does not build up wages. (Heintz: 509)

Of note is that unequal exchange theory explicitly links prices to poverty and underdevelopment. It also attempts to explain why prices are so disadvantageous for developing countries. But what can unequal exchange theory tell us specifically about profit distribution in commodity chains? Emmanuel (1969) describes the ability of multinationals to buy cheap in the developing world and sell dear in the developed world. This is made possible by Prebisch's earlier assertion that developed countries are marked by oligopolies, allowing firms and labour alike to accumulate profit at a much faster rate than the competitive and repressive (with respect to labour unions) economies of developing countries (CEPAL, 1950).

Unequal exchange theories however tend to be macro-level theories and do not supply a thorough analysis of the price-determining process within commodity chains. In order to do this, the connection between global commodity chains and global trade would have to be made explicit.

Global commodity chain analysis

The main conceptual shift or contribution of global commodity chain analysis is the assertion that the global economy is ‘the result of an integrated system of production and trade’ (p. 95) driven by the largest and most powerful actors. The distinguishing feature of each chain is the location of power, i.e. which firms get to control the production process, including setting prices of commodities. The commodity chain literature would seem an appropriate place to address profit distribution yet it appears its purpose was altogether different.

According to Heintz (2006), commodity chain analysis is an alternative to the standard Heckscher-Ohlin (H-O) theory of trade. The H-O model hypothesises that trade arises due to differences in relative factor endowment between two states. This allows trade to occur even in countries with identical production functions (this possibility was excluded in Ricardo’s classic theory of comparative advantage) Commodity chain analysis instead purports to demonstrate how the actions of individual agents, mediated by macroeconomic factors, especially trade policy, determine who produces what and where.

Commodity chain analysis is closely related to institutional economics. Klein (2005) summarizes institutional economics as an investigation into the ‘make-or-buy decision’, i.e. whether it is more advantageous to produce a commodity (within the boundaries of a stand-alone firm), sub-contract the production, or simply buy it on the spot. Ever since the pioneering work of Coase in the 1930’s, institutional economics sees the reduction of transaction costs as the fundamental reason behind firms. Much of the ‘make-or-buy decision’ literature sees asset specificity (the need for cooperation in the different stages of the production process) as the main determining factor.

For Gereffi (1994), supply chains with high degrees of asset specificity are ‘producer-driven’ while those characterised by generic intermediate goods are ‘buyer-driven’. Agricultural commodity chains would fall into the ‘buyer-driven’ category but unfortunately Gereffi’s analysis provides little insight regarding profit distribution. Gereffi is, as mentioned earlier, is more concerned with the spatial and technological characteristics of production and any mention of prices is made only in passing.

Byres (2003) criticises new institutional economics (a subset of institutional economics where asymmetric information is seen as the primary cause of transaction costs) on the basis that it lacks dynamism: transaction costs explain why certain institutions exist but does not explain how they came to be where they did not exist before. The same criticism applies to commodity chain analysis: Gereffi appears content in stating that the ‘driv-

ing' firms in commodity chains dictate the terms of production and trade (including prices and other firms' profit margins) without giving an explanation for how this system came into being nor what maintains it.

Bridging the gaps

What can be made of these different trends? Unequal exchange theories cite diverging economic structures as the reasons behind declining terms of trade in the global macro economy. Commodity chain analysis sees global trade as an amalgamation of individual commodity chains but this has not led to its use as a micro-foundation of global structuralist theories. The neo-classical framework offers a rigorous tool for analysing micro-level behaviour of individual agents in commodity chains but evolves in a fantasy world where politics, power and inequality do not exist.

Heintz (2006) attempts to integrate all three schools of thought into one elegant model. Heintz's model has three firms – producer, intermediary and retailer – that obey the neoclassical rules of profit maximisation. The three are connected in a commodity chain in the sense that the prices faced by each firm depend on the prices offered by the other firms. The maximisation problem thus becomes a set of simultaneous equations. However, as per Prebisch's theory, the retailer, operating in an oligopolistic advanced economy, is allowed to maximise profits first. Heintz actually assumes that the retailer is a pure monopolist, effectively empowering it to dictate prices to the intermediary firm, which is assumed to operate in the competitive environment of a developing economy. The intermediary must take whatever price the retailer offers as long as it is not prohibitively low. The remaining equations are solved simultaneously and profits are obtained for each firm.

Heintz's model appears to be consistent with certain commodity chains. For example, the four large international coffee roasters (Kraft, Nestle, Procter & Gamble and Sara Lee) manage to purchase green beans at USD1, 64/kg in Kenya and sell the finished product in the UK at an average price of USD26, 40/kg (Nov 2001 – Feb 2002 prices) while the remaining firms in the chain barely manage to avoid losses (Gresser and Tickell, 2002). Such an outcome is precisely what Heintz's model predicts.

Bargaining power and game theory

Heintz's model is still somewhat incomplete. What is lacking is a proper theory of bargaining power. It is clear that a monopolist can dictate prices but such a situation rarely arises in any commodity chain. As soon as there is more than one buyer, barring collusion, the producers should be able to

play the buyers against one another. Why is it that, despite competition, profit distribution is so uneven?

Game theory provides several models of bargaining among which the 'hold-up' game is easily applicable commodity chains. The game is simple: the buyer can offer a fair price or a predatory price. If the fair price is offered, then everyone is happy, but if the predatory price is offered the producer can choose between accepting it as is or rejecting it and trying to find alternative buyers. In the absence of competition, the buyer knows that the producer will have to accept a predatory price if the alternative is starvation (a subsistence wage thus becomes the producer's participation constraint). However, as soon as we allow for the possibility of finding alternative buyers (or alternative sources of income) the solution to the game will depend on the exact value of the payoffs. The general rule is that the buyer can force the producer to accept a price as long as the producer's utility derived from that price can compensate from the disutility incurred in trying to get a better price, which we assume involves some costs, if only time.

This simple game appears to be able to model the 'magnitude' of varying degrees of competitiveness that has so far been absent from other theories. The costs incurred in seeking out a competitor, often but not necessarily dependant on spatial factors (Sexton 1990), puts a check on the degree of predatory pricing. Thus in a spot market, the cost of seeking out alternatives is zero and predatory pricing is impossible. On an isolated coffee farm, the producer would have to hire transport, establish new contacts, and lose valuable time. Alternatively, the producer can go to the trouble of colluding with other producers, thus reducing the payoffs of predatory pricing for the buyer. However, it's been known that the cost or difficulty for producers or labourers to achieve such things is high: 'This organization of the proletarians into a class, and, consequently, into a political party, is continually being upset again by the competition between the workers themselves.' (Marx and Engels, c2005: 18). This partially explains an advantage consistently enjoyed by the less competitive agent class.

The hold-up game can also be used to model the favourable prices obtained by TNCs in the Kenyan coffee trade. The TNC's participation constraint is the minimum profit margin expected by shareholders, which usually depends on prevailing rates of return in the shareholders' domestic market. Thus, even in the case of the four international coffee roasters, the Kenyan wholesalers must at least give the companies the profit share they are used to, which often leaves very little for all of the Kenyan actors. Nevertheless, what little margin remains is greater than the participation con-

straint because there are few other alternatives for the Kenyan participants in the chain.

Conclusions

Identifying the parameters that determine profit distributions allows us to target these parameters for public policy or collective action. The idea is that a better understanding of the stakes will lead to better policy, to more concrete action.

Our integrated model indicates that participation constraints and competition are the determining factors of prices and by extension, profit shares. Accordingly, Sexton (1990) argues that agricultural cooperatives can and are used to change the competitive structure of the market in the producer's favour. Cooperatives increase producers' ability to collude (decrease producer competition) and usually run a processing unit for the commodity in question (thus increasing buyer competition by becoming their own buyer).

The issue of participation constraints can similarly be addressed. If TNCs are unable to offer better prices because of the industry-wide standard profit margins expected by shareholders, other firms that do not have to uphold this standard, such as not-for-profit fair trade networks or solitary enterprises, should enter the market. This phenomenon has also been seen, though its long-term viability is in doubt (see Gresser and Tickell 2002, Chapter 3).

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2

Multi-Actor Participation in Local Development: The 'Rise And Decline' of Harambee¹ policy in Kenya

RAPHAEL NGATIA KANOTHI

1 Introduction

Local development involves an endogenous process in which local actors initiate development programs and projects and take an active role in implementation, monitoring and evaluation with the aim of bringing about a positive change to the standard of living in a locality (Helmsing, 2004; UNCDF, 2005). The extent to which the localised nature of economic development can be used to bring about positive change depends on joint action by various actors (Helmsing, 2005). These actors include government, entrepreneurs, Non-Governmental Organisations (NGOs), communities and Community Based Organisations (CBOs). This premise constitutes the governance of local economic development (LED) which, according to Helmsing, has a positive sum game and the multiple actors involved are interested and able to work together to generate synergies and to commit resources through partnerships in order to promote local development (*ibid*).

In this regard, an environment where the community, civil society, private sector and the government work together in the provision of public services is a requirement rather than necessity (Chieni, 1999) in achieving local development. Development programs, either for local or national settings, with a multi-actor participation have a greater chance of achieving their intended impact especially, where the state has limited capacity to solely provide such public services.

This paper attempts to assess such a policy of harnessing the synergy of multi-actor participation in Kenya, locally known as *Harambee* – its objectives, prime movers and the incentives for the movers to participate. The paper will also assess the effectiveness of the policy implementation coordi-

¹ *Harambee* is a local Swahili language translation for pulling or working together.

nation and point out the weaknesses that affected its success. An attempt will be made to discuss recommended alternatives for improving the working of the policy.

2 Harambee as a multi-actor participatory initiative

What is Harambee

Harambee is a local Swahili language equivalent for working together. It traces its roots to the first half of the 20th century as a grass-root form of mutual assistance and social exchange of labour where people would gather and pool efforts to perform various tasks such as building huts, tilling land and harvesting (Abreu, 1982). It was adopted as a development policy in 1970s and was quickly embraced for application in every aspect of life (Ombudo, 1986; Ngethe, 1979). It took the form of private initiatives to raise funds for needs such as school fees; public initiatives to raise funds for development projects such as education institutions; or environmental initiatives such as control of soil erosion (Geist, 1984, Barbara, 1980).

According to Akong'a (1989), the main objectives of Harambee as a development policy were to: (a) enhance mutual assistance; (b) harness joint effort in resource mobilisation; (c) promote mutual social responsibility among various actors; and (d) promote multi-actor participation.

The focus of this paper will be on the public Harambee in rural communities with special reference to schools, water projects and cattle dips. I have selected these projects due to their importance in development, empowerment, raising income levels and dealing with isolation among rural communities.

Why Harambee

The Harambee concept embodies the ideas of joint effort, mutual self responsibility and community self-reliance. As such, it is responsible for a wide range of initiatives for the provision of social service facilities, bringing positive change to the living standard of many localities in Kenya (Government of Kenya, 1999). The impact of the policy is more evidently expressed in Bailey's (1989: 30) analysis:

A wide range of projects have been implemented through Harambees, some involving huge sums of money which the government could not have managed to disburse to the various communities concerned. For example, during the period 1980-1987, contributions for Harambee self-help public projects in the country amounted to Kshs. 5,800 million (US\$ 110m), accounting for

15% of the national gross fixed capital formation. Aided by the government, Harambee has been responsible for the building of over 200 schools, 40 health centres, 60 dispensaries, 500 water projects, 400 cattle dips, 42 bridges among others throughout the country.

In achieving such a level of success, the strength of Harambee is dependent on the voluntary participation of the actors.

Participation

The predominant discourses of participation in local development are cloaked in the rhetoric of empowerment, which is implicitly taken to have a greater moral value (Jenning, 2000). There is however broad consensus that it embraces the idea of all stakeholders taking part in decision making. In this regard therefore, multi-actor participation refers to the involvement of a variety of stakeholders in the creation, content and conduct of a programme or policy designed to bring about development (*ibid*).

Multi-actor participation in development involves what Khan (1999) referred to as aggregation of micro efforts that represent social economic transformation. Its focus is the community and heavily relies on support organisation organisations such as CBOs, NGOs and professional organisations to help mobilize the communities. Shah (1997) discusses multi-actor participation and relates it to 'consensus-building'. In this case, the role of participation is to find a meeting ground to negotiate terms of collaboration. Citing the GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit) definition of participation, Nelson and Wright (1995) suggest that it involves agencies working together on programme/project basis.

In this analysis, therefore, multi-actor participation in development involves the pooling of resources to provide public services. Various actors have played key roles in the implementation of Harambee initiatives. The next section discusses the participation of the main actors in the initiatives.

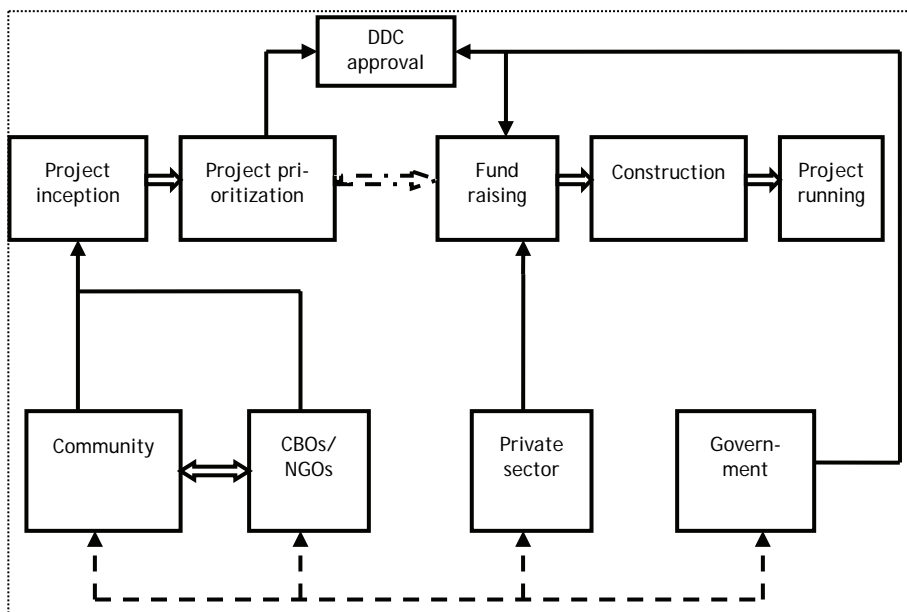
3 Actors and the incentives to participate

Who initiated/supported the policy?

Faced with the challenge of addressing the rising levels of poverty, disease and ignorance among the population, the ability of the Kenyan government remained limited. The government could not adequately address these '[...] challenges due to resource limitation and therefore, initiated Harambee policy to bring on board all players in the development process' (Orora, and Spiegel, 1980). The envisaged Harambee development agenda entailed the

‘promotion and implementation of programmes aimed at enhancing the quality of life of the communities through collaboration of various stakeholders’ (Government of Kenya, 1988).

Figure 3.1
Harambee Multi-actor Framework



Source: Author's own construct

Through this policy, the community, CBOs, NGOs, the private sector and the government came together in a co-operative endeavour to speed up development and address the above challenges.

The prime movers of Harambee

The community and CBOs

The process a Harambee project goes through is provided in Figure 3.1. In this process, the community plays a key role right from the identification to the running stages of the projects. The conception of the projects can be undertaken by the local people, opinion leaders, or CBOs such as women's groups, youth groups or welfare organisations. In other instances, a Haram-

bee project may be initiated at a political rally, a parents' day at school or an administrative meeting when a perceived community need is identified (Ngau, 2000). Box 3.1 indicates the selection criteria for a project.

Box 3.1
Selection of Harambee projects

The need for a project is based on the gaps or inconveniences in accessing services. The selection of projects is guided by the [(a)] 'principles of collective good; [(b)] felt needs of the majority; [and (c)] maximization of utilization of local resources' (Akong'a, 1989).

In a Location - the local administrative unit with an average population of about 10,000 - the community could select the following core projects for their locality:

- (a) The community may identify the need for a secondary school to increase the educational opportunities for their children who could not be absorbed in government schools, or reduce the distance children need to travel (walk) to access such schools. To absorb those children who cannot proceed to higher levels of education, the community may identify vocational training facilities at the village level.
- (b) The community may also identify water projects to address the distance and time taken to fetch the commodity for domestic use as well as for watering the livestock. The availability of clean drinking water leads to improved health and shortens the distances to the water collection points, therefore enabling women (who shoulder this responsibility) to engage in other activities.
- (c) The community may decide to build cattle dips in order to improve the health of their livestock and therefore more reliable source of income through increased stock marketability and regular milk output.

Such projects need enormous amounts of funds, time, materials and labour. The government's capacity to provide them is limited, thus need for their provision through Harambee.

The community, led by an organising committee organises fund raising, each member being required to contribute a certain amount depending on the size of the project. The members would also be the ones to identify other potential contributing agencies or individuals to be invited to contribute funds. At the construction stage, the community provides labour, sometimes even free manual work. In other cases, those who could not raise the required monetary contribution could contribute in form of labour or material for construction. Cases of some members of the community not cooperating with the rest may sometimes arise.

Non-governmental organizations (NGOs)

Non-governmental organisations (NGOs) have a distinctive role in community mobilisation and organisation to alleviate poverty (Khan, 1999; Con-

stantino, 1995). They can assist the communities by offering participatory planning, construction, monitoring and evaluation methodologies that serve to bridge their efforts, mobilise resources and produce faster results (Hem-sing, 2004, Wilson, 2008). Considering the low levels of the community in-come, the magnitude and the number of the projects needed, NGOs offer technical advice in prioritisation of Harambee projects. They mobilize the people to identify the community's needs, to select projects (Box 3.1) to address those needs and prioritize them according to the local ability to raise funds for the projects. In addition they undertake the training of local lead-ers, especially those who are directly involved in the project's management.

The government

Once the projects are prioritized, community leaders then forward them to the local administrators for adoption by the government and the issuance of a permit to hold public fund-raising functions. It is this approval that is then used to source for government support in the form of finances (through the Rural Development Fund), the posting of public servants (such as teachers) and the provision of running materials.

In most cases the government participates in the initial fund-raising through the contribution of land, machinery and technical officers such as engineers. The fund-raising functions are coordinated by the District Social Development Officers who are public servants (Chieni, 1999).

The private sector

The private sector in rural Kenya is characterized mainly by survival groups and micro enterprises engaged in various sectors. While the first category is likely to be less entrepreneurial and more interested in a decent level of liv-ing, the second group is relatively entrepreneurial and has a greater chance to improve their living conditions, providing there is sufficient local demand for their products (Hem-sing, 2005). There are also a few small scale enter-prises mainly in the nearby small towns.

Business people, entrepreneurs and their employees are relatively better off than the majority of the villagers, and are therefore more often targeted when fund-raising starts, a request they cannot turn down since the com-munity forms the market for their products. There is also widespread par-ticipation by larger firms, including local and multi-national companies op-erating in bigger towns, through corporate social responsibility. Such firms participate in local Harambee activities through the donation of construc-tion materials; the sponsoring of fund-raising exercises; or the donation of materials and equipment for Harambee-built projects.

Incentives to participate in Harambee

The success or otherwise of Harambee wholly depends on the participation of various stakeholders. It is therefore imperative to understand some of the key incentives that motivate the actors to play their various roles in the success of the initiatives. The main question here is: what really motivates the actors to participate in social projects? While exploring whose responsibility it is to deliver local development, Gyasi (2004) notes that all actors pursue their own interests but what comes out in the end may be what none of them wanted.

In the case of the state, one of the key traditional responsibilities is to provide public services to the citizens. Guided by the need to provide development, governments have endeavoured to provide an enabling environment, thus being referred to as enabling governments. An enabling government plays the role of facilitating and regulating the overall framework within which other actors can make their most effective contribution (Helmsing, 1997). In this regard therefore, government will be motivated to guide the provision of local infrastructure and services; to create liveable and integrated localities; to achieve local economic development; and to enable community empowerment.

Community participation is guided by the need for missing public services such as clean water, schools and healthy livestock. The benefits derived from the Harambee projects therefore act as a key source of incentives for them to participate. Such benefits may be social or economic (Gyasi, 2004) such as higher incomes. They may be short term or more long term such as children receiving education and therefore having a better/respectable future. In addition, Udehn (1993), building on the work of authors like Olson (1965) and Elster (1985), identifies (a) utilitarianism which is wholly oriented to outcome, thus motivating people to participate if it leads to increasing average benefits; (b) everyday Kantianism which tells people to cooperate unconditionally because it is their duty to do so; (c) norm of fairness which is conditional upon the cooperation of others. Once the Kantians kick-start the Harambee projects, the group driven by the norm of fairness would join in the initiatives and even become major contributors to the success of the projects.

In the case of NGOs and CBOs, the aim is to use their ability to mobilize the community in advocating for equitable development. In Latin America, for example, when the state fails to provide public services, NGOs and CBOs have used this ability to take up the slack with strong organisational initiatives in areas such as the provision of health services (Stren & Cameron, J. 2005). In addition, NGOs are known to represent empower-

ment of the community at the grassroots level, thus being strong allies to the communities in providing knowledge, ideas and link to other support organisations (Thomas, 1992; Helmsing, 2004).

In the private sector and with autonomous government parastatals, Corporate Social Responsibility (CSR) has in the recent past emerged as a major driving force for them to participate in the Harambee movement. While in the past these companies offered direct financial or material sponsorship to projects, the trend today is changing towards rehabilitating old projects. Whichever form it takes, these enterprises take the opportunity of CSR to either identify themselves with the communities or, as Kronninga (2007) argues, as a form of fair trade in uplifting the lives of the communities in which they operate and generate profits.

The level of accountability by the leadership of the Harambee projects is also a major factor that influences the participation of various actors. As Gyasi (2004) argues, participation is high where leaders are accountable and their activities more transparent. In villages where leaders have a history of questionable management of Harambee projects, collective participation is limited if at all present.

Finally, another powerful driving force for Harambee has been the desire of everyone [...] 'to be seen in the local media clips on self-help activities focused on human development. Every person takes it as his/her responsibility to see each Harambee project through to the fruitful end' (Chieni, 1999).

Coordination

The government remains the coordinating agency for public Harambee projects as indicated in Figure 3.1 through its officers at the local level. At this juncture it is worth noting that Kenya's partial decentralisation is more of a mixed British model of weak local government and a strong central government with appointed field officers at the district level (Shah, 2006). The field offices are under the supervision of the District Commissioners (DC) who also chair the District Development Committees (DDCs) bringing together a host of development actors in the district. All projects in the districts (including Harambee projects) have to be approved by these committees. The DC is assisted by a chain of public officers down to the smaller administrative units of Locations headed by Chiefs who enforce government policies at the local level through The Chief's Authority Act (Cap 128) of the Laws of Kenya (Government of Kenya, 1988).

4 Decline of Harambee

The popularity of public Harambee initiatives suffered a significant decline between the late 1980s and the early 1990s with many projects failing to take off. During the 1990s, the number of active projects was less than half that of those undertaken in the 1980s (Waiguru, 2002). While there were about 200 new schools, 500 water projects and 400 cattle dips in the 1980s, for example, the numbers recorded in the 1990s went down to 50 new schools, 80 water projects and 50 cattle dips (Ngau, 2000). This period was characterised by diminishing interest from various actors with most of them failing to participate in project fund-raising. As this declining trend was being witnessed, private Harambee initiatives were flourishing, a clear indication that stakeholders were not opposed to the initiative per se (*ibid*).

This development implies that there were other factors that may explain the declining trend. This section will highlight these factors, explain the decline and also attempt to make proposals on improving the implementation of the policy.

Weaknesses in the coordination

The key root cause of the decline in the number of Harambee projects can be traced to the failures in the coordinating agency as discussed in section 3.4. Coordination by the state has been subject to heavy criticism from various analysts and interest groups. Specifically, it has especially been pointed out that the state, through the field administration structures, abused the Harambee policy when it was made into a compulsory contribution (Matanga, 2000).

In addition, loopholes in the coordination of the projects resulted in a proliferation and fragmentation of projects, most of which were very similar to each other resulting in sectarian and political interests taking centre stage. As projects were being initiated, recurrent expenditure implications were ignored with movers concentrating on the construction of projects rather than on their maintenance thus leading to the collapse of some of them (Matanga, 2000). Most affected were schools where a series of Harambee fund-raising activities were undertaken and facilities built without establishing whether there were funds for teachers or books. Mbithi (1991) concluded that the resources available for the Ministry of Education were too limited to maintain the commitment for operational support for multiple schools built through Harambee.

The weakness in coordination and provision of public services is linked to the level of decentralisation in the country. The Local Governments

(LGs) have limited autonomy and responsibilities for service delivery. Even if LGs were able to plan to provide the services to the local people, they lack the autonomy to define their independent revenue sources in accordance with their expenditure responsibilities. Transfers which are in form of Local Authorities Transfer Funds (LATF) are either not enough or not known in advance and are largely earmarked, leaving LGs with little, if any, discretion.

Free riders

A free rider, as defined by Sandler (1992), is anyone who declines to contribute or contributes less than his/her true value relative to the value of the public good in question. According to Reisman (1990), in the case of public services, free riders are those who consciously abstain from contributing on the assumption that others will not do likewise and therefore the benefit will continue to be provided. In re-enforcing this fact, Udehn (1993) argues that free-riding works against the provision of collective goods. It stimulates a second problem of 'Samaritan's dilemma' where the active players will not wish to provide a free good to free riders who do not conform to the best practices (Bennett, 1990).

Once the Harambee facilities were complete and running, it was difficult to stop those who failed to offer a contribution during the construction phase from accessing the services. Using sanctions such as no-contribution-no-school however, created multiple 'second-order' problems affecting the strength of cooperation. While division arises in the community, denying children access to school results in an increase in the number of illiterate people in the community, who, in most cases become criminals thus increasing the level insecurity.

Misinterpretation

Matanga (2000) brings in the argument of interpretation in understanding the sources of failure of Harambee, suggesting that when the initiative was seen in the light of patron-client relations, it acted as a forum through which the peasants could extract resources from the centre in exchange for providing the elite with political support or as a state attempt to tax the peasants to support their own development. This explains the increase in the number of Harambee activities pushed by politicians during general election periods and the rapid loss of interest thereafter, especially if their political ambitions are not met. This results in a multiplicity of stalled projects.

5 Recommendations on how the Harambee initiatives can be improved

The original idea of initiating local development through Harambee is noble in the sense that it reflected a bottom up as opposed to top down project initiation process, therefore fostering ownership among communities. It ensured that communities met their prioritized objectives, with support from various actors. As was discussed in Section 4.0, weaknesses in its coordination are regarded as a major cause of the decline in the significance of public Harambee in the rural Kenya. Drawing up an effective strategy to revive the initiative should therefore stem from reviewing the roles of various actors.

The role of government

There is a need to review the role of the central government, its operational arms at the community level and its relations with other actors. Here the role should change from that of direct involvement to that of becoming a developmental government. A developmental government, according to Nel and Binns (2001), works with the citizens to find sustainable ways to meet their needs and improve the quality of their lives. In addition to providing traditional services, a developmental government provides vision, governance, planning and management for all actors who have a role to play in achieving local development. Such a role can be effectively carried out by Local Governments (LGs) with enough autonomy to run the affairs under their jurisdiction.

This calls for a comprehensive decentralisation in Kenya involving the 'transfer of responsibilities, resources and authorities from higher to lower levels of government' (Fallet, 2005). While giving local leaders the ability to make interventions at the local level, decentralisation will also address the need of citizens and their associations to have greater influence at the level of government closest to them (Pieterse, 2000; De Visser, 2005; UNCDF, 2005). In this regard, the LGs will be compelled to efficiently provide the services that are within their ability, and cooperate with other actors in complementing service provision.

Comprehensive decentralisation gives LGs full fiscal, political and administrative autonomy to manage the affairs of their localities (Fallet, 2005; Brillantes & Cuachon, 2002)). Fiscal autonomy which covers responsibilities to raise and spend revenues, as described by Shah (2006), would provide LGs with a source of funds to run public projects, including those put up through Harambee initiatives. Administrative autonomy would enable LG

public servants to make decisions without fear of harassment from central government thus enabling them to match new projects with capacity to run them. Political autonomy will hold LG politicians more accountable to the people they represent rather than them being swerved by national politics and therefore support those projects that are sustainable and promote local economic development (LED) (*ibid*). Examples of countries that have significantly decentralised and achieved remarkable progress in LGs include South Africa, Uganda and Ghana (Arwortwi & Helming, 2007).

There is a need for caution here though: where LGs have no ability to handle the responsibilities, such decentralisation will not succeed (Nel & Binns, 2001). It should therefore be undertaken simultaneously with capacity building within the LGs to enable them to handle the mandate more effectively (De Visser, 2005). Such capacity building programs should cover a wide range of inputs to build institutional readiness and a suitable skills base to enable it to operate effectively (Pieterse, 2000; UNCDF, 2005).

Coordination organisation

The role of coordination should be in the hands of an autonomous multi-actor organisation which would seek a collective maximization of benefits from the contribution of various actors. Khan (1999) argues that government is too broad a level of administration to manage a village scheme effectively and that such initiatives work best under a multi-partisan coordination entity. Such an organisation knits together the diverse institutional interests and acts to avert the threat inherent in each actor pursuing their self-interests. The aim would be to unify the activities of various actors in a coordinated manner while creating trust among them.

In Pakistan, for example, the Rural Support Programme Network (RSPN), which is a network of rural support organisations, has successfully been coordinating actors in rural development using a participatory approach (Khan, 1999). In addition, UNDP and ILO advocate for the establishment of a Local Economic Development Agency (LEDA) to coordinate development activities at the local level (UNDP & ILO, 2003). LEDA is a non-profit making partnership arrangement between the public and private institutions with the aim of maximizing the endogenous economic potential of a locality by making use of local resources (*ibid*).

The benefits of entrusting the coordination of Harambee initiatives with LEDA include: (a) LEDA has the ability to source and manage resources independent of manipulation from individual actors (UNDP & ILO, 2003); (b) it has the advantage of being able to receive and administer external funds, thus expanding the available resource base for local development

(Nel & Binns, 2001); (c) it ensures the continuity of the locally-initiated projects even as the government changes after elections; (d) it can effectively guide the prioritization of projects to be implemented based on needs and ability rather than political motivation; (e) it creates a forum for actors to interact (Catenacci, 2000); and (f) it promotes local governance.

Once established, the first and foremost task for the LEDA should be regaining the confidence of the actors in the public Harambee initiatives. Where actors have been pulling out, Udelhn (1993) argues that the threatened failure of projects can be stopped by invoking morality and social norms. Emphasis should be on fair play without coercion and mismanagement of the Harambee. In addition, LEDA can identify everyday Kantians among the actors, those who cooperate unconditionally because it is their duty to do so, for they are a necessary group to trigger the participation of others (*ibid*).

The second task for the LEDA is the utilization of the power of Knowledge as advocated by Micko (1999) and Rowland (1995) in approaching the revival of multi-actor participation. According to this school of thought, it is necessary to consider those who control knowledge and the way they interact with those in decision-making positions to ensure successful cooperation. Awortwi (2003) argues that this approach (a) shows the importance of non-state actors such as political elites acting to promote cooperation; and (b) encourages the analysis of 'domestic politics' as determinants of cooperation – especially the role of catalysts such as political entrepreneurs or CBOs. This calls for LEDA to make use of opinion leaders and those commanding immense respect to spearhead the participation of the actors.

Thirdly, LEDA should foster trust among the actors by ensuring that (i) projects are planned to be completed in a limited and specified period rather than drag on for long periods; (ii) projects are selected to reflect the nature and limitations of local resources avoiding overburdening local contributors; and (iii) there is leadership continuity through the major stages of project cycle.

Fourthly, LEDA should ensure that all components of the project management cycle are incorporated in the Harambee process from inception to implementation stages. It is beyond the scope of this paper to discuss in detail project planning and management but suffice it to note that the components of planning have to be incorporated in the various stages of the project cycle for the projects to succeed (Harrison & Lock, 2004; Cusworth, JW & TR. Franks, 1992). Integrating, monitoring and evaluating from the very beginning ensures proper sustainability planning while providing an early warning system for deviations. If this is not done, monitoring and

evaluation at later stages will be too late, coming after most of the resources have been misallocated (Waiguru, 2002).

Fifthly, community contracting and partnering may be adopted in local development projects. Community contracting and partnering involves local participation in project implementation or even supervision and management by the community through local project management committees. It may also involve contracting community based associations to deliver specific public services (Pieterse, 2000; De Silva, 2000). Through such an arrangement, community ownership and empowerment would be enhanced and voluntary contribution fostered among the communities and their associations.

Finally, procurement preferences should be given to local enterprises to boost them and create demand for their products. The result of this would be (a) to create more employment opportunities for local people; (b) encourage enterprises to participate in corporate social responsibility through the provision of facilities; (c) create local demand which according to Michael Porter (1990) is one of the pillars of competitiveness diamond; and (d) indirectly raise LGs tax revenues from the enterprises and therefore enhance their capabilities to provide public services.

The issue arising, however, is the financial sustainability of LEDA. This could be achieved through contributions by the actors, seeking funding from donors/foundations, inter-governmental transfers or dedicating some tax revenues receivable by LGs.

Strong CBOs

CBOs can be an effective partner in LEDA in the mobilisation of community participation and in training. To make them more effective instruments of participation, they need to have capable and credible leadership and form meso and macro level associations to back their mobilisation strength. The success of such associations has been noted in several countries, including Bolivia (Nijenhuis, 2002), Ecuador (Bebbington, 2002) and Colombia. The main advantages of such associations are that (a) they can facilitate the sharing of information and experiences; and (b) they can undertake functions which are not feasible at the community level (Wils and Helmsing 1997).

Sanctions

To deal with free riders, communities could be guided in applying sanctions. This can be done through (a) encouraging a self-policing policy; (b) inculcating social sanctions where one is sensitive to the judgment by others when it

comes to playing his/her part; (c) legal sanctions involving mutual coercion agreed upon by the majority of the concerned people (Reisman, 1990).

6 Conclusion

Harambee initiatives have contributed significantly to local development through the pooling resources from various actors thereby complementing the limited capacity of the government. The loss of interest among the actors over the last two decades has however affected its success while the capacity of the government has not increased to fill the vacuum. This calls for a revival of the initiative in ways that involve all the stakeholders.

Such a role can be played effectively by a LEDA which promotes the participation of the actors at the local level and guides the implementation of local development projects. LEDA should seek to establish an effective mechanism for multi-actor collaboration which creates favourable conditions for Harambee initiatives to succeed.

The role of the government in the provision of public services should also be redefined. This calls for a comprehensive decentralisation of government in Kenya with a redefined role for a developmental local government that works with the other actors, not policing them, for the purpose of achieving local development.

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3

A Free Press and Democracy Serve Better to Prevent Famines Than Strategies Aimed at Raising Agricultural Production

SILVIA FORNO

Introduction

‘The cases of food crises change as societies and the relationships between societies evolve. Famines are as complex and intricate as the communities which suffer them.’ (Deverux 1993)

Given the complexity and ambiguity of terms such as famine, democracy and press freedom, this essay will try to focus the attention on the main relationships among such issues, their (questionable) interdependence and the relation with agricultural policies too.

We will see how democracy should not be confused with press freedom; how there could be press freedom even in a non-democratic environment; how press freedom does not automatically mean absence of official censorship; how the coverage of famines by the press is not necessarily positive in itself; how the coverage of famines does not automatically mean the coverage of the people affected by famine in their heterogeneity; how the responsiveness of a government ‘pressed by the press’ is not enough and could prove to be extemporaneous; how the press could support the government in politicizing the famine, converting it into a crisis; how such politicisation and an aggregate vision of famine may affect the kind of intervention that is taken.

According to Ram, ‘the impact made by the press in public opinion, official policy, and, in general, anti-hunger strategies is not at all easy to measure. We shall not attempt to resolve this problem in terms of cause-effect relationships, but shall confine the present exercise to looking at the type of response and quality of coverage of issues relating to hunger or problems of access to food’ (Ram 1995).

As we will see, the various authors taken into consideration in order to assess the soundness of our general proposition tend not to distinguish

clearly between *prevention* and *alleviation* of the impact of a famine. Finally most of them seem to converge into the idea that the press fulfils better its *watch-dog* role – in reporting and criticising inadequate relief measures and in ushering a sense of urgency on the part of the government – than its *informational* role – providing the government with information about a threatening famine.

The India-China dichotomy

Sen has taken a clear position about the role of press freedom and democracy in avoiding famines in his Coromandel Lecture delivered in Delhi in 1982. In that occasion, he argued that an open democratic society with a free press and opposition parties plays an important role in alerting the public to what is happening and forcing a change in policy (*watch-dog* role). It may also play a role in alerting the government where normal reporting system cannot be relied on to be objective (*informational* role).

In order to prove his statement, he introduced the India-China dichotomy: India – he argues – has not experienced famines since independence due to its political democratic structure (free press and opposition parties); in contrast, China went through a severe famine (1958-1961).

The political system in China was not pressured into prompt action: there were no opposition parties or independent press to campaign on behalf of the famine affected masses and to overcome the lack of data from the field. The informational role of the press could not be accomplished, thus the Chinese government itself did not see the need to change its policies partly because it did not have enough information on the extent to which the Great Leap Forward had failed: the amount of food grains reported by local officials were inflated and no alternative sources of reliable information were available (Sen 2004).

Though some authors have endorsed Sen's statement in respect to the Chinese experience,¹ others have preferred to redefine and better articulate it.

First of all the proposition that India has never experienced famines since independence has been criticised in the light of the Bihar 'famine' oc-

1. "One of the main lessons is that a system in which at least some important decisions are made on a centralised basis requires an information system that can provide an objective assessment of what is going on. A statistical system, though essential, is inevitably slow. A free press and opposition parties may play a role in alerting the government where normal reporting system cannot be relied on to be objective" (Basil 1984).

curred in 1966-67.² This leads us to consider when a famine is defined as such and why it occurs.

Famine: what and why

Famine is a complex phenomenon which can rarely be adequately explained by any single theory.

Dictionary definitions of famine derive from the western perception of famines as ‘crises of mass starvation’ characterized by three elements: food shortage, severe hunger, excess mortality.

Droughts, floods, wars, grain hoarding are the immediate and most visible causes of famine. But these *precipitating factors* lead to famine only where particular groups of people are vulnerable. *Vulnerability* is more complex and usually implies processes rather than events; underlying processes cause vulnerability, which is the real problem in the eradication of famine (Devereux 1993).

Supply-side theories of famine (as FAD – Food Availability Decline) typically concentrate on precipitating factors. Demand-side theories (as exchange entitlements collapse) are rather better at explaining processes of impoverishment and vulnerability.

Not a simple relation

Brass (Brass 1986) noticed that six issues recur in scholarly and official discussions of the definition of famine,³ but he also warned that ‘searching for an objective definition of either a food crisis or a famine in a politicised society in an interdependent world is a pointless exercise’ as a crisis is *not* an

2. “The Famine in Bihar does not in general undermine the attention Sen has given to entitlements and capabilities, but can be seen as a counter example to the view that democracy and a free press in particular, two features of post independent India, will typically alleviate famines” (Myhrvold-Hanssen 2003).

3. “1. whether or not scarcity of food is invariably associated with famine; 2. the nature and extent of the food deprivation that occurs and the terms that are used to describe it; 3. the group of people affected by famine; 4. the appropriateness of using various signs or symptoms associated with food deprivation and the loss of opportunities for employment as indicators of the existence of famine; 5. the appropriateness of using the inadequacy of traditional private mechanism or routine government relief measures to deal with the situation as indicators of famine; 6. emphasis on famine as a situation that requires a large scale government response” (Brass 1986).

objective occurrence. We will see how the press can be part of this process of definition and politicisation of a crisis.

Secondly, it has been argued that the functions of the press in this context are probably *more complex* than just a set of political pressure and public information mechanisms (Myhrvold-Hanssen 2003).

Furthermore, the complexity of the issue has been highlighted also by a study of two academics from the LSE (Besley 2002), which concluded that ‘State governments are more responsive to falls in food production and crop flood damage via public food distribution and calamity relief expenditure where newspaper circulation is higher’. However –according to the study – a number of other factors, including turnout, political competition and the timing of elections affect how governments respond.

We don’t know whether Sen considered all such complexities while stating his general principle. For sure we are prompted to investigate further beyond simplistic and idealistic visions of press freedom and democracy.

Freedom of the Press or Freedom of the Pursue?

‘The fundamental characteristic of our media is the growing disconnect between mass media and mass reality...what we have is freedom of the ‘pursue’, not of the press’ (Sainath P. 2007)

When can the press be considered free? When there is no official governmental censorship? When does the independence of private ownership grants form political bias? When does the market allow everybody to compete in the production of information? And to what kind of information? Addressed to whom?

Does press freedom coincide with freedom of expression of whatever a single journalist may consider worthy to be covered, regardless the principles of newsworthiness?

Freedom from the government, freedom from the market

Media has become much more commercialised in the last decade and *cross-media conglomeration* reduces competition and denies entry to newcomers. ‘There is now greater control of the media by the corporate interests, which gets reflected in the predominance given to the consumer culture and entertainment’ (Choudhury).

Beyond commercialization, some media owners or their nominees are members of Parliament and where they are not, they finance lobbies in the corridors of both Parliament and the government. (Krishnamoorthy 2004).

Given such a scenario, it's legitimate to ask what press freedom really is: 'Ask a hundred journalists what degree of freedom of expression they enjoy in their newspapers. The answers will dishearten you and dispel all kinds of *illusions* regarding press and democracy. Can the editor publish a story knowing that it hurts the interests of the owner and still keep his job?' (Krishnamoorthy, 2004).

Journalists that may have the attitude and skills for investigative and in-depth journalism are likely to be discouraged by their editors or by lack of resources devoted to the coverage of not newsworthy themes – such as chronic hunger in our case.

Furthermore, Sen assigns the press an important informational role. But journalists themselves are quite likely to rely on governmental data (due, for instance, to the lack of encouragement, competency and resources to find data in the field). But much of government information is so badly collected that the data is unreliable and useless, while people have information too 'and people's information is often much truer than government facts' (Roy 2002).

'State governments often bring down correspondents from mainline journals to the state capital. These reporters then set off on a guided tour of the affected areas. Governments often have vehicles reserved of the purpose of press tours. And often, a senior official goes with the journalists to the trouble spot.' (Sainath P. 2000)

The press is free to visit the areas affected, the government does not deny the problem and is ready to provide relief measures. Is this the kind of press freedom and democracy we intended to deal with in our general proposition?

Bearing in mind such complexities, the various contributions that the press gave in times of famine should not be denied, as confirmed by the analyses of different authors.

The contribution of the press

Besley and Burgess (Besley 2002), by studying in India state-wide data of the period 1958-92, showed that governments are more responsive to droughts and floods in states with higher newspaper circulation, electoral turnout and literacy rates.⁴ In particular, it is *local language* newspapers rather than the English language press which have forced these state governments to act.

⁴ These include Kerala, Tamil Nadu, Punjab and Maharashtra. In their study, Besley and Burgess focused – among others – on the following aspects: newspaper

Reddy (1988) stressed the contribution that the Daily Times gave during the Nigerian famine of 1973-4 in mediating the public and governmental response, especially by its sustained *appeal for information* and *funds*. Of special interest is that this campaign occurred during a period of military rule in which no formal channels existed for any organised opposition.⁵

In relation to the press coverage of famine in pre-independence India, Ram (Ram 1995) underlines the *watch-dog* functions played by *editorials* and *field reports*, as well as the influence they had on the public opinion.⁶

Furthermore he makes notice how 'Field reports have generally been valuable: they have tended to *challenge official claims* relating to drought relief efforts, the efficacy of destination of funds, and the drought policies of the state. Newspapers showed up the realities on the ground in the face of official untruths and suppression of facts'(Ram 1995).

Journalists sometimes also advanced *policy recommendations*,⁷ but later on we will see how this is not always necessarily a positive contribution.

circulation, ownership of newspapers, political competition. Newspaper circulation: average number of copies of newspapers/periodical sold or distributed free per publishing day. This information is broken down by language and they have constructed three language groupings (English, Hindi and others). Ownership of newspapers: newspapers are classified as belonging to one of twelve ownership types (central government, state government, individual, public joint stock company, private joint stock company, firm or partnership, trust, society or association, educational institution, international organisation, political party or foreign mission). Political competition: defined as minus the absolute difference between the proportion of seats occupied by the Congress party and the proportion occupied by its main competitors.

⁵ "Various faces of the disaster were presented, included the associated rises in food prices, the relief and disease prevention measures, the drought-related influx of locusts and the absence of remedial governmental action..."

The stress on the need for urgency was particularly relevant in light of the fact that much of the government's attention seemed to be preoccupied with long term projects, including 'nutrition course', 'livestock breeding?...' (Reddy 1988).

⁶ "Without such extensive reporting of the looting, the grain riots, and the related disturbances, the influence of the event on public opinion and the element of pressure on official policy would have been significantly weaker" (Ram 1995).

⁷ "The policy recommendations by the newspapers are worth noting. [They called for] state control of the market of essential commodities during a period when a legitimate level of prices was exceeded abnormally. [They suggested] that a system of food zoning should have been introduced during a period of crisis" (Ram 1995).

