Managing Development in a Globalized World

Concepts, Processes, Institutions

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Dedication

To the teeming millions in Asia, Africa,
Latin America, and the Pacific who live in poverty
and routinely struggle to create a life worth living.

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Preface

This book examines the state of development management in the context of changed and changing circumstances within developing countries and the international environment. Traditionally, development has been rooted in ideologies and assumptions prevalent in the developed world and in practices and strategies adopted by leading industrial nations. However, eclectic ideas and approaches often clashed with existing long-established notions of progress and modes of realizing social and economic change. The objectives of development, thus, remained unfulfilled. Decolonization, followed by new sociopolitical and economic realities that resulted in democratization and globalization, has rendered traditional tools and practices of development management inadequate and impracticable, if not obsolete.

Analyses over several decades unraveled inadequacies and shortcomings in the formulation of goals and management of the development process, which have contributed to failure in achieving the objectives of development. The standard responses have been tinkering with the existing arrangements and introduction of limited reforms without a full consideration of the role of actors and institutions. Consequently, development projects fail, and the progress toward an improved system falters.

As is generally known, goals, values, and dynamics of development management are undergoing rapid changes and continue to be enhanced in order to alleviate poverty and improve living standards in an era of globalization and interregional and interinstitutional synergies. The efficient and effective delivery of human development services by utilizing a variety of institutions and instruments within the overarching norms of sound governance has become the prime objective of developing nations. The priorities have changed, approaches redefined, structures refurbished, methods refined, skills sharpened, state—non-state synergies reinvigorated, and people's engagement encouraged. It is, therefore, important to review the state of development management and its effects, revise ideas, reevaluate strategies, and reformulate goals of development. This will help in understanding the concepts that guide development management and clarify the roles of a range of institutions in the process.

This book seeks to shed light on the concepts, processes, strategies, and institutions of development in a rapidly changing world by incorporating ideas and interpretations that have been previously neglected or given inadequate attention in the discourse on developing countries. Development is a continuous process and must be supported by sound policies and efficient management. The application of innovative development techniques and best practices is essential to obtain optimum results in meeting the needs of society. The book examines the style of managing development with a new perspective that links the phenomenon with changing demands and the interplay of internal/external actors and a host of stakeholders. It assesses real-world situations and provides insight into the operational dynamics of development policies, programs, and institutions. As far as practicable, theoretical/conceptual and empirical literature has been carefully synthesized.

The book is divided into two parts. Part I discusses the context of development in a changing global environment, focuses on the conceptual/theoretical dimensions of the phenomenon, and evaluates the principles and processes related to development governance, managing and networking development, and policy-making and implementation. Part II covers some key issues in development, such as decentralization and intergovernmental relationships, management reforms and capacity building, citizen participation and empowerment, rural development and microfinance, health and population management, education and advocacy, and environmental protection. The final chapter sums up the book and considers the future.

The book reflects knowledge and understanding acquired from the existing literature on development and its management. In addition, insight obtained from observations of development efforts on the ground and interactions with the community of development researchers and practitioners were valuable in developing ideas for the book. Thus, apart from fulfilling the needs of undergraduate and graduate students, the book is expected to generate interest among policy makers, development practitioners, NGOs, and anyone interested in international development.

This work has been inspired by almost a lifetime devoted to the study of development and its complexities, management, and impact. We wish to register our debt to all the scholars around the world who have contributed to the literature on development studies and helped enhance our understanding of the complex nature of development, especially the way it is managed in the developing regions. In particular, we are grateful to our mentors, Professors Fred Riggs and Ferrel Heady (both deceased) who, at different times, shared their ideas and enlightened us with their profound knowledge of the discipline. We also thank Professor David Rosenbloom (Series Editor, Public Administration and Public Policy) for his valuable comments and suggestions on the book and Professor Evan Berman (former Editor) for encouraging us to take on this project. We acknowledge the support and advice received from Professor R. B. Jain in studying development management. We are also happy to acknowledge the erudite inputs of our colleagues with whom

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Abbreviations

ADB	Asian Development Bank
AEC	African Economic Community
AfDB	African Development Bank
AMU	Arab Maghreb Union
APEC	Asia Pacific Economic Cooperation
APSA	American Political Science Association
ASEAN	Association of Southeast Asian Nations
BRAC	Bangladesh Rural Advancement Committee
BWIs	Bretton Woods Institutions
CAREC	Central Asia Regional Economic Cooperation
CDF	Comprehensive Development Framework
CEEAC	Central African Economic Community
CEPAL	Comisión Económica Para América Latina
CGAP	Consultative Group to Assist the Poorest
CGIAR	Consultative Group for International Agricultural Research
CIPE	Center for International Private Enterprise
COMESA	Common Market of Eastern and Southern Africa
CSD	Commission on Sustainable Development
CSOs	Civil Society Organizations
DCs	Developing Countries
DDG	Democratic Development Governance
DFID	Department for International Development
DMPA	Depo Medroxyprogesterone Acetate
DPME	Developmental Policy Monitoring and Evaluation
EBP	Evidence-Based Policy
EBR	Evidence-Based Research
EBRD	European Bank for Reconstruction and Development
ECCAS	Economic Community of Central African States
ECLAC	Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
EIA	Environmental Impact Assessment

ESD	Education and Sustainable Development
EU	European Union
FAO	Food and Agricultural Organization
FDI	Foreign Direct Investment
G20	Group of Twenty (Major Economies)
G8	Group of Eight
GAG	Global Architecture of Governance
GATT	General Agreement on Tariffs and Trade
GAVI	Global Alliance for Vaccines and Immunization
GDI	Gender-Related Development Index
GDP	Gross Domestic Product
GEF	Global Environment Facility
GEM	Gender Empowerment Measure
GNI	Gross National Income
GNP	Gross National Product
GWP	Global Water Partnership
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
HPI	Human Poverty Index
IADB	Inter-American Development Bank
ICT	Information and Communications Technology
IDC	International Development Community
IDR	International Development Regimes
IDRC	International Development Research Centre
IDS	Inclusive Developmental State
IFAD	International Fund for Agricultural Development
IGOs	Intergovernmental Organizations
IGR	Intergovernmental Relationships
ILO	International Labor Organization
IMF	International Monetary Fund
ISI	Import Substitution Industrialization
LDC	Least Development Countries
MBO	Management by Objectives
MDGs	Millennium Development Goals
MITI	Ministry of International Trade and Industry (Japan)
MNCs	Multinational Corporations
NAFTA	North American Free Trade Area
NDM	New Development Management
NEPAD	New Partnerships for Africa's Development
NetGov	Network Governance
NGO	Nongovernmental Organization
NIC	Newly Industrialized Countries
NIE	New Institutional Economics

NIE	Newly Industrialized Economies
NPA	New Public Administration
NPM	New Public Management
ODA	Overseas Development Assistance
ODI	Overseas Development Institute
OECD	Organization for Economic Development and Co-operation
PCT	Public Choice Theory
PPBS	Program Planning Budgeting Systems
PPI	Progressive Policy Institute
PPP	Public–Private Partnership
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PSIA	Poverty and Social Impact Assessment
R&D	Research and Development
RBM	Results-Based Management
RCI	Regional Cooperation and Integration
RIA	Regulatory Impact Assessment
RWG	Redistribution with Growth
SAARC	South Asian Association for Regional Cooperation
SACU	South African Customs Union
SADC	Southern Africa Development Community
SAFTA	South Asia Free Trade Agreement
SAP	Structural Adjustment Program
SAR	Special Administrative Region
SD	Sustainable Development
SELA	*Sistema Económico Latinoamericano* (Latin American Economic System)
SOE	State-Owned Enterprise
TPA	Traditional Public Administration
TQM	Total Quality Management
UEMOA	*Union Economique et Monétaire de L'Afrique de L'Ouest*
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNCED	United Nations Conference on Environment and Development
UNCTAD	United Nations Conference on Trade and Development
UNDG	United Nations Development Group
UNDP	United Nations Development Program
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations International Children's Emergency Fund

UNU	United Nations University
USAID	United States Agency for International Development
WCED	World Commission on Environment and Development
WGI	Worldwide Governance Indicators
WHO	World Health Organization
WIDER	World Institute for Development Economics Research
WTO	World Trade Organization
WWF	World Wildlife Fund
ZBB	Zero-Based Budgeting

CONCEPTS, PRINCIPLES, AND PROCESSES

I

Chapter 1

Contextualizing Development in a Globalized World

Massive poverty and obscene inequality are such terrible scourges of our times—times in which the world boasts breathtaking advances in science, technology, industry and wealth accumulation—that they have to rank alongside slavery and apartheid as social evils.

Nelson Mandela

The Changing World

The world has been changing and changing rapidly. After the end of World War II, the political map of the world underwent significant transformations. Borders were redrawn, new states formed, and old states refashioned. Friends became foes, and enemies emerged among allies. Global politics was divided into two opposing camps. In one belonged the United States and its postwar allies, especially Britain and Western Europe, and in the other the Soviet Union and the countries of Eastern Europe. There emerged an ideological divide between capitalism and communism, between two superpowers desperate to gain the upper hand in global hegemony. This rivalry, in many ways, was instrumental in creating rifts in nationalist movements against colonial powers in the dominions and protectorates they held across Asia, Africa, Latin America, and the Pacific—the developing world. In some places, the momentum of such movements was decelerated because of dilemmas the

ideological split created. In others, the continued rise of nationalism and subsequent agitations for independence in colonial empires gained pace in the postwar milieu. Decolonization ensued with each superpower enticing newly independent countries to its side with offers of development aid and reconstruction services. Departing colonial powers also had stakes in continuing their links with the colonies and providing similar benefits. Often nationalist leaders remained confused in the power play of international politics and unable to decide on the correct path to development—capitalist or socialist. Indeed, the Cold War between the capitalist and socialist forces had had a profound influence on the way new nations planned and managed their social, political, and economic life. Arguably, these countries adopted the mantras of "nationalism" and "developmentalism" in seeking a "third way" to "avoid either an unconditional alliance with either bloc, or the adoption of borrowed models of economic and political development" (Cammack and Tordoff, 1993: 6).

The path to development for these countries proved somewhat hazardous, for many of them faltered in achieving desired results. Decisions to take the capitalist path, fast-paced industrialization, or a market-based economic system often backfired. Market failures had then to be addressed by state intervention in social and economic affairs. The socialist mode adopted by some countries, on the other hand, deterred private enterprise from gaining a foothold and the economy, as a result, became laggard.

Politically, democracy took a back seat in most of these nations; authoritarian rule, some extreme in nature, was for postcolonial nationalist leaderships the preferred option for nation-building purposes in the initial years of independence despite clamors for greater representation of the people in national and local politics. The levers of economic development were harnessed by the state, and stringent regulations governed social and economic relations. However, totalitarianism in China and bureaucratic-authoritarian rule in Korea, Taiwan, and Singapore provided development dividends early and paved the way for gradually opening up the economy. In some countries such as India, for instance, where democracy was embraced early, political institutionalization was relatively easier to obtain and created a political culture that helped sustain democratic rule. A democratic political approach in dealing with national problems combined with a mixture of capitalist- and socialist-inclined economic policies supported industrialization and import substitution as well as created better conditions for agricultural development to occur. Elsewhere, over time, the positive move toward liberal democracy became inevitable as a response to the global surge toward democratization. On the other hand, externally imposed economic development strategies influenced by neoliberal ideas challenged national sovereignty (see Cammack and Tordoff, 1993).

During the 60-odd years after the end of the war, the world experienced varied transitions in almost every front possibly imaginable. In global politics, the end of the Cold War was a significant phenomenon that had wide ramifications for the developing regions. With the collapse of the Soviet Union in the aftermath of *glasnost* and *perestroika*, the map of Eastern Europe underwent major alterations (see Lane, 1992). Political and economic reforms ushered in right earnest (Goldman,

1997; Weiner, 1994; Wolf, 1992). Elsewhere, in several developing countries (DCs), the wave of democratization had already begun to make its presence felt. There were serious attempts to transform political and economic structures and initiate policies and programs to alleviate poverty and make advances in social development. The international development community (IDC) became more active in supporting development across the globe, while the "third sector" in many countries moved to become more vibrant in a bid to make positive contributions.

The neoliberal agenda in economic matters began to be increasingly accepted as classical approaches to development retreated to the background or were supplanted. Economic liberalization policies changed the way countries interacted with one another in trade to boost competitiveness and secure comparative advantages in international commerce. Transfer of ideas, from political to economic to technological, movement of people—either sanctioned or unauthorized, business partnerships, wider intellectual interactions or dialogues, cross-cultural communications, and so forth have been the direct offshoots of globalization, a phenomenon that has virtually changed the way individuals, groups, and states think and act regarding development and social progress. Indeed, the barriers between continents, regions, nation-states, societies, and peoples have been gradually disappearing.

It will be interesting to explore the extent to which the status of the non-Western DCs has changed from what one commentator noted in the late 1960s: "A generation ago the lands of the Third World were politically inert, objects of international bargaining, and patient servicers of the international economy" (Barnet, 1968: 6). Much has changed since then. What are the characteristics of these countries? What is the nature and extent of poverty? How have these countries responded to demands and changes in the global space? Has their dependency on the affluent and powerful nations attenuated? What has been the impact of globalization with all its varied features? How is democracy faring in these countries? What has been the nature of development synergy and partnerships in the new world environment? We shall explore these in the following pages, but, first of all, let us attempt to define and categorize the DCs.

Defining and Categorizing DCs

During the Cold War and later, the countries of the world were arbitrarily divided into three groups, based solely on economic determinants rather than historical, social, or political criteria. Thus, there emerged in both academic and popular literature in the West and North such terms as the "First World" (the so-called affluent countries, mainly in the West but also including Japan, Australia, and New Zealand), the "Second World" (countries that belonged to the communist bloc of Eastern Europe), and the "Third World" (countries that included the relatively "poor" countries of Asia, Africa, Latin America, and the Pacific). This apparent Western bias in the threefold classification has been suspect, but political scientists

have attempted to rationalize, often persuasively, the use of the term "Third World" (Smith, 2003: 10, 11).

Classifying countries according to their geographical location also became popular for some time. As the "Third World" countries are mainly located below North America and Europe, they were collectively referred to as "South" and the rest as "North"—another fallacy as in the Southern Hemisphere we also find advanced countries such as Australia and New Zealand. Basically, this categorization served social scientists to study the social, political, and economic uniqueness of different countries/regions and make comparisons (Randall and Theobald, 1998; Box 1.1).

However, as more than three-quarters of the world's population live in countries that are relatively less industrialized, more agrarian, have limited infrastructure and communication facilities, and experience persistent social and economic problems often caused by poor political and economic management and other external factors, these are collectively referred to as "developing" as opposed to "developed"—a term assigned to the advanced industrialized countries. Almost all these DCs were once under colonial (British, French, Dutch, Spanish, Portuguese, Belgian, or American) rule. Only a few (such as Thailand, Iran, and Nepal) were not under colonial possession and were adroitly used as buffer zones by colonizing powers to serve their common strategic interests (Box 1.2).

While the advanced industrialized democracies, as a category, still remain, the so-called "Second World" as a distinctive entity has lost its relevance in the contemporary world. More appropriately, these categories (also known as "transitional economies") can be subsumed in the larger "developing world" category along with the DCs in Asia, Africa, Latin America, and the Pacific as they generally display

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BOX 1.1   GNP PER CAPITA

A country's gross national product (GNP) divided by its population. It shows the income each person would have if GNP were divided equally. It is also called income per capita. GNP per capita is a useful measure of economic productivity, but by itself it does not measure people's well-being or a country's success in development. It does not show how equally or unequally a country's income is distributed among its citizens. It does not reflect damage made by production processes to natural resources and the environment. It does not take into account any unpaid work done within households or communities or production taking place in the gray (shadow) economy. It attributes value to anything being produced whether it harms or contributes to general welfare (e.g., medicines and chemical weapons), and it ignores the value of such elements of people's well-being as leisure or freedom.

Source: World Bank, *Beyond Economic Growth*, World Bank, Washington, DC, 2004.

BOX 1.2   GIDDENS' PORTRAYAL OF COUNTRIES

High-income countries: Account for only 15 per cent of the world's population … yet lay claim to 79 per cent of the world's annual output of wealth … High-income countries offer decent housing, adequate food, drinkable water and other comforts unknown in many parts of the world. Although these countries often have large numbers of poor people, most of their inhabitants enjoy a standard of living unimaginable by the majority of the world's people.

Middle-income countries: Most of these countries began to industrialize relatively late in the twentieth century and therefore are not yet as industrially developed (nor as wealthy) as the high-income countries. In 1999, middle-income countries included 45 per cent of the world's population … but accounted for only 18 per cent of the wealth produced in that year. Although many people in these countries are substantially better off than their neighbors in low-income countries, most do not enjoy anything resembling the standard of living common in high-income countries.

Low-income countries: These countries mostly have agricultural economies and are only recently beginning to industrialize … in 1999, the low-income countries included 40 per cent of the world's population … yet produced only 3 per cent of the world's yearly output of wealth … In many of these low-income countries, people struggle with poverty, malnutrition and even starvation. Most people live in rural areas, although this is rapidly changing. Hundreds of millions of people are moving to huge, densely populated cities, where they live either in dilapidated housing or on the open streets.

Source: Giddens, A., *Sociology*, 5th edition, Polity Press, Cambridge, UK, 2006, 390, 391.

quite similar economic and political features and are just about in the same state of development despite extensive variations among their ranks. Most, if not all these DCs, suffer from both chronic and acute poverty and human underdevelopment and continue to depend on external support for social and economic advancement. Nonetheless, significant dissimilarities among them are also easily discernible in terms of their respective social, political, economic, technological, and environmental conditions and policy approaches. The marked differences suggest that there is no homogeneity or uniformity among the countries and regions that some categorize as the "Third World."

The World Bank has classified the countries of the world according to gross national income (GNI) per capita to aid in its operations, especially in those countries

requiring greater economic and technical support. The Bank's rationale is that "GNI, a broad measure, was considered to be the best single indicator of economic capacity and progress; at the same time it was recognized that GNI does not, by itself, constitute or measure welfare or success in development" but GNI per capita does and therefore has been used as the criterion for classifying countries, see Box 1.1 (World Bank, 2008/online). Thus, among the 213 countries classified by World Bank, 69 are in the high-income group, 48 in the upper middle–income groups, 56 in the lower middle–income groups, and 40 in the low-income groups. Among the high-income countries, 31 are on the Organisation for Economic Co-operation and Development (OECD)* list and the rest are in Asia, Africa, Latin America, the Pacific, Western/ Eastern Europe, or the Caribbean. Several countries in these regions/continents have been in the high-income category for quite some time now and are continuously improving their economic conditions. Some have attained the "advanced" status in the International Monetary Fund (IMF) classification or are almost at the threshold of attaining such standing. These countries include Singapore, Hong Kong Special Administrative Region (SAR), Malaysia, South Korea, Israel, and Taiwan. The Czech Republic could also be placed in the "developed" status group (See Box 1.2).

Interestingly, many of the countries belonging to the high-income (such as, Estonia) and upper middle–income categories (such as Argentina, Brazil, Croatia, and Turkey) are severely indebted to external funders or other countries, whereas poorer countries such as Bangladesh, Haiti, Mali, Mozambique, Nepal, and Papua New Guinea are less indebted.† Although the World Bank has recently discarded the classification according to indebtedness, it does provide some idea about where countries in each category (less indebted, moderately indebted, and severely indebted) stand relative to others.

The World Bank's classification of countries based purely on economic determinants does not, however, say much about a country's social, cultural, and political conditions. Oil-rich countries of the Middle East with very high GNI per capita, for instance, are well behind with regard to human development indicators, such as health, education, human rights, and so on. They are also quite behind insofar as governance variables support human well-being. On the other hand, countries such as India, China, and Peru, to name a few, may belong to the low-income category but are rich historically and culturally. Development cannot always be explained only from economic, technological, and political standpoints; rather cultural opulence, spiritual sublimity, and the heritage of splendorous civilizations can provide good pointers of a country's potential to progress.

The bottom line, however, is the sheer scale of income inequality among nations. As the 2005 *Human Development Report* (UNDP, 2005: 4) states,

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* The OECD is a group of advanced industrialized countries "committed to democracy and the market economy" and supports the development initiatives of relatively less-affluent countries and regions. Visit its Web site for details about its policies and programs—http//:www.oecd.org.
† World Bank Indebted Classifications (World Bank, 2006).

> At the start of the twenty-first century we live in a divided world. The size of the divide poses a fundamental challenge to the global human community. Part of that challenge is ethical and moral … The twin scourges of poverty and inequality can be defeated—but progress has been faltering and uneven.

Indeed, both the tide of poverty of nations and the steep inequality within and between them have been at the core of development discourse and the cause for concern for political leaders, academics, and development planners and practitioners.

Dimensions of Poverty

The low-income countries are invariably branded as poverty stricken and require the special attention of respective national governments and the international development establishments. Although there is no clear definition of "poverty" or how its variations (absolute, moderate, or relative) are to be measured or who can be identified as "poor," "almost poor," or "abject poor," this is the gauge used by social scientists and development practitioners to identify the "needy," to understand their problems, and to prescribe alleviation strategies. National governments, international donors, and development nongovernmental organizations (NGOs) have always capitalized on the poverty syndrome in highlighting the problem, recommending solutions, and perhaps making their existence and purposes worthwhile.

Poverty, however, is a fact of life, a stark reality in many developing nations (Box 1.3). In some parts, it is endemic, severe, and unbridled hurting millions of people, especially children, and thus needs to be alleviated. Therefore, how do we conceptualize poverty and what are its various manifestations?

Put simply, poverty is deprivation from the bare necessities required to maintain human well-being. For victims of poverty, then, it becomes a matter of survival or subsistence. People need to have access to or the resources to acquire certain life-sustaining basic needs, such as food, clothing, shelter, and protection. If they are deprived of these, they are experiencing deprivation and are in poverty. As Sen (1982: 24) argues, "There is an irreducible core of absolute deprivation in the concept of poverty." When they barely survive, that is face extreme difficulty in affording the minimum essentials of life, they are under absolute deprivation. These people are below the *poverty line* that demarcates the very poor from the poor. In 2001, nearly half of the world lived on less than $2 of whom 1.3 billion were said to be surviving on less than a dollar day. This is the extent of world poverty, and it is more than just about income. As Kofi Annan (2000), the former UN secretary general, remarked, "Even this statistic fails to capture the humiliation, powerlessness and brutal hardship that is the daily lot of the world's poor." Indeed, the poor around the world suffer from powerlessness, voicelessness, resourcelessness, social

BOX 1.3   WHAT IS POVERTY?

To be poor is to be hungry, to lack shelter and clothing, to be sick and not cared for, to be illiterate and not schooled. But for poor people, living in poverty is more than this. Poor people are particularly vulnerable to adverse events outside their control. They are often treated badly by the institutions of state and society and excluded from voice and power in those institutions.

Source: World Bank, *Poverty in an Age of Globalization*, World Bank, Washington, DC, 2000a, 15.

Poverty is total; it is not just economic. Poverty means poor health because one cannot afford sufficient calories or proper nutrition. It means disease and little access to modern medicine. It means lack of education. It means constantly searching for employment, and it means the psychological consequences of hopelessness and insecurity. It may mean familial violence, broken homes, and crime. Where jobs exist, it can mean backbreaking labor for long hours and exposure to toxic chemicals that are banned in First World countries. It may mean that any protest against such conditions will result in arrest, torture, perhaps even death.

Source: Lewellen, T.C., *Dependency and Development: An Introduction to the Third World*, Bergin & Garvey, Westport, CT, 1995, 7, 8.

exclusion, unhappiness, discrimination, coercion, insecurity, and whatever. A DC economist remarks that

> poverty originates in the structural injustices of a social order which incapacitates the poor from participating in the growth generating sectors of the economy and leaves them captives in the so-called informal sector, characterized by low productivity and low earning capacity. In such a system the poor remain individualized and hence disempowered which compels them to interface with the market economy on highly inequitable terms which relegates them to the lowest tiers of the value addition chain.

Sobhan (2005: 1)

Significant, and sometimes sharp, variations among the regions of the developing world are noticeable, although they face the same sorts of mundane problems. Within many countries, sharp contrasts are extant—the rural countryside with an agrarian economy still provides for food and other necessities but not enough for the entire population, while a rapidly growing urban sector influenced by globalization supports a burgeoning middle class to prosper amidst urban shanties and

squalors (Todaro and Smith, 2003: 4). Even in countries with high growth rates, poverty endures in its many facets. There the inroads of the market economy have so far done little to remove the contradictions in lifestyles, rather these have been accentuated. The disparity between regions and the rural–urban divide are most manifest in Asia and Latin America and to some extent in other parts of the developing world.

Many parts of Africa, untouched by global economic patterns, are still entrenched in a subsistence economy, which satisfies the most essential needs of the people through self-provisioning and tapping natural resources without utterly damaging the environment (Shiva, 1999). As portrayed by Cowper (1963: 26)

> a village with a subsistence economy not only is self-sufficient in regard to food but also provides its own fuel for cooking and perhaps for heating. Cottage weavers may make cloth if the necessary fibers are locally grown. Village artisans make or repair baskets, earthenware, leather goods, footwear, carts and wheels, and fishing nets. A local smith will shape metal into nails, hooks, blades, and simple tools. In these and many other ways, a large village, or a cluster of small villages, can look after most of the needs of the inhabitants.

With everyone sharing the same resources, almost equitably, and producing and consuming mainly agricultural output, there is hardly a way for the people to compare their lifestyles and habits with those living in more affluent circumstances. For them, there is hardly any feeling of relative derivation. Nonetheless, such economies are a rarity in today's world as these are being encroached upon by the forces of the global economy.

Deprivation, therefore, may be relative when the economic and social situation of an individual, a group, a country, or a region is perceived or measured to be better or worse than another or below or over acceptable standards. It has to do with inequality or inequity and compares the relative position of individuals or communities receiving unequal rewards for equal efforts or having inequitable access to services provided either by the state or the market (Bierhoff and Kupper, 1999). It relates to the problem of inequality in income distribution. Income poverty, of course, varies between and among regions.

However, relative deprivation has more to do with social exclusion and social citizenship rather than only with notions of equality in resource distribution. Any notion of poverty must also take into cognizance the denial of opportunities for people to realize their human potentials. Thus, apart from meeting material needs to survive, all people desire a situation to come to terms with their social requirements. Voice and empowerment then become critical issues in their struggle against poverty. Thus, it is important for the state and society to facilitate and promote individual capability—"the substantive freedoms he or she enjoys to lead the kind of life he or she values" (Sen, 1999: 87).

Economic Growth, Poverty, and Inequality

In the past, economists were skeptical about a correlation between poverty reduction and economic growth: whether one is contingent upon the other. Contemporary views also do not see economic growth having any significant impact upon inequality. However, "even small changes in the overall distribution of inequality can lead to sizeable changes in the incidence of poverty. For any given rate of economic growth, the more that inequality falls, the greater is the reduction in poverty" (Adams, 2002: 5; see also Dollar and Kraay, 2000). New evidence shows that "[e]conomic growth reduces poverty in the developing countries of the world because average incomes of the poor tend to rise proportionately with those of the rest of the population" (Adams, 2002: 21). It has been suggested "that pro-growth actions and those directly targeted to improving the lives of the poor are very often mutually reinforcing. The more this complementarity is tapped the more effective economic growth can be in reducing poverty" (Lustig et al., 2002: 13).

Nonetheless, poverty cannot be seen in economic terms alone or determined by a narrow metric; it is not only about material deprivation but also related to human capabilities and social and political influences. As Sen (1985) argues, "Economic growth cannot be sensibly treated as an end in itself. Development has to be more concerned with enhancing the lives we lead and the freedoms we enjoy." Thus, poverty alleviation strategies in low-income countries need to focus on social exclusion issues in addition to those relevant to economic deprivation. Otherwise, development will become lopsided.

Growth rates, however, do matter in upgrading the development status of countries in the developing regions as has been the case of a group of countries, known as the Newly Industrialized Economies (NIEs), which have become quite prominent in recent times. With growth rates often surpassing those of the developed economies, these countries pursuing the open market economic strategy have highly developed manufacturing sectors, advanced export regimes that help to maintain positive trade balances, robust overseas investments, an efficient public sector, productive government–business relations, and corporatist approaches to economic governance (Chowdhury and Islam, 1997). The first-generation NIEs include the so-called East Asian Tigers—Hong Kong SAR,* Korea, Singapore, and Taiwan. This group has "vindicated the liberal prescription of market-oriented policies and participation in the world economy. Their success in achieving rapid growth with a relatively egalitarian distribution of income made export-led growth a new development orthodoxy in the 1970s" (Haggard, 1990: 2). Within time, this approach appealed to and has been adopted by other DCs such as Brazil, Mexico, Argentina, Malaysia, and the Philippines, while other countries in the Asia, Africa, and Latin America are steadily catching up with them.

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* Hong Kong, after the departure of the British in 1997, became an autonomous SAR of China with its own political institutions and administrative and economic policies.

Both China and India pursued a different route to development. Industrialization occurred there within an overarching strategy of socialism featuring self-reliance in agriculture and nonfarm activities, import substitution, and establishment of both labor-intensive and capital-based industries. It is predicted that their current sky-scraping growth rate will transform them into economic superpowers in a decade or less. However, because of unusually high populations (over a billion in both countries), their GNI per capita keeps them in the low-/middle-income category with poverty remaining a major issue.

Enduring Global Inequality

The well-being hiatus between nations and people within nations has been widening despite varied attempts to raise economic growth, contain population swells, and improve living standards. Apart from economic inequality (differences in wealth, income, and working conditions) that is ubiquitous and easily quantifiable, the human development divergence is not always visible but more telling and therefore requiring greater attention to making human existence more meaningful. Disparities are evident in life expectancy, infant mortality, nutritional intake, employment, education, health care, housing, gender opportunities, access to public services and information, choice, and citizenship. Social inequalities are multiple and interlocking, and most, if not all, dimensions are connected to income inequality.

Therborn (2006) advances three forms of inequality that are relevant to our understanding of the problem in the development context. He distinguishes between *vital inequality* (relating to life and health), *existential inequality* (relating to freedom and respect), and *resource inequality* (relating to material and symbolic capabilities). Each of these forms of inequality stems from prevailing social, political, and economic conditions in a country or across regions. This typology expands on Sen's (1999: 75) concept of *functionings*, which

> reflects the various things a person may value doing or being. The valued functionings may form elementary ones, such as being adequately nourished and being free from avoidable diseases, to very complex activities or personal states, such as being able to take part in the life of the community and having self-respect.

If these functionings are denied or restrained, social and economic discrepancies may emerge and the problems of inequality enlarge.

While poverty may be gradually abating, from a relative point of view, global inequality continues to be formidable. In 1981, 40% of the world's population was living in extreme poverty; this declined to 21% in 20 years (United Nations [UN], 2005: 13). However, there are variations between regions. East Asia has done fairly well in attempting to bring down the level of poverty in some countries within its fold, but the overall situation in sub-Saharan Africa remains grim. Poverty still

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BOX 1.4   MEASURING INEQUALITY: FOUR CONCEPTS

- The *first concept* measures differences in mean incomes between countries (or regions). There is no population weighting and every country counts the same. This concept is useful in determining the extent of convergence or divergence among countries or regions.
- The *second concept* takes mean national (or regional) incomes but weights them by the population of the countries (regions). In this case, the resulting income distributions will be strongly affected by large countries (e.g., China and India) and regions.
- The *third concept* measures interpersonal inequality at the global, national, or regional level, respectively. At the global level, this concept yields the world's income distribution.
- A *fourth concept* is that of vertical and horizontal inequality. While vertical inequality refers to inequality among individuals at different levels of the income pyramid, horizontal inequality refers to inequality among individuals within the same broad income or socioeconomic class.

Source: Nissanke, M. and Thorbecke, E., Channels and policy debate in the globalization-inequality-poverty nexus, *WIDER Discussion Paper No. 8*, UNU World Institute for Development Economics Research, Helsinki, 2005, 4, 5.

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remains a challenge in South Asia, Latin America, and in transitional economies of Eastern Europe (UNDP, 2005: 34). The rising global gap between rich and poor countries is indeed a serious problem, but what is more disconcerting is the unequal distribution of income and wealth within some DCs. This is even truer for countries (e.g., China, India) which otherwise have been experiencing high growth rates. The divide between the formal and informal economic sectors, in particular, is apparent (Box 1.4). According to a 2005 report of the UN General Assembly,

> The large and growing chasm between the formal and informal economies in many parts of the world strengthens the case for reducing inequality. Those who are part of the formal economy generally fall among the "haves" in society, as they are more likely to earn decent wages, receive job-related benefits, have secure employment contracts, and be covered by labour laws and regulations. In contrast, those in the informal economy are typically among the "have-nots"; they are often excluded from various legal protections and are unable to access the basic benefits or enjoy the fundamental rights granted to those in the formal economy. Since most poor people work informally, the recent

expansion of the informal economy in many countries has major implications for reducing poverty and inequality.

UNDP (2005: 13)

In earlier times, inequality within societies and nations rose due to "land concentration, unequal access to education, and the urban bias of public policy," but in the contemporary world, the problem may have been amplified by factors associated with "skilled-biased technical progress or the Washington Consensus policies"—more specifically, by "change in wage-setting norms and privatization, other policy factors contributed to the polarization of incomes, including a fall in the minimum wage relative to the average, the informalization of the economy, and a surge in interindustrial wage dispersion unrelated to changes in productivity differentials" and "the development of the urban-based, capital- and skill-intensive sector, a slowdown in agriculture, and the retrenchment of rural development programmes" (Cornia, 2004: 5, 7).

The intensification of both economic and social inequality may be related to a number of factors: unequal agrarian structures, lack of access to education, skilled-biased technical change, stabilization-induced recession, trade liberalization, capital-account liberalization, labor market deregulation, and taxation reforms and their impact on redistribution (Cornia, 2004: 10–22). In some developing regions, inequality has been exacerbated by unemployment increases, expansion of the informal sector, spatial disparities between richer urban precincts and the rural hinterland, or economic reorientation influenced by the neoliberal agenda.* Economic inequality has implications for governance. Where it is endemic, it may have the propensity to rear corruption and social wrongdoings and may further perpetuate further inequality (Uslaner, 2006).

While the relevance of liberal economic policies to economic growth has been argued, improvement of the poverty condition through a trickle-down effect is not always guaranteed in all situations as "successful poverty alleviation depends not only on favourable changes in average GDP per capita growth but also on favourable changes in income inequality," that is "a more pro-poor distribution of the gains from growth" (Nissanke and Thorbecke, 2005: 10, 13) can help remove inequality. Doubts, however, have been articulated about the efficacy of the prevailing axioms of poverty alleviation, global capitalism, development assistance, international business transactions, and, last but not least, national governance, all of which are generally influenced by globalization, a phenomenon currently overwhelming social, political, and economic relations throughout the world.

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* See the several papers presented for the Conference of the American Political Science Association (APSA) Task Force on Difference and Inequality in the Developing World, University of Virginia, 22 and 23 April, 2005.

Globalization and Its Ramifications

In development discourse, the term "globalization" has been widely cited, discussed, and debated. There are both strong adherents and staunch detractors of this doctrine. Some argue that globalization's influence on the world economy has been more positive than negative and has not endangered the poorer nations. Cynics, on the other hand, are forthright in placing all the blame for the conditions of these nations on globalization and its multifaceted effects. Volumes have been written about the globalization process, and scholars and practitioners have been continuously assessing its influences. Policy makers worldwide have been obliged to reshape national development policies in line with its dominant premises. International donors have changed their stance in relation to development aid to comply with its "principal tenets" and forced aid-recipient countries to restructure their economies, reform governance methods, reorient state institutions, and adopt market-centered strategies. Parties and politicians in both democratizing and not-so-democratic polities are changing their attitudes toward globalization regardless of their original ideologies while, at the same time, continued resistance by antiglobalization activists has not been uncommon leading to widespread violence in some places. Truly, the phenomenon has riveted the entire world.

Far from being a new phenomenon, globalization is not entirely novel. For some historians, its seeds were sown as early as the fifteenth or sixteenth century (Wallerstein, 1974; Robertson, 1992). However, its formal antecedents can be found in European expansionism and colonialism that roughly spanned almost a century from the mid-nineteenth to the mid-twentieth century (Cohen, 2007). This was a period of "globe-girding internationalization of capital" that overlapped another ensuing epoch of Western economic imperialism or neocolonialism that saw the rise of large transnational corporations and their intrusion into the developing world and the "vigorous geographical extension of capitalism" on a much bigger scale (Hoogvelt, 2001: 18, 19). The decolonization process, which began soon after World War II, could not fully dissociate newly independent countries from their former colonizers. The need for economic assistance kept them dependent and thus indirectly subservient to the world political economy. In the meantime, Cold War factors impelled most countries in economic and political uncertainties to make choices to toe either the American or the Soviet line. Apparently, President Truman's "Development Aid Program" had more materialistic appeal for striving countries than the ideologically inclined communist overtures. The West was also keen to export ideas of modernization as pillars of development to counter the perils of Soviet hegemony. Both trends—modernization and dependency—have had profound implications for the growth and spread of globalization.

Modernization and Dependency

For developing societies, modernization has basically been the "advancement towards a condition corresponding to the industrial capitalist societies of the West"

(Smith, 2003: 45). This condition included a high degree of social mobilization, structural differentiation, specialization of roles, secularization and rationalization of social values and behavior, employment of sophisticated technology, application of systematic knowledge in the pursuit of progress, bureaucratic rationality, political institutionalization and democratization, industrial capitalism, urbanization, market-oriented economic transactions, and public–private dichotomy (Levy, 1966; Eisenstadt, 1966; Parsons, 1960; Moore, 1977).

From the mid-twentieth century, the dynamics of modernization began transcending spatial and social–cultural boundaries of the West and furthering into other realms. Giddens terms this "the globalising of modernity," and the contributing factors to this dynamic are the separation of time and space, the disembedding of social systems, and the reflexive ordering of social relations. Thus, globalization, from a sociological perspective, intensifies "worldwide social relations which link distant localities" and extends "the relations between local and distant social forms and events" (Giddens, 2000: 64). The dynamics of modernity help diffuse social–cultural and economic values from the developed to the developing world. In many ways, these affect developing societies' perceptions and engagements with the wider world and in designing new social, cultural, political, and economic relations within their own. Plainly, such local–global relations and interactions increase developing nations' dependence on the wealthy countries and international organizations for economic and technological assistance. Globalization continues "in an intensified and accelerated form … the perduring challenges of modernization" (Berger, 2002: 16).

In its original construction, the dependency syndrome manifested a unidirectional relationship between the core economies (the developed world) and the peripheral economies (the developing world) epitomizing the proposition that the former advanced at the cost of the latter through exploitation and expropriation of economic surplus (Lewellen, 1995: 59–69). As Randall and Theobald (1998: 256, 257) argue, such dependence was lopsided, "the periphery [being] largely passive … [and] actively compliant" to the point of submission to the determinants of the core. However, with globalizing tendencies taking over, this relationship has apparently been changing with interdependence replacing dependence. Such interdependence must take into cognizance "the relationship between changes in the global political economy, changes in the political economy of individual states, and changes in the organisation of production" (Bernard and Ravenhill, 1995: 205).

Both modernization and dependency theories are not without their shortcomings or flaws in appreciating the dynamics of social and economic development in specific contexts. Modernization theory, as we shall explain in the next chapter, is premised on the contention that all societies transitioned along a universal and linear path while executing and institutionalizing an array of social–cultural, economic, and technological changes. This has not been true for developing societies. Eclectic ideas and values are not always adoptable or even adaptable. These need to be filtered and refined for local application. As for dependency, it is now assumed to be "a two-way street" (Lewellen, 1995: 9) with both developed and DCs fomenting

a constructive and mutually beneficial partnership in the common endeavor toward poverty alleviation, human development, and a sustainable future in a globalized milieu.

Explaining Globalization

Therefore, what actually is globalization? How can we define the process and explain its several dimensions and consequences? Disagreements persist as to its precise meaning; it is looked at from diverse perspectives—social, cultural, political, economic, environmental, technological, and so on. Thus, a sociologist considers globalization from a societal viewpoint—globalization's relevance to modernity, ways social life has been affected by global influences, about individual and community responses to global signals, transnational social movements, and social change. Cultural globalization may be perceived of as "a spread of cultural practices—and habits, values, products, experiences, ways of life—from certain dominant *places* to others" (Tomlinson, 2003: 49) or, for the peoples of the developing world, the Westernization or Americanization of their cultures, often expressed pejoratively. Political scientists view globalization from the standpoint of democratic values or other Western political ideals and their dissemination and application across the globe. International relations analysts tend to explain world politics in an era of globalization from different world views (realism, liberalism, Marxism, and constructivism) that perhaps are in contradistinction to each other (Baylis and Smith, 2005: 7, 8). To them, the nature of world politics has changed because of the influences of globalization. For economists, globalization is about integrated economic activities and business opportunities on the global plane. To them, globalization is concerned with international trade, investments, and capital market flows and participated by nations, large corporations, and financial institutions. Anthropologists seek "to contextualize globalization in the broad sweep of human history and the diversity of human-environment relations" (Cleveland, 2000: 370), whereas environmentalists who look at the world "as a single integrated system with complex linkages among large-scale ecological systems of land, oceans, atmosphere, and biosphere" (Conca et al., 1995: 7) perceive globalization as a threat to sustainable communities because of its propensity to compromise the ecological integrity of nations and societies in the face of economic growth.

Let us consider a few notable definitions of globalization. Friedman (2000: 9) considers globalization as

> the inexorable integration of markets, nation-states and technologies to a degree never witnessed before—in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before, and in a way that is enabling the world to reach into individuals, corporations and nation-states farther, faster, deeper, cheaper than ever before, and in a way that is also

producing a powerful backlash from those brutalized or left behind by this new system.

Recognizing time-space compression in the modern world, Giddens (2000: 64) looks at globalization "as the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa."

McGrew (1992: 23) explains globalization as

> the multiplicity of linkages and interconnections between the states and societies which make up the modern world system. It describes the process by which events, decisions, and activities in one part of the world can come to have significant consequences for individuals and communities in quite distant parts of the globe.

Held and McGrew (2007: 3) argue that "the concept of globalization describes a cultural shift underway in the organization of human affairs: from a world of discrete but interdependent national states to the world as a shared social space."

Based on the theory of transformation, Hoogvelt (2001: 65) defines globalization "as a new social architecture of cross-border human interactions." International bodies such as the UN also suggest that globalization

> is a unique convergence of technological, economic and political forces of daunting power and influence, having a massive impact on all aspects of public and private life in economic, social, political and cultural affairs at global, national and local levels. As it influences states and their partner actors, it is also exploited and shaped both positively and negatively by those with the foresight and resources to appreciate its power.

> **UN (2000a: 10)**

The World Bank (2000a: 1) views globalization as not only "the global circulation of goods, services and capital, but also of information, ideas and people." In a similar vein, the IMF (2008: 2) encapsulates the phenomenon as "the increasing integration of economies around the world, particularly through the movement of goods, services, and capital across borders … [and] the movement of people (labor) and knowledge (technology) across international borders."

Given the variety of definitions and explanations that permeate the development studies literature, we can recognize some common themes that essentially elucidate the concept and process of globalization. Put simply, *globalization is a dynamic worldwide polydimensional phenomenon that is increasingly interconnecting peoples, communities, societies, nations, regions, markets and technologies in a manner that defies time and space to the point that events in one place affect another far removed*

BOX 1.5   THE GLOBALIZATION PACKAGE

- Informatization—applications of information technology
- Flexibilization—destandardization in the organization of production and labor
- Regionalization—development of regional bodies among nations
- Reconfiguration of states—to respond to external demands
- Deregulation—liberalization, privatization
- Marketization—unleashing market forces
- Financialization and securitization—conversion of assets into tradable financial instruments
- The ideology of lean government—smaller public sector, better coordination of activities

Source: Pieterse, J.N., *Globalization or Empire?* Routledge, London, 2004, 1.

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from the place of occurrence. It encompasses political, social, cultural, and economic spheres and seeks to converge and harmonize policies and institutions to achieve certain aims toward global modernization, an integrated global market and a homogenized global culture by diffusing and sharing ideas, knowledge, and information.

Yet definitions can be ambiguous, misleading, and fail to convey the real essence of an activity or a phenomenon, and therefore should be carefully coined to avoid misconceptions, misinterpretations, and misapplication. As Scholte (2005: 53–59) argues, "Globalization is a malleable catchall term that can be invoked in whatever way the user finds convenient" and rejects conceptual attempts at equating the term with "internationalization," "liberalization," "universalization," or "Westernization" for analytical reasons (see also Hirst and Thompson, 1999). However, it may not be pointless to stress the relevance of these phenomena in understanding globalization from a wider social–cultural perspective. It is often difficult to clearly delineate the distinctive parameters of globalization from both analytical and empirical points of view (Box 1.5).

Determinants of Globalization

The political map of the world that began changing with decolonization from the mid-1950s also transformed economic arrangements between former colonizers and colonies and among nations. From the fourth quarter of the twentieth century, the nature and structure of the world political economy began transforming. The new scheme indicated changes in the organization and management of the world economy with the levers for such changes controlled by the industrialized countries (for instance, the Group of Eight [G8] nations at the present time) as well as the Bretton Woods institutions (BWIs) and the World Trade Organization

(WTO). Since the collapse of the Soviet Union and the relegation of communism as an alternative, the United States emerged as the unchallenged political and economic superpower elevating capitalism to newer heights. Its currency dominated the world market as "a unit of account, a medium of exchange and a store of value" (Nayyar, 2001: 6); its global corporations penetrated deep into other realms for investments and, hence, more profit; and its political hegemony overshadowed relations between states, conflicts, and diplomacy. Globalization began to be pushed as the redeemer of all problems facing the world—as the basis of relieving the developing world of poverty, social inequality, market inefficiency, and malgovernance and ensuring economic prosperity.

The process of integrating national economies into the expansive production system that has become evident today was reinforced by the emergence of a renewed rationale of the roseate excellence of market forces as the prime mover toward prosperity and peace. This is labeled as *neoliberalism*, which emerged in the 1970s and gradually consolidated in the years that followed. Fused of conservative and liberal elements, this notion found its manifestations in the politics and economics of the so-called *New Right* including *Thatcherism* and *Reaganomics*. Neoliberalism advances individualism in terms of making choices and taking initiatives, the primacy of the market in *laissez faire* conditions, minimal state intervention in economic matters yet at the same time pursuing strong government and social authoritarianism including restrictions on the role and activities of civil society groups such as trade unions (Besley, 1986; Held and McGrew, 2007). Globalization and neoliberalism are mutually reinforcing to the point that references are made about *neoliberal globalization* to suggest that globalization cannot be pursued to its fullest without adhering to a neoliberal ideology and outlook.

To fulfill the objectives of neoliberalism, the international development establishments pursued a vigorous program of economic restructuring and took the initiative of influencing policy changes in developing nations. This agenda became known as the *Washington Consensus*. Initially, this agenda was more economy oriented and largely focused on structural adjustment issues and greater openness. It was refined and extended in the aftermath of the Asian financial crisis to include other matters relating to governance and development (Rodrik, 2001: 14; See Box 1.6). The spread of Western liberal democracy and the associated norms of political institutionalization have underpinned a kind of universalism in approaching economic and political matters and contributed toward global cooperation and interdependence and the creation of global institutions in attending to the needs of a new global order. Proponents of neoliberalism champion globalization because it "embodies the potential for creating a radically new world order which . . . will encourage human freedom and prosperity unencumbered by the dictates of stifling public bureaucracy and the power politics of states" (Held and McGrew, 2007: 189). On the other hand, critics find neoliberalism a deterrent to "the ability of even the most powerful nation states to pursue policies that serve the majority of their inhabitants if and when those policies

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BOX 1.6   THE WASHINGTON CONSENSUS

The Original Agenda	The Augmented Agenda
Fiscal discipline	The original agenda plus:
Reorientation of public expenditures	Legal/political reform
Tax reform	Regulatory institutions
Financial liberalization	Anticorruption
Unified and competitive exchange rates	Labor market flexibility
Trade liberalization	WTO agreements
Openness to direct foreign investment	Financial codes and standards
Privatization	"Prudent" capital-account opening
Deregulation	Nonintermediate exchange rate regimes
Secure property rights	Social safety nets
	Poverty reduction

Source: Rodrik, D., *The Global Governance of Trade as if Development Really Mattered*, United Nations Development Programme, New York, 2001, 15.

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run counter to the interests of wealthy investors and large firms" (Demartino, 2000: 17). Indeed, the developing nations are squeezed between the demands of international finance and industrial capital, the rules generated and enforced by the international establishments, and the conditionalities of aid. There is little room left for them to maneuver as there is hardly any scope for them to remain insulated from globalization and its effects.

Forms of Globalization

Apart from being influenced by neoliberal principles that have provided globalization a mainly economic perspective, global transformations as we are currently witnessing are also governed by several other phenomena. Chase-Dunn (1999) identifies ecology, culture, communication, and politics together with economics as key issues in globalization.

Environmental Globalization

Ecological degradation is not a new phenomenon, but recent disasters occurring naturally or as upshots of mainly unwarranted human interventions and imminent threats of disastrous climatic changes have raised concerns over the future of the planet on a global scale. Localized environmental problems are now globalized or at

least regionalized in nature, especially those transcending national boundaries (rivers, forests, deserts, etc.). The immediate past and current spate of adverse changes to the world ecosystem have globalized environmental risks and has generated "a set of systematic constraints that require global collective action" (Chase-Dunn, 1999: 191). With environmental disruptions taking on a more regional and/or global dimension, global interdependence among peoples, nations, and global institutions has the potential to overcome ecological constraints. DCs with high-intensity poverty are particularly susceptible to environmental degradation.

There seems to be a correlation between globalization and environmental problems. It is argued that globalization can heighten the environment–poverty nexus as "globalization leads to faster economic growth than the development of the local capacity for effective environmental management and protection. Globalization provides ready markets for polluters and environmental abusers, especially in agriculture and natural resource industries, most commonly developed for newly globalizing poor countries" (Kiggundu, 2002: 328). While a global approach to sustainable livelihoods has helped create greater awareness of the risks and impact of environmental hazards (Young et al., 1996), the ecological integrity of the world has been to a large extent compromised as a consequence of globalization. Nonetheless, the environment has started to figure prominently in both national and international agenda and is now a popular issue among scholars, practitioners, and policy makers. Environmental governance is now a global concern with the number of stakeholders growing rapidly and the policy instruments for ecological integrity continuously developed and refined with a sense of moral, social, political, and economic purpose.

Cultural Globalization

Cultural globalization, according to Chase-Dunn (1999: 191), may be attributed to "the proliferation of individualized values, originally of Western origin, to ever larger parts of the world population" as well as "the adoption of originally Western institutional practices [such as] … [b]ureaucratic organization and rationality, belief in a law-like natural universe, the values of economic efficiency and political democracy." Some would argue that globalization is the deep implantation of Western culture and social relations across the world. Modern popular culture of the West (often referred to as McDonalization, Cocacolization, or MTVization) is increasingly penetrating into societies used to their own traditional way of life. In some, for instance, in highly conservative Muslim countries, Western values and cultural traits are being severely resisted because of their perceived entropic dimensions, while in others, these are generally connived at and permitted to take their own course. Apparently, some societies actually embrace some of these as long as they do not clash too much with accepted normal patterns. Thus, the adaptation of ideas from the West relating to politics, governance, public management,

and economic activities is noticeable. The use of "alien" technology in farming and agriculture to boost production is another example of the change in cultural practices.

Cultural influences across the world have been experienced and perceived in many forms throughout history, and these have in many ways been adapted to local conditions and often given a distinctive local flavor (Scholte, 2005: 58, 59, 80, 81). Globalization may be contributing to "cultural homogenization," and this is happening because of the growing network between peoples and cultures through migration, international travel, cultural exchanges, sporting activities, international expositions of arts and crafts and goods, religious congregations, satellite television, the Internet, and so on. New consumer practices are influenced by the marketing of brand names in fashion-wares across the world by multinational corporations (MNCs).

Globalization of culture is not a one-way traffic; it is not only about the intrusion of American culture into non-Western societies. Indeed, the Western world itself has been open to the spread of oriental or non-Western cultural practices from the realm of art, music, medicine, cuisine, and so on. On the other hand, such influences may produce adverse consequences. As Scholte (2005: 305) argues,

> Contemporary globalization has also sometimes undermined the security of identity through cultural destruction. Various life-worlds have succumbed to an invasion of electronic mass media, transplanetary tourism, global English, global consumerism, and other supraterritorial interventions that have contradicted local traditions.

Economic Globalization

According to the noted economist, Jagdish Bhagwati (2004: 3),

> Economic globalization constitutes integration of national economies into the international economy through trade, direct foreign investment (by corporations and multinationals), short-term capital flows, international flows of workers and humanity generally, and flows of technology.

This form of globalization relates to the creation of a single worldwide market that promotes sweeping opportunities for growth and profit for firms with a global reach. Integration and interdependence of national economies, markets and modes of production are driven by expansive international trade expedited by less restrictive currency regulations, intensified capital flows through foreign direct investments (FDIs), greater competition for the production and marketing of goods and services, increasing labor mobility between industries and nations, and the creation

of a *new international division of labor* in the manufacturing sector, escalating the role of world bodies such as the IMF, the World Bank, and the WTO in influencing global economic structures and processes, and the formation and expansion of regional economic cooperative alliances such as the European Union (EU), North American Free Trade Area (NAFTA), Asia Pacific Economic Cooperation (APEC), Southern African Customs Union (SACU), and South Asia Free Trade Agreement (SAFTA).

These have contributed toward the creation of a global economic system that is "autonomized and socially embedded" and obviously poses challenges to national governments "to construct policies that coordinate and integrate their regulatory efforts in order to cope with the systematic interdependence between their economic actors" (Hirst and Thompson, 1999: 10). This has led to clear shifts in the policy orientation of DC governments to adapt to the new scenario and facilitate the development of free market conditions to meet domestic demands and augment export potentials, to bring in massive changes to the public sector through deregulation, corporatization, and privatization, and to link their economies to global economic arrangements.

Technological Globalization

The rapid advancement of technology in the last few decades has contributed tremendously to the compression of time and space and thereby reconfiguring global interactions and expanding social relationships. The technological revolution has encompassed many fields and many levels and has created an "exceptional capacity for horizontal diffusion in all sectors of the economy and society and an equally exceptional capacity for cross-fertilization" (Colombo, 1988: 24). The quality of life has been transformed by sophisticated information and communications technology (ICT) that has enhanced the free flow of ideas and knowledge. Improved intercontinental transportation has overcome the tyranny of distance and facilitated the movement of people and commodities across nations and markets. The ever-expanding Internet has, apart from providing a user-friendly and an inexpensive platform for information retrieval and connecting to people and organizations around the world, "permeated much of the corporate and consumer world" (Stroud, 1998: 16) and expedited complex business transactions between firms and has created an online presence for commercial enterprises for their clients and customers. Social networking sites, such as Facebook, MySpace, and Tweeter, to name a few, have closed the gaps between peoples and regions. The Internet has enabled virtual shops (such as Amazon and eBay) to operate in cyberspace and offer services to customers worldwide. The advancement of satellite media has expanded the cultural horizon of peoples around the world and has created a global consciousness that tend "to reify cultural differences and diversities in civil societies" (Mott IV, 2004: 161).

The globalization of communications and technology, apart from reinforcing information flux between countries, multinational firms, and international institutions, has also caused "national differentiation and technological specialization" that have defined global corporate strategies with wide ramifications for the world economy (Cantwell and Janne, 2000: 122). Together with the economic globalization, technological globalization has also been instrumental in redefining the decision-making capabilities of national governments and specifying their preferences for particular development strategies. ICT has permitted governments and institutions to be more visible to citizens and beneficiaries about their actions and programs in development. Informatization has also raised both opportunities and limitations for interactive dialogue and dissemination of information among researchers, policy makers, and development practitioners (Ginsburg and Gorostiaga, 2003). Indeed, technological globalization deepens all other forms of this "defining" phenomenon.

ICT has had its fair share in advancing technological globalization by utilizing four unique processes: digitization (encoding information into a universal binary code), data processing (encoding and decoding of information at high speed using powerful computers), bandwidth (rapid transfer of information over a network), and standardized and decentralized architecture (the Internet). These processes, "taken together, give the current digital information and communications networks a character that transcends previous technological innovations … Consequently, digital networks feature an internal dynamic driving toward global interconnection" (Mayer-Schönberger and Hurley, 2000: 136–40). The Internet has been a great innovation that has overwhelmingly transformed the way people interact.

Technological diffusion might have accelerated the pace of global integration of the world economy but to what extent this might offset some common constraints faced by developing societies in pragmatically adjusting to the imperatives of globalized arrangements is of critical concern. This can, perhaps, be achieved through cultural globalization. As one scholar argues, "Globalisation … [is] … a function of the qualitative effects, on the patterns of constraints and opportunities facing actors, of the increase in the density and complexity of international interactions" (Jones, 1995: 13).

Political Globalization

This form of globalization refers to international political structures and their institutionalization in the new epoch and focus on a "consensual international normative order" and a complex international framework "that regulate all sorts of interaction" (Chase-Dunn, 1999: 193). It is a political process that entails power relations and "is about contests between different interests and competing values" (Scholte, 2005: 83). Political globalization has generated cross-national strategic alliances for both security and economic reasons. Nation-states appear to be losing their salience to govern in their own right, gradually yielding their sovereignty to

supranational political structures, such as the European Community, or international organizations such as the IMF and the WTO. The primacy of developing states over their own affairs is being subtly diluted by the intrusion of these global institutions in social and economic policy making.

The internationalization of power is said to have given rise to what has been termed *global governance*, which is "the output of a non-hierarchical network of international and transnational institutions" dominated by a triad—states, market forces, and civil society actors (Rittberger, 2001: 2). Skeptics of globalization, however, argue that such a form of governance is typical of U.S. or Western hegemony and is persistently laggard in addressing the plights of developing nations. In many ways, global governance, because of the way it is currently being operated by dominant players, suffers from democratic deficit. As Held and McGrew (2007: 157) state, "The technocratic nature of global institutions removes many issues from public scrutiny and thus creates a growing backlash against globalization."

Political globalization may also be associated with *democratization* and the upkeep of *human rights* in the DCs, many of which were for long periods under authoritarian or pseudodemocratic rule. While in many countries democracy had its beginnings in the aftermath of political upsurge or revolutions, in some this was the product of systematic or adaptive transformation of existing nondemocratic regimes by authoritarian rulers themselves faced with continued domestic pressure for political change. This signified a kind of "evolutionary change, both political and economic, [that] allows the distribution of power to change gradually, thereby insuring an orderly transition" (Compton, 2000: 15). However, often this form of change simply maintains the status quo or brings about minimal changes to a nation's well-being. On the other hand, some political commentators (Fukuyama, 1995; Friedman, 1994; Diamond et al., 1989) argue that universal attributes of liberal democracy make its transplantation and institutionalization easy across the world and that globalization and especially its capitalist orientation have helped foster democratization. But there are counterarguments to this position. Several scholars (Huntington, 1996; Simone and Feraru, 1995) question this universalist hypothesis and suggest the primacy of historical and cultural factors in the shaping of governing structures. Political development in these non-Western countries should be seen as a unique phenomenon best explained by cultural and statist perspectives.

Thus, democracy may take different forms and that these cannot be totally akin to the so-called universal democracy must be appreciated. Nonetheless, it is true that global cross-fertilization has created political consciousness among DC people about citizenship, representativeness, participation, and human rights. The growth, role, and influence of the *third sector* in development have been positive offshoots of political globalization. We read and hear a lot about *global civil society*, which "is a manifestation of social energies released by an awakening of human consciousness to possibilities for creating societies that nurture and rejoice in a love of all beings" (Korten et al., 2002).

Globalization and the Developing World

Globalization has been one of the most intensely contested issues in today's world. It has its fair share of skeptics and zealots. There are ardent defenders as well as staunch critics. There are also those who take a middle ground and would like to minimize the adversities and maximize the benefits it proffers. Others search for positive alternatives in which political and economic power would be shared rather than dominated by particular entities (such as powerful nations or institutions) to best serve humankind.

Leaving aside conceptualization debates, it can be implied from Friedman's definition that globalization has both positive and negative overtones. He sees globalization as a contributing factor in the success for global capitalism and acknowledges its perverse consequences, especially in the context of DCs. Scholars such as Stiglitz (2003) and Bhagwati (1998) argue that the impact of global capitalism in the form of financial liberalization and capital flows has destabilized global financial arrangements with adverse implications for low-income countries and apparently is actuated by "the lure of profit and the threat of competition in the market" (Nayyar, 2001: 1). On the contrary, there are indications of global capitalism's positive outcome insofar as some newly industrialized countries (NICs) have been successful in enhancing their economic status (Summers, 2000; Kose et al., 2006; Hauner and Kumar, 2005). Soros (2002) concurs with both propositions, as he finds globalization to have created wealth, but its distribution has been uneven across and within nations.

Whatever the myriad of debatable views, the current globalization scheme does have profound implications both propitious and prejudicial for the DCs in their pursuit for social/human development and economic growth. Let us identify each set of implications.

Benefits of Globalization

Exponents of globalization highlight its social, cultural, political, economic, technological, and environmental effects in creating greater opportunities for the developing world. In his highly acclaimed book, *In Defense of Globalization* (2004), Indian-born Jagdish Bhagwati, enumerates some of the positive side of the phenomenon. He thinks that the "perils" of globalization are exaggerated by cynics and points to certain fallacies not recognized by antiglobalizers and who apparently look at the process with prejudiced minds. He finds globalization both socially and economically benign because of its potential to "advance prosperity, increase skill formation and be a force in reducing poverty and distress among the poor" (Bhagwati, 2006). He argues that economic globalization (especially the trade factor) has helped deliver improved standard of living in the poorer nations because "trade enhances economic growth, and … growth reduces poverty." Globalization has provided economic freedom to the less fortunate nations as well as opportunities to reduce

child labor, emancipate women from discrimination and improve their well-being, promote democracy, and enable smaller nations "to retain their autonomy of preferences and political action." The cultural exchanges that take place in the globalized environment and the Western cultural influences on the developing world cannot be considered a threat (Bhagwati, 2004: 53, 101, 119).

Other scholars and institutions (Stiglitz, 2003; Friedman, 2000; Wolf, 2004; Held and McGrew, 2007; Department for International Development [DFID], 2000; Dicken, 2003; Krugman and Venables, 1995; Samli, 2002; Ghosh and Guven, 2006; WTO, 2000; Dollar and Kraay, 2000; PPI, 2000; World Bank, 2002; Schrecker, 1997) have also identified some benefits of globalization. External aid to DCs, if utilized frugally, can provide good dividends in the form of development projects providing jobs and improved products and services. The international spatial division of labor has also generated employment in less developed countries where new manufacturing enterprises, previously operating in the developed countries, have been established.

Trade opportunities and access to markets and technology have accelerated economic growth. A global trading regime has been created that has institutionalized rulemaking and adjudication in international trade and eased restrictions. Tariffs and subsidies have declined and promoted trade expansion. The liberal marketized economy has helped raise standards of living in many countries. Indeed, the openness to trade has aided many DCs to raise economic growth, increase per capita income, and make advances in the social sector. Business cooperation has resulted in more joint ventures between MNCs and local companies. Production networks have expanded creating integrated business initiatives. Global economic integration, by and large, has a positive impact on overall real income.

Technology transfer from the industrialized to the DCs has occurred at a greater pace and magnitude and provided direct benefits to the people. The ever-expanding ICT networks and satellite communications have widened the scope for social interaction on a global scale. Consumer opportunities and choices have widened worldwide and increased the efficiency of the ordering, processing, and delivery systems leading to lower prices and hence customer satisfaction.

Sound environmental management has been supported by the use of sophisticated technology while international bodies work together to monitor climate changes and other hazards to the planet. Most countries have agreed to sit together and work out the modalities of saving the planet from both natural disasters and those caused by human or technological follies.

Global governance institutions have helped minimize conflicts, combat corruption, regulate financial transactions, and attack poverty. Globalization has ushered the emergence of a global civil society that has been vibrant in mobilizing the poor in the developing world and in contending for the establishment of democracy, social justice, and human rights. Global civil society will work more consensually to promote civic virtues and more social trust. Democratization on a global scale has had an international utility because of democracy's scope and ability to

harmonize interstate relations for beneficial outcomes. Human development has been advancing quite significantly in many poverty-stricken countries.

Cultural exchanges and movement of people have fostered greater understanding between peoples of different regions and may have helped dispel incertitude about other societies. Globalization is associated with the removal of spatial and temporal differences between societies and nations and the creation of a *global village* with supraterritorial interactions. It unifies the world and seeks to fabricate a common global culture. This may work "to search for commonalities between the contending civilizations" and attenuate the "clash" that might exist between them (Berger, 2001; see Huntington, 1993, 1996). Devetak and Higgott (1999: 491) argue,

> The emergence of the global public sphere, albeit partial, has an impact on the social bond by modifying the citizens' relationships to their own states, to citizens of other states, and to international organizations. The development of a global public sphere loses the social bond traditionally defined by the sovereign state.

Detriments of Globalization

In another acclaimed bestseller, *Globalization and Its Discontent*, Nobel laureate Joseph Stiglitz (2003: ix) writes, "While I was at the World Bank, I saw firsthand the devastating effect that globalization can have on developing countries, and especially the poor within those countries." He, however, acknowledges its capacity "to enrich everyone in the world, particularly the poor," but in the current state of play, globalization does not seem to be working in reducing poverty, in sustaining the environment, or in stabilizing the global economy. Similarly, the Washington Consensus does not seem to be providing the desired outcomes and the policies of the IMF and the World Bank (prescribing the elimination of state intervention, reduction of taxes, attacking inflation, and direct foreign investment) appeared to reflect "a colonial mentality." Stiglitz (2003: 73) comments,

> Perhaps of all the IMF blunders, it is the mistake in sequencing and pacing, and the failure to be sensitive to the broader social context, that have received the most attention—forcing liberalization before safety nets were put in place, before there was an adequate regulatory framework, before the [developing] countries could withstand the adverse consequences of the sudden changes in market sentiment ... ; forcing policies that led to job destruction before the essentials for job creation were in place; forcing privatization before there were adequate competition and regulatory frameworks.

Neoliberal globalization followed by the international financial and regulatory institutions seemed to be oblivious to the social context of development in

traditional societies. The application of IMF policies in several countries miscarried and adversely affected social behavior that has been epitomized in violent riots and intensified economic problems such as job losses (Walton and Seddon, 1994). The pursuit of globalization is said to "advance certain vested interests at the expense of the common good," and these institutions are "imbued with internal contradictions that variously promote and inhibit socio-economic and politico-cultural progress" (O'Hara, 2006: 18).

Many commentators have highlighted the negative ramifications of globalization (Mishra, 1999; Wichterich, 2000; Pieterse, 2002; Baliamoune-Lutz, 2007). One of the common criticisms against globalization relates to the issue of equality—both social within nations and international between nations. Social inequality is said to have exacerbated with the undermining influence of global markets on welfare systems. Structural adjustment policies aimed at reducing social expenditure works against establishing and applying measures for social protection. The global integration of markets and the limited or lack of access for women to these markets as well as technology cause gender inequality. Female workers in export processing zones are poorly paid, work in hazardous environments, and are subjected to exploitation by agents of large multinational companies. Apart from gender inequality, globalization has widened the urban–rural hiatus as the gains of globalization are not equally shared by the countryfolk and the townspeople. On another plane, the economic disparity between countries has been an upshot of globalization. Critics point out that for most of the developing world, "globalization allegedly means perpetual financial and related economic crises, … further subordination in world trade, ecological problems without economic benefits, and the cultural imperialism of global communications" (Scholte, 2005: 33).

The economy and society in less developed countries are riddled with contradictions caused by the limitations of neoliberal globalization. O'Hara points out several such contradictions:

- *Contradiction between demand and supply*: This "variously establishes certain asymmetric power and accumulation dynamics between center and periphery," the DCs "unable to establish strong connections to the dominant production networks and commodity chains" (2006: 26).
- *Contradiction between innovation and competition*: Most developing nations are caught up in this innovation–competition conundrum as most of their firms lack the capacity or the wherewithal to be competitive to be innovative under neoliberal globalization.
- *Contradiction between capital and the state*: The declining role of the state in response to the neoliberal ideology has led to privatization of public enterprises, the weakening of the welfare system, debureaucratization, and deregulation thereby giving capital an uninhibited role. The consequence has been an increase in state spending on unproductive sectors (military, subsidies, etc.) rather than on the productive (human development and infrastructure building).