The risk of sensationalism, the lack of competency

Once recognized the contributions made by the press by covering famine-affected areas, we should however go deeper in evaluating which *kind of coverage* the press is offering. Two main risks can be signalled: sensationalism and limited temporal coverage; lack of competency.

‘We descend on disasters and when we’ve picked the bones dry, when there are no more sensations to report, when our editors lose interest, we fly away – often to the next disaster’ (Tully 2000)

Since poverty and hunger exist on a vast scale on this society, newspaper coverage of them has to carry some element of *novelty*, some unusual facet (Ram 1995). A severe drought or famine can provide such element of novelty and there will be ‘a revival of media interest when the stage is set for harrowing pictures of dead cows, emaciated children and famished labourers’ (Drèze 2003).

On the other hand, persistent and *endemic hunger* remains inadequately reflected in the media.

Demands to declare particular districts as drought-affected or famine-stricken were often timed to coincide with visits by ministers or prominent politicians followed by the press. But, as Brass critically noticed, ‘there were no systematic reports in the press at this time (Bihar famine) of various other signs and symptoms of famine, such as wandering, migration, increases in criminal activities’ (Brass 1986).

In the case of the Ethiopian famine in 1984-5, it has been pointed out how ‘journalism did not initiate either the insights or the campaign. When Ethiopia’s famine hit the headlines, it did so because of the relationship between *private relief agencies* and the *television companies*’ (Ram 1995).

Going beyond the constraints within the press environment noted above (i.e., corporatisation, political bias, homogenisation), Ram argues that eventually ‘the basic problem is that the intellectual and methodological resources and competence required to investigate the complex, mixed-up socio-economic realities in anything other than superficial terms, to handle data and sources meticulously and critically, to make sense in a popular medium of a body of sophisticated but sharply varying analyses, findings and prescriptions available to it, in principle, from the academic field, and to do all

8. “*The lesson we learned* editorial included the following advice: the government must take greater and more realistic interest in the plight of our farmers, financial assistance to the states must be spent on the problem of drought and not on prestige projects” (Reddy 1988).

this interestingly, would demonstrably be beyond the press' current level of capability and competence'(Ram 1995).

That's why what could be seen as a positive input from the press (policy recommendations) can finally prove to be irrelevant if turns into what Sen calls *instant economics*.⁸

Responsive Governments

'Alert, sensitive media coverage, if it is to be effective, must form part of an ideological and political context of attitude, feeling, and critical democratic values and practice' (Ram 1995)

First: covering a famine does not necessarily mean that the coverage is good, relevant and analytical – as we have just demonstrated.

Second: does a *democratic* government, once 'pressed by the press', *automatically* respond acting *in favour* of the population affected? There are several reasons that could undermine such automatism. Underneath I provide some of them.

Let's start with the exception. As mentioned above (Reddy 1988) the Nigerian case⁹ shows how even a non democratic government could be responsive to the critics advanced by the press.

Then we have to face the issue of the *unexpected beneficiaries* of the interventions. As Sainath warned about drought relief "Though relief can go to scarcity areas, those most in need seldom benefit from it. The poor in such regions understand this. That's why some of them call drought relief *teesra fasl* – the third crop. Only, they are not the ones who harvest it' (Sainath 2000).

Although this statement refers to drought relief, we can extend it to relief measures undertaken during famines. With regard to the Bihar famine, Brass points out that 'distribution of loans, which went mainly to the *land-*

⁸. "Practical people are impatient with the economists' tendency to use complicated ideas to tackle apparently simple problems. In the field of hunger and food policy, the need for speed is of course genuinely important, and this impatience does have considerable sense. But instant economics is also dangerously deceptive" (Ram 1995).

⁹. During that period, Nigeria was ruled by a military regime (FMG); but the FMG did not suspend the constitutional guarantees relating to the freedom of press, and in fact officially encouraged the expression of diverse opinions. In this case, we could probably argue that there is an incentive for an authoritarian regime to maintain a free press because the people may feel they are less oppressed, since they are allowed to express critical views.

holding classes, exceeded relief works which supported mainly the poor and the landless' (Brass 1986). The aspect of 'class-blinded' interventions will be better analysed in the following paragraph.

Finally it has been noticed how the creation of a *crisis* itself (by defining it as such) can hide political strategies and direct attention away from underlying problems¹⁰ (Brass 1986).

In this case the press can play an important role in supporting the government in the process of definition of a crisis: 'The press reports about the developing crisis situation and the response of the politicians to the situation turned the Bihar Famine of 1966-67 into a political drama'.

The process of *politicisation* we are referring to makes that, under some conditions, scarcity will be treated as such and local people will be allowed to suffer with a minimal external assistance. Under other conditions, their distress will be exaggerated and generalised and external resources will be sought.¹¹

Which kind of intervention will follow, when the press succeeds in urging the government to act in such a politicised context? Or is the government that urges the press to define a famine as crisis?

Covering Inequality

The last issue raised leads us to consider an aspect probably not adequately stressed in the literature reviewed. If no direct causal link could be generally drawn between press coverage and political response, we may anyway affirm that a low quality press coverage (i.e., sensationalism, no chronic hunger, instant economics, self-censorship) risks to support the government in *un-*

¹⁰. The political scientist Murray Edelman argues that in political contexts the term *crisis* is used to specify a unique and threatening event, whereas the situation may in fact reflect persistent underlying problems to which those in authority would rather not draw attention (Brass 1986).

¹¹. In the case of the Bihar famine, according to Brass "Famine was not declared before the election because the Congress government at the Center and in Bihar did not want the political liability of declaring a famine before the election; neither did the Congress governments wish the financial responsibility for famine relief. Ultimately famine was declared by the non-Congress Government that came to power after the elections. In neither case – in the non declaration of famine by the Congress or the declaration by the non-Congress government – did objective signs and symptoms of famine provide the basis for decision. The focus was not on the need for a famine declaration. The focus was on the consequences, principally political, of a famine declaration" (Brass 1986).

derestimating – knowingly or not – the complexities behind the phenomenon and in pursuing short-term interventions that eventually do not tackle the main problem: inequality in access to resources.

A superficial picture of a famine seemingly depicts it (and explains its causes) as FAD, focusing on aggregate figures and missing the fact that different social groups could be differently affected by it.

As we said before, famines are complex phenomena which can rarely be adequately explained by any single theory. Supply-side theories of famine (as FAD) typically concentrate on precipitating factors. Demand-side theories (as exchange entitlements collapse) are rather better at explaining processes of impoverishment and vulnerability¹² (Devereux 1993).

Sen shifted the focus from supply-side to demand-side explanations, elaborating the *Entitlement Approach to Famine* (Sen 1981). He argued that the FAD explanation of famines has tended to serve as *cover* for other causes of famine, which is often actually brought about by major shifts in entitlements to food rather than by genuine food shortages.¹³ Famine can occur with plenty of food in the region because people have different access to this food, and its distribution can shift unfavourably even if aggregated food availability is adequate.

¹² Explanations of famine based on food supply shortages have been labelled as FAD theories. Two of the most popular are the ‘drought/flood causes famine’ (climate) and ‘population growth causes famine’ (demographic).

More economic theories of famine focus on the operation of market during food crises: ‘entitlement approach’ and two variations on ‘market failures’ (speculation and hoarding, and imperfect markets).

A number of other hypotheses have been offered which fall under the rubric of ‘political economy of famine’: natural resource mismanagement, development processes, government policies, war and international relations. (Deverux 1993)

¹³ For instance, in the case of the Bihar famine the official explanation was that “it was caused by drought-induced crop failure that led to a further food availability decline in an already food-deficit state. The food shortages, it is said, then had to be made up by heroic local, national and international relief efforts, which involved the import and distribution of millions of tons of foodgrains and the provision of employment and direct free supplies to those who required them. Other possible interpretations of the causes of the Bihar famine include shifts in historic trade patterns, government food-procurement and food-zone policies, neglect of agriculture and irrigation, and constraints on increased production (such as the exiting land tenure system)” (Brass 1986).

What is relevant to mention here are the two main aspects that distinguish such approach from the FAD one: the *plurality of causes* and the *asymmetry of impact*.

By stating that famines can occur without any decline in food availability, other causes are more likely to be identified.¹⁴ Furthermore, by looking separately at the entitlement sets of different socio-economic classes, the approach can uncover how and why famines affect some groups of people more than others. While the FAD approach focuses on aggregated availability, the Entitlement Approach looks at *disaggregated entitlements* of different individual or classes (Osmani 1995). In Sen's words 'The FAD approach does not tell us why some groups have to starve while others could feed themselves' (Sen 1981).

The category of poor is not merely inadequate for evaluative exercises; it can also have distorting effects on policy matters. The lack of discrimination between different circumstances leading to poverty gives rise to a lack of focus in *policy choice*' (Sen 1981).

Hence it's not only a matter of definitions, but of implications. The 'group-contrast' is important to recognise also from the policy point of view, since 'just moving food into such an area will not help the affected population when what is required is the generation of food entitlements' (Sen 1981).

Brass openly stated that the *retention of the FAD theory* as an explanation for famine and scarcity serves three important functions for the authorities.¹⁵ Fundamentally it *diverts the attention from – and thus maintains – existing inequalities* by focusing on aggregated figures (the same provided to the journalists!) that hide the different impact on different regions and social

¹⁴. According to Sen's Entitlement Approach to Famine, all possible causes of famines can be classified into two broad groups: one that affects the endowment set and the other that affects the entitlement mapping. Since the entitlement mapping consists of three different kinds of relations (production, exchange and transfer), one can identify four distinct sources of entitlement failure: endowment loss, production failure, exchange failure, transfer failure (Osmani 1995).

¹⁵. "(1)It equalizes need within the area defined as famine-stricken or suffering from scarcity. All regions and all classes are said to suffer equally, if in different ways. Existing inequalities are thus maintained. They may even be exacerbated, although the function of the theory is only to prevent undue attention to existing inequalities. (2)The theory serves to minimize the ability of the authorities and people to help themselves thereby justifying external assistance. (3) The theory diverts attention from inequalities and suffering that exist in normal times in particular regions and among disadvantaged social groups" (Brass1986).

groups. In the Bihar case, 'the handling of the Bihar famine as an 'unprecedented situation', served the purpose of drawing attention away from the persistent problems of Indian agriculture' (Brass1986).

Defining the situation as a crisis drew attention away from the everyday facts of malnutrition and endemic diseases: the situation was not unprecedented for those landless and poor whose needs go unattended except when a crisis is defined by the authorities.

Another point raised turns out relevant within our discussion, especially about the simplistic automatism information/political responsiveness. Brass pragmatically noticed how 'although the Bihar Famine Report and some scholars have argued that the existing land-tenure system and the persistence of so-called 'semi-feudal' conditions on the Bihar countryside ought to be included among the principal causes of low agricultural productivity and persistent rural poverty, the Congress in 1966-67 was dominated by the elite of proprietary castes with the greatest stake in the existing agrarian system' (Brass1986).

Let's assume we have democracy. Let's assume we have press freedom.

Is the press free when (constrained by the factors mentioned above) it does not constantly cover and analyse the conditions of people vulnerable to or chronically affected by hunger, because of persisting inequalities? Is a government democratic and responsive when readily sets relief measures, but leaves the preconditions of vulnerability unaltered?

Any Way Out?

The intricacy of the issue is evident and so far we have focused more on the negative aspects related to such complexity of interactions. Now we want to see whether there is a way to overcome the problems highlighted with respect to the coverage of famine.

First of all we should have understood that, maybe, the best contribution the press can give in avoiding famine consists in *constantly covering analytically and professionally inequalities* that lead to vulnerability and chronic hunger. As hunger is persistent, the press too should be persistent in covering it.

This requires going beyond the limits raised in the second section.

Quoting the words of an Indian journalist, instead of turning back 'media centralization and commercialization, it will be more prudent to seriously concentrate on developing a set of new communication policies based on *alternative media paradigm*' (Sridhara 2003).

Nowadays the issue can no longer be narrowed to the role of the press, since many other tools of communication are available. The development of

rural journalism¹⁶ and community media can be a first step, though a narrow focus on the local arena could not be enough – especially when multi-layered (spatially and politically) issues such as agricultural policies are involved.

Two important alliances should be built: with the *Civil Society* and with *academics/professionals* from specialised disciplines.

The importance of a skilful activism in raising the attention of the media in hunger-related issues, possibly beyond the emergency and with greater analytical depth, has been underlined also by Drèze (2003).¹⁷

On the other hand, Ram earlier in 1991, in order to overcome the problem of scantily competent journalism, suggested a ‘precisely targeted interaction between intelligent journalism and the relevant specialized disciplines in the social sciences or in other fields’ (Ram 1995).

¹⁶. As the study of Besley and Burgess revealed “It’s more likely that newspaper published in languages that are state specific will report localized events. Readership of regional newspapers will also tend to comprise local vulnerable populations who rely on action by state governments for protection” (Besley 2002).

On the other hand, local is not necessarily beautiful.

A study on coverage of developmental issues by regional newspapers in three Indian states – Jharkhand, Chhatisgarh, and Uttaranchal – revealed public as well as media apathy towards the plight of people living in rural areas.

Charkha Feature Service conducted a joint study with Manthan Yuwa Sansthan, wherein it scanned the regional newspapers for three months. The study was an attempt to understand the coverage provided to ten such issues – poverty, health, women, education, Panchayat, agriculture, livelihood, corruption, environment and crime. To gauge the level of importance given to the issues, the study looked at the page on which the article is published, whether the coverage is urban or rural, the source of the news – organisations, government, reporter or news agencies and the leaning of these news items, etc. (Namra 2005).

¹⁷. “I think that one important lesson from the Right to Food campaign so far is that media concerns can be substantially influenced by skilful activism. Media coverage of hunger and related issues has considerably increased during the last couple of years, and not just because of the drought. Also, there is a useful shift of attention from starvation deaths to chronic hunger, which is absolutely essential if the problem of endemic under-nutrition in India is to be tackled with adequate resolve. I am not suggesting that this surge of media interest in hunger-related issues is due to the Right to Food campaign alone, but I do think that the campaign has contributed to it. In all media outfits, there are committed and open-minded journalists who respond positively when they are presented with engaging material on social issues” (Drèze 2003).

Furthermore, nowadays many people from non-journalistic backgrounds are coming into the media and bringing a completely different lens, especially online. The website www.indiatogether.org provides a good example of the enriching interactions just exposed¹⁸.

Conclusions

‘Where the political system and practice allow it, timely and relevant journalism does make a real difference’ (Ram 1995)

The way in which Ram narrowed our initial proposition is quite meaningful. It tells a lot about the need to separate the *political system* from the *practice*, and press freedom from *timely* and *relevant* journalism.

However, what ‘timely’ means could be questionable. We have seen how the various authors considered shift not clearly from the issue of *avoiding/preventing* famine to the issue of *alleviating* its impact.

What matters more, to me, is that a general cause-effect relationship cannot be proven; however, at least we can say that a superficial and misleading coverage could undermine the important contribution that the press may in principle give.

Extensive coverage once that a crisis has erupted may urge the government to react; then monitoring and criticising inadequate relief measures may keep the government accountable and avoid further damage (for how long?).

But too much reliance on the press to provide early warning can be risky. Press reporting needs to be supplemented by permanent and effective formal early warning systems, on one hand.

On the other hand, I think that the main ‘early warning’ contribution the press could give is to *report analytically, competently and daily on the inequalities that increase vulnerability* and consequently expose to hunger thousands of people beyond the newsworthy crisis.

The political sensitiveness of the issue (far beyond the ‘natural causes’ behind famine) calls for a real press freedom, in the sense we tried to ex-

¹⁸ India Together is an electronic publication devoted to coverage of public affairs, policy, and development in India.

India Together runs at least one article each day, covering over 15 major topics and themes ranging from government and poverty to agriculture and environment. From July 2003, India Together’s expenses are being financed by annual monetary contributions from readers and supporters. It continues to benefit from the support of numerous volunteers.

plain so far. Nowadays the debate should be refocused taking into account the role that *new media* can play.

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4

Beyond the 'Poverty Question': Reflections on De la Rocha's 'Resources of Poverty' and 'Poverty of Resources' Models

KAIRA ZOE KINTANAR ALBURO

ABSTRACT

This essay examines Mercedes de la Rocha's 'Resources of Poverty' and 'Poverty of Resources' models. While the 'Resources of Poverty' model highlights the survival mechanisms employed by the poor, the 'Poverty of Resources' advances the argument that the resources of the poor are not infinite and, in the era of neoliberal globalisation and economic restructuring, these resources are increasingly being eroded. By drawing on the main features of the two models, this essay critically examines the application of 'social capital' as a buzzword in present mainstream development programs and its gendered implications, and applies its logic on the condition of Isla Baseco, an urban poor community in the Philippines renowned for rampant kidney selling and the nature of anti-poverty programs undertaken by the government. The main argument is that the 'Poverty of Resources' best characterises the present experience of poverty and advances De la Rocha's argument that the absence of formal employment and adequate social protection serves to erode the poor's resources further. Lastly, the essay reflects on the problem of current development practice as focusing on the 'poverty question' and explores other questions that problematise conditions of prosperity and privilege that have often been taken for granted, in the search for social justice and gender equity.

'To understand and to explain the mechanisms through which the poor survive and reproduce in spite of very low wages is not equivalent to accepting the social inequalities which keep the majorities in a subordinated position and in deprivation'. (Mercedes de la Rocha 1994)

Much of the efforts of development institutions have focused on construction of policies that address the intensifying poverty that characterises the current trends of economic globalisation. The (underdeveloped) world has borne witness to different forms of financial crises under a neoliberal world order that fragments human communities and 'increases social inequality and human insecurities' (Young, 2003:106)

Problematising poverty is not wrong. Truly, one needs only to step out of the airport in any developing country to see how poverty is a living reality to millions of people. How we conceive 'poverty' and 'the poor', and the assumptions that go with such conceptions will however, matter a great deal especially when these become translated into policy.

With this in mind, I will highlight the two models of tackling the issue of poverty as construed by Mercedes de la Rocha namely, the 'Resources of Poverty' and the 'Poverty of Resources'. While devised by one person, both models address poverty in different ways and in different periods of economic development. More importantly, both have different implications for policy formation on poverty reduction and gender. In the mainstream development discourse, 'self-help', 'capacity building' or 'social capital' have become buzzwords in framing policies and anti-poverty programs. It comes with the assumption that 'social capital' fills the vacuum of other 'missing' assets or resources of the poor to overcome poverty (Cleaver, 2005). I will focus on and examine this recent trend of drumming up 'social capital' in poverty reduction strategies, as an encompassing term for solidarity and reciprocity, by using the two models, taking the case of Isla Baseco, an urban poor community in the Philippines renowned for the massive sale of kidneys, as an example with attention on implications on gender.

Lastly, I reflect on how the examination of both models can pave the way to exploring and rethinking the problematics of development practice, going beyond the 'poverty question'. While continuing to study how poverty can best be addressed, it is also important to problematise prosperity and privilege. Poverty, inclusive of gender inequity, is a relational phenomenon and does not exist in isolation from conditions of prosperity and positions of privilege.

The 'Resources of Poverty': A model for survival

Household-focused research has, in many ways, contributed to our understanding of how people, especially the poor, manage their resources and relate with society. As an institution that mediates individuals to the economy, the household has attained centrality in analysing how the poor survive when faced with economic 'shocks'. (Gonzalez de la Rocha, 2001)

The 'Resources of Poverty' model was developed through a research done by Mercedes De la Rocha in Mexico, particularly the city of Guadalajara, in 1981 and 1982 to 'describe and explain the survival of the urban poor' in which she highlights women's contributions as crucial to survival and income earning within the household to cope with economic crisis. (Gonzalez de la Rocha, 2001:76-77) It is important to note that this research was conducted just before the debt crisis exploded in Mexico. During this time, there were 'open opportunities' to work despite the poor remuneration received by workers. (*ibid.*)

In this study, she posits that survival strategies of urban poor households are characterised by diversity of income sources, multiplicity of income earners and multiplicity of occupations (*ibid.*). These characteristics are based on 'four structural conditions for household capability' namely, (1) the possibility of earning wages wherein women are also engaged in income-generating activities as well as unpaid care work in addition to men's wage-earning jobs; (2) labour invested in petty commodity production and petty trade; (3) labour invested in the production of goods and services for consumption such as doing the laundry, childcare, cleaning which are typically relegated to women and; (4) income from social exchange wherein networks created become an important asset especially for low income households. (Gonzalez de la Rocha, 2007:49-50)

While the household tried to manage its resources to survive, poverty was still differentially experienced as women faced greater burden in engaging in formal, informal and unpaid work. Women's networks then 'became a crucial factor in daily life'. (Gonzalez de la Rocha, 2007:54)

In sum, the employment of multiple strategies mentioned above results in the households becoming the shock absorbers and 'melting pots' for a varied range of 'workers' acting as a unit—although not devoid of conflict. (Gonzalez de la Rocha, 2001:79) Most importantly, labour in formal employment is considered the greatest asset the poor have which enables them to survive under harsh conditions despite low wages. De la Rocha's research showed the adaptability of households to economic pressure and reliance on social exchange. The economic restructuring that happened afterward paved the way to declining formal employment opportunities for the poor and

thus had serious repercussions on their ability to generate resources to survive.

The 'Poverty of Resources': De-mythifying Survival

Research on household survival strategies tended to celebrate the agency of the poor to work harder in times of crisis. It has highlighted the so-called resourcefulness of the poor and yet failed to ask the limits of their ability to sustain themselves.

As a reaction to the policies being handed down primarily by the World Bank, which De la Rocha calls the 'main actor in the construction of the myth of survival' and an 'institution that nurtures itself with scholarly ideas which have been taken out of context' (Gonzalez de la Rocha, 2007:45), she argues that the current trend of economic restructuring characterised by informalisation and labour flexibility, among others, has in fact eroded the poor's capacity for survival. The assumptions that the poor have an endless capacity to work, that they will just consume less and that they can still depend on the mutual help of social networks are fables that only serve to justify structural adjustment and to 'mitigate or redeem guilt' for the continuing depreciation of the quality of life of the poor due to such restructuring. (*ibid.*)

As neoliberal globalisation and structural adjustment dominate the economy, De la Rocha argues that the 'Resources of Poverty' model no longer applies. Rather, it is the 'Poverty of Resources' that comes to characterise the current condition of the poor as an outcome of 'labour exclusion and poverty intensification' (Gonzalez de la Rocha, 2007:57)

If we use structural conditions for survival capability of the previous model, we will find that labour exclusion and flexibility has eroded the possibility to earn 'real' wages and has serious impacts especially on women. For example, the manufacturing sector is 'usually the first to lay-off workers' and women tend to re-enter the labour force in more low-paying, temporary and precarious forms of employment while demand for unpaid care work increases. (Young, 2003:122) Migration and engagement in illegal activities become alternatives, especially for young males in the absence of stable jobs. (Gonzalez de la Rocha, 2007:58) For the production and trade of petty commodity as well as production for consumption, the lack of money to invest in such activities, acquired through 'autonomous income sources' (i.e. formal jobs), simply eats away at the ability to engage in such undertakings. When options begin to shrink, De la Rocha calls this process *cumulative disadvantage* where labour exclusion thus leads to other types of

exclusion that also results in the erosion of social exchange mechanisms since even these forms of 'solidarity' require some kind of investment to keep social links active. (Gonzalez de la Rocha, 2007:59) The myth of adaptability, solidarity and reciprocity constructed by mainstream development institutions can now be debunked as the poor obviously do not have the endless capacity to absorb the shocks of adjustment and their resources are far from infinite.

Having briefly sketched the main features of the two models, let us critically look at a popular concept that has been recently used and applied in development which I believe links well with the discussion we had earlier: the social capital.

Much ado about 'Social Capital': Policy Response

The concept of social capital as it is used in development discourse today is greatly attributed to sociologist Robert Putnam who referred to it as 'features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions' (Cited in Rankin, 2002:3). So great is the recognition of social capital that the World Bank considers 'the task of development' as creating enabling conditions to foster it. It is interesting to note that a few decades ago, dominant development institutions, would scorn at local forms of petty trade and commerce as remnants of 'traditional' societies that have no place in the 'modern' world (Rankin, 2002).

Why has social capital suddenly been embraced as some kind of 'magic bullet' that can somehow correct the failures of the state and market in poverty alleviation? (ibid.)

This discourse somehow fits in with the assumptions made on the interpretation of the 'Resources of Poverty'. As a policy response to this model, programs become geared toward 'capacity-building' for self-reliance. Development would now entail encouraging 'resourcefulness' so people could rely on their ingenuity and social networks to cope with poverty. On one hand, it seems very progressive and enabling that the poor will be assisted in how to manage their 'asset portfolio'¹ productively. (Moser, 1998) Indeed, social support systems have been found to be very vital for survival as De la Rocha's research suggests. On the other hand, it can also be seen as a dangerous strategy of governments to shift the responsibility of social provisioning

¹ Labor, human capital, productive assets, household relations and social capital—classified under the Asset Vulnerability Framework.

from the state to the 'private' domain of households and communities considering that the poor's 'asset base' is already eroded as emphasized by the 'Poverty of Resources' model. Moreover, the concept, as it is used here, gives apt justification for aggressive economic restructuring with the assumption that the poor will eventually take care of themselves. On this basis, I argue that the 'Poverty of Resources' best addresses the issue of poverty at present.

Many programs banking on social capital rely on the concept of 'harmonious solidarity' of social networks that take certain issues for granted, particularly gender relations. Either these programs are silent on 'gendered dimensions of inequality and social capital, or unrealistically optimistic, seeing women as inherently 'social' and therefore the most competent 'social capitalists' as in the case of microfinance schemes. (Cleaver, 2005:894)

Relying so much on the ability of the poor to survive and manage their 'asset portfolios' can have serious consequences. In the next section, I will demonstrate how the poor's asset base has become so eroded that they have resorted to using their bodies as a literal resource by selling their kidneys. By invoking 'social capital' and 'cohesion' the residents of Isla Baseco, Philippines have entered the trade in organs in order to ensure family survival and support even if only for the short term.

The Island without Kidneys

Isla Baseco is an urban poor community in Metro Manila that is now known to symbolize the depth of poverty that the country faces. It is home to 47,000 families in what used to be a shipbuilding firm, the Bataan Shipyard and Engineering Company (BASECO). (Habitat for Humanity, n.d.) The area is occupied mostly by migrants who came from other provinces because of lack of employment opportunities. Many engage in a diverse range of informal jobs such as driving taxis, selling petty commodities, coal-making and scavenging for anything of value from dump sites. Health and sanitation are a big problem, especially malnutrition among children. (National Anti-Poverty Commission, 2007a)

Apart from the desolate poverty that it is known for, the community is also famous for the massive sale of kidneys. In another paper, I have explored the phenomenon of kidney selling in Baseco. Due to the high demand for the organ, more than 3,000 residents have reportedly sold away one of their kidneys for only \$1,400-\$2,400 mostly to foreigners who go to the Philippines under the Medical Tourism Program.

Building on my previous analysis of kidney selling as a coping strategy to economic crisis, poverty to the residents of Baseco has become an embodied experience, with their kidneys being a literal resource, an extension of their asset portfolio if you will, that they expend as a last resort to help their families survive. The consciousness of residents about their plight is not limited to their acknowledgement of their condition and justification of selling their kidneys. It is manifested in their re-identifying their community as *Isla Walang Bato* (Island without Kidneys), a reflection of their current physical state, their bodily experience brought about by widespread poverty. (Alburo, 2007)

Although selling organs is illegal in the Philippines, a black market on the kidney trade is flourishing because there is a constant supply of people who are willing to give up one of their kidneys for a short-term reprieve from economic difficulties. The deadly downside of this, however, is that they do not have any post-operative care or insurance and once the money they get is spent (usually within three months) and their resources are once again squeezed, they cannot keep on selling kidneys as they only have one to give away.

From a gender perspective, while women are engaged in a variety of activities in the informal sector and unpaid work, men also have to bear the burden of living up to the 'breadwinner' model of masculinity. Most of these kidney 'donors' are actually men who give up their kidneys usually in the event of debt, illnesses in the family and starvation. If you look at this from a 'Resources of Poverty' perspective, we will see that the poor employ many mechanisms to survive, but only up to a certain extent.

Meanwhile, the government's anti-poverty drive comes primarily in the form of self-employment programs. Particularly, the initiative is to create a 'one-stop shop' that involves skills training, microfinance, job placements (although not into stable and regular employment) and petty trade in the spirit of community cooperation. (National Anti-Poverty Commission, 2007b) We can see how policy responses adhere to the concept of 'social capital' and the rhetoric of 'capacity building'. However, if we refer to the 'Poverty of Resources' model, assisting the poor in the management of their assets does not address the fact of the already eroded resources of the poor and the continuing perpetuation of neoliberal structural adjustment. There is currently a move to legalize the selling of kidneys for 'export' basing on the massive rates of kidney selling in urban poor areas. But with the state of poverty and the lack of opportunities for the poor for economic reprieve, I believe that such act will only serve to exploit the people more, put them in even more danger and encourage the treatment of people as incubators of

organs awaiting harvest. If we are to use De la Rocha's argument that formal employment is crucial to household survival strategies, then we can say that without opportunities to acquire formal income and adequate social provisioning by the government, the resources of the poor will continue to wear away.

Conclusion: beyond the 'poverty question'

The two models constructed by De la Rocha both serve to address poverty in different periods of development. While the 'Resources of Poverty' model gives recognition to the ability of the poor to employ survival strategies, it is not complicit to the social inequalities that exist. Unfortunately, the model is being interpreted and used currently to justify the devolution of state responsibility to the 'private' sector. The use of 'social capital' by mainstream development has built on the assumptions of the resourcefulness of the poor thus putting more pressure on them to use their ingenuity to survive, even to the point of selling their kidneys.

I agree with De la Rocha that the 'Poverty of Resources' best describes the current trend of economic restructuring as demonstrated by the example of Isla Baseco. Without adequate social protection and employment opportunities for the people, the resources of the poor will only continue to erode and place them deeper in the poverty trap with serious impacts on gender, particularly for women who absorb more and more the burden of the economic shocks placed on the household.

As a reflection, I believe that these models on poverty are helpful in critically analysing development policies. However, I also believe that there is a serious need to rethink the problematics of development practice, moving beyond the focus only on poverty but also on the conditions of prosperity and privilege. We always show that poverty is the main problem of societies, but we only rarely question the conditions of prosperity as if it was given. When we find ways to look for viable models, it is always important to include in such models the promotion of equity, including gender equity, (Fraser, 1997) which basically highlights the unequal endowment of privilege to some groups.

As a personal position, I believe that in these times of neoliberal globalisation, labour flexibility and informalisation, citizenship-based entitlements are most relevant now more than ever including the reshaping of social norms. I draw on the ideas of Nancy Fraser that to create a more equitable and gender just society, achievement of such should be based on the reversal of norms, including gender orders that have placed certain groups in a

position of privilege. To make women's life patterns the norm would be the greatest challenge we will all have to undertake with which the state must also be engaged. (*ibid.*)

That, of course, is easier said than done. But rather than seeking answers, it is necessary to seek the right questions and problematise what has been taken for granted.

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5

Whose Land, Whose Control?: Women's Land Rights in a Market-Oriented and Gendered Environment

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ABSTRACT

Colonisation has caused social differentiation and influenced land ownership regimes in colonised countries. While land reform programmes seek to address struggles for social justice and promote citizenship rights to own and control land, market-orientation of current reform initiatives leads to further marginalisation of women. The paper suggests through comparison of cases from Sub-Saharan Africa and Latin America that the narrow conception of right to land as well as gendered social structures and institutions within which reforms are being implemented constrain women's ability to gain entitlements from land ownership. Citing the case of ejido in Mexico, the essay further argues that individual land registration and titling under market-oriented reforms do not improve women's land claims. Women can better exercise individual land rights within a collective form of property ownership in such a scenario. The practice of collective agency enables women to successfully bargain with gendered social structures and institutions to ensure their legitimate effective control of land as a productive resource.

Introduction

Land redistribution programmes have been implemented mainly in response to people's struggles for social justice. Mainstream initiatives at present, however, subscribe to neoliberal prescriptions ensuring clear individual property rights, promoting efficiency and productivity while expanding the integration of agricultural lands in developing countries to the global commodity system (Borras, et al., 2007: 1-40).

This is the milieu affecting women's claim to land. This essay argues that the narrow conception of right to land as well as gendered social structures and institutions within which reforms are being implemented constrain women's ability to gain entitlements from land ownership. Right to land should be measured through 'legitimate effective control' over its use and benefit (Gasper 1993 in Leach et al. 1999: 233). Using the case of *ejidos*¹ in Mexico, I will further argue that land registration and titling under market-oriented reforms do not improve women's land claims. Women can better exercise individual land rights within a collective form of property ownership. The practice of collective agency enables women to successfully bargain with gendered social structures and institutions to ensure their legitimate effective control of land as a productive resource.

Analysis for this essay draws on the entitlements framework as well as bargaining models and expounds on the concepts of access to land, institutions, and agency. It refers to scholarly articles from the required, recommended, and supplemental readings of the course on gender, poverty and social protection as well as readings from the course on rural livelihoods. The case of *ejidos* is chosen because of the rich history of agrarian reform in Mexico now challenged by neoliberal reforms (Borras, et al., 2007; Deere and Leon, 2001).

The paper focuses on Latin America and Sub-Saharan Africa in looking at the factors that influence women's ability to utilise land. It focuses on *ejidos* in Mexico in assessing how individual titling affects women's control over land. The first part presents the theoretical framework as well as key concepts taken up in the paper. The second part reviews the historical context of how colonisation influenced present land ownership regimes including women's access to land in the two regions. The third part deals with factors influencing women's assertion of citizenship rights to land. It is followed by an analysis of whether land registration and titling improves women's land claims in the *ejidos* context.

Theoretical framework

The essay draws on the frameworks of entitlements and bargaining in understanding how women exercise citizenship rights to land within the context of market-oriented land reform and gendered social structures and institutions. Right of access to land is defined in this paper as having

¹ Mexican agrarian communities created with implementation of land redistribution beginning in early 1900s

legitimate effective control over its use particularly for productive purposes and the resulting benefits.

Entitlements are 'the set of alternative commodity bundles that a person can command in a society using the totality of rights and opportunities that he or she faces' (Sen 1984: 497 in Leach et al. 1999: 232). The entitlements framework looks at how people use their endowments to gain entitlements that help develop their capabilities to ensure their well-being. Land is an endowment used to gain entitlements such as crops produced from the land. People can in turn use their entitlements to diversify their livelihood options to enrich their endowments.

An expanded definition of entitlement refers to legitimate effective command over endowments. Legitimate command covers both statutory and customary rights over a set of endowments. Effective control, on the other hand, depends on existing power relations between social actors and the inability of actors to utilise certain endowments (Gasper 1993 in Leach et al. 1999: 233). Another variation in understanding entitlements refers to it as the 'outcome of negotiations among social actors, involving power relations and debates over meaning' (Gore 1993 in Leach et al. 1999: 235).

Bina Agarwal's (1994: 9) application of the concept of effective control looks at land as an endowment and using it to gain entitlements. Effective control is defined by Agarwal as having the power to decide over the use of land and benefits accruing from its use. This involves, for instance, decisions regarding what kinds of crops would be planted, how the produce would be distributed or marketed, and how the income from the land would be distributed. She argues that access to land has the elements of ownership and control. Ownership of land does not necessarily equate to having effective control over it. A person for instance, may exercise effective control over land without owning it. But one cannot exercise effective control over an asset without successfully negotiating with other social actors. This is where Gore's definition of entitlement becomes useful.

The bargaining model is useful in understanding power relations and processes of negotiations between actors within a household and how members relate to social actors outside the household. Agarwal (1997) criticises the unitary model of households which assumes that members have common and unified preferences with an altruistic household head making decisions for the benefit of all household members and to maximise household utility. She argues that this does not explain gender relations within the household that influence decision-making processes.

Counter to the unitary model is the view that sees households as a place for bargaining and negotiation. Interaction within a household may be char-

acterised by both conflict and cooperation. Decisions are influenced by power relations among members. Amartya Sen's bargaining model² shows cooperative conflict within a household. While cooperation may benefit all members, the fruits of cooperation may lead to conflict when there is inequality in distribution of benefits. Decision-making is then influenced by those who have more bargaining power.

One limitation of this model though is how women are seen as lacking in agency to bargain and challenge disparity within the household. Feminist analysis argues that through the exercise of individual or collective agency, women carry out overt and covert forms of resistance to effect change, extending avenues of negotiation or bargaining beyond the household.³ Collective resistance particularly plays an important role in women's struggle for land.

Agarwal (*ibid*) further proposes for an analysis of the dynamics between households and institutions which she refers to as extra-household bargaining. This extends Sen's bargaining approach outside the household to include the state, market, and community. Women's interaction with various institutions influences the exercise of their right to land.

Tracing the roots

Colonisation influenced land use in Latin America and Sub-Saharan Africa and resulted in widespread social differentiation. Both regions became producers of raw agricultural materials for processing and manufacturing in the metropole thereby increasing demand for unskilled labour to work in plantations producing crops for export.

In Africa, women and men were forced into slave trade. The region became the producer of raw materials and supplier of cheap labour for its European colonisers (Amin, 1972). Colonisers created or supported local chieftains who were allowed to allocate tribal lands. Peasants were taxed to force them to produce products needed for export (Bryceson, 2000). Males were recognised as household heads and were held responsible for paying taxes. Export crops such as cotton, coffee, and tobacco were considered 'male crops' in contrast to 'female crops' produced for home consumption. This overlooked the fact that women's labour is used in cultivating and harvesting of the cash crops while men participated only in marketing the pro-

² Classroom lecture on Power, Entitlements and Agency: Re-Conceptualising the Household, 23 January 2008.

³ *Ibid*.

duce. This also changed the tradition that while there were specific productive and reproductive tasks done by males and females, both shared in planning and harvesting of crops to respond to labour needs within the farm (Mamdani, 1992: 203).

A similar path of colonial development was pursued by the Spaniards in Latin America, leading to skewed patterns of resource control. Latin America was integrated into the world economic system as provider of agricultural and mineral raw materials for the industrialising economies of Europe and North America (Bernstein, 1992: 27-50). *Haciendas* and plantations⁴ were established using state and church lands, where peasants had to pay tribute in the form of labour or goods to the new landowners. *Haciendas* also covered community lands although the latter generally remained in the hands of indigenous communities under communal property rights with members cultivating individual or communal plots (Kay, 2000). Labour regimes in Latin America were in a way integrated with that of Sub-Saharan Africa as plantations also used African slaves for labour.

Differential Access to Land

Land redistribution in the post-colonial era was clearly influenced by the structures and institutions put in place by colonial authorities. The narrow conception of right to land as well as gendered social structures and institutions within which reforms are being implemented constrain women's ability to gain entitlements from land ownership.

Redistribution in Latin America took the form of either private individual or communal rights to land. Collective allocation of land was generally favoured in the early years to maintain the plantation production regimes although individual ownership was prioritised starting in the 1980s. Early periods of reform in Latin America excluded women from becoming beneficiaries because of the laws' assumption of a unitary model of household having males as heads and that giving land to them would benefit other household members as well (Deere and Leon 2001).

Neoliberal influence is evident in reform initiatives in Sub-Saharan Africa. Communal ownership under customary laws in Sub-Saharan Africa was increasingly seen as inefficient. Individual property rights became the mainstream policy instrument in land tenure reforms although legal pluralism is practiced in some cases. It has been argued that women's rights to land in

⁴ Haciendas produced domestic crops while plantations mainly produced crops for export.

Kenya became invisible with the granting of individual control over land (Mackenzie 1995; Whitehead and Tsikata 2003). In Cameroon, women have to prove customary ownership of land when applying for individual land titles, a difficult task since they already have weak land rights under customary systems in the first place. Women in South Africa may have an advantage because equality between men and women is recognised under South African laws. Implementation however becomes problematic with respect to prevailing social structures and institutions.

If policies provided avenues for women to gain endowments, social structures and institutions where women participate became obstacles. Land titling is heavily influenced by structures and institutions and the intricate connection between these factors cannot be emphasised enough.

Formalisation of land ownership favouring men impacts negatively on women's traditional rights over resources. This is true in cases of communal ownership where men and women cultivate individual plots. Women generally perform a heavier workload than men because their labour is utilised on men's farms aside from the work they do on their own farm plots. It is argued that women produce subsistence crops while men produce cash crops making work on the men's plot a household priority. Women's access is restricted or altogether denied when the land becomes the men's property through titling, resulting in failure of entitlement for women. 'Even where formal title is given jointly to a husband and wife, a woman may lose decision-making authority over her former domains on and off farm as the household 'heads' take on the full and exclusive responsibility for the management of household land and all the plants and animals upon it' (Rocheleau and Edmunds 1997: 1354-55).

Traditional forms of leadership are utilised by the states in Sub-Saharan Africa to implement land reform laws. In Latin America, the state played a role in management of communal properties. This strategy works against the policy objective of giving access to women as customary laws may uphold gender inequalities. Traditional authorities maintain social order by giving men rights to access the land. The same right is not extended to women as their right is defined in relation to their husbands or male relatives. Most vulnerable women like the widows would be denied access to land because of their weak social position (van den Berg 1997: 97).

Policies promoting production of export crops also challenge women's effective control over land because of the ensuing competition over the use of resources. This may make women's status more vulnerable and result in their further marginalisation. In Kenya, promotion of cattle-raising and export crop production endangers women's production of subsistence crops

like maize. In some cases, women fail to enjoy entitlements to land they own because men still control production and earnings (Mackenzie 1995; Rangan and Gilmartin 2002).

The same happened in *ejidos* with efforts to modernise agricultural production. Traditionally, women and men worked in the farms, making joint decisions and benefiting from farm income. With modernisation, the men benefited from agricultural support provided by the state through the promotion of sugarcane production which is considered to be within males' domain. Although ownership of land is not exclusive to males, women were marginalised in the production process and from earnings accruing from the sale of the produce (Brunt 1992: 119-131).

Glimmer of Hope

Although customary laws prevent women's access to land, they may paradoxically work in favour of women. Women in Latin America may acquire land through inheritance and marriage. African societies practice both matrilineal and patrilineal succession which may work either in favour of or against women's interests.

Through a combination of individual and collective actions, women successfully bargain to gain rights to land. Kenyan widows may 'marry a wife' to ensure that land ownership would not be transferred to a male relative of their husband. They may also form collectives to purchase land but assign individual plots for independent cultivation (Mackenzie 1995: 19). Formal organisations provide strong support and negotiating power for women especially with respect to the state as well as the market at varying levels, as the Zapatista struggle has done in Mexico since 1994 (Deere and Leon 2001). Through such strategies, women have successfully acquired land and increased control of land use and income distribution (van de Berg 1997; Deere and Leon 2001; Rangan and Gilmartin 2002). Van de Berg (1997: 102) further argues that '[t]he extent to which women's rights to land can be acknowledged depends on their negotiating power as a group and as individuals.'

Although it may be said that it imposes additional burden on women, expansion of livelihood sources is one strategy that helps women ensure control over land. Involvement in non-farm economic activities provides additional entitlements to support production. This also guards them against risks and improves their fallback position.

Losing Rights with Titling?

This section analyses the case of the *ejido* system in Mexico to discuss why land titling under market-oriented reforms does not improve women's land claims. In market-based land reform, individual private ownership is said to maximise economic efficiency and profitability. Here, land becomes a commodity that can be traded, if the price is right. This runs counter to the social justice principle of land reform, which grants the land to the tiller.

At the start of land reform in Mexico, *haciendas* were returned to indigenous communities through the establishment of *ejidos* organised under the leadership of a governing board. Government gave usufruct rights to individual families within the *ejido* and land could be transferred through inheritance. *Ejidatarios* enjoy security of tenure as long as they continued to use the land. Restrictions on land sales protected against land re-concentration (Brunt 1992; Deere and Leon 2001).

Women can obtain usufruct rights through inheritance, rental, and sharecropping. They also do not lose their *ejidataria* rights upon marriage. As discussed in the previous section, even with policies in place, women have limited access to land because of social structures and institutions that influence land reform implementation. The fate of women in *ejidos* is not any different because *ejido* governing boards were composed mostly of men and, as a result, usufruct rights were awarded mostly to men. Women's rights in fact are further threatened with changes in the land tenure systems brought about by neoliberal reforms in Mexican economy.

In 1992, constitutional changes in Mexico paved the way for privatisation through individual titling of *ejidos* to promote modernisation and growth in agriculture. Deere and Leon show how this further eroded women's control over land resources (2001: 150-156). Under the original tenure arrangement, land belonged to the household, where women can participate in decision-making although males generally dominate. With individual titling, men logically become the owners, making women's security of tenure precarious. Women's right through inheritance is eroded as well as owners can now freely choose their heir, who would probably be male. To acquire land, women have to participate in the land market but their limited income and dependence on men make this highly improbable.

Further, modernisation efforts highly favoured men as they were targeted by support services. Emphasis on production of crops for the market discriminated against women who in the past played a major role in producing for home consumption. Interaction with institutions outside the *ejido* became the domain of men while women have been relegated to private, domestic work (Brunt, 1992: 119-131).

Conclusion

Colonisation created inequality in men's and women's access to land. Although reforms recognising women's individual right to land is a step towards the right direction, the market-based approach's narrow conception, which ignores structures and institutions perpetuating gender inequality, has to be challenged to achieve genuine and equitable reform. The practices of the past clearly influence whatever reform initiatives are presently implemented as shown in the case of *ejidos*.

Agarwal (1994) pushes for individualisation of land rights because of great potential benefits for women. However, the market-oriented policy of individual titling in *ejidos* has intensified threats against women's access to land. I argue that women can exercise individual land rights within a collective form of property ownership. Land rights here means having legitimate effective control over land. Although disparity in power would evidently still exist within such arrangement, women's strong claim-making capacity would allow them to challenge unequal power relations. The collective effort of women farmers in Kenya and even the tenure arrangement in *ejido* prior to privatisation illustrate this possibility.

Women's claim-making capacity is an important endowment (Leach et al. 1999). They can successfully utilise this through individual and collective action to bargain with informal or formal institutions for legitimate effective control over land for productive purposes. Women should draw on this strength to challenge gendered social structures and institutions in claiming their rights to land.

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6

Poverty Reduction Programmes in Rural El Salvador

JUAN BALTASAR MEJIA DELGADO

According with the World Bank (2006), 40% of El Salvador's population lived below the poverty line and 19.5% on less than \$1 (PPP) a day. Inequality was rampant: while the poorest 20% of the population earned 2.7% of the total national income, the richest 20% got 55.9% of it. The Gini coefficient for El Salvador was 52.4, making the country the 16th most unequal in the world. The concentration of poverty in rural areas adds a further geographical dimension to inequality. Therefore, a comprehensive public policy is required to reduce extreme rural poverty.

Rural poverty is a complex issue requiring an urgent and effective policy response. Since 2000, some progress has been made in that direction, such as a renewed commitment to education, primary level health services, and agricultural production promotion among other initiatives. But the challenges to eradicate extreme poverty in the countryside are still big.

In this paper, I first describe and analyse the current rural poverty situation in El Salvador. In section II, I explain the methodology used and then, in section III, I develop a comprehensive understanding of the problem and policy response using the Logical Frame Analysis (LFA). Based on this analysis, I sketch an alternative response and compare it to existing policies using a Multi-Criteria Analysis. In the final two sections, I analyse the arguments of the actual (section IV) and alternative (section V) policy response with the help of synthesis tables and finally, I give policy recommendations.

I. Situational analysis: Rural poverty in El Salvador

Given space restrictions, data availability, and time limitations I give an overview of the problem without going into too much depth. The emphasis of this paper is thus on prescriptive rather than descriptive policy analysis. Nevertheless I use my knowledge and understanding of the issue combined with a limited statistical exploration that I summarise below.

Poverty in El Salvador has historical and structural roots. The territory of El Salvador was conquered by the Spanish crown in the 15th century and was administered as a colony until independence in 1821. However, until the present day the country's political structures and economic resources have been dominated by a powerful oligarchic élite. The 20th century was characterised by military authoritarian governments ruling with the tacit agreement between military and economic élites. In the 1970s, internal and external factors triggered social instability that ended in a twelve year civil war (1980-1992). The 1992 peace agreement resulted in the political inclusion of the guerrilla group (FMLN) as a democratic political party. An agrarian reform to democratise land property rights however failed in the 1980s, leaving the countryside with many small landowners lacking the resources required to achieve economies of scale. The agrarian reform created economic model based on exports of a limited number of agricultural products.

Since 1989, the ruling party in El Salvador is ARENA, a right wing party supported by the new oligarchy, which is concentrated around the capital city and focused on commerce and services. Governmental policies for the last 18 years have prioritised economic growth and followed the recipes of the 'Washington Consensus'. Nevertheless, more recently El Salvador's government signed the Millennium Declaration and changed its political discourse to include social justice claims and it launched new policies like 'Sustainable rural roads' and 'Solidarity Network' which target rural areas.

This brief historical overview identifies structural causes of poverty: a small group of privileged people have been ruling the country and owing the most precious resources. Poverty is, in consequence, socially constructed and reproduced by a system of unequal social, political and economic relations.

Even though poverty is a generalised problem in El Salvador, it is more serious in rural areas. According to the World Bank (2006), 41% of the population lived in the countryside in 2002. A gap between urban and rural areas had been growing over the years, leaving the rural households more vulnerable and marginalised. Official data from the Multi-Purpose Household Survey (DIGESTYC 2006) shows that in 2006 rural average monthly wages (\$158) and incomes (\$173) were 53% and 53.3% of urban average monthly wages and incomes. But the disadvantage is greater for the 43.5% of the total rural employees dedicated to agriculture and livestock whose average monthly wage and income are \$110 and \$119 respectively.

According to DIGESTYC (2006), rural unemployment was 7.1%, seasonal employment represented 19.7% of the total rural Economically Active Population (EAP), and the informal sector employed 26.3% of the rural

EAP. While the average GDP growth in the period between 1989 and 2002 was 4%, the average agricultural growth was only 1.2% (World Bank 2006). The World Development Indicators (Ibid.) show that crop production in 2002 was only 90% of the average crop production between 1999 and 2001.

Educational levels in the countryside were very low in 2006, 27% of the population was illiterate, 50.7% had some level of primary education, while only 1.5% had some tertiary education (DIGESTYC 2006).

Health indicators are equally alarming. The morbidity rate was 13.6% for the rural population in 2006. In the same year, only 50% of the rural households consumed safe water, 82% of the houses had sanitation while 40% had a dirt floor in their home. In addition, only 76% of the houses had electricity, 57% had an inadequate ceiling and 49% inadequate walls (Ibid.).

Local governments (mainly located in the countryside) just receive 6% of the national budget and tax revenue is constrained by the low incomes of their residents and the scarcity of formal business. Thus, rural investment capacity is limited despite the fact that the countryside needs resources to build basic social and economic infrastructure and implement social and economic policies just to close the development gap with urban areas. Emigration trends (mostly to the United States) and weak community organisation complement the picture of rural poverty in El Salvador.

The agency of the rural population is seriously constrained by the scarcities mentioned above: wages, income, employment, agricultural production, education, housing, infrastructure, institutional constraints, emigration, and community involvement. Then, poverty has elements of both structure and agency that reinforce each other in a negative cycle of poverty reproduction.

In addition, current trends in the world economy are affecting the rural poor in El Salvador, such as the recession in the U.S. (El Salvador's biggest economic partner), rising food and fuel prices and unfair agricultural policies in the developed world.

Despite this bleak picture, some positive trends are contributing to improve the situation, such as more investment in agriculture; improvement of social and economic infrastructure (schools, health clinics, water projects, rural roads among others); population patterns (decreasing rural population growth, additional incomes for countryside households via remittances, more school attendance¹); and opportunities coming out of international

¹ 25.4% of the rural homes received an average monthly remittance of \$157, almost the same amount of the rural average monthly wage; In addition, school attendance of children between 4 and 18 years increase from 59% to 70% from 1998 to 2006 (DIGESTYC,1998; DIGESTYC,2006). And the rural population average growth was just 1% (The World Bank Group, 2006).

trends such as rising agricultural commodity prices and the opening of new markets.

Policy Analysis Methodology

Given data availability limitations, I am applying Argument Analysis, Logical Frame Analysis (LFA) and Multi-Criteria Analysis (MCA) as my main methodologies. Additionally, I apply broader brainstorming and analysis tools for parallel thinking and scenario thinking to analyse the topic and policy proposals.

First, I use the LFA to analyse the problem and develop a policy proposal. Given that the LFA approaches only focuses on problems rather than on opportunities, I used an ‘opportunity tree’² to capture the positive aspects of the situation. The problem tree is the input for the strategy tree as in the pure log-frame approach; then the strategy tree is developed with both the solution tree and the opportunity tree.

After coming out with a policy proposal (in the strategy tree), in a second step, I define a second proposal and I used MCA to assess both of them. First I defined two different scenarios; then I chose the criteria; and lastly I applied the MCA in two phases: a phase to test feasibility of the proposals and a later one to compare their convenience and strength with a second set of criteria.

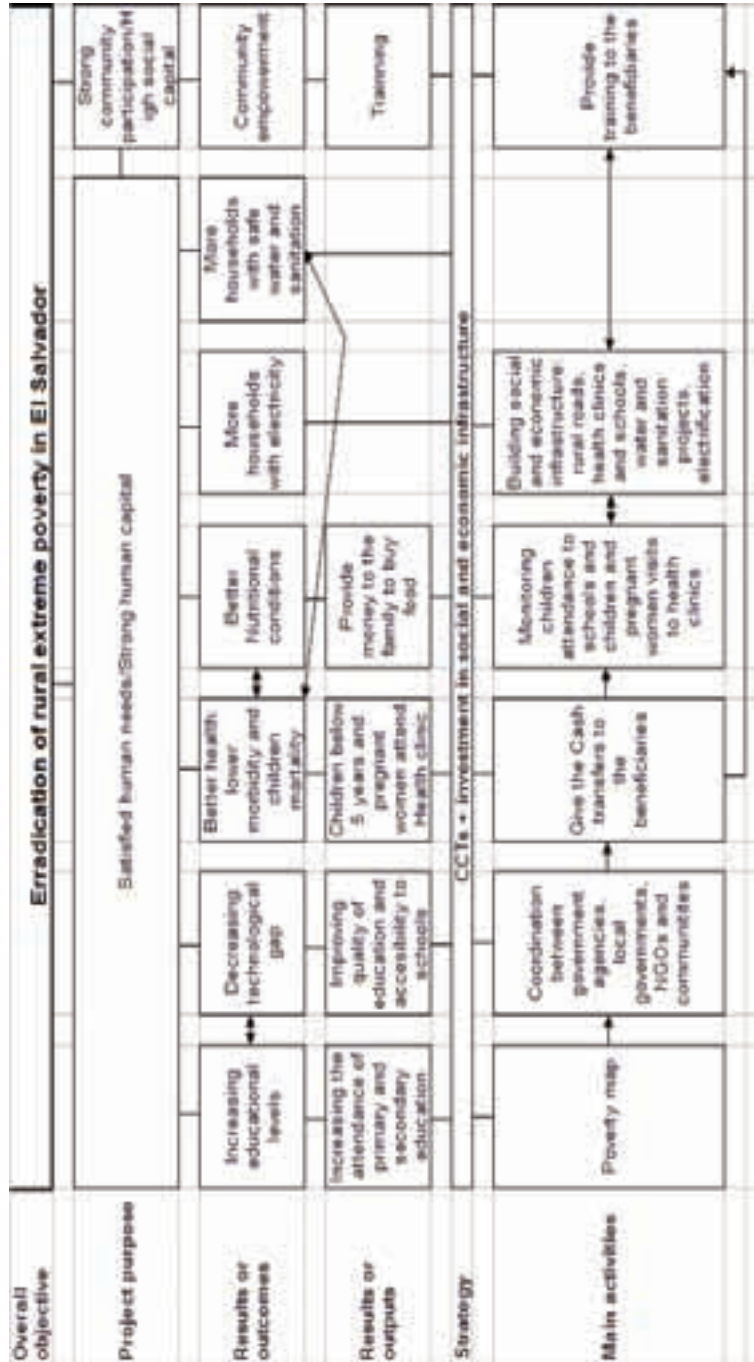
The third step corresponds with parts IV and V of this paper and it consists in analysing the arguments of both proposals through synthesis tables.

Analysis of Rural Poverty in El Salvador

In the first section I characterised poverty as a complex human reality, socially constructed and reproduced with structure and agency dimensions and with a systemic logic. Even though poverty is such a complicated problem, I prefer to use the LFA formats, which are an oversimplification of reality (including the inability to capture systemic relations between variables), because they identify the fundamental variables of the problem and their basic cause-effect interconnections³.

² The ‘opportunity tree’ I am proposing refers to the two positive categories of SWOT analysis: ‘strengths’ and ‘opportunities’.

³ Gasper (2008b, pp.1) suggests Fisher’s format or Pain’s ‘frame analysis’ and Roe’s ‘narrative analysis’ to analyse complex problems.



Log-Frame Analysis

The problem tree shows linear cause-effects chains, identifying the root causes of poverty in El Salvador; the Opportunity tree shows linear cause-effects chains, identifying internal and external positive trends contributing to reduce rural poverty. The objectives tree is the positive image of the problem tree and shows linear means-ends chains in which the overall end is the eradication of rural poverty⁴. Finally, the strategy tree, built taking the information from the previous three trees, identifies lines of action to tackle the problem at hand (a policy proposal). The diagram above is the strategy tree and it includes a policy response.

Multi-Criteria Analysis

After a brief analysis of rural poverty in El Salvador within the section I and the LFA the result is a policy proposal consisting of a combination of Conditional Cash Transfers and Investment in social and economic infrastructure in the countryside⁵. Now, in order to assess the proposal and compare it with two additional policy responses I proceed with a Multi-Criteria Analysis (MCA).

Initially, I define two possible scenarios for the period 2009-2014 for El Salvador, given that there is a chance that the ruling party, ARENA, will lose next year's presidential elections to its major rival, the FMLN. In the first scenario, ARENA remains in power, maintaining its current pro-economic growth and pro-equity public policies. Under the second scenario in which the FMLN wins the election, I assumed a policy change towards more social and equity-oriented policies.

Setting scenarios helps to measure the strength of three different policy alternatives: 1) Conditional Cash Transfers for the poorest families combined with investments in social and economic infrastructure in the countryside (Components I and II of the 'Solidarity Network', programme); 2) Poverty Reduction Strategy Papers sponsored by the central government at

⁴ Appendixes 1, 2 and 3 respectively contained the Problem tree, the Opportunities tree and the Objectives tree.

⁵ The suggested policy response had been implemented in El Salvador since 2005 and corresponds with the first two components of 'Solidarity Network' programme (*El Salvador's Government*, www.redsolidaria.gob.sv). Although the policy proposal is not my own original policy response but an existing programme, I chose it because it is an innovative policy in El Salvador and a relatively new type of programme in the region – the oldest CCT programme in Latin America is Mexico's 'Oportunidades', and was launched in 1997 (Soares et al. 2007: 5).

the local level combined with decentralisation of resources and coordination by the central government, local governments, NGOs, and other donors and developmental agencies; 3) Continuation of proposal 1 and implementation of proposal 2.

Table 1
Criteria and Sub-Criteria

Criteria	Sub-criteria	Definition
Feasibility Criterion	Basic ethical considerations	Respect and promotion of Human Rights
	Political feasibility	Minimum political will required to start up and implement the proposal
	Technical efficiency	Minimum standard of technical efficiency (inputs-outputs ratio)
Economic criteria	Economic efficiency	Minimum standard of economic efficiency (inputs-outcomes ratio)
	Impact	Overall impact of the proposal (from inputs to goals)
Technical criteria	Design/planification-implementation-monitoring-evaluation	Technical efficiency managing the policy cycle
	Learning curve	Time and resources used during the learning process (the less, the better the score)
	Availability of technical assistance	Technical support to manage the project
	Availability of the required funds for the project	In each stage
	Management	Capable people in positions accordingly with their expertise and leadership
Political criteria	Political profitability	Potential political gains for the party in government
	Political support	Programme's support from the other political parties
	Donor's support	Programme's support from INGOs NGOs, multilateral institutions and foreign governments
	Community's support	Programme's support from the local communities and participants/beneficiaries
Ethical criteria	Community participation	Empowerment, community involvement, capacity building
	Social equity	Grade in which the proposal contributes to increase equality

The criteria are divided in two groups: feasibility criteria and other criteria. The feasibility criterion has a score between 0 and 1, where zero means unviable (meaning that the project will not be implemented); additionally, the negative and positive signs after the score 1 indicate the grade of feasibility, where 1+ is the maximum score possible. The rest of criteria are subdivided in economic, technical, political, and ethical criteria⁶.

Within these four subcategories, I defined thirteen additional sub-criteria scored between 1 and 6, 6 being the maximum mark possible. The score range is thus between 13, and 78 points, but I defined an acceptability range from 47 to 78. Only the proposals that fall within that range are acceptable and in the case that all the alternatives fail to achieve this score, policies would have to be reformulated and new alternatives sought out. Table 1 summarises the criteria used.

Table 2
Strength and Weakness Analysis

Alternative	Scenario	Strong	Mediocre	Weak
CCTs and infrastructure investment	ARENA	Feasibility and technical criteria	Economic and political criteria	Ethical criteria
	FMLN	Political criteria	Feasibility, economic, technical and ethical criteria	
PRSPs, decentralisation and coordination	ARENA		Feasibility technical and ethical criteria	Economic and political criteria
	FMLN	Feasibility criteria	Economic, technical, political and ethical criteria	
The two proposals combined	ARENA		Feasibility, technical and political criteria	Economic and ethical criteria
	FMLN	Feasibility criteria	Technical and ethical criteria	Economic and political criteria

⁶ The criteria overlap in certain points because there are interconnections between them but they are measuring different things in the proposals.

Table 3
Summary Multi-Criteria Analysis

Criteria	1. CCTs and infrastructure investment		2. PRSPs, decentralisation and coordination		3. The two proposals combined	
	ARENA Government	FMLN Government	ARENA Government	FMLN Government	ARENA Government	FMLN Government
Feasibility criterion	1+	1	1	1+	1	1+
Rest of criteria	55	55	50	53	50	50

Feasibility sub-criteria = [0,1-,1,1+]; where zero means unfeasible

Rest of sub-criteria = [1,6]; for a score range from [13,78] and an acceptability range from [47,78]

MCA results are presented in two tables. Table 2 is a Strengths and Weaknesses Analysis while Table 3 is a summary of the results.⁷

The conclusions of the Multi-Criteria Analysis are that all the alternatives are feasible; The three alternatives are within the acceptable range; under the ARENA government scenario, continuation of the current programme (proposal 1) is the best alternative. The same is true if the FMLN wins the elections. The second best option in the ARENA scenario are proposals 2 and 3 but for the FMLN scenario proposal 2 alone is the second best option. Proposal 3 under the two scenarios scores the same and is an interesting combination of policies to explore in more detail.

After presenting the results of the MCA, I analyse through Synthesis tables proposals 1 and 2 in the next two sections.

Policy proposal: CCTs and infrastructure investment

The policy response is taking into account the C-I-A⁸ perspective (Gasper, 2008c: 1) in the sense that it is focused on those areas under the stakeholders' direct control and influence. That is why the strategy tree do not

⁷ The complete table of the MCA evaluation can be found in Appendix 4. Rational justification for the scores assigned to the sub-criteria is available in Appendix 5.

⁸ C-I-A: Control-Influence-Appreciate/Only understand. An additional area for this format could be Uncertainty. And it refers to those variables/elements/relationships that are outside of the policy maker's understanding.

propose any action to affect external causes of the problem such as the international trends identified in the problem tree.

As it was mentioned, this proposal corresponds with the first two components of 'Solidarity Network'. The programme has been implemented with consistency as its main activities have been carried out. First, a poverty map to identify the target areas and populations was made, then the public and private agencies involved in the implementation coordinated actions and responsibilities. After that the cash transfers started and were followed by training for the beneficiaries and monitoring of conditionalities. The building of social and economic infrastructure has also started. In addition, CCT programmes have support from the UNDP and the World Bank.

The experience of CCT programmes in Brazil (Soares et al. 2006) showed that beneficiaries respond to money incentives, meet the conditionalities, use the money for food and other basic products, and that the long-term impact is better human development. In addition to the programme in Brazil, similar programmes in Mexico and Chile have also contributed to poverty reduction (Zepeda 2006; Soares et al. 2007). Additionally, in El Salvador the poverty map guides the targeting of beneficiaries and the monitoring of conditionalities is periodic. But the programme faces certain challenges (Britto 2007) and the long-term effects cannot yet be known because the programme has only been operational for two and a half years.

Alternative policy proposal: PRSPs, decentralisation and coordination

Poverty Reduction Strategy Papers have the support from the World Bank and the International Monetary Fund and have been implemented in more than 60 countries around the world. The information about the impact of the PRSP is mixed, some papers and documents said that it is substantial⁹ (IMF 2004, 2005b) and others that it is insufficient (Crespin 2006; Cornwall and Brock 2005; Molenaers and Renard 2002, 2003).

⁹ The information I found saying that the PRSPs have positive impacts is from the IMF, one of the major institutions promoting these programmes (the World Bank is the other); thus it does not come from an independent source.

Table 4: Synthesis Table: CCTs' and investment in social and economic infrastructure

CCTs' programmes (Claim)	C1 Conditional Cash Transfers (CCTs) to poor families in rural El Salvador can contribute to alleviate poverty in the short term			C3 Building social and economic infrastructure within the beneficiary communities raises the impact of CCTs		
Given that (Data)	D1C1 CCT programmes had been implemented successfully in other Latin American countries (Mexico's 'Oportunidades' and Brazil's 'Bolsa Família')	D2C1 A CCT programme was already implemented in El Salvador in October 2005		D1C3 Conditionalities are related to children's nutrition and education and pregnant and breast-feeding women's health programmes in CCT programmes	D2C3 When basic services, related with the conditionalities, are available for the beneficiaries at low costs, CCTs programmes are more effective	
And given the principle that (Warrant)	W1C1 Rural poor families in El Salvador respond to money incentives	W3C1 Beneficiaries use cash transfers to alleviate their basic human needs, principally food	W4C1 Programme management and monitoring is efficient	WC3 To increase the effectiveness of CCTs (more children attending school, a better nutritional profile, healthy children, and healthy pregnant and nursing women) accessibility to schools, health clinics, safe water and sanitation are necessary conditions		
Unless (Qualifiers and Rebuttals)	R1C1 Rural poor families in El Salvador do not respond to money incentives	R2C1 Cash transfers produce dependency, reproducing poverty	R3C1 The money is not transferred to the poorest rural families	R4C1 Beneficiaries do not use the money to cover their basic needs	R5C1 Inefficient programme management and monitoring result in a policy fiasco	R1C3 The investment does not target the right locations
	Q1C1 The amount of the money incentive is not enough to produce beneficiaries' intended responses			Q1C2 Better education and health does not guarantee empowered and wealthy people	R1C2 Conditionalities do not contribute to improve human development/build human capital in the long term because the deeper causes of poverty persist	R2C2 Costs of the services remain unaffordable for the beneficiaries

Evidence shows that the community participation is marginal and that the communities do not have ownership of the PRSP, in part due to the weight that powerful stakeholders have during the development process of PRSPs (Molenaers and Renard 2002, 2003; Coyle and Richardson 2003). Additionally, resources and institutional strength to implement the PRSPs have proven inadequate but this is to be expected as these programmes are implemented specifically in low-income countries like Nicaragua (IMF 2004) and in El Salvador they could face similar constraints.

Decentralisation is another important feature of PRSPs but it is not happening in El Salvador. While in Bolivia municipalities receive 20% of the central government's tax revenue (Coyle and Richardson 2003: 6) in El Salvador they just receive 6%. Furthermore, the level of coordination between stakeholders in PRSPs is moderate and can be improved if stakeholders' objectives overlap as the Honduran case suggests (IMF 2005b). Thus, in El Salvador, coordination is possible if a PRSP is implemented.

Policy recommendation

My recommendation is to continue with the 'Solidarity Network' programme regardless of the results of the next election. Besides, it is time to evaluate the programme to measure its efficiency and efficacy after more than two years of operation.

I also recommend collecting more data for the two responses drawn. My analysis relies mainly of qualitative appraisal but quantitative data can be collected and would provide a deeper understanding of the two proposals, especially in terms of technical efficiency and efficacy.

In addition, the combination of the two policy responses (proposal 3) has to be explored because it obtained acceptable scores, close to the scores of the two individual proposals under the two scenarios. As the two strategies complement each other, they are a more comprehensive strategy for poverty reduction than each proposal individually. Such an approach is being undertaken in Nicaragua (IMF 2004; Castro and Caldera, 2002) and major institutions, such as the UNDP, World Bank and IMF support CCT programmes and PRSPs.

Table 5
Synthesis Table: PRSPs' plus a decentralisation policy and donors and government's coordination

CCTs' programmemes (Claim)	Given that (Data)	And given the principle that (Warrant)	Unless (Qualifiers and Rebuttals)
C1 Poverty Reduction Strategy Papers contribute to improve social and economic conditions in local communities	D1C1 In Nicaragua and Honduras, the PRSPs have contributed to improve social and economic conditions in rural communities	W1C1 'social and economic conditions: e.g. educational levels, employment, health, accessibility of safe water and others W2C1 PRSPs have to be the product of wide participation of the different stakeholders, especially the recipients of the programmes W3C1 Participation result in 'community ownership' of the PRSPs W4C1 Strong civil society participation push forward the development agenda in a pro-poor direction W5C1 The PRSPs are implemented	Q1C1 Community participation is marginal, central governments and other stakeholders with much power set the agenda in the PRSPs Q2C1 The PRSPs are implemented partially R1C1 Wide community participation does not result in 'community ownership' of the PRSPs R2C1 Civil society participation is not enough to push forward the development process in a pro-poor direction R3C1 PRSPs are never implemented R4C2 the expected impacts do not come out from the implementation of the PRSPs
C2 Decentralisation policies will transfer resources from the central government to the local governments ensuring the required funds to execute the investments, programmes and projects identified in the PRSPs	D1C2 In Bolivia (with a PRSP) a decentralisation law set aside 20% of the central government's tax revenue for municipalities	W1C2 Local governments and the rest of local actors have to have basic management capabilities to implement the project W1C2 Implementers are more accountable due to 'community ownership' of the project	Q1C2 The amount of resources is not enough for a full implementation of PRSPs R1C2 Local stakeholders do not have the minimum expertise required to manage the programmes R1C2 Local stakeholders mismanage resources
C3 Coordination between central and local governments, INGOs, NGOs, communities and multi-lateral institutions and other donors ensures efficiency and efficacy during implementation	D1C2 Honduras achieved moderate coordination and efforts will be taken to improve it.	W1C3 Interests and objectives of the different stakeholders are aligned	Q1C3 There are overlapping activities between the different stakeholders R1C3 The stakeholders have contradictory objectives between them R2C3 Coordination fails

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7

Men as Partners' 'Ecological Approach' to Violence Against Women: A Means of Addressing Sexual Violence Among Black Youth in Low-Income South African Communities?

LARA JEAN COUSINS

South Africa is considered to have one of the highest rates of sexual violence in the world, with female youth between the ages of 12-17 being the most at risk (Petersen et al 2005: 1233). In particular, sexual violence among black youth in low-income communities is a significant problem, as it is a common feature among intimate relationships (Wood and Jewkes 2001: 326; Barker and Ricardo 2005: 22; MacPhail and Campbell 2001: 1623). The nature of the issue is complex, in that there are many interrelated factors that increase the likelihood of female youth becoming subject to sexual violence, and male youth becoming perpetrators (Petersen et al 2005: 1233). I will consider two key factors, namely the social constructions of masculinity, as well as the socioeconomic context of South Africa, and the potential of one intervention effort, the Men as Partners (MAP) initiative, to address them both. MAP is a multifaceted program geared towards working with men on a variety of issues related to sexual and reproductive health, among them men's responsibilities in ending violence against women (YouthNet 2005). MAP is described by its proponents as undertaking an 'ecological approach' in order to change the attitudes and behaviours of men, and engage them in promoting gender equity (Peacock and Levack 2004: 180). In the following paper, I will consider the value of undertaking a MAP-type approach towards sexual violence among black youth in low-income communities, as well as potential means by which the approach could be strengthened. Overall, though MAP is a notably holistic initiative, it simultaneously requires a broadening and specifying of its 'ecological approach' in order to increase the likelihood of success.

MAP was launched by EngenderHealth and the Planned Parenthood Association of South Africa (PPASA) in 1998, with the objective of addressing the nation-wide challenges of HIV/AIDS and violence against women. At the time, there was increasing recognition of the gravity of the issues, and of the role that social constructs surrounding gender, power and violence played in fueling them. MAP was thus created with a three-pronged purpose: to challenge the behaviours of men that put the health and safety of women, children, and men themselves at risk; to encourage men's involvement in ending violence against women; and to promote men's engagement in HIV/AIDS prevention, care, and support activities (Peacock and Levack 2004: 173-174). Using a human rights framework, MAP led participatory educational workshops with male groups and mixed-sex groups in a range of settings, such as workplaces, youth clubs, prisons, and community halls, among others. In these workshops, participants' views concerning issues such as gender roles, power dynamics, and stereotypes were explored with the purpose of changing attitudes, behaviours and social norms (Barker and Ricardo 2005: 66). At present, the programme has a vast range of partners, including multilateral bodies, government departments, national NGOs, and arts-focused programmes. MAP has expanded its activities to include not only educational workshops, but also initiatives to mobilize men in their communities; to work with the media in order to promote more equitable social norms; to develop closer partnerships with other NGOs; and to lobby for more governmental involvement in promoting male engagement (Peacock and Levack 2004: 175-76). Proponents of MAP have increasingly recognized the necessity of an 'ecological approach' in order to achieve sustainable change, which consists of 'addressing the multiple problems of (the individual) wherever they arise; in the family, the community, the health care and school systems' (Peacock and Levack 2004: 180). Thus, in terms of addressing sexual violence within relationships among black youth in low-income communities, MAP's approach could arguably be useful in a number of ways.

Firstly, different studies have shown there to be a connection between sexual violence among South African youth and perceived threats to upheld notions surrounding masculinity and the male role within relationships (Campbell 1992; Wood and Jewkes 2001; Petersen et al 2005). In these studies, male youth often associated 'masculinity' with exerting power, dominance and control within relationships. For example, in a case study of young black men in a working class Eastern Cape township, 'successful' masculinity was partially defined by male youth 'in terms of young men's capacity for controlling their girlfriend(s)' (Wood and Jewkes 2001: 324).

Young men alluded to how sexual refusal on the part of a female partner could be considered as a challenge to the male's power and control in the relationship, thus justifying for some male youth the 'taking' of sex, if necessary through force (Wood and Jewkes 2001: 327). Similarly, a case study of black youth in a low-income community outside of Durban also illustrated an understanding of sexual violence among male youth as a means of reminding girls of 'their place' if they were perceived as challenging male authority (Petersen et al 2005: 1238). Such a perspective was also voiced among female participants, one who explained that sexual violence exerted by male youth is 'a way to show the girl that she is still under their control. Boys like to punish girls' (Petersen et al 2005: 1238). Socially constructed ideas about masculinity can thus contribute to, and even legitimize, the practice of sexual violence in adolescents' relationships. As MAP's approach entails addressing the constructions surrounding masculinity, it could help undo the justifications for sexual violence. According to Dean Peacock and Andrew Levack (2004: 177-178), one of the issues that MAP workshops address is how trying to be a 'successful' man by exerting power and control may only give a fleeting sense of accomplishment, and may effectively result in men embarking 'on a futile and self-destructive quest to prove their manhood.' In effect, addressing sexual violence requires the development of 'more egalitarian and nurturing forms of masculinity' (Society for International Development: 4). MAP-type workshops could be one of the means of doing so.

In addition to addressing social constructions of masculinity, MAP situates its efforts at not only the individual but also the communal level. As noted by Inge Petersen et al (2005: 1234), recommendations for how to address the issue of sexual violence among youth have largely consisted of 'gender awareness programmes at the level of individual attitudinal change.' Community-based interventions, however, are increasingly recognized as necessary in order to address the social norms surrounding sexual violence, as ideas held among black youth concerning male dominance and control are often characteristic of their community at large. According to Catherine MacPhail and Catherine Campbell (2001: 1614), 'the complex nature of sexuality means that adolescents conduct their sexual lives through experiences and beliefs that have been generated through their membership of particular societies and communities.' Thus, to work with only black youth and not their communities as a whole could seriously undermine efforts aimed at challenging adolescent sexual violence, for any gains made could be lost once black youth return to their communities and everyday lives (Petersen et al 2005: 1245). In line with this understanding, MAP has conse-

quently striven to undertake action at the community-wide level, by implementing community education events, health fairs, and drama performances, among other initiatives. MAP has also developed Community Action Teams, which male workshop participants are encouraged to join in order to promote gender equity and well-being in their personal lives and in their communities, and to serve as a continued source of support for each other in their efforts to realize and sustain change (Barker and Ricardo 2005: 66). Thus, MAP does seem to recognize the importance of community-level prevention programmes, which is integral to addressing the issue of sexual violence among black youth.

Moreover, MAP's participatory approach could be of use for challenging sexual violence among black youth living in an environment of few employment opportunities and/or entertainment venues. As noted by Katherine Wood and Rachel Jewkes (2001: 318), poverty, unemployment, and in effect, boredom can 'contribute to young people investing substantial personal effort in the few areas where entertainment and success are achievable, most notably their sexual relationships. These become an important vehicle for gaining (or losing) respect and 'position' among peers.' Strong investments in sexual relationships may result in efforts on the part of male youth to start or maintain them at any cost, which could serve as a dangerous ground for sexual violence. Intervention programmes need to consider and address the social context of targeted communities (Strebel et al 2006: 527). MAP may arguably do so, as it stresses the participation and mobilisation of men as one of its goals, and thus may offer male youth alternative areas for social investment. It may provide leadership opportunities in the form of joining Community Action Teams, and participating in other efforts with partner organisations geared towards achieving gender equity (Barker and Ricardo 2005: 66; EngenderHealth 2008). By providing other means of social engagement and investment, a MAP-type approach may effectively help alleviate the pressure associated with the arena of intimate relationships.

What is also noteworthy about MAP's approach is that it is situated within the historical context of apartheid. According to Helen Moffett (2006: 129), 'contemporary sexual violence in South Africa is fuelled by justificatory narratives that are rooted in apartheid practices that legitimated violence by the dominant group against the disempowered.' She argues that just as white-on-black violence was one of the means by which whites reminded blacks of 'their place' under apartheid, sexual violence is one of the current means used to regulate women (Moffett 2006: 132). Moffett (2006: 138) considers there to be strong reason to believe that 'when women visi-

bly demonstrate a degree of autonomy or self-worth that men find unacceptable, they are perceived as sufficiently subversive and threatening as to compel men to 'discipline' them through sexual violence.' Within its human rights framework, MAP aims to make men aware of how contemporary gender relations strongly resemble the unequal power relations between whites and blacks under apartheid. According to Peacock and Levack (2004: 176), MAP 'draws the connections between sexism and racism and other forms of oppression and strives to get men to see the ways in which gender equality is a fundamental human right of comparable importance to those fought for during the anti-apartheid years.' MAP relates the issue of violence against women to a context that is familiar and understandable to most South African men, thereby bringing to light the inequitable and oppressive nature of the issue. Thus, not only does MAP situate its efforts within the historical context of apartheid, it also uses the context as something to learn from, thereby further strengthening the comprehensive nature of its approach.

Overall, MAP's approach could be effective in addressing many dimensions of the issue of sexual violence among black youth in low-income communities. Yet, the approach could be broadened in terms of a more explicit consideration of the social constructions surrounding femininity in addition to those surrounding masculinity. While the MAP programme works with men to 'challenge traditional gender roles and attitudes about 'what makes a man'' (EngenderHealth 2008), there is also a need to challenge ideas concerning 'what makes a woman.' In effect, the constructs of masculinity and femininity within patriarchal societies are inherently relational (Connell 2005: 68; Silberschmidt 2004: 242), entailing that they both have to be addressed simultaneously. In the studies of Wood and Jewkes (2001) and Petersen et al (2005), it was not the case that upheld constructions of masculinity in and of themselves contributed to sexual violence among youth, but that they were also dependent on a certain set of constructions about femininity. For example, in the case study of Wood and Jewkes (2001: 327), male youth's realisation of the socially valued aspects of 'masculinity,' namely power and control, was dependent upon their female partners' adherence to a certain definition of 'femininity,' where they were expected to demonstrate passivity and compliance. Assertiveness on the part of the female youth could thus threaten the position of the male youth, resulting in the use of sexual violence as a means of reasserting the male youth's power and control. Thus, as the constructs of masculinity and femininity are interdependent (Silberschmidt 2004: 42), challenging sexual violence among black youth requires that both sets of constructs be addressed.

Likewise, MAP's approach could be of greater use if it engaged more explicitly in work with women. Peacock and Levack (2004:178) make mention of how MAP undertakes workshops with 'mixed-sex' groups in addition to solely male groups, and that the workshops explore male and female perspectives on gender. The programme overall, however, appears to have a greater emphasis on working 'to increase men's awareness of the inequities that exist between men and women,' than on increasing such an awareness among women (Peacock and Levack 2004: 178-79). Moreover, on the EngenderHealth (2008) website, MAP is described as 'working with men to play constructive roles in promoting gender equity and health in their families and communities.' There is no clear mention of working with women along the same lines. It is important to consider that both men and women can uphold harmful beliefs about the nature and roles of men and women. In a study of black youth living in a township in the Durban area, female respondents largely perceived male violence and control 'as an undesirable, but quite unchangeable and inevitable aspect of male existence' (Campbell 1992: 626). Patriarchal norms, in effect, can exert considerable influence in the lives of both young men and women, entailing the importance of working with women in addition to men in order to challenge social constructs of masculinity and femininity. As noted by Gary Barker and Christine Ricardo (2005: 13), 'gender roles are constructed and reconstructed – and must be questioned – by both men and women.' Though increasing numbers of initiatives such as MAP have commendably acknowledged the importance of working with male youth on gender issues (YouthNet 2005), there is a need to engage both men and women in order to change what manhood and womanhood mean (Barker and Ricardo 2005: 13).

Not only could the MAP approach be broadened in some respects so as to effectively address sexual violence among black youth in low-income communities, but in some ways, it could also be more specified. Both the size and scope of MAP is increasing, in order to reach greater numbers of South African men (Peacock and Levack 2004: 181). MAP's effort to work with more men in order to achieve greater gender equity throughout South Africa as a whole should be lauded. There is a need, however, for a degree of caution concerning expansion. Though there may be ideas upheld by black youth in low-income communities about masculinity (and femininity) that resonate with the South African society at large, class and race dynamics add a particularity to it as well. Thus, different kinds of masculinities (and femininities) may coexist at a given time, entailing the need to avoid the development of a 'one-size-fits-all' model towards addressing social

constructions surrounding sexual violence. Gender, in effect, does not stand alone. As argued by R. W. Connell (2005: 75-76):

Because gender is a way of structuring social practice in general, not a special type of practice, it is unavoidably involved with other social structures. It is now common to say that gender 'intersects' – better, interacts – with race and class. [...] To understand gender, then, we must constantly go beyond gender.

While sexual violence is an issue that cuts across race and class in South Africa (Moffett 2006: 134-137), the latter are nonetheless important dynamics to consider in executing intervention efforts.

As noted at the outset of this paper, the incidence of sexual violence among black youth in low-income South African communities is by no means a simple matter. There are multifaceted reasons for it, entailing that any attempt to challenge sexual violence in a sustainable manner would necessarily have to be a complex undertaking. MAP's 'ecological approach' has a number of merits. Not only does MAP's approach entail challenging the beliefs held at both the individual and communal levels that perpetuate sexual violence, it also engages with the socioeconomic context of gender equity issues, integral to the sustainability of its efforts. MAP's approach could arguably be strengthened, however, by more thoroughly addressing constructs surrounding femininity in addition to masculinity, working with women as well as men, and recognizing the multiplicity and specificity of gender constructs. In effect, there is a need to take multiple issues into account in order to fully address the matter of sexual violence among South African youth.

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8

Two Cases of Smallholder Agriculture Development: Implications for Public Action from Spain and Peru

LAZAR KONFORTI

I. Introduction

The big ideas underpinning five year plans and the generic structural adjustment programmes that replaced them – ravaging people’s livelihoods, eroding capabilities, and enriching the few – were more like bulldozers the silver bullets some promised they would be. At the same time, basic-needs approaches and grassroots non-governmental organisation (NGO) and community-based organisation (CBO) interventions appeared like band-aid solutions in the midst of structural adjustment’s havoc. No wonder then that local economic development (LED), a relatively recent and still-evolving meso-level sub-discipline of development that studies emphasises livelihoods, institutions, locality assets, and innovation (Blakely 1989, Helmsing 2003) is looking increasingly promising.

Ominously casting its shadow over LED is globalisation, a force that simultaneously brings cutthroat competition and such interdependence that cooperation becomes inevitable. The institutionalisation of economic liberalisation in the form of the WTO and countless bilateral and multilateral free-trade agreements has significantly reduced the scope for policy to promote local development (Lall 2004). Yet at the same time, civil society movements like the World Social Forum, political commentators like Naomi Klein, and global initiatives such as the Millennium Development Goals have brought local concerns, basic needs, and participatory democracy to the fore of the development debate.

LED provides a framework that transcends this apparent dichotomy between global and local and proposes multi-actor, multi-level, and – ideally! – holistic and integrative solutions to pressing development problems. This essay will attempt to illustrate some of the major themes in LED through two case studies both involving smallholder agriculture yet interacting dif-

ferently with the international economy though a very different set of institutional environments. Section II briefly summarises the two case studies, one from Spain, the other from Peru. Section III describes the main themes concerning enterprise development while using the case studies to illustrate each theme. Section IV uses a livelihoods approach to assess the impact on community development and section V, the conclusion, attempts to draw some important lessons and implications for locality development initiatives.

II. Two Cases of Successful Smallholder Agriculture

Smallholder agro-export production in La Libertad, Peru

(Source: Helmsing 2007)

Identifying colonisation of marginal lands as a potential source of wealth, the Centre for Technology Transfer to University Graduates (CTTU in Spanish), a local NGO, sought to train underemployed urban university graduates in intensive horticulture techniques. The CTTU was able to secure access to land through government lobbying and the required technology, agricultural inputs, and a sales market by partnering up with a local socially-conscious lead firm, TAL S.A. To reach the minimum profitable scale imposed by infrastructure investment requirements, participants were grouped into associations that would manage the common assets. The CTTU also provided the technical training required to grow high-value cash crops (asparagus) that TAL S.A. had been experimenting with. Nearby agricultural producers found out about and became involved with the project by getting organised into associations whose sole function would be to facilitate the group learning process. International donors provided the startup funds and operational costs.

In the years that followed, the region witnessed a proper horticultural boom rising prices attracted larger firms to the marginal lands in La Libertad, emulating the part-plantation part-subcontracting model established by TAL S.A. and CTTU. Competition between the larger firms prompted CTTU members to end their exclusive partnership with TAL S.A. and set up a marketing cooperative to be able to bargain with the bigger players. Unfortunately, China's entry into the market in 1999 caused the world price of canned asparagus to plummet and many of CTTU's participants found themselves going bankrupt. Agricultural production in the area managed to switch to fresh asparagus, thanks in part to the presence of an exporting firm that was able to adapt its refrigeration technology to the needs of local producers. CTTU also encouraged crop diversification in order to minimise

risk in the future. The CCTU has since reinvented itself as an efficient incubator and provider of business development services.

High intensity horticulture in Almería, Spain

(Sources: Cantliffe 2003, Instituto de Estudios Cajamar 2004, Lluch 2000, Tremlett 2005, Ontiveros 2004)

Almería is home to 25,000 ha of greenhouses producing 2.5 million tonnes of vegetables annually. The greenhouses are relatively low-tech: three sheets of plastic providing light diffusion, thermal insulation, and resistance are held up by a specially designed but cheap metallic structure able to resist the region's strong winds. The vegetables grow on a three-layered artificial soil prepared from sandstone, organic matter, and limestone, held in simple plastic garbage bags and watered by computerised drip-irrigation (essentially the only high-tech component of production).

These used to be marginal and arid lands devoted mainly to subsistence farming if in use at all. Throughout the 60s and 70s, the National Colonisation Institute (INC in Spanish) undertook a wide-scale redistribution effort (still today production units average 2.5-3.5 ha) and undertook wide-scale infrastructure investments. The experimentation that led to today's greenhouses was an indigenous undertaking and spread rapidly in part to the establishment of a regional rural development bank (Caja Rural) that made investments possible. Producer co-operatives facilitated group learning and the spread of up-to-date technology. When Spain opened up to the European market, giving Northern European retailers access to considerably cheaper Spanish produce, the co-operatives became a vehicle protect smallholder bargaining power when dealing with wholesalers as well as at the parallel spot auction system. The smallholders of Almería have gained considerable prosperity but environmental degradation and public health concerns have been raised over the intensive use of agrochemicals while the dysfunctional social integration of migrant North African labourers has led to social unrest.

III. Main themes in Local Development

The primary concern of local economic development is arguably enterprise development. This is not out of some disdain for social issues but rather a recognition of the fact that one must first bake a pie before worrying about who gets a piece. The whole development process is thus contingent on local enterprises gaining competitive advantages that will generate new wealth. What's remarkable about the two cases under examination is that

neither location at the outset possessed hardly any of the 'traditional' sources of comparative advantage. Both cases are marked by a harsh climate and unproductive soils, unskilled and/or underemployed labour, physical and institutional separation from relevant markets, unremarkable entrepreneurial tradition, and an almost non-existent capital market.