- *Contradiction between finance and industry*: The unwarranted domination of finance over industry in the developing world since the late 1990s has had a debilitating effect creating "successive speculative bubbles and deep recession," financial instability and banking crises, and consequent emergence of the disembedded social economy (2006: 29).
- *Contradiction between profit and the environment:* The rise of unbridled capital and the battle for more profit has caused the expansion of industries to the extent of destroying the environment through the discharge of pollutants, effluents, deforestation, and so on.
- *Contradiction between individual and society*: Supported by neoliberal globalization, individualism, which mainly accents economic benefits and individual liberty, has adversarial implications for societal stability and the collective goals of the community. Social relations are marred because of declining sociality and trust.

There are other perils associated with neoliberal globalization: some perceived and some real. The autonomy of the sovereign state has been dented by globalization mainly due to the dominance of global institutions that set the rules of the global economic game often unilaterally compromising the interests of the developing world (Stiglitz, 2007). Aid conditionality stipulated by the donor agencies often negate or undermine the command, authority, and capacity of developing county governments in making political decisions, implementing policies, providing public goods, and managing development programs. Aid recipient countries are required to embark on policy reforms to be eligible for continued funding (Strange, 1996). The intrusion of the neoliberal ideology into practical economic and social matters has the propensity to reduce the role and compass of the state, although in pursuing development goals,

> the state must endeavour to create the pre-conditions for more equitable development, bargain with international capital to improve the distribution of gains from cross-border economic transactions, practice prudence in the macro management of the economy so as to reduce vulnerability, and intervene to minimize the social costs associated with globalization.
>
> **Nayyar (2001: 17)**

Such a stratagem, however, is often difficult to adhere to as national governments have no options but to follow the diktats of the aid givers. But whether such dominating influences actually undercut a nation's sovereignty is a tricky and complex issue. The concept of "sovereignty" is not easy to decipher as its meaning can be distorted by ambiguity.

Global interdependence has made developing nations more vulnerable to external shocks much of which is too intricate to be easily dealt with. The Asian crisis

of the late 1990s is a case in point. It created a thorny situation for the growing economies of Southeast Asia hitting financial markets and the industrial sectors. Its impact ramified other parts of the world. Declining world commodity prices and their constant fluctuations, the import of cheap consumer food products, the withdrawal of state subsidies, relaxation of protectionist measures such as tariffs, and so on have had adverse impact on agriculture and industry (Bigman, 2002). International trading has been subject to more intense enforcement of rules and regulations to the detriment of poorer countries. In many ways, international capital movements, stock exchange fluctuations, competitive market conditions, and other globalization forces have failed to achieve the desired results. The pace and course of integrating into the global economy by the bulk of the DCs has been rather slow and cumbersome that have left them negatively poised. As a recent UNDP (2007a: 2) report suggests, "The gap between rich and poor citizens, within both developed and developing nations, is also growing" as the latter struggle to cope with increasing economic, social, and environmental problems. The comparative advantage and the globalization's underlying competitiveness seem to be evading most DCs. Stiglitz (2007: 8) argues that the economic system that globalization advances "is inappropriate and often grossly damaging" for the DCs.

Therefore, globalization, for all practical purposes, is a double-edged sword. It is "integrating and fragmenting, uniting and dividing the world by creating winners and losers, and by including and excluding locales, as it proceeds" (Held and McGrew, 2007: 169). It affords both beneficial outcomes to those nations that can capitalize on the opportunities it has to offer and detrimental fallout for those unable to adjust to its demands or counter the challenges and threats it presents. The downsides of globalization can be coped with by "appropriate policy responses" from both national and international actors and institutions.

The globalization debate has been bloated out of proportion by the two opposing camps—the skeptics in one and the proponents in another. Each tries to passionately plead its case from both normative and empirical standpoints, but both does it with gaps in their propositions and arguments. It has been more of an ideological battle. Whether we like it or not, globalization has come to stay and will continue to influence our lives in many ways unless and until alternative schemes emerge. It can be pragmatically steered and adroitly managed to work for the well-being of the people across the developing world and elsewhere (Stiglitz, 2007). Globalization needs to be made totally inclusive, so that it can "provide enough space for human, community and environmental resources to ensure that [it] works for the people—not just for profits" (UNDP, 1999: 1).

Development Synergy

Over the past two decades, the trend toward development cooperation among countries, regions, and institutions has been marked. The liquidation of the Cold

War paved the way for countries to depart from either camps, to brush aside their ideological differences, and to engage in wider and meaningful collaboration in different fields—economic, social, cultural, and even political. The emergence of the EU (2008) was a path-breaking initiative in regional cooperation in its pursuit for "the free movement of people, goods, services and capital." Apart from standardizing and harmonizing policies and practices and rules and regulations, the EU also engages in innovation that introduces state-of-the-art technologies to various sectors including environmental protection, research and development (R&D), and energy.

EU policies and activities, however, are not confined to the well-being of the region alone. It aims to reach the DCs, particularly the poorer ones, to improve their conditions for growth and employment "by investing in physical and human capital, innovation, the knowledge society, adaptation to change, the environment and administrative efficiency" (Europa, 2008). The EU and many other organizations involved in international development are illustrative of the support extended by the so-called North to the South. On the other hand, synergies within the "South" are also noticeable, such as in Asia, Africa, and Latin America or the Pacific Rim where regional groupings are designed to provide more economic security for member countries. Regional trading blocs are also a manifestation of such cooperative arrangements. This phenomenon is known as regionalization.

Regionalization has been defined as "the (empirical) process that leads to patterns of cooperation, integration, complementarity and convergence within a particular cross-national geographical space" (Hettne and Söderbaum, 2002: 34). Basically, this process aims at "creating deeper integration of separate economies on the regional level" and "liberalization of markets and FDI regulations" that "helps channel the resources of economies and people into activities where they are most likely to excel" (Jilberto and Mommen, 1998: 8, 9). From an economic perspective, regionalization is about "preferential trading arrangements among countries and a regional network approach to resources, markets and organizations" (Mucchielli et al., 1998: xi). It is argued that regionalization can balance the "sovereignty-modifying effects of globalization" by forging "a shared commitment to intrusive action in promoting human rights and democracy and coping with the challenges of economic globalization" (Acharya, 2002: 20). However, regionalism may complement globalism rather than countering it. The two may be contending forces but can also work in harmony. Regionalization is *internationalization* with a strong regional focus.

Development cooperation at the international and regional level is directed not only to accelerate economic growth through economic and financial initiatives but also at removing poverty in inequality in poorer nations by distributing resources and benefits equitably among peoples and regions and making development more inclusive. Cooperation is about building capacities of national governments, civil society, local councils, and the private sector. Regionalization goes beyond that and may encompass noneconomic sectors, such as human development and

environmental governance. Regional economic arrangements may also have implications for the sustained well-being of the people of a region.

Collective Self-Reliance

Regional cooperation and integration (RCI) is at the core of regionalism. Before the Asian crisis, the RCI process was mainly driven by private sector initiatives; later the economic problems that followed impelled governments not only to supplement these initiatives but also to act further. A large number of free trade agreements and investment schemes fostered RCI in Asia and the Pacific as well as in Africa and Latin America (ADB, 2006). Some of these RCI undertakings have seen success, and others are still crystallizing. Actually, RCI can serve as a stepping-stone toward global integration.

The rationale to cooperate and develop synergies stems from the need to tackle the common problems of poverty and other social and economic dysfunctionalities imputed to the less developed countries. By working together, these nations can pull themselves up from misery with relatively less difficulty than would be the case if they acted alone. Working in concert would enable them to pool and optimally utilize scare resources, share common programs, learn from each other's experiences, achieve economies of scale, bring their people closer, and promote greater interaction (Kigongo-Bukenya, 2004). The most crucial outcome of organized cooperation is the scope for developing common policies that would benefit all constituents of the scheme and afford them the solidarity to negotiate and bargain on almost equal terms with the advanced nations. This "would strengthen the countervailing power of developing countries in their economic relations with transnational corporations, and would thereby serve to improve the benefits that these countries derive from the working of the international economic system" (Ghosh, 1984a: 5). On the other hand, participating countries in regional arrangements are directly involved in operationalizing the initiatives working as equal partners rather than being dominated by any single country or a small group of countries.

In Asia, two regional blocs have gained prominence in recent years. These are the already effective Association of Southeast Asian Nations (ASEAN; established in 1967) and the emerging South Asian Association for Regional Cooperation (SAARC; established in 1985). The declared purposes of ASEAN (1967) are "to establish a firm foundation for common action to promote regional cooperation in South-East Asia in the spirit of equality and partnership and thereby contribute towards peace, progress and prosperity in the region." Through programs of cooperation, ASEAN works toward economic, social, and cultural development and focuses on such diverse fields as poverty eradication, education, disaster management, health and nutrition, rural development, science and technology, women and children, and so on. SAARC (2008) also targets similar goals, and member countries collaborate to make advancements in agriculture and rural development; health and population activities; women, youth, and children; environment and forestry; science and technology; meteorology; human resources development; and transportation.

In Africa, quite a few cooperative initiatives have been experimented with but few have been able to realize the intended goals. The problem was the simultaneous presence of many subregional groups* that often worked at cross-purposes. The unique difficulties each faced often hindered the efforts of the larger regional bodies such as the African Economic Community (AEC) (Iheduru, 2001), which is based, *inter alia*, upon the principles of equality and interdependence, solidarity and collective self-reliance, interstate cooperation, harmonization of policies and integration of program, and promotion of harmonious development of economic activities (Ndulo, 1992). The New Partnership for Africa's Development (NEPAD) is a broad-based blueprint for Africa's development that aims at promoting democracy, good governance, human rights, and economic development. Its programs include physical infrastructure building to link countries of the region, ICT, human development, agricultural development, and diversification of production and exports (Taylor, 2006).

In Latin America, the *Sistema Económico Latinoamericano* (SELA) or the Latin American Economic System, established in 1975, works along similar lines as ASEAN or SAARC. Its mission is to "to find common points so as to contribute towards the advancement of regional unity in the midst of the variety which characterizes it" (SELA, 2008) and apart from focusing on economic integration, it also engages in social issues (education, health, housing, and employment) and technical matters.

Apart from regional groups being forged by cooperating countries, development banks are also concerned with such form of integration. Thus, the Asian Development Bank (ADB) directly supports RCI in Central Asia through the Central Asia Regional Economic Cooperation (CAREC) program that covers several economic sectors and the environment and includes knowledge and capacity building, regional infrastructure development, transportation, energy, and trade and investment.

Coalitions and Partnerships

In the globalized environment, neither a DC alone nor attempts at RCI can succeed in attaining the goals of development. The effectiveness of any development strategy hinge on the extent and magnitude of different forms of collaboration between state and society, state institutions within a country, between similar institutions in different countries, between the state and market, between the public and private sectors, between state and civil society, between states and global institutions, and a wide range of global partnership (e.g., the Consultative Group for International Agricultural Research [CGIAR], Global Alliance for Vaccines and Immunization

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* Some of these are as follows: Economic Community of West African States (ECOWAS), Union Economique et Monétaire de L'Afrique de L'Ouest (UEMOA), Southern Africa Development Community (SADC), Central African Economic Community (CEEAC), The Arab Maghreb Union (AMU), Economic Community of Central African States (ECCAS), and Common Market of Eastern and Southern Africa (COMESA).

BOX 1.7   MDGs—GOAL 8: BUILDING A GLOBAL PARTNERSHIP FOR DEVELOPMENT

- Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. It Includes a commitment to good governance, development, and poverty reduction—both nationally and internationally.
- Address the special needs of the least developed countries.
- Includes: tariff and quota-free access for least-developed countries' exports; enhanced programme of debt relief for HIPCs and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction.
- Address the special needs of landlocked countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly).
- Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.
- In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.
- In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.
- In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.

Source: United Nations (http://www.un.org/millenniumgoals/global.shtml).

[GAVI], Consultative Group to Assist the Poorest [CGAP], and Global Water Partnership [GWP]).

These kinds of collaborations along with international and interregional conferences, summits, meetings, and workshops can serve functional purposes in achieving the *Millennium Development Goals* (MDGs), a challenge for development cooperation. It was the desired outcome of the Millennium Summit, participated by 189 countries and the large international institutions, to arrive at a consensus to create "A Better World for All" (World Bank, 2000a). In fact, the last of the MDGs concerns collaboration, cooperation, and partnerships (Box 1.7). Indubitably, development governance will be futile without synergies. State–society synergy, in particular, "can be a catalyst for development. Norms of cooperation and networks of civic engagement among ordinary citizens can be promoted by public agencies and used for developmental ends" (Evans, 1996: 1119).

Global and regional institutions such as the World Bank, the UN and its specialized agencies, the ADB, the African Development Bank, the Inter-American Development Bank, and international development agencies of Western governments work with DC governments, regional alliances, and NGOs to support development at the local, national, interregional, and global levels. Although, they cannot always fulfill their commitments in a global collective action because of many forces at play, their contribution to poverty alleviation in the developing regions and global prosperity, in general, should not be always be controverted. They do play a useful role in world development.

Implications for Development Management

The alleviation of poverty remains one of the most daunting challenges for the DCs of Asia, Africa, Latin America, and the Pacific. Its impact is pervasive, especially in the rural areas. Governments along with the international development organizations struggle to find appropriate and long-lasting solutions to the problem. It is plain now that social and economic inequality cannot solely be removed by improving growth rates; it has to be complemented by action programs geared to remove social exclusion and regional disparities relating to human well-being, civic rights, and resource use. Industrialization and promarket strategies have a positive impact in raising growth as was evident from the experiences of several countries in East Asia and Latin America, but the stakes in human development concerns need to be raised as well.

In an era of globalization, the integration of the world economy is imperative, and there is hardly any escape route left for the poorer DCs. The latter are forced to acquiesce to the overtures of global initiatives mainly dictated by the richer nations and international agencies. However, global inequality remains severely problematic. The divide between the rich and poor nations continues to widen despite "efforts" at different levels toward contraction. The continuous influx of neoliberal ideas in economic policy making at the national level often threatens the social approach to resolving problems of poverty, inequality, and inequity. Globalization and its complement—modernization—may have intensified the interconnectedness between nations and societies and provided some economic and technological advantages but has also attempted at transforming social values and behavior not to be easily absorbed by traditional societies. Nevertheless, the ramifications of globalization apparent in cultural, economic, technological, environmental, and political matters are too significant to be overlooked and governments of all ideological and political persuasions are expected to take a positive stance in resolving problems associated with them. Governments in DCs will need to be proactive in designing strategies to deal with poverty, inequality, exclusion, human development, spatial disparities, urbanization, environmental degradation, and overall societal welfare.

While the influences of globalization cannot be deemphasized or ignored, development at the same time cannot be delinked from local conditions and the needs and demands of the country's population. The context of managing development has changed with new ideas, strategies, and institutions emerging. Development management has all long been an international exercise, but until the 1980s, its scope was limited to the economic sphere. Since the 1990s, it seriously began incorporating social and ecological issues and taking on a global dimension. Synergies and cooperation between nations, regions, and NGOs began crystallizing. At the national level, the management of development has remained a state concern but nonstate institutions now play a far greater role in poverty reduction, social development, and environmental matters. At the international level, economic, social, and environmental regimes with specific objectives emerged and set the tone for effective engagements in trade and commerce, human development, and environmental management. Thus, the structures and functions of development management need to be attuned to best fit the new context.

Review Questions

1. What is the best way of defining and categorizing the DCs? How can the social aspect be incorporated in the categorization?
2. What is the state of poverty in the developing world? How is poverty measured?
3. Is there a link between economic growth and inequality? Can inequality be realistically measured?
4. What is globalization? What are its several dimensions?
5. What incentives or disincentives does globalization bring to the DCs?

Further Reading

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Chapter 2

Development and Its Dimensions

All that is valuable in human society depends upon the opportunity for development accorded the individual.

Albert Einstein

Overture

In every society since ancient times, the thrust for change has been evident. The scope of change may have been modest in the past, and the manner of achieving change may have been crude, but the urge for making improvements in society was always there. Rulers of different complexion and persuasion—despotic or benevolent, autocratic or democratic—generally have been concerned in varying degrees with societal welfare for several reasons: because of their empathy for the people, for the purpose of preserving balance in society, or for simply retaining their authority and dominance over public affairs. The early histories of the great civilizations (Indian, Chinese, Persian, Egyptian, and Mayan, to name a few) are replete with accounts of gradual change in agriculture, mining, indigenous technology, production of commodities and commerce, and infrastructure building. Each had its unique social–cultural settings and political and economic arrangements that influenced the way change occurred.

Over time, orientations of civilizations and nations underwent transformation. New patterns of economic progress and social advancement began emerging from

the eighteenth century. During the Age of Enlightenment in Europe, the ideology of progress gradually became manifest, and the maxims of governance were refined. Adam Smith's *The Wealth of Nations* provided new food for thought about the primacy of free market economy in bringing benefits to society. This illuminating work was one of the earliest attempts in conceptualizing the capitalist mode of development from a purely economics perspective. Later, other social savants and visionaries such as Hegel and Marx, being critical of the role of the state and *laissez faire* economics, introduced social and political elements that broadened the notion of progress. Meanwhile, *The Great Transformation* or the onset of modernization was an epochal event that transformed Europe socially, culturally, politically, economically, and technologically. The magnitude of the changes was unprecedented. The Industrial Revolution set in motion new manufacturing methods for the efficient organization and control of the production process, while the pursuit of capitalism, despite cynicism about its ultimate objectives, demanded effective institutional structures and practices. Extensive population shifts within and between countries and regions resulted in urbanization, causing both positive and negative social and economic effects. Scientific discoveries and inventions led to technological breakthroughs. Political systems were rejuvenated, and well-organized bureaucratic machineries helped states function more efficiently. The ideas of progress were influenced by such aspects as liberalism, democracy, secularism, and, more importantly, a rational approach to understanding life and ways of improving it (von Wright, 1997; de Rivero, 2001; Polyani, 2001 [1944]; Bury, 2010).

These ideas were exported to the underdevelopment regions of the world via European expansionism that began circa 1600 in Latin America and later in Asia and Africa. Initially, this was embarked upon for trading purposes to find new markets for finished goods. Later, geopolitical rivalry between the European powers led to conquests and colonization of these areas and the imposition of Western ideas of economic development. In reality, development was equated with building infrastructures, such as roads, railway, and river/seaports, that helped set up primary and manufacturing industries and boost commerce, bureaucratizing the governmental machinery, providing some form of welfare to the indigenous population, establishing educational institutions and hospitals, and maintaining law and order. Three important policies that upset tradition related to the acquisition of private property, taxation of income, and government takings in cash rather than in kind (Todaro and Smith, 2003: 40). Most importantly, development was associated with modernization that focused on improving indigenous social life along with bringing about changes in economic welfare (Allina-Pisano, 2009: 41). But colonialism, however it might have transformed the urban economy, left deep scars in people's social life. The extent of poverty was massive, especially in the rural areas; the poorest of the poor lived in miserable conditions; distinctions between haves and have-nots were obvious; economic exploitation of regions and resources was rampant; human rights were trampled; coercion was the order of the day; social discriminations, exclusion, and polarization pulverized society, causing social tensions; social

reorganization for economic gains led to disruption of social relations and traditional vocational practices; and colonial policies favored certain classes and regions against others (McMichael, 2008). Sartre (2001: 50) wrote in 1957:

> Colonialism denies *human rights* to people it has subjugated by violence, and whom it keeps in poverty and ignorance by force, therefore, as Marx would say, in a state of "sub-humanity." Racism is inscribed in the events themselves, in the institutions, in the nature of the exchanges and the production. The political and social statuses reinforce one another: since the natives are subhuman, the Declaration of Human Rights does not apply to them; conversely, since they have no rights, they are abandoned without protection to the inhuman forces of nature, to the "iron laws" of economics [emphasis in the original].

There was much to be done to liberate people from this plight, and the postcolonial environment provided a propitious occasion to achieve this as nationalist leaders had their vision of progress for which they had struggled for independence from colonial rule.

Since the mid-1950s, when decolonization in Asia and Africa began, development has been viewed through different lenses of varied colors and depth reflecting different societal perspectives and intellectual orientations. Development mainly came to be regarded as *economic growth*—as "a process of structural change resulting from a sustained rise in per capita incomes" (Simmons, 1987: 8), raising investments, and increasing industrial productivity. But the newly independent nations faltered because of unfeasible policies they pursued within a framework of ineffective political leadership, governmental inefficiency, and administrative malfeasance. On the other hand, the differences between them and developed countries, most being old colonizers, began enlarging with time as they succumbed to the burden of debt caused by massive external borrowing and financial woes in the international economic scene. Continued dependency on the advanced nations and international aid organizations deterred them from pursuing development goals on terms favorable to their cause, and with the rise of neoliberal ideas in economic and political matters and the gradual integration of the world economy, the state of play in the development process underwent a far-reaching transformation. Along with this, "development" as a paradigm and as a set of beliefs has also been redefined time and again.

What Is Development?

Development is an end but is also a means to that end. It is a gradual process over a long period of time attaining intermediate goals in small and wide spaces before reaching an ideal situation. The notion of development signifies a move from

an unsatisfactory social, economic, and political condition to one that is more humane, relatively prosperous, environmentally safer, and politically more inclusive. However, "development" remains a contested, elusive, and slippery concept. Its meaning is ambiguous and is variously interpreted. The manner in which those interpretations are acted upon can have deep impact on individuals, societies, and nations.

Development is also a *relative* concept, is culture bound, and therefore is expressive of the unique settings in which it takes place. Its understanding requires deep analyses of what it should incorporate as its goals and values, guiding principles, and strategic directions (Gant, 1979; Turner and Hulme, 1997; Leftwich, 2000). However, the contextuality of development does not insulate a society from being impregnated with ideas from other cultures. Inevitably, in today's globalized world, cross-fertilization of ideas on progress and development is inevitable and quite desirable as this can enrich understanding of development from a cross-cultural empirical perspective and help in the design of holistic and integrated development policies and plans and implementation strategies. Thereby, gaps in the process of development can be bridged. Evidence-based research (EBR) into poverty reduction in different societies has the potential to broaden our knowledge on comparative development (Kothari, 1995; Besley and Burgess, 2003; Pieterse, 2010: 188). Success stories of a variety of development initiatives from any nation, any society, any cultural setting provide lessons for emulation.

The conceptual plurality of the idea of development, however, has produced a multiplicity of connotations, often contradictory and perhaps ambiguous. Actually, the meaning of development assumes variable forms and character like an amoeba, according to the definer's intellectual stance (Sachs, 1992). The point of view of observers, analysts, and practitioners and the specific approaches they adopt to comprehend societal problems and prescribe solutions become the basis on which development is conceptualized.

Development is equated with a number of phenomena such as change, progress, growth, modernization, industrialization, advancement, improvement, expansion, realization of capabilities, structural differentiation, environmental sustainability, and many more (Gunnel, 1970; Arndt, 1981). Each of these phenomena makes our understanding of development more complex and challenging. It can be viewed from several perspectives, each with different attributes, orientations, ramifications, and implications. Thus, development is holistic, multidimensional, multisectoral, multileveled, multivariate, normative, relative, reflexive, dynamic, goal oriented, deliberately planned, agent centered, and so on. All these affect the way development is envisioned, pursued, and processed.

Development as a Normative Concept

Development has normative influences and therefore is value laden. It cannot be considered only in conventional "economic growth" terms and is not only about

acquiring material gains or reaching certain quantifiable standards, such as rate of growth, investments, industrial productivity, and so on. Development is also about qualitative change in the lives the people. What is good or bad for society, and hence the people, should be at the center of development thinking and ought to be reflected in national and international development policies. As Goulet (1997: 1161) argues,

> Development is above all a question of values and human attitudes, self-defined goals, and criteria for determining what are tolerable costs to be borne in the course of change … Ethical judgements regarding the good life, the just society, and the quality of relations among people and with nature always serve, explicitly or implicitly, as operational criteria for development planners and researchers.

As development is about human existence and enrichment, ethical or value-laden judgments become significant while making decisions about development. It brings about societal change and deals with such issues as social justice, basic needs, equality, equity, rights and liberties, and democracy and freedom. Economic growth can serve as a means toward human well-being and the rearing of human functioning and capabilities—as goals of development (Adiseshiah, 1966; Seers, 1979; Sen, 1984, 1989, 1999; Goulet, 1997). Taking cues from Sen's and Nussbaum's ideas, Crocker (1992: 585) suggests that "the process of international and national development [is] the expansion of basic human capabilities and the promotion of valuable human functioning." Personal choices and preferences of stakeholders, individuals or groups, state or nonstate, and those who plan development strategies or are affected by them come into play. Thus, development with people at the center is laden with ethical matters and is concerned with actions that are expected to have a human touch. The mission of *development ethics*, conceptualized by Goulet (1997: 1169),

> is to assure that the painful changes launched under the banner of development do not result in antidevelopment, which destroys cultures and individuals and exacts undue sacrifices in suffering and societal well-being—all in the name of profit, some absolutized ideology, or a supposed efficiency imperative.

Development as a Multidimensional Concept

The idea of development has undergone a radical transformation since the 1950s when the *economic* focus had primacy. The unidimensionality of development has been replaced by a multidimensional framework. The measures have changed, and development is now an aggregation of multiple goals and functions that go beyond economic considerations. Of course, the *economic* dimension still retains

its core place for creating and sustaining wealth through economic policies that are directed at capital formation and apparently reducing poverty. Economic policy goals include improving growth rates, industrialization, employing import substitution measures, promoting savings and investment, raising income levels, creating employment, distributing income, agricultural modernization, setting up export-oriented ventures, building infrastructures, technological progress, utilizing external aid, and so on. Such strategies of "capital fundamentalism" were expected to achieve a "trickle-down" effect that would relieve societies from poverty and improve economic well-being (Goulet, 1978; Seers, 1979; Todaro and Smith, 2003).

The multidimensional aspect of development has been emphatically advanced by Sen, Goulet, Seers, United Nations Development Program (UNDP), and many other scholars and organizations. Growth-oriented development has been complemented by measures to enhance the total well-being of a society and its people. Thus, the *social* dimension has been added that caters for their needs in health care, education, housing, social safety, and so on. Expanding social choices have become imperative and so are the opportunities for social action. *Culturally*, development is about conferring self-esteem to individuals—making them feel included in society's divergent pursuits, believing in themselves, their worth and capabilities, and aspiring to obtain an identity of their own and earning recognition, respect, and honor in life. The focus on creating a balance in the natural ecosystem provides development with the *ecological* dimension. Thus, protecting and sustaining the environment for the present and the future is now integrated within the framework of integrated holistic development. From a *political* perspective, development is seen as promoting and nurturing liberties and freedom, empowering people, and giving them the voice they deserve. *Participatory development* creates opportunities for enabling civil society to play creative roles in alleviating poverty, engendering social roles, creating networks, and building social capital (Goulet, 1992; Sen, 1999; Todaro and Smith, 2003). Some of these provide development with a *spiritual* dimension—"a focus on individuals' redemptive, inter-transformational changes that may produce renewed individuals who are socially accountable to both current and future generations" (Mudacumura, 2004: 721, 722). These interconnected elements encapsulate the multidimensional character of development that places the people at the center of the phenomenon (Box 2.1). The economic dimension has been enmeshed into the human dimension and "brings together the production and distribution of commodities and the expansion and use of human capabilities" (UNDP, 2010: 12).

Development as a Multilevel and Multisectoral Activity

For a long time, in development philosophy and praxis, the unit of development was the nation. Development was planned keeping the entire nation in mind rather than the specific requirements of subunits or sectors. The removal of hiatus or disparity between regions (rural–urban, rural–rural) that was quite obvious in most

BOX 2.1   THREE OBJECTIVES OF DEVELOPMENT

1. *To increase the availability and widen the distribution of self-sustaining goods such* as food, shelter, health, and protection.
2. *To raise levels of living*, including, in addition to higher incomes, the provision of more jobs, better education, and greater attention to cultural and human values, all of which will serve not only to enhance material well-being but also to generate greater individual and national self-esteem.
3. *To expand the range of economic and social choices* available to individuals and nations by freeing them from servitude and dependence not only in relation to other people and nation-states but also to the forces of ignorance and human misery.

Source: Todaro, M.P. and Smith S.C., *Economic Development*, 8th edition, Addison-Wesley/Pearson, Harlow, UK, 2003 [emphasis in original].

places was not always the central focus of the state and development policy makers. However, with the idea of multidimensionality of development gradually creeping in, the pattern has been changing. Now, the purpose of development is to achieve desired changes at the individual, community, society, subnational, national, regional, and global levels. It ought to take place at the micro-, meso-, and macro-levels, and to obtain positive outcomes, an integrated and comprehensive approach requires adoption. Although different policies and programs may be targeted toward specific groups, communities, and regions, these cannot be undertaken as segregated initiatives but rather as components of a composite framework applying multilevel and multiscalar activities that produce societal satisfaction close to the desirable extent.

Alternative development has become the catchphrase, and the focus is now on local development and people-related sectors. On different planes are the regional and the global arenas. Policy decisions at those levels have resonance for development planning and actions at the national and local levels (Pieterse, 2010). Thus, to understand the ramifications of policy making and implementation both in the context of national and global/regional development, it is important to appreciate the vertical/scalar differentiation of developmental activities and, more importantly, the locus of control. What roles do lower level units play in the national–regional–global or the local–provincial–national interface? Are they capable of making meaningful contributions to global/regional/national policy making?

Horizontally, several domains are directly involved in development. These include the state, political society, civil society, the private sector, and the market. Each has an influence on the other and has a specific role to play in development. They interact with one another as well as with the scalar units. The state, as a key

unit in development, relates itself with both supranational entities and domestic ones on certain development issues. Harmonious intrastate and intergovernmental relations (IGR) can contribute toward solving common problems relating to development, especially environmental, trade, communications, technical assistance, and so on. This happens on a global scale often involving international organizations and regimes (Bigman, 2002; Bhagwati, 2004; Cohen, 2007). On a similar vein, interactions between the state and civil society or the state and market/private sector can benefit society by accessing and sharing resources and pioneering new strategies for social and economic gains. Each entity can support and complement the other in their common pursuits. Collaboration between civil society and business can help address large-scale social, economic, and environmental problems that would otherwise be difficult for either sector to achieve independently (Waddell, 1997).

The multidimensionality of poverty has made it imperative for development to take on a multisectoral approach in resolving the problem. Thus, at each level—from the local to the global—a number of sectors may be simultaneously targeted for action as each sector may have relevance for another. Thus, when we talk about poverty, issues relating to health, education, gender, microfinance, and so on become prominent, and none of these can be treated in isolation from the other. Planning takes on a multisectoral approach, and to implement poverty reduction programs, intersectoral cooperation and collaboration becomes essential. In the realms of health and environment, for instance, intersectoral and interregional synergies and partnerships are becoming the pattern in many developing countries (DCs). These enable the state, market, and civil society "to achieve mutual understanding on an issue and negotiate and implement mutually agreeable plans for tackling the issue once it is identified" (Kalegaonkar and Brown, 2000: 2; also see Brown and Tandon, 1992; Council of Europe, 2003).

Development as a Multivariate Concern

Development problems cannot be solved by following a univariate method; problems of poverty or environmental sustainability or even economic growth have to be tackled by using an array of elements. To comprehend and resolve a problem, policy framers and planners need to be cognizant of the multiplicity of factors that influence cause and effect. *Ex ante* and *ex post* analyses of development policies in any sector shed light on the factors responsible for success or failure of a certain mode of resolving an issue. Many sets of variables (economic, social, political, technical, etc.) may come into play in attempting to obtain positive outcomes for policies or initiatives. For instance, to achieve the goals of environmental sustainability, the three most crucial factors that must converge are economic viability, ecological integrity, and social equity. This highlights the significance of looking at development issues from economic, ecological, and social angles.

Yale University, Columbia University, and the World Economic Forum together produced the *Environmental Sustainability Index* (ESI) that lists 21 elements of

environmental sustainability. The principal rationale behind the construction of the ESI is the fact that different countries have their unique environmental problems that have to be addressed keeping in mind a nation's specific needs. The ESI is a useful

> policy tool for identifying issues that deserve greater attention within national environmental protection programs and across societies more generally ... [and] also provides a way of identifying those governments that are at the leading edge with regard to any particular issue. This information is useful in identifying "best practices" and may help to guide thinking on what it will take to make policy progress.
>
> **Yale Center for Environmental Law and Policy (2005: 7)**

The social, political, and economic dimensions all converge in reaching the many ends of development. Each dimension has many variables and indicators. Poverty alleviation and enhancement of well-being in any society depend on a large number of factors such as human development, good governance, macroeconomic growth and stabilization, and an efficient and effective public management system. Each of these has wide implications for holistic development. One study (Ariun-Erdene, 2009) identifies 19 different variables across three dimensions of governance that have relevance for human development. These are as follows:

Economic dimension: business freedom, trade freedom, monetary freedom, investment freedom, fiscal freedom, regulatory quality, financial freedom, reform, and freedom from government.
Political dimension: freedom from corruption, voice and accountability, political stability, government effectiveness, rule of law, and control of corruption.
Civic dimension: political rights, civil liberties, property rights, and polity type.

Thus, development is a multivariate concept and applies multiple goals and strategies, mostly interdependent, to attain social, economic, and environmental development.

Development as a Reflexive Concept

Development is a dynamic phenomenon that reflects social renewal achieved through a deliberate action (Gouldner, 1971). It involves a circular relationship between cause and effect, each affecting the other and causing different situations to emerge that, in turn, may lead to new problems that need to be addressed. Since development causes social change, it is important to know the outcomes of actions

and the impact these have on society. The consequences of policies and programs therefore require monitoring/evaluation or reflection to comprehend the course development is taking, in general, and specific programs, in particular. The development regime in DCs comprising both state and nonstate institutions/actors is active or expected to be so to follow up the results of its operations. As Giddens (1990: 21) argues,

> Modern societies together with the organisations that compose and straddle them, are like learning machines, imbibing information in order to regularise their mastery of themselves … Only societies reflexively capable of modifying their institutions in the face of accelerated social change will be able to confront the future with confidence.

The process of change is not linear. It does not move along a straight path and may change direction. There may be intermittent stoppages and reversals as lessons from failed initiatives are mulled over and adopted in formulating new ones. Over the years, ideas of development have been refined, synthesized, and extended based on the results of trials and experimentations. The postdevelopment school of the 1990s and beyond was critical of existing models of development as having failed to serve the purposes of development and called for a serious rethink of what development is all about. Even before this, since the 1970s, new ideas, theories, and paradigms emerged that reflected the failures or limitations of existing ones. Pieterse (2010: 193) suggests that

> development thinking is reflexive. That is, almost invariably, development theory stems from reaction to and thus also a reflection on the limitations of a preceding development policy or theory … One way of looking at development thinking and policy over time is as a *layer* of reflexivities, that is, reflection upon reflection upon reflection.

Thus, development is a reflexive concept and development policy paradigms are constantly being reassessed in keeping with changing demands, outcomes of strategies applied, and feedback from ground operations. Alternative development approaches result from knowledge that is generated from the effect of policies and strategies on different sectors. This knowledge, which is constantly being updated, contributes to paradigm changes in development. According to Jakimow (2008: 314), the notion of reflexive development creates a "normative framework" with approaches that "reflect on development processes, challenging previous assumptions and instilling dynamism in discourses."

Reflexivity enables us to know society's problems better, and the knowledge earned is fed back into the development process to make revisions to existing ideas, approaches, and policies.

Development Theories

There are no definite end goals for development. Goals do not remain static; they keep on varying depending on a society's needs and aspirations. No society is fully developed or totally underdeveloped—all are developing to reach a certain state that itself keeps on moving forward. Thus, branding countries as developed, developing, least developed, and whatever is not appropriate unless for the reasons justified by the donor agencies. We can, however, place countries along a continuum—from the "least developed" to the "most developed." It is all about relativity—the condition of one country relative to an ideal construct whose attributes may not be constant. In the current period, there is a competition for progress among the nations. Their rankings in different indices keep on changing. Countries overtake each other and then drop behind. There are setbacks for various reasons, such as political turmoil, environmental hazards, war, famine, social displacements, financial meltdowns, malgovernance and corruption, bilateral and multilateral fallouts, and so on.

Until the beginning of decolonization in Asia and Africa in the aftermath of World War II (the process began much earlier in Latin America), development focused on the efficient management of resources in the colonies and the export of primary products and raw materials to the industrial world. Infrastructure building was a way of supporting this policy. In the meantime, development economics emerged and with it came the push for economic growth and industrialization as the main vehicles for progress. Overlapping this episode was the notion of modernization that represented economic, social, and political transitions from traditional structures and actions to prototypes reflective of Western ideals. Either of these movements was considered the correct option for the DCs to embark upon. But this was fallacious as economics-centered progress had its social limitations and the road to "modernity" proved uneven and even hazardous for many countries steeped in cultural traditions (Preston, 1996; Todaro and Smith, 2003; Rapley, 2007; Haslam et al., 2009; Pieterse, 2010). Many other approaches have come and gone, some providing immediate results, often positive in a few situations, some turning out to be untenable as a long-term opportunity, while others causing undesirable outcomes because of their inappropriateness in particular settings. Thus, we have seen dependency theory, alternative development, structural adjustment and market-centered development, sustainable development (SD), human development, and so on.

Theorizing Development

While ideas of progress have been around since human civilization began, serious thinking originated in the fifteenth century with the advent of capitalism and the economics-based works of Adam Smith and David Ricardo. However, the origins of constructive deliberations relevant to development from a societal perspective are

said to have commenced with Hegel and Marx, both of whom looked at history as the process of development and the capacity of humans for "self-realization" (Leys, 1996: 4). Nonetheless, development theory has been more methodically presented since the mid-twentieth century when focus shifted on the newly independent countries of Asia and Africa as well as Latin America, which, as mentioned before, had been decolonized much earlier.

Similar to all grand theories in the social sciences, development theory is based on ideology and knowledge, perceptions and assumptions, and experience and praxis about contextualized social realities. Actually, development theory is an assortment of "mid-range" or "micro theories," drawn from social scientific knowledge and approaches, "about how desirable change in society is best to be achieved" (Webster's Online Dictionary; Pieterse, 2010: 2). No particular branch of the social sciences can lay claim of being dominant in the construction of a development theory although the earlier theories were mainly concerned with economic issues. Later, sociocultural and political perspectives were factored into development theories more cogently (Martinussen, 1997). Indeed, the "social change" outlook became more prominent in recent times as economics-only approaches failed to appreciate the realities of social and human imperatives. Theorizing development, however, has been a difficult task because of the contentious debates and controversies surrounding it and the influence of so many disciplines—sociology, anthropology, political science, economics, law, geography, environmental science, health and medicine, education, and subfields within these disciplines. Inevitably, development theories gradually became more interdisciplinary than ever before, thereby making development studies such a fascinating field (Hettne, 1995).

Several factors conditioned the construction of development theories. Leys (1996: 5, 6) mentions three important ones: strong practical orientation providing cues for action, normative theorization bereft of political biases, and growth-cum-macroeconomic orientation with the state being the principal agent of transformation. The postwar reconstruction initiatives by America, the influence of Soviet-style state development planning, the Cold War and its demise, the rise of international development regimes (IDR) and their sway over macroeconomic management in aid-recipient countries, intermittent global financial crises, the growing intensity of neoliberalism and globalization, mounting concern for ecological sustainability, emergence of regional synergies in development cooperation, and other factors have had significant influence on development theory and its continual revision.

Similar to theories, in general, development theories are general explanatory outlines and "sets of ostensibly logical propositions, which aim to explain how development has occurred in the past, and/or how it should occur in the future" (Potter, 2008: 67). But as development has practical overtones, these theories are generally based on actual consequences of actions and policies and not just on mere assumptions and hypotheses. Of course, ideology and the orientations of theoreticians can have significant influence. In development studies, theory and practice

are entwined—one follows the other. As Pieterse (2010: 3) argues, "A careful look at practice can generate new theory, and theory or theoretical praxis can inspire new practice. Theories are contextual." Thus, there is strong infusion of empiricism and pragmatism or heavy reliance upon factual evidence and experience in the construction of theoretical formulations in development. Different societies at different levels of development present unique situations for understanding and "theorizing." Hettne (1995: 15) suggests that "the variety of Third World situations represents a challenge for the social sciences in their treatment of change and transformation, making them—ultimately—universal and global."

Hettne (1995: 95, 96) identifies different theoretical positions according to the way they are approached, influenced, or designed. Thus, we have situations when theories are *holistic* (that is based on global models whose dynamics are influenced by the entire system) or *particularistic* (when the overall perspective is based on constituent parts), when *external* causal factors are either more or less critical than the *internal*, when analyses shaping theories are either *sociopolitical* or mainly *economic* in character, when the focus is either on *sectoral/regional contradictions* at both national and international levels or on *class contradictions* in society, the extent to which a society's status is one of *underdevelopment* or *dependent development* (which may cause underdevelopment), and the contrast between *voluntarism* (theories/ideas based on "political means constrained by the objective situation") and *determinism* (theories/ideas emphasizing "the possibility of overcoming these limitations by direct, political action").

Two types of development theories have been suggested: *normative*— "generalizing about what should happen or be the case in an ideal world"—or *positive*—"dealing with what has generally been the case in the past" (Potter, 2008: 67). Hettne (1995: 251) maintains that the "dominant approach (mainstream) necessarily assumes an image of objectivity, whereas challenges (counterparts) tend to appear more normative." The emphasis of the positive theories is on form, while that of the normative is on content. However, the fact-value dichotomy does not seem to fit in as degrees of both normative and positive are present in development theories (Davis, 1989).

There are also contrasts between the *formal* and the *substantive* approaches to theorizing development. In the formal approach, "development is defined in terms of a limited number of universally valid principles and quantifiable indicators which can be combined in a predictive model," whereas in the substantive approach "development involves historical change of a more comprehensive, qualitative and less predictable nature" (Hettne, 1995: 254). By combining the positive–normative and formal–substantive dimensions, Hettne comes up with four theoretical orientations: *positive–formal*, *normative–formal*, *positive–substantive*, and *normative–substantive*. The orientations and their constituents are represented at different points in different quadrants in Figure 2.1. In the positive–formal quadrant, we can locate two different theories/models—Marxist accumulation model is highly positive and formal, while the mode-of-production analysis is on the fringe, that

is, closer to being substantive without losing its positivity. In the positive–substantive quadrant, there are two other orientations—Westernization studies and world-system analysis, the later leaning more toward the positive side. In quadrant 3, we find three theories that can be labeled normative–substantive—modernization theory, dependency theory, and "another development" model. Quadrant 4 presents the formal–normative theories/orientations. The accumulation model, mode-of-production, and world-system analysis all are Marxist in their orientations, but they differ to the extent of their predictability or their form/content as well as their applicability to the developing world (see Hettne, 1995, for a fuller explanation of these different orientations).

Potter (2008) also differentiates between *holistic* (comprehensive) and *partial* (mainly economic) and *holistic* or *partial* development theories. Overlapping these two dimensions (normative–positive and holistic–partial dichotomies) would generate four different combinations of theories: (1) classical–traditional, (2) historical–empirical, (3) radical political economy dependency, and (4) alternative. Haque (1999) classifies development theories into three broad categories (and subcategories) based on their focus, content, scope, and the process involved. The *conservative*
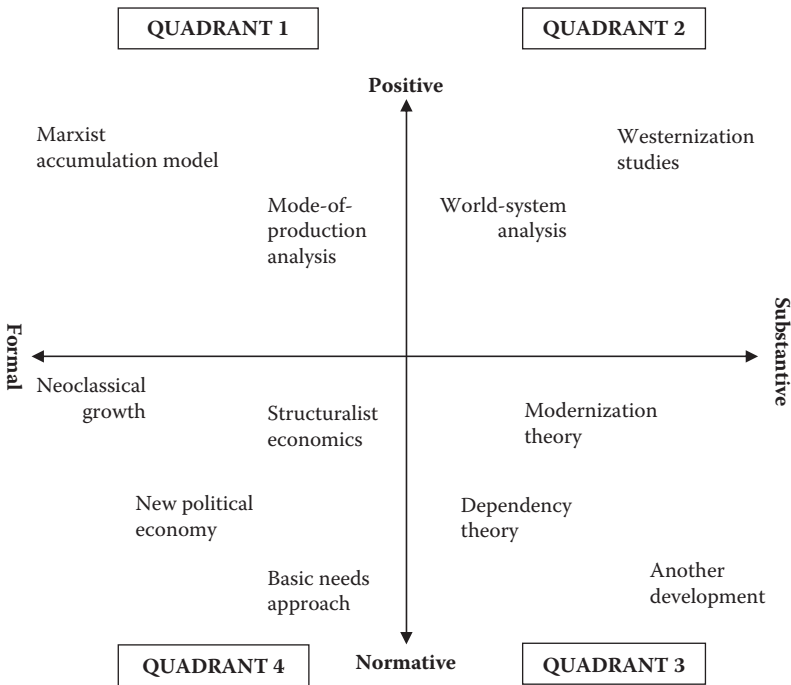
Figure 2.1   Orientations in development theory. (Adapted from Hettne, B., *Development Theory and the Three Worlds***, Longman Scientific & Technical, New York, 1995, p. 258.)**

category includes theories of economic growth and modernization; the *reformist* category includes conservative reformist (appropriate technology, human resources development, and rural development, for instance), radical reformist (theories of underdevelopment, internal colonialism, dependent development), and critical reformist (conservative assessments of the other two reformist traditions) theories; the *radical* category has classical Marxist, radical dependency, and neo-Marxist theories. Others have employed less complex and straightforward categorization of development theories by simply explaining their essential features and what they purport(ed) to achieve. In the next few subsections, we explain some of these.

Economic Growth Theory

Since the end of World War II, theories of development began taking a formal shape. Their origins can be linked to the works of Adam Smith, David Ricardo, Karl Marx, and others. Smith maintained that a capitalist competitive market system would be productive enough in providing benefits to all. Capital accumulation, labor specialization, savings, and investments in agriculture, manufacturing, and commerce would expand economic wealth. Ricardo's theory of comparative advantage stressed that countries engaged in international trade would mutually benefit from each other's resources and specialization even if one trading partner is economically poorer or less specialized than the other. This would be possible if a country is able to utilize the assets in which it has a comparative edge to produce and export commodities at relatively lower costs (Preston, 1996; Ray, 1998; Todaro and Smith, 2003).

Marx highlighted capitalism's deficiencies—the way labor was commodified and exploited for capitalist gains and the economic injustices this created—and predicted drastic reversals of the existing economic arrangements after the proletariat takes over. He believed that societies passed in a unilinear fashion through several stages of development—primitive communism, slavery, feudalism, capitalism, and thence to socialism. One of the key preconditions of reaching the last stage would be a high level of per capita income within capitalism (Haque, 1999; Cypher and Dietz, 2009; Pieterse, 2010).

The intellectual roots of the more modern theories of economic growth relevant to the developing nations can be found in Keynesian economics, which became influential in the postwar period, especially in the newly independent countries taking either the capitalist or the socialist path to development. John Keynes rejected *laissez faire* as an economic doctrine, and his ideas were readily applicable to postcolonial situations that demanded authoritative interventions, mainly by the state, in economic matters. State planning for achieving full employment within a liberal political and economic framework was envisaged. Development economics was totally overhauled as new trade and finance regimes were created at the international level for supporting the advancement of the newly independent countries (Preston, 1996). Basically, development was conceived as a process that helps in

capital formation with high levels of investments and savings contributing to the process. Keynesianism had considerable influence on the development of growth theories.

Though they worked independently, Roy Harrod and Evsey Domar developed a macrodynamic model based on the ideas of Keynes. This is known as the Harrod–Domar growth model, and it emphasized state planning in low-income developing economies for mobilizing domestic and foreign savings and promoting investment to step up economic growth. The efficient use of capital in raising the level of investment was critical. Later, Rober Solow expanded on this model by introducing two more factors—labor and technology—to the (neoclassical) growth equation (Ray, 1998; Todaro and Smith, 2003; Cypher and Dietz, 2009). The import of endogenous technological change in economic growth was stressed by Paul Romer (1990) in the late 1980s. Market incentives, he argued, played a key role in motivating people to contribute to technological change and emphasized that technology was different from conventional or public goods.

While the economic growth theories, both classical and neoclassical, had some relevance to the DCs in the aftermath of their newfound political life, the application of growth strategies did not always provide the desired results. State intervention was indeed necessary due to the absence of competitive markets and the need for sustaining the preconditions and imperatives for growth. The arrangements for economic management were not organized enough to make policy formulation and implementation an easy task. Exogenous growth theories despite being adapted to local conditions had their limitations in the developing world as did the endogenous (New Growth Theory) (Pack, 1994; Todaro and Smith, 2003). Neoclassical models are static and are unable to respond to development dynamics, "neglect structural rigidities common to developing countries," and their "emphasis on development based in comparative advantage and free trade is inappropriate to the late industrializers" (Myint, 1987: 110–12). The obsession with mainly economic matters makes growth theories generally insensitive to social–human–environmental concerns.

Modernization Theory

Mainly conceived in the United States as an ideological response in the context of bipolarity, that is, to contain Soviet influence on the decolonized nations of Asia and Africa, modernization theory envisaged social evolution, optimistic economic growth, the ideas of progress, and political, social, and cultural change. The "modernization" paradigm saw development in evolutionary and functional terms, the state as a secular entity, and citizenship in broader all-inclusive sense. The differences that existed between the rich and poor nations could be narrowed by stimulating the latter to imitate Western economic and political ideas and implant Western-style political institutions (Leys, 1996; Preston, 1996). Thus, modernization theory was a mixture of exogenous influences—capitalism, technological diffusion, industrialization, Westernization, nation building, and state formation—and

endogenous change—social differentiation, rationalization, universalism, achievement, and specialization. Pieterse (2010: 45) argues that the simultaneous presence of exogenous influence and endogenous change created contradictions in modernization theory. Two sectors, traditional and modern, reside side by side causing conflicts in governance with implications for development (Box 2.2).

 One of the foremost social scientists of our time, Samuel Huntington (1971: 288–289), identifies nine features of modernization:

1. Modernization is a *revolutionary* process. This follows directly from the contrasts between modern and traditional society. The one differs fundamentally from the other, and the change from tradition to modernity consequently involves a radical and total change in patterns of human life.
2. Modernization is a *complex* process. It cannot be reduced to a single factor or to a single dimension. It involves changes in virtually all areas of human thought and behavior.
3. Modernization is a *systemic* process. Changes in one factor are related to and affect changes in the other factors.
4. Modernization is a *global* process … it is now a worldwide phenomenon. This is brought about primarily through the diffusion of modern ideas and techniques from the European center, but also in part through the endogenous development of non-Western societies.
5. Modernization is a *lengthy* process. The totality of the changes which modernization involves can only be worked out through time.
6. Modernization is a *phased* process … Societies obviously begin in the traditional stage and end in the modern stage.
7. Modernization is a *homogenizing* process … [It] produces tendencies toward convergence among societies.

BOX 2.2   ELEMENTS OF MODERNIZATION

- Development is a spontaneous, irreversible process inherent in every single society.
- Development implies structural differentiation and functional specialization.
- The process of development can be divided into distinctive stages showing the level of development achieved by each society.
- Development can be stimulated by external competition or military threat and by internal measures that support modern sectors and modernize traditional sectors.

Source: Hettne, B., *Development Theory and the Three Worlds*, Longman Scientific & Technical, Essex, UK, 1995, 50, 51.

8. Modernization is an *irreversible* process. … The rates of change will vary significantly from one society to another, but the direction of change will not.
9. Modernization is a *progressive* process. The traumas of modernization are many and profound, but in the long run modernization is not only inevitable, it is also desirable [emphasis in the original].

The above indicates that the process of modernization displays several tendencies and it unfolds over a long period of time passing through many overlapping and continuous phases across a number of dimensions in a linear fashion causing radical but systemic and perhaps converging alterations to the prevailing state.

Modernization theory combines the economics of development with the sociological and the political. Modern values, mainly of the Western type were to be transferred from the center (advanced countries) to the periphery (the developing regions) through educational and technological diffusion and psychocultural transformation of individual and social living. But modernization not only makes "impersonal advances in technological or managerial organization"; rather it is "an array of specific processes in the human mind" (Lauterbach, 1974: ix; Kunkel, 1976). Thus, it tends to affect human personality and the way life is perceived by individuals in the context of the society in which they live and the challenges they face. Along with macroeconomic initiatives, such as savings and investments, industrialization, agricultural mechanization, and trade and commerce, social–psychological factors would create the conditions for development to occur. Thus, within modernization theory, the notion of economic growth is embedded and complemented with elements germane to social development.

Walter Rostow's (1960) *stages of economic growth* theory illustrates the transition of a traditional society to a highly modern one within the framework of capitalism. Although mainly premised on the notion of economic progress, he considered social and political factors as well. According to his model, developing societies passed through five stages to reach the ultimate developed state. These were as follows:

■ *Traditional society:* Agriculture based with limited production functions within a rigid hierarchical agro-based social structure with some scope for vertical mobility. Political power was decentralized and rested in the periphery among the landowners. A "pre-Newtonian" attitude toward the natural world existed among the people who adopted crude forms of science and technology in their vocational pursuits.
■ *Pretake-off society:* The preconditions for transition were created. These included an entrepreneurial private economy, capital mobilization, savings and investment, commercial activities, education, and welfare. In

non-European societies, these were mainly externally induced often disrupting prevailing social structures. However, "they also set in motion ideas and sentiments which initiated the process by which a modern alternative to the traditional society was constructed out of the old culture" (Rostow, 1960: 6).

▪ *Take-off:* This is the interval when the old blocks and resistances to steady growth are finally overcome. The forces making for economic progress, which yielded limited bursts and enclaves of modern activity, expand and come to dominate the society. Growth becomes its normal condition. Compound interest becomes built, as it were, into its habits and institutional structure. The rates of savings and investments rise, industrialization expands, the private sector becomes more vibrant, agriculture is modernized and commercialized, and social and political structures of the society are transformed.

▪ *The road to maturity:* During this phase, societies consolidate the gains of the take-off period and further enhance growth and modernization, industrialization is accelerated further with the introduction of new technology, entry into the global economy hastens trade and export-oriented production of goods, and new values and institutions are balanced against the older to support the growth process.

▪ *The mass consumption society:* This is the ultimate end state as the economy shifts its focus on producing durable consumer goods and the expansion of the service sector. Real income rises and consumption expands well beyond the basic ones. Skilled employment increases to high levels, and more resources are allocated for welfare and security.

Modernization theory had its heyday in the 1950s and 1960s, especially in academic research but with little influence in policy matters. However, it did have an ideological sway over the United States' establishment wary of the decolonization process and its ramifications. The concern related to the influence of communism on the newly independent countries and the ideological course they might adopt in the bipolar world (Leys, 1996). The theory was almost accepted in the developing world as "a framework for objective social analysis and powerful vehicle for social engineering" (Latham, 2003: 2).

There are several criticisms about modernization and its impact on countries still exhibiting traditional structures and modes of production. The transplantation of ethnocentric Western values does not always bode well for "other" societies. One criticism against modernization is that it leads to unidirectional development, but change cannot always follow a straight path and be orderly and continuous. Pieterse (2010: 23) writes, "Modernization theory differs from evolutionism in that modernization is no longer regarded as immanent and inevitable; change is not always progressive ... Besides, there are multiple roads towards modernity." There can be reversals in the process as there are no definite universal recipes of modernization

applicable to all societies; unanticipated causes may emerge. Moreover, a basic problem with this theory is the inappropriate portrayal of both traditional and modern societies. The image of the former is distorted, while for the modern questions relating to self-achievement and self-orientation may be raised insofar as they relate to social and psychological reasons (Preston, 1996).

Dependency Theory

The limitations of modernization theory brought to the fore a new perspective on development—*dependecia.* From the 1970s, dependency theory became a dominant theme in development discourse. Originating in Latin America, it rejected eurocentric modernization as irrelevant and inapplicable in the developing society context and provided an alternative to economic growth and modernization theories that focused on the internal rather than on the external international dynamics of development. It challenged the dominance and diffusion of capitalist ideas and policies in the aftermath of World War II and sought to explain development or underdevelopment in relation to imperialism or neocolonialism and the world capitalism system (Desai, 2009; Pieterse, 2010). According to Frank (1969: 54),

> The now development countries were never *under*developed, though they may have been *un*developed … contemporary underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries.

Dependency theory located the causes of development and underdevelopment. It stressed that the world capitalist system created a dependency syndrome and the weaker countries fall prey to its caprices. There seems to be a correlation between the development of the Western world and the underdevelopment of the former colonized nations. An unequal political and economic power relations between the core (advanced industrialized nations) and the periphery (the developing world) enables the former to influence or even control the course of development in the latter (Frank, 1967; DosSantos, 1970). The appendages of peripheral capitalism, such as the multinational corporations (MNCs), use their presence in the DCs to "extend their cultural domination of the West, introduce inappropriate consumption patterns, and distort the[ir] economic structures" (Jaffe, 1998). A rigid international division of labor has been imposed that exploits cheap labor in developing nations to work for the financial benefit of large manufacturers in the West. Dependency drains surplus from the periphery to the core crippling the latter's economy and the unequal terms of engagement tends to widen the persistent gap between the two (Baran, 1957; Desai, 2009).

Unlike modernization theory whose spotlight was on the country level, dependency theory has relevance to the whole "world-system" thesis explained by

Wallerstein that represented the capitalist world economy. Within this system, the developing nations suffered from unequal development and differential rewards (Wallerstein, 1974). Clearly, the theory projected "the specific mechanisms of imperialist subjection and exploitation" (Desai, 2009: 57) and warned of the inadequacy of capitalist development promoted in the advanced nations in offering anything gainful to the underdeveloped or developing nations. Thus, it argued for "reducing links to the metropoles and bringing about 'autocentric' national economic growth" (Leys, 1996: 12).

Dependency theory was more economic than modernization theory's economic–sociological perspective. The core element was international capitalism, its flow into the peripheral economy, and its impact on development or underdevelopment. Pieterse (2010: 6) informs that it had a distorted version as well—"dependent accumulation which led to the 'development of underdevelopment.'" But it also had cultural connections, for instance, notions of self-reliance and endogenous development are embedded in its thesis (Hettne, 1995).

The theory has been well critiqued. Taking cues from a host of analyses, Haque (1999: 115) summarizes the neo-Marxist criticisms thus as follows:

■ It narrowly interprets underdevelopment by focusing on exchange rather than production relations.
■ It is relatively indifferent toward class structure and lacks a class analysis.
■ It is deterministically pessimistic regarding development in the underdeveloped regions.
■ It overemphasizes the world capitalist system at the expense of socioeconomic patterns.
■ It reduces superstructural phenomena such as religion and ethnicity to pure economism.
■ Its argument of capitalist development is circular or tautological.
■ It impractically supports revolution.

Leys (1996: 15) also point to the "eclecticism, populism and practical ambiguity" of dependency theory. The theory is also too general in character. Smith (1981: 757) suggests that

> it exaggerates the explanatory power of economic imperialism as a concept to make sense of historical change in the south. Too much emphasis is placed on the dynamic, molding power of capitalist imperialism and the socioeconomic forces in league with it locally; too little attention is paid to political motives behind imperialism or to the autonomous power of local political circumstances in influencing the course of change in Africa, Asia, and Latin America.

The dependency school suffered from contradictions within it. Divergent views, polemical and conflicting, were put forward that left it fragmented and polarized between the rightists and leftists (Hettne, 1995). Nonetheless, dependency theory remains an important strand in development thinking. As Preston (1996: 194) points out, dependency theory placed emphasis on

(a) the importance of considering both the historical experience of peripheral countries and the phases of their involvement within wider encompassing systems;

(b) the necessity of identifying the specific economic, political and cultural linkages of centres and peripheries; and

(c) the requirement for active state involvement in the pursuit of development.

Thus, the theory highlighted the critical significance of contextuality of "Third World" development *vis-à-vis* its colonial past and postcolonial imperatives, integration into the world economy through bilateralism and multilateralism, and wider state intervention in development.

Alternative Development Theory

From the 1970s, challenges began to be thrust upon mainstream developmentalism. New ideas, normative and substantive in character, were propounded that questioned the conventional ways of dealing with poverty, social exclusion, self-reliance, and environmental sustainability (DeWatt, 1988; Friedmann, 1992; Rahman, 1993; Hettne, 1995; Brohman, 1996; Carmen, 1996; Pieterse, 2010). These ideas emerged not to totally reject the orthodox economic dimensions of development but to complement them by more people- and society-centered initiatives. The rationale is that Eurocentric conventional development theories were by and large inappropriate in non-Western societies and needed to be redesigned or reconfigured to meet indigenous needs. Brohman (1996: 338) argues that "adopting a more critical stance with respect to established theories and methods, and promoting the participation of indigenous popular organizations in all stages of development initiatives" would be more appropriate.

Thus, notions of community development, social inclusion, empowerment, sustainability, and participatory development have been on alternative development thinking and practice agenda for the last four decades. Civil society activists, nongovernmental organizations (NGOs), visionary development practitioners, international aid organizations, and the United Nations (UN) and its agencies have supported various alternative initiatives for resolving poverty crisis in the developing world. However, although there is no specific theory in alternative development or a "conceptual core" because of the range of issues it covers, some common themes can be discerned by comparing elements with mainstream development thought, see Box 2.3 (Rigg, 2002).

BOX 2.3 MAINSTREAM VERSUS ALTERNATIVE VISIONS OF DEVELOPMENT

Mainstream Development	*Alternative Development*
Treats people as "objects" of development	Treats people as "subjects" of development
Applies exogenous theories and methods	Applies endogenous theories and methods
Top–down	Participatory
Interested in ends of development	Interested in the means and ends of development
Concerned with practicalities	Concerned with ethical and moral issues as well as practicalities
Applies modern technology	Applies "appropriate," sometimes "intermediate," technologies
Undertaken with full support of the state	Bypasses the state and is sometimes antistate
Increases the role of the market in people's lives	Sometimes aims to decrease the role of the market and promote self-reliance
Centralizing	Decentralizing
Stresses the empirical	Stresses the cultural

Source: Rigg, J., *Southeast Asia: The Human Landscape of Modernization and Development*, Routledge, London, 2002, 46.

Pieterse (2010: 84, 85) explains alternative development as

> a roving critique of mainstream development, shifting in position as mainstream development shifts, as a series of alternative proposals and methodologies that are loosely interconnected … It can be viewed as concerned with local development, with alternative practices on the ground, or as an overall challenge to the mainstream, and part of a global alternative.

In many countries, alternative development practices emerged spontaneously; people either on their own or community group initiatives applied innovative approaches for realizing their common goals be it in crop and noncrop farming, cottage industries, training and extension, environmental protection, local infrastructure building, and so on. These initiatives supported by volunteerism and self-help were often low profiled, but their results were noticeable for the positive impact they created. They were like quiet miniscule revolutions generated and sustained

from below. Often the success of these initiative encouraged state support at the local level and region or countrywide replication.

While some scholars (such as Pieterse) are skeptical about the existence of a coherent theory of alternative development, others (such as Hettne) do emphasize its usefulness as a complementary option because mainstream development models are nonviable in the long run, and alternative practices "may be more viable in ecological and social terms" (Hettne, 1995: 160). Hettne (1995: 173) summarizes some of the positive elements of alternative development. He writes,

> Development strategies based on the Another Development approach seem to be more "peace intensive" than mainstream strategies. Basic needs strategies would reduce the need for internal repression, self-reliance strategies the need for international competition, endogenous development would create conditions for the cultural survival of [indigenous] peoples, and sustainable development would eliminate tensions generated by resource scarcity.

But Pieterse (2010: 88) encapsulates a "hostile" critique. Alternative development

> is pretentious because it suggests more than it can deliver, unclear because the difference between what alternative and what is not is not clarified, and fuzzy to the point of hypocrisy because it sustains the overall rhetoric of development while suggesting the ability to generate something really different within its general aura.

Regardless, some components of alternative development have now been embraced as components of holistic development. Each component has been theorized separately, and each may have a variety of approaches or models. International aid agencies, global and national NGOs, and even governments are more active than ever before in promoting programs to provide basic needs; encouraging self-reliance for productive purposes; generating employment; empowering people; helping protect their rights and liberties; giving voice to the people; supporting the weak and the marginalized; creating structures for popular participation in policy development, implementation, and review; and infusing a democratic culture in society. Decentralized governance that stress "development from below" can help achieve some of these more smoothly (Korten and Klauss, 1984; Burkey, 1993; Chambers, 1995, 1997; Brohman, 1996; Beaulieu, 1997; Cornwall, 2000; Cornwall and Gaventa, 2006; Rondinelli, 2006).

Neoliberal Theory

Keynesianism and its emphasis on state intervention had its heyday until the 1970s when the influence of the New Right began to penetrate and overwhelm

development thinking. This emerged in the wake of serious economic crises in the advanced industrialized countries, the decline of socialist economic systems, globalization, and, more importantly, the ascendance of Margaret Thatcher in the United Kingdom and Ronald Reagan in the United States, both of whom made concerted political moves to redefine the role of the state in economic matters and help create an enabling environment for the market to play its "proper" role. New Right theorists asserted that free markets have the capability of maximizing human welfare as they more efficiently allocate resources and distribute information within the economic system (World Bank, 1991; Pieterse, 2010). Apart from economic reasons, they also advanced social, political, and epistemological justifications to return to liberalism, *albeit* with some variations,

> as action and responsibility for action reside with the person of the individual, then liberal individualistic social systems will ensure that moral worth is maximized; … as liberalism offers a balanced solution to problems of deploying, distributing and controlling power, then liberal polities ensure that political freedom is maximized; and … as the whole package is grounded in genuine positive scientific knowledge then in such systems the effective deployment of positive knowledge is maximized.
>
> **Preston (1996: 253)**

While these claims may be contested, neoliberalism by and large emerged as an antithesis to Keynesianism. Its origin lies in classical and neoclassical economic theories and is based on the primacy of the market in economic growth. It targets statism, bureaucratism, and welfarism for the inefficiency and wastage they produce. Neoliberalism envisages a reduced role for the state in economic governance, concomitant downsizing of the public sector, and the transfer or outsourcing of public assets and functions to the private realm. The economy is to be liberalized and deregulated and the corporate sector given a free hand in charting its own course. There is reliance on monetary policy, price controls are all but eliminated to allow the market to function more efficiently, international trade barriers are removed, and foreign investment is encouraged. Fiscal discipline and competition internationally and within national boundaries is to provide better deal for all nations and improved services to consumers. Social expenditure is to be contained leading to cuts in welfare making it residual and selective. Personal taxes are to be reduced but revenue offset by increased indirect taxes on consumer goods and services (Leys, 1996; Nef and Robles, 2000).

Neoliberalism is based on *public choice theory* (PCT) that suggests individuals act in their self-interest. They are basically egoistic and rational utility maximizers (Self, 1993). Milton Friedman encapsulated the main essence of neoliberalism:

> To the free man, the country is the collection of individuals which compose it … The scope of government must be limited … to preserve law and order, to enforce private contracts, to foster competitive markets.
>
> **Quoted by Hettne (1995: 113)**

Neoliberalism is now a global ideology spontaneously accepted by the Western world but more reluctantly by the developing nations. National economic policies in the latter are increasingly influenced by "a globe-wide system of rules and regulations concerning economic trade and a consciousness of the global economy as a whole" (Robertson, 1992: 26). The doctrine was imposed by the Bretton Woods institutions (BWIs) in the 1980s. Its principal elements found expression in the *Washington Consensus* and *New Institutional Economics* (NIE). The former and its sequel—the *Post-Washington Consensus*—were together a bundle of instructions for developing nations to adjust to the changing global economy and approach development goals (See Box 1.6). It imposed structural adjustment programs (SAPs) to shrink the public sector, deregulate the economy, and privatize state-owned enterprises (SOEs). The many market-oriented interventions of the World Bank and the International Monetary Fund (IMF) have had profound implications for DCs in reconfiguring structure and functions of the machinery of government and policy priorities relating to economic governance. The World Bank, which initially had faith in the minimalist state, began emphasizing from the 1990s the need for a strong state and effective institutional arrangements to promote economic efficiency and growth. It adopted the NIE perspective in designing its policies and prescriptions relating to the developing world. In a nutshell, NIE takes on board within the neoliberal framework the significance of social, political, economic, and legal institutions for the role they play in shaping behaviors and exchanges in markets and in stimulating investment and growth by reducing transaction costs (Cameron, 2004; Brousseau and Glachant, 2008). Indeed, institutions are seen as "socially devised constraints on individual action" (Clague, 1997: 17).