Both cases actually owe their success to the institutions that allowed them to access markets, technology, skills, and credit. Institutions, perhaps the cornerstone of the LED approach, are sets of rules and norms without which 'production and exchange could not occur as self-reproducing phenomena' because of capitalism's 'inherent predicaments at the level of collective action' (Scott and Stroper 1990: 16). The 'right institutional environment' can 'regulate, spread information, reduce risks, and in general contribute to lower transaction costs' (Helmsing 2003: 67). Local development initiatives should thus aim to build an institutional environment that will enhance local capabilities, generate externalities, and promote learning such that local actors can take care opportunities that arise and minimise threats. This section examines how certain institutions, whether spontaneous or the result of a deliberate intervention by a third party, have contributed to local development.

Territorial competitiveness: technology, labour skills, and the physical environment

In both cases, the quality of the land and technology are intricately linked. The Instituto de Estudios de Cajamar (2004) argues that it was precisely the poor quality of the land in Almería that made high-yield intensive agriculture so attractive in the first place; it was a survival strategy turned into a source of wealth. The advent of computerised drip irrigation and three-layer artificial soil made water scarcity and unfertile soils into a non-issue while the pergola greenhouses harnessed the only beneficial natural resource (3000 hours of annual sunlight) to create a year-round spring-like microclimate perfectly suited to horticulture. In Peru, it was the local lead firm's serendipitous relationship with an experienced Israeli water engineer that made colonising the desert possible.

Additionally, both cases illustrate the use of local institutions to spread information and technical knowledge. In Almería, this was done through the producer cooperatives while in Peru training was initially the principal function of the CTTU. A relatively unskilled labour force comprised of subsistence farmers thus turned into a specialised force of knowledgeable farmers. This would prove important in solving moral hazard and adverse selection problems later on.

The INC's role in building infrastructure also merits emphasis. It solved a classic case of market failure – landlords did not find the impetus to act collectively to build infrastructure – where a public institution can provide the impetus for action that will benefit the collective whole in the long run.

Market Failure

New Institutional Economics highlights the shortcoming of the price system when imperfect information causes transaction costs to rise to a level that effectively prohibits market transactions (Hoff et al. 1993). Transaction costs due to imperfect information can arise in two ways: adverse selection and moral hazard. Adverse selection happens when one of two economic agents does not have information about the intrinsic qualities about the goods on the market or about the other agents themselves. A practical manifestation of this is venture capital lending. Because there is no collateral, the lender must be sure about the feasibility of the project under consideration. This is often the case in agricultural markets where formal lending institutions simply do not have enough incentive to lend to high-risk/low-return projects led by smallholders and it was indeed the case in both Almería and La Libertad.

In Almería, it was the establishment of the Caja Rural, a public rural development bank, that created a functioning capital market. The Caja Rural's advantage over formal lending institutions was that it exclusively focused on rural development (whereas the expertise of commercial banks lies in higher-value activities) and that, as a public institution, it was only expected to be solvent (not to compete with commercial banks for high profits). In Peru, the CITU acted as a venture capitalist, acquiring various assets from the 'investors' (here used in the social sense since these were not profit-driven investments but socially-minded donations and concessions) and channelling them to smallholders. The CITU's acted as the guarantor (by providing training and supervision) and made this social 'investment' less risky. Interlinkage of credit and goods markets, i.e. offering future output as collateral for a loan in kind, is another common way to overcome adverse selection. The CITU, acting as a liaison between smallholders and TAL S.A. helped spread the information necessary to create such interlinkages.

Moral hazard arises when an economic agent is not required to bear the full risk of a given economic transaction and thus has less incentive to follow the terms of a contract. The classic example is rural wage labour. As landlords generally do not have the time or will to supervise their workers on large and distant swathes of land, workers earn a fixed wage regardless of effort, letting the landlord bear the costs of reduced productivity. This prob-

lem can be overcome by sharecropping (Cheug 1969) or subcontracting (Klein 2005) where the worker's earnings are proportional to total output. Subcontracting however requires that the buyer be convinced of the seller's capability to produce the specified goods. In Peru, it was the CITU commitment to training smallholders that made subcontracting attractive to TAL S.A. and later other firms.

Clustering and agglomeration

According to Porter (1998), clusters – territorially defined zones with unusually high concentrations of firms in a particular sector – can simultaneously promote healthy competition and mutually beneficial cooperation. More precisely, they enhance productivity, accelerate the rate of innovation and spur new business development. In both cases clustering effects were felt. In Almería, the INC's land distribution and infrastructure investment created a veritable cluster out of a desert. When the cluster started booming in the late 80s, its sheer size brought seed and agrochemical companies to the area. In fact, most international seed companies thought the cluster was important enough to warrant opening experimental stations. This generated significant technological externalities for the individual firms in the cluster. Critical mass also led to the establishment of a seedling nursery was also established, virtually eliminating all risk of disease.

Unlike the INC, the CITU cannot be credited with creating a cluster in La Libertad. It was soaring asparagus prices that brought agro-industrial firms to the area. However, it was the CITU that enabled smallholders to benefit from the cluster that was forming around them. As demand for subcontractors increased, CITU participants decided to end their exclusive relationship with TAL S.A. and form a third-tier commercialisation association increase bargaining power vis-à-vis the other firms. Without the social capital generated by the CITU, it is likely that the large companies would have found it easy to play divide-and-rule with the smallholders.

Integration into the global economy

Dependence on the global economy is a contentious issue amongst both academics and practitioners. In discussing foreign direct investment, Lall (2004) argues that the ability of a local economy to truly benefit from the global economy depends on local capabilities. Studies of global value chains have also stressed how weaker players with low asset levels can end up being captive to larger players (Gereffi et al. 2005) who can systematically undermine the long-term development of smaller firms (Talbot 2002, Schmitz

and Knorringa 2000). Furthermore, Kaplinsky (2000) argues that rent seeking by larger players leads to the principal driver of unequalisation within the global economy.

As local demand for horticultural products rarely reaches critical scale, smallholders needed access to global demand and in both cases local institutions were the vehicle. Producer's cooperatives have always been the main marketing vehicle in Almería while in La Libertad the CTTU established the relationship with TAL S.A., which essentially acted as a window into the global market.

In both cases, institutions also played a key role in enhancing the capability of smallholders to benefit from this integration. By increasing smallholders' bargaining power, cooperatives such as those in Almería and La Libertad have a pro-competitive effect that reduces opportunism by larger players (Develtere and Pollet 2005). More recently, Almería's cooperatives have been involved in branding local products in order to increase name-recognition rents.

While Almería's smallholders have thus far benefited from the European market (year-round production and low costs are an offer Northern European buyers can't refuse), Peru's asparagus growers were not adequately insulated from fluctuations in the world economy like the 1999 price shock that drove many of them into bankruptcy. Nevertheless, smallholders' integration to the local cluster proved beneficial as the local output was high enough to draw the interest of Maersk, the exporting firm that provided the refrigeration technology needed for the switch to fresh asparagus production. CTTU has since encouraged crop diversification to reduce vulnerability to external shocks.

IV. Local livelihoods and community development

The ultimate goal of all local development initiatives ought to be improving the quality of life of local residents. Though the main vehicle for such improvements may be the development of local enterprises, the effect is not automatic. In this section, I will use a livelihoods approach as outlined by Gordon (1999) to ascertain the enhancements in asset ownership and how institutions have turned these assets into capabilities and livelihood outcomes. Because the local development literature still uses the firm as its focus of analysis, there is a pronounced lack of livelihood impact studies. Due to lack of information, this section will be brief but hopefully informative.

Natural Capital. In both cases, the relatively poor natural capital (arid conditions, lack of water resources) was turned, thanks to technology and

public action, into a source of wealth. However, environmental groups in Almería complain that lax enforcement of environmental rules and regulation has resulted in contamination of the local water supply. Medical staff at the local hospital have noted higher incidence of certain cancers and disorders which they suspect are caused by careless use of agrochemicals. No such reports have come out of La Libertad, though it is something to watch out for in the future.

Social Capital. In both cases smallholders have gained become integrated into the global production system while being protected them from opportunism. However, have been episodes of social unrest caused by appalling working conditions and dysfunctional social integration of North African labourers in Almería. Thus far, there were no negative social events in La Libertad. One of the major agro-export firms in the area, Danper S.A., has actually received an award from a national radio station for the human development projects it has been sponsoring in the area.

Human Capital. Smallholders in both cases have unequivocally benefited (improved skills and capabilities) from the institutional environment (producers' cooperatives in Almería, CTU in La Libertad).

Physical Capital. The INC's work in Almería has created a successful yeoman peasantry and the Caja Rural has resulted in productive capital investments (greenhouses and drip irrigation) that have increased the value land assets. In La Libertad, the diagnosis is mixed. Some urban participants have gained land during the asparagus boom and then lost it during the price crash. Of greater concern are the landed rural participants who lost their land during the crash.

Financial Capital. Thanks to the Caja Rural and to the 'guarantor' role played by the CTU, smallholders in both areas have gained access to credit that they otherwise would not have had. In both cases smallholders saw their earnings increase substantially. It is only during the price crash of 1999 that CTU members saw net financial losses and bankruptcy.

The overarching concern of the livelihoods approach is how these assets reduce vulnerability. As mentioned several times already, the asparagus farmers in Peru were exposed to high vulnerability by being encouraged to grow a single cash crop. In Almería, no such disaster has occurred but plans to replicate the Almerían model in Agadir, Morocco, where labour is cheaper, is a serious threat given the number of Moroccan labourers who have learned the tricks of the trade as migrant labourers in Almería.

Despite the overall positive picture in Almería, the environmental degradation and social malaise in Almería cannot be understated. While ballooning smallholder earnings have created prosperity in the towns, migrant la-

bourers are living on meagre wages and in squalid conditions somewhere in the vast plastic-covered fields. Spanish and European immigration laws make this situation possible and physical separation is creating an atmosphere of inter-cultural mistrust.

V. Conclusions: Implications for Policy

Can any lessons be learned from these two cases? They appear very similar in many ways, but some distinctions ought to be made. First, only Almería was marked by widespread government intervention in the form of the INC and Caja Rural. The rest of the story is a case of spontaneous development: producers' cooperatives, complementary businesses, and interest from Northern European buyers. Second, the La Libertad case shows how active efforts by an NGO can help weaker players successfully (price crash notwithstanding) integrate themselves into a booming cluster. Without the CTTU, the smallholders may have ended up as wage labourers, earning considerably less. Together, the cases illustrate how the stage can be set for a boom to take place and how smallholders can be empowered to take part of this boom, thus ensuring even development.

The remaining question is can either of these models, or both together, be replicated? The Instituto de Estudios Cajamar (2004) points out that 'many countries do not have nearby solvent markets with sufficient purchasing power and the necessary infrastructure to make the transportation and access profitable' (p.2). But Almería lacked both of these characteristics until the INC made the necessary infrastructural investments and Spain joined the European market. It is a perfect illustration of what can be achieved if local capabilities create enough absorptive capacity to benefit from economic liberalisation. However, countless examples can illustrate what happens when a region is not ready to face liberalisation: devastation of local livelihoods, loss of food sovereignty, immiserising growth, etc. This is why it is crucial that local governments be protected from the current wave of economic liberalisation – something India in particular has been very vocal about at the WTO (Jawara and Kwa 2003) – and retain their capacity to direct development policy.

In fact, it is crucial that they be given more power to set the right institutional environment, like the INC and Caja Rural in Almería, and to fund local actors like the CTTU in Peru who can ensure egalitarian distribution of the gains of development. However, local governments should not attempt to recreate identical institutions in shape and form. Rather, it is important to analyse the underlying issues and obstacles to development as outlined in

Section III and think creatively about how institutions can deal with these problems. From the livelihood analysis in Section IV, we can see that local governments and institutions should not focus only on enterprise development. Environmental, social, and vulnerability issues need to be addressed if development is to be sustainable. This can be done by simple things like enforcing environmental laws, agreeing on labour standards, and promoting diversified crops. Focus, creativity, and flexibility are essential, otherwise we are all doomed!

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9

In Defence of Neo-Liberal Incrementalism: The Case of Groundwater Markets in Bihar, India

AMRITA SHARMA

There has been a spate of attacks on the World Bank document for future development strategies in Bihar,¹ branding it as neo-liberal, prescribing incremental measures for agrarian revival in the state. The key argument forwarded by the critics is an altogether dismissal of deep-rooted power structures by the policy-makers which invariably result in a skewed benefit distribution. Wilson (2006) criticises the neo-liberal prescriptions such as facilitation of the tube-well revolution in the region and provision of infrastructural support [better electricity provision] from scholars such as Shah, Vallabh [1997] and Kishore [2004] as piece-meal and incremental; efforts which do not challenge the dominant power structures and ask for resource redistribution. She critiques such ‘machine reforms’ branding them as ‘the favoured neo-liberal model for the empowerment of the poor which focuses on individual improvement rather than collective transformation [read land reforms]’. This essay engages with such critiques of market-driven solutions for agrarian revival in the context of rural Bihar; while doing so it also brings in evidence to show how these machine reforms have also been effective to bridge the divide between the haves and have-nots.

¹ Bihar is an eastern Indian state, deriving its name from “Vihara” i.e. a Buddhist monastery. Once popular for being the birth place of Ashoka and Buddha its current claim to fame is its miserable performance on all development indicators. However, after the fall of a retrogressive government [which earned Bihar the worst records ever on poverty, illiteracy, violence and corruption] there are fresh efforts to bring the economy back on track. The region has also come to receive international attention as the regime change made it to the cover page of the magazine with a title “India’s Bihar votes for Change” [*Economist*, 2005].

The Context and the Discourse

Eastern India, a region characterized by low agricultural productivity and backwardness has been at the heart of intense debates on agrarian structure and rural poverty in India for long. As Palmer Jones put it, (cited in Mukherji, 2004a) three types of diagnoses have been offered for the problem – the agro-ecology (the region is susceptible to high frequency floods), agrarian structure (typically related to unequal land ownership) and finally the gradualist public policy in the region – euphemistically called floods, feudals and the Fabians. These factors were said to be impediments to the transition of Bihar’s agriculture from semi-feudal to capitalist [Patnaik 1987 cited in Kishore, 2004]. However, after a century-long stagnation, agriculture in the region saw a revival. In the 1990s the agricultural growth rates in eastern India surpassed the national average (Saha and Swaminathan, 1994, cited in Mukherji, 2004a). The revolution was triggered by shallow tube-well technology and proliferation of groundwater markets across the region. Henceforth, several authors have been pushing the thesis that groundwater is the key to unleashing agricultural potential in the region and the best way to do so is to support private initiatives through better infrastructure such as good quality electricity provision and well directed subsidies to the poor. Authors such as Shah (2005) have posed a great faith in the *Swayambhoo* or self-emerging alternatives especially the institution of informal water markets² which have made irrigation accessible to the poor and have been more egalitarian compared to any other policy intervention taken in this regard [for instance, heavy investments on surface water infrastructure].

It is this trust in the ‘transformative power’ of markets that has come under severe criticism from several quarters. Mukherji [2007] in her doctoral work on groundwater markets in West Bengal charts the different discourses which have emerged in the field of groundwater markets. She categorises them in four strands – the neo-classical approach, the new institutional approach, the approach of economic sociologists and finally the Marxian political economists. The Neo-classical economists are interested in understanding the functioning of water markets and devising indirect tools to influence the behaviour of water sellers. The new institutional economists’ aim is to understand contracts in groundwater markets and why is one preferred over the other. The economic sociologists have a very different take, they explore groundwater led agrarian transformation through the

² Informal groundwater market or pump rental markets is an all-pervasive agrarian institution in South Asia. It is an arrangement whereby the owner of a pump sells water for a consideration-generally pecuniary [Mukherji, 2004].

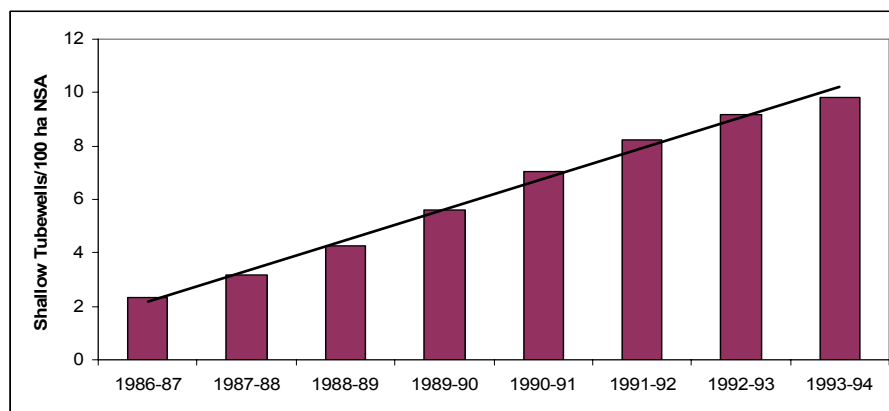
lens of village history, politics, institutions and the socially embedded nature of transactions. The most critical of all these discourses, the Marxian and Neo-Marxian political economists, challenges the dismissal of local power relations and emphasizes analysis of class relations among participants in the market.

In the study of water markets, one enigma which has troubled scholars is the uneven impact of the phenomenon across the three East Indian states. Out of Uttar Pradesh, West Bengal and Bihar, Bihar has been the hindmost in actualising benefits from the boom. This difference while dampening the rhetoric also provides fertile ground for debates among the scholars. Wilson (2006), a Marxian, takes on the champions of groundwater markets by pointing out how the cereal yields have continued to stagnate and growth potential has remained constrained even after the so-called tube-well revolution in Bihar. The major explanation to the problem that has emerged is the high diesel costs accompanied by poor electricity provision which have together stifled agricultural entrepreneurship. The solution according to the proponents, thus, lies in better energy or electricity provision to operate the groundwater extraction structures. The critics, however, are of the opinion that all these solutions in a classic neo-liberal fashion ignore the analysis of deep-rooted power structures and relations of production which finally determine the outcome of the process. The problem, according to the critics lies in the attempts at (1) reforming the state without transforming the structures of social and economic power and relations of production which underpin it and (2) focus on 'machine reforms' at the expense of land reforms (*ibid*). The contention of the essay is that in view of the given context and the difficulties in challenging the existing power structures, the technocratic reforms have been more than just effective in triggering agricultural growth in the region [though the potential is far from realised] and have also had a favourable impact on the resource-poor. In the next two chapters I try to engage with the machine reforms versus the land reforms [the favourite panacea of the critics] debate followed by evidences on the transformative impact of groundwater led agricultural boom on production relations. To clarify, the reason for branding the debate as machine reforms versus land reforms is because in the given context, land reforms have been the popular tool/recipe to alter the existing power relations and reduce the stronghold of dominant power structures, who were invariably found to be high caste and large landowners. This debate helps us put both sides in proper perspective, in the end also telling us of the 'solution vacuum' that the critical discourse suffers.

Machine Reforms versus Land Reforms

Kishore (2004) defines machine reforms as an attempt 'wherein the government helps the resource-poor farmers and land-less labourers to get ownership of agricultural implements so that the inequity in landholdings could be compensated by equity in access to groundwater and technology.' 'In the modern land-saving, input-intensive agriculture, access to capital holds the key to agricultural growth while land has become less important' [Shah and Ballabh, 1997]. In the capital-starved region of eastern India machine reforms appear to be the solution. As per the proponents it 'can bulldoze the ossified agrarian structure and unfold a new era of rapid agricultural growth with relative equity and reduced poverty (ibid).' In other words, it suggests a government supported (and subsidized) capital formation with special targeting on poor and landless to bring about the change.

Figure 1
Growth in Shallow Tube-well Density in Bihar



Source: Minor Irrigation Census of India (1993) cited in Kishore (2004)

The growth statistics of the shallow tube-wells in the region is a telling evidence of the merit seen in the technology by farmers- both big and small. Figure 1 shows how within a span of less than 10 years tube-well density grew by four times. Some primary surveys show that in some regions the trend has continued at an even faster pace [Ballabh et al, 2002]. The growth of groundwater markets has been both in terms of breadth and depth. In a primary study covering 8 villages, the percent of irrigated area served by wa-

ter markets ranged from 23.5 per cent to as high as 90 per cent (Mukherji, 2004a). Several farmers in north Bihar are pumping more to sell water than for self-cultivation, becoming more 'businessmen than pure farmers' (ibid). All this dynamism triggered by the groundwater markets has had a positive impact on productivity and cropping intensity. In several areas, it has led to higher employment generation and in regions of water logging it has helped stabilise water levels (ibid).

The critics, question the ability of these market-based reforms to bring in equitable growth. The main thesis of the critics is that these groundwater markets are socially embedded and far from being context-neutral. Using detailed village studies (Wilson, 2002) shows that inequities have exacerbated after the machine distribution as the dominant landlords continue to usurp the benefits. Authors such as Woods and Adnan (cited in Mukherji, 2004a) speak of water-sellers as water-lords dictating terms to the buyers. Kishore (2004), however, refutes these arguments saying that this does not appear to be the case everywhere. He finds tube-well ownership much more egalitarian [especially when compared to land ownership] and hints at the potential it might hold in giving the resource-poor farmers the much needed fillip in improving their agricultural performance.

How machine reforms have been more egalitarian

One of the greatest merits of the machine reforms have been its egalitarian nature i.e. an equitable access to technology to all classes of farmers. Starting from being a hegemony of large and high caste farmers (Fujita and Hosain, 1995 cited in Mukherji, 2004b) tube-well technology soon became more diffused in ownership. Kishore (2004) shows using the minor irrigation census of 1992 that 76.67 per cent of all shallow tube-wells in Bihar are owned by small and marginal farmers which is much more than their share in cultivable land. Table 1 gives more data, obtained from a primary survey which corroborates the above observation. It is interesting to note that a large number of these farmers, who are unable to make their pump investment viable through irrigation in their own plots, sell water to neighbouring fields. Water selling has become a widespread phenomenon and several of the new pump-owners resort to the practice which provides them additional source of income. Pant (2004) from his study of villages in UP concludes that the smallest farmers with landholdings up to 0.4 ha have been the biggest beneficiaries of ground water markets as about 60 per cent of them irrigate their crops using water purchased from the owners of private water extraction devices and not the public tube-wells.

Table 1
Ownership of Pump-sets across land classes

Location*	Large (>7.5 acres)	Medium (2.5 to 7.49 acres)	Small & Marginal (0.01 to 2.49 acres)	Total No. of Pump- sets
Maharajganj, UP	21.50	41.25	37.25	51
Azamgarh, UP	34.93	31.74	33.33	63
Muzaffarpur, Bihar	4.75	41.85	53.40	43
Purnea, Bihar	15	34	51	47
Bardhaman, WB	3.13	68.75	28.12	32
24 Parganas, WB	0	100	0	2
All	18	41.6	40.4	238

Source: Ballabh et. al. cited in Mukherji, 2004b

The flawed proposition of land reforms

In this section, we concentrate on the proposition of the critics – land reforms as a pre-requisite to agricultural growth in Bihar. The argument against land reforms could be broadly put under three categories – the ineffectiveness of the proposition, changing realities and finally political difficulties associated in its implementation. First of all, there are views that in an over-populated state such as Bihar with the density reaching 880 persons per sq.km., land redistribution to solve problems of rural poverty might not be effective. Land is in short supply and reforms will have to be achieved by enforcing extremely low land ceilings which cannot be justified on any sound economic considerations [Dandekar and Rath cited in Kishore, 2004]. Indian farming system has long been diagnosed as ailing because of the phenomenon of ‘uneconomic cultivator’ (Dantwala and Donde, 1949) and land reforms would only exacerbate the problem.

Another argument hinges on the changing rural realities which have come to show that more than land reforms what one needs in the region is water reforms. Hayami (cited in Kishore, 2004) says that land reforms are not useful until the returns to labour on land are high and thus land augmenting techniques through investment in irrigation are more prudent. Further, land is no more the constraining resource and is not as critical as it was in the past. It is noticeable how some authors equate this change to a paradigm shift from land to groundwater. Water is much scarce and thus ownership of water has become more critical. There is widespread following of

land in Bihar in the wake of high diesel costs and no electricity to run the pumps for irrigation [Islam and Gautam, 2007]. Also, as we mentioned earlier, ownership of water extraction resources at some places has enabled marginal farmers to compliment their income sources through water selling.

In addition, the 'do-ability' argument and political difficulties associated with implementing land reforms still remain. Among all Indian states, land reforms have been the worst failure in Bihar and it is no surprise that the state has almost given up on this project of land reforms. Wilson [1999] informs that till 1976 only 3 per cent of the total cultivated land was reported to have been consolidated and the land consolidation department has now been formally abolished in the state. The state has seen prolonged and bloodied movements against rich and high caste landlords and the dominant power structures inspired by Maoism and the Marxist-Leninist thoughts. However, to many these struggles have brought more evil than good and one can sense a rabid haste among people to sever themselves from the unpleasant past as if it never existed.

The true transformative potential of groundwater markets led dynamism

In contrast to the land reforms, machine reforms seem to be closer to achieving the said objective. Pant's (2004) re-survey in eastern UP shows that there have been significant changes in the time-span of 20 years with respect to the socio-economy of the region and the face of rural elite. In the beginning i.e. during the 1980s, there was a high and positive relationship between ownership of water extraction devices with high caste and class but in the repeat survey he found that the trend had changed altogether. The high caste supremacy in terms of ownership of modern agricultural equipments was increasingly challenged by the backward castes who were surging ahead in the ownership.³ Further, he notices that among all categories of

³ Apart from the agricultural dynamism largely facilitated by the informal groundwater markets there are several other important reasons for this change. Pant (2004) says that the backward castes represented by Yadav, Kurmi, Koeris in eastern UP and the Jats and Gujjars in western UP are a sturdy group of hardworking cultivators who have capitalized on the opportunity and have been the biggest beneficiaries of Zamindari abolition. Through political maneuverings, given their size and affirmative action through reservations, they have also asserted themselves as the new rural elite. It has been a mix of new found economic opportunity and political activism of the backward castes that has helped change the power structures in these villages.

farmers, the ones belonging to the class of more than 1 acre and less than 2.5 acres were 'active farm leaders in all agrarian enterprises and more often than not belonged to a backward caste'. They are the new rural elites, Pant commented.

Concluding Remarks

'Production generates the capacity to exercise power, but power determines the manner in which production takes place.' (Robert Cox, 1985)

The critic's account of the phenomenon hinges on the second part of the citation, in this essay however, I wanted to revisit its first half i.e. production is the key to access power and also alter existing relations to power. The criticism for so-called neo-liberal transplantations/prescriptions for not incorporating context-specific variables, in specific the politics is common knowledge. What the essay tries to show is that in cases where challenging the existing power structures is difficult (and sometimes also not effective), the incremental technocratic measures could be more appropriate instead and also give the desired results. The case of groundwater markets is a good illustration of the potential of machine reforms to unleash agricultural capitalism in a region and benefit poor and marginal farmers as well.

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10

Deregulation and the Global Market Revolution: Counter-narratives and counter-arguments

JUAN BALTASAR MEJIA DELGADO

...liberty may be endangered by the abuses of liberty as well as by the abuses of power. (James Madison, *The Federalist*, no. 63)

Why to analyse a speech in the first place? Why to analyse a speech given by Frederick Smith -a recognized CEO- and sponsored by a think tank like Cato Institute? A key assumption of Discourse Analysis approaches is that human reality is socially constructed and reproduced (Yanow, 2008). Discourses are the pipes leading behavioral messages to society fueling perceptions, behaviors and the underlying systems or structures that create and reproduce human reality.

A speech is such a behavioral message impacting in people's minds, leading individual and social behaviors and creating social reality. The more the authority (ethos) of the speaker, the more appealing to feelings (pathos) in his/her words and the more power in his/her arguments (logos), the more the impact of the speech in shaping human reality. This is why I am analysing a speech given by a powerful person and sponsored by an influential institution.

In this paper, I am claiming that Frederick Smith uses his authority and to a lesser extent pathos elements to tell the story of globalization from a neoliberal/libertarian point of view and then he uses arguments to convince his audience to support Cato Institute, contributing to the reproduction of social reality; and because this reproduced reality contributes to denied basic human rights of the poor, counter-narratives and counter-arguments can contribute to change it.

My conclusion comes out after choosing discourse analysis methodologies (section I), contextualizing the speech (section II), applying the meth-

odologies to analyse the speech (section III), and developing the counter-narratives and counter-arguments (sections IV and V).

I. Methodological comments

The Speech's analysis is focus on the text (microanalysis) and in both its social construction and its power and political features. According to Gasper (2008, 3) the application of argumentation analysis is the methodological choice for this kind of analysis. Additionally a strong focus on texts fits with social linguistic analyses approaches such as rhetorical analysis -and narrative analysis.

Precisely, for the analysis of Frederick Smith's speech, I am using argumentation analysis, in specific a modified version of the SGTG format (Gasper, 2002), in combination with rhetorical analysis (McCloskey, 1994) and narrative analysis (Roe, 1991, 1995).

Framing the text is a pre-requisite for the argument and the rhetoric analyses. The result was section II below – contextual frame- that includes: Smith's relevant biographical data, Cato's Institute background, context of the speech and audience.

Working with the SGTG format I followed Scriven's steps for argumentation (Scriven, 1976, 39; Gasper, 2000, 9-11), but then my analysis table¹ is an adaptation from the original version, since the first column is for the basic rhetoric elements: ethos, pathos and logos. And those three elements divide the table in equal number of parts. Each part identifies units of analysis (statements) for any of the basic rhetorical elements; then, the table has the other two additional columns –as in the original version- one for comments on meanings and style and the last one for conclusions and assumptions, stated and unstated.

As a consequence of the methodological variant, there is overlapping between the different fragments (e.g. one fragment can be in one or more of the three parts in the analysis table) but not analysis repetition. I did it that way to analyse separately the ethos, pathos and logos features of the speech.

The synthesis table has also three parts corresponding with those elements, but with the original structure of four columns (Claims, Data, Warrants and Qualifiers and Rebuttals). Given the length of the speech, there are intermediate conclusions stated and unstated, that are the assumptions of the main claims. This pattern can be appreciated in the full version of the synthesis table in Appendix 3.

¹ See Appendix 2 to find the Analysis Table.

In addition to the modified SGTG format and rhetoric analysis tools I used Roe's concepts of narratives and counter-narratives (1991, 288,290) to complete the analysis, given that my objective is to look at the speech's arguments and narratives and formulate counter-arguments and counter-narratives. Furthermore, I include a table with the tropes found in the speech specifying: the fragment containing the trope, its meaning and type².

II. Contextual frame

I'm analysing the speech 'Deregulation and the Global Market Revolution'³, whose speaker is Frederick Smith, a U.S. citizen born in Mississippi in 1944, entrepreneur, founder, owner and CEO of FedEx Corporation, a global transportation and logistics holding company (Business Week, 2005,1) with \$30 billions in revenue and more than a quarter of million employees in 2005 (Smith, 2006,1). Chief Executive Magazine named Smith 'CEO of the Year' in 2004; FedEx was the first service company to win the Malcolm Baldrige National Quality Award in 1990, and FORTUNE Magazine ranked it between the most admired and biggest U.S. companies (FedEx, 1995-2008, 1).

The genesis of FedEx was a paper he wrote for an economics class when he was doing his BA in Yale in the early 1960s. Then, he joined the U.S. Marine Corps in 1966, fought in Vietnam and received many honors like the Silver Star, a Bronze Star, and two Purple Hearts. In 1970 'Upon returning to the United States in 1970, Smith decided to revisit the idea he had written about in his economics paper. The need to create something was also spurred in part by his time in Vietnam. As he later told an interviewer, 'I got so sick of destruction and blowing things up ... that I came back determined to do something more constructive' (Current Biography Yearbook 2000)' (referenceforbusiness.com, 2007, 1).

The data collected indicates that Frederick Smith is a sharp executive, an innovator, promoter of deregulation and a patriot. In short, he is a sort of business guru/hero.

Smith is also a member of the Cato Institute, a right wing think tank (People for the American Way,2006,1) in Washington D.C., founded in the

² Appendix 4 contains the table of tropes. Even when Smith uses many tropes in the speech most of them are not relevant. But the exceptions are explained in the different parts of the paper (e.g. the trope he uses in reference to the lobby activities of enterprises – [enterprises] 'play the game'- that is explained in parts III and the last part of section V.

³ The entire speech is reproduced in Appendix 1.

1970s by Edward Crane -who is its president- supported by businessmen and big companies. Its principles are individual liberty, free markets and peace. In Cato's official web page its mission says:

The Cato Institute seeks to broaden the parameters of public policy debate to allow consideration of the traditional American principles of limited government, individual liberty, free markets and peace. Toward that goal, the Institute strives to achieve greater involvement of the intelligent, concerned lay public in questions of policy and the proper role of government. (Cato Institute, 2008)

The speech was given during a 'meeting of Cato Benefactors in 2005' (Smith, 2006, 1) with the purpose to raise funds and strength Cato's support. Then, it was published under the pamphlet 'Cato's Letter'⁴ in the fall of 2006 with the purpose of spreading the values, principles and ideas supported by the Institute.

The audience of the Speech and Cato's Letter are different. The audience of the speech was a limited number of people, presumably businessmen and executives of big corporations (People for the American Way, 2006, 1). The audience of Cato's Letter is a wider network of Cato members, supporters and right wing oriented people.

⁴ The title of the pamphlet is very significant because Cato Institute was named for a series of tracts called "Cato's Letters". The Institute proclaims these texts as catalyst of the American Revolution (*People for the American Way*, 2006, p.1).

III. Analysis of the speech: ethos, pathos and logos - arguments and narratives

Ethos

Synthesis Table

Frederick Smith proposes that (Claim)	Given that (Data)	And given the principle that (Warrant)	Unless (Qualifier or Rebuttal)
UCES2a Main ethos claim. [Frederick Smith has the authority to speak about liberty both to Cato's benefactors and to a broader audience of Cato supporters and sympathizers]	ES2 Frederick W. Smith is chairman, president and chief executive officer of FedEx Corporation. He is a member of the Cato Institute's Board of Directors ES9 I spent almost five years in the U.S. Marine Corps. I had the great privilege and honor in the Marine Corps of being a platoon leader and a company commander. I spent two years in Vietnam. And so I was one of the guys in Vietnam who were like the guys that George Bush has sent to Iraq today	UCES2b [Because Smith is a successful businessman you (the audience and Cato's Letters readers) should listen to him] UCES4 [I'm (Smith) a competent executive] UCES9 [Nevertheless I'm a rich businessman, I was a soldier, I fought for my country and I understand the soldiers combating in Iraq today] ESC4 Frederick Smith is responsible of FedEx's success	QEC Frederick Smith has the authority to speak about FedEx, business and managerial issues and his experience as a marine in Vietnam but not about liberty

Ethos is the more important rhetorical element in the speech. Ethos is build around Frederick Smith's biography and accomplishments. He is talking to an audience that values economic wealth and power, entrepreneurship, recognition and patriotism. Those three elements define the figure of Smith in the speech: founder and owner of FedEx, a large enterprise; an innovator and awarded CEO and a war hero.

Pathos

Synthesis Table

Frederick Smith proposes that (Claim)	Given that (Data)	And given the principle that (Warrant)	Unless (Qualifier or Rebuttal)
UCPS6 Main pathos claim 1. [Fellows, we don't want the government interfering in our lives!]	PS6 It is <i>impossible</i> to manage the health care requirements of tens of millions of American citizens at the federal level. It is <i>impossible</i> to manage all of the permutations of people's economic aspirations and lives through a complex tax code. It is <i>impossible</i> to try to second-guess the market. It is <i>impossible</i> , from a managerial standpoint, for the federal government to do the things it is trying to do today LS49 It is impossible to try to second-guess the market	CLS49 Markets are better allocators of resources than governments CLS42 Governmental regulations harm private activity CLS46a Central planning doesn't work CLS46b Governments can not manage much of the things they thought that they can UALS46 [Free markets and small governments are better than regulated markets and big governments]	QPC1 Government's interventions are justified under specific spheres of social life and especial circumstances RPC1 It is possible for the government to manage a health care system QPC2 The government can manage some people's behaviours through policy instruments such as fiscal and monetary policies RPC1 Regulated markets and big governments are better than free markets and small governments
CPS13d : Main pathos claim 2. Then, you have the moral duty to support Cato.	PS13 I am reminded often of Edmund Burke's famous comment that the only thing that is necessary for <i>evil</i> to prevail is for <i>good men</i> to stand aside and do nothing. And I can <i>promise</i> you that the Cato Institute has not stood aside and is doing something.	CPS13a Cato represents the good CPS13b Cato fights against the evil CPS13c You are good men	RPC2 What kind of good and for whom? What kind of evil and for whom?

It has a secondary role in the speech, but it is important. Smith appeals to his audience's feelings when he plays with dichotomies between the possible and the impossible, emphasizing in one way that the amazing wealthy, technological advances, changes and discussion of today were impossible before; and in the other way, pointing out government's limitations as a condition of impossibility and the tragedies of central planning as 'never again' circumstances. To a lesser extent he uses the dichotomy of good/evil

putting himself, his audience and Cato's Institute principles and actions as good and government, regulation and central planning as the evil.

*Logos*⁵

Smith's speech has two main parts; the first part is the story of globalization told through the example of FedEx in a context of increase international trade of high-value-added and high-tech products, new innovations (mainly internet) and the deregulation of the aviation industry in the U.S. The second part consists of a series of arguments to convince people that they should support Cato Institute.

The story of globalization is that deregulated markets like the aviation industry in the U.S.; new technologies, as the internet; new business models, like the one applied in FedEx; together have propelled international trade and had supporting the living standards of the developed world during the last 40 or 50 years.

Smith's narrative fits into a broader narrative of globalization that their opponents call neoliberalism and some of their proponents, like the Cato Institute, call libertarianism – Smith refers to it as market liberalism. The basic idea of this world view is that free markets and small governments ruled by democratic principles are the best – or the unique – alternative for humankind to prosper in peace. Of course explaining its ideas and boundaries is not the objective of this essay. Nevertheless understanding the source of Smith's ideas, frames his statements into one field of discourses or meta-narrative.

Smith suggests that a series of processes occurring at the same time boost international trade and globalization. An interesting question is whether this trends where possible thanks to market mechanisms or to the political will of countries to deregulate markets, privatize public companies and the big corporations 'playing the game' – in each country – to ensure their financial success. An important omission is the role that multilateral organizations like the WTO, World Bank and IMF had played to shape the world in which we live today. A plausible explanation of the omission is that the context of the speech is surrounded by an air of Americanism and the business agenda of US corporations.

In the second part, Smith exposes why he is a member of Cato: Cato defends individual decision making rather than government decision making, pursuit of deregulation, and third, promotes free markets and small gov-

5. For practical reasons I used 'logos' to refer to the arguments of the speech; and it includes the arguments within the narratives.

ernments. In addition, he is member of Cato because it is efficient in pursuing its goals.

Smith's reasons to be part of Cato are economic, political and ethical. They are political because the story of deregulation of the aviation industry in the U.S. boosted his business; therefore deregulation was profitable for him. In addition, as a businessman, he considers Cato's agency efficient and effective.

The political reason is his ideology, market liberalism/libertarianism/American neoliberalism that is a combination of beliefs in deregulated markets and small governments with American patriotism. It is a recipe with strange combinations⁶, and founded in ethical beliefs protected by law.

⁶ E.g.: The internal contradictions between patriotism and free markets. Do they fit together? Peace, proclaim as a core principle of Cato, how does it fit with the constitutional right of U.S. citizens to buy and use guns? Then in what kind of peace they believe? In one based in harmony, cooperation and trust or in one based in self-defense, protection of self-interests and mistrust?

IV. Counter-narratives

Freedom for the wolves means death for the sheep. (Isaiah Berlin)

Synthesis Table

Frederick Smith proposes that (Claim)	Given that (Data)	And given the principle that (Warrant)	Unless (Qualifier or Rebuttal)
<p>CLS18 Main narrative-logos claim 1. International trade is being propelled by the growth in high-tech and high-value-added goods displayed on the Internet and now available to people with little hassle.</p>	<p>LS2 Today, high tech in this country represents about 15 percent of GDP. It represented about 1 percent in 1970. That has big implications when you consider its effects on related economic activities LS20 Today about 25 percent of U.S. GDP is related with international trade- about 13 percent in imports and about 12 percent in exports. And that is continuing to grow two to three times faster than GDP LS27 The sector we are in at FedEx (...) It is only 1.5 to 2 percent of the tons moved in international trade (...) That 1.5 to 2 percent of the tonnage moved in intercontinental trade is about 40 percent of the entire value of all international trade. And if you take out petroleum and agricultural products, probably over 50 percent.</p>		<p>UALS18 [People with moderate or big hassle can not enjoy those goods: People isolated and poor]</p>
<p>CLS46c Main narrative-logos claim 2. Smith supports Cato because this Institute defends free markets and small governments</p>		<p>UALS46 [Free markets and small governments are better than regulated markets and big governments] CLS49 Markets are better allocators of resources than governments</p>	<p>QNLC2a Cato not always defends free markets and small governments QNLC2b Markets not always are better allocators of resources than the government or RNLC2 Big governments and regulated markets are better than free markets and small governments</p>

A counter narrative to Smith's narrative and the broader neoliberal/libertarian discourses can be found in Smith's important omissions:⁷ people and countries marginalized by the market. A possible counter-narrative then is the Dependency Theory discourse, specially the new version; Castells & Laserna (1994) argue that a new dependency element is the technological gap between the developed world and the developing world. While Smith acclaims the Internet, new logistical management and FedEx business model, the New Dependency Theory see in them new tools of domination that excludes the South from its right to develop. The counter-narrative is that deregulation and more broadly, globalization are not a set of development policies and trends to strengthening markets but policies and trends to let markets commoditized and monetized the entire human sphere preventing people with no money to enter in this 'gentlemen club'. The market is a 'gentlemen club' exactly as it was the aviation industry in the U.S. before deregulation.

Comparison of the U.S. with the Scandinavian countries: Norway, Sweden and Denmark												
Country	HDI _s		Life expectancy at birth _s		Combined primary, secondary and tertiary enrolment _s		Relative poverty _s			GDP per capita (PPP US\$) _s		GDP Growth (%) 1965-2004
	Ranking	Value	Ranking	Years	Ranking	Rate	Lowest 20%	Highest 10%	Gini coefficient	Ranking	Value	
United States	12	0.951	31	77.9	19	93.3	5.4	29.9	40.8	2	\$41,890	3.2
Norway	2	0.968	12	79.8	7	99.2	9.6	23.4	25.8	3	\$41,420	3.6
Denmark	6	0.956	7	80.5	14	95.3	8.3	21.3	24.7 _c	13	\$32,525	2.2
Sweden	14	0.949	30	77.9	3	102.7	9.1	22.2	25	8	\$33,973	2.4

a 2005, b 2000, c 1997

Sources: UNDP and World Bank

7. [LS10] 'So as trade in high-value-added items has grown, the knitting together of the world as a single economy -with some notable and tragic exceptions- has become almost inexorable'. (Smith, 2006,2) And [LS18] 'International trade is being propelled by the growth in high-tech and high-value-added goods displayed on the Internet and now available to people with little hassle' (Idem,2)

A second counter-narrative for the neoliberal/libertarian discourse is the Scandinavian Welfare Model and the economic and social performance obtained for Scandinavian nations—Norway, Denmark and Sweden. These countries had followed a different path than the neoliberal/libertarian agenda of the U.S., combining a democratic regime with regulated markets and a welfare state that ensures universally basic human rights such as education and health (Abildgaard, et al., 2002)

Data from the World Development Indicators (The World Bank Group, 2006) and the World Development Report (UNDP, 2007) suggest that the Scandinavian populations enjoy better living conditions than the United States citizens although the last ones have better incomes. Society in those countries is between the most equal in the world, while U.S. society is between the more unequal for developed world's standards. A summary of indicators is presented in the table below.

The narrative of the Scandinavian Welfare Model is a counter-narrative of the neoliberal/libertarian one. In the Scandinavian story of development big governments and regulated markets instead of small governments and free markets are the knights protecting and promoting wealth and well being.

V. Counter-arguments

In a world torn by every kind of fundamentalism -- religious, ethnic, nationalist and tribal -- we must grant first place to economic fundamentalism, with its religious conviction that the market, left to its own devices, is capable of resolving all our problems. This faith has its own ayatollahs. Its church is neoliberalism; its creed is profit; its prayers are for monopolies. (Carlos Fuentes, *World Press Review*, 1995, 47)

Synthesis Table

Frederick Smith proposes that (Claim)	Given that (Data)	And given the principle that (Warrant)	Unless (Qualifier or Rebuttal)
<p>CLS39b Logos claim 1. Smith is member of Cato because this institute supports individual/private decision making rather than government decision making</p>	<p>CLS39a Politicians with scope to take decisions over the people and with excess of confidence often take bad decisions</p>	<p>UALS39 [Consumer sovereignty principle: Private agents (people and enterprises) take good decisions for themselves and have the right to make mistakes]</p>	<p>QLC1 The Consumer sovereignty principle has important ethical limitations (e.g. It just applies for people with purchasing power, individuals without money are excluded from the market)</p>
<p>CLS40b Logos claim 2. Smith is member of Cato because the institute pursues deregulation</p>	<p>LS61 Yet, if you search the New England Journal of Medicine for 'Bill First', you will see the majority leader of the Senate basically espousing things that the Cato Institute has stood for since it published Patient Power, which introduced the idea of health savings accounts, in 1992 CLS40a Deregulation of the aviation industry in the U.S. was highly profitable for Smith and FedEx CLS46b Governments can not manage much of the things they thought that they can</p>	<p>CLS42 Governmental regulations harm private activity</p>	<p>QLC2a Cato not always pursues deregulation QLC2b Some regulations incentivise private activity QLC2c Some regulations benefit national private activity at the cost of harming private activity abroad</p>

<p>CLS35b Logos claim 3. Highly flexible economies are capable to correct themselves</p> <p>CLS22 Logos claim 4. Markets are above Governments</p>	<p>LS34 The economies of the world, absent big political corrections, currency issues, and problems with energy supplies are highly flexible. LS35 As long as people are permitted to be entrepreneurial and allowed to deal with markets on a commercial basis, the economy is highly flexible and able to correct itself.</p> <p>LS22 Wriston talked about the fact that governments everywhere are now under the discipline of the marketplace. LS23 Currency traders at terminals around the world are holding a daily referendum on the viability of any individual country's fiscal policies.</p>	<p>CLS34 Countries with political stability, strong currencies and sufficient energy supply are flexible enough to tackle problems and translate opportunities into economic gains UALS34 [Economies with political stability, strong currencies and sufficient energy supply exist] UALS22 [Markets are more powerful than governments] UCLS22 [Markets govern everywhere, not governments] UALS23 [Currencies around the world are integrated in a global money market]</p>	<p>RLC3 Any economy in the world has the features of a 'flexible economy' proposed by Smith R Any economy can correct itself, public intervention is always required QLC3a Economies can correct themselves until some point of resilience, after a threshold public intervention is required QLC3b If the social, economic and environmental costs of letting the economy correct itself are too high public intervention is a better option QLC4a Governments are at least as powerful as the markets QLC4b If markets are above a government, who wins and who loses? RLC4 Currencies around the world are not integrated in a global money market QLC4c Governments can affect currencies through monetary policies and other instruments</p>
<p>UCLS36 Logos claim 5. [Large enterprises need political support from the Government to succeed]</p>	<p>LS36 We at FedEx have to play the game in Washington and London and Tokyo, just as any other big commercial enterprise LS37 We have our lobbyists -although few in number and highly effective, I hope-</p>		<p>RLC5 Large enterprises are viable and profitable by their own, they do not need any political support from the government QLC5 If the enterprise produces strategic, fiduciary or merit goods, provide them government support increases social benefits in a society</p>

Smith argues that he is member of Cato Institute because he believes in individual/private decision making rather than in government decision making, because politicians and governments have too much margin to affect people's lives, have excess of confidence and in consequence, usually take bad decisions. He exemplifies his argument with his experience in the Vietnam War, and then he concludes:

'I saw up close and personal (...) the consequences of a not very well thought out foreign policy and the hubris of the political classes, unfamiliar with what's going on on the ground when you have young men engaged in mortal combat, and I became exceedingly suspicious of that process' (Smith, 2006,4)

His arguments can be used in exactly the opposite direction: the scope of public decisions and the hubris of the political class are arguments that apply to the business class as well; paraphrasing his own words I can say with respect to the sub-prime financial crisis in the U.S.:

I saw up close and personal (...) the consequences of a not very well thought out business-financial strategy and the hubris of the business classes, unfamiliar with what's going on on the ground when you are a household on the lower income scale in society engaged in a default mortgage, and I became exceedingly suspicious of that process.

The same case, the sub-prime crisis, can be used to qualify his second argument of being part of Cato – that deregulation works. The fact is that deregulation works in some cases, such as in opened up of the aviation industry in the US, and regulation works in other ones. The actual sub-prime crisis could be prevented if a better regulatory framework had discouraged financial institutions to lend money at a long term horizon to risky clients and to financial institutions to lend money to the non financial ones for that investment purposes⁸. The lesson of this case is that private agents looking for profits sometimes take too much risk and when the risks become losses the effects are negative for the economy as a whole. Thus, regulation works, too because it can prevent financial crises.

Highly flexible economies are able to correct themselves until a certain point of resilience, and the social and economic costs of the adjustment are usually very high. From an economic point of view, if the total costs of an economic collapse are higher than the costs of an intervention designed to avoid the collapse and/or to facilitate a smooth adjustment, given that the benefits of both – non intervention and intervention – at the end of the day

⁸ For a better understanding of the actual sub-prime crisis see 'Sub-prime: Tentacles of a Crisis (Dodd, 2007)

are similar (a stable, flexible and growing economy), then an intervention makes sense. That is what is happening in the U.S. now, the federal government prefers applying monetary and fiscal policies to prevent a big economic collapse rather than leave the economy to adjust itself. An economic collapse and the later recovery process have political consequences affecting the power and economic position of the U.S. in the world, and neither the political classes nor the business elite would desire such result. More importantly, there are ethical considerations of letting the economy to their free will because of the human suffering that a recession cause.

Additional ethical considerations are pointed out by Amartya Sen who demonstrated the negative impacts of famines in India due to the food markets, incapable to attend people without purchasing power (Encyclopedia Britannica, Inc, 2008, 1). Similarly the recession in the early 1930's in the U.S. whose detonator was a crash of the stock market is a second example of the 'horrors' and 'tragedies of untold magnitudes' that markets can cause.

Smith's assumptions of a highly flexible economy are: political stability, strong currency, sufficient energy supply, freedom to create a business and free markets. Do these economies exist? Certainly not, even the United States had been that kind of economy and less now with an election in few month, a weak dollar, petroleum-dependency and distorted markets (e.g. agricultural market with subsidies) and the fact that in addition to freedom you need money to start a business.

A powerful argument in Smith's speech is that markets are above the governments, meaning that they are more powerful and thus set the national and international economic and political agenda. Such a scheme has winners (the business classes, politicians associated with them and the better educated) and losers (the poor without money, without their basic human needs satisfied and therefore with it basic human rights violated).

Third argument in Smith's speech to be part of Cato is that Central Planning didn't work, but free markets and small governments do.⁹ In central planning allocation of resources was decided at a central level through governmental plans and budgets. Similarly in big corporations Strategic planning is made at a central level deciding on allocation of resources. Enterprises can do central planning under the name of strategic planning; it is possible 'from a managerial standpoint' putting it into Smith's own words, but Governments can not.

⁹ See Main narrative-claim 2, within the synthesis table in page 9.

Besides, he asserts that '[he] play[s] the game in Washington and London and Tokyo, just as any other big commercial enterprise' (Smith, 2005, 4) meaning that large enterprises need political support from the Government and they seek it through their lobbyists. If the support needed is to open up regulated markets, then his argument is coherent, but that is not the case. Big enterprises usually look for protectionist schemes to defend his market share or look for deregulations that weakens the consumer's position in an unequal relationship. Again, agricultural subsidies and deregulated financial markets in the US, respectively, are clear examples.

VI. Conclusions

In this paper I have examined the speech 'Deregulation and the Global Market Revolution' given by Frederick Smith and sponsored by Cato Institute. After framing the context of the speech and doing a microanalysis of the text through argument analysis, rhetorical analysis and narrative analysis methodologies, I conclude that the meta-narrative of the speech is the neoliberal/libertarian discourse. Then I showed two counter-narratives: New Dependency Theory and the Scandinavian Welfare Model, being the first a particular interpretation of reality and the second a real life example of an alternative development model. Finally I have elaborated counter-arguments to the main arguments presented by Smith. Both, the counter-narratives and the counter-arguments constitute pieces of alternative discourses and can spread different behavioral messages to society than the ones generated by the neoliberal/libertarian discourses; therefore they can contribute to change perceptions, behaviors and the underlying systems or structures that create and reproduce human reality.

Besides the analysis of the speech, I have explained and applied a methodological adaptation of discourse analysis consisting in the integration of the SGTG format with the three basic rhetorical elements (ethos, pathos and logos) and narrative analysis. This alternative methodology can be used for three purposes: First, to clarify, evaluate and measure the weight of the authoritative stance -or ethos- of the author in a text as well as his/her appealing to the audience's emotions -pathos-. Second, to describe and explained the logic and strength of his/her narratives and arguments—logos-. And finally, to develop counter-narratives and counter-arguments that together can contribute to the broader objective of changing meta-discourses and human realities.

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Discourse Analysis of an Interview: Vandana Shiva on Farmers Suicides, the U.S.-India Nuclear Deal, Wal-Mart in India and More

SILVIA FORNO

Introduction

The following analysed text is an interview with Vandana Shiva, which mainly focuses on three issues currently debated in regard to the U.S. – India relationship.

It has been chosen basically for the following reasons:

- the context (textual and discursive) within which it is disseminated;
- the clear political stance;
- the strong *ethos* of the interviewee;
- the strength of the language;
- the narrative structure.

Consequently, given the heterogeneity of the features just outlined, the text deserves to be analysed in depth, starting from a macroscopic perspective towards a more microscopic view of its elements.

First we will focus on the **context**, which in turn consists of more aspects eventually influencing specific elements of the text:

- the website from which the interview has been extracted;
- the interviewer, her societal context and her role in the interview;
- the audience, its role in the dissemination of the text and in the reproduction of a counter-discourse;
- the interviewee, her societal, discursive and textual context, as well as her role in the production and dissemination of a counter-discourse;
- the inter-discursive relationships, how the text is related to different and broader discourses;

- the inter-textual relationships, in which this text refers to other texts and how these different texts support each other through a reproduction of a counter-discourse.

Then we will move to the **text** itself, approaching it from its overall **structure** (how the elements are tied together towards a conclusion) before analysing more deeply the **language** used within the discourse. The analysis of the language will consider:

- the use of metaphors and their framing function;
- the use of irony;
- the linguistic choices through the identification of five main linguistic domains.

Last, we will study the text from the point of view of the argumentations proposed, grounding it in the analysis of the structure. However we will not have a typical **argumentation** analysis based on analysis and synthesis tables, but instead we will focus broadly on the devices used in order to strengthen the claims.

Thus we will look at the **rhetoric** – in particular observing how *logos*, *ethos* and *pathos* play different roles in different passages of the text – and the narrative structure, as indeed most of the claims are expressed in a narrative form. In the **Narrative Analysis** we will show how, by telling small stories located within a broader plot, Shiva not only keeps the attention of her audience but also contributes to the antinomy emphasised throughout the interview.

This antinomy is mainly due to the fact that Shiva is (re)producing a counter-discourse against the *discourse* supported by U.S. corporations (mainly), U.S. policies and WTO.

She is *reproducing* the discourse, because as seen by her counter-discourse that she proposed, it fits into an already developed *stream of discussion* mainly referring to the *alter-globalization movement* (of which she is one of the leading figures); furthermore, she is locating it within the stream of discussion that has always marked her articles and books, as well as the campaigns she personally has fought for, and continues to fight for today.

The discourse she's reacting to is the Development Discourse – already contested by Shiva in regards to the first Green Revolution – stigmatizing people in developing countries as being resource-less and needy, turning them into clients of a market-driven economy.

In this context, she poses herself as acting on behalf of those who have no access to the main Development Discourse (both in production and dissemination), thus undertaking an *emancipatory* role.

The element of contrast/opposition/antinomy will be a recurring feature structuring and being structured by the text.

Throughout the analysis we will see how various elements contribute to the (re)production of this *counter-discourse*: the website itself, the expectations of the interviewer and the audience, Shiva's background, the structure of the text (argumentative and narrative) as well as more microscopic linguistic choices.

The Context

The website, the interviewer and the audience

The interview is extracted from www.democracynow.org. As we will see, such a *communicative situation* plays a role in framing the structure and the content of the interview as well as the linguistic choices.

Democracy Now! is a daily news program based in the U.S.. It is hosted by the journalists Amy Goodman and Juan Gonzalez, and broadcasted on radio stations, satellite television and on the Internet.

It's mission is to overcome the increasing conglomeration of U.S. media, providing the 'audience with access to people and perspectives rarely heard in the U.S. corporate-sponsored media, including independent and international journalists, ordinary people from around the world who are directly affected by U.S. foreign policy, grassroots leaders and peace activists, artists, academics and independent analysts'.¹

This is a short list of the different personalities the website hosts: Howard Zinn, Noam Chomsky, Naomi Klein, John Pilger, Michael Pollan, Mohammed Yunus, Wangari Maathai, Evo Morales, Tariq Ali, Michael Moore, Arundhati Roy, Edward Said, Helen Caldicott.

Amy Goodman, the co-founder of Democracy Now!, is an American independent journalist and author. Her main coverage has been and still does focus on peace and human rights movements all over the world; as an investigative journalist, she has received acclaims for exposés of human rights violations in East Timor and Nigeria.

The pungent and persecuting style for which she's known within the American audience, is here perhaps softened because she is interacting with a member of the same sociopolitical community, and thereby does not need to be pressured.

Indeed the role of the interviewer is quite marginal. Her presence is perceivable mainly in three moments:

¹ 22.03.08, www.democracynow.org/about.

- in the introductory part, fulfilling the purpose of strengthening the *ethos* of the interviewee;
- (lines 46-48) to raise the *pathos* of the interview, appealing to the condition of the farmers by using what we will call the language of ‘desperation’;
- to interrupt Shiva’s argumentation not to contest her, but to focus the attention on some important logical passages (lines 97 and 116) – thus stressing the *logos*.

The interviewer and the interviewee belong to the same *sociopolitical* and *discourse community*, which implies that they share the same vocabulary, the same assumptions, system of categories and representation.

The main assumption – that, in turn, backs Shiva’s main claim – is the idea of *grabbing* everything that could potentially satisfy the *global hungry finance*, by relying on every means; when legal means are not available, they are created through the fruitful interaction among U.S. corporations, U.S. government and WTO.

Such a frame is also implicitly given by the mission of the website itself (‘access to... people from around the world who are directly affected by U.S. foreign policy’), which narrows the focus of the interview and the data provided to support the argumentation².

The intended **audience** are the *Americans* (line 88), particularly those supporting the website and its political stance. These *Americans* are looking for ‘access to people and perspectives rarely heard in the U.S. corporate-sponsored media’ and – in this specific case – information demystifying the profitable aim of the project of the U.S. foreign policy and its branches (corporations and WTO); the counter-discourse Shiva proposes can suit this search.

This kind of audience is expected to be an active one, thus contributing to the nourishment/dissemination of the counter-discourse. Indeed, as stated in the website itself, the participation of the audience is fundamental in order to fulfill the aim of developing an independent media-system. Listeners, viewers and supporters are openly called for spreading the contents broadcasted, getting involved in the discussion and keeping attention on the issues raised.³

² We will see, for instance, which elements of Shiva’s explanation of farmer suicides are missing probably due to the fact that – in this context – only those causes related to U.S.-India relationships are more likely to be mentioned.

³ 22.03.08, www.democracynow.org/get_involved

The worldwide availability of the interview, furthermore, allows everybody interested in Vandana Shiva or farmer suicides or the U.S.-India nuclear deal, to access its content simply by typing the key words into an Internet search engine, such as Google; the counter-discourse is therefore reproduced as a global phenomenon, fuelling the already developed debate promoted by the *alter-globalization movement*.

The interviewee

The interviewer introduces Vandana Shiva by highlighting some of Shiva's features that could serve the purpose of strengthening her *ethos* in this context; her role of physicist, ecologist, director of a Research Centre and author is emphasized from the very beginning.

However Shiva is more than that: she is an ecofeminist (not only ecologist), environmental activist and author of over 300 papers in leading scientific and technical journals (not only books) and a leading figure of the *alter-globalization movement*. She is well known for her efforts to promote organic, community-based farming; she has argued for the wisdom of many traditional practices and assisted farmers' grassroots organizations all over the world with campaigns against genetic engineering. Shiva has also served as an adviser to governments in India and abroad as well as to NGOs.

The introduction given in the website is richer than the incipit of the interview itself, but is still missing some relevant features. This could be due to the fact that Shiva's activities are *world-renowned*, especially within the intended audience of the interview.

Shiva's insistence on the link between politics and science is a recurrent feature of her books and articles. She first highlighted it with reference to the Green Revolution, pointing the finger against U.S. advisors and experts financed by the World Bank, USAID, Rockefeller and Ford Foundations coming to India with the promise of progress and peace. 'But this crude linearity Technology-Prosperity-Peace failed' (Shiva 2005).

Shiva inserts the content of the present interview into her main stream discussion, actualizing it within the context of the Second Green Revolution; the actors and the plot remain almost the same: U.S. government, U.S. corporations, WTO, local and indigenous farmers.

She poses herself as acting on behalf of those who have no access to the main Development Discourse, both in production and dissemination. Her role of scientist and activist, therefore, reveals an *emancipatory* role. The production and the dissemination (within the present communicative situation and more) of a counter-discourse is meant to:

- make the diverse social perspectives of actors visible,
- unravelling the basic socio-cultural and political nature of social practices,
- and the inconsistencies between what the main discourse (Development Discourse) claims to do what it actually produces.

The inter-discursive relationships

In addition to what has been said so far about the socio-political context, we shall focus on the themes themselves.

As introduced by the title, Shiva speaks about 'Farmer Suicides, the U.S.-India Nuclear Deal, Wal-Mart in India and More'. The *more* is embedded in the nature of the topics taken up and in the fact that the interview fits into a broader stream of discussion carried out in particular by the *alter-globalization movement*.

To give a clearer picture, I have organized the *discourses* in three *categories: micro, meso and macro discourses*.

MICRO DISCOURSE	MESO DISCOURSE	MACRO DISCOURSE
Farmer suicides	Global agricultural policies WTO rules	Anti-liberalism Environmentalism Self-reliance
U.S.-India Nuclear Deal	Nuclear policies Climate Change	Pacifism Environmentalism Democracy
Wal-Mart in India	WTO rules	Anti-liberalism Democracy Self-reliance

The categories have been subjectively⁴ constructed according to:

⁴ Own labelling based on personal previous knowledge of the issues and the debate around them. However, within the alter-globalization movement there are

- the degree of their *fact-based* or *value-based* content;
- the reference that Shiva gives to them alongside the interview.

As we will see, Shiva's argumentation is basically grounded on a *human rights-based approach*, in opposition to the *market-based approach* of the Development Discourse.

Furthermore, since the issues are global in their content, as well as the U.S. policies and implications, there are different passages in which she refers to other geographical contexts affected by U.S. policies: the Amazon, Borneo, China, Iran, Iraq.

Inter-textual relationships

Shiva explicitly quotes only one text (line 47), namely the report 'Seeds of Suicide' yearly published by the movement she is a founder of: 'Navdanya' (*nine seeds*)⁵.

Interestingly, the expression *Seeds of Suicide* recurs within the stream of discussion the interview fits into.

And, as we will see, the antinomy *seeds* and *suicides* is the basis of the metaphor on which all her argumentation/narration is built.

Seeds of suicide is the title of two articles by P. Sainath published in 'The Hindu' in July 2004, covering the farmer suicides crisis in Andhra Pradesh⁶.

It's also the title of a video-footage by the journal 'Rough Cut', broadly exploring the same issue⁷.

Suicide seeds is furthermore another way in which environmentalist groups (i.e. Greenpeace⁸) call in their reports the *Terminator Seeds*, namely seeds genetically modified in order not to be renewable and forcing farmers to buy them every year instead of saving them from the previous harvest.

Finally, *Dying Fields* is the title of a documentary by Fred de Sam Lazaro analysing the crisis affecting Vidarbha's farmers⁹.

The interviewer mentions Shiva's latest book (as of the interview), to emphasize her *ethos* and to promote the book itself. Though the book is only

many interactions/overlaps, as well as contradictions. The present table has been reproduced to better visualize the inter-discursive links of the interview.

5. <http://www.navdanya.org/publications/seeds-of-suicide.htm>

6. www.indiatogether.org/2004/jul/psa-seeds1.htm

7. http://www.pbs.org/frontlineworld/rough/2005/07/seeds_of_suicid.html#

8. See, for instance, <http://www.greenpeace.org/international/news/suicide-seeds>

9. <http://www.pbs.org/wnet/wideangle/shows/vidarbha/index.html>

mentioned and not explicitly referred to as ground to her argumentation, its title is meaningful since it condenses most of the value-based concepts backing the narration: *'Earth Democracy: Justice, Sustainability and Peace'*.

Finally, while presenting Shiva we have seen how this text lays on her past production of articles, books and counter-discourses.

The Text

Analysis of the structure

The analysis of the structure of a text looks at how its elements are tied together towards the conclusion.

The first thing we may notice here is the absence of a **conclusion** located in the end of the text: indeed the text ends abruptly, in the middle of Shiva's tale about the retail sector.

The conclusion of the text, rather, could be located (as we will see in the Argumentation Analysis) primarily in lines 60-65 and 85-87, where she advances the main claims.

As a result, at a first glance, the structure is nonlinear; elements are intertwined, though moving around the central assumption: the idea of a project led by U.S. policies, U.S. corporations and WTO aiming at *grabbing* everything could satisfy the *global hungry finance*.

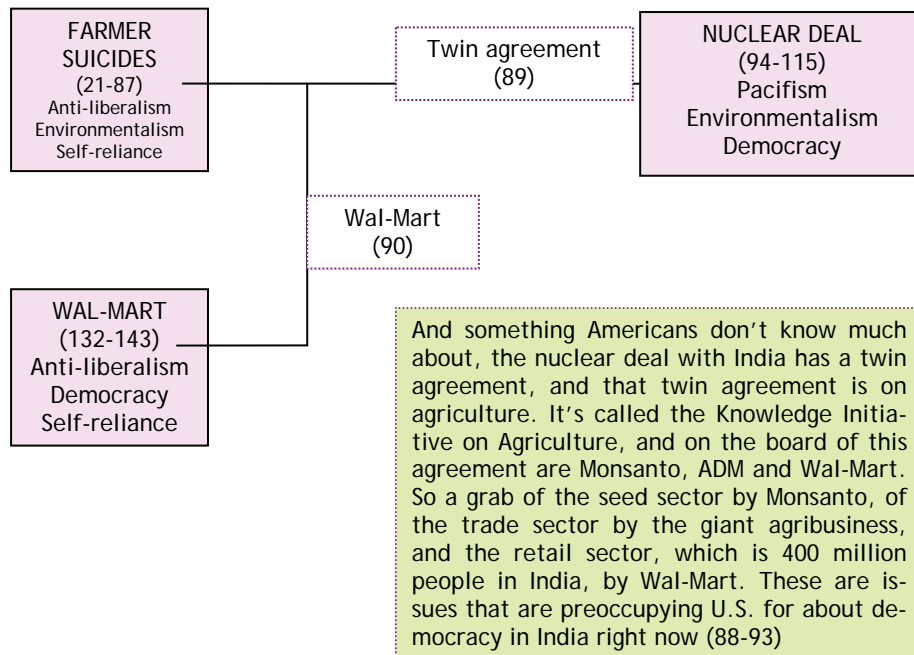
The structure itself conveys the idea of such a project, as a kind of conspiracy.

The title prepares the field, evoking the complexities and the interlinked nature of the themes. After a conventional **introduction**, the interview is apparently organized in **three blocks**, each of them presenting one theme.

But these blocks are not independent. In lines 88-93 all the three themes are condensed: the agricultural agreement (one of the causes of farmer suicides) is strictly linked to the nuclear agreement as *twin agreements*, and Wal-Mart is mentioned for the first time. The passage allows the interviewer to introduce the Nuclear Deal theme after the Farmer Suicides one (line 94); and later on (line 132), to introduce Wal-Mart as something already mentioned.

This strategic sequence may raise some doubts about the spontaneity of the interview, as confirmed also by the marginal role of the interviewer.¹⁰

¹⁰. See the analysis of the context/the interviewer



Such clear *mental model* could also be considered a rhetoric device – especially in terms of *logos* – with a strong impact on the audience; an audience that could not find difficult to follow that mental structure, for it's likely to share the same *system of representation* of the interviewee.

Beyond the main narrative/argumentation around which the interview is developed, more small stories are told. In the Narrative Analysis we will see what is their meaning; here it is enough to say that the small stories spread all over the interview help to stress the idea of a contrast between the 'macro inhuman project' of the corporations and the human lives of ordinary people affected.

The metaphors explained below offer further support of this.

Analysis of the Language

Metaphors

The linguistic choices of the interview are built around a **dichotomy**; before considering the polar words and the semantic contrasts, it's worthy to focus on the main source of such dichotomy.

As already mentioned, Shiva is developing a counter-discourse: in doing so, she needs to strengthen the opposition between the ‘macro inhuman project’ of the corporations and the human lives of ordinary people affected.

We may identify particularly one metaphor recurring throughout the text and framing the dichotomist linguistic structure of it, as well as conveying implicitly a *normative judgment* on the actors involved in the narratives.

Such dichotomy also reflects the deeper contrast between the *market-based* and the *human-rights based* approach.

Seeds are, by their very nature, synonyms of *life*. But if associated with a word such as *suicide*, they could also be considered synonyms of *death*.

This antinomy is due to the ‘intrusion’ of the corporations spreading modified *non-renewable* seeds, leading farmers to suicide. Furthermore, such practice does not only destroy individual lives but *community* life and *traditions* as well. The contrast between what *life* was before the liberalization of the seed sector and the *death* brought by it, is emphasized both by the linguistic choices and the *human* stories presented in opposition to the *impersonal* actions of the corporations¹¹.

The ‘seeds metaphor’ could also be broadly referred to the agricultural world, evoked by the agricultural agreement prompted by the *agribusiness*; by the reference to the global *hungry* finance taking over the *land* of the poor; and by the image of women preparing *wonderful healthy oils* or selling *vegetables* in *tiny* markets, as well as farmers practicing *organic farming*.

Another metaphor, again based on and reproducing a dichotomy, is suggested by the word *hands*.

Hands as appendixes of insatiable corporations:

- by a *handful* of agribusiness (80);
- into the *hands* of ADM, ConAgra and Cargill (81);
- into the *hands* of Monsanto (82).

Hands as a way towards alliances and resistance:

- a joining of *hands* with urban consumers (86).

Irony

Irony is used in three different passages.

In all the cases, it’s used as rhetoric device to attract the attention of the audience on the inconsistency of the Development Discourse which:

- does not see farmers as victims but as *threat* to the regime (41);

¹¹. See the Narrative Analysis.

- offers a solution that, *unfortunately*, keeps things unaltered (53);
- creates situations in which a farmer mimics a Bollywood movie (a manifestation of globalization), *but basically* threatening to commit suicide (78).

Desperation	Tradition	Morality	Imperialism	Unavoidability
Epidemic Desperation Swallow pesticides Drown in rivers Hang from trees Set on fire Plagued Hopelessness So intense	Symbolic Color Spring Yellow Flower We love Indigenous oil Wonderful healthy Tiny vegetable market Tomatoes Community market Little hawking Tiny moveable cart Door to door Our doorstep Small sellers Vibrancy	Wrong thing Free Fair Honest Dishonest Dishonesty Democracy right now I love democracy	Corporate driven economy Unregulated Untested Debt trap Huge subsidies Killing Regime System Genocide Dumped on U.S. Managed to ban Strategic use Hijacking Handful Destroy Grab Giant agribusiness Double standard Global hungry finance Take over War Shot By force	Non renewable Must buy every year Necessarily No affordable Only one response Having to bring up Must necessary More and more Push more Everywhere Last resort Last asset

Linguistic choices

In addition to what already stated in terms of linguistic choices so far, we can try to identify the main linguistic domains some expressions belong to:

- desperation, to move the audience to sympathize with the farmers;
- morality, to appeal to moral values in order to strengthen the argumentation;
- tradition, to stress the humanity of the people affected by the inhumanity of the macro-project;
- imperialism, to evoke the idea of the aggression by the U.S. corporations, U.S. policies and WTO;

- unavoidability, to underline the power somehow invincible of the aggression.

We can identify at least two passages in which the sequence and concentration of powerful words is so thick that we may speak of *climax*:

- (60-65) system, genocide, honest, free, fair, honest, dishonest, dishonesty, genocide;
- (122-126) global hungry finance, take over, grab by force, everywhere, war, everywhere, shot, killed, take away, last resort, last asset.

The underlying dichotomy is openly emphasized in lines 141-143, where the word *giant* is deconstructed in its usual meaning – as referred to *giant by being one big store*, as Wal-Mart is – and used to stress the power on the *giant retail economy*, that is *giant by having millions of small sellers*.

Self representation and differentiation

Another linguistic aspect to consider is the use of the first singular person (I), the first plural person (we) and the third plural person (they).

Since this aspect is closely related to the identification of *heroes*, enemies (*villains*), and allies (*helpers*), we refer to the Narrative Analysis section.

Argumentation and Rhetoric

As the analysis of the structure is revealed, there is nonlinearity in Shiva's argumentation: she moves from one issue to another, intertwining them with small narratives, but primarily keeping in mind the purpose of condemning the behavior of U.S. corporations, U.S. policies and WTO rules.

Thus in assessing her argumentation we will not enter specifically the content of the claims: rather we will focus on the devices used in order to strengthen her statements.

Such analysis cannot be separated from the Narrative Analysis presented in the following paragraph: indeed most of the claims are expressed in a narrative form.¹²

Though Shiva introduces claims throughout the interview,¹³ three main passages and conclusions are worthy of being mentioned since they correspond to the substance of her counter-discourse.

¹² For the argumentative function of narratives, we refer to the following paragraph.

¹³ 34-35: the solution of giving credit to farmers is more a problem than a solution. 102-104: India is not taking a sovereign decision on the nuclear deal that is instead strategically used by the U.S. to contain China and turn India into a nuclear

First (lines 22-31), the causes of suicides are presented in a narrative form. The liberalization of the seed sector – she argues – has allowed corporations (Cargill and Monsanto) to sell *unregulated* and *untested* seeds; such corporations initially started selling hybrids, but then enforced their presence by selling genetically modified (GM) seeds. These seeds are very expensive, as well as the chemicals needed to foster their growth: the trick is that they are *not renewable*, and farmers *must* buy them every year.

However, the link to the *debt-trap* in which farmers fall, though being an essential element in explaining the causes of suicides, is introduced only in the following lines. Thus the argumentative structure proves to be weak here, because it's based on the assumption that the audience is able to infer the cause-effect link by themselves.

Shiva relies more on *ethos* and *pathos* (especially the criticism language and the depiction of farmers as powerless victims), as we will see later on.

In order to assess **what is missing** in Shiva's tale about farmer suicides, it has been compared with a more academic accounting of the issue released by Tata Institute (Tata 2005).

There are three main elements to focus on: the language, the causes and the link of causality.

The research provides the same explanations of Shiva's tale, though expressed in a different language. What is worthy of being underlined here is the reference to what the Report calls 'agents of fertiliser and pesticide companies' on which farmers are dependent for advice on seeds and crop care. It's clearly stated that 'a false perception of prosperity is being created in the minds of the cultivators that prompts them to take serious risks in terms of fertilizer-based cropping pattern'.

Thus there is – in different tones – a common identification of the *villain* and the *victim*, as we will call them in the Narrative Analysis section.

But, unlike Shiva, the report stresses also other causes and responsibilities that Shiva is restricted in underlying because of the context of the interview and the expectations of the interviewer and the audience¹⁴. For instance the report also mentions the State irresponsibility in not providing irrigation facilities and price support, while Shiva seems more concerned in stressing the U.S. corporations' aggression.

market. 107-110: nuclear power is offered as a clean one, but actually it's not such only because it does not release CO₂; by depicting nuclear power as clean, U.S. corporations will benefit from the Nuclear Deal thanks to the emissions trading system. 112-115: nuclear power is inconsistent with democracy.

¹⁴. See footnote 2

The report also warns that ‘not all farmers facing these conditions commit suicide’, while Shiva’s account is more marked by a sense of unavoidability.

The second important claim, more general than the previous one, is presented in different passages (lines 88-93, 118-120, 130-131): the nuclear agreement and the agricultural agreement are *twin programs* mainly designed to suit the interests not of the Indians (and neither of the *Americans*) but of the U.S. corporations; in this framework, the Indian Government¹⁵ too appears like a *victim* hijacked by the hunger of the global finance.

As underlined in the analysis of the structure, the strength of this claim is based mainly on the fact that there is a ‘red thread’ throughout the interview leading to such a conclusion. Maybe the *logos* here is more prominent, since the speech seems well designed to convey the idea of a kind of conspiracy.

The third claim (lines 60-65, 85-87) is the most important one, strongly backed by appeals to moral rules.

Shiva argues that there is *only one response: get Monsanto out* of the seed sector and *change the rules* of trade. The urgency of such measure is based on the *need* to talk about *honest trade* and to (unstated warrant) take rights again in the hands of people – since so far the rights of Cargill have been treated as *fundamental rights*.

The data provided along the text support the claim in terms of *logos*, but the language itself and the appeal to moral rules strengthen the *pathos*.

We should consider that Shiva is proposing a counter-discourse to the development discourse built on a *market-based approach* and promoted by U.S. corporations, U.S. policies and WTO.

As stated by Mills ‘Discourses don’t occur in isolation, but in dialogue, relation to or, more often, in contrast and opposition to other groups of utterances’ (Mills 2004:10).

In order to resist such discourse, she grounds her claims on a *rights-based approach*; but she also needs to react using the same language of the discourse she wants to deconstruct, namely the language of facts and numbers.

Therefore we may see how almost every claim is backed by:

- data: number of suicides, amount of subsidies, percentage of oil import, number of widows, number of farmers killed during protests, number of people dependent on the retail sector...

¹⁵. The ambiguous role performed by the Indian Government will be stressed in the Narrative Analysis.

- warrants: reference to moral rules (see what we called the ‘language of morality’) and macro-discourses such as peace, democracy, self-reliance and human rights.

We could say that the *logos* is not the basic element characterizing her argumentation: *ethos* and *pathos* seem to play a more relevant role.

As we noticed, the *logos* is more pronounced if the overall structure and design of the text is considered, rather than the singular passages.

The aspect of *ethos* has already been highlighted in the beginning, while introducing the interviewee. Here we can add that there is a point in which she clearly exposes her role of researcher to give strength to her claims (line 46): she mentions the report ‘Seeds of Suicide’ yearly brought out by the social movement she founded.

The *pathos* is emphasized by the polar lexical choices, mainly due to the recurring underlying metaphor of the seeds; as we will see, the emotional involvement of the audience is also achieved by exposing her argumentations in a narrative form. Finally, the role of the interviewer turns out to be relevant in this regard: Goodman does not dawdle in using what was called words belonging to the domain of ‘desperation’ when referring to the farmers (lines 43-45).

Discourse, counter-discourse and renegotiation

So far we have seen how Shiva develops her *counter-discourse*, but now it would be interesting to confront it with the *discourse* she aims to deconstruct.

Of course we cannot go deep in the analysis and we should mention only those aspects relevant according to what stated up to now. In order to do that, we will go briefly through what is claimed in the ‘Mission’ of two of the main U.S. corporations under attack: Monsanto and ADM.

Mills – arguing about how discourses occur in *dialogue*, *relation* and *contrast* to others – takes the example of the way that the discourse on environmentalism has been structured in reaction to government economic and development policies; but he also notices how government policies are in turn framed in reaction to pressure groups, thus adopting more environmentally friendly positions and borrowing the lexicon of environmentalism (Mills 2004:10).

Going through the ‘Mission’ of Monsanto and ADM, two main elements look relevant as regards our analysis:

- the language of the *Development Discourse*;
- the language of *renegotiation*, to react and adapt to the *counter-discourse*.

Indeed in both of the ‘Mission’ we can notice how the corporations depict themselves as those who can really save the farmers, the environment and the world.

Quoting from Monsanto:

We want to make the world a better place for future generations. Monsanto can do this...through the products and systems we offer to farmers. We are helping farmers around the world to create a better future for human beings, the environment, and local economies.¹⁶

Quoting from ADM:

‘Serving as a *vital* link between farmers and consumers...that’s why we work to be *essential to them* – *creating thousands* of products from their crops, *hundreds* of markets for their crops’.¹⁷

‘ADM is *uniquely* positioned to *serve* the world’s growing *needs* for abundant food’.¹⁸

On the other hand, both the corporations *borrow the lexicon* of the counter-discourse they have been and are being exposed to, reacting to it both in terms of claimed actions and language.

Hence their stress on themes such as environment, community development, sustainability and responsibility.

Quoting from Monsanto:

We are helping *farmers* around the world to create a better future for *human beings*, the *environment*, and *local* economies...This results in more *responsible use of natural resources*, better *ecosystem health*, increased *soil fertility*, increased *farm income*, and more opportunities for *farmers* and their *communities*.¹⁹

Quoting from ADM:

This vital work comes with *responsibility* – to conduct ourselves and our business *ethically* and *safely*; to contribute to the economic and *social well-being* of our colleagues, stakeholders and *communities*; and to serve as *responsible stewards of the environment*.

ADM’s *community* engagement strategies and programs are aimed at *fostering vibrant communities*. As a global company, active in different regions and

¹⁶. 30.03.2008, http://www.monsanto.com/who_we_are/our_pledge.asp

¹⁷. 30.03.2008, <http://www.admworld.com/naen/about/>

¹⁸. 30.03.2008, <http://www.admworld.com/naen/about/responsibility.asp>

¹⁹. 30.03.2008, http://www.monsanto.com/who_we_are/our_pledge.asp

cultures, how does ADM help build safe, *healthy, self-sustaining communities* around the globe?²⁰

Thus we witness a continuous process of *definition* and *redefinition* of words and *practices*. It's not our role here to assess the consistency between words and practices; but it's a task of the *counter-discourse community* to constantly monitor and assess such consistency, meanwhile proposing *counter-practices*.

Narrative Analysis

A narrative is basically an interconnected sequence of events where a set of identified characters perform different types of interaction; the way such interaction is structured conveys definitions of *self* and *other*, identifies problems and values, priorities and constraints.

Thus a narrative, by creating categories and associations, frames; by framing, it gives coherence on a virtual chaos of events: it gives meaning (Yanow 2000:54 and Yanow 2008).

A narrative may become a strategic device for dealing with ambiguity and making sense of complexities, attracting the support of the audience and even proposing solutions to those complexities.

The risk of simplifying and hiding is embedded in every framing activity: that's why the *ethos* of the narrator is important. In our case, the polar structure characterizing Shiva's narration could be explained as:

- a rhetoric device to catch the attention of the audience, which is also likely to share her mental model;
- the natural consequence of her role of activist acting on behalf of a part (oppressed) against the other part (oppressor);
- the need to make sense to the audience of articulated and multifaceted issues such as those she deals with.

By exposing her argumentations in a narrative form, she is also creating a community and expressing resistance on behalf of it, telling their stories.

Presenting evidences as narratives and causal stories, she conveys plausibility. According to Booth 'all narrative is a form of rhetoric'²¹, and 'narrative rhetoric is now taken seriously alongside traditionally more highly valued strategies such as argumentation' (Johnstone 2001: 643).

In analysing the Narrative Structure of the interview, we will proceed as follows:

- identification of the different stories told by Shiva;

²⁰. 30.03.2008, <http://www.admworld.com/naen/about/responsibility.asp>

²¹. 30.03.08, http://en.wikipedia.org/wiki/Wayne_Booth

- identification of the setting of each story;
- identification of the sequence of each story (McCloskey 1994):²² initial situation, happening, change;
- identification of the characters of each story, based on a simplified/modified version of Propp's Narrative Structure: hero/victim, villain, helper;
- analysis of the linguistic choices to strengthen the criticism and the *pathos* of each story.

First of all we should say that all the stories presented underneath are immersed within a broader story: the *regime* ruled by U.S. policies, U.S. corporations and WTO entering the sustainable, democratic and traditional lives of indigenous people, farmers, women and children, causing death and resistance.

The smaller stories identified are characterized by a *variable surface structure* (setting and characters), but by an *invariable common deep structure* (functions and interaction).

The role of these stories could be summarized as follows:

- enriching the interview with lively details, hence keeping the attention of the audience;
- presenting factual evidence of what is broadly morally claimed;
- underlining the contrast between the claims of the Development Discourse and the real lives of people affected by the consequences of such discourse;
- moving the audience to sympathize with the victims.

In the following two pages, a table synthesizing the main stories is offered.

²² McCloskey quotes Prince, who stated that 'a minimal story' (generally and intuitively recognized) is made of three conjoined events. These three events are linked by a causal structure, and generally the third is the inverse of the first (inversion of status.). However we will notice how three of our stories end with a non-reversed situation, though actions were taken to bring a change. This aspect fits well the language of unavoidability observed above.

Discourse Analysis

LINES	SETTING	INITIAL SITUATION	HAPPENING	CHANGE	HERO/VICTIM	VILLAIN	HELPER	LANGUAGE
21-36	The "suicide belt", India	Farmers are cultivating their lands in a sustainable and independent way, using renewable seeds saved from the previous year	Globalization and liberalization of the seed sector. Corporations are allowed to sell non-renewable seeds. Corporations spread their invasion first with hybrid varieties and then with GM seeds. Vicious cycle of high cost of seeds and of chemicals.	Farmers must buy seeds every year. They necessarily get into a debt trap. They start committing suicide in a large scale.	Farmers adopting their livelihood strategies	Monosanto, Cargill, WTO, unpatented varieties (intellectual property rights) Research Institutes designing modified seeds	The Supreme Court of India ruling against Monosanto.	Criticism: unregulated, unpatented wrong, high, monopoly. Publics repulsion of non-renewable, very large scale, nobody new, never
36-42	India, through entrance to all the developing countries producing cotton	Government agency buys cotton from farmers at a fair price	Globalization, WTO rules and U.S. subsidy system reduce artificially the price of cotton.	Farmers protest against low prices of cotton. One farmer is shot dead while protesting and others go on committing suicide.	Farmers protesting. Farmer shot dead.	U.S. subsidy system. WTO. Government agency.		Criticism: killing, regime, artificially. Publics fear, collaborating, huge. Irony (line 41)
52-56	Vidarbha - Maharashtra, India	Vidarbha region is affected by the highest number of suicides	The Prime Minister visits the region and offers a solution.	The solution does not actually happen and farmers remain in their initial situation.	Farmers adopt their livelihood strategies	Prime Minister providing the wrong solution	Initially, the Prime Minister visiting the area is affected	Farmers do intense, repetition of non-renewable, no affordable. Irony: unfortunately
58-60	Punjab, India	Widows of farmers who committed suicides and have lost their land have to cope with their condition	They have to bring up children as landless workers on others' land. They gather together.	The system does not respond. There will be no change unless Monosanto gets out of the seed sector	Widows and children.	Monosanto. WTO. The system	Vandana Shiva witnesses and voices out women's condition	Criticism: the system. Farmers only one response, get out

Discourse Analysis

67-79	Rajasthan, India Central India References to Amazon and Borneo	Local people produce mustard oil; they enjoy its symbolic value, its cultural meaning, its healthy properties and the economic benefits derived from its production.	Corporations manage to get a ban on indigenous oils and dump on India crops of never eaten before and produced elsewhere	Women organize movements to bring back the mustard, but are defeated. Farmers protest and are killed. Farmers climb up water towers threatening to commit suicide	Indigenous people Women's movements Farmers protesting Farmers climbing up the water towers Bollywood movie	Monsanto and Cargill WTO – unaided (conceding the ban on indigenous oil)	Patilov (various): very symbolic, colour, spring, yellow, flowers, love, etc, wonderful healthy Criticism: managed to get a ban, repetitions of dumped on U.S. Irony (line 78)
111-115	Vandana Shiva	Shiva was training to be a nuclear physicist	She realized that a nuclear power cannot be a democracy.	She left her nuclear physicist career and went on to do theoretical physics	Vandana Shiva	Vandana Shiva as pacifist	Patilov: Love too much First person narration
135-145	India	Women grow vegetables outside the city, go to the tiny market, put out their mats, sell for the day, go back home and feed their children. 14 million people depend on little marketing. Indians don't need to move to buy vegetables, which come to their doorstep in a tiny moveable cart.	Walmart announces to enter India with 500 stores, threatening with its giant stores the giant retail economy of India	The unorganized retail sector is being organized to resist.	Women growing vegetables and selling them in tiny markets. Children People dependent on little marketing.	Walmart	Patilov: tiny, giant, intimacy, democracy Anti-intellectual organizing the unorganized, organizing the giant retail economy

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Introduction

Until recently, political corruption was perceived as a phenomenon reserved to authoritarian regimes.¹ Since the end of the cold war, however, it has become increasingly clear that democracies—in particular, new democracies—are similarly vulnerable to political corruption. Indeed, by the mid-1990s, no nation appeared immune to the “corrosive impact of political corruption” (Heywood 1997: 418). Increasing awareness of their own susceptibility to political corruption has inspired governments in old and new democracies alike to devise legal regulations by which to stem the tide of political corruption. This paper examines one such effort in one new democracy: that of Serbia.