Neoliberalism, together with globalization, has become the catchphrase in development praxis articulated by the international development community (IDC). Aid-dependent countries cannot escape from its grip. Neoliberal policies they have adopted over the years at the behest of the aid patrons, for whom it has become a dominant ideological force, produced mixed results. Apart from generally limited accomplishments on the economic front. Leys (1996: 19) argues,

> What made possible the triumph of neo-liberalism in mainstream development thinking was material, not ideal: the radical transformation in both the structure and the management of the world economy … Neo-liberalism articulated the goals and beliefs of the dominant forces that stood to benefit from this process, and pushed it forward.

Apparently, neoliberal policies have been almost fruitless in addressing social issues as market-led development has now become the norm, and DCs have embraced this strategy. No doubt, opportunities have been created for making economic investments and earning dividends from being part of the global economic arrangements but at what social cost? Neoliberalism did displace and even destroy existing institutions and economic and social engagement patterns. The state ceased to be the foremost instrument of development with market mechanisms becoming dominant. Obviously, the social impact of neoliberal policies has been significant in both developed and developing worlds. Decline of social welfare, subsidy cuts in agriculture and primary industries, reductions in employment opportunities, rising cost of health care and education, economic self-interest in demeaning societal solidarity, ecological degradation for economic gains, and other social malaise required thinking, especially in the context of development (Box 2.4). Can the DCs afford

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BOX 2.4   MAIN FEATURES OF NEOLIBERALISM

- Classical liberalism as a *critique of State reason*: A political doctrine concerning the self-limiting State; the limits of government are related to the limits of State reason, that is, its power to know; a permanent critique of the activity of rule and government.
- *Natural* versus *contrived* forms of the market: Hayek's notion of natural laws based on spontaneously ordered institutions in the physical (crystals, galaxies) and social (morality, language, market) worlds has been replaced with an emphasis on the market as an artifact or culturally derived form and (growing out of the "callaxy" approach) a *constitutional* perspective that focuses on the judiciolegal rules governing the framework within the game of enterprise is played.
- The Politics-as-exchange innovation of PCT ("the marketization of the State"): The extension of Hayek's spontaneous order conception (callactics) of the institution of the market beyond simple exchange to complex exchange and finally to *all processes of voluntary agreement* among persons.
- The relation between government and self-government: Liberalism as a doctrine that positively requires that individuals be free to govern; government as the community of free, autonomous, self-regulating individuals; "responsibilization" of individuals as moral agents; the neoliberal revival of *homo economicus*, based on assumptions of individuality, rationality, and self-interest, as an all-embracing redescription of the social as a form of the economic.
- A new relation between government and management: The rise of the new managerialism, "New Public Management"; the shift from *policy* and *administration* to *management*; emulation of private sector

management styles; the emphasis on "freedom to manage" and the promotion of "self-managing" (i.e., quasi-autonomous) individuals and entities.

■ A "degovernmentalization" of the State (considered as a positive technique of government): Government "through" and by the market, including promotion of consumer-driven forms of social provision (health, education, welfare), "contracting out," and privatization.

■ The promotion of a new relationship between government and knowledge: "Government at a distance" developed through relations of forms of expertise (expert systems) and politics; development of new forms of social accounting; an actuarial rationality; referendums and intensive opinion polling made possible through the new information and computing technologies; privatization and individualization of "risk management"; development of new forms of prudentialism.

■ An economic theory of democracy ("the marketization of democracy"): An emerging structural parallel between economic and political systems—political parties have become entrepreneurs in a vote-seeking political marketplace; professional media consultants use policies to sell candidates as image products; voters have become passive individual consumers. In short, democracy has become commodified at the cost of the project of political liberalism, and the state has become subordinated to the market.

■ The replacement of "community" for "the social": The decentralization, "devolution," and delegation of power/authority/responsibility from the center to the region, the local institution, the "community"; the emergence of the shadow state; the encouragement of the informal voluntary sector (and an autonomous civil society) as a source of welfare; "social capital."

■ Cultural reconstruction as deliberate policy goal ("the marketization of 'the social'"): The development of an "enterprise society"; privatization of the public sector; the development of quasi-markets; marketization of education and health; a curriculum of competition and enterprise.

■ Low ecological consciousness (Anthony Giddens): "green capitalism"; "green consumerism"; linear as opposed to ecological modernization; "no limits to growth"; market solutions to ecological problems.

■ Promotion of a neoliberal paradigm of globalization: World economic integration based on "free" trade; no capital controls; IMF, World Bank, World Trade Organization (WTO) as international policy brokers.

Source: Peters, M., *Encyclopaedia of Philosophy of Education*, ND. http://www.ffst.hr/ENCYCLOPAEDIA/doku.php?id=neoliberalism (accessed December 2010).

to ignore the human dimensions of development given the misery in which the bulk of their population survives?

Promoting social justice by enhancing human capabilities, broadening citizenship, people's participation, building social capital, engendering and empowering the marginalized and disadvantaged, and enabling freedom and human rights are some of the issues that a new approach to development envisages. This is what is called the *Human Development* paradigm, which "is identical to the alternative development paradigm except that, characteristically, it includes *production* as a core value" (Pieterse, 2010: 105; emphasis in the original). This is covered in Chapter 3.

Implications for Development Management

Several conceptual and theoretical postulates relating to development emerged over the decades. The meaning and scope of development changed with new ideas, new approaches, and new strategies becoming known and applied. The early economic-based solutions at improving growth rates, building industries and infrastructure, modernizing agriculture, or creating wealth in developing societies might have produced economic benefits but were not enough in overcoming the scourge of endemic poverty so conspicuous in the lives of the ordinary people in DCs. The search for alternatives to the classical and neoclassical models of development went on for decades; those that came were partially successful (such as the Green Revolution, the cooperative movement, integrated rural development and similar other options). Statism complemented by Keynesianism also suffered from limitations as the emphasis on growth, centralism, and bureaucratism defeated opportunities of making development fully relevant to the people. The modernization paradigm despite being an amalgam of social and economic approaches could not be fully applied in traditional societies wary of Western cultural influences. Dependency theory, on the other hand, was trapped in economics and its overemphasis on international capitalism, even though it did emphasize the need for development to acquire an endogenous approach. Alternative development theory did try to break away from the shackles of purely economic-oriented approaches but the failure to blend the various strands it projected left it fragmented. However, many of the ideas it projected were incorporated in Human Development, Comprehensive Development Framework (CDF), Millennium Development Goals (MDGs), and so on over the years following its emergence.

The contemporary neoliberal approach to development is an offshoot of intensified globalization or rather it is a complementary aspect of the phenomenon. Being favored by the international economic and development institutions/regimes, large donor countries and, to some extent, global civil society, it has been accepted as a *fait accompli* by the DCs, mainly the poorer ones. It has all but overwhelmed development praxis as policies and plans are drawn keeping in view its central tenets.

However, despite the fact that neoliberalism gives more or less secondary prominence to the state, DCs cannot afford to overly reduce its role in development. Its structures, functions, and scope of engagements need to be reconfigured to best adjust to the new requirements. As will be discussed later in this book, the state will need to become more inclusive in its role as strategist, provider, and facilitator of comprehensive development. It has to recreate a new framework for managing development.

The new development management (NDM) regime led, directed, and managed by policy makers, administrators, and practitioners will invariably be influenced by the many strands of development theory that have been advanced and experimented with in the past and at present. No one theory or paradigm is complete enough on its own to serve as the most potent tool in accomplishing the goals of total development. The best elements from each complemented by lessons learnt from the field in the DCs need to be synthesized, expanded, and cautiously applied. That development is normative, multidimensional, multisectoral, multivariate, and reflexive has to be acknowledged when development agencies are established and managed, policies and plans are framed, programs are evaluated, and impact is assessed. Endogenous realities cannot be ignored, while exogenous influences are balanced to obtain the desired results. Most importantly, what is to be appreciated is the fact that theories and paradigms are basically ideologically inclined, assumptive in nature, and reflective of the thoughts and ideas of theorists; these will remain confined in the pages of textbooks and research monographs and in discussions/debates in academic fora or public rostrums unless concrete strategies are applied in practice and the results are used to renew existing theories or create entirely new ones.

Review Questions

1. How is development conceptualized? What are the purposes of development?
2. What are the different connotations of development? How do these enhance our understanding of the concept?
3. What are the problems of theorizing development?
4. How do modernization and dependency theories differ?
5. What is neoliberal development theory? What impact does it have on development?

Further Reading

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Chapter 3

The State in Development

The main foundations of every state, new states as well as ancient of composite ones, are good laws and good arms; and, because you cannot have good laws without good arms, and where there are good arms, good laws inevitably follow.

Machiavelli

Prelude

Development, in its total gamut (i.e., human development, economic growth, and environmental sustenance) is unlikely to bestow any positive impact on individuals, communities, nations, and the world unless proper arrangements and configurations are in place to order the sequencing of goals and priorities, build capacities for framing and implementing policies and programs, and create an enabling environment for inclusive civic participation and empowerment. In this scheme, the state, political institutions, the market, and the third sector, along with the canons of engagement and internal and external support to attain development objectives become imperative. The state reserves a prominent place in this arrangement and can take on a crucial role in attacking poverty, reducing social inequality and economic disparity, and causing sustainable livelihoods to materialize. Other institutions, both state and nonstate, and forces, both endogenous and exogenous, come into play as well and have implications for development. These entities and forces affect the way the state is organized and the maxims that govern the operationalization of its varied roles. The manner of its interface with society and people is

enforced, and actions to chart the path to socioeconomic progress and prosperity are taken. Often, the links between the state and these entities/forces may weaken or even snap and generate dysfunctionalities that may hinder development. Sound development management needs strong functional states, associative institutions, and supportive influences to deliver public goods for society.

Since its "origins," the form and character of the state underwent several changes in different directions in contrasting social conditions along a long historical path stretching several centuries. It continues to adapt to newer circumstances and respond to unique exigencies as they unfold. The state has taken different forms at different times and served different purposes. It has been variously interpreted with one interpretation contradicting another or any particular aspect given prominence over another. These changes reflected the needs of the times and the predilections of those influencing them. The intellectual discourse on state systems, likewise, ideated individual thoughts, perceptions, and beliefs of scholars seeking to elucidate their structure and attributes. Thus, we find a variety of state forms and a plethora of philosophical explanations on state roles, state capacity, and state–society and state–individual relations.

The Athenian state arrangement was premised on freedom, unity among citizens, and wisdom, and the people were directly engaged in deciding on its powers and the role of different bodies constituting the state (Parry et al., 2004: 3). Aristotle, whose conceptualization of the various state forms informed later writings, emphasized the political nature of humans and their natural propensity to cooperate toward unity and fellowship within a political community similar to the state (Maddox, 2005). Cooperation was also the basis of the Machiavellian state, but he believed in maximizing its powers and using the military for its maintenance. To Machiavelli, the state "was an artifact ... created by the skill and genius of statesmen" (Watkins, 1968: 151). For Hobbes, the state is a social contract among individuals that establishes a state or the institution of the sovereign for the common benefit. But he saw the state as a Leviathan (an enormous entity) with absolute power for maintaining order in society through strongly enforced *rule of law* unconditionally binding upon citizens. Hobbes' state was absolute, coercive, and expedient and not what other political thinkers suggest (Sim and Walker, 2002).

The Marxian approach focusing on class polarization and relationships in society views the capitalist state as an instrument of the bourgeois. The economic and social organization of its mode of production leads to the exploitation and therefore alienation of the working class. Echoing Engles, Vladimir Lenin (1919: 10, 11), the founder of the Soviet state, conceives the state as "the product and the manifestation of the irreconcilability of class antagonisms." It is the ruling class whose interest and property are protected by the state and its instruments of control (Adams and Dyson, 2003: 124). Max Weber (1964: 154) asserted that the state had the sole right or discretion of legitimately monopolizing the use of force in enforcing social order and performing social and economic functions (taxation, provision of public goods, protection of property and rights). While "force" is the pivotal factor in his concept, the state is unable to enforce obligation of citizens without the support of

an organized administrative staff, more precisely, the bureaucracy—an important component of the state. The state "strive[s] to appropriate or redistribute a government's political power" (quoted in Breiner, 1996: 127) and authority and legitimacy clothe the state with the power to exercise control over the people, but if it is devoid of these, the state is unlikely to sustain itself (Pierson, 2006: 18). Bureaucratization was an inevitable consequence of the expansive role of the state caused by the rise of capitalism and technological changes (Gerth and Mills, 1946). Similarly, Mosca's state was highly bureaucratized, differentiated, and specialized (Albrow, 1970).

The narrative above portrays the state in a rather negative light. Apart from the unifying and cooperative elements present in the early European democracies, later analyses, based on historical situations, bring out mainly the "organized violence" and "class conflict" attributes. But with time, the modern state evolved as the progress from "multi-centred and pluralist structure of powers towards a single (absolute) centre of power ruling over an undivided social order" (Pierson, 2006: 8). There might have been some moderation of the coercive dimension and a more rational approach adopted by the state in serving society and working for human welfare, but even in the early twenty-first century, states in many countries remain weak, fragmented, predatory, and vulnerable. Some countries did well in gaining independence after years of nationalist struggle led by committed leaders, but when it came to state building, managing the economy, and attending to people's needs, these have stumbled largely because of the way the state was organized, its interface with the wider society, reconciliation of informal institutions with the formal, relationships with political society, civil society and market, and connections with the international community.

Since being liberated from colonial rule, the developing countries (DCs) have been grappling with various social, political, and economic problems and going through trials and ordeals in their quest for the right approaches to lift the common people from poverty and social indigence. In the initial years, the legacy of colonialism was too strong to be easily disposed of, and it continued to influence the business of postcolonial governments. Remnants of colonialism were still extant and consequential. Traditions and customs of the precolonial past were still embedded in culture and society and could not be expelled from the social psyche. On the other hand, the imperatives of learning, innovation, experimentation, and taking cues from other parts of the decolonized world in a new political milieu could not be disregarded either. Any attempt at pursuing development had to reconcile many divergent conditions, past and present, and blend them with the new. Therefore, to assess the current state of development in these countries, it is relevant to have a sense of colonial and postcolonial interventions.

Colonialism and Development

Colonialism could be epitomized as representing "altruism and benevolence" on the part of the rulers or an "attempt to impose upon the natives an alien system of social institutions" (Reinsch, 1912: 6). The British, French, Dutch, Spanish,

Portuguese, Italian, Belgian, and German colonizers transplanted their own institutions and practices in the regions they colonized not fully realizing their ramifications and influences in the native cultures. Whatever their motives, colonialism had had deep impact on colonial society. Writing on Africa, Cooper (1996: 10) argues, "Colonial rulers' hegemonic projects … brought colonizers into ambiguous relations with indigenous social structures, with all their tensions and inequalities." To large degree, it destroyed traditional structures and existing social and economic relations. Political power was concentrated at the apex, but its dispersal and application was random, and as one historian notes, "Colonial rule in many contexts depended on not making the individual subject understandable within the categories of the state; it depended instead on a collectivized and reified notion of 'traditional' authority" (Cooper, 2002a: 49). In some ways, colonial power had to be shared with traditional forms of authority. However, the state took refuge in coercion, extraction, and at times absolute behavior to dominate over colonial society (Chiriyankandath, 2007). The colonial state performed specific functions to maintain colonial rule. A powerful centralized structure enforced law and order utilizing a well-organized administrative hierarchy invariably controlled by appointed colonials who had a high degree of control over the colonial economy, used a common official language in officialdom and to communicate with the people, and applied excessive repression to quell disorder (Clapham, 1990: 17–21). The primacy of the colonial state in almost all aspects of colonial life was apparent until challenged by nationalist forces, which identified it as a barrier to freedom and development. The colonial state was known for its absolutism and its arbitrariness, both of which dictated the pattern of economic activities (Ake, 1996).

Different colonial powers pursued their specific agendas in social, economic, and political matters and adopted dissimilar strategies in entrenching their hold on the colonies they occupied. Thus, we find divergent patterns of colonial administration in the different regions. Some commonalities, however, can be established (Smith, 2003: 36–43; Berman, 1984). Forms of capitalism were introduced within precapitalist modes of production. Peasants were converted into wage laborers. Capital investments were mainly concentrated in urban centers, which also benefitted from the economic surpluses of rural regions (Edelman and Haugerud, 2005). Colonial capitalism flourished with little indigenous participation. Employment opportunities for the local population were created in infrastructure building projects and the railways. Efforts at industrialization were uneven and sporadic. Natural resources were unilaterally exploited by artificially created controlled mechanisms. The scope for trading and commerce was circumscribed by targeted markets, fewer export commodities, and restrictive terms. Market forces or labor–capital interaction did not influence labor relations. Land reform was haphazard and often went against the interests of small land holders. Local intermediaries were relied upon to connect to the people, a tactic that created more hiatus between the colonial state and the natives than helped solve problems.

Approaches to colonial development were different and actions were often *ad hoc*, even though systematic policy efforts might have been taken. The problems

of "unbalanced development" had serious implications not only for the colonies themselves but for the colonizing country as well (Havinden and Meredith, 1993). Although the notion of "complementary economies" was subscribed to, especially in Britain, colonial development largely manifested an "empire-centric" slant and an unequal relationship. For instance, the British government funded development in the colonies "insofar as they benefited Britain" and "projects designed to alleviate the financial burden of the colonies received little actual support," or in the case of France, "colonial development [did not] aid those for whom at least nominally the funds were intended" (August, 1985: 27, 41; see also Brown et al., 1998). The overemphasis on export-led development may have had its positive influences, but it also exhibited its downsides.

Several problems of colonial development have been identified (Havinden and Meredith, 1993; Butler, 1997), which are relevant to our standing of the role of the colonial state. These included smallness of the export sector in relation to colonial economy as a whole and its weak linkages to transportation and industry. With the export sector being overly dominated by foreign companies that reaped most of the profits, private capital could not be reinvested within the colonies to the desired level. Declining trade in some colonies was another problem that was offset, not always with success, by overinvesting in certain commodities. Export diversification just did not happen. Agricultural development was seen as a path to rapid modernization, but it suffered because of government's failure in promoting interactive cooperation among farmers, limited extension programs, inadequate supply of farming inputs and nonavailability of improved tools and techniques. Nonfarm activities needed more support than was provided. The economic depression of the 1920s had tremendous impact on primary production, commodity prices, revenue, purchasing power, and so on and placed added pressure on colonial government in financing and providing quality services to the people (Butler, 1997). Colonial development also called for the tapping of natural resource to their potential, but "quality, efficiency, and ability of the governments in [the] poor colonies made them incapable of coping with the problems endemic to social and economic underdevelopment" (Falola, 1996: 24; Box 3.1).

Generally, the development approach adopted by the colonial powers "remained at the rather superficial level of attempting to maximise production of primary products for export without any real investigation as to how export earnings could be used to achieve diversification and development in the economy as a whole" (Havinden and Meredith, 1993: 306). As the state itself was at the center of colonial development in the absence of robust private entrepreneurship within the colonies, it was expected to take on the reins of promoting development, but the haste for rapid modernization caused social disruptions. The British effort at attacking colonial poverty through development, humanitarian, and welfare policies (codified in statutes) attracted a lot of interest, especially in the African colonies but attained limited success in managing development in the colonies (Constantine, 1984; Butler, 1997).

BOX 3.1   OVERLAPPING CONCEPTS

"*Colonization* is the creation of permanent communities in foreign lands."

"*Colonialism* is the establishment of full state sovereignty over another country or region."

"*Imperialism* is the act of extending a state's political domination over another territory, either directly or indirectly, in order to establish military bases, to protect trade, or for other interests."

Source: Lewellen, T.C., *Dependency and Development: An Introduction to the Third World*, Bergin & Garvey, Westport, CT, 1995, 23.

The British's approach to colonial development has been aptly summed up by Abbott (1971: 68):

> Throughout the nineteenth century colonial development was a matter primarily for the colonies themselves. They were required to finance their economic development from the proceeds of sales of their export crops and whatever private international capital they could attract. They were not encouraged to look to the imperial government for financial or economic assistance, nor did the imperial government in turn actively formulate any programmes for colonial development. Colonial assistance was only given in cases of national emergency, and was purely of a temporary nature.

The roots of globalization can be traced to the period when colonial rule was at its apogee around the world. European expansionism created "opportunities" for the colonies, not because of native volitions but by default on colonizers' preferences, to develop and strengthen linkages with European markets, which thrived on the continuous supply of raw materials for industries in Europe and human resources (enslaved African and Indian laborers) to work in plantations in America, the Caribbean, and Oceania, all under colonial rule. The power relations between the colonial powers and the colonies that crystallized during colonial rule continued the dependency syndrome after decolonization and created the North–South divide that still exists today (Willis, 2005). Colonization gave way to the import of modernization ideals into the colonies in the shape of Western education, liberalism, democracy, secularism, and modern forms of government (judiciary, legislative bodies, bureaucracy, coercive forces). These were constructive gains for the colonies but produced dual outcomes. On the one hand, these enlightened the local leadership with new ideas and created opportunities for nationalist forces to emerge and spearhead movements against colonial rule with success; on the other, these helped

them consolidate the gains of independence and facilitate, by and large, a smooth transition to the postcolonial situation (Cammack et al., 2003). However, as we shall see later in this chapter, this transition did not always lead to positive transformation in politics and statecraft, rather it stagnated the development process.

The Postcolonial State and Development

Decolonization in the aftermath of World War II was thick and swift. Within four decades, most countries in the developing regions were free from colonial rule and became sovereign nations. However, for several initial years of independence, the postcolonial states were mainly concerned with the continuation of the inherited colonial system with certain modifications that promoted the interests of ruling elites. These elites preferred to hold on to the colonial style of administration that manifested a distinctively pro-Western bias given its institutional attributes transplanted from the colonizing country. Being alien to the people, especially in societies (such as in Africa), these clashed with traditional forms of authority (Jettey et al., 2003; Haque, 1996). At the same time, these societies generally were not averse in embracing colonial cultural legacies, such as language, religion, and other Western practices, and incorporating them in their day-to-day life.

The new nation-state was fashioned along Western lines in its structure, practices, and routines akin to the colonial state but essentially mirrored time-honored patterns of social relations. Thus, in the garb of a "modern" state, the postcolonial construction was essentially authoritarian in style; powerful in containing discontent; neopatrimonial in its orientation; clientelist in its approach; elitist in character, still entangled in vestiges of primordialism; and somewhat developmentalist in manifestation (Cooper, 2002b; Clapham, 1990; Young, 2004). To a large measure, a better part of the postcolonial states manifested these attributes until the end of twentieth century; some, however, were able to lighten a few of the adverse ones and take on a new avatar by the 1980s or 1990s. Actually, there is no exact cutoff date for these states to be no longer branded "postcolonial," but for the sake of giving the explanation on state transformation a sequential and consistent consideration, we presumptively, and perhaps arbitrarily, nominate the late 1980s as the beginning of the end of the postcolonial era.*

Manifestations of the Postcolonial State

The postcolonial state, as Alavi (1972: 62) argues, took on "a new and relatively autonomous *economic* role" and "directly appropriate[d] a very large part of the economic surplus and deploy[ed] it in bureaucratically directed economic activity

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* Many countries in Latin America became decolonized nearly two centuries before other countries in Asia and Africa themselves became colonized. However, they manifested attributes of postcolonialism well into the late twentieth century (see Young, 2001).

in the name of promoting economic development." The centrality of the state caused the emergence or was the product of an oligarchy constituted of the rich land owning class, industrial magnates, and a "national bourgeoisie" with bureaucratic, military, and even political support, strong enough to sustain itself, even if for a short-term, but they lacked the legitimacy or the required capacity to work for social and economic change (Alavi, 1972; Smith, 2003; Saul, 1984).

Not all postcolonial societies, however, conformed to this order; there were variations as class conditions, and the forms of domination differed, but, nevertheless, state autonomy in economic affairs was an important element in South and East Asia, to some extent in Latin America and insignificantly so in Africa (Nordhaug, 2006; Haggard, 1990; Hamilton, 1975, 1981; López-Alves, 2000; Mkandawire, 2001). While divergence about the notion of relative state autonomy is widespread in the literature, Marxist or otherwise, it is a truism that certain historical, social, and structural conditions governed the nature of state–society–class relations and notions of relative state autonomy in postcolonial settings.

Initially, as indicated before, the postcolonial leadership in many newly independent countries was disinclined in delinking their states from the economic, legal, and administrative arrangements bequeathed by their colonizers. While similar to its forerunner, the postcolonial state remained largely extractive and authoritarian, powerful and predominant, and neopatrimonial and clientelist; the state suffered from fragility mainly because of the "lack of organic unity or shared values between state and society … [and] … the myriad effects of social change" as well as ineffective capacity to respond to internal demands and external pressures (Clapham, 1990: 42). This created more problems, and backlash from other nationalists denied a role in government. The state–society hiatus was wide with the bureaucracy far removed from the people, whose access to public institutions was constrained because of organizational pathologies and who were excessively patronized by local agents of a highly centralized governmental structure. Political and administrative decision making was concentrated in the capital away from the hub of the rural populace whose requirements were hardly heeded to or whose voice was subdued by a litany of controls. From a social point of view, tensions in multiracial or multilinguistic societies created obstacles toward national integration or common paths to progress, compelling governments to adopt policies that were self-defeating. From the perspective of development, people in the rural areas found it hard to infuse modern practices in their traditional agricultural pursuits.

Colonial economic institutions and practices (such as in banking, finance, and trade) were still in place and only partially receptive to local needs. Although the postcolonial state was considered "overdeveloped" and relatively independent (Alavi, 1972; Carnoy, 1984), it was not stable and strong enough to fulfill its developmental obligations to the desired level. It was also "caught between the requirements of an international community and the social demands of the mass of the people" (Coetzee and Roux, 2003: 513). Thus, modernity that came with

colonialism was "resisted, reinvented, and reconfigured in different social and historical locations" (Gupta, 1998: 9).

In many countries, the delay in political institutionalization gave democracy a rather slow and shaky start. This further bred bureaucratism and sustained an administrative apparatus and aberrant bureaucratic behavior that were condescending of political control and oblivious to people's exigencies. With the job of economic transformation bestowed upon such an institutional and elitist bureaucracy and with representative institutions reduced to playing second fiddle in policy making, appointed public officials ruled the roost without being held truly accountable for their deeds or misdeeds. Actually, after gaining their freedom from colonial rule, many Asian, African, and Latin American countries embraced bureaucratic-authoritarianism, often with the political endorsement of foreign powers and financial support of international aid agencies, and embarked upon interventionist economic development programs (Collier, 1979; O'Donnell, 1973). These programs were initiated under a highly technocratic development regime entangled in bureaucratic structures and rigidities and inattentive to ground realities (Dwivedi, 1994). It has also been argued, mainly in the African context, that the postcolonial state's road to development was blockaded by low level of civic culture and social capital, vertical patron–client relations, lack of social trust, obsession with traditions, ethnic diversity and strife, social polarization, and "use [of] the resources of the state to pursue their political and essentially private aims of power maximization" (Englebert, 2000: 9).

The nationalist leadership taking on the reins of power adopted a developmentalist ideology, which "became central to the self-definition of the post-colonial state" (Chiriyankandath, 2007: 46) and underscored the significance and relevance of central planning as the instrument of growth. However, their path to economic transformation was influenced by models of development manufactured by the international aid agencies of advanced nations of the West (mainly the departing colonial powers continuing to maintain strong links), the World Bank and regional development banks, the United Nations (UN) agencies, and philanthropic foundations that were essentially thrust upon the new states. These "models" drew on the successes of the Marshall Plan, which was effective in contributing to the reconstruction of war-ravaged Europe and was the basis of U.S. President Truman's declaration to help the "underdeveloped" regions of the world. U.S. Congress appropriated an initial $34 million for "a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas" (quoted in Jennings, 2006: 604).

The Colombo Plan

The Marshall Plan provided lessons for aid agencies in designing their strategies for development in postcolonial societies and influenced the UN to embark on constructive efforts for making economic growth and social development self-sustaining in

the developing world. About the same time as the Truman Doctrine emerged as the bedrock of U.S. development aid, the Colombo Plan was launched to help the former British colonies in Asia in their development pursuits by the richer nations of the Commonwealth, such as Britain, Canada, and Australia with the financial support of the United States. Similar to the Marshall Plan, the Colombo scheme also had political overtones—to serve as bulwarks against the rise of communism in Europe and Asia. As one commentator observed, it "had a much broader political and cultural agenda, and [could not] be understood from a humanitarian perspective alone" (Oakman, 2000: 68).* Nonetheless, the Colombo Plan might have had an apparently developmental focus with a "mission" of eradicating poverty and "enrich[ing] the lives of all men everywhere" (quoted in Soward and McInnis, 1956: 145).

The Colombo Plan's main purpose was to facilitate cooperative engagements for economic development in South and Southeast Asia based on the premise that large private investments were necessary for the economic development of the region and this could be accomplished by creating conducive investment climate there. Some early program areas funded and supported by the plan included infrastructure building, agriculture (irrigation schemes, agricultural inputs, and credits), education, health, community development, cooperative societies, industrial financing, energy development, food supply, and technical assistance (Leonard, 2006: 354; Charlton, 1992). This initiative gradually lost its momentum as individual donor countries preferred bilateral arrangements with recipient Asian countries rather than assisting them under a common platform. With time, the plan virtually ended up as an educational assistance scheme, providing higher education facilities to students from the Asian region in the donor countries (Britain, Australia, Canada, and New Zealand). The rationale was to transfer knowledge to the Asian DCs for their benefit. However, this was seen as a political ploy to create an administrative and technical elite accommodative of donor obligations. Moreover, it has been "held responsible for a 'brain drain' by reducing the critical mass of skilled professionals" in these countries (Sidhu, 2006: 10).

UN's "Decades of Development"

The UN drew up elaborate programs for international development based on the notion of multilateralism. The postcolonial states benefitted even if to limited extents and for short durations. In 1961, the UN affirmed the significance of economic and social development and pointed to the need for devising strategies to satisfy social needs and to raise living standards throughout the world. It focused on planning for "balanced and coordinated" development. Separate

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* *Time* magazine (22 November, 1963) expressed its doubts about the real intentions of the plan and thought it was a "formal barrier erected against Red encroachment" in the region. http://www.time.com/time/magazine/article/0,9171,898016,00.html (retrieved 5 September, 2008; see also Charlton, 1992: 18).

economic commissions for Asia, Africa, and Latin America and training institutes under their auspices were established and funded for supporting national governments to develop capacities to formulate and implement "all-inclusive and well-integrated development plans to build up their societies in accordance with their own individual precepts" (UN, 1961). Thus began the UN's *Development Decades* that sought to "employ the international machinery" in creating self-sustaining economic development in the member countries through industrialization; agricultural development; land reforms; trade promotion; mobilization and utilization of resources; elimination of illiteracy, hunger, and disease; improvements in general and vocational education; intensification of research for technological innovation and development; and enhancement of statistical procedures. It should be noted that the UN was keen to see the poorer countries adopt a comprehensive approach toward national development:

> Development is growth *plus* change; change, in turn, is social and cultural as well as economic, and qualitative as well as quantitative. It should no longer be necessary to speak of "economic and social development," since development—as distinct from growth—should automatically include both.
>
> **UN (1962: 3)**

This assertion, perhaps, foreshadowed the dictum of *human development* heralded much later at the end of UN's four decades of development.

However, during the intervening period much was debated about development strategies pursued by postcolonial states generally influenced by the propositions churned out by the Bretton Woods institutions (BWIs), General Agreement on Tariffs and Trade (GATT), or the UN and its several agencies. In fact, the UN General Assembly itself was wary of the outcome of first three development decades, which ended in 1991. Not much that was envisaged in the early 1960s was achievable in a changing-world situation. The goals remained unattained as most DCs went through the rigmaroles of structural adjustment packaged by the World Bank/International Monetary Fund (IMF). For postcolonial states, the 1980s was a decade of squandered opportunities. Still trapped in the dependency conundrum, external aid was still the predominant factor in development, especially for the underdeveloped regions. But the quantum of development assistance declined, selective safeguards and restrictions imposed by the richer countries affected exports from the developing world, the debt burden continued to be a bane, agricultural productivity plummeted, raging inflation caused hardship, recession and economic breakdown crept in, and the poverty situation worsened (Dwivedi, 1994; Goldstein, 1984; Wickes, 1984).

In many countries, development was virtually stalled for historical, cultural, and structural reasons. Existing North–South relations served no meaningful purposes for the DCs, which were affected by the prevailing global economic arrangements.

They demanded drastic changes to the unjust, discriminatory, and inequitable system and rallied behind the so-called *New International Economic Order* endorsed by the UN. But it failed to live up to expectations. As Bhagwati (1977: 1) argues, "Developing countries were convinced that they had little to gain under the existing international economic architecture, with the North at the helm of affairs and therefore, keener on serving its own interests."

Managing Postcolonial Development

How was development managed in the postcolonial state? To answer this question, we need to have an insight into the structure and processes that regulated the way development programs were conceived, planned, and delivered. Within the highly centralized state, the bureaucracy surfaced as the only organized and "rational" institution for managing the affairs of the state—a role that was not only thrust upon it by a weak and nascent political system but also readily accepted by itself reflecting its hegemonic past in a colonial society. Despite credible academic preparation, its members brought along and the highly regimented training and indoctrination processes they went through, the bureaucracy lacked the institutional capacity to go beyond system maintenance and held on to the *status quo* in procedural matters. Similar to the system of public administration that was built upon the managerial concept of Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting (POSDCORB) and the 14 "Principles of Management,"* the administration of development was fairly straightforward and was confined to public officials working within a closed and formal system of vertical and horizontal relationships virtually insulated from the rest of society.

Simply stated, *development administration* in the early days of the postcolonial experience was "the administration of development programs, to the methods used by large-scale organizations, notably governments, to implement policies and plans designed to meet their developmental objectives" (Riggs, 1970: 6) as opposed to the primary functions of the state—the maintenance of law and order and the collection of revenue for public expenditure. The concept of an "economic bureaucracy" was unknown and postcolonial administrative systems were hardly prepared to take on the new role of attaining development goals. The reason was the hangovers from colonial rule. As LaPalombara (1970: 187) remarks,

> Partly because of their entrenched power positions, partly because of their self-image as guardians, partly because of their suspicion of (if not disdain for) the masses, and partly because they are often despised by

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* POSDCORB was introduced by Luther Gulick and Lyndall Urwick in 1937. The 14 principles were advanced by Henri Fayol. These were as follows: division of work, authority, discipline, unity of command, unity of direction, subordination of individual interest, remuneration, centralization, scalar chain, order, equity, stability of personnel tenure, initiative, and esprit de corps.

> both politicians and technical advisors, such administrators [did] not take easily or kindly to newer administrative missions or to demands for popular participation.

For all practical purposes, early development administration was essentially a technocratic course of action highly affected by bureaucratic rigidity and an impersonal approach. It was close enough to be shielded from unwarranted social and political influences. The bureaucracy was at the heart of this process and seen as the creative player and catalyst for change being engaged in cooperative efforts among different specializations (Esman, 1970). Soon after independence, however, bureaucrats were preoccupied with adapting themselves to the new state arrangements rather than applying themselves at innovation and creativity (Dwivedi, 1994: 26). Whatever experimentation they were engaged in was in response to and under the guidance of overseas mentors in aid agencies.

The perception and predisposition of the governing elites toward development issues and its relationship with the bureaucracy were significant obstacles to nation-building and socioeconomic development. Often, these elites were unsure of the appropriate path to take or confused about strategies. Their commitment to reform may also have been suspect insofar as traditional institutions, practices, and behavior influenced their decisions. Administrative capacity improvement was a thorn for the postcolonial leadership in many countries as institutionally entrenched bureaucracies resisted concerted attempts at reforming civil service structures, recruitment procedures, training regimes, and rewards systems. Indeed, total administrative reform, and not just technical solutions to problems, was the missing link in postcolonial development administration. Again, to reiterate the point raised before, because of the postcolonial bureaucracies' overdeveloped attribute relative to other political institutions, they were "heavily engaged in the business of political decision-making, as well as in the process of carrying out decisions that [had] already been arrived at outside the bureaucracy" (Heady, 1970: 461). Obviously, in such a situation, bureaucratization made development administration suffer; it became somewhat oblivious to social and political realities. Bureaucrats went beyond the function of administration or rule application and were equally concerned with other input and output functions of a political system, such as interest-articulation and interest-aggregation as well as rule-making and rule adjudication—mainly the domain of political actors, *albeit* with bureaucratic support. This subverted "the internal relations between the subsystems of the policy and the relations between the polity and society" (Almond, 1960: 172). It also meshed the political and administrative structures in such a way that left public servants almost immune from political accountability and divorced from societal expectations.

In the absence of a formidable and flourishing private sector in the postcolonial scene, the state had to embark on a variety of welfare and developmental tasks including capital development and overseas trade normally performed by nonstate institutions in other situations. After the winding up of many enterprises managed

by the colonials, a void emerged; it then became imperative for the state to create conditions for promoting and bolstering entrepreneurship in agriculture, industry, transportation, and commerce. In many countries, however, excessive bureaucratic interventions and red tape in the early phase of nationhood created obstacles toward this objective. The "centralist hierarchical-bureaucratic organizational modality" (Wunsch, 1999: 243) was perhaps good enough for facilitating economic growth but precluded holistic development.

Over time, the character of development administration changed as governments and donors more seriously appreciated the complex essence of the development process and acknowledged the merits of factoring "freedom, justice, security, and the basic integrity of man as a human being" (Riggs, 1966: 27) in any worthwhile approach to allay poverty, contain other forms of human misery, and cope with environmental hazards.

Beyond Postcolonialism

By the beginning of the last two decades of the twentieth century, the tag "postcolonial" had been made redundant or was no longer applicable to the majority of countries in the developing world. The global political and economic environment had changed or begun to change in sweeping proportions. With the collapse of the Soviet Union, the world became unipolar and new political alignments began to emerge. The transitional economies of Eastern Europe along with other authoritarian countries of the developing regions were beginning to liberalize their approach to politics and governance and embarking on the democratic path. On the economic front, a new global order for addressing security, human rights, business and trade, and environmental issues began to emerge in the turbulence of recession, market instability, fiscal imbalances, and rising unemployment in the developed economies. In the developing world, the flow of resources ebbed, interest rates swelled, commodity prices slumped, and access to the market system became tough and cumbersome.

The UN went for changes in its approach and announced the basics of the fourth development decade (1991–2000): accelerated economic growth (through savings and investments, fiscal and monetary discipline, debt reduction, optimum utilization of domestic and external resources, increasing the flow of development finance, trade liberalization, industrialization, agricultural modernization, entrepreneurship, and innovation) and social advancement through poverty alleviation measures and human development programs, technological and institutional capacity building, citizenship and participation, and so forth (UN, 1990). Implementing this *International Development Strategy* was indeed challenging but not an impossible task for the developing nations. Some in East Asia and Latin America by now had achieved significant progress in economic growth and were forging ahead in social progress and democratic development. For them, economic liberalization preceded political reforms and they were swift in accepting the neoliberal orthodoxy that expedited their march toward democratic capitalism and

smooth integration with the global economic system. With the primacy of the state in place but less interventionist than before, strong political leadership, burgeoning private entrepreneurship, "developmentally driven" administrative apparatus, and free competitive market conditions influencing economic policies, the state in these countries discarded its postcolonial badge and graduated to a "new" form—the *developmental state* (Leftwich, 1996, 2006; Woo-Cummings, 1999).

The Developmental State

After its debacle in World War II, Japan took a rather novel approach toward the reconstruction and development of its ravaged economy. Being a "late industrializer," state intervention or rather state monopolized capitalism paved the way for the country's success on the economic front. The Japanese developmental state focused on two complementary strategies—export expansion and import substitution and regulations and structures were entrenched toward protectionism, insulation from overseas market control, industrial technological development, and self-sufficiency. Top corporate executives, high-ranking bureaucrats, and key politicians constituted a triad or "iron triangle" of elites in governing Japan. The economy benefitted from "the successful maturation of coordinated private and public developmental strategies" in which intermediate private and semiprivate organizations (such as trade unions), managerial entrepreneurism and autonomy, and public–private interactions in policy formulation and implementation played significant roles (Mass and Miyajima, 1993: 153; Arase, 1995). In this scheme, the several "comprehensive development plans" that focused on industrial dispersal and development, education expansion and decentralization, infrastructure building, technological innovation, widened role for local prefectures in development, and generous funding from the Japan Development Bank served productive purposes.

The industrial policies that evolved after the war were implemented by a strong economic bureaucracy whose members were located in institutions of "high growth" and demonstrated pervasive influence in economic management. According to Chalmers Johnson, who is credited for constructing this middle-of-the-road (neither socialist nor free market), ideal-type *developmental state* model, the priorities of the Japanese state, first of all, was economic development, followed by other concerns, such as regulation, plan rationality, welfare, equality, equity, and so on. Policy instruments provided the state with the wherewithal to intervene in economic matters (Johnson, 1982: 305, 306, 309, 310). The elitist bureaucracy was at the nucleus of this developmental state and was the link in fruitful government–business relations. Indeed, the developmental state was the epitome of meritocracy and administrative authority. As Johnson (1995: 13) writes,

> It is recruited from the top ranks of the best law schools in the country; appointment is made on the basis of legally binding national

examinations—the prime minister can appoint only about twenty ministers and agency chiefs—and is unaffected by election results. The bureaucracy drafts virtually all laws, ordinances, orders, regulations, and licenses that govern society. It also has extensive extra-legal powers of "administrative guidance" and is comparatively unrestrained in any way, both in theory and in practice, by the judicial system.

The exchanges between the bureaucracy and the large corporations enabled synergies to develop, coordinated common interests, and contributed to the making of economic policies for better outcomes. In less than three decades, Japan's economy became the second largest in the world. However, despite success, Japan's capitalist developmental state suffered as the triad became increasingly unaccountable for excesses and was embroiled in scandals, corruption, and other forms of malfeasance (Kerbo and Slagter, 2000). In the new global economy and caught in the economic depression of the 1990s, the once omniscient bureaucracy lost its autonomy, became inert and "incapable of making significant reforms or changes in the nation's course," and was snagged by "a heavy thicket of regulation, guidance, and injunction" (Gibney, 1998: 1, 2) and almost ensnared by political and social forces. It has been argued that the Japanese developmental state model overcharged the primacy of the bureaucracy in policy making. It is argued that the "bureaucracy [was] too strong and partisan, the role of the legislature [was] too weak, and the linkages between bureaucratic actors and the private sector [was] too institutionalized and exclusionary to fit the basic premises of pluralist models of policy making" (Arase, 1995: 243).

Other DCs tried to follow Japan's success trail under different circumstances of "social mobilization and economic nationalism" (Woo-Cummings, 1999: 3). Basically, Johnson's conceptualization was that of a *capitalist developmental state*, and strong parallels can be drawn between this form and the ones that developed in other Asian countries. While many features were replicated from the Japanese model, there were differences in their application in pursuing capitalist development, especially in terms of their responses to liberalization, industrialization, and external pressures. Globalization and external pressures led to greater deregulation in the industrial and financial sectors, there emerged more government control over capital accumulation via savings and investment, and private capital formation was encouraged to a greater degree. The frequency of state–business cooperation also increased making it easier for the corporate world to operate (Kim, 2005).

Features of the Developmental State

Korea, Taiwan, and later Singapore and Hong Kong—the *Asian tigers*, as they became known—began emulating the Japanese capitalist development model and erected state structures and framed policies supporting export-based industrialization, foreign investments, and trade liberalization. Their high-performance,

high-gain economy was stimulated by market-driven development strategies that made optimum allocation and utilization of resources for new industries and vigorous export promotion through ingenious planning and interventionist state policies (Amsden, 1985; Tipton, 1998; Fei and Ranis, 1975; Yam, 1995). Japanese colonialism set the tone for Korean and Taiwanese growth, while the British colonial influence had limited direct impact on Hong Kong and Singapore's strategic routes to development. All, however, took prompts from the Japanese and each other's experiences and gave shape to their unique format of the developmental state. They developed almost similar practices in statecraft and economic management and comparable bureaucratic approaches to solving economic problems within hierarchical and authoritative relationship structures (Kim, 2005). A unique developmentalist ideology gave this kind of state its distinctive disposition to pursue sustained economic growth. If Japan epitomized a case of "late development," most Asian experiences can be labeled late-late developmental. Nonetheless, their goals were the same. According to White and Wade (1988: 21), "the phenomenon of successful 'late development'... should be understood ... as a process in which states have played a strategic role in taming domestic and international market forces and harnessing them to a national economic interest."

However, distinctions were noticeable in the form and character of the developmental state that appeared in these countries *vis-à-vis* Japan. The Japanese developmental state operated in a pluralist democratic framework, whereas these countries fabricated a system functioning in a nondemocratic authoritarian political environment. While initially they closely approximated the state-centric model that upheld the primacy of state institutions in governing development, they gradually adopted corporatism that implied "interdependence of government and business rather than the dominance of one actor" (Lee and Han, 2006: 308, 322). The corporatist bias led to institutional arrangements and bureaucratic procedures that positioned the state to guide the market and thereby influence growth (Wade, 1990).

The initial responsibility of guiding economic development in East Asia and elsewhere was assumed by a strong and interventionist state pursuing strategies of governed growth and "providing directional thrust to the operation of the market mechanism" (Onis, 1991: 110). An underlying premise on which the developmental state worked was that social and political stability became necessary conditions for economic growth to occur. The state worked to augment economic growth, improve productivity, and enhance competition within the economy by utilizing command and control mechanisms that stability provided. The financial system, domestic resource mobilization, and the flow of foreign capital (aid and loans) were almost entirely controlled by the state. Public sector enterprises played a key role in sustaining export-led growth and industrialization. The administrative guidance approach to economic growth was an important aspect of the developmental state (Woo-Cummings, 1999). Central direction to the economy was provided by high-profiled competent technocratic state agencies, such as Taiwan's Council for Economic Planning and Development and the Industrial Development Bureau and

Korea's Economic Policy Board. These performed the same role as Japan's highly successful Ministry of International Trade and Industry (MITI).

It was the autonomy that enabled the development state to formulate and realize development goals. External threats and uncertainties pushed the development states in the East Asian countries to initiate reforms that further centralized the state and helped design policies for long-term national gains. Even as the threats of "state capture"* by intrusive social forces or influential elites were attenuated by this autonomy, predation resulting from overuse or abuse of the state's autonomous power was contained through "social anchoring." A developmental state could not be expected to be predatory unless it had been fully grasped by unscrupulous rulers keen to furthering narrow sectional interests (for a discussion on the nature of state predation, see Levi, 1981), yet even in pursuing national developmental goals certain policies and actions of those at the helm may cause it to assume rapacious properties. An effective developmental state required balancing its autonomous power, lest it became predatory, by establishing "a concrete set of social ties that binds the state to society and provides institutionalized channels for the continual negotiation and renegotiation of goals and policies." Evans (1995: 12) argues,

> A state that was only autonomous would lack both sources of intelligence and the ability to rely on decentralized private implementation. Dense connecting networks without a robust internal structure would leave the state incapable of resolving "collective action" problems, of transcending the individual interests of its private counterparts. Only when embeddedness and autonomy are joined together can a state be called developmental.

Embedded autonomy is essential as it "provides the underlying structural basis for successful state involvement in industrial transformation" (Box 3.2).

Thus, an inherent attribute of developmental states has been their capacity to perform and deliver. Generally, the bureaucracy was trained and indoctrinated toward the attainment of economic growth. The efficient performance of the administrative machine not only facilitated the sound implementation of economic policies but also helped garner popular support for the regime in place that boosted its claim for legitimacy (Levi-Fau, 1998). The technocratic skills and experiences of administrators, operating in a development-oriented culture, enabled quick and efficient decisions in government. The elite status accorded to the economic bureaucrats had profound impact on the way the developmental states were organized and functionalized. With an edge in the decision-making process, bureaucrats in the developmental states were there to "rule" and their political masters to

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* State capture is "the efforts of firms to shape and influence the underlying rules of the game (i.e., legislation, laws, rules, and decrees) through private payments to public officials" (Hellman et al., 2000).

> ### BOX 3.2   THREE SIGNIFICANT CRITERIA
> ### OF DEVELOPMENTAL STATES
>
> **Priorities** "aimed at enhancing the productive powers of the nation, rais-
> ing the investible surplus, and ultimately closing the technology gap
> between themselves and the industrialized countries";
> **Organizational Arrangements** "embodying a relatively insulated pilot
> agency in charge of that transformative project, which in turn presup-
> poses both an elite bureaucracy staffed by the best managerial talent
> available, who are highly committed to the organization's objectives,
> and a supportive political system"; and
> **Institutional Links with Organized Economic Actors** "privileging
> cooperative rather than arm's-length relations, and sectors or industry
> associations rather than individual firms . . . as the locus of policy input,
> negotiation and implementation."
>
> *Source:* Weiss, L., Developmental states in transition: adapting, dismantling,
> innovating, not "normalizing", *Pacific Rev.*, 13, 23, 2000.

"reign" (Onis, 1991: 111; Amsden, 1985; Tipton, 1998). The developmental state
bureaucracy closely resembled the Weberian form of bureaucratic recruitment. As
Evans (1995: 12) points out, the staffing methods ensured "[h]ighly selective meri-
tocratic recruitment" of personnel providing them "long-term career rewards" that
"create[d] commitment and a sense of corporate coherence."

Development Strategies and State Roles

Development Strategies in Asia

The primary purposes of the different capitalist developmental states in Asia
might have had some correspondence but the strategies differed. Initially, mer-
cantilism and domestic resource mobilization were favored development strategies
(Nordhaug, 2006). Economic strategies were directed to inflation control, agri-
cultural productivity, and industrialization (Islam and Chowdhury, 1997). Later
this was expanded to cover other priorities including capital-intensive and high-
technology industrialization. Taiwan's development policy was highly influenced
by the dogma of "market socialism" that pronounced state ownership of key eco-
nomic sectors (infrastructure building and manufacturing), private proprietorship
of land, and, and nonstate small- and medium-sized enterprises. The state's pen-
etration in key economic sectors was so remarkable that by the end of the 1990s,
many top business corporations were state owned (Hsiao, 1995). Land reforms had

profound impact on the existing income gap between landowners and farmers, the latter was organized into productive farming communities providing significant boost to agricultural development. From the rural areas emerged a vast labor force, while surpluses from agriculture contributed to industrial capital.

Planning, a vital cog of the development state apparatus, was mainly the function of a strong bureaucracy somewhat shielded from political manipulation. The market, however, was not immune from state intervention as the business world was often influenced by official overtures (Wade, 1990; Hsu, 1994). State intervention covered "direct state investment in industry and other forms of sectoral targeting, import restrictions, export promotions, discretionary controls over foreign investment, strict controls over the banking system, and government-supported institutions to channel technology into favoured areas" (Tipton, 1998: 430). State–labor relation was redefined by the continued surge of industrialization and export promotion as workers made claims to their genuine rights and engaged in collective industrial action (Li, 2002; Bello and Rosenfeld, 1990).

Korea's industrialization was deeply debt centered, and to some measure, this was offset by protecting the economy from market forces as cautiously as possible and by supporting the development of local entrepreneurs, which was a politically motivated move (Amsden, 1985: 87, 90; Evans, 1995: 206). The state's autonomous character permitted considerable financial leverage over the economy and in harnessing capital from both domestic and overseas. Investment in the manufacturing sector was basically a state undertaking with overseas investors just about compelled to go for joint ventures with local firms. The strength, professionalism, and expertise of the economic bureaucracy, patronized by a committed developmental elite, sought to draw dividends from policies directed at long-term gains (Johnson, 1985; Koo and Kim, 1992). While state involvement in the economy was wide-ranging, the private sector (mainly constituted of state-supported *chaebols* or large corporations) capitalized on better terms and conditions granted by the government. Profits from cheap manufacturing contributed in enhancing their technological capabilities (Tipton, 1998). Workers' needs in both the public and the private sectors, however, were overlooked by the government that intensely held its grip on labor–management relations. This provoked similar sorts of labor remonstrations as in Taiwan, but the hard authoritarian state was intensely desirous of maintaining a close relationship with large business firms than seeking the welfare of workers (Li, 2002; Clifford, 1998; Jung, 1995).

The other two NIEs—Hong Kong and Singapore—provide somewhat contrasting examples of the degree of state involvement in economic development, although both places had the British colonial connection. Being small "city-states," their economic developmental problems were not as massive as and arguably more manageable than those of Taiwan and Korea. However, they made rapid strides uplifting their economic status in the world. The Hong Kong state was an appendage of Britain, and its main concerns were law and order upkeep, raising revenue for infrastructure development and public expenditure, and immigration management. The state, initially, was mainly a passive participant in the growth process

but created conditions for the place to become "a wealth-generating machine both for its investors and for its hard-working, entrepreneurial residents" (Li, 2002: 182). Nonetheless, its stake in the economy gradually enlarged and expended public money for massive infrastructure development (Islam and Chowdhury, 1997). It was pragmatic in supporting small business development and created safety nets for their survival in a market economy (Tipton, 1998; Rabushka, 1987).

Singapore has been a classic example of a one-party dominated polity ruled by an elite schooled in Western ideas taking a soft-authoritarian approach to politics and a liberal orientation toward economic growth. Its dominant policies have been import substitution followed by export promotion, foreign direct investment (FDI), public enterprise development, extensive public works, public utilities, telecommunications and later high value-added manufacturing and financial and technological services. These necessitated extensive market intervention by the state as well as direct involvement in economic activities (Tipton, 1998). It has been argued that state intervention has been "largely geared towards production rather than consumption or redistribution" and until the 1990s little was done, as in Taiwan and Korea, to support the creation of a welfare state (Yam, 1995: 73). Actually, the economic role of the state is so all-encompassing that "Singapore society [is] one giant corporate firm with profitability as its target. The government is the board of directors, the top civil servants are managers, and the Singapore residents are shareholders" (Li, 2002: 184). In the past government, policies on collective bargaining and employee staffing matters had the propensity to strain labor–management relations. With one party in power since independence, the bureaucracy is highly meritocratic but politicized and plays second fiddle to all government initiatives.

The success of the original "four tigers" together with the changing global economic climate stimulated other Asian countries, including postcommunist ones, to adopt or expand the statist approach to economic development. A democratizing polity, Malaysia, during the Mahatir era, envisioned a developed country status by the second decade of the twenty-first century and adopted a strategy called the "New Economic Policy" and created institutions to work for rapid economic growth. Positive results were obtained from the agricultural and manufacturing sectors, foreign investments, external trade, and in the employment of skilled and semiskilled workers. With per capita income increasing significantly, the standard of living improved substantially. A burgeoning middle class has had an affirmative influence on the economy (Tipton, 1998). Malaysia's industrialization policy moved from import substitution to export orientation to import substitution (heavy industries) (Alavi, 1996). A blending of state intervention measures and the play of market forces enabled the country to prosper and conferred legitimacy to the regime, but development planning suffered from interethnic conflicts souring relationships between the predominately Chinese businesspeople and the Malay-dominated bureaucracy (Jesudason, 1989). This has had some adverse implications for business–government relations. At times, state intervention miscarried as state enterprises, benefitting from state patronage and preferential access to finance,

incurred heavy losses, while the private sector was denied similar opportunities (Islam and Chowdhury, 1997). Nonetheless, the country was fairly well placed at the end of the 1990s to be tagged a new tiger.

During Indonesia's "New Order" (1966–1998), the country experienced impressive growth but at the same time had to encounter high inflation, budget deficits, and debt-financing. Rising investment, oil boom, labor force increase, and manufacturing sector expansion were some of the elements that contributed to high growth. The state played a key role in this phenomenon and in managing the economic woes. The soft-pedaling of *import substitution industrialization* (ISI) and intensifying export promotion was a pragmatic strategy that by and large served in continuing the momentum. Political stability rooted in authoritarianism was a crucial factor in providing legitimacy to the state's developmental initiatives and a queer institutional arrangement giving the military a direct role not only in politics but also in economics and business established a business cartel that cared and worked for the prosperity of men in uniform. As a vital component of the regime, the military elite in alliance with the bureaucracy developed close business rapport with large multinational corporations or MNCs (Kingsbury, 2005; McCulloch, 2000). But while the military served its own interest, this also had implications for Indonesian development. Similar to other Asian developmental states, Indonesia depended on the flow of foreign capital that fed a large public sector. New investment and trade regimes supported macroeconomic stabilization as well as liberalization (Vatikiotis, 1998; Hill, 1996). While privatization was embraced, many private firms were extended special privileges and were benefitted from being "government-enforced monopolies" (Tipton, 1998: 474). At best, developmental plans were "guidelines for public-sector investment projects" rather than "thorough-going state-controlled" mechanism for change (Hobohm, 1995, quoted in Islam and Chowdhury, 1997: 218). According to Tipton (1998: 474, 475), three groups were instrumental in influencing the state's development strategies: (1) American-trained economists (the "Berkeley mafia") who advocated market-oriented reforms, (2) insiders in government who supported state-led initiatives, and (3) Chinese business entrepreneurs in association with the Suharto family using the state in reaping financial advantage.

During the Mao era, the monolithic Chinese state approached development along a clear ideological path—socialism—and the preferred strategy was Soviet-style national planning. While "experts" did have a place in this mode, the overriding influence of the party leadership always had its way. The catalysts of change at the commune level were active cadres controlled by the state or party bureaucracy. It was in the post-Mao period that the planning mechanism was rationalized and technocratized (Tipton, 1998: 297–301). The diffusion of ideas and practices from external sources, especially from the neighboring developmental states, has had considerable impact on China's opening of its economic boundaries to the outside world. In the 1980s, independent "think tanks" consisting of economists and bureaucrats were assigned the task of designing appropriate economic policies (Naughton, 1995). Shifts

in economic policy occurred intensely and generated industrial transformation, new trading practices, FDI, market-oriented entrepreneurship, productive rural enterprises, and so on. The autonomy of state enterprises was enlarged. By the end of the 1990s, Chinese growth rate had achieved a phenomenal rise (Moore, 2002; World Bank, 1997). Central planning, a core component of the Mao and post-Mao eras was gradually toned down, and a shift toward decentralized economic decision making gained prominence (World Bank, 1992a; Naughton, 1995). As markets gained in importance, "the demand for planning was reduced" because of "its inability to respond quickly to quick changes in the economic environment" (Naughton, 1995: 12). The Chinese developmental state generally succeeded as "it followed economic logic and benefitted from favourable initial conditions" (Pomfret, 1998: 291). The "all-encompassing role of the government [was] … greatly reduced, mandatory plans abolished, prices decontrolled, and administrative controls decentralized" (Wong and Chen, 1995: 113; see below for more on the Chinese case).

Development Strategies in Latin America

Unlike the rest of the so-called Third World, most Latin American countries won their independence as early as the first half of the nineteenth century and achieved some degree of economic and commercial success compared with many advanced countries of the present era. It was the Great Depression and other postwar episodes that had wide implications for Latin American capitalist development in the latter part of the twentieth century. Several factors, such as the usefulness of *laissez-faire* economics, demographic changes, and changing relations with the external world and economic agendas of the United States and Western Europe kindled rethinking of the strategies pursued for several years after World War II. Phillips (2004) notes that ISI, which replaced decades of export-led growth (Bulmer-Thomas, 2003; Cammack et al., 2003),

> was elaborated on the basis of three central policy goals: the further development and consolidation of the industrialisation drive through a more coherent system of state intervention in the economy; the political integration of the working classes through a programme of social reform; and the achievement of some degree of national autonomy *vis-à-vis* the international economy.

However, these policies were only partially effective as the initial impressive economic growth trend could not be sustained because of fluctuations or decline in agricultural and industrial productivity and the growing debt burden despite the Latin American economy being fundamentally inward oriented until the early 1970s rather than the converse similar to the East Asian countries. ISI, the preferred route, staggered as firms failed to optimally utilize capacities and reach targeted outputs. Unemployment and underemployment, inefficiency, poor management,

and labor disquiet characterized the industrial sector. Agricultural development stagnated but received scant attention. Land reform did not provide desired results, and income distribution was severely unequal (Ward, 2004; Twomey and Helwege, 1991; Bulmer-Thomas, 2003). The continued deepening of state-owned industries transformed them into national monopolies, but managerial incompetence and failing worker productivity gradually made them sick and ultimately denationalized. Declining growth persuaded a return to exports (nontraditional and manufactured items) and thus to outward-oriented growth.

Policy changes were applied but for little avail as political instability and frequent military dictatorships in some countries impinged on policy continuity. Economic dissimilarities in the continent caused disproportionate economic growth among the countries. The larger countries (Brazil, Argentina, and Mexico) did better than the smaller ones in pursuing and gaining from ISI. Prioritization of one sector over another caused economic imbalance within countries, while industrialization-induced urbanization widened the rural–urban gap and escalated poverty in the countryside. Furthermore, the balance of payments disequilibrium influenced the debt crisis (Schmitt and Burks, 1963; Ward, 2004).

The nature of the developmental state in Latin America was quite different from the one that emerged in Asian countries where same regime dominance for long periods helped policy continuity. The latter was true only for some Latin American countries between 1960 and 1980 where the recurring and continual presence of the military had some positive developmental ramifications (Smith, 2003). Most economic development initiatives happened during military rule or, more specifically, under "bureaucratic authoritarianism," "populist authoritarianism," and "military populism" (Malloy, 1977: 3). These regimes, supported by a strong bureaucratic apparatus and a cohesive middle class and capitalizing on existing clientelism, placed the state at the center and adopted an interventionist approach to economic development. The state, directed by a strong executive with heavy concentration of political and administrative power, had under its fold a variety of public organizations apart from the normal executive agencies of the government. These included public corporations, financial institutions, regulatory boards, state-owned enterprises (SOEs), and so on (Graham, 1990; Tedesco and Barton, 2004). Initially, the Economic Commission for Latin America and the Caribbean (CEPAL) and later the World Bank stimulated state intervention in the economy by supporting the nationalization of public utilities, financial institutions, and mining companies and expansion of SOEs for augmenting capital accumulation and, in some countries, in establishing private sector profitability (Bulmer-Thomas, 2003). In some of the liberalizing Latin American economies, ISI, which was also instrumental in changing the nature of social relations by stimulating the emergence of labor organizations, was either complemented or rivaled by multinational manufacturing firms whose entry had a significant impact on the economy. While creating more autonomy for the state, ISI also helped forge alliances between different interests that advanced a "national populist and developmentalist ideology" that supported "an industrialisation strategy geared towards the national

market" (Tedesco and Barton, 2004: 53; Cammack et al., 2003). Though ISI was the favored approach and public sector restructuring a vital mechanism in building growth, the private sector was also encouraged to expand.

The bureaucratic-authoritarian developmental state that emerged in postwar Latin America sought to correct the adverse conditions in the economy, such as "erratic and declining growth rates, decreasing investment, flight of capital, sharp intersectoral changes of income, recurrent balance-of-payments crises, high inflation" and removed dangers to the prevailing international capitalist system (O'Donnell, 1977: 56). Such a state was sustained by a "strong and relatively autonomous" machinery of government aimed at establishing "a system of interest representation based on enforced pluralism" via "a limited number of authoritatively recognized groups that interact[ed] with the governmental apparatus in defined and regularized ways." Vertically organized along functional lines, these groups (labor organizations, business associations, and other commercial interests) linked the state to society using the norms and structures of corporatism (Malloy, 1977: 4; see also O'Donnell, 1977). But all stakeholders in the corporatist process could not protect themselves from partisan influences, as in Venezuela, where business federations were more autonomous than others (Corrales and Cisneros, 1999). Nonetheless, corporatism served the interests of the development elites (landed, commercial, and industrial) whose fixation with ISI and reticence deterred a move to an open market scheme. They were keen to preserve their control over the economy. World Bank and IMF stabilization programs were also instrumental in slowing down initiatives for genuinely preparing the countries for economic liberalization reforms (Bulmer-Thomas, 2003; Wiarda, 1997).

Argentina, Brazil, and Mexico share a long history of industrialization and were typical examples of inward-looking economies. These countries made rapid strides in transforming their approaches to economic growth by embracing fully-fledged ISI strategies but faced enormous difficulties in containing chronic inflation (Bruno et al., 1991). In Brazil, for instance, targeted economic planning improved industrial productivity, increased employment and consumption, and activated housing development but, until the beginning of the 1980s, short periods of recession and booms had a debilitating effect on economic development because of declining productive investments and inflationary conditions. The compensating structures for offsetting financial problems were weak and the macroeconomic mechanisms had loopholes. The government had to bow down to the dictates of the BWIs and implement stabilization and structural adjustment programs (SAPs; Studart, 1995). Even a tripartite alliance between the government, MNCs, and the private sector could do little "to improve private profitability and to encourage new private-sector initiatives" using public investments (Bulmer-Thomas, 2003: 344).

Soon after World War II, the Argentine dictatorship took over the reins of the economy and enforced stringent measures, created state agencies for financial control, and nationalized natural and power resources. Poor macroeconomic

management, however, had baneful effects forcing the military government to deregulate the economy to improve the investment climate, allow capital flows, simplify the exchange system, decentralize banking, eliminate trade barriers, and revitalize agriculture (Fillol, 1961: 54). These efforts also had limited effect. The Argentine state did more to preserve bureaucratic interests than work for wider societal welfare, and both corporatism and pluralism seemed elusive as

> successive governments … increased the importance of public enterprise and government regulation without concomitantly institutionalizing a political process whose basic rules everyone [came] to accept. This is why the state look[ed] incredibly powerful but really [was] very weak. It [was] always quite powerful in its patronage, regulation, economic subsidization, and investments, creating for itself clienteles that [were] deeply involved in its activities.
>
> **Wynia (1992: 159)**

The Mexican state was known for its expansive and ambitious policies before the economic crisis of the early 1980s. It had resorted to state intervention in the economy and in the creation of public enterprises at the behest of the executive, but perhaps unlike other developing nations, the degree of such intervention was later statutorily controlled, and only strategic sectors were set aside for state management. This enabled privatization or intergovernmental transfers of SOEs. Various forms of deregulation accompanied the declining role of the developmental state in Mexico. Price controls, in particular, were relaxed to enable the influence of market forces and contain inflationary pressures. Several attempts at stabilization were made, but these largely failed to bring the economic situation under control. The government was then compelled to enter into an accord with representatives of labor, business, and agricultural producers. Known as the "Economic Solidarity Pact," its primary purpose was to introduce fiscal discipline, maintain income-inflation balance, and liberalize trade. It produced positive outcomes (Lustig, 1998). The pact was an example of the corporatist approach to economic development, and it helped produce positive outcomes in economic restructuring (Whitehead, 1989).

Development Strategies in Africa

Explaining the uniqueness of the "developmental state" in Africa is a difficult task because of the social, cultural, and political complexities and varying traditions extant in that continent and ambiguities and contradictions surrounding the ideology of development. As one author (Ake, 1996: 14) notes,

> The state in Africa has been a maze of antinomies of form and content: the person who holds office may not exercise its powers, the person who exercises the powers of a given office may not be its holder, informal

relations often override formal relations, the formal hierarchies of bureaucratic structure and political power are not always the clue to decision-making power. Positions that seem to be held by persons are in fact held by kinship groups; at one point the public is privatized and at another the private is "publicized," and two or more political systems and political cultures in conflict may coexist in the same social formation.

Indeed, until the 1960s, the African state was almost a nonentity and was fragmented in the sense that its constituent institutions were not unified to engage in harmonious operations (Chazan et al., 1999). Within the next three decades, "the African state had become the most demonized social institution in Africa, vilified for its weaknesses, its over-extension, its interference with the smooth functioning of the markets, its repressive character, its dependence on foreign powers, its ubiquity, its absence, etc." (Mkandawire, 2001: 293). Its weakness made it susceptible to capture by "vested" interests, thereby eroding its autonomy and the prevailing dependency syndrome, ideological void, and incapacitated administrative apparatus served as deterrents to the state assuming primacy in managing development. African nations lacked the political support that would have enabled them to be "integrated into the world economy, [rather] they were largely marginalised and experienced slow growth and stagnation" (Aryeetey et al., 2003: 2).

Generally, up until the 1970s, most African governments were fairly strong but, compared with the East Asian countries, failed to return appreciable economic performance caused by "a combination of adverse external developments, structural and institutional bottlenecks and policy errors" (United Nations Conference on Trade and Development [UNCTAD], 2001: 4, 5). They were poorly supported by inept and indifferent bureaucracies and inefficient public administrative systems. They resorted to excessive interference of the production process. Unsound policies led to bad investments, unproductive utilization of resources, and apathy toward private sector development (Yansané, 1996). The debt crisis was a major problem that worsened by the decades until the 1990s. This was created by declining export growth, a pitiable investment situation, lack of technological progress, and a failure by the countries to cooperate on common issues such as the environment.