Serbia is a country in which politicians and political parties are regarded with deep suspicion. According to CESID (2008), they are in fact perceived by the public as the two most corrupt public actors in Serbia today. Such perceptions are confirmed by the World Bank (2007), which labels Serbia as one of the Western Balkans’ most corrupt states. In light of the vast scale of corruption in Serbia, this paper examines one set of efforts aimed at combating it. It seeks, in particular, to understand how recent legislation on party finance reform has affected political corruption in Serbia. It does so by evaluating the strengths and weaknesses of the latest law of party financing in Serbia, as well as the effects of its enforcement in practice. Before delving into the specifics of party finance reform in Serbia, however, the paper examines the theory and significance of political corruption, as well as its relationship to political parties and democratic practice.

¹ According to Heywood, until the 1990s examples of political corruption in established democracies were regarded as an “aberrant deviation from the norm” (Heywood 1997:417).

Political Corruption and Democracy

Political corruption takes many forms and is thus difficult to reduce to a single all-encompassing definition (Johnston 2005). The definition of political corruption adopted in this paper expands on the more conventional forms of corruption identified by Mark Philp, who defines corruption as involving four key components: “an official (A) who, acting for personal gain, violates norms of public office, and harms the interests of the public (B) to benefit a third party (C) who rewards A for access to goods or services which C would not otherwise obtain” (Philp 2001:358). To this definition this paper adds two caveats. First, the initiator of political corruption may act on his or her own behalf, but can also act on behalf of a political organization (most notably, a political party). Second, political corruption need not be limited to individuals in positions of public office. To the contrary, an individual outside of public office may seek the support of a third party on the promise that once in office, access to goods or services will be procured.

The particular form of political corruption examined here pertains to political parties and their financing. As Kanev notes, “the financing of political parties is one of the areas in which the phenomenon of political corruption is most often found” (Kanev 2001:133). Six of the most common forms of corrupt party financing include the following: the receipt of illegal donations, funds used for party purposes that are obtained through illegal transactions, unauthorized use of state resources for partisan purposes, receipt of money in exchanged for illegal favours or the promise of a favour, contributions from disreputable sources, and the use of money for illegal purposes (Pinto-Duschinsky 2002: 72).

Corrupt party financing is particularly worrisome because political parties carry out many of the functions necessary for the democratic process, including the arbitration of competing interests, the mobilization of voters, and the recruitment of personnel for public office (see Nassmacher 2003). To carry out such functions, parties must have funds at their disposal to pay for such things as party staff and running costs. The financing of political life is thus both a necessity and a problem. This is because when financing of parties occurs in a corrupt fashion, the democratic process itself risks being derailed. Indeed, the use of illegal funds can place certain parties at an unfair electoral advantage and thus influence an election undemocratically. Corrupt financing can subvert the norms governing access, the legitimate exercise of authority, and even the efficacy of accountability procedures (Philp 2001: 358). Of particular concern for new democracies like Serbia is that allegations of corruption may undermine the perceived legitimacy of

political parties and the democratic process in its entirety. In Serbia, for example, public polls conducted in 2007 showed that only 3% of citizens fully trust political parties (CESID 2007). For all of the aforementioned reasons, the means by which to stem corrupt party financing has received ample attention by both scholars and practitioners. These shall be discussed in greater depth below.

Reforming Party Financing

The number of channels through which money can penetrate into politics makes the financing of political parties very difficult to control.² The State may affect party financing through the use of *regulatory* and *distributive* tools.

Regulatory Tools: All regulatory strategies emphasize sticks over carrots. There are three primary forms of regulation which will receive attention here: disclosure, prohibitions, and limitations. *Disclosure*, or the requirement that contributions to and expenditures of political parties are made public, is probably the most prevalent anti-corruption measure.³ Yet while transparency is often seen as the best way to control corrupt party financing, it is widely acknowledged that disclosure rules are only effective under certain conditions. In particular, they require substantial public resources, free media, bureaucratic capacity, and a sound system of courts and prosecutors (Johnston 2005), which are lacking in many countries.

Another type of regulation is that of *prohibiting* political parties from accepting assistance from anonymous donations, foreign states, organizations and individuals, trade unions, businesses, and government contractors. Some of these bans are understandable. Why, for example, should entities that do not have voting rights, such as foreign organizations and individuals, be allowed to influence a political process in a certain country by financing its political parties? Nevertheless, an extensive list of bans can make parties dependent on state funding, removing them from the civil society sphere and undermining their role as mediators between citizens and state institutions.

The final form of regulation discussed here is that of *limitations* set on the maximum amount a given group or individual may contribute to a party.

² As Pinto-Duschinsky notes: "As soon as one channel of political money is blocked, other channels will be used to take its place" (Pinto-Duschinsky 2002:70).

³ In a major study on party financing conducted by USAID, 62% of the 114 countries surveyed had regulations requiring the public disclosure of at least some of the financial accounts of parties or candidates (Pinto-Duschinsky 2002).

Limits help to ensure that a single individual or group does not have excessive influence on the political process. However, by setting the threshold too low, limits which are too severe may prompt parties to seek additional resources through non-transparent channels and thus ultimately undermine enforcement.

Distributive tools: Unlike regulatory tools, distributive tools emphasize carrots over sticks. The most popular regulatory tool is direct or indirect *public funding* (or subsidies) of political parties.⁴ By awarding parties state funds, subsidies relieve parties from the pressure to accept money from illegal channels. Moreover, they allow the state to set conditions on assistance by, for example, demanding that parties which accept public funds make their financial expenditures public. Yet public funding also has a number of downsides, the most important of which is that the practical application of public funding has not been proven to reduce political corruption. In countries with generous public funding levels, such as Germany or France, serious financing scandals involving political parties and party leaders have plagued the political scene (Pinto-Duschinsky 2002: 78). This is because public subsidies alone cannot guarantee that a party will not opt to outdo their competitors by seeking additional resources.

As shall be demonstrated, both regulatory and distributive tools have been implemented in Serbia since the fall of the communist regime in 1990. Yet the extent and manner by which such tools have been employed has varied over the course of the past 18 years, most notably in 2004 when a new law of party financing went into effect. The following section examines the state of party financing in Serbia during the regime of Slobodan Milosevic from 1990 to 2000.

Party Financing in Serbia 1990-2000

During the period of Slobodan Milosevic's semi-authoritarian rule, party financing was poorly regulated. Throughout the 1990s, the few legal norms that existed were regularly contravened or adapted to suit the needs of Ser-

⁴ A recent survey conducted by IDEA (2003), identified 65 countries as having direct public funding and 79 as having indirect funding. State subsidies are most common in Western and post-communist Europe. Direct state subsidies account for 40% of total party income in Germany, 60% in France, and 70 to 80% in Spain and the Scandinavian countries. By contrast in the Netherlands and Portugal direct public finance is very low. It accounts for only 20% of total party income (Stojiljkovic 2008).

bia's single largest party, Milosevic's Socialist Party of Serbia (SPS). As the successor of Serbia's communist party, the SPS inherited the national infrastructure of what had hitherto been Serbia's largest (and indeed, only) political party. It used this position to the detriment of its rivals and crafted laws accordingly.

Over the course of the 1990s, Serbia passed three laws on public financing (1991, 1992, 1997), all of which shared the same deficiencies. They did not provide adequate state funds for party activities, they did not mandate sufficient transparency of party financing, and they did not present a significant obstacle to political corruption. The primary tactic of the SPS was to push through financing laws that limited state funds for political parties to meagre, insufficient amounts.⁵ Parties (other than the SPS, which regularly dipped into state coffers) were thus forced to seek private funds to maintain their operation. Due to the SPS's use of oppressive tactics, however, public donations were exceedingly hard to come by, as potential donors who overtly made contributions risked the wrath of the SPS regime. Thus, parties were forced to seek private, non-transparent funds from donors, a habit which instilled a practice of non-transparency which would continue post-Milosevic.⁶

Party Financing Post-Milosevic

After the Milosevic regime was brought down in October 2000, Serbia's new government initiated a process of democratic transition. Despite the

⁵ In Serbia's first law on party financing passed in 1991, parties were awarded funds on the basis of the number of deputies they had in parliament. For each member of parliament, parties were awarded one average Serbian salary each month. A second law passed in 1992, doubled this amount and also allowed state financing of electoral campaigns for parliamentary elections on the basis of previous electoral results, a requirement which clearly benefited those parties that had performed well on previous occasions (i.e. the SPS).

⁶ For example, many rich businessmen, afraid to donate money to oppositional parties publicly, gave money in secret, often directly to party leaders. Although this was not necessarily in contravention of the law—which explicitly allowed anonymous donations—it instilled a practice of political corruption. Moreover, parties often resorted to accepting donations from abroad, something which was explicitly forbidden by law. In the first half of 1990s, oppositional parties received the majority of their funds from emigrant organisations (i.e. the Serbian Diaspora). From 1996 onwards, funds increasingly came from foreign organisations and states, in an effort to bring about regime change (Carothers 2001).

clear need for legislation regulating party financing, however, it would take three years for Serbia's new government to ratify a new law on party financing. It seemed that parties were in no hurry to regulate the flow of money in politics. Instead, they silently supported existing legislation allowing parties to be financed in the 'grey zone'.

In 2003, an expose of ongoing financial and corruption scandals made their way into the public arena. It became evident that without a new law providing significant funding from the state budget, parties would inevitably seek money elsewhere, thereby increasing the likelihood of political corruption. Passing a new law on party financing was thus seen as part of the broader effort to combat corruption.⁷ In 2003, Serbia's Ministry of Finance wrote and promoted the new Law on Financing Political Parties. According to the former Minister of Finance, Bozidar Djelic,

Financing political parties is the central issue of democratic development ... Prohibition of anonymous donations and strict limits of the amounts to be spent ... shall prevent the so-called tycoonisation of our political scene... The punishment for not observing the law, in addition to being deprived of budget financing, shall also be the loss of credibility in the public (as quoted in Goati et. al. 2004).

In the oncoming discussion we attempt to answer whether these predictions and expectations regarding the effect of the law were fulfilled in practice. But before assessing the implications of the law for political corruption, the paper proceeds by describing its main attributes.

The New Law on Party Financing

The new Law on Financing Political Parties, passed in July 2003 and first implemented in January 2004, introduced innovations in almost all respects. Those most relevant to the fight against political corruption are the following:

Increased public funding

The new law significantly increased the role of the state in the financing of party activities. The total funds available to parties now depend on the size

⁷ Such measures included bills to support a new law on the prevention of the conflict of public and private interest, a public procurement law and a law erecting an anticorruption agency.

of the state budget⁸, rather than on the average salary, as was previously the case. This served to increase the total amount of public funds to political parties by some 600 percent. Of these funds, only parties in parliament receive subsidies for non-electoral activities.⁹ By contrast, all parties competing in elections receive state funds, although those boasting electoral victories receive the bulk of funding.¹⁰

Greater limits on private sources

Unlike the previous laws, the new law limits the total amount of money that a party can obtain from private sources. For parties in parliament, the maximum they may receive from private funds may not exceed the total funds they are awarded from the state budget, as pertains to non-electoral activities. For parties that are not represented in parliament, the most they can collect from private sources for such activities cannot exceed 5% of the total state budget awarded to party financing. In order to undermine the influence of private donors on the activities of political parties, the law also limits the amount that individuals can donate to parties.¹¹

Increased prohibitions on private sources

The list of the donors from which parties may not receive funds has been extended to include companies in which there is any share of government

⁸ 0.15% of the budget for the regular functioning of the parties who have their representatives in parliament, and 0.1% of the budget for financing electoral campaigns in the election year. This is considerably more than was previously the case.

⁹ As pertains to the financing of non-electoral activities, 30% of these funds are distributed evenly amongst all parties represented in parliament, while the remaining 70% are distributed according to the number of seats each party has won.

¹⁰ With regards to the financing of electoral campaigns, 20% of budget funds are allocated evenly to all parties that participate in elections, regardless of their result, while 80% are distributed proportionally according to the number of mandates won.

¹¹ Annually, a private person may donate no more than ten average monthly salaries (around €3.500) to parties non-electoral work, while the maximum a legal person may donate is capped at 100 average monthly salaries (roughly €35.000). With regards to electoral campaigns, parties may collect from private sources an amount which may not exceed 20% of the total amount of budget funds allocated to parties. Individual donations from private entities are limited to 0.5%, and from legal entities up to 2% of total amount of funds parties are allowed to collect from private sources.

capital, unions, importers and exporters, and most significantly, anonymous sources.

Increased disclosure

The new law defines disclosure in greater detail than did previous laws. Parties are now obliged to maintain accounting records of all income and expenditures in annual reports. One innovation of the law regarding control of financing is parties' obligation to establish mechanisms for internal financial control within their statutes. It also proclaims the right of party members to be informed about financial activities of their party. With regards to control mechanisms, the law gives authority to two bodies: the Republic Electoral Commission (REC) charged with controlling campaigns; and the Parliament Board of Finance, which controls regular party activities.

Evaluation of the Law on Party Financing

The new law certainly represents a step forward in Serbia's struggle against corruption. In contrast to earlier regulations, this law aims to comprehensively regulate party financing. Its first contribution is that it provides a stable and significant stream of finance for parliamentary political parties from the state. This should lower parties' dependency on private interests and finances drawn from illegal sources. Its second contribution is that, by obliging parties to publish their financial reports, it helps increase the public's awareness of the importance of transparent party financing. Since the law's implementation, the media has reported far more frequently on this issue. NGOs have begun to use the rights acquired by this law—to be informed about parties' financial activities—to criticize parties that do not adhere to their legal obligations. Another positive achievement of this law is the prohibition of anonymous donations, which limits manoeuvring space for the corrupt behaviour of political parties and leaders. In addition, by obliging parties to establish mechanisms for internal financial controls and proclaiming the right of party members to be informed about their parties' financial activities, the law challenges the right of party leaders to arbitrarily decide financial matters without the participation of party members. This has reduced the power of party leaders and empowered marginalised party members, and in the future, could have positive consequences for internal party democracy. Despite its strengths, however, the law suffers from serious weaknesses. Some of these relate to the law itself, while the others pertain to its enforcement. The remainder of this essay outlines the most sig-

nificant problems and suggests recommendations for the law's improvement.

To date, the results of the law have been disappointing.¹² The main concerns relate to the financing of electoral campaigns, which remain opaque processes mired in scandal. According to Vladimir Goati, "Even the first step in implementing the 2003 law on party financing has yet to be taken" (B92 2008). In monitoring 2004's presidential campaign, Transparency Serbia found all candidates to have spent more money than legally permissible, yet no penalties were inflicted (Goati et al 2004). There have also been problems with the publication of party financial reports. Only one party in Serbia published a report on campaign financing for presidential elections held in January this year.¹³ No party published a report on the financing of electoral campaign for parliamentary elections held in May 2008.¹⁴ There were no consequences in either case. Moreover, for the 2007 electoral campaign parties were suspected to have spent far more than the law allows (Politika 2007). According to Transparency Serbia, campaign costs exceeded parties' incomes from public sources and legal private sources. Thus, four years after the law's implementation, parties continue to obtain money through illegal channels. Clearly then, the law failed to fulfil the public's expectation, particularly as pertain to transparency, accountability, and the reduction of political corruption. This failure can be attributed to three factors:

Inadequate Control Mechanisms: The biggest problem in the new law is an inadequate and inefficient control mechanism. Both control bodies formed by the new law are composed of party members, meaning that parties control their *own* financial reports. The existing control bodies therefore lack independence. They also lack sufficient resources and expertise. Although the law allows control bodies the use of professional reviewers, they have not chosen to do so for two reasons. On the one hand, they lack the political will to genuinely control their parties while on the other they lack the budget to pay reviewers (Pestic 2007). Furthermore, neither body has the legal

¹² Since the adoption of the law in 2003, two presidential (2004, 2008) and two parliamentary elections (2007, 2008) have been held. There is thus ample evidence through which to assess the law's effectiveness as well as to gauge whether it has fulfilled the public's expectations, particularly as relates to the fight against political corruption.

¹³ The Democratic Party, whose candidate Boris Tadic, won the election.

¹⁴ Parties are obliged to release their financial statements ten days after election results are announced.

authority to initiate a process against a party that violates the law. They can only recommend that another organ initiates such a process. Moreover, the law does not define the mechanisms of coordination between these two bodies. This allows for miscommunication and inefficiency.

Lack of Political Will: Another problem is the lack of political will on the part of stakeholders, including relevant political institutions and parties, to implement the law. This is due, at least in part, to the law itself. Some solutions in the law, particularly those related to the financing of parties from private sources, are too rigid. Limiting funds a party can collect from private sources by the amount of money it gets from public sources does not provide parties with enough resources for their needs. This is particularly unfair for parties which do not have representatives in parliament and therefore do not receive public funds. This puts parties in the position of having to choose between fully obeying the law and suffering poor electoral results or consciously disobeying the law and maximising their electoral results. In such a situation this, all the parties will chose the latter option and will have little incentive to accuse of others of doing the same. This is precisely the case in Serbia and thus explains why do little political will exists.

Incomplete Regulations: The third major problem with the law is its incomplete regulations and (some) insufficient articles. For example, there is not sufficient insurance that parties will report on their expenditures. The law lacks the clear stipulation that the nominators of candidates are obliged to publish such reports¹⁵ and lists no sanctions for when a party fails to do so. The law also fails to ensure that the body which is assigned to control and supervise this process (the REC) presents its findings to the public in the form of a detailed report.

Another problem is the structure of the party reports as prescribed by the law. The reports give only a summary of data that, according to experts, cannot be used to asses the legality of financing (Goati et al 2004:132). The law also does not oblige parties to reveal the names of election donors in their financial reports. This undermines transparency of electoral financing as well as possibilities of effective control.

Another deficiency of the law is the solution to distribute 20% of the money from the budget set aside for party electoral financing at the beginning of a campaign, and 80% after the elections, in accordance with electoral results. This solution is counterproductive for the anti-corruption strug-

15. The current law states only that reports “are to be published”.

gle since it forces parties to find money from other sources to meet costs incurred at the beginning of a campaign.

Conclusion and Recommendations

The aforementioned section highlighted some of the most glaring problems in existing legislation to combat political corruption in Serbia. Unfortunately, the limits of this paper do not allow a comprehensive discussion of the means by which to resolve these problems. Instead, the following tentative suggestions are offered:

- Problems concerning *control mechanisms* might possibly be overcome by creating a single expert institution, rather than two which is currently the case. This single body would be fully independent, composed of non-partisan experts whose main assignment would be that of monitoring the legality of party finances. The expenses of this body would be served by the state budget. This would allow problems of coordination and cooperation, and most importantly partisanship, to be overcome.
- The problem of *political will* might be overcome through less rigid regulations on private sources of funding. There is no need to limit the total amount of money a party can receive from private sources. Certainly, individual donations must be limited, in order to prevent excessive influence of private, particular interests on public policy making. With proper oversight, the total amount of money collected from private sources serves no identifiable purpose. Were parties legally permitted to collect sufficient resources, there would be less incentive to resort to 'grey zone' activities.
- Finally, as concerns *incomplete regulations*, sanctions must be made more explicit and the demands of expenditure reporting made more specific, both of which depend on the readiness of law makers to amend the law accordingly.

Needless to say, regardless of how well-written or systematic the new law may be, it alone will not solve the problem of political corruption. Indeed, even the best of laws on party financing represents just a first step in the fight against corruption. The outcome of this struggle depends above all on the law's consistent implementation and hence, the political will of its stakeholders. This is exactly what is missing in Serbia today. However, the law itself can influence, either positively or negatively, political will. If the discussed deficiencies of the current law were removed, this could create a positive atmosphere for its implementation. Such a law would have an im-

portant role to play not only in combating political corruption, but also in strengthening democratic processes by increasing citizen's trust in political parties and political institutions, as well as establishing values of accountability and transparency.

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Implementation of Black Economic Empowerment in South Africa's Economy

KAROLINE KEMP

South Africa's years of apartheid left the country racially divided in social, political and economic terms. Under apartheid, the majority black population was denied any meaningful participation in the economy, destroying the assets and skills of several generations. Wealth was confined to the hands of a small white minority, and the legacy of this continues even today. While the country has enjoyed continued economic growth since the end of apartheid, the current vision of South Africa, defined by their progressive Freedom Charter, decrees that all people share in the wealth of the country and have the freedom of equality to participate in the economy, with specific mention of mineral wealth, the Banks, monopoly industry, land ownership and the working of the land and significantly, equal pay for equal work (African National Congress). But this is not happening, and the results of this continued inequality has led to vast disparities in the distribution of and access to wealth, income, skills and employment. Repercussions of these dynamics serve only to increase the potential for instability and threaten the sustainability of democracy.

In 1994, when the democratic government took over, low growth and underdevelopment were two of the several problems they inherited, along with economic exclusion. The Constitution mandated equality for all South Africans, and new legislative frameworks put in place laws to dismantle the structures of oppression. Several of these policies included the National Small Business Development Promotion Programme, the Human Resources Development Strategy, Urban Renewal Programme, Extension of Security of Tenure Act, Competition Act plus many more. All of these included scaling up participation of black people. Support, financial and other, was to be provided for black owned and controlled enterprises, and entrepreneurs were especially targeted. Public sector procurement or tendering was also opened up, and unbundled so that smaller enterprises could participate. Affirmative action in the Employment Equity Act was meant to

ensure that representation in terms of race in all occupations is taking place, and historically disadvantaged people, under the National Empowerment Fund, have been encouraged to save and invest, and given the opportunity to acquire shares. Furthermore, public awareness raising is being used to inform people about these opportunities.

To aid in all of these programmes, the Department of Trade and Industry has instituted a Black Economic Empowerment (BEE) policy, instituted in a 1998 Commission led by influential African National Congress politician turned business man, Cyril Ramaphosa, which is a broad based government intervention strategy designed to address the systematic exclusion of the majority of South Africans from participation in the economy. Decentralisation through active participation of local and provincial governments has been the cornerstone of this initiative. Moreover, the private sector has been leveraged to take initiative with regards to policy and they have contributed financially to the task. The major goal of BEE is to deracialise business ownership and control, but also to place this objective within the larger, national goal of empowerment with specific attention being paid to black people, women, youth, the disabled and the rural communities.

Black Economic Empowerment is defined by the government as an 'integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people that manage, own and control the country's economy, as well as significant decreases in income inequalities (A Strategy for BEE, 12).' Specific policy objectives thus include the following: a substantial increase in the number of people who have ownership and control of existing and new enterprises, especially in the priority sectors of the economy; a significant increase in the number of new black enterprises; black empowered enterprises and black engendered enterprises; a significant increase in the number of black people in executive and senior management; an increasing proportion of the ownership and management of economic activities vested in community and broad based enterprises and cooperatives; increased ownership of land and other productive assets; improved access to infrastructure, acquisition of skills and increased participation in productive economic activities; accelerated and shared economic growth and increased income levels of black people resulting in a reduction of income inequalities between and within racial groups. The principles behind these objectives include the belief that this process is an inclusive one whereby all South African individuals and enterprises are encouraged to participate, that this process is one associated with a larger goal of good gov-

ernance and that BEE is part of an overall growth strategy (A Strategy for BEE, 13).

The policy instruments designated to support this initiative include legislation, in the form of a Bill introduced into the parliament, regulation through a 'balanced scorecard' to measure progress, restructuring of state owned enterprises and preferential procurement as well as institutional support and a designated Advisory Council to include a wider range of stakeholders. Partnerships, charters with specific mechanisms, outreach campaigns and a governmental Code of Good Practice are also institutionalised. It is difficult to give an overall description of the main features of its implementation, as the programme is such a vast one. The aspect of being broad based means that not only are its sectoral interests wide (including fuel, mining, agriculture, construction, service etc.), but also that it must engage with almost all of South Africa's 47 million strong population. The measurable impact of the BEE comes from the Scorecard which it has created. Depending on the level of implementation, companies rate themselves according to seven characteristics, which include looking at aspects of ownership, management control, employment equity, skills development, preferential procurement, enterprise development and socio-economic development.

There are, however, some major issues that arise out of such an ambitious policy. First of all, incorporating a historically disadvantaged subset of a society into economic activities presupposes that they have the skills required to participate. Offering financial and other incentives to black businesses is nothing if those enterprises are not run with the skills required, and many end up as a failure. Secondly, implementation of the BEE as measured by a Scorecard represents an overemphasis on quantity, not quality, which feeds into a subsequent problem; the racial divide that is further embedded in society when some people are given extra opportunities which others perceive as not having been earned is also dangerous (affirmative action), and is creating a popular perception of reverse racial discrimination (see for example, the BBC). This popular perception, which may not always be rooted in concrete realities, presents a major challenge for those attempting to implement the policy. Yanow is a key proponent of this view, and Puzl and Treib argue that 'the interpretive approach does not take the factual essence of problems as its main point of reference, but shows that multiple and sometimes ambiguous and conflicting meanings, as well as a variety of interpretations, coexist in parallel' (99). Regardless of what the gap between the actual policy and its implementation is, how different players in the process view it is revealing with regards to whether it will work or not,

and how. This is most definitely the case with the BEE – the amount of media coverage, for example, in South Africa, as well as the way in which the South Africans speak about it amongst themselves is quite telling (personal observation). In my experience, the common perception of BEE policies were divisive and more detrimental to the attempt to reversing racial discrimination than anything else.

While there are many more issues related to implementation of the BEE policy, there is another problem with regards to just who is benefiting. At one level, with many more players involved in what South Africa is calling co-operative governance, there is an increased role for private sector to contribute to service provision, in part because of the need to attract investment into the country. This is resulting in a wider array of stakeholders, but questions are arising as to whom the government is most loyal to – the private sector or the people (Hamann et al. 24). The fact that many private sector businesses which are able to tender for public programmes come to search for profit, not public benefit, and as such, the politics of such tendering often gets in the way. Beyond this, civil society fears that a black elite is being created out of the opportunities that BEE is offering. In fact, government officials are increasingly benefiting from private interests, and as Freund argues, ‘. . . there can be no doubt that the state is doing much to create a class of closely aligned capitalists (666). This can be seen in the new business deals being set up specifically to meet the requirements of BEE. Freund offers up the example of the Gautrain – a commuter train set to run between Johannesburg and Pretoria, which has a phenomenally high project cost. ‘The contract has gone to a company with a fetchingly African name of Bombela but which consists of a major, well established South African multinational, a British branch of a Canadian company and a completely inexperienced black empowerment company called Loliwe, created for the purpose’ (Freund, 666). In fact, Freund offers an interesting categorisation of the relationships which have been created by the BEE. He argues that often, companies are created in tandem with the government, frequently in partnership with white people or foreign owned companies but with sufficient black ownership and management so as to arouse no suspicion. Therefore, profits remain out of the hands of save for a few black business people (usually well connected men), serving not to contribute to the goals of BEE, but to reinforce an economic elite. One aspect of implementation, which the above problems are an example of, is that implementation is not just a technical process – it is inherently political. An interactive model of implementation notes that ‘in the implementation process, political, financial, managerial and technical resources are likely to be needed to sustain the re-

form' (Thomas and Grindle, 1166). Choosing who participates and under what conditions, as Fruend has pointed out, is therefore a political issue, with government officials choosing to serve their own interests.

The major problem with the implementation of the BEE therefore seems to be with an overemphasis on numbers (quantity not quality) and who benefits – which is often not the 'poorest of the poor.' As Joshi and Moore argue in their examination of anti-poverty strategies, 'the intended recipients, the poor, tend to be politically weak, in the broad sense of that term, in relation to public agencies and the non-poor,' and that often at the implementation stage, 'jobs, houses, food rations, transport subsidies, school places and medical services formally intended for the poor are actually appropriated by the non-poor' (33). So while this is a problem that is well known, further to this, and underemphasised in the implementation of the BEE are these 'basics' – skills development, investments in social wage (housing, transport and health care) and the integration of rural and informal labour. These are all aspects that are found in the policy, but seem to be neglected in the implementation, with more focus put on ownership and management. In order for black people to own and manage businesses the proper skills and resources are required, and the BEE seems to fall short on this end. Given Joshi and Moore's argument, bringing poor people into the arena must be a key focus of any restructuring, and then these basics must be addressed.

Strategic planning, which can better be thought of as strategic thinking, requires taking into account external trends and forces, attempts to be politically realistic and asks that key participants be candid about critical issues (Bryson, 38). Often applied to organizational management, strategic thinking, alongside the techniques of stakeholder analysis, can offer a useful tool with regards to the implementation of the Black Economic Empowerment policy. A reorganisation of the implementation process is required, and must take into account contextual needs and interests, as well as situations. Therefore, those implementing the BEE must be more involved at a micro, rather than macro level. Broken down into regions, the BEE must engage with local government, industry, businesses, civil society and most importantly, the intended beneficiaries to identify exactly what skills and resources are needed, not simply how to engage larger numbers of people. Taking structural transformation as the goal, BEE must take into account a wide range of issues.

The Black Economic Empowerment plan calls for the scaling up of participation of black people into the economy, but is falling short of reaching its grandiose goals. A return to basics is required. It is not enough to focus

on who the people of the country can be, in this circumstance, but who they are – in other words, given the unequal situation, the BEE must work within the confines of its current situation. Therefore, two main areas are identified in which the BEE can improve.

First, the leveling of the playing field must begin. Black workers are often isolated geographically and financially. Concerns about being able to make it to work on time, protecting housing (often shacks in townships), health issues (with the devastating HIV/AIDS crisis) and providing educational opportunities for children means that black workers are often caught in a vicious cycle, unable to focus on work and entering into crises that make their attendance irregular or sporadic. Social wages, which provide easier access to basic rights enshrined to the South Africans in the constitution – housing, education, health care – as well as subsidies to aid in transport, etc., could provide an environment in which disadvantaged people could gain a better footing to participate in the economy, and even the potential to move upwards. If basic needs are taken care of, then people gain an increased ability to concentrate on their work, gaining confidence and putting into motion a cycle upwards rather than downwards.

Arguments that there are not enough skilled black workers make it to that businesses have little incentive to hire black workers (see again the media, IOL). With a majority of black workers employed on contractual or temporary terms, there is little job stability or incentive to remain long term, building up skills required for working. Therefore, a scaling up of skills training and businesses dedicated to nurturing and mentoring black workers is required. In other words, a shift in organizational culture is required. Identifying skill needs and pairing black workers with others who have those skills could be one way of beginning this process, as could an organizational culture which encourages and rewards training and skills development.

Special attention must be paid to these two issues in rural areas. Just under half of all South Africans live in non-urban countryside and their participation in the economy is central, not simply because much of the economy is based there (in mining, agriculture, etc.). Most importantly, those who participate in the implementation of this programme must keep in mind the prevailing attitudes of the public, as the conditions under which they are working. Ongoing racism, a growing black elite and the current political climate all contribute to this policy, which is a rather contentious one. Therefore, keeping in mind these factors, all South Africans must be involved in this change – in this instance an interactive media campaign would be appropriate, in order to share information and views and engage people

to feel as if they were part of the process. Capitalising on the institutional and financial support that is already required of the private sector, government could have the opportunity to make this into a meaningful and structural transformation. While Black Economic Empowerment has been the task of the Department of Trade and Industry, my suggestions also concern other governmental ministries, many of whom are already hard at work addressing these issues. Therefore, increasing partnership and coordination is required between these departments in order to facilitate more grounded, structural societal changes.

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Why is SAARC not working? An analysis of the regionalism project of the South Asian Association for Regional Cooperation (SAARC)

MANISHA GUNASEKERA

1 Introduction

The South Asian Association for Regional Cooperation (SAARC) was launched in 1985 and brought together the seven South Asian countries of India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan and the Maldives.¹ SAARC was launched as a formal, state-driven project of 'hard regionalism'² with the geo-strategic objective of building mutual trust and confidence within a region overshadowed by internal and external strife, i.e., the India-Pakistan conflict and the Soviet invasion of Afghanistan. SAARC inhabited not only one of the most volatile and conflict-ridden regions in the world, but also one of the poorest. Today, it comprises just 3 percent of the world's area, houses 21 percent of the global population, and is characterized by large income disparities, with 43 percent of its population living below the poverty line.

The formation of SAARC also co-incided with the proliferation of regional trade agreements (RTAs) in the global arena in the 1980s, partly as a reaction to globalisation and the multilateral trade agenda. Economic cooperation was therefore a strong motivation for the formation of SAARC, though not the primary motive. But economic issues were formerly incorporated into the SAARC agenda only a decade after its inception, with the launching of the South Asian Preferential Trading Arrangement (SAPTA) in

¹ SAARC membership expanded to 8 with the addition of Afghanistan as its latest member at the 13th SAARC Summit in 2005.

² 'Hard regionalism' is defined here as the formal consolidation of pan and/or sub-regional groupings (Knio 2008a). 'Hard regionalism' is normally a state-driven process.

1995. SAPTA was upgraded to a South Asian Free Trade Area (SAFTA) in 2006. But neither SAPTA nor SAFTA were effective in stimulating intra-regional trade in SAARC which remained at 4-5% of total trade of the region (Kelegama 2007). The cost of trading across borders in South Asia continued to be one of the highest in the world.³ South Asian exports also continued to lack diversity in terms of products and markets.

Despite its existence for 23 years, SAARC has also not exhibited political coherence and policy convergence as a regional bloc. This is partly due to the conflict-ridden polity of the region which has led to bilateral and contentious political issues being excluded from the SAARC agenda right from its inception (Khan 1991; Hossain 2002).⁴ Unanimity in decisionmaking as provisioned by the SAARC Charter has also impeded its progress (Cheema 1999). Another reason for SAARC's lack of progress is regional asymmetries between India and the other SAARC members. Thus the initial areas of cooperation included relatively 'benign' subjects (Khan 1991).⁵ There has also been no significant progress in regional security cooperation within SAARC even though the primary motivations for its formation were security-related (Khan 1991; Bajpai 1999).

The development of a coherent regional identity is an important element of regionalism, as per IR literature on the subject. In the case of SAARC, it has consistently failed to exhibit any policy convergence as a regional grouping in the arena of diplomacy and foreign relations. A case in point is the election of the new UN Secretary General in 2006 when both India and Sri Lanka put forward their own individual candidates, thus exhibiting a lack of South Asian consensus on the issue, even while ASEAN consensually endorsed the South Korean candidate for the post.⁶

³ For example, the annual trade between India and Pakistan, the bulk of which is routed through Dubai, remains at 1% of their total trade, and is currently estimated at US\$1 billion, but it could be as great as US\$ 9 billion if barriers are lifted (Kelegama 2007; FCCI 2006).

⁴ Article X(2) of the SAARC Charter unanimously adopted in 1985 by the 7 SAARC Heads of State specified that 'Bilateral and contentious issues shall be excluded from the [SAARC] deliberations' (Hossain 2002: 165).

⁵ They included agriculture, rural development, telecommunications, meteorology, health and population (Khan 1991).

⁶ Another case is the strong opposition posed by both Bangladesh and Pakistan to India's bid for a permanent seat in the UN Security Council during the G4 initiative for UN Security Council Reform in 2006.

Thus the majority of the literature on SAARC concurs with the view that SAARC has brought neither political integration via policy coordination, nor economic integration via liberalisation and increase in intra-regional trade and services to the region (Baysan, Panagariya and Pitigala 2006; Goncalves and Jetly 1999; Hossain 2002; Khan 1991; Kelegama 2007; Weerakoon 2001a, 2001b, 2002). SAARC specialists and scholars who gathered at a pre-SAARC Conference held in Colombo in June 2008, ahead of the 15th SAARC Summit scheduled to be held in Colombo in August 2008, collectively called SAARC 'ineffective and unrealistic' (Samaraweera 2008). Thus the general perception is that SAARC is 'not working', that there is no significant progress within SAARC as a regionalist project, and that there is mostly rhetorical allegiance to regional integration.

The term regionalism is ambiguous and difficult to define (Hurrell 1995: 38). It can be conceived as 'a policy or a project', a conscious undertaking, as opposed to regionalisation which can be conceived as a process (Knio 2008b). In classical regionalism literature, regionalism is analysed in terms of the level of social, economic, political and institutional cohesiveness it brings to a particular region (Hurrell 1995: 38). In this essay, I have confined the 'measurement' of regional integration within SAARC to the level of connectivity and cohesion developing within the region. I begin my analysis by positing the economic argument for the failure of SAARC (Weerakoon 2001a, 2001b, 2002; Kelegama 2002, 2007). While this argument is compelling, it is in my view not sufficient to explain the lack of progress within SAARC. Therefore, I complement the economic argument with a neorealist analysis of India's foreign policy motivations behind SAARC, in order to provide a credible explanation for the stagnation of SAARC as a regionalist project. My theoretical framework in analysing the lack of progress of SAARC includes a confluence of neorealism (Krasner's concept of hegemonic distribution of power) and liberal institutionalism (Keohane's concept of complex interdependence).

2 From SAPTA & SAFTA: Economic argument for failure of SAARC

The economy is an integrative factor in formal regional cooperation as per IPE literature on the subject. Regional economic integration is conceived as a linear process, a gradual shift from a preferential trading area, to a free trade area, a customs union, a common market, an economic union, and ultimately a political union (El-Agraa 1997). Regional Trading Arrangements (RTAs) thus form the first step in this process, and SAARC too follows this

linear model of economic integration. SAPTA was adopted in 1995 in the backdrop of a debate on whether the potential for trade creation existed or not in South Asia via a preferential trading arrangement.⁷ SAPTA was subsequently upgraded to SAFTA in 2006. As per the linear model of economic integration, SAFTA anticipates the formation of a SAARC customs union (harmonisation of external tariffs) by 2015; and a SAARC economic union (harmonisation of monetary and fiscal policy) by 2020.

SAPTA was launched a decade after SAARC was formed, but was not effective in stimulating an increase in trade within the region which remained at a low 4-5%. Economists have identified a variety of technical and institutional factors for the failure of SAPTA including its halting progress, adherence to a time-consuming positive list approach to tariff reduction, limited coverage of its trade basket, and failure to address non-tariff barriers (NTBs) (Kelegama 1999, 2004, 2007). The economic impediments to SAPTA included restrictive trade policies, information asymmetries, resource constraints and dependence on external aid and poverty of South Asian markets (Kelegama 1999; 2004; 2007).

In contrast to SAPTA, SAFTA had clearer parameters, and was based on a 'faster track' negative list approach and a clearly defined tariff phase-out programme. But SAFTA also had a slow beginning and its even slower implementation began in 2006, six years after the initially recommended year, and it will not be fully implemented until 2016 (Samaraweera 2008). Ideally, SAFTA should hold huge potential for intra-regional trade growth as over 90 per cent of imports of South Asia are sourced from outside the region, and a major portion of exports are also directed outside. Despite this, scholars have argued that SAFTA is not likely to be effective due to a variety of technical and institutional impediments similar to those faced by SAPTA (Kelegama 2007; Samaraweera 2008). They include the existence of large

⁷ The first view posited by the World Bank was that an RTA offers no potential for economic integration in South Asia due to limited intra-regional complementarities, and that it would lead to substantial trade diversion rather than trade creation within the region (Kelegama 2005). Thus the comparative advantage for South Asian countries lies in trading with ROW. The second view as posited by Kelegama (2005) argued that an RTA would not contradict but complement the multilateral trade agenda and enhance prospects of global trade liberalisation for South Asia as well as increase intra-regional trade, provided the right institutional architecture were created. It argued that substantial intra-regional trade is already taking place in South Asia via informal channels, and that dormant regional complementarities can be reinvigorated by intra-regional investment and FDI, and cautioned that the cost of non-integration could be quite high (Kelegama 2005).

negative lists, most actively traded goods being left out of the tariff liberalisation regime, lack of an effective mechanism to address NTBs, non-liberalisation of the service sector, and the contentious political climate between India and Pakistan⁸ (Kelegama 2007; Samaraweera 2008). As much as 53% of total intra-regional imports within SAFTA are still subjected to negative lists and are excluded from SAFTA preference⁹ (Weerakoon and Tennekoon 2006; Samaraweera 2008).

A distinctive feature of the Asia-Pacific regionalisation process has been close collusion between the state technocratic elite and private business in creating and implementing industrial policy (Camilleri 2000:04). It demands a close relationship with capital, and accurate intelligence and active agency to changing market signals, economic reality and in picking winners.¹⁰ But in the SAARC region, there is a 'conspicuous' lack of a formal mechanism for the state technocracy to directly engage the private sector, even though informal dialogue does exist and appears to be driving the process of regionalisation at a modest level. A pre-SAARC conference of South Asian scholars and practitioners held in Colombo in June 2008 highlighted this factor as the biggest impediment to progress within SAARC (Samaraweera 2008). Although a SAARC Chamber of Commerce and Industry is already operational it has limited scope. It conducts informal discussions with the private sector, but there is as of now no formal mechanism to incorporate private sector feedback into the SAARC framework which is heavily state driven (Samaraweera 2008).¹¹

⁸ Pakistan refused to offer MFN status to India for about 700 products during SAFTA tariff liberalisation process (Kelegama 2007).

⁹ 5500 tariff lines under SAFTA have been liberalized and are expected to move towards zero tariff for non-LDCs by 2013, and for LDCs by 2016. But the problem is that most tariff lines do not cover items which have trade potential and member countries have very long sensitive lists, which is defeating the very purpose & spirit of SAFTA (Kelegama 2007). For example, sectors such as agriculture, textiles, leather, pharmaceuticals, rubber, light machinery, automobile parts, etc., are put in sensitive lists, making it impossible for the region to harness the benefits of SAFTA, and for countries to specialise according to competitive advantage (Kelegama 2007).

¹⁰ Liberal institutionalists such as Keohane and Nye have also emphasised the importance of transborder networks between economic elite, multinationals and private sector in forging interdependence.

¹¹ This point was highlighted by Nihal Rodrigo, former Secretary-General of SAARC, at the pre-SAARC Conference held in Colombo in June 2008, ahead of the fifteenth SAARC Summit scheduled to be held in Colombo in August 2008.

Another problem which has slowed economic integration in the region is the issue of special and differential treatment of LDCs (Kelegama 2007). With the entry of Afghanistan the total number of LDCs in SAARC have expanded to 5 out of 8. The SAARC agenda is dominated by issues of concern to LDCs such as revenue compensation, anti-dumping and safeguard measures, negative lists, etc. This will further delay the SAFTA process in the future (*ibid.*).

Kelegama (2005) observes that SAFTA should ideally facilitate efficiency-seeking restructuring of industry in the region, enabling the exploitation of economies of scale and specialisation.¹² He observes that what is important is not the lack of regional complementarities,¹³ but industrialisation and specialisation as per each country's competitive advantage.¹⁴ Thus India's fast economic growth and industrialisation should provide investment and technology transfer opportunities for other SAARC members via its exportable surplus. But this phenomenon is not taking place within SAARC. Instead, increased growth and the deepening of 'regionness'¹⁵ are

¹² In such a scenario, Sri Lanka may emerge as the region's hub for shipping and rubber-based industries, Bangladesh as the hub for energy-based industries, Bhutan, for forest-based industries, India, for IT, textile and heavy industries, the Maldives for fisheries industries, etc (Kelegama 2005).

¹³ There is a compelling argument supported by the World Bank (Kelegama 2005) and some scholars (Baysan, Panagariya and Pitigala 2006) that limited regional complementarities are the biggest impediment to the success of SAFTA. There is competition among SAARC countries to export the same products, For example, India, Sri Lanka, Bangladesh, Nepal, Pakistan are all garment producers; cut diamonds are a major export of India and Sri Lanka; tea is a major export of Sri Lanka, Bangladesh and India. Kelegama (2005) disagrees with this viewpoint.

¹⁴ Kelegama (2005) notes that ASEAN too started with limited complementarities in the 1970s with intra-regional trade at a modest 6%. But Japanese investment-driven exchanges contributed to stimulating intra-regional trade among ASEAN countries by exploiting the investment-trade nexus, and ASEAN thus succeeded in increasing its intra-regional trade to 22 percent (*ibid.*).

¹⁵ The 'regionness' concept is defined in new regionalism theory (NRT) as the process of multi-level, multi-track regionalisation triggered off as a result of the dramatic increase in transnational contact between nation states due to their greater openness to external relations and relaxation of 'inward-orientedness' (Hettne and Soderbaum 2000: 463-464).

taking place within certain ‘micro-regions’¹⁶ in South Asia, via the exploitation of bilateral free trade agreements (BFTAs).

3 Shift from multilateralism to bilateralism: Impact on SAARC

Largely due to the failure of SAPTA, the late 1990s saw the emergence of series of alternative mechanisms of regional integration in South Asia in the form of BFTAs, mainly between India and certain individual SAARC countries. These comprised the India-Sri Lanka Free Trade Agreement (ISLFTA) (2000), Pakistan-Sri Lanka FTA (2005), India-Nepal Trade Treaty (1996) and India-Bangladesh FTA (currently under negotiation). As indicated above, the launching of these BFTAs marked a shift from the multilateral track of regional integration, as manifested via SAARC (SAPTA), to the bilateral track of regional integration and engagement. The bilateral track used a fast track negative list approach and was thus more successful in stimulating intra-regional trade and connectivity.

I will briefly illustrate the success of the bilateral track with reference to the India-Sri Lanka FTA (ISLFTA), which is considered to be the BFTA which has had the most significant impact so far. Since its entry into force in March 2000, there has been a dramatic increase in trade and investment between India and Sri Lanka. Bilateral trade between the two countries almost quadrupled in the last 6 years, and India became the third largest export destination for Sri Lanka, and the largest source of Sri Lankan imports. The trade balance between the two countries which was in favour of India also declined fivefold from 1998 to 2004. Today India stands as the fourth largest investor in Sri Lanka, and over 50% of Indian investment in the SAARC region is in Sri Lanka. The BFTA also resulted in an increase in cross-border movement of people between the two countries (Kelegama 2007). India became the number one tourist supplier to Sri Lanka. The increase in trade and investment created spillovers in the services and investment sectors in Sri Lanka, that in turn led to greater ‘connectivity’/‘linkages’ being established. This connectivity is manifested in an increase in transport

¹⁶ Micro-regionalism according to an NRT definition comprises sub-national, cross border regions, growth triangles, development corridors, micro-states as well as cross-border/trans-national interaction between regions of two states. It is the interplay between the state, market and civil society in the construction of a region (Hettne and Soderbaum 2000).

links between the two countries (air¹⁷ and port¹⁸ links). Given the apparent 'success' of the ISLFTA, India and Sri Lanka are currently in the process of converting the ISLFTA to a Comprehensive Economic Partnership Agreement (CEPA).

Thus the ISLFTA has increased the level of bilateral engagement and deepened regionness between India and Sri Lanka via connectivity and spillover effects, and led to the creation of a micro-region.¹⁹ It is precisely this level of connectivity which SAARC has aspired to achieve, but failed. Connectivity is perceived today as an important variable in regional integration. The key theme of the 14th SAARC Summit which concluded in New Delhi in April 2007 was having better connectivity within South Asia.

SAARC's legitimacy appears to be eroded today as a result of institutional and technical impediments to SAFTA and the dynamism of the bilateral track. The latter has also resulted in the growth of a range of 'micro-regionalisms' such as growth triangles within India. The challenge for SAARC in the future lies in whether it would be able to supersede or integrate the bilateral track.

The economic argument alone, as elaborated above, is not sufficient to explain the apparent failure of SAARC vis-à-vis the dynamism of the BFTAs. I therefore examine the SAARC project of regionalism from a neorealist perspective in order to uncover the motivations behind SAARC, and arrive at a more comprehensive explanation.

4 Failure of SAARC: Neorealist argument

An analysis of the regionalist project of SAARC from a neorealist theoretical perspective demands an understanding of the special features of the

¹⁷. In terms of air connectivity, Sri Lanka's national carrier, SriLankan airlines, is now the largest foreign carrier to India, with 100 flights a week to 11 Indian cities. Additionally, 4 Indian carriers operate 95 weekly flights into Sri Lanka. The Increase in flights has been further facilitated by the unilateral liberalisation measures with regard to open skies being implemented by both India and Sri Lanka. Sri Lanka also unilaterally implemented a visa on arrival policy for a selected group of countries including India in 2002.

¹⁸. The Colombo port has benefitted from the increase in trade and connectivity between India and Sri Lanka and has enjoyed the status of a micro-regional hub.

¹⁹. Kelegama (2007) reiterates this position by noting that more economic connectivity is being brought about via the bilateral track and the natural market integration process, than via the multilateral track of SAFTA.

South Asian region, including the unique position enjoyed by India within the region, given its size and predominance.

Asymmetries

The first distinguishing feature of the region is the vast asymmetries in size, economic resources, growth patterns and influence of India vis-à-vis its neighbours, who are members of SAARC. The region is Indo-centric with India covering almost 78% of the total area, 75% of the total population and 80% of GNP of South Asia. India is located at the core of the region, with the smaller states surrounding it peripherally. Given the vast asymmetries and the special nature of the 'security complex' that binds India to its neighbours, India has always occupied the status of a regional hegemon.

Security complex

The second distinguishing feature is the 'security complex' prevalent between India and its South Asian neighbours. The 'security complex' refers to a situation where the primary security concerns of states are intertwined (Dash 1996: 206). In the case of South Asia, given the strategic location of India vis-à-vis its neighbours, the security of all seven countries has direct ramifications on India's security and stability, and vice versa. Dash (1996: 206) argues that the unique India-centric security complex prevalent in South Asia poses a strong case for state-driven regionalism led by India. I would take this argument further by saying that given the dominance of India in the region, it also demands that the regionalism project be bilateral and India-centric rather than multilateral.

Hegemon

Historically, the existence of a powerful hegemon within South Asia undermined efforts to construct an inclusive regional arrangement via SAARC (Hurrell 1995). India has historically used its hegemonic position to consolidate its influence within the region and to prevent extra-regional interference in the region.

The neorealist rationale for the creation of SAARC was to collectively counter and contain this Indian hegemony (Jorgensen 2001:138, Bajpai 1999:76), and to mitigate bilateral conflict via multilateral engagement. Bangladeshi President Ziaur Rahman's letter to other South Asian governments on the proposal to form SAARC hinted at the various security anxieties of the region, exacerbated by the Soviet invasion of Afghanistan (Bajpai

1999:75).²⁰ The SAARC Charter ratified at the first Summit in 1985 made reference to security concerns of the region, in its Preamble itself (Bajpai 1999:76).²¹ Right from the inception, India had limited interest in SAARC. The proposal for the formation of SAARC came from smaller countries (i.e., Bangladesh) and was enthusiastically endorsed by other smaller countries (i.e. Sri Lanka and Nepal) (Didi 1991). Neither India nor Pakistan showed much enthusiasm (Didi 1991). India did not want the small states to ‘gang up against her’ (ibid.).

Thus India has right from its inception viewed SAARC as a tool with which to consolidate its dominance in the region, rather than to create regional integration (Jørgensen 2001). This realist perception has essentially not changed with the advent of neoliberalism in India,²² even though cold war extra-regional threats have dissipated today and the India-Pakistan rivalry too has taken on a ‘softer’ stance with the advent of neoliberalism. But here we come to the third distinguishing feature of India’s regionalist project which is its neighbourhood policy.

India’s neighbourhood policy: shift from realist to ‘more normative’

India’s neighbourhood policy or foreign policy with regard to the South Asian region can be separated into two different periods: (i) the pre-1991 realist period; and (ii) the post-1991 ‘more normative’ period. The defining moment for this shift came with the end of the cold war (1989) and the liberalisation of India’s economy (1991) when India came under the influence of neoliberalism. Kumar (2008) traces India’s shift from a ‘non-normative’ to a ‘normative’ foreign policy actor. In my view, the post-1991 policy is not purely normative, but combines normative principles with national interest;

²⁰. The second paragraph of President Ziaur’s letter read as follows: ‘Recent events and developments in and around South Asia and the Middle East represent a considerable threat to global peace and security. The situation in Afghanistan continues to undermine the security of the countries of the region... Under these circumstances we believe that there is an urgent need for cooperation among the countries of this area for preserving peace and stability’ (Bajpai 1999: 75).

²¹. The Preamble of the SAARC Charter begins with the words, ‘Desirous of promoting peace, stability, amity and progress in the region...’ and goes on to urge regional partners to uphold the classical values of a security order (Bajpai 1999: 76).

²². India’s Foreign Secretary K. Sibal did not make any reference to SAARC at a detailed lecture given on India’s foreign policy at the Institute of International Relations (HEI) in Geneva in 2002, which was attended by me.

realism with neoliberalism. I therefore call it 'geostrategic neoliberalism', or for the sake of simplicity in this essay, 'more normative'.

The zenith of India's non-normative foreign policy or 'unrealpolitik' as Kumar (2008) calls it was the tenure of Prime Minister Indira Gandhi (1966-75 and 1978-84), when India's neighbourhood came under the influence of the 'Indira doctrine'. This comprised the long-held view that India's security interests 'are coterminous with those of the region as a whole' and it therefore had a 'legitimate extraterritorial interest' to intervene in issues within its smaller neighbours which threatened India's 'national interest' (DeVotta 1998). The doctrine comprised the realist consolidation and concentration of the Indian sphere of influence in South Asia. India's goal was to remain the unchallenged regional hegemon in South Asia, with wider world problems taking rhetorical priority. During different phases of this period, India had tense relations with all its neighbours.

This non-normative behaviour changed dramatically after 1991 and India's realist neighbourhood policy of dominance and aggression was replaced with engagement and (inter)dependence in the neoliberal era. With the economic growth that it experienced in the post-1991 period, India for the first time began to perceive its influence in the region as being based on economic power rather than size or moral authority (Kumar 2008). Ensuring a peaceful and stable neighbourhood policy became the first pillar of India's new foreign policy.²³ It was one of 'widening concentric circles around a central axis of historical and cultural commonalities' (Kumar 2008). This engagement was balanced on the India-axis and needed to be India-centred. Thus bilateralism in neighbourhood policy (i.e. BFTAs) came to be preferred to multilateral engagement (i.e. SAFTA), due to the greater control that India could exercise in its engagement in the case of the former. This shift can also be illustrated using Koehane's complex interdependence theory where the BFTAs were seen to be creating a web of interdependent institutions between India and its individual South Asian neighbours.

This more normative neighbourhood policy dramatically transformed India's bilateral relations with its neighbours and thus injected new dynamism to the BFTAs and rendered SAARC more and more redundant. In 1996, India began providing Nepal with quota-free access to Indian markets and boosting Nepali exports to India up to 424 million USD per year

²³ The 3 pillars of India's new foreign policy are outlined by Foreign Secretary Shiv Shankar Menon in 2007 as (i) ensuring a peaceful periphery (i.e. the South Asian neighbourhood); (ii) relations with major powers; and (iii) issues of the future (i.e. food security, energy security and environment).

(Kumar 2008). The 1950 security arrangement with Nepal gradually came to be less important than the new economic (inter)dependence that was being created. A similar transformation also took place in India's bilateral relationship with Sri Lanka, where tense relations of 1987 when India coerced Sri Lanka into signing a Peace Accord, were transformed to the implementation of the ISLFTA in 1998-2000, which triggered a process of micro-regional integration between the two countries, as discussed above. It also transformed India's relations with arch rival Pakistan. Between 2003 and 2007, trade between India and Pakistan trebled to 600 million USD (even without a BFTA), and since 2004, the number of people travelling between India and Pakistan increased twenty-fold (Kumar 2008). Thus détente and integration were taking place via trade, even while Pakistan became nuclearised.

The 'Gujral doctrine'²⁴ spelt out in 1996 added further impetus to India's bilateral economic engagement, and reflected India's new neighbourhood policy of accommodation. It entailed a positive transformation of the role of hegemon, where India took into account its own economic dynamism and market size and provided concessions to its smaller neighbours (in the BFTAs and even SAFTA) without expecting reciprocity.

Krasner's hegemonic distribution of power and limits of realism: India's fear of multilateral track

India's reluctance to commit to the multilateral track or in other words the regionalism project of SAARC can be further illustrated using Krasner's framework of hegemonic distribution of power (Krasner 1982). Krasner's proposition here is that hegemonic distributions of power lead to stable, open economic regimes because it is in the interest of the hegemonic state to pursue such a policy, and because the hegemon has the resources to provide the collective goods needed to make such a system function effectively' (Krasner 1982). Keohane, Stein and Jervis extend this argument further from a complex interdependence perspective by highlighting the incentives for states other than the hegemon to accept cooperative practice (Krasner 1982). But within this framework, one does not always find congruity between power distribution and related behaviour and outcomes. Thus princi-

²⁴ The 'Gujral doctrine' is a set of five principles spelt out to guide the conduct of foreign relations with India's immediate neighbours as posited by I.K. Gujral, first as India's foreign minister and later as prime minister. The doctrine's basis was acknowledgement of the asymmetrical power relations between India and its neighbours, and the leadership role that needs to be played by India as the regional power (Murthy 2000).

ples, norms, rules and procedures may not necessarily conform to the preferences of the hegemon or the more powerful states. Complex interdependence opens a space for the accommodation of smaller states' preferences and behaviour patterns. The literature that identifies hegemony with stability argues that this type of 'open' regime structure may initially serve the interests of the hegemonic state, but over the long term it tends to undercut the hegemon's position (Krasner 1982). Thus India's reluctance to commit to the regionalism project of SAARC can be seen in this regard as fear of losing the hegemon's power to other members.

This point is reiterated by Bajpai (1999) who affirms that, even while acknowledging that South Asian integration offers tremendous economic opportunities, India at the same time fears the possible 'internationalisation' of its bilateral disputes within the region via the opening up of the multilateral track, i.e. Kashmir (India-Pakistan); Ganges water (India-Bangladesh); Tamil Eelam (India-Sri Lanka). This is therefore the key motivation for India to keep neighbourhood engagement at a bilateral rather than a multilateral level, and thus not commit itself to SAARC. Gonsalves and Jetly (1999) also highlight India's consistent and continuous reluctance to abandon conventional realpolitik and come to a *modus-vivendi* in SAARC, even in its more normative neighbourhood policy phase.

5 Conclusion

I have in this essay projected SAARC as a largely stagnant process, and identified the reasons for its apparent 'failure' first from an economic perspective, and then from a neorealist and liberal institutionalist perspective. I have pointed out that the economic argument offers a compelling case for SAARC's failure, as the institutional impediments in SAPTA/SAFTA combined with the dynamism of the bilateral track have prevented an increase in intra-regional trade and deepening of regionness. But the economic argument alone is not sufficient to explain the failure of SAARC. I have argued that India's neighbourhood policy in the post-1991 phase which combines realism with a more normative approach is helpful in unravelling the geostrategic and economic motivations of India in handling SAARC vis-à-vis the BFTAs. Just as India's neoliberal ideology has motivated it to relinquish aggression in favour of economic integration, the combination of neoliberalism with geostrategic motivations have led India to privilege bilateralism over multilateralism, and thus relegate SAARC to the margins. I have used Krasner's (neorealist) concept of hegemonic distribution of power as a theoretical tool in unravelling the motivations behind SAARC. I have found

neorealism to be useful in illustrating how regimes behave as foreign policy actors and how structural/systemic factors shape regimes, both hegemons as well as smaller/weaker states, at the point of entry. But as pointed out by Hurrel (1995), I have found neorealism to be less helpful as an illustrative framework once regional cooperation is underway and new institutions are launched. Keohane's (liberal institutionalist) concept of complex interdependence is a more enlightening framework in analysing the networks of (inter)dependence that is currently developing between India and its South Asian neighbours, with India always operating as the central axis or the core. The workings of these new institutions may lead to a new definition of identity, and new institutional structures which are quite different to the ones intended by the powerful actors, in this case India (Hurrel 1995). I have concluded that even though India may lack control over process and outcome, India remains central to the process of regional integration in South Asia. Thus India's less than enthusiastic commitment to the multilateral track, albeit SAARC, remains a primary cause for its stagnation.

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Sector Wide Approach: The Case of Health Sector in Ethiopia

KASSA TESHAGER ALEMU

Introduction

The Sector Wide Approach (SWAp) represents a new approach to development aid. As opposed to traditional project aid, with its multiplicity of individual and often uncoordinated projects, Sector Wide Approaches are based on a framework within which all resources in a sector can be managed in an integrated and coherent manner. In SWAp, all significant funding for the sector supports a single sector policy and expenditure programme, under government leadership, adopting common approaches across the sector, and progressing towards a situation in which all funds are disbursed by governments, which are also accountable for the disbursement. To date, Sector Wide Approaches have been implemented in low-income, highly aid dependant countries like Ethiopia.

This essay, therefore, explores the practical aspects of the Sector Wide Approach in the case of Ethiopia's health sector since 1997. The essay will start by discussing concepts of and rationales for Sector Wide Approach. It will then present the SWAp programme, the main actors and their partners in the Ethiopian health sector. Lastly, it will analyse the advantages and disadvantages of the approach, reasons for the disadvantages, and conclude with lessons learned from Health Sector Development Programme in Ethiopia.

Concepts and Rationales for SWAp

SWAps emerged in Africa in the 1990s as a result of a growing dissatisfaction with the traditional project approach which was viewed as fragmented and donor-driven, with high transaction costs for recipient countries and little impact on addressing development problems (Foster et al 2000). According to a World Bank study, the sheer number of donors and donor projects had overwhelmed governments with weak management capacity (WB

2004). Public sector expenditure had become an unplanned aggregation of donor projects lacking a coherent policy framework, clear priorities, and service standards. It became clear to both donors and the recipient countries that to increase the development impact of aid resources, all donors funding for a sector should support a single government-led sector strategy and expenditure program. In addition, transaction costs could be reduced by having donors align their preparation and implementation rules and procedures such as to enable joint programming, appraisal, monitoring, and evaluation, as well as a move towards single fiduciary systems, preferably those of the recipient country where possible. This new focus led to the emergence of the SWAp.

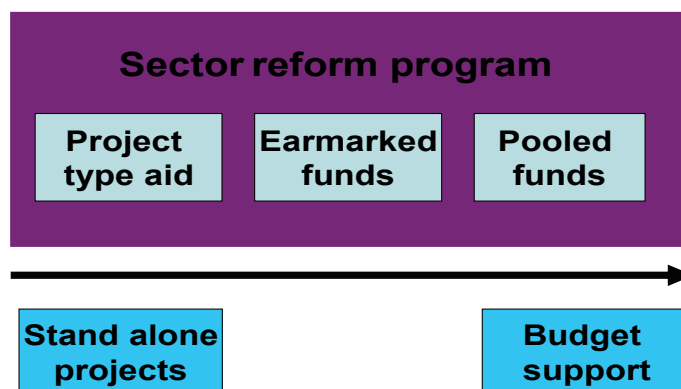
The early literature on SWAps in the mid 1990s was mainly prescriptive in nature (Harrold et al. 1995) and contributed significantly to the shaping of the concept and to motivating donors and partners into exploring it further (Pavignani 2001). According to Evans et al. (2006: 5), the literature of the early 2000s (Brown 2000, Foster et al 2000, Brown et al 2000, Foster et al 2001, Jones 2000) was more empirical, built on early practice across sectors and countries and more cautious about some of the more ambitious aspects of early SWAps. From this latter literature emerges what is probably the most commonly accepted definition of a SWAp:

A SWAp is a process in which funding for the sector – whether internal or from donors – supports a single policy and expenditure programme, under government leadership, and adopting common approaches across the sector. It is generally accompanied by efforts to strengthen government procedures for disbursement and accountability. (ECDPM 2002)

Drawing on this definition, it is widely accepted that a SWAp generally has four main objectives: 1) to enhance local ownership of decision-making procedures with respect to sectoral policy, strategy and spending; 2) to improve coordination amongst all relevant policy stakeholders in the sector; 3) to increase coherence between sectoral policy, spending, and results by bringing the sector budget back into the centre of policy-making; and 4) unifying expenditure programming and management regardless of the sources of funding thereby minimising transactions costs associated with the provision of external financing (Evans et al. 2006: 5).

As the definition above suggests, SWAp represent a conceptual shift from donor-led traditional stand-alone projects to local government-led development through sector budgetary support.

Table 1
SWAps programming and financing arrangements



Source : adapted from John Davies (CIDA) in an internal discussion paper entitled 'Participation in Sector Reform Programs'

As one moves across Table 1 from left to right, there is a gradual but significant shift from donor-led and donor-controlled processes to approaches which are led by developing countries, based on domestically-developed policies and rooted in national systems and procedures. According to Benson and Morah (2000), UNFPA¹ representatives in Ethiopia, choices made by donors regarding which approach to use will depend on an assessment of the development country's policies, programming frameworks, budgetary processes, financial management and planning capacity and a number of other factors, including the quality of partnership arrangements. For example, where developing country policies are sound, linked clearly to a medium-term expenditure framework, and government capacities in planning and management (especially financial) are strong, support by donors is more likely to be based on pooling of funds and harmonised procedures. Donor involvement in SWAps at this end of the spectrum focuses more on policy issues and ongoing dialogue with government, including active engagement in sector planning and review meetings.

According to a UNFPA report (2000), the last twenty years of international cooperation have highlighted the importance of coordinating and harmonizing the interventions and contributions of different donors with

¹ United Nations Population Fund, formerly known as the United Nations Fund for Population Activities

those of the beneficiary country for the purpose of increasing the efficiency and efficacy of the use of the available resources. Such an approach, the SWAp, moves from the implementation of a single, externally-driven project to a contribution to the whole health sector of the country, agreed with all the other donors and in line with the national strategy of intervention set by the government.

SWAp and Health Sector in Ethiopia

Ethiopia has an extremely poor health status even compared to other low-income countries. This is largely due to preventable infectious diseases and nutritional deficiencies. Widespread poverty, low education levels (especially among women), inadequate access to safe water and sanitation facilities and poor access to health services have contributed to the high burden of disease in the country. This situation is further aggravated by the high population growth (WHO 2002:7).

A new government came to power in Ethiopia in 1991 and immediately adopted several policies aimed, among other things, at re-orienting the system of governance from the socialist model to a democratic one, and arresting and then reversing the declining trends in various social and economic indicators. Amongst these was a health policy adopted in 1993. A strategy for its implementation was subsequently developed. Various studies and assessments of the health sector were undertaken in the attempt to operationalise this strategy. These included the Policy and Human Resources Development (PHRD) studies conducted in 1995 – 1996 with the assistance of the World Bank and Japanese Government. According to Federal Ministry of Health (MOH 2001), one of the conclusions of this study was to develop and implement a sector-wide programme for the health sector in order to meet the targets of the 1993 health policy and address nationally-identified health problems. The idea of formulating a sector-wide approach in the health sector thus came from the Government of Ethiopia. This decision was based on the need to address problems associated with the fragmented approach to development programming in the country (as represented by numerous stand-alone projects), as well as the desire of the Government to own, lead the planning, management and implementation of national development programmes. This sector-wide programme later became known as the Health Sector Development Programme.

The Health Sector Development Programme (HSDP)

Historically, the health system in Ethiopia had been highly centralised and the services had been delivered in a fragmented manner, with great reliance on vertical programmes. There was little collaboration between the public and private sectors. The administrative arrangements were also highly centralised until 1991. At the start of the sector-wide approach in Ethiopia in 1997, key issues faced by the health sector included: poor health indicators, even by African standards; serious shortage of funding to the sector; weak health care organisation and management, with especially low capacity at the regional and district levels; inefficient allocation of resources; disproportionately high national spending on tertiary care; and disparities between different population groups and regions (Yohannes 2001).

Given the low health service coverage, low rates of basic indicators, wide gaps in the 6-tier system, the new government's commitment to decentralisation and democratisation, there was a need to restructure the health system in order to improve health indicators, self reliance and community participation (Ibid.). In the previous project approach, projects were randomly distributed, activities duplicated, and meagre resources wasted. It was imperative to avoid the project approach and concentrate on a program approach, that is, plan accordingly and expend resources effectively from a common basket.

The HSDP was developed between 1995-1998 by the Prime Minister's Office, the Federal Ministry of Health, the nine National Regional States and the two Administrative City Councils on the basis of existing health policies and strategies. The policies commit the government to: decentralisation of the health service management and delivery system; development of the prevention and promotion components of health care; equitable distribution of health services; inter-sectoral collaboration; national self-reliance in health development; accessibility of health care; working closely with neighbouring countries and regional and international organisations; development of appropriate capacity based on needs; payment for health care according to ability; participation of the private sector and non-governmental organisations (MOH, 2001, 2002, 2005). Implementation programmes would be developed jointly with responsible bodies of the regions as well as international partners. After presenting of these programmes at a Consultative Meeting in 1997, constructive suggestions were incorporated. Based on that, a plan of action was developed which created favourable conditions to enhance cooperation among a number of partners. The HSDP was completed in July 1998. The intense central and regional planning preparations were followed by the development of a detailed Pro-

gramme Action Plan in August 1998 and a Programme Implementation Manual in October 1998. These two documents defined the objectives, strategies, activities and responsibilities of all actors at various levels (WHO 2002: 11).

The Ministry of Health (MOH) and the Regional Health Bureau (RHB) are the implementing agencies. The Central Joint Steering Committee (CJSC) and the Regional Joint Steering Committees (RJSCs) coordinate the implementation of the HSDP. The CJSC is chaired by the Minister of Health, with members from the Ministry of Finance and Economic Development, the World Bank, WHO two other members of the HPN group (Government of Norway and USAID) and CRDA. The RJSCs, chaired by the social sector heads of regional councils, play a similar role as the CJSC. However, due to various problems, including lack of coordination between the central and regional committees, the RJSCs are barely functional.

The planning of the HSDP was done in three distinct stages: identification, pre-appraisal and appraisal stages. According to Ministry of Health, the following were undertaken during these stages: an assessment of the health situation in the country and its underlying determinants; preparation of preliminary plans to address the identified health and related problems; preliminary plans were extensively discussed with officials from the regional level of government and donors/development partners; the plans were subsequently revised and then discussed in a consultative meeting with donors and development partners in December 1996 (MOH, 2001).

The HSDP was finally launched by the government in 1997 and implementation started immediately. It is a twenty-year framework for joint government (central and regional) and donor activities in the health sector. The first phase is for the five-year period 1997/98 to 2002/03. A Programme Action Plan (PAP) and a Programme Implementation Manual (PIM) were subsequently prepared and jointly agreed upon by the government and the principal donors. A mapping of all donors was subsequently undertaken. Components of HSDP are eight and include: service delivery and quality of care; health facility rehabilitation and expansion; human resource development; strengthening pharmaceutical services; information, education and communication; strengthening health sector management and management information systems; monitoring and evaluation; and health care financing (MOH, 2005).

The five-year health development programme I and II were designed to emphasise the preventive aspects of healthcare and to develop comprehensive and integrated primary health care services. The focus is on communicable diseases, common nutritional disorders and environmental health

and hygiene. In addition, these programmes are aimed at supporting activities for improvement in reproductive health care, family planning, immunisation, control of epidemic diseases (such as malaria and tuberculosis) and control of sexually transmitted diseases, particularly HIV/AIDS.

Overview of Achievements of HSDP-I & II

According to Ministry of Health assessment report, there has been encouraging improvements in the coverage and utilisation of the health service over the periods of implementation of HSDP-I and II. For example, the number of Health Centres has increased from 243 in 1996 to 412 in 2001 (70 % increase at the end of HSDP-I) and subsequently to 600 in 2004. The number of health posts increased from 76 in 1996/97 to 1,193 in 2001 and subsequently to 4,211 in 2004. Moreover, the number of Hospitals has increased from 87 in 1996 to 110 in 2001 and then to 131 in 2004 (MOH 2005).

In terms of human resource development, the number of graduating health workers and their availability has improved over time, the most remarkable improvement being in Health Officers and nurses. For instance, the total number of health workers has increased from 16,782 to 37,233 during the period of HSDP-I. This figure further increased to 45,860 by the year 2004 (a year before completion of HSDP-II). Moreover, around 2,800 Health Extension Workers (HEWs) were trained and deployed and 7,138 were admitted for training in 2004/5 (Ibid).

During HSDP-I and II, contraceptive coverage improved from 4.0% to 25%; antenatal service from 5% to 42%; and postnatal service from 3.5% to 13.6%. Infectious and communicable disease prevention and control, particularly with respect to HIV/AIDS, malaria and tuberculosis, are also showing encouraging signs of improvement (ibid).

Programme Description of HSDP-III

Based on the encouraging achievements of the HSDP I and II, HSDP-III is meant to serve as a comprehensive national plan and as a guiding framework for further detailed regional and district planning and implementation of health sector development activities for the coming five years. The use of strategic planning and management methods in the development of HSDP-III has allowed for closer scrutiny of the strengths, weaknesses, opportunities and threats in the sector and has helped to set coherent and relevant goals and objectives for the coming five years. The major goals of HSDP-III are improving maternal health, reducing child mortality and combating

HIV/AIDS, malaria, TB and other diseases with the ultimate aim of improving the health status of the Ethiopian peoples and achieving the Millennium Development Goals (MOH 2005; WHO 2008).

Financing Ethiopian HSDP

The health services are financed by four main sources: government (both federal and regional), bilateral and multilateral donors (both grants and loans), non-governmental organisations and private contributions (both from out of pocket payments and through private sector investment in health services). The HSDP I (1998-2002) had a total cost of 5 billion Birr (about 500 million Euros) (MOH 2001). The HSDP II (2003-2005) cost around 700 million Euros, with 54% funded by the Ethiopian Government and the remaining 46% by external donors. Sixty percent of the expenditures go to cover recurrent costs (salaries, drugs, etc.), while 40% is used for capital costs, mainly construction (MOH 2005). Government budgets are expected to finance 34.9% of the total estimated cost of HSDP-III. The lion's share of the cost (55.3%) is expected to come from donors. Cost sharing by consumers is also expected to cover 8.2% of the total HSDP-III costs (MOH, 2005:115). However, according to the 2003-2004 assessment report, more than 50% of the available yearly budget (about 230 million Euros) was not spent because of low absorption capacity.

Actors in Ethiopian HSDP

Government agencies

The Federal Ministry of Health and Regional Health Bureaus are the two main government bodies responsible for health and for the implementation of the Health Sector Development Programme. Most of the health facilities and institutions are either under the Ministry of Health or under the Regional Health Bureaus. The Ministry of Education, which is responsible for the training of health workers through its colleges, also has health facilities required for the training programmes. Other ministries also play a role.

Health, Population and Nutrition Group

The Health, Population and Nutrition (HPN) Donors Group, represents the key international agencies that support the HSDP. The group meets bi-monthly with the Ministry of Health in a joint consultative meeting co-chaired by the Vice-Minister and the WHO Representative. The main countries participating in the HPN are Belgium, Germany, Ireland, Italy, Japan,

Norway, The Netherlands, Sweden, USA, and the Christian Relief and Development Association (CRDA). UN agencies participating in the meeting are UNDP, UNFPA, UNICEF, World Bank, and WHO. The HPN Group, in collaboration with the HSDP secretariat, is involved in the implementation of the recommendations of the joint review missions and the annual review meetings as well as the mid-term reports.

Non-Governmental Organisations

NGOs involved in both preventive and curative health services are important partners in the health sector. Some of the priorities of NGOs include HIV/AIDS, reproductive health, child health, environmental health and human resources development/training. But all NGOs provide only about 10% of the total health care in the country and there is evidence of coordination problems. Therefore, the role of NGOs needs to be clarified and NGO-government coordination strengthened.

Private sector

There is a growing trend towards private provision of health care in urban centres, particularly in Addis Ababa, where about 340 private clinics and 51 pharmacies have been established in the past few years alone. However, the public-private cooperation is very weak especially in regional and district level.

Advantages of SWAp

The Ethiopian health sector programmes reflect strong leadership from a government that sees the SWAp as part of a long term strategy to achieve sustainability based on government ownership and management. The government's main motivation has been to obtain increased donor support for major investments to improve the coverage of basic health services. Government ownership is clearly seen in Ethiopian health sector. For example, the government has made sterling efforts to increase domestic funding for the health SWAp when the war between Ethiopia and Eritrea affected donor contributions.

The HSDP strengthens the partnership among stakeholders in terms of planning, implementation, reporting, and monitoring and evaluation. It facilitates three levels of partnership: first, between the federal government (Federal Ministry of Health) and the regions (Regional Health Bureaus); second, between the federal government and donors; and third, between the public (federal and regional level), NGO, and private sectors.

Although local capacity is a problem, the decentralisation policy of the government helps to apply health interventions in all regions equitably, avoiding geographic disparities. It ensures greater say and control over regional health resources which also currently extends to districts. It also improves accountability at different levels of the government.

Disadvantages of SWAp

Despite the above strengths, the flow of donor funds is still slow due to **lack of alignment** between donor resources and government resources. **Coordination** between donors, the federal Ministry of Health/Regional Health Bureaus and the Ministry of Finance and Economic Development is not as strong as it should be and donor funds are not disbursed on a timely basis. On the other hand, there is need to utilise all available internal as well as external resources in order to implement the HSDP. The government's capacity to absorb additional health funds has not expanded to the desired level. This means that resource management capabilities at all levels need to be upgraded.

Even though the government has shown strong leadership and a cooperative spirit, there has been very **little participation** in the sector development process within government below senior level. Dissemination of information about HSDP to lower levels is very poor. This may be partly due to the uneasy relationship that Ethiopian federal and regional governments have with NGOs, but it is also due to lack of government capacity to conduct such participation at grassroots level. Similarly, even where the private sector is a key provider of services, there is little participation in programme design and implementation arrangements.

The critical weakness of the Ethiopian health sector is **lack of local capacity** to implement HSDP. This local capacity problem is mainly due to inadequate and low quality health workforce, lack of managerial skills especially at district level, poor infrastructure (poor communication and transportation network), and weak involvement of the private sector and NGOs.

Lessons Learned

An important lesson learned during the planning stage of the HSDP is that the Government and donors can actually work together productively, iron out problems and agree on the use of common procedures and instruments, all under the ownership and leadership of the government. Problems however emerged during the implementation stage: lack of coordination between the central and regional committees as well as between federal minis-

try of health and regional health bureaus; inadequate local capacity to manage and implement the programme; harmonisation and alignment problems as a result of a delay in funding sources from donors; inadequate participation of stakeholders from the private and NGO sectors; and internal and external armed conflict. In conclusion, a country that wants to adopt SWAp should first make sure to improve local administrative capacity and make provisions for the involvement of the private and NGO sectors.

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Introduction

Since the idea of ‘civil society’ entered the field of development in the late 1980s (Howell and Pearce 2001: 14), it has been praised for promoting the liberal creed (Salamon 1994; Scholte 2002), accused of legitimising the neo-liberal order (Petras 1997; Kamat 2004; Lipshutz 2004; Jaeger 2007), and singled out as a source of counter-hegemony (Korten 1992; Falk 1997; Evans 2000). These seemingly contradictory appraisals of the role of civil society reflect the contested nature of the concept itself. Howell and Pearce (2001) distinguish between two broad yet internally diverse conceptual approaches to ‘civil society’. The ‘mainstream’ approach, steeped in the liberal tradition (Montesquieu, Durkheim, Habermas) tends to emphasise civil society’s conciliatory nature, its ability to resolve systemic contradictions and ensure the social peace. The ‘alternative’ approach is more disjointed, sometimes very material (as in Marx), at other times more ideational (as in Gramsci), but it generally emphasises conflict and sees civil society as a source of popular power that will resist or challenge existing social orders should it choose to do so.¹

The way we conceptualise civil society of course influences the roles we attribute to it. If, as activists dissatisfied with the neoliberal order and the social ravages it has brought, we are looking to challenge the neoliberal order in a progressive, inclusive, and participatory manner (all normative values, I admit), we need a concept of civil society that will allow us to see it at

¹ In the Gramscian world view, it is very likely that civil society fails to challenge the hegemonic culture and thus the resolution of the conflict may take on the appearance of conciliation. This means that authors within the mainstream tradition do not actually contradict Gramscian thought. Rather, what sets Gramscian thought apart is the emphasis on the possibility of conflict.

as a source of progressive counter-hegemonic struggle. Unfortunately, radical thought on the matter is plagued by dichotomies. First, the mainstream-alternative dichotomy gives the impression that if civil society is not revolutionary, then it must be legitimising or even supporting the hegemonic order (*see* Kamat 2004; Lipshutz 2004). The second related but different dichotomy is between agency and structure. It leads structuralist thinkers (*again, see* Kamat 2004; Lipshutz 2004) to over-emphasise structural power, reducing civil society to passive and impotent non-agents.

The way I present these dichotomies is of course an exaggeration, but the limitations of such thinking remain even when used in moderation. In this essay I argue that when we speak of challenging a 'hegemonic' social order, we need a concept of civil society that transcends these dichotomies and allows us to think of how individual or collective behaviours and actions shape the spaces they act in. The first part of the essay discusses Gramscian notions of hegemony and counter-hegemony and asks what kind of counter-hegemonic struggle we should envisage. The second part explores the different ways in which counter-hegemonic challenges may be mounted. In the third and final part I present a view of civil society that allows us to better conceive counter-hegemonic challenges.

Hegemony and counter-hegemony

The classic Gramscian definition of hegemony identifies two main aspects. First, there is 'the 'spontaneous' consent given by the great masses of the population to the general direction imposed on social life by the dominant fundamental group' and second, there is the 'coercive power of the state which 'legally' enforces discipline on those groups who do not 'consent'" (Gramsci, Hoare et al. 1971: 12). While consent and coercion always co-exist in any hegemonic order, the proportional contribution of each varies. Though the machinery of the state (courts, police, military) is a powerful coercive force, Gramsci argued that any would-be hegemons have to make use of 'non-state and non-market structures and activities like trade unions, schools, professional, educational and cultural associations, parties and the churches' (Katz 2006: 334). Gill and Law (1993) add that market agents also wield vast normative (ideational, e.g. advertisements, lobbying, funding think tanks) and material (coercive, e.g. the ability to grant or withhold salaries or other resources at their command) power. In Gramscian thinking, hegemony is created when the power of state, capital and other social sectors is united in a 'historic bloc' which then asserts intellectual and moral leadership, eventually establishing a 'hegemonic culture.'

Neoliberalism, in its various incarnations since the late 1970s, is the current global hegemonic culture. The historic bloc that supports and promotes the neoliberal variant of the ‘free’ market doctrine unites academia (in the tradition of Hayek and Friedmann), political elites (starting, notably, with the Reagan and Thatcher regimes), corporate interests who have been able to make a profit out of global disparities² and have found it in their interest to create a private global governance structure (Messner 2004), and the global institutions shaped by each of the previous three actors (World Bank, IMF, and WTO). Thanks to this historic bloc, ‘the political project of neoliberalism has seen the convergence of states and global actors [...] around the neoliberal creed, and resulted in the establishment of a new orthodoxy’ (Katz 2006: 335). Even progressives find it difficult to think outside this orthodoxy because it ‘has incorporated much core NGO terminology around rights, empowerment, participation, poverty and livelihoods’ (Mitlin, Hickey et al. 2007: 1708). Such subversion of language to dominant interests is a sure sign of cultural hegemony (Lears 1985; Escobar 1995).

The contribution of transnational corporations (TNCs) and international financial institutions (IFIs) – including private multinational banking, trading, and insurance firms – to this historic bloc is particularly important as they command vast economic resources and are thus ‘dominant in their ability to provide material rewards and impose sanctions’ while on the ideational level ‘they are surprisingly successful in portraying specific definitions of ‘free trade’ and ‘competitiveness’ as representing the general interests of all citizens’ (Evans 2000: 230). IFIs and TNCs have ‘gained substantial political influence, which allows them to shape policies in their favour, and undermine the political capacity of the poor while empowering the new network elite’ (Katz 2006: 334, citing Pollin 2000 and Castells 1989).

However, we must be wary of giving too much agency to TNCs and IFIs for ‘in global capitalism there is still ample dependence between capital and the state, but now with a view to achieving global competitiveness’ (Pieterse 1997: 88). At the end of the day, it is the state that writes and enforces laws and still claims the monopoly on the use of force, which is used at times to ‘shock’ populations into accepting the neoliberal hegemonic order (Klein 2007). Whether or not there is a TNC pulling the strings behind policy-

² “Hegemonic globalization profits from being able to bring disparate worlds together – being able to place cutting-edge product technology in locations where the definition of subsistence is \$1.50 a day, and returning the products to societies of consumers for whom \$150.00 a day is still a working-class living” (Evans 2000: 237).

makers has no bearing on the fact that states have agency³. Nor can we deny that states still have considerable influence within the pseudo-public institutions of global governance such as the World Bank, IMF, and WTO. True, lobbies, academia, individuals, and internal institutional logics play a powerful role but the member states of these organisations at least nominally have some say over how they function.⁴

The neoliberal project advanced by this diverse historic bloc has created a global order that is unacceptable to many of those concerned with social justice, environmentalism, human rights, and an array of other progressive causes. While neoliberal globalisation may have brought riches to some, ‘new networks of intra- and inter-firm trade are developing that not only have no direct provisionary benefit to affected communities, but may actually undermine other benefits’ (Latham 1997: 59). Instead of universal prosperity, ‘the world economy has been characterised in the last twenty years by a gradual *reduction* of the exchanges between the richest and fast-growing countries of North America, Western Europe and Pacific/Asia and the rest of the world – Africa in particular.’ Rising inequality and exclusion have made large segments of the world’s population ‘structurally irrelevant’ (Castells 1996, 1998 in Evans 2000: 231).

Resisting this hegemony, i.e. mounting a counter-hegemonic challenge, could take almost any form, from inclusive social justice to isolationist xenophobia. Though I must clarify that I am interested in progressive forms of counter-hegemony, in either case the first step of mounting a counter-hegemonic challenge is creating an alternative ideology capable of unifying a new historic bloc (Cornwall 2004; Katz 2006; Mitlin, Hickey et al. 2007). In other words, ‘the popular sector must have another political agenda over and above its main business of disempowering centralised structures’ (Cheru 1996: 159 in Pieterse 1997: 82) and create ‘an overall enabling economic analysis and agenda, rather than an island approach within the sphere of economics’ (Pieterse 1997: 83). Progressives have tried to formulate this alternative ideology in many different ways⁵, perhaps facilitating the ‘divide-

³ That they don’t is conveniently part of the hegemonic neoliberal discourse.

⁴ The current impasse at the Doha round of WTO negotiations is proof that political will still matters within these institutions and that the imposition of hegemony is not as simple and deterministic as some structuralists would like to believe.

⁵ The encouragement of a multiplicity of voices is progressives’ biggest strength as well as weakness. For examples of different formulations of progressive visions, see Korten’s (1992) ‘people-centred approach’, Falk’s (1997) ‘globalisation-from-below’, Latham’s (1997) ‘democratic provisionism’, Pieterse’s (1997) emphasis on

and-conquer' tactics of hegemonic agents. Ideological formulations aside, attempts at challenging a hegemonic culture requires a good concept of how hegemony works and how it can be challenged. The next section explores the strategies available for mounting a credible progressive counter-hegemonic challenge.

How to launch a counter-hegemonic challenge

In the words of Pieterse, the question at hand is 'how can the 'weapons of the weak' become tools of transformation? How can local 'everyday forms of resistance' be integrated in a politics of emancipation?' (1997: 82). As discussed above, cultural hegemony is built in both ideational and material dimensions and is implemented through various institutions. Counter-hegemony thus 'implies the necessity of considering global structural change and world orders in terms of the dynamics and dialectics of their normative (ethical, ideological, practical) as well as their material dimensions' (Gill and Law 1993: 477). The pertinent question is where and how can agents of progressive change engage and challenge the structures that support the hegemonic order.

Gramsci believed that counter-hegemonic struggles can take the shape of a 'war of movement' and a 'war of position'. The latter involves 'more subtle forms of contestation that are strategically aimed at transforming common sense and consciousness' or, in other words, 'fundamentally contest the legitimacy of 'common sense' within an historic bloc by exposing and exploiting its weaknesses, thus destabilising hegemonic consent' (Worth and Kuhling 2004: 35). A war of movement, on the other hand is 'a full-frontal attack upon the hegemonic state and its super-structural entities' where 'the entire legitimacy of hegemony is contested by an ideological attack not only on the major agencies and structures of the order, but also on the complex forms of civil societal common sense that hold the order together' (ibid.: 35)

Here I make a slight digression. Hegemonic culture is ultimately founded on consent, i.e. through various internal cognitive processes, individuals must agree with the hegemonic ideas and culture. Though the normative and material forces that influence one's cognitive processes partially come from outside the individual, it ultimately comes down to a battle within the mind of any given person. In Gramsci's terms, these processes culminated

collective action and inclusiveness or Mitlin, Hickey, et al.'s (2007) insistence on reworking state-society interactions, inclusive citizenship, re-orienting the economy to meet objectives of social justice.

in the creation of a 'spontaneous philosophy' – a particular way of seeing and thinking about the world, unique to every individual. Spontaneous philosophies are constructed out of language, 'common sense', and the collective or popular value-laden narrative known as 'folklore' (Gramsci, Hoare et al. 1971: 323). Hegemonic forces attempt to create consent by 'selectively refashioning the available spontaneous philosophy' and developing a 'particular world view – an ideology that cements it into what Gramsci called a 'historical bloc' possessing both cultural and economic solidarity' (Lears 1985: 571).

In this line of thinking, dialogue or discourse, which represent the exchange of ideas between individuals embody 'a plurality of value-laden perspectives' (Lears 1985: 591). Language therefore is the first micro-level battleground for cultural hegemony. However, at a meso- or macro-level, it is institutions such as the state (Foucault, Burchell et al. 1991; Dean 1999) or development agencies (Escobar 1995) who shape and impose discourse and construct a hegemonic culture. This construction occurs at the interface between individual minds and hegemonic institutions. To study this interface, Cornwall's (2004) discussion of spaces is particularly useful. Cornwall sees 'space' – an encounter between various actors, including those acting on behalf of institutions of hegemony – as an entry point for understanding dynamics of power. She distinguishes between invited spaces, which is a meeting of different actors who would normally not interact, and popular spaces, which invoke the idea of joining together out of common motivation for collective action. It is within these spaces that discourses are constructed.