Centralized economic development planning produced ambitious plans often tinted by vague general economic goals that targeted high growth rates. The emphasis was on the state's role in augmenting growth through regulatory controls and institutionalized monopolies rather than on market-influenced corporate business contributing to the economy (Ezeala-Harrison, 1996). Tanzania, Ghana, and Uganda, by and large, subscribed to this strategy and generally supported the creation of a public sector economy. On the other hand, Kenya and Nigeria supported private productive enterprise on the heels of "neo-Marshallian, modified laissez-faire planning" and a limited role for the state (Green, 1995). Although

agriculture was the mainstay of the African economy, it was underprioritized *vis-à-vis* industrialization, which was preferred as the "best strategy to achieve economic development" (Ezeala-Harrison, 1996: 45). However, a half-hearted approach to industrialization was apparent as various policy instruments were freely used in stimulating investments (Green, 1995; UN, 1961).

Economic policies were not geared to absorb external shocks and failed to stop declining output and trade deficits. Economic inefficiencies were also the product of a financial system that was noncompetitive, shallow, and repressive. There was "a strong bias against nascent private entrepreneurs, accompanied by extreme optimism about the capacities of the state in promoting development" (UNCTAD, 2001: 49, 2007a: 70). The state was ill equipped in efficiently managing development programs. Planning techniques were faulty, while implementation was affected by undue complexities. The bureaucracies were bereft of the capacity in coordinating policy development and program implementation, in properly handling the productive resources or in efficiently marketing output (Sahn, 1996). While lacking the essential administrative mechanism to engage in constructive development, the African states indulged in excessive expansion of their bureaucracies. The outcome was inauspicious as this

> create[d] a privileged group that gradually developed corporate interests of its own. Civil servants stood out in comparison to other groups … The manner of bureaucratic expansion enhanced their status and opened opportunities for the personal aggrandizement of state officials at the expense of other groups.
>
> **Chazan et al. (1999: 55)**

These expanding bureaucracies with levers to manage and allocate resources were complemented by public corporations, which became instrumental in a variety of developmental undertakings.

To arrest negative growth and improve economic performance, the African response to structural adjustment directives from the BWIs was rather lukewarm as they were seen as devices that weakened the state's hold on economic development and exposed the economy to the caprices of market forces. Moreover, the adjustment initiatives "dismantled the state-mediated mechanisms of capital accumulation" and also failed

> in putting viable alternative mechanisms in their place. Unleashing market forces through liberalization and deregulation … often led to greater instability and failed to generate appropriate incentives, while institutional weaknesses and structural constraints … prevented incentives from being translated into a vigorous supply response through new investment for the expansion and rationalization of production

capacity. There has been a remarkable failure to take proper account of external conditions in policy design.

UNCTAD (2001: 50)

The advent of neoliberal reforms meant changes in the priorities and actions of the state in Africa and many other countries in the developing world. There began paradigmatic shifts in the way states and governments envisioned and approached economic growth by adjusting to the imperatives of globalization and in responding to the demands of external donors and aid agencies. The process of interaction between states and markets took new dimensions as the prominence of the latter surged in a new global economic milieu. Apparently, markets grew stronger as states declined in their capacity to mobilize and harness resources for national development and societal welfare.

Shifting Dimensions of the Developmental State

From the 1980s onward, states in the developing world, both developmental and prodevelopmental, gradually succumbed to the forces of the market and the influences of globalization and began, perhaps spontaneously on their own or reluctantly under external pressure, the makeover to a new form that sought to pull back the state from many economic activities and to integrate their economies with the global capitalist system. Changing aid strategies of Western countries and development agencies (*viz*, the World Bank, IMF, Organization for Economic Development and Co-operation [OECD], and regional development banks), newly emergent trading regime applying untried operating principles, shifting priorities of international investors and their forays into new territories, and the growing pressure of civil society for political and economic reforms were the agents of this transformation. In many Asian countries, the gradually shrinking jurisdiction and diminishing autonomy of the developmental state left it vulnerable to capture by vested economic interests and diluted its capacity to counter external shocks and uncertainties such as those exemplified by the causes and effects of the late 1990s' Asian financial crisis. Internal constraints, such as administrative failures, reduced emphasis on distributional issues, rising rent seeking and corruption accompanied by emerging "crony" and "booty" capitalism somewhat derided the miraculous achievements of the developmental states. Other changes such as more conspicuous presence of civil society organizations (CSOs) in social and political life and movements for democratization wore away the insulated characteristic of these states and made them sensitive to political demands (Wong, 2004; Pekkanen, 2004; Suh, 2007).

Neoliberalism encapsulated by the *Washington Consensus* changed state–market relationships (Williamson, 1990a). It has been argued that liberalization initiatives, as part of Bretton Woods' SAPs, has not always augured well for the developmental

states as they "forfeited the[ir] capacity to oversee the market as a consequence of liberal reform. The erosion of the state's capacity to govern the market involved the weakening of its ability to adjust to changing economic conditions and to coordinate conflicts between social interests" (Lee, 2000: 116). However, neoliberal notions did not cause a complete reversal of the way the state and market interacted and interconnected; rather, the relationship has been redefined. Some commentators argue that the unleashing of market forces has not decapitated or reduced the state. Rather, its role in economic management has been enhanced and variegated with the assigning of new regulatory, procedural, and facilitative functions. The introduction of multitiered governance attended by public and private agencies, the growing intervention of a variety of nongovernmental organizations (NGOs), and global economic policy networks have also added to the matrix. Indeed, the state has rediscovered itself or has been reinvented to be more adaptive (Sørensen, 2004; Weiss, 2003).

Most DCs, less successful in achieving the growth rates of some Asian and Latin American countries, however, were constrained by problems that were directly responsible for reinforcing the poverty and inequality syndromes. These countries were victims of poor economic management by their governments as well as internal demographic shifts, social variance, and both natural and artificial disasters and external globalization and market pressures. High inflation, fiscal imbalances, trade deficits, high interest rates, growing overseas debt, declining productivity, and other macroeconomic complications raised their stakes in the international financial arrangements. Depending on external aid and borrowings, these debtor countries were given a "raw deal" by the international lending community by being subjected to tough new *conditionalities* in continuing to get funding for their development and growth efforts. A new unequal relationship between creditor nations/institutions and debtor countries emerged (Streeten, 1988; Nelson, 1990).

Macroeconomic Stabilization and Structural Adjustment

To correct the plummeting economic situation, the IMF from the 1980s pressed economically afflicted DCs to readjust their economic regimes by implementing its prescribed economic policies. The IMF package had two components, namely, stabilization and structural change, and contained an array of measures, namely, interest rates hike, cutting back on public expenditure, increasing taxes, wage increase control (abolishing wage indexation), cutting import tariffs and quotas, currency devaluation, privatization of SOEs, eliminating state subsidies, abolishing foreign investment restrictions, deregulation for export promotion, financial market regulation, and increased openness and transparency in governance (Stiglitz, 2003; Todaro and Smith, 2003; Nelson, 1990). These criteria needed to be met to ensure funding. Summing up the main thrust of the prescription, Stiglitz (2003: 96) wrote,

> The IMF would claim that imposing these conditions was the responsible thing to do. It was providing billions of dollars; it had a responsibility to make sure not just that it was repaid but that the [developing] countries "did the right thing" to restore their economic health. If structural problems had caused the microeconomic crisis, those problems had to be addressed.

Thus, the format of the developmental or the development-oriented state and the way it governed the economy and related it to market forces began to change. The Fund-Bank packages (short-term stabilization and long-term structural reforms) were critically assessed. Many analysts considered the economic dimensions, while others examined the social and political and discovered a range of problems. As Nelson argues (1990: 4), the proposed measures were "complex and controversial at a technical level and immensely conflictual at ideological and political levels." IMF stabilization directions and the World Bank's SAPs were underpinned by conditionalities, considered central to policy-based lending, which were applied to enforce the "iron law of economics" often discounted by countries when financial conditions were not supportive (Braithwaite and Drahos, 2000: 125). The strict conditionality obligations were seen to undermine the economic sovereignty of recipient countries as debt relief was restricted to only those countries getting their economic policies approved by the IMF, which being in an authoritative position *vis-à-vis* client governments called the shots without heeding to alternatives or pleas for modifications. Apparently, the conditions set forth were insensitive to local circumstances. *Policy ownership* was sort of snatched away from national governments, and this generated "the lack of trust between the [IMF] and its recipients" as "forceful conditions . . . turn [a] loan into a policy tool" (Stiglitz, 2003: 43, 44). SAP was similar to a bitter pill that had to be swallowed by the poorer countries "not only out of the hope that it could provide access to the external resources needed to restore growth, but also out of the fear that a failure to adopt such policies would cut off access to foreign capital and led to negative growth" (Green, 1998: 213).

Almost until the end of the twentieth century, the IMF and World Bank programs predicated on conditionality norms, apart from transgressing and overriding national sovereignty, were considered overwhelming and highly intrusive in governing a DC's economy. Conditional lending for adjustment was ineffective in promoting reform, improving growth, or reducing poverty (Drazen, 2002; Easterly, 2005). From a process angle, critics also argued that "agreements on conditionality [were] reached in nontransparent discussions between small groups of government officials and World Bank (and IMF) representatives without due consideration and participation by stakeholders, including civil society" (Koeberle, 2005: 59, 60; Alexander, 1993). This undercut the relevance of domestic institutions and undermined the democratic process, still feeling its way in many DCs (Stiglitz, 2003). Moreover, the SAP objectives could not be properly implemented by democratically elected governments as these were prone to be unpopular with citizens or groups disadvantaged

by the cuts in government spending in education, health care, and the environment; the removal of subsidies from basic necessities; and other social costs. Possibly, non-democratic regimes were more at ease in obliging the BWIs (Alexander, 1993).* But, even in such situations, it was difficult for them to sell their "doctrinaired" policies to unsure or cautious governments and so invested in the indoctrination of civil servants and planning officials "in an economic ideology that equate[d] development with export-led economic growth fueled by foreign borrowing and investment" (Cavanagh and Mander, 2004: 56) thereby perpetuating dependency.

SAPs failed to take into account social, ethical, and environmental realities. From a social point of view, distributional aspects, human rights issues, and welfare matters were not given due attention in framing adjustment policies (Alexander, 1993; Wilbanks, 1993). The poverty situation did not improve as hunger and malnutrition continued to trouble the vast majority, especially in Africa where gross domestic product (GDP) declined substantially and social conditions deteriorated considerably. Slower growth, increased poverty, lower incomes, low human development indicators, increased debt burdens, and decrease in health care and increase in disease were some of the effects of structural adjustment initiatives in Africa (Ismi, 2004; UN/Economic Commission for Africa, 1989). In South Asia, the impact was similar (Acharya, 2003).

In Latin America, adjustment reforms favored export-oriented primary producers resulting in the displacement of farmers laboring for the domestic consumers. Declining social spending affected the health and education sectors. Women were also victims of SAPs, being forced to give up household chores and work outside at low wages to make ends meet. Significant increases in child labor were apparent as were dramatic increases in income inequality and dependence (Barnet, 1990; Alexander, 1993; Bajraj et al., 1997; Glassman and Carmody, 2001).

One declared rationale of the conditionality instrument was to help DCs create a new policy environment and improve their policy development and implementation capacity. Stabilization and structural adjustment, however, required too many policy changes to be put in place at great haste. This created a challenge for both policy framers and implementers, and the lack of institutional capacity, weak political commitment, and public antagonism overrode any attempt to facilitate the reforms (Amobi, 1993). Governments were hard-pressed to reconcile the Bank-Fund demands for drastic reforms and the needs of the vast populace, majority of which was economically disadvantaged and unable to cope with the impact of adjustment (Osunsade, 1993).

SAPs suffered from implementation breakdowns as performance criteria were often misinterpreted or missed. Governments were diffident to accord high priority to poverty alleviation and so was the propensity of influential quarters to block reforms that did not target their cause. Growth could not be accelerated and

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* A World Bank analysis, however, suggests that "democratically elected governments have a higher probability of successfully implementing reforms" (Dollar and Svensson, 1998: 16).

thus poverty and inequalities endured. Little was achieved in social service provision, and the poor faced economic adversities (Killick, 1999). Overall, despite some small benefits, the results with structural adjustment were marginal. Actually, SAPs mainly targeted macroeconomic stability through neoliberal reforms rather than focusing on "issues involving governance, institutional structure, policy ownership, and the social costs of adjustment" (Stern et al., 2005: 160). Thus, the IMF- and World Bank-initiated programs did not work as expected by the protagonists and failed to protect the economies of the developing world, particularly in Asia, from the crisis that rapidly swept across the region and beyond in the late 1990s.

This crisis and its ramifications have been extensively analyzed by academics, think tanks, and aid agencies (see Radelett and Sachs, 1998; Haggard, 2000; Goldstein, 1998; Agénor et al., 1999; Carney, 2008). So massive and penetrating was the crisis that the very foundation of the capitalist developmental states was shaken as they failed to counter the perils of "fast-tracked" capitalism. Overinvestment, densely accumulated foreign debt, sharply declining value of national currencies, huge depreciation of stock markets and asset prices, application of irrational criteria in credit allocation, unprecedented collapsing of businesses, soaring unemployment, disproportionate balance of payments, expensive debt servicing, unsound corporatist policies feeding crony capitalism, and so on were the features of the crisis. The causes of the crisis were "investor panic coupled with the intrinsic volatility of international capital markets … ; unanticipated exogenous shocks and unfavorable external economic developments; and structural weakness and mismanagement of the domestic economies" (Sharman, 2003: 10). Flawed policies or their wayward implementation by poorly governed institutions added to the woes. The overemphasis on financial liberalization weakened the state's capacity to properly regulate the financial system, set and maintain accounting standards, enforce corporate governance imperatives (including transparency, accountability, and legal protection), assess and manage financial risk, and oversee the operations of the private sector (Lim, 1999; Kumar and Debroy, 1999). The initial crisis in the financial sector flowed on to the real national economic sector and caused immense social disruptions as the number of jobless increased massively and inflation led to the worsening of the poverty situation and heavy reduction in public spending by governments in the education, health, and housing sectors (Kerongkaew, 2002). Some commentators argue that the meltdown was the result of overriding state intervention, inadequate and weak regulatory controls, and weak transformative capacity (Weiss, 1999; Stiglitz, 2002). Indeed, the IMF/World Bank prescriptions were unsystematically and hastily implemented without relevance to the uniqueness of the Asian conditions (Hellman et al., 1997; Radelett and Sachs, 1998).

The Chinese Model: An Alternative?

The "Washington Consensus" and its sequels were thrust upon the DCs as the preferred way out of economic stagnations toward prosperity. While for most

developing nations, its offshoots were unpleasant and unavoidable, China adopted its own strategy of development that is in striking contrast to the Washington Consensus (Miles, 2004). Scholars have branded this alternative strategy as *The Beijing Consensus.* According to one of the staunchest champions of this model, Joshua Ramo (2004: 4, 5),

> The Washington Consensus was a hallmark of end-of-history arrogance; it left a trail of destroyed economies and bad feelings around the globe. China's new development approach is driven by a desire to have equitable, peaceful high-quality growth, critically speaking, it turns traditional ideas like privatisation and free trade on their heads. It is flexible enough that it is barely classifiable as a doctrine. It does not believe in uniform solutions for every situation. It is defined by a ruthless willingness to innovate and experiment, by a lively defense of national borders and interests, and by the increasingly thoughtful accumulation of tools of asymmetric power projection. It is pragmatic and ideological at the same time, a reflection of an ancient Chinese philosophical outlook that makes little distinction between theory and practice … The Beijing Consensus is as much about social change as economic change. It is about using economics and governance to improve society …

By following its own strategy, China achieved staggering growth rates even during times when the rest of the world languished under deep economic crises. Since the end of the Cultural Revolution in the mid-1970s, the communist regime completely transformed the economic system by discarding earlier approaches to solving problems. Thus, reforms have opened up the economy to market forces, expansive modernization programs have been undertaken, rapid urbanization has taken place, industrialization has reached new heights, Chinese products are flooding overseas markets, economic and trade relations with the West and other DCs have increased, Chinese investments in other parts of the developing world have expanded, considerable technological advances in many fields have been achieved, and its participation in the world economy intensified. The country has now become the epicenter of regional growth with the influx of investors there. More important, the extent of poverty has been dramatically reduced (Todaro and Smith, 2009: 193–9; Qian, 2003). Moreover, all these have taken place within a "nondemocratic" political framework—total control of the political executive over policies and institutions, absence of effective regulatory structures or accountability mechanisms, lack of deference for human rights, ineffectual judicial processes, and, more importantly, the deficiency of the rule of law. This is paradoxical given the widespread arguments, assumptions, and aphorisms of some scholars that development works best in a democracy or complements one another (Sen, 1999; Przeworski, 2003; United Nations Development Program [UNDP], 2002). Apparently, the Chinese

case substantiates a group of other scholars who argued otherwise (see Chapter 4). Therefore, does the Chinese experience offer an alternative development model for the rest of the gradually democratizing developing world?

Considering the dynamic performance of the country in economic and business relations in a turbulent economic environment, it does provide a competitive alternative to development (Todaro and Smith, 2009: 193–8), but to what extent democratic values and ideals will need to be compromised to achieve economic prosperity in a globalized world is the moot question. However, as our focus in this book is about development in a democratic setting, we are not analyzing the Chinese model in detail.

Implications for Development Management

Since decolonization, the state in Asia, Africa, and Latin America have undergone many changes in their structures and functions. The postcolonial state that succeeded the colonial was by and large highly centralized, elitisized, and bureaucratic in character but bereft of the required legitimacy to engage itself in large-scale comprehensive programs in development and change. To a large extent, it was far removed from the people. The state was powerful insofar as it had firm grip on the command and control system and enjoyed relative autonomy *vis-à-vis* other societal institutions. But, at the same time, it was fragile in handling internal demands and external pressures and the differences in the value-system it subscribed to and those of society at large. The structures of managing development were fragmented, dysfunctional, and unresponsive to local demands. Decision making was invariably top–down, urban–centric, and devoid of inputs from the ground. The development regime was basically technocratic, influenced by central planning and heavily dependent on external aid and technical assistance. Global initiatives toward integrated development, such as the UN's "development decades," faltered because of domestic problems and administrative malfunction. Over time, the international development regimes (IDR) spearheaded by the World Bank and the IMF began influencing development strategies in the DCs.

The developmentalist state that evolved and functioned in East Asia, in particular, brought about remarkable economic transformation in the region and presented a new model to the rest of the developing world. Some countries achieved in some measure in emulating the "East Asian miracle," while others faltered, as in sub-Saharan Africa, or partially succeeded, as in Latin America and Southeast Asia. At the same time, in these developmental states, "many of the institutionalised relationships that were formerly so effective and functional bec[a]me self-serving and obstacles to needed reform" (Beeson, 2004: 36). These reforms had to be brought about within the ambit of a structural and functional entity such as the developmental state but perhaps attuned to the exigencies of the changing global matrix. The art of managing development took on a different pattern with

bureaucratic-authoritarianism gradually giving way to more links and cooperation with nonstate players.

The Asian financial crisis and the tide of globalization led to a repositioning of the state in development. It virtually signaled the dismantling of the developmental state and initiation of a new strategic direction in addressing the problems of economic growth and social development. Both phenomena instigated new policy responses from within state structures and the international development community (IDC). By the end of the last century, the search began for a new developmental state that would "be capable of using its power not only to improve economic efficiency, but also to redistribute resources in response to populist pressures, since a new developmental strategy requires governing social capability of socioeconomic arrangement" (Suh, 2007: 392). This we call the *inclusive developmental state* (IDS) working for economic growth and human prosperity within the domain of democratic governance.

Review Questions

1. What was the nature of development during colonial times in the developing nations?
2. How would you explain a postcolonial state? How was development managed by this state?
3. How did the developmental state evolve and what were its principal features?
4. What were the significant variations of capitalist development in Asia?
5. What were the similarities and differences between the development strategies of Latin America and Africa?

Further Reading

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Chapter 4

The Inclusive Developmental State and Institutions of Development

> Our object in the construction of the state is the greatest happiness of the whole, and not that of any one class.
>
> **Plato**

Introduction

The Asian "model" of the developmental state with its goals and strategies worked well for several years mainly for its contribution toward raising economic growth in the countries where it evolved and elsewhere where it was experimented with. In the changing global context, however, this peculiar brand of state gradually outlived its usefulness and needed to be replaced with one that would be more democratic and participatory, propoor and citizen centered, networked and informatized, accessible and interactive, internationally cooperative, environmentally friendly, and crisis preventative. Several global institutions, civil society organizations (CSOs), academics, and practitioners over the past few years have advanced new paradigms of development that enunciated new strategic roles for key stakeholders in

development within recreated enabling structures that are expected to be organic in their orientation and adaptive to new circumstances. On the basis of these paradigms, we can identify the attributes of an *inclusive developmental state* (IDS) that would most appropriately serve the interests and well-being of peoples and communities. In the IDS, economic growth is not to be an end in itself but the means to enduring human prosperity and sustainable global development.

Reinventing Development

From the 1970s, critics of orthodox economic prescriptions for development and the modernization recipe began to question the credibility and usefulness of prevailing neoclassical assumptions and policies about development. Development economists, sociologists, and practitioners were disappointed with the results of strategies recommended for the poorer developing nations, and uncertainties about the "trickle-down" effect of economic growth or impact of modernization were manifest in their writings (Bernstein, 1972; O'Brien, 1975; Streeten, 1972; Arndt, 1989). In practical terms, rising gross national product (GNP) did not always ensure employment or improvement of the poverty situation. Nor did it narrow income differentials or remove social inequities (Griffin and Khan, 1978; Chenery et al., 1974). Thus began the campaign for giving growth and development a human dimension during or after the failure of the first development decade of the United Nations (UN). The call for reinventing the development paradigm that would go beyond the economic growth approach by incorporating social development issues as core components then became obvious.

Denis Goulet (1978: 85–95) linked development to three universal imperatives for leading a decent life—*sustenance* (met by basic needs such as food, medicine, shelter, and protection), *self-esteem* (identity, dignity, respect, honor, and recognition), and *freedom* (release from bondage, ability to make choices, and self-actualization). Goulet's proposition was that "development must be pursued in such a way that all men are allowed to become agents of their own social destiny." This was to be achieved through three strategic principles: (1) "to 'have enough' in order to 'be more'"; (2) universal solidarity in development toward "the quintessence of cultural, spiritual, and esthetic maturation, as well as of economic and social improvement"; and (3) popular participation to enhance the quality and value of political decisions (Goulet, 1978: 123–48). Similarly, Dudley Seers (1979: 10) considered development as "inevitably a normative concept, almost a synonym for improvement" and thus value laden. He equated development with poverty alleviation, raising employment, decreasing inequality, wider educational opportunities, political participation, reduced dependency on foreign assistance, and self-reliance.

The significance of social/human rights in any attempt "to lift [developing countries] out of poverty and to give every citizen an opportunity to the full

development of his personality" was stressed by Paul Streeten (1972: 154). His specified rights were right to literacy and education, right to social security, right to proper health care, and right to trade unionism and collective bargaining. Earlier, Gunnar Myrdal (1968: 57–60), drawing on the lessons from Asia, identified certain modernization ideals and determinants of social transformation, such as rationality in development planning, promotion of "equality in status, opportunities, wealth, incomes, and levels of living," and changes in institutions and attitudes to "permit greater equality of opportunities" and improve well-being.

In the meantime, in 1970, the UN's Social and Economic Council urged developing countries (DCs) to "closely link planning with national goals, pursue a policy directed at establishing social equality and justice, and examine development strategies, plans and structures from the viewpoint of a comprehensive and unified approach in line with the principles of social development" (UNESC, 1970: 143). The UN body stressed that

> qualitative and structural changes in the society must go hand in hand with rapid economic growth, and existing [social] disparities … should be substantially reduced. These objectives are both determining factors and end-results of development; they should therefore be viewed as integrated parts of the same dynamic process, and would require a unified approach.
>
> **Quoted by Wolfe (1996: 29)**

Four years later, seven UN agencies, including the United Nations Development Program (UNDP), frustrated with failed attempts in "meet[ing] the 'inner limits' of satisfying fundamental human needs" and concerned with the prospective perils of continued environmental degradation and pressure on scanty resources, resolved to reformulate the development agenda. Thus emerged the *Cocoyoc Declaration*. It underscored the need of going beyond meeting basic needs of the poor, which undoubtedly is of critical significance.

> There are other needs, other goals, and other values. Development includes freedom of expression and impression, the right to give and to receive ideas and stimulus. There is a deep social need to participate in shaping the basis of one's own existence, and to make some contribution to the fashioning of the world's future. Above all, development includes the right to work, by which we mean not simply having a job but finding self-realization in work, the right not to be alienated through production processes that use human beings simply as tools.
>
> **Cocoyoc (1974)**

The Cocoyoc Declaration urged governments and international organizations to

- implement programs aimed at satisfying the basic needs of the poorest peoples all over the world;
- ensure adequate conservation of resources and protection of the environment;
- establish a new more co-operative and equitable international economic order;
- increase the flow of international resources to third world countries;
- establish an international taxation system aimed at providing automatic transfers of resources to development assistance;
- strengthen the local capabilities for research and technology assessment in the developing countries for better and more imaginative utilization of potentially abundant resources for the satisfaction of the fundamental needs of mankind; and
- introduce new development styles aimed at the conservation of natural resources and enhancement of environment.

Cocoyoc (1974)

About the same time as Cocoyoc, the World Bank, based on empirical diagnoses of the magnitude of poverty and the extent of income inequality in the developing world, also began reframing its development approach—from the basic growth-only approach to "redistribution with growth" (RWG) through consumption and investment redistribution and wage restraint (Chenery et al., 1974: 224). The poor would be targeted for income distribution by precise policies that would help create employment opportunities and widen the scope for the provision of basic needs, education, public facilities, and access to credit. The International Labor Organization (ILO) supported a similar strategy. Nonetheless, this RWG strategy was not broad enough to alleviate poverty with all its economic and social maladies as it continued to be influenced by prevailing notions of development economics rather than new holistic approaches (Streeten et al., 1981; Friedmann, 1992; Bauer, 1976).

The *human development* (HD) paradigm, championed by UNDP in 1990, was largely an extension of the UNESC proposals and the Cocoyoc Declaration. It was also influenced to a large measure by the ideas of Amartya Sen who himself extended the notions of Goulet, Seers, Myrdal, Streeten, and Cocoyoc. Sen perceived development as a multidimensional practical means to enriching people's lives by reducing their economic and social deprivations, broadening their choices, and, hence, enhancing their substantive freedoms. He argued,

> [t]he ends and means of development call for placing the perspective of freedom at the center of the stage. The people have to be seen, in this perspective, as being actively involved—given the opportunity—in shaping their own destiny, and not just as passive recipients of the

fruits of cunning development programs. The state and the society have extensive roles in strengthening and safeguarding human capabilities. This is a supporting role, rather than one of ready-made delivery. The freedom-centered perspective on the ends and the means of development has some claim to our attention.

Sen (1999: 53)

For Sen, "unfreedoms" include famines; denial of basic needs, lack of access to health care, sanitation, and clean water; inadequate functional education; unemployment; insufficient welfare provisions; gender or racial discrimination; and restricted civil, political, and economic rights, and their removal is "*constitutive* of development" (Sen, 1999: xii; emphasis in the original). He conceptualized his *capabilities approach* that signified the potential of individuals to function and "lead the kind of lives they value." This approach

> reflects the various things a person may value doing or being. The valued functionings may vary from elementary ones, such as being adequately nourished and being free from avoidable disease, to very complex activities or personal states, such as being able to take part in the life of the community and having self-respect.

Sen (1999: 75)

The essence of the concept of *functionings* is that people's ability to perform must be recognized and state policies must be directed to enhance their capabilities to achieve the things they value. An IDS can help achieve this. Thus, it is important to explore

> the extent to which [people] enjoy the freedom to achieve their ends, no matter what their ends turn out to be. The problem is that the extent of such freedoms depends upon the degree to which citizens make use of income and basic needs. So the thing to do is to look at the availability of those commodities that are necessary for the exercise of basic freedoms and how these are provided to the people either by the state or the market.

Dasgupta (1993: 54)

Human Development

The observations and ideas advanced by academics and the analyses and efforts of institutions contributed to the creation of alternative paradigms of development that fused the economic goals of development with the social and ecological for substantive development. These paradigms view development as a polydimensional process

and incorporate a variety of determinants to gauge its highs and lows or the nature and rate of its progression. Obviously, the accent is not on growth factors alone; rather added emphasis is on the social criteria. This stemmed from the central argument in development discourse of the 1970s, which rejected *per capita* income as a functional measure of development and critiqued the "trickling-down" effect of growth as of trivial relevance to the poor and the notion that progress could be equated with growth (Donaldson, 1973). On the other hand, the significance of growth should not be discounted as growth can serve "to enrich people's lives" and exploited skillfully by appropriate and intelligent policy management (UNDP, 1996: 1). In the emerging development disquisition, economic growth was beginning to be considered as an instrument of development, while human prosperity as its target. Both are significant and vital for all-round development, and therefore, the fusion of the instrument with the target is essential to have any meaningful effect on human welfare (Zafarullah and Haque, 2006). Development needed to be reinvented so as to treat human good as the ultimate goal and letting human beings themselves serve as instruments of change (Sen, 1999; Streeten et al., 1981; Haq, 1995).

A special UNDP team, led by Mahbub ul Haq, took the initiative in giving concrete shape to a new formulation—HD—and construct the *Human Development Index* (HDI)—a comprehensive and composite measure of the range and quality of social well-being. Largely based on Sen's functionings and capability approach, HD, aptly summarized by Streeten (1999: 16), is

> the process of enlarging people's choices—not just choices among different detergents, television channels or car models but the choices that are created by expanding human capabilities and functions—what people do and can do in their lives. At all levels of development a few capabilities are essential for human development, without which many choices in life would not be available. These capabilities are to lead long and healthy lives, to be knowledgeable and to have access to the resources needed for a decent standard of living—and these are reflected in the human development index. But many additional choices are valued by people. These include political, social, economic and freedom, a sense of community, opportunities for being creative and productive, and self-respect and human rights. Yet human development is more than just achieving these capabilities; it is also the process of pursuing them in a way that is equitable, participatory, productive and sustainable.

There are two complementary dimensions in the HD paradigm—one is "the *process* of widening people's choices" and the other is the "*level* of their achieved well-being." Two fundamental elements—the construction of human capabilities (such as in health and education) and the way these acquired capabilities are employed by people in their lives—are vital for human progress. The state, along with the market, civil society, the private sector, and the international development community

(IDC), is expected to create an enabling environment and provide the operational framework for realizing the objectives of HD and "for people to enjoy long, healthy and creative lives" (Haq, 1995: 14; Box 4.1).

The HDI "offers a powerful alternative to GDP per capita as a summary measure of human well-being" and focuses on three equally weighted essential factors: *longevity* (determined by life expectancy at birth), *learning and knowledge building* (computed by the rate of adult literacy and school enrollment), and *living standard* (measured by purchasing power-adjusted real GDP per capita; UNDP, 1990: 10–12, 2007b: 225). On the basis of an HDI value ranging on a scale between 0 and 1, countries, both developing and advanced, are ranked for their HD status and placed in three groups—low HD (with an HDI of less than 0.500), medium HD (HDI of 0.500–0.799), and high HD (HDI of 0.800 or above). Since its inception, the HDI has been gradually standardized and a new human poverty index (HPI) was added in 1997 which, instead of "measure[ing] poverty by income, . . . uses indicators of the most basic dimensions of deprivation: a short life, lack of basic education and lack of access to public and private resources" (UNDP, 1997a: 5). In addition, there are two other concomitant measures applicable to the DCs—the

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BOX 4.1 DEVELOPMENT-RELATED INDEXES

Human Development Index (HDI)

A composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living.

Gender Empowerment Measure (GEM)

A composite index measuring gender inequality in three basic dimensions of empowerment—economic participation and decision-making, political participation and decision-making, and power over economic resources.

Human Poverty Index (HPI)

A composite index measuring deprivations in the three basic dimensions captured in the human development index—a long and healthy life, knowledge and a decent standard of living.

Gender-Related Development Index (GDI)

A composite index measuring average achievement in the three basic dimensions captured in the human development index—a long and healthy life, knowledge and a decent standard of living—adjusted to account for inequalities between men and women.

Source: UNDP, *Human Development Report: Human Development to Eradicate Poverty*, United Nations Development Programme, New York, 1997a, 366, 367.

GDI and the GEM. Although there are gaps in the way these indices are calculated and which "can lead to substantial differences between national and international estimates" (UNDP, 2007b: 221), the multidimensional approach in measuring the nature and extent of social deprivation has boosted our appreciation of the problems and issues of development and helps policy makers and practitioners in framing appropriate strategies to alleviate poverty and enhance people's potential.

In working out these different indices, the UNDP focuses on several issues that impact upon peoples and communities. These concern the scope of people's choices, health and nutrition, knowledge acquisition, access to resources for attaining a decent standard of living, environmental preservation for future generations, personal security, gender equality, and protection of human rights. It elaborates the three basic factors by taking into account the following specific indicators: human and income poverty; demographic trends; commitment to health (resources, access, and services), water, sanitation, and nutritional status; inequalities in maternal and child health, health crises and risks; survival (progress and setbacks), commitment to education (public spending), literacy and enrolment; technology (diffusion and creation); economic performance; inequality in income or expenditure; structure of trade; flows of aid, private capital and debt; priorities in public spending; unemployment and informal sector work; energy and the environment (electricity consumption per capita, energy rates, and GDP per unit of energy use); sources of energy (fossil fuel, renewable energy, nuclear power); carbon dioxide emissions and stocks; status of major international environmental treaties; refugees and armaments; crime and justice; gender status (GEM, gender inequality in education and in income activity, work and time allocation, women's political participation); and status of major international human rights instruments (punishment of the crime of genocide; elimination of racial discrimination, civil and political rights, economic, social, and cultural rights; elimination of discrimination against women; torture and other cruel, inhuman or degrading treatment or punishment; and rights of the child, fundamental labor rights) (UNDP, 2007b).