Ideally, popular created spaces are more amenable to constructing alternative discourses, fuelling an eventual counter-hegemonic challenge. In invited spaces, however, powerful actors will attempt to impose the hegemonic discourse. It is here that Cornwall turns to Foucault's concept of 'strategic reversibility': any attempt to promote a hegemonic culture becomes a site of resistance, producing 'possibilities for subversion, appropriation, and reconstruction,' meaning that 'spaces produced by hegemonic authorities can be filled with those with alternative visions, whose involvement transforms their possibilities' (Cornwall 2004: 81) and become spaces of open contestation or of covert ideational resistance in the form of hidden transcripts (Scott 1990). Every created space is thus a potential arena for a war of position where dominant discourses are de-legitimised by progressive actors exercising their agency.

Cornwall and Coehlo argue that within these space there exists a 'participatory sphere' which is a semi-autonomous 'distinct arena at the interface of

state and society [...] outside and apart from the institutions of formal politics, bureaucracy and everyday associational life [...] where [...] the boundaries of the technical and the political come to be negotiated' (2007: 1-2). Transformative agency could thus be exercised, they argue, by creating spaces where there were none before, enlarging spaces where opportunities were limited, or occupying denied spaces. However, participation is not automatically transformative. Quite to the contrary, much care is needed to turn any space into a venue for transformative participation. Cornwall and Coelho suggest a four-pronged approach: 1) becoming aware of political agency as 'citizens'; 2) better representation; 3) commitment from those controlling the spaces to a progressive or participatory cause; and 4) mobilisation to include a wide spectrum of social movements.

The question that begs to be asked is where exactly, under the neoliberal order, do these spaces appear or where should they be created. Conveniently, the reality of globalisation, though it increases the power of private interests, creates 'a demand for global governance institutions that would provide the transparency and predictability that capital itself needs' (Evans 2000: 235). Every new governance institution thus becomes a potential springboard for a counter-hegemonic challenge. For example, 'NAFTA made the U.S. labour movement see that collaboration with their Mexican counterparts was fundamental to their self-interest' (*ibid.* 2000: 237). Even in instances of 'private' global governance (*see* Messner 2004), private actors have begun to engage with the public at large, (e.g. corporate social responsibility, social or environmental labelling). Though such practices are seen by many (myself included) as attempts to privatise the public interest (Kamat 2004; Lipshutz 2004), the possibility of strategic reversibility remains.

The networked nature of hegemonic global governance (Latham 1997) complicates things somewhat. Governance is diffuse, spread over many institutions, themselves spread across the globe, creating a complex web of what Mitlin, Hickey and Bebbington call 'chains of intervention' (2007: 1703). Because the ability to work within global networks is somewhat restricted to a 'network elite' (Castells 1996), the ability of the excluded, the potential counter-hegemonic challengers, to access the spaces created by global governance is limited. It is nevertheless 'important for any alternative project (in a Gramscian sense) to work simultaneously at different points within these chains of intervention' (Mitlin, Hickey et al. 2007: 1703). Networking is thus a must for isolated efforts of subverting any one space will do little to the structure as a whole.

Networks use three broad categories of tactics (Evans 2000). First, they transmit information, notably to people who are able to act on it but have

not done so simply due to ignorance. Second, networks can create and invoke norms, thereby eliciting action from power-holders who, for some reason or another, have to abide by these norms. Third, networks can project local struggles into different arenas where counter-hegemonic challengers have better leverage against hegemonic powers. Such ‘venue shifting’ is not simple. The multiplicity of actors within a loose network – particularly one marked by unequal positions of power (i.e. all of them) – means that there is potential for disagreement or working at cross-purposes. For this reason, Jordan and van Tuijl (2000) introduce the concept of ‘political responsibility,’ which can be defined as ‘a commitment to embrace not only goals in a campaign but to conduct the campaign with democratic principles foremost in the process’ (ibid. : 2053).

Finding allies, let alone politically responsible ones, in other arenas may involve what Edwards calls ‘constituent building’, i.e. the creation of values such as ‘internationalism, global citizenship, and the ethics of practice of co-operation’ (1999: 195). Advocacy, which is really an exercise in persuading ‘governments, businesses, and individuals to make short-term sacrifices for long-term gains, and engage actively in global regimes’ (ibid. : 189) and ‘convincing voters that what they want can only partially be met within existing structures of international relations’ (ibid. : 192) is thus an important role for any counter-hegemonic network.

Evans maintains that ‘transnational connections [...] will work in the long run only if combined with local organising’ (2000: 235) but local organising alone also has its limitations: ‘politics, at its most basic, is about resource distribution decisions and [local initiatives do not control] anything significant in the way of resources or access to resources’ (Rodgers 2007: 181). Networks on the other hand are able to mobilise more resources – both human and financial – and at least gain access to those who do have command over significant material resources.

In addition to accessing various points of the hegemonic ‘chain of intervention’, a Gramscian reading of hegemony suggests ‘that the agency required to underpin counter-hegemonic alternatives is highly likely to require actors from outside the state as well as within it’ (Mitlin, Hickey et al. 2007: 1711). Large-scale institutions such as states, markets, or inter-governmental organisations at local or global levels remain valuable ‘mechanisms of provision’ (Latham 1997), i.e. they command vast material resources, and, in a Gramscian reading, also command vast normative power (Gill and Law 1993). It is thus imperative that counter-hegemonic agents work ‘on both sides of the equation’ (Gaventa 2004), meaning inside and outside these institutions.

Failure to find or place allies inside hegemonic institutions may be a major obstacle to counter-hegemonic transformation. As Hillary Wainwright argues, ‘the absence or weakness of a partner or means of dialogue within the state [leads] to a separation, locally, of civil society from political power’ (2005: 95). Engaging these institutions is a must, but it is a question of finding the right allies for ‘progressives are potentially more reliable allies for global institutions than are conservatives’ (Evans 2000: 239). Wainwright (2005) cites Porto Alegre’s municipal government as an example of finding the right allies. The Workers’ Party (PT) elected to office had been intricately linked to civic organisations and, once in power, recognised that during their struggle in opposition they had become dependant on these organisations for legitimacy, moral power, and popular knowledge. This mutual dependence between civic organisations and agents in positions of power, argues Wainwright, must be built for a counter-hegemonic challenge to have any chance of success.

Looking for ‘champions of change’ within institutions of power is no easy task: ‘the commitment of politicians and bureaucrats to participatory governance needs to be analysed against a backdrop of a complex conjunction of variables,’ including ‘the values and party political affiliations of these actors, attempts to influence and gain information about public opinion, and the structure of opportunities defined by the political system’ (Cornwall and Coelho 2007: 19). In Gramscian language, the ‘spontaneous philosophies’ of actors working for hegemonic institutions are products of complex hegemonic forces (Lears 1985). Yet we must not forget that spontaneous philosophies – even those of hegemonic agents – are potential sites of resistance, contestation, and construction of alternatives.

Recognising that individuals operating inside hegemonic power structures, though they are instruments of hegemony, can become allies goes against overtly structural analyses of hegemony. These very structural analyses have regrettably plagued the thinking of many progressive radicals who wish to mount a counter-hegemonic challenge. That is why I propose a slightly enhanced Gramscian approach to conceptualising civil society that will allow us to see it as a source of counter-hegemonic struggle and transcend the structure-agency dichotomy. This new approach is discussed in the following section.

A Gramsci-Fowler eclectic approach to civil-society

First we start with a ‘Gramscian understanding of civil society as constituting an arena in which hegemonic ideas concerning the organisation of eco-

conomic and social life are both established and contested' (Mitlin, Hickey et al. 2007: 1702). The strength of this view is its flexibility, its ability to conceive of counter-hegemonic challenges as specific interventions, located in a particular Cornwallian space, which are part of a larger process of change. The second strength of this view is that it does not confine 'civil society' to a 'third' sector quite apart from state or market, nor does it limit expressions of civil society to particular organisational forms or logics.

But to fully transcend the agency-structure divide and to get a proper understanding of spontaneous philosophies, we must then differentiate between 'civil society' as an ideational sphere and particular actions undertaken by members of this civil society (i.e. everyone). This is where I introduce Fowler's concept of 'civic agency.' Civic agency is defined as 'the self-directed assertion of rights as a citizen who has to live with others. It is an ability to critically understand, navigate and change the conditions of society' (Fowler 2008). This interpretation also does not confine civil society to a third sector but rather sees civic agency as 'a fundamental feature of socio-political processes' (*ibid.*) whose purpose is to promote the public interest⁶ within this process.

The strength of Fowler's approach is that it sees civic – or un-civic for that matter – agency as a product of 'distinct institutional logics and complex attractors [...] that drive them' (Fowler 2007: 7). Instead of using Fowler's own theory regarding the origin of such behavioural 'drivers'⁷, I suggest we keep Gill and Law's (1993) method of analysing structural forces in normative and material dimensions. Fowler's other interesting contribution is his assertion that, irrespective of the domain (civic, state, or market) in which they apply their productive energies, people remain citizens throughout' (Fowler 2007: 7). Since we need to find allies on 'both sides of the equation' (Gaventa 2004), it is very useful to think that any actor working within a hegemonic institution such as the World Bank or IMF is capable of exercising civic agency. Fowler maintains that while a civic agent op-

⁶ Expressions of civic agency include political engagement (agitation, lobbying, voting) and civil resistance (protests, boycotts, strikes) towards public goals such as defending public goods, encouraging public debate, social problem-solving, community-building, and solidarity. Erosions of civic agency, on the other hand, include political manipulation (co-optation, spin, misinformation, indoctrination) and de-politicisation (technocratisation) for the purpose of removing items from the public agenda, allowing private agents to accumulate assets at the expense of the public (Fowler 2008).

⁷ Fowler's theory may just be too complex to be of use in a discussion of counter-hegemony, at least for the purpose of this essay.

erates within a non-civic institution, she is not exercising civic agency. However, based on my reading of Gramscian spontaneous philosophy and Foucaultian strategic reversibility, I disagree with Fowler on this point and maintain that the possibility of exercising civic agency within an un-civic institution, while difficult, is always possible and desirable if not essential.

Fowler's emphasis on civic agency within a Gramscian understanding of civil society allows us to transcend the dichotomy between agency and structure. We begin to see how individuals can challenge hegemony by changing theirs or others' spontaneous philosophies, acting in various spaces and on 'both sides of the equation'. The crucial point is that while structures exert a powerful influence, these institutions are nothing but agglomerations of individual agents who exercise their agency in a non-civic manner. In other words, these powerful institutions are products of human agency as much as human agency is a product of institutional forces.

Adding Fowler's civic agency to Gramscian structural-institutional analysis thus provides a viewpoint through which one can begin to understand and examine counter-hegemonic challenges in terms of 1) their ability to reach and the quality of their use of spaces; 2) their ability to find or place allies on 'both sides of the equation'; and 3) the normative and material battles over spontaneous philosophies. To examine the counter-hegemonic credentials of a particular movement, we should ask questions like: has the movement properly analysed the normative and material forces that promote the hegemonic culture? Have they identified and used existing spaces of potential contestation? Have they created new spaces? How transformative are these spaces and can the movement work to make them more transformative? Have allies been found on both sides of the equation? Has there been an attempt to change the spontaneous philosophies of the agents who would otherwise be promoting hegemony? This sort of theory-based evaluation of a counter-hegemonic challenge can lead ideas for improvement and could become a valuable tool for progressive activists.

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Small Loans Big Talks: Household Diplomacy, Responsibility and Control: Income Access and Women's Agency in Bangladesh

TANIA HAQUE

1 Introduction: Point of departure

The standard policy prescription for women's empowerment is employment and education. Access to income in particular is seen as improving the bargaining position of women in the household, providing a base for their empowerment within the household as well as in society. The neoclassical economists whose paradigm dominates 'mainstream development policy' fail to consider the power relations within the household. Mainstream studies treat household as a simple single unity, and ignore internal differences and domestic politics, where women are frequently subjected to domination. The paradoxical effects of adjustment (SAP) and globalization which have led to new forms of gendered, sexualized, ethnicised and racialised social exclusion and on the other hand have opened up new spaces for women's engagement in the public sphere through activism at the global, national and local level. Empowerment of women by means of a micro credit programme is a new orthodoxy in the development discourse since 1990s. In the bargaining approach it is well explained and argued that income-earning strengthens the intra-household position of women, where a patriarchal structure plays the predominant role and perpetuates the pervasive nature of gender inequality. Providing credit is one way of enabling the poor to acquire assets and become productive but socially prescribed roles have limited women's access to economic resources. Sen has argued through his household bargaining model that 'outside earnings can give women a better breakdown position, a clearer perception of their individuality and well-being and a higher perceived contribution to the family economic position' (1990:144).

I will critically analyse Sen's proposition and strongly disagree this proposition through my arguments. Feminists (Agarwal, 1997; Kandiyoti, 1998) criticize Sen's model by bringing the reality of gender, power, negotiation and bargaining in intra-household relations. They argued by pointing out that there are limitations to Sen's notion of perceived interest response, which states that generally women subordinate their self-interest for the sake of welfare of the family and accepted the legitimacy of inequality. Sen (1990) defined that a person's breakdown position is determined by the person's perceived interests, contributions and claims. These perceptions of responses tend to be biased between sexes and completely unfavorable for women only. The well accepted social norms weaken women's intra household position and ideologically construct them as dependents and men as the universal breadwinners. Sen (1990) advocates income as a solution to improve women's bargaining position. Feminists argue that income may be a necessary condition of bargaining, but not sufficient due to other factors which Sen does not address fully.

This essay intends to demonstrate that micro credit is an artificial art for disciplining the group of women in an alternative way. The paper starts by discussing relevant concepts. It then presents the dynamics of intra-household gender relations when women have independent access to income. I will question, does women's access to income-earning opportunities have any implications for their position in intra-household gender relations? I would like to investigate how this micro credit model might intersect with local patriarchal norms and cultural practices in the context of Bangladesh. Analysing three case studies as a window the paper suggests that credit is an '*incomplete means*' for women's empowerment and not a satisfactory one. Because a woman's intra-household bargaining power is interlinked with outside market, community and the state. Finally, I will suggest some recommendations to reshape the incomplete means (micro credit) into a complete one.

2 Feminists' intellectual roots: Empowerment, agency, intersectionality, patriarchal household bargaining model

Empowerment is the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them (Kabeer, 2001). Empowerment of women is not only having access to credit but also control over resources. It is a political process that needs an organized mass movement to challenge and transform the hegemony gender power relations. Kabeer has defined three dimensions to investigate empowerment as

process such as Resources: material, human, social-access determined by norms and rules, family, market community. Agency: ability to define ones goals and act on them – observable action and also meaning motivation, purpose sense of agency – power within decision making usually, but also bargain negotiation, deception, manipulation, subversion, resistance. Achievement: power with, power to, power over. In this essay women's empowerment is viewed as a process and the outcome of that process where women's agency is active and enabled which subsequently strengthens their bargaining power and decision making power within the household.

Agency: An important contribution has been made by Honwana (2008) who argued that people can exercise their agency in two ways: Strategies and Tactics Whereby 'strategy as the calculation or manipulation of force relationships, which requires a defined physical or social space. In this space actor definitely has autonomy to generate relations with an exterior. On the other hand a tactic is a calculated action taken by someone who lacks autonomy and who is acting in the physical and social space which is not their own. The significant characteristics of a tactical agency is: the place of a tactic is the space for others and it operates in isolated actions. Tactics are the art of the weak. Subordinated subjects must constantly manipulate events in order to turn them into opportunity. In this study I will explore the ways in which women exercise their agency within the household and the strategies and tactics they develop to challenge or compromise with power relations.

Intersectionality Approach: The notion of Intersectionality challenges the notions of 'layers of oppression' and 'discrimination'. The discourse of experiences makes Intersectionality, which is one of the indispensable contributions of feminists, to emerge as a significant tool of analysis as well as a normative theoretical argument (Hancock, 2007: 63). Mohanty (1991) who criticizes the homogenizing of 'third world' women by sticking to the patriarchal view to evaluate their experiences without considering the temporal dimensions. The notion of a road map of a busy town illustrates the meaning of the Intersectionality of oppression and discrimination.

There is Racism Road, Patriarchy Parade, Sexism Street, Colonization Crescent, Religious Persecution Road, and Indigenous Dispossession Highway, Class Street, Caste Street, and so on. The road is full of heavy speeding traffic, and the impact of Intersectionality is when a woman from a marginalized group tries to cross the main intersection. To use this model as an analytical tool, we must unpack each of the 'road names' to explore the origin of the oppressions, and the impact of these on women across a range of situations.' (Bartolomei et al, 2003: 89)

This study analyses how social practices embodied in the intersection of gender, class and religion call into question analyses that assume patriarchy as the regular dominant form of social ordering. By bringing the intersectional analysis as an approach, the essay will focus on the intersection of class, gender and religion all of which are power relations to define the experiences of women within the acknowledged gender category. The main purpose here is to highlight how these differences combine to create women as what Makkonen defined as 'a minority within minority' (2002: 19).

Patriarchal household Bargaining model: The concept of the household is central to feminist theory and has expanded from the bargaining model of the household developed by Sen, which is a critique of G. Becker's model and which is now re-conceptualized through feminist theorizing on the household. G. Becker's model is important to discuss since this is the view of classical economics which is currently dominant. In *New Household Economics* Becker (1976) argued that households are formed by men and women who come together in marriage because of biological reproduction and maximizing a joint welfare function. Whereby Becker links the family as 'natural' kinship unit regulated by co-operation and sharing. This model starts with the notion that members of the household have stable choices and identical preferences. He has portrayed the household as a welfare-maximizing unit, assuming that the distribution of consumption resources maximize the joint welfare of its members. Sen's (1997) bargaining model is a departure from the neo-classical model of the benevolent dictator and his conceptualization of the household recognizes the household as a site of cooperation and conflict. Household decision-making is a bargaining process between different parties. Some outcomes are favorable to one party rather than others. Within cooperation there is the seed of conflict. When there is conflict of interests, decision making depends on who has greater bargaining power (Sen: 1997).

3 Neo-liberalism: Revisiting the link between micro credit, agency and empowerment claims

Neoliberalism and globalization have unhinged politics from the older left identified politics with vanguard political party as the catalyst of social justice and have introduced new politics of grass root mobilization by NGOs (Karim, 2008: 12). The basic principle of neoliberalism is based on freedom of entry into market and exists in any branch of activity and competition ensures that inefficient producers are forced out of production and create

space for only the efficient to survive. In my view neo-liberalism is a political economic strategy that promotes an understanding of emancipation and ends economic governance which generates a new form of capital centered domination. It accentuated rapid cutbacks in state spending making the market 'become an end in itself'(Rankin op.cit: 27). Thus we can say that neoliberalism operates at grassroots through micro credit policies of NGOs.

In the name of human development the articulation of post colonial governance authorized by NGOs whose clients are subjected to act in accordance with values of discipline, efficiency and competitiveness(Karim, 2008: 6).

As passive agents of capital NGOs are active producers of new subjectivities and social meaning for people through various economic and social programs. The relationship between NGOs and rural subjects are contradictory; they instrumentally exploit each other (Karim, 2008: 9). Capitalist and patriarchal systems regularly benefit a homogenous male population with common interests, appears to be a mistake. On top of this, since the market is a male dominated site, therefore neo-liberalism and patriarchal capitalism can be considered to be two sides of the same coin. The ideology of micro credit is a part and parcel of neoliberal approach which completely denied the structural causes of poverty rather highlighting that poverty is a simple problem of individual behavior. Therefore micro credit does not provide an alternative solution of capitalism, it merely mark women as a part of this system. Because income generation has to access through the market, micro credit has become a part of market economy. The focus of capabilities is a corresponding shift of attention from social and economic policies to political institutions in which neoliberal approach has never been addressed.

4 Micro credit: Claims and realities

Micro credit starts with the assumption that financial service needs of the poor (Matin, 2002). "The focus has been mostly on the design and institutionalization of a micro credit template – a delivery model that is believed to best answer those needs"(Matin,2002 :274) In development rhetoric, micro credit is the extension of small loans to women for income generating projects and has been eulogized as a magic bullet of poverty alleviation (Karim, 2008: 9) . Politically, it appeals to the left as being redistributive and a direct approach alleviating poverty and to the right as facilitating the emergence of independent self sustain 'penny capitalism"(Mosley, 1998: 783).

Traditional Banking systems do not provide space to poor rural women to get a loan because of collateral requirement, male guarantor requirement, loan application and transaction cost, the requirement to be literate due to

complex application procedures, restrictions of mobility and the gender division of labour (Brigg, 2001). There is no doubt that the credit schemes of Grameen Bank and BRAC for the first time in Bangladesh enabled poor rural women to access credit.

Credit creates pockets of risks and vulnerability: According to Matin (2002) the poor have two features in shaping their financial services:

1. They operate in a mini economy: production, consumption, trade, exchange, saving and income are very small amount of money.
2. They are high levels of insecurity and risk: income and expenditure commonly do not coincide because of household-specific factors.

Thus Matin has emphasized, the image portrayed by micro credit institutions about the poor are 'most of the poor can't save because they are seen as wasteful, irrational and immoral and poor can't save because they spend all their income and still don't get enough to eat' (2002: 276).

In principle Poverty reduction is an objective requiring a long term progress of graduation from one level to an upper level. Micro credit has been accepted as a panacea for poverty reduction and deprivation, guarantying a fallback position and transformed conditions of the poor women from 'a vicious circle to a virtuous cycle'. In the eyes of the institutions poverty and empowerment appear mutually supportive. Devereux defined argument for 'privileging women over men' reflect the view that women need economic and political empowerment to redress their disadvantaged status within household communities' (1999: 66). Women are predominantly targeted, the reasons are:

- (a) 'Women are increasingly targeted as beneficiaries of antipoverty interventions, either to improve their well-being directly or as mechanism for indirectly targeting other groups; issues of women 'reliability' reinforces gender roles rather than transform them' (Devereux, 1999: 66).
- (b) Targeting women is that gender is a crude proxy for poverty and in many context results in high E-errors (inclusion of non-poor women) and F-errors (exclusion of poor men).
- (c) Women are more disciplined in repayment. Institutions can control women easily rather than men. Karim (2008) said NGOs seek out women because they are seen as docile subjects who can be subjected to their codes and more easily manipulated than men.

Rahman (1990) found in his field work that men were regarded by bank workers as arrogant and difficult to deal with; as a result, men tended to be discouraged or excluded, whereas women, who in a village are more easily

traced and who tend to be shy or submissive, were accepted. Furthermore, loans may in fact end up going to men – passed on to them by women who have been pressured by husbands and family members. Rahman reflected that, women can thereby find themselves the target of increased pressure and violence as they negotiate both the requirements of Grameen and pressure from men. The disciplinary operation is thus strongly gendered” (Rahman 1990 cited by Brigg, 2001)

The availability of NGO money has encouraged richer clients to use poorer women as proxy members. The poor women joined the NGOs as proxy member, but it was ultimately the richer clients who used the funds whilst the poor women remained accountable for the loan (Devereux: 1999). Arguments for privileging women over men reflect the rationality that women need economic and political empowerment as a counter answer and to redress their disadvantaged status within household and communities. The analogy of targeting women does not suggest that the recipient is an active person, functioning her agency properly.

NGOs' image of women is of a passive receiver rather than of an active agent (Sen: 1995). Thus Sen has claimed that *'to see the objects of targeting as patients rather than active agents can undermine the exercise of poverty removal in many different ways'* (1995:11). The policy literature on poverty reduction is based on the perception of income deprivation only. It produces the incomplete prescription that income is important but a partial aspect of deprivation. On the other hand NGOs practices are misguided because they did not consider the specific local and national context. NGOs have to bring changes in all their policies to create a suitable enabling environment to reverse the age old gender related societal systems.

4.1 Micro credit is an artificial art for disciplining the group of women in an alternative way:

Micro credit schemes are commonly perceived as an enabling process through which poor households 'graduate' out of poverty. There is an assumption that income earning is as a source of power and is hypothesized that it will increase women's bargaining power by sharing the household decision making will lead to a higher self esteem. In principle credit claims that micro credit is a means for ensuring women's empowerment . Available results show that microcredit can give women a certain level of independence but reinforces new kinds of dependence and subordination in the society (Kabeer: 2001).

Zero sum game

Berner (2003) has shown that through his research work that most of the women cannot meet wholesalers' demands in terms of price and quality, so in the local market they face zero sum game. Because earning is not sufficient to sustain a family but provide some supplementary income at best.

Denied strategic life choices:

There is another weakness that empowerment based on income earned from micro enterprise does not make any distinction between ownership and control aspects of income and loan repayments. Goetz and Gupta (1996) also suggest that men coming to women's weekly meetings and submitting the loans on behalf of women. This deprives women's legitimate rights for attending regular group meetings and social contacts. When women cannot repay the loan, it creates suppliant relationships with their husbands. It reinforces gender roles rather fulfilling their perceived interest and strategic life choices. This confirms Kabeers analysis that:

Differentials can also emerge through straight forward discrimination. The custom of giving male members the choicest and largest savings of food has already been noted. Not only was there a clear disparity in the amount of rice served to male and female members, but male members were also privileged in the distribution of the accompanying item ,such as vegetables and lentils. Women and young girls had to make do with chilies and salt (Kabeer, 1991: 249).

In most cases credit fails to change the food availability situation in households and when it does women still receive the last preference with regard to accessing the improved food that is available (Kabeer, 1991). Hereby credit plays the negligible role in changing inequalities in gender relations because women suffer from a visible gender power relations in the decision making process. Since credit has no noticeable impact in increasing access to market because it leaves women dependent on their male relatives and it becomes inevitable that women will lose their control over loans.

Vulnerable to more vulnerable

There is an assumption that economic integration of women through microcredit financing will give women empowerment by having control over income, but it disregards unequal relations within the household; cases of domestic violence, for instance. Thus Goetz and Gupta (1996) significantly highlighted that conflict over loan led to violence within family and produces adverse impacts and institutional change that projects desire. The im-

pact of credit on women's 'vulnerability' is negligible. In Bangladesh most of the poor women suffer acutely from vulnerability. Hulme and Mosely (1996: 17) have pointed out that the relatively limited contribution of credit to reduce 'the vulnerability of poor households to a sudden dramatic decline in income and consumption levels'.

Control over money

Most of the empirical research has shown that female micro credit recipients do not have control over money and end with the repayment without any gains in personal well-being (Goetz and Gupta 1996, cited by Berner, 2003).

Overall sustainability is questionable

Credit is not always invested in productive activities as the money generally is used for non-productive purposes such as consumption, repayment of other loans, medical treatment, house rebuilding and misuse by their husbands (Kabeer, 2001). It is strongly argued that credit reinforces a burden upon women as debt collectors for micro finance organizations. According to Mahmud (2003) 'the intense pressure to timely loan repayment produces new forms of social and institutional dominance over women by families and by micro finance organizations, increasing tensions within the family and in the relationship between women clients of micro credit and programme personnel'. Therefore, the date credit has not had the claimed capacity to transform women's economic role. Issues of sustainability, many of those accessing ***microcredit caught in a cycle of inclusion, exclusion, exclusion, re-exclusion and re-exclusion***. For poverty alleviation, there is a need for more sustainable and transformative strategies that address the issue more ***comprehensively rather than tokenism***. The sustainability of most micro credit programmes is not for the citizens but for the institutions that facilitate lending. Interest rates very high 30%-40% make the poor poorer and the vulnerable more vulnerable. Berner (2003) claimed that ACs and CBOs would have to at least double the interest rate, hereby destroying much of their credibility. The space for bottom-up activity is actually demarcated by the top-down structure and is not designed to provide space for a radical challenge (Devereux, 1999: 66). Most of the studies have shown that micro credit does not reach the ultra poor, does not lift them out of poverty, and leads to dependence. Mosley has defined:

The impact of lending in the recipients income and asset position improved, a relationship which can easily be explained in terms of the greater preference of the poor for consumption loans, their greater vulnerability to asset sales

forced by adverse income shocks and their limited range of investment opportunities' (1998: 783)

Unraveling the black box

In Bangladesh rural households tend to exemplify a 'classic patriarchy' which implies the control of younger males, by older males and the women are positioned in a hierarchical domestic realm (Kandiyoti, 1988). Agarwal (1997) describes that household have multidimensional actors with varying preferences and interests and differential abilities to pursue and realize those interests. Kabeer (1999) has claimed that concentrating only on access to resources completely ignores the power embodied in deciding who uses resources and how they are to be used. Agarwal (1997: 4-7) also characterizes intra household relations as containing elements of both cooperation and conflict and what seems more comprehensive than the factors indicated by Sen. In Bangladesh male control over household income generating activities and over access to market, women do have strategies to assert economic control (Goez and Gupta 1996: 53). Kandiyoti (1988) has proposed to such strategies as 'bargaining with patriarchy'. Sen (1990) has described that a person's breakdown position is determined by the person's perceived interests, contributions and claims. These perceptions of responses tend to be biased between sexes and completely unfavorable for women only.

If we unpack the household, no doubt people will get the smell of patriarchy, their gendered ideological construction emphasized several separate prescriptions for women. A most interesting thing is that patriarchal power is more powerful than the sort of legal law. Hereby the male body is the norm and rule maker who excludes women very carefully.

4.2 Unpacking three case studies from Bangladesh

Case 1: The dilemma between Credits and Discredit?

We can now look at the case illustrated by Kabeer in her article on 'Investment of women's loans in the purchase of a rickshaw, an extremely common use of loan for poor women, representing investment in an activity to which women are unable to contribute any labour' (2001: 67).

We see here that the woman who gives her loan to her husband, the rickshaw puller to use, not only fails to exercise her agency in this activity, but also perhaps believes that the man of the household is the chief breadwinner, a concept which Kabeer says would come naturally to a woman in rural Bangladesh 'who had an unemployed son or husband in the family who was able to pull the rickshaw and to take responsibility for loan repayment'.

Women are not aware about their agency; she does not believe that she can exercise her own values and capacity through exercising her own agency. Women are here applying tactical agency. Thereby transforming women's entitlement converted into disempowerment in the household level and this disempowerment reinforces their dependency on men. Micro credit program does not give them power to challenge oppressive institutions (Fernando, 1997). Women here failed to make legitimate claim over primary goods, therefore they are remaining as unproductive and less creative agents in the society, which completely denies the human development framework. They are treated as instruments of the ends of others agents of welfare of family members. Women are still less able than men to translate their labor into income, income into choice and choice into personal well-being (Kabeer, 1996).

The most painful thing is that micro credit itself could not bring any positive changes towards women in this ground. There is a common picture that women who give up their money to their husbands for cultural and ideological reasons, have done very little to challenge the universal ideology 'men are the breadwinner' (Kabeer, 1997). Gender division extends the gender expenditure behavior and this affects the utilization of credit and exacerbates gender-related tensions within rural households. The study has shown that women are suffering from lack of confidence, mobility, assertiveness and willingness to take decisions. It has been revealed that women were unable to challenge the gender subordination in the household. This extreme ideal household situation is described as 'the belt of classic patriarchy', whereby micro credit loans and women borrowers don't operate outside of local patriarchy but within it. These tailor-made opportunities tap women's special values but also compensate them for the disadvantages. Karim criticized that micro credit loans do not operate outside of the local patriarchy but within it (2008:19).

Case 2: The dilemma between Credits and Discredit?

Kabeer discusses two other cases, where women have had their access to the market, limited by patriarchal ideologies of 'purdah' and 'izzat' (honour).

I do all my work within the house, it is not a matter of fear, and it is matter of izzat (honour). Women who can eat by staying within the home are given greater value. Everyone gives value to women who work within the home, people outside, as well as those in the family. Men work outside, women work inside. Otherwise why have men been made, you could have had only women. I will go without food but I will not go without izzat' (2001: 69).

In both cases dominant patriarchal notions internalized by women have prevented them from accessing the market and hampering their competitiveness in the market. The strength of patriarchy in Bangladesh and closed nature of household restricted their mobility in the name of purdah. Men have been privileged by their gender, class and education while purdah norms kept women of their homesteads, dependent on male member. An outside earning unable to these women to mitigate their insecurities (caused by gender stereotypes), it did not bring any feelings of self worth. It reflected as women's dependence on male protection; it certainly hampered their bargaining position. Micro credit could not play any proactive role whereby women can create any particular place for them in the market level.

Sen's bargaining power indicates wise women accepted strategic silence in the breakdown position, perceived interest point of view; women are not basically selfish, culturally taught and kitchen are designed particularly for women, not the outside world. The above two studies are showing that micro credit has created a culture of decency of dependency and culture of silence which interlocked women's lifecycle into the patriarchal framework. So we can claim that Micro credit is an artificial art for disciplining the group of women in an alternative way.

Case 3: The dilemma between Credits and Discredit?

Fernando has reflected her interview reflection by the borrowers like:

Since we joined the NGOs, everybody in the village can tell us what to eat and what not to eat. When we failed to make weekly repayments our group members asked "why did you eat chicken yesterday? Why did you send your son to a movie? Why did you buy new clothes? Why are you arranging a wedding for your daughter?" (1997: 171).

If we illustrate this case study it gives us a clear picture that the methodology of the credit is completely hammering the decision making power which is the precondition of women's empowerment. In the name of empowerment institutions are systematically dominating and giving directions to these group of women which is ultimately leading to a culture of discipline, a culture of dependency (Basu, 2008).

4.3 Unpacking multiple and Intersectional experiences of women

In both cases dominant patriarchal notions internalized by women have prevented them from accessing the market and hampering their competitiveness in the market. Women's quality of life, which is the central point of capabilities are hardly accessible to them. Their freedom of agency is con-

strained by social, cultural factors and intentionally disqualified them. The strength of patriarchy in Bangladesh and closed nature of household restricted their mobility in the name of purdah. Men have been privileged by their gender, class and education while purdah norms kept women of their homesteads, dependent on male member. An outside earning enables these women to mitigate their insecurities (caused by gender stereotypes), it did not bring any feelings of self respect. It reflected women's dependence on male protection and it certainly hampered their bargaining position. Micro credit could not play any proactive role whereby women can create any particular place for themselves in the market, women's agency is underestimated. In the policy making process they have used only gender views, whereby they have captured that women are poorer than men and they are suffering from poverty. Interaction of gender with religion, class, patriarchy are major layers preventing women's capability to exercise their agency.

Devereux has explained

The work requirement of public work projects is designed to screen out those who are unwilling to work hard for low wages but it also excludes many groups who are unable to work. This applies not only to the psychically weak, but also to able bodies, people who face time constraints. From a gender perspective, however the work requirement is likely to screen out more poor women than men. Poor women face severe 'time poverty' because they spend a greater part of their adult lives in reproductive activities such as pregnancy, domestic work than wealthier women or men. (1999: 68)

In many cases richer clients used the poorer women as proxy members. But if the rich client defaulted, the full pressure of repayment falls on poor women's shoulders. The poor women are firmly inside an interlocking system of debt, kin, fellow borrowers and traditional money lenders. Hulme and Mosley's (1993:113) study supports that credit schemes mostly benefits 'the middle class' and 'upper poor'. So instead of benefiting poor women, credit makes them more vulnerable and credit related setbacks push them to extreme poverty and reshapes their poverty into chronic poverty. Thus intersectionality unpacks a distinctive experience of marginalization that is produced by convergence of a number of social relations.

Their prescription ignored the physically weak such as disabled, elderly and ill women as well as able bodied women who face time constraints. Gender perspective poor women face severe time poverty; these projects may simply increases women's workloads in the contexts where they are already overburdened (Devereux, 1999). So poverty alleviation and women's empowerment is not mutually supportive, women's agency is intertwined with other factors.

The challenges of social movements

The policy literature on poverty reduction is based on the perception of income deprivation. It produces the incomplete prescription that income is important but a partial aspect of deprivation. Micro credit programs failed to consider the diversity of women and their needs as well. The most significant problem is in the intervention level where women are perceived as a homogenous group. With the Intersectionality point of view there are women from rural areas, indigenous women, female heads of household, young women and older women, lesbians, refugees and migrant women, sex trade workers and women with disabilities continue to be underrepresented in economic development initiatives, locally and internationally. So different women have different needs which micro credit completely denied. So the credit programmers should incorporate the view of Intersectionality in the policy making process. Micro credit should incorporate women's rights and legal issues, functional adult literacy programs and business training programs, whereby women can compete with the male dominated market and can create their individual space. We need to know to design and deliver better financial products for the poor, especially for the poorest.

- Devereux (1999) has recommended that we need to open up global environmental governance through global civil society, which is institutionalizing a channel of dialogue between state actors and non state actors.
- Civil society organizations should be more accountable and transparent and need to be examined more closely.
- Administrative costs on anti-poverty programmes should be minimized so that resources transfers to beneficiaries are maximized (Devereux, 1999).
- Gender quotas would be introduced on public works project that women benefit directly from employment, creation and resource transfers.
- Better designed financial services can act an important mechanism that increases the poor's 'room for man oeuvre' and financial service innovations for the poor need to be dynamic, context specific and adopt to changing needs (Matin, 2002).

Conclusion

'Micro finance is not a magic sky-hook that reaches down to pluck the poor out of poverty' (Matin, 2002: 273). Empowerment is the only solution for bringing equal status to women in household level. For poverty alleviation,

there is a need for more sustainable and transformative strategies that address the issue more comprehensively rather than the tokenism we see in current practice of micro finance in the context of a neo-liberal economic system in larger society. M Basu's (2008) thesis showed that in what way micro credit was leading to a culture of discipline, a culture of dependency and a culture of silence, Micro credit programs failed to consider the diversity of women and their needs as well. It is important to concentrate more on empowerment rather than on poverty reduction, because only empowerment can create 'virtuous circle' to break down the 'vicious circle' of poverty. The basic thrust of micro credit should be to work as a means for ensuring growth and empowering entire households by promoting joint decision making. But microcredit schemes at present are mostly addressing women's practical needs instead of strategic needs and work within assumptions of women's gender roles instead of addressing structural relations of power. Therefore, changing gender relations is a long term process, which needs long term solutions, which microcredit fails to offer.

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Behind the Veil of Culture: Construction of the Western 'Self' through the Muslim 'Other'

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In trying to understand difference, 'culture' is a concept that is invoked. Why do some people dress the way they do? It's *their* culture. Why do *they* act violently and oppress *their* women? It's *their* culture. Why are *we* more liberal in respecting individual rights? It's *our* culture to be so. The answers seem to be very simple, and usually they are assumed to satisfy the need to know. In such explanations however, I find it deeply problematic how the concept itself is taken for granted and considered as something that is 'already there', hence escaping scrutiny.

This essay will explore the limitations, and more importantly the dangers, of uncritically employing the concept of 'culture' to explain 'difference' especially between the West and its constructed other, the so-called 'Muslim world'. I argue that culture does not lie beyond politics, but in fact is very much part of a political discourse that functions to construct images of the 'self' and the 'other'. Not only is this essay meant to pose a theoretical critique to the dominant understanding of culture but also to point out that it has 'urgent political implications' (Scott 2007:18) that can be seen in current government policies with regard to 'integration' of Muslims in Western societies especially in Western Europe, as well as in the discourse that informs development projects in Muslim-majority countries. By highlighting the issue of the veil, I will show how this has become the symbol of Muslim 'otherness' with women as carriers of this symbol, and are hence targeted for either regulation and/or 'liberation'. I have chosen to use the examples of French *laïcité* and the US intervention in Afghanistan to briefly demonstrate these points.

Culture: A contested concept

The term 'culture' itself has never had a singular meaning. For the purpose of this essay, I will focus on the dominant way culture has been perceived. Culture has been widely accepted to be defined as 'the meanings, values and ways of life of a particular group'. (Schech and Haggis 2000: 21) At first glance, the definition seems innocent at best, but there is an implied tendency to homogenize members of a group and an assumption of a certain degree of fixed shared norms and values appropriated to them. Although it has been stressed that culture is learned and therefore can be changed which serves as a disclaimer for any essentialist understanding, it still retains 'some of the tendencies to freeze difference'. (Abu-Lughod 1991:144) In other words, it does not eliminate the tendency to create boundaries of difference of one group against another.

While critical of the term, on the one hand, I do not fully negate its usefulness. I do believe that it contributes to the acceptance of culture as a social construct rather than as something 'natural' and that 'the current concept allows for multiple rather than binary differences'. Whereas before, culture was equated to civilization as opposed to barbarianism, it now has a 'relativizing effect' in dealing with such multiplicity of differences. (*ibid.*) On the other hand, however, I find it problematic in a sense that it separates meaning-making from social relations of power, or at the very least remains silent about it, as if it is not subjected to contestations and negotiations but something that everyone in a group merely agrees on, existing in a vacuum from history and geopolitics. Cultural relativism can only go so far in acknowledging difference, but is silent on the more glaring issue of inequality that accompanies such difference.

Such conceptualisation has not been limited to academic theorisation. In creating policies or programs, culture is either seen as the main hindrance to development or the route to empowerment. This again draws on the notion that in order to develop a certain group or society, we should *fix* the way they think (where we assume they *all think* in the same way), and then problems are solved, without regard for context and historical processes that constitute lived realities. In recent debates, religion has appropriated high importance as an organizing principle of social life in so-called 'traditional' societies, hence being treated as a source of either backwardness or of liberatory potential. (Bartelink and Buitelaar 2006) This application of the concept of culture has never been more profound than in the contemporary debates about Islam and its relation to the West, made more pronounced after the September 11th incident.

This frame of thinking is highly evident in government policies on social integration like the French *laïcité*, as well as humanitarian/development projects we find now in the Middle East, specifically in Afghanistan. In the next sections, I will briefly highlight these two cases that demonstrate how difference is accounted for by the notion of 'culture' above, and how the 'veil' worn by Muslim women ultimately symbolizes this 'difference of worlds'.

To Veil or Not to Veil: Is that (really) the question?

The issue of the 'veil' is central to recent concerns about Islam and how it supposedly 'treats' Muslim women (Abu-Lughod 2002: 785). On one hand, it is seen as Islam's resistance to Western 'modernity' and the banning of the veil in some European countries is also a 'symbolic gesture...a way of taking a stand against Islam' as Muslims are seen as a threat to national integrity and a disruption of unity (Scott 2007: 3). On the other hand, the underlying message of such contempt for the veil is that Muslims come from a 'lesser culture' wherein this simple piece of cloth also signifies the barrier between cultures.

In the case of France, the government enacted a law banning the wearing of 'conspicuous signs of religious affiliations in public schools'. Although it was supposed to apply to all, it was 'primarily aimed at Muslim girls wearing headscarves' (Scott 2007: 1). According to French political tradition, the nation is 'supposed to embody and protect the French culture' which is the condition set for citizenship. And this 'French culture' is based on equality of rights and obligations, having universal validity for all French citizens (Parekh 2000: 6-7). The controversy surrounding the headscarf is 'largely an affair of those who defined themselves as representatives of a true France' and conflating immigrants, Muslims, and others to a label of 'different culture' (Scott 2007: 10). In this case, the small, though much acclaimed, number of veiled women was targeted for *regulation* in order to be assimilated into 'true' French culture, or else be excluded from society.

In Afghanistan, we also find a similar case wherein the veil becomes the object of Western obsession, but the discourse shifts slightly. Whereas in France (or Western Europe in general) they deal with the issue of integrating 'Muslim others' in their society through regulation of the veil, the 'humanitarian' intervention in Afghanistan brings the narrative of 'liberation' of women from a 'backward fundamentalist' regime, with the veil as the embodiment of such oppression and the U.S. acting as the benevolent conqueror. The mobilization of female symbols thus serves to justify the U.S. war on terror (Abu-Lughod 2002).

In both cases, the veil is used to signify separateness as well as the oppression of Muslim women, which implies the inferiority of what they perceive as Islamic culture. The use of 'culture' as an explanation for such differences has very dangerous implications. It homogenizes an Islamic world that exists 'out there' and overlooks the historical processes and specificity of contexts that the West is very much a part of. It has been made evident that there is not a singular way of practicing Islam, so why homogenize Islamic culture? We can ask ourselves then, is the veil really the question?

Conclusion

The issue of Muslim women and the veil goes beyond the notion of culture that influences much of the social sciences. Instead, I have argued that culture is part of a political discourse that highlights not only difference but also inequality. The conception of 'culture' has functioned more in the construction of 'others' with which the Western self is also formed. The veil only highlights the politics that go into the construction of what it means to be a Muslim and what it means to be Western and who eventually plays the role of the morally superior. Reversing this by constructing the West also as the 'other' in what Abu-Lughod calls 'reverse orientalism', is not constructive either (Abu-Lughod 1991:144).

Scholars could not have emphasized more the importance of history and context in dealing with difference (Abu-Lughod 2002, Kandiyoti 2007, Scott 2007). But why is being different so undesirable? After all commonality and sameness are only myths that we continue to perpetuate and the only thing we do have in common is difference. (Scott 2007:20) How then are we to deal with it without resorting to essentialised explanations of culture? It should be appreciated as a product of histories of which we are all partake in. Only then can we truly strive for projects that work towards achieving 'social justice'.

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