Comprehensive Development Framework

The failure of structural adjustment in improving the economic life of developing nations stimulated rethinking among international agencies about the appropriate path to growth and development and the correct strategies for reducing poverty and inequality. Influenced by various strands in development thinking and perhaps impelled by the negative lessons of International Monetary Fund (IMF) macroeconomic stabilization policies, its own structural adjustment initiatives, and the way aid was being utilized and managed, the World Bank advanced the *Comprehensive Development Framework* (CDF) in the aftermath of the Asian financial crisis. The CDF was to be "an overarching framework—an approach agreed with the government concerned—which will allow us all to work together to meet our goals for

BOX 4.2   THE CDF

A. *Structural*
  1. Good and clean government
  2. An effective legal and justice system
  3. A well-organized and supervised financial system
  4. A social safety net and social programs
B. *Human*
  5. Education and knowledge institutions
  6. Health and population issues
C. *Physical*
  7. Water and sewerage
  8. Energy
  9. Roads, transportation, and telecommunications
  10. SD, environmental, and cultural issues
D. *Specific strategies—rural, urban, and private sector*
  11. Rural strategy
  12. Urban strategy
  13. Private sector strategy
  14. Special national considerations

Source: Wolfensohn, J.D., A proposal for a comprehensive development framework. Memo to the Board, Management and Staff of the World Bank Group, 21 January, 1999. http://siteresources.worldbank.org/CDF/Resources/cdf.pdf (accessed 21 July 2010).

poverty alleviation and environmental sustainability" and was expected to enable the World Bank and its partners and collaborators "to think more strategically about the sequencing of policies, programs and projects, and the pacing of reforms" (Wolfensohn, 1999: 6, 8). That achieving the goals of development—poverty reduction, and equitable, sustainable development (SD) required the concerted effort of four principal actors—government, IDC, civil society, and private sector—was the basic premise of the CDF (See Box 4.2).

The World Bank was for making development more holistic and inclusive by integrating the macroeconomic and financial dimensions with the structural, social, and human. What the CDF was trying to achieve was assimilating the economic and social agendas for societal transformation in less fortunate countries. The CDF was based on four fundamental principles: long-term holistic development, results orientation, country ownership, and country-led partnership. To be more specific:

■ Development strategies should be comprehensive and holistic and shaped by a long-term vision. Past emphasis on short-term macroeconomic stabilization

and balance of payment pressures overwhelmed longer-term structural and social considerations (for example, expanding and improving education and health facilities, maintaining infrastructure, and training a new generation of public officials).

■ Development performance should be evaluated through measurable, on-the-ground results. The traditional emphasis on disbursement levels and project inputs has measured resource allocation and consumption. What really matters is impact on people and their needs.

■ Development goals and strategies should be "owned" by the country, based on citizen participation in shaping them. While donor-driven aid delivered under structural adjustment was sometimes effective, in many cases painful and lengthy adjustment measures were eventually undone. When countries have greater say in shaping reforms, governments and their citizens will be more committed to seeing them through.

■ Recipient countries should lead aid management and coordination through stakeholder partnerships. Partnerships built on transparency, mutual trust, and consultation can improve aid coordination and reduce the inefficiencies, asymmetrical power relationships, and tensions of donor-led aid initiatives.

World Bank (2003a: xviii)

The CDF provided DCs (recipients of its aid) with a matrix to own and utilize as a tool for cooperation, transparency, accountability, partnership, institution building, and inclusion and "to give all the players, but most especially national governments and parliamentary bodies, a framework of information which can ensure openness, a basis for coordination of effort, and for judgment of the effectiveness of programs and strategies" (Wolfensohn, 1999: 23).

This new World Bank strategy was definitely a departure from its earlier rather narrowly focused economic-only prescriptions as it was now keen to focus on broader aspects of society including the social, cultural, political, economic, and environmental. Instead of being progrowth, it was apparently designed to be pro-poor (Collier, 2000). However, "the scope for 'ownership' in the CDF approach seems to be severely constrained, if we understand ownership in this regard to mean the freedom of a government to formulate and implement its own economic development policy" (Pender, 2001: 409). Although presented as a flexible mechanism for adaptation and ownership by individual countries for their benefit, as assured by the bank president of the time, the CDF matrix has been criticized for being imposed upon them and to be used as

a management tool through which the Bank and other agencies [could] monitor government policy across the board and in detail, against objectives and programmes agreed with the Bank. It was proposed as

the principal instrument in a strategy of comprehensive global governance spear-headed by the Bank in close liaison with the IMF, to be coordinated with other relevant multilateral and bilateral actors in the area of international development.

Cammack (2002: 44)

Thus, the conditionality dimension of stabilization and adjustment were in some ways transformed by CDF. Perhaps, the "sovereignty-denting" conditionality inherent in structural adjustment program (SAP) was in some way replaced by "agreed" conditionality at the policy level (Killick, 1998).

Global Sustainable Development

Development cannot be total or sustainable unless the natural environment and its conservation are taken into consideration. The natural resources that our planet is endowed with and available for our livelihood must be cared for and prudently utilized. The land, air, water, flora, fauna, microorganisms, energy sources, and weather patterns that make up our habitats and ecosystems are the key elements for the survival of humankind and the good life of the planet and therefore need proper upkeep and management. Indeed, all stakeholders—local, national, regional, and global—are equally responsible for the protection of the environment and natural assets for the benefit of future generations. The atmosphere is becoming more and more polluted, fresh water is getting increasingly scarce, the soil is being rapidly degraded, forests indiscriminately destroyed, wetlands depleted, and biodiversity gradually dissipating (World Bank, 2003b: 2, 3; UNEP, 2007).

More than two decades ago, the World Commission on Environment and Development (WCED, 1990: 71) observed,

> Many parts of the world are caught in a vicious downwards spiral: Poor people are forced to overuse environmental resources to survive from day to day, and their impoverishment of their environment further impoverishes them, making their survival ever more difficult and uncertain. The prosperity attained in some parts of the world is often precarious, as it has been secured through farming, forestry, and industrial practices that bring profit and progress only over the short term.

More recently, the UNDP had this to say:

> Climate change is the defining human development issue of our generation ... [It] threatens to erode human freedoms and limit choice.

> It calls into question the Enlightenment principle that human progress will make the future look better than the past.
>
> **UNDP (2007b: 1)**

With global poverty and inequality remaining unabated and the perils of spectacular climate change posing threats to the planet's ecosystem, potential adverse worldwide consequence is imminent unless corrected by right policies framed at the regional and international levels and willingly implemented by national governments in collaboration with both domestic and foreign nonstate organizations. As the environment cannot be delinked from social and economic issues, the three deserve equal consideration in development policy making and operational strategies to create a balance between them and produce intra- and intergenerational equity, so that present actions do not complicate the situation in future. An IDS and other institutions can play a vital role in achieving the goals of SD and meeting the challenges of climate change. Over the years, several initiatives have been

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BOX 4.3   SUSTAINABLE DEVELOPMENT

- Is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- Requires meeting the basic needs of all and extending to all the opportunity to satisfy their aspirations for a better life (WCED, 1990: 88).
- Requires the promotion of values that encourage consumption standards that are within the bounds of the ecological possible and to which all can reasonably aspire.
- Requires that societies meet human needs both by increasing productive potential and by ensuring equitable opportunities for all.
- Can only be pursued if demographic developments are in harmony with the changing productive potential of the ecosystem.
- Requires that the rate of depletion of nonrenewable resources should foreclose as few future options as possible.
- Requires that the adverse impacts on the quality of air, water, and other natural elements are minimized so as to sustain the ecosystem's overall integrity.
- Is a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations.

Source: WCED, *Our Common Future*, Oxford University Press, Oxford, 1990, 87–90.

taken to correct failures in attending to environmental concerns. Here, we briefly examine a few (Box 4.3).

The WCED or the Brundtland Commission (as it came to be known after its chairman, Gro Harlem Brundtland), which advanced the idea of SD in 1987, proposed changes in national policies and international orientation on the environment. It called for taking a cautious and evenhanded approach toward the environment and for creating the preferred balance between economic development (growth and industrialization) and environmental preservation. This could be achieved by "changing the quality of growth, meeting essential needs for jobs, food, energy, water, and sanitation, ensuring a sustainable level of population, conserving and enhancing the resource base, reorienting technology and managing risk; and merging environment and economics in decision making" (WCED, 1990: 93). From a global perspective, environmental protection could be achieved by linking trade and development with the environment, increasing the flow of resources to the DCs, and diffusing environmentally sound technologies there. A set of policy directions on environmental sustainability was stipulated that stressed the abandonment by governments of "the false division between 'productive' or 'economic' expenditures and 'social' expenditures"; on the contrary, accepting the reality "that spending on population activities and on other efforts to raise human potential is crucial to a nation's economic and productive activities and to achieving sustainable human progress—the end for which a government exists" (WCED, 1990: 149). Governments should strive to formulate apropos policies to manage population growth (reducing poverty, controlling rural–urban migration and mobility, improving people's health, broadening opportunities for education, and empowering vulnerable groups such as indigenous and tribal people); ensure food security (state intervention in agriculture, reducing incentives that force overproduction in advanced countries, promoting ecologically supportive farming practices, improving land use and water resources management, and encouraging aquaculture); develop resources to conserve living natural resources and habitats (curtailing the destruction of tropical forests, wild lands, and biodiversity reservoirs); use dependable, safe, and environmentally sound energy sources (maintaining energy efficiency programs and employing energy conservation measures); industrialize with the environment in perspective (establishing environmental goals, regulations, incentives, and standards; making effective use of economic instruments; broadening environmental assessments; encouraging industry social responsibility; and efficiently coping with industrial hazards); and decentralize to deal with rapid urbanization (developing secondary centers, creating employment opportunities in small towns, and complementing rural and urban development strategies; WCED, 1990).

Building on the ideas germinating at the 1972 UN Conference on the Human Environment, the Earth Summit of 1992 at Rio de Janeiro, Brazil, brought to the fore the correlation between endemic poverty and endangered environment and espoused a strong commitment on the future of the planet. It sought to integrate environmental and developmental concerns for the "fulfilment of basic needs,

improved living standards for all, better protected and managed ecosystems and a safer, more prosperous future" (UNCED, 1992: Preamble). Accords on climate change, biological diversity, desertification, forestry, and, of course, SD were adopted, and the Commission on Sustainable Development (CSD) was established to monitor implementation and progress. The new SD paradigm was to be applied on both the national and global scale with active collaboration of the signatories to the Rio Declaration and its international action program—*Agenda 21*, intended to serve as "a blueprint for action for global SD into the 21st century" (UNCED, 1992: 13).

Agenda 21 focused on several themes, all related to the reconciliation of the demands of development and the exigencies of the environment. Sitarz (1993: 8–21) has summarized these as follows: the quality of life on earth (eradicating poverty, changing resource consumption patterns, controlling population growth, raising the level of human health), the efficient use of the earth's natural resources (land-use planning and management, fresh water and energy resources, agriculture and rural development, forest protection and reforestation, deserts and droughts, mountain ecosystems, biological diversity, and biotechnology), the protection of our global commons (the atmosphere and the oceans), the management of human settlements (adequate shelter, settlement management, land-use planning, urban environmental infrastructure, energy and transportation, disaster-prone areas, the construction industry, and human resources), chemicals and the management of waste (toxic chemicals, hazardous wastes, solid waste management, and radioactive wastes), and sustainable economic growth (international trade policies, environment and development decision making, and transfer of environmentally sound technologies). More specifically, the plan emphasized the participation of all social groups—women, youth, children, indigenous people, private organizations, farmers, local authorities, workers and unions, business and industry, and the scientific and technological community in SD. Public participation in implementing the action plan and awareness and access to information relevant to environment and development were particularly emphasized. As environmental protection is a global issue, international solidarity, cooperation, partnership, and a balanced international relations system are imperative to assimilate development and environmental policies of individual countries.

Within the UN Framework Convention on Climate Change, the *Kyoto Protocol*, adopted in December 1997 and enforced in February 2005, obliges signatories* to reduce or limit greenhouse gas emissions through cost-effective nationally framed policies and wherever and whenever possible adopt market-based mechanisms. The protocol stressed the importance of advanced countries supporting SD in the developing nations by transferring technology and making investments and the private sector there in helping curb carbon emission into the atmosphere (UN, 1998). However, the progress in achieving the targets set by the protocol has been rather

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* As of October 2010, 191 countries have ratified the protocol.

slow, and this is because "the core of the Kyoto architecture is flawed" and will perhaps lead to its failure (Victor, 2001: xi). The intergovernmental climate change regime that Kyoto created is very complex and not devoid of intercountry disagreements, and notwithstanding the commitment of individual countries to the protocol's objectives, the role of some advanced countries will be crucial to its success.

For a decade since the Rio Declaration, the implementation of Agenda 21 was sluggish, and environmental problems continued to persist and worsen in many areas. The report on the World Summit on Sustainable Development (WSSD) in Johannesburg in 2002 lamented,

> The global environment continues to suffer. Loss of biodiversity continues, fish stocks continue to be depleted, desertification claims more and more fertile land, the adverse effects of climate change are already evident, natural disasters are more frequent and more devastating, and developing countries more vulnerable, and air, water and marine pollution continue to rob millions of a decent life ... Globalization has added a new dimension to these challenges ... But the benefits and costs of globalization are unevenly distributed, with developing countries facing special difficulties in meeting this challenge.
>
> **UN (2002a)**

The UN secretary general also reported weak implementation:

> Attempts to promote human development and to reverse environmental degradation have not, in general, been effective over the last decade. Too few resources, a lack of political will, a piecemeal and uncoordinated approach and continued wasteful patterns of production and consumption have conspired to thwart efforts to implement sustainable development, or development that is balanced between people's economic and social needs and the ability of the earth's resources and ecosystems to meet present and future needs.
>
> **UN (2002b)**

To correct the malaise, the WSSD set new targets and recommended new implementation strategies, some to be achieved by 2015 and others by 2020, to decrease the population of those who suffer from hunger, malnutrition, poor sanitation, lack of safe drinking water, and disease in less developed countries; improve the lives of slum dwellers; significantly minimize the adverse effects of chemicals on human health and the environment by regulating their production and use; maintain or restore depleted fish stocks to levels that can produce the maximum sustainable yield; considerably reduce mortality rates for infants and children under 5; ensure girls' and boys' equality of access to all levels of education; expand national

programs on SD; empower women and mainstream gender perspectives in policies and strategies; improve indigenous people's access to economic activities; deliver basic health services for all and reduce environmental health threats; and so on (UN, 2002a).

The Millennium Development Goals

Another multidimensional approach toward development is the UN's *Millennium Development Goals* (MDGs) operationalized in 2000 and targeted for realization within a 15-year time span. This goal-oriented action program that combines elements of HD and sustainable environment is the outcome of an international collective accord to track and evaluate the progress of development using time-bound quantified targets. Apart from the industrialized nations and multilateral agencies supporting developing nations to achieve the MDGs, relatively affluent nations within the ranks of the developing ones are also expected to come to the latter's assistance. The MDG as a development action plan is a much more concerted and ambitious undertaking under the aegis of the UN than its previous unsuccessful so-called decades of development. It is premised upon the Universal Millennium Declaration of the UN signed by member states in September 2000 that enumerated freedom, equality, solidarity, tolerance, respect for nature, and shared responsibility as fundamental values in international relations and globalized development (UN, 2000b). The MDG on paper, at least, is a genuine global partnership for development and hailed as a "manifesto for newly enfranchised poor people throughout the world" (Annan, 2005), while the UN Millennium Project (2005: 2) led by Jeffrey Sachs emphasized its significance in world development (Box 4.4):

> As the most broadly supported, comprehensive and specific poverty reduction targets the world has ever established, the Millennium Development Goals are too important to fail. For the international political system, they are the fulcrum on which development policy is based. For the billion-plus people living in extreme poverty, they represent the means to a productive life. For everyone on Earth, they are a linchpin to the quest for a more secure and peaceful world.

The MDG is a broad dynamic and integrated scheme of development that is inclusive in both substance and procedure. It covers almost all the essential issues pertaining to human prosperity—the alleviation of poverty by restraining population growth, enhancement of the human potential through education, raising health standards (child and maternal) and combating diseases, engendering and empowering women, and creating and maintaining a sustainable environment. By enlarging the scope for global partnerships to harness and manage development,

the compact between the advanced and less developed countries will be strengthened. DC governments, by creating a conducive environment for development policies to be effectively implemented and managed within the framework of sound governance, can gain the trust and confidence of international aid and development institutions, civil society, and other stakeholders including the common people in their effort to "reach certain critical thresholds … in order to achieve a takeoff to sustained economic growth and development." The MDGs complement the HD paradigm; in fact, they are said to "provide building blocks for human development, with each relating to key dimensions of this process" (UNDP, 2003: 25, 29).

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BOX 4.4   MDGs—GOALS AND TARGETS

GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER

- **Target 1**: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.
- **Target 2**: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION

- **Target 3**: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

- **Target 4**: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015.

GOAL 4: REDUCE CHILD MORTALITY

- **Target 5**: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

GOAL 5: IMPROVE MATERNAL HEALTH

- **Target 6**: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.

GOAL 6: COMBAT HIV/AIDS, MALARIA, AND OTHER DISEASES

- **Target 7**: Have halted by 2015 and begun to reverse the spread of HIV/AIDS.

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■ **Target 8**: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.

GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY

■ **Target 9**: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.
■ **Target 10**: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.
■ **Target 11**: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

GOAL 8: DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

■ **Target 12**: Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system (includes a commitment to good governance, development, and poverty reduction—both nationally and internationally).
■ **Target 13**: Address the special needs of the least developed countries (includes tariff and quota free access for least developed countries' exports; enhanced program of debt relief for heavily indebted poor countries (HIPC) and cancelation of official bilateral debt; and more generous ODA for countries committed to poverty reduction.
■ **Target 14:** Address the special needs of landlocked countries and small island developing states (through the Program of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly).
■ **Target 15:** Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.
■ **Target 16:** In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.
■ **Target 17:** In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries.
■ **Target 18:** In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies.

Source: UN Millennium Project, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, Earthscan, Oxford, UK, 2005.

While accolades have been abundant about the positive prospects of the goals, the scheme has also been disapproved. Each of these criticisms may be applicable in certain cases. There will obviously be variations across countries and regions and among goals within each country. Some countries will face formidable challenges in pursuing targets; some are making lethargic progress, while others may find it relatively easy to progress toward the goals. A UNDP report provides a succinct summary of criticisms against the MDGs:

- Being too narrow, leaving out development priorities such as strong governance, increased employment, reproductive health care and institutional reform of global governance.
- Relying on narrow indicators—such as school enrolment gaps to track progress in gender equality, or numbers of telephones to measure access to technology.
- Being unrealistic and setting the stage for discouragement—and for being used to name and shame countries that do not achieve them.
- Distorting national priorities, possibly undermining local leadership by promoting a top-down, often donor-led agenda at the cost of participatory approaches in which communities and countries set their own priorities.

UNDP (2003: 30)

The Group of 77 expressed skepticism about slow progress in reaching the targets.

> Much of the lagging behind is the result of insufficient resources to tackle emerging as well longstanding challenges to development. There is a commitment to collaborate on international resource mobilization, but the international financial environment is still not transparent, stable or predictable; the development efforts from BWI's, WTO and other International financial institutions remain disconcerted and incoherent; the official development assistance (ODA) levels, as a percent of Gross National Product (GDP) have decreased despite improved absorptive capacities in developing countries.

Global Watch (2008: 8).

Achieving the MDGs by 2015 will be no easy undertaking as the results, so far, have been mixed largely because of the financial and economic crises that rocked the world in 2008. In his foreword to the 2008 MDG Report, Ban Ki-moon, the UN secretary general, expressed his concern:

> These tasks have now become more challenging because the largely benign development environment that has prevailed since the early

years of this decade, and that has contributed to the successes to date, is now threatened. We face a global economic slowdown and a food security crisis, both of uncertain magnitude and duration. Global warming has become more apparent. These developments will directly affect our efforts to reduce poverty: the economic slowdown will diminish the incomes of the poor; the food crisis will raise the number of hungry people in the world and push millions more into poverty; climate change will have a disproportionate impact on the poor.

UN (2008: 3)

However, it is important not to lose sight of the need for continuously modifying, refining, and extending the indicators to measure accomplishments. Indeed, this is where the role of the state, its development agencies, and the IDC becomes crucial. Making the MDGs produce results demands the concerted efforts of all stakeholders, both national and international. Governance issues cannot be compromised as decentralization, transparency, accountability, integrity, and predictability are important elements in the effective delivery of development programs. DC governments must take responsibility for their economic and social development and devise appropriate policies of their own. Effective stability-oriented macroeconomic strategies that will augment growth, expand employment opportunities and improve health care, and optimize trade and investment opportunities to support social programs will need to be implemented, monitored, evaluated and redefined, and pursued in a debureaucratized and participatory environment.

In the international context, DC governments must be permitted to set their own priorities and design their own policies with minimum interference but with the total support of the multilateral institutions. Realizing the eighth goal—global partnership will be tricky as unlike other goals, which have specific targets, this is not quantified or time bound (Jolly, 2006). Moreover, relationships between countries are rarely objective and frequently change. But it is a truism that currently all the development programs and activities of the international aid institutions are designed and carried out in line with the MDGs.

Continued funding of the MDG scheme will be a colossal task. ODA from the richer countries alone will need to be supplemented by alternative, often innovative, sources of funding, to support the war against poverty and raising living standards. These may include global environmental taxes, tax on currency flows, creation of special drawing rights, increased private donations, and so on (Atkinson, 2004). The *Monterrey Consensus* brokered at a UN-sponsored International Conference on Financing for Development in Monterrey in 2000 called for "a holistic approach to the interconnected national, international and systemic challenges of financing for development—sustainable, gender-sensitive, people-centred development—in

all parts of the globe" (UN, 2000c: 3). It provided the basic constituents of global partnership and international cooperation envisaged in the MDGs, such as mobilizing domestic and international resources, making international trade an engine of development, increasing international financial and technical cooperation, achieving sustainable debt financing, and creating an international economic environment.

Democratization and Development

The waves of democratization that began sweeping the developing regions in Asia, Africa, and Latin America and the transitional polities of Eastern Europe since the late 1980s brought about remarkable changes in the inchoate character and structure of politics in many countries there. These changes generally sought to rationalize the electoral system; strengthen the legislative process; grant autonomy to the judiciary; introduce rule of law; enhance civil rights; institutionalize new governance structures; mitigate transparency, accountability, and integrity problems within government; reform the public management system; enlarge the policy compass; limit the scope of political patronage; improve business–government relations; support the development of civil society; make development inclusive; lighten or remove media censorship; and, most importantly, uphold the supremacy of civilian institutions over the military. In the main, the goal was political institutionalization and political participation—the critical virtues of political stability (Huntington, 1968), by removing the nondemocratic elements of bureaucratic-authoritarianism often influenced by militarism that typified most DCs prior to their transformation.

By the end of the twentieth century, authoritarian regimes became a thing of the past with nearly 80% of countries having transformed into some form of democracy (Potter, 1997). According to the 2008 Freedom House survey, 46% of the world's population live in 90 countries that are designated "free" (with substantial degree of political rights and civil liberties), 18% are in countries that are "partly free," and 36% belong to 43 nonfree states. The trend from 1977 to 2007 has been the consistent growth in the number of free countries. The number of electoral democracies stood at 121 in 2008 but only a few among those in the developing region can be designated as consolidated democracies as "many score poorly on government effectiveness and accountability" and continue to suffer from high levels of "corruption, lack of transparency, and concentration of power in the hands of the executive or nonelected forces" (Puddington, 2008).

The establishment and working of stable and effective political institutions is at the heart of the democratic process, which is premised upon political liberalization, public contestation, and political inclusiveness. Thus, democratization requires the installation of levers to sustain a political system for effective governance to efficiently and continually respond to citizens' choices and demands. In crystallizing

a vibrant democratic culture, both political and civil societies can play important roles. Within political society, an institutionalized party system is a prerequisite for democratic consolidation for "parties are strongly rooted in society, affecting political preferences, attracting stable electoral support and demonstrating continuity in ideological terms" (Smith, 2003: 149; see Mainwaring and Scully, 1995). On the other hand, without a robust civil society, the desired outcomes of democratic transition will be difficult to attain. In reality, the movement for democratization begins with associational or relational networks, and the success of democratic governance rests to a great measure on these networks to positively influence democratic politics.

Democratic transition in a postauthoritarian milieu involves complex dynamics; it is a long-term, convoluted process that cannot always follow a predetermined course of action and is susceptible to breakdowns because of extremely uncertain political calculations, intricate interactions, and complex transactions. Discord among contending groups about correct strategies, the rules of political engagement, and the design and role of political institutions as well as splits within civil society, the bureaucracy, and the military either in support of or opposition to particular course or strategy may serve to circumscribe democratic transition and consolidation. According to Hanson (2001: 128), democratic consolidation is said to occur when "enforcers of state institutions can be counted upon with high probability to act in ways consistent with, and supportive of, formal institutional goals." However, there is no one single formula suitable for all countries intending to democratize or a linear path to democratic consolidation. Thus, in many DCs, the makeover has experienced frequent hazards or stumbled to move forward. In some, the imperatives of democratic consolidation have been sufficiently met, while in others, systemic constraints and cultural factors inhibited the transformation. Only in a few countries, the transition and consolidation have been smooth and swift. Democratic transition in different countries in the developing and transitional countries has traversed different trajectories, shown different resonance, and provided different impact. However, the contagion effect of democratization has been remarkable in each continent (Whitehead, 2002). Even many Muslim countries, previously inimical to Western liberalism, have embraced democracy or are about to do so. We, however, have to be careful in distinguishing between countries at different levels of democratic development and to what extent these have successfully transitioned to democracy (i.e., installed elected governments), consolidated democracy (i.e., promoted democratic values), and achieved desired democratic performance (i.e., supported civil and political rights).

Democracy and Development—The Link

Is there a correlation between democracy and development? How do they influence each other? Is democracy a prerequisite of development? Does development promote democracy, or is it the other way round? The empirical literature provides different

conclusions—the relationship is positive, negative, or neutral. Thus, a complex relationship emerges (Bardhan, 1999). It was Lipset, the noted social scientist, who first highlighted the significance of economic development in supporting democratization. He wrote that "the more well-to-do a nation, the greater the chances that it will sustain democracy" (Lipset, 1959: 56). This position has been supported, albeit with qualifications, by other scholars (Brunk et al., 1987; Bollen and Jackman, 1985). Forty years later, Lipset reemphasizes the implications of development for democracy when he and his coauthors argue that "the process of socioeconomic development generates social changes that can potentially facilitate democratization … [and] … promote other changes that are conducive to democratization" (Diamond et al., 1999: 45). Minxin Pei (1999) summarizes the assumptions on the relevance of development to democracy: "Sustained economic development is supposed to lead to the emergence of democratic institutions and, eventually, democracy through a combination of factors produced by such development." The five assumptions that development has a positive influence on democracy are as follows:

- Economic development will transform social structure and create a large enough middle class as the social basis of democracy.
- Economic development may, as its by-product, lead to the emergence of new political values (such as enhanced sense of individuality, personal autonomy, and value of personal freedom and choice) that support democratic institutions and practices.
- A direct effect of economic development is the increase in the level of education. An educated citizenry is likely to be more knowledgeable about the political process and aware of their rights. Such a citizenry is more vigilant in defending its rights and possesses more effective means of doing so.
- Successful development will generate more economic wealth, which allows private-sector actors to accumulate resources and enhance their independence from the state, thus strengthening civil society as a counterweight to the state. Another beneficial effect of wealth is the increased possibility of resolving redistributional conflicts (because the bigger pie makes it more likely that every one will get a piece).
- As successful development is more likely to occur in an open economy, such development may, in the process, promote extensive social, cultural, and political linkages with the international community. These linkages act to facilitate the flow of information (which undermines authoritarian rule) and constrain (through various external pressures) autocratic rulers.

Several well-known political scientists hold the view that economic development is the precursor of democracy. For the poorer nations with weak social structures, political instability, and in early stages of development, liberal democracy may be unsuitable for nation-building activities (Apter, 1965; Huntington, 1968; Macpherson, 1965). It has also been pointed out that soft authoritarian regimes

in some Asian countries were instrumental in raising economic growth to high levels and pursuing industrialization with great intensity before going for political liberalization. Therefore, arguably, liberal democracy may not necessarily be a precondition for development. However, the primacy of politics, whatever its nature, in development cannot be overruled (Leftwich, 1996).

Contrary to the assumptions supporting economic development, the case for democracy in attaining development is equally strong. The accent is on civil and political rights, participation and empowerment, economic equality and growth, and the right to free speech and dissent—all associated with liberal democracy. As development is no longer equated with economic growth alone but is a much broader concept embodying the total well-being of individuals and communities, the human dimension becomes critical. Thus, HD—"the end" of all concerted endeavors toward sustainable livelihood—is so absolutely crucial. Furthermore, development is also about political development—the deepening of democracy. Similarly, democracy is not about political democracy alone but subsumes elements associated with economic growth—the means to HD (UNDP, 1996: 1). Economic democracy is "the ability to determine one's own economic priorities and the rules of one's economic life—because it helps secure a political voice for each person" (Cavanagh and Mander, 2004: 26). This can be achieved by expanding the compass of human rights to include freedom from poverty and citizenship and welfare rights. "The right to development" is now universally acknowledged as "an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized" (UN, 1986). As the former secretary general of the UN, Boutros-Ghali (United Nations Educational, Scientific and Cultural Organization [UNESCO], 2002: 31), stated, "You first need a democracy in order to be able to achieve economic development." Therefore, how can democracy create conditions for development to provide dividends to states, communities, and people? What elements of democracy support both HD and economic growth? What perils does democracy face in the newly democratizing nations?

The UNDP (2002: v) puts forth the proposition that "democracies are notably better in meeting the most pressing social needs of citizens, particularly at moments of crisis or displacement that most affect poor people … democratic participation is a critical end of human development, not just a means of achieving it." Its 2002 *Human Development Report* provides the rationale for democracy's relevance to HD:

◼ "First, enjoying political freedom and participating in the decisions that shape one's life are fundamental human rights: they are part of human development in their own right."
◼ "Second, democracy helps protect people from economic and political catastrophes such as famines and descents into chaos."

◾ "Third, democratic governance can trigger a virtuous cycle of development—as political freedom empowers people to press for policies that expand social and economic opportunities, and as open debates help communities shape their priorities."

UNDP (2002: 3)

The import of democratic governance in development has been passionately accentuated in the UN Millennium Declaration of 2000: "We will spare no effort to promote democracy and strengthen the rule of law, as well as respect for all internationally recognized human rights and fundamental freedoms, including the right to development" (UN, 2000b: V-24).

Apart from installing elected governments through universal adult franchise and electoral integrity, democracy, when fully consolidated and deepened, will create conditions conducive for effective management of development. All sectors associated with development initiatives will be better able to make consequential contributions to the success of development initiatives. Political institutionalization at different levels of the political structure will endow a representative government with legitimacy and greater clout in its engagement with other countries, regional bodies, and international institutions. An active and productive lawmaking process engineered by a fully functional legislature and insulated from obtrusive executive domination will clear the path for people's representatives to play significant roles in development and nation building. Political and administrative institutions adhering to democratic norms and espousing the moral obligations of the state are more attuned to working coherently within a constitutional-legal framework and generating the modalities of the development process and accomplish the goals set forth by national governments (e.g., poverty reduction strategies) and global bodies (e.g., MDGs). Only within a democratic setup can a judiciary secure its independence and autonomy to review and resolve constitutional-legal issues with intrepidity (Zafarullah and Haque, 2006).

Democratic deficit in governance and decision making can be minimized by expanding the public policy space to incorporate divergent views on development strategies, projects, and programs. The interaction among a range of policy networks or advocacy coalitions can produce useful prescriptions for different development sectors. The involvement of nonstate actors in the policy process and their inputs can substantially improve the quality of policies and their implementation, monitoring, evaluation, and renewal (Brinkerhoff and Goldsmith, 2003; Najam, 1999; Wilson, 2000).

The democratization of politics also has a moderating effect on the market and its principal actors—the large firms. The growing influence of human rights campaign by civil society, both national and global, in recent years has alerted trade and business organizations to rethink their approach toward the working people as well as society at large. They now support and attend to corporate values that vouch

social responsibility and social and environmental accountability and the protection of human rights (Winston, 2002; Craner, 2002; Besser, 2002; World Bank, 2005a). This has been good for HD.

Institutions of Development

Since development is a collaborative effort, the IDS will need to be supported by effective institutions—political, economic, and social, operating at different levels at both the domestic and international arenas. The desired collaboration for effective development can be obtained by the IDS in conjunction with the schemes and programs funded, operationalized, monitored, and evaluated by international multilateral agencies, such as the World Bank, the UN, World Trade Organization (WTO), and other overseas development organizations. The IDS will be required to play a vigorous role in creating an enabling environment that would support and enhance equity, integrity, and economy in governance by facilitating wide-ranging reform of existing political, legal, administrative, and policy regimes and their institutionalization in the wider development framework.

In any collective endeavor, institutions are vital cogs in attaining predetermined goals and in responding to unanticipated events, such as natural disasters or market failures. These constitute

> the sets of working rules that are used to determine who is eligible to make decisions in some arena, what actions are allowed or constrained, what aggregation rules will be used, what procedures must be followed, what information must or must not be provided, and what payoffs will be assigned to individuals dependent on their actions.
>
> **Ostrom (1990: 51)**

Scott (2000: 48) conceptualizes institutions as being "comprised of regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life." According to the *Oxford English Dictionary*, an institution is "an established law, custom, usage, practice, organization, or other element in the political or social life of a people; a regulative principle or convention subservient to the needs of an organized community or the general ends of civilization" (Oxford, online). These are essentially "regulative principles which organize most of the activities of individuals in a society into definite organizational patterns from the point of view of some of the perennial, basic problems of any society or ordered social life" (Eisenstadt, 1972: 410). The roles of institutions, however, are not confined to the ordering and control of social behavior alone but are also supportive toward the enhancement of human dignity, freedom, and development in society. Specific institutions have specific roles to play; some perform to realize political objectives, some are economic in orientation,

while others may pursue HD objectives. Whatever the goals, to be effective, institutions are required to be strategic in the direction they take and in pursuing their objectives. They need to be organic and adaptive and capable of efficiently managing and allocating resources for meeting development goals for the long run. This is often conditioned upon flexible institutional arrangements that encompass the creation of both formal and informal rules, enforcement mechanisms and monitoring procedures within a defined political structure, such as the state, which itself is often required to preserve its autonomous character and protect itself from dubious societal influences (North, 1990; Skocpol, 1995; Evans, 1995).

In development governance, institutions are imperative as they help cast and recast the attitudes, preferences, obligations, and incentives of key stakeholders toward policies and programs and in devising strategies for action. State capacity is enhanced by stable institutions that are properly designed and effectively managed to frame and implement policy strategies. As institutions "are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction" (North, 1990: 3) and as they help ease uncertainties, they are integral to any developmental pursuit directed toward social, political, economic, and environmental well-being.

The institutional base of development has broadened considerably in recent years with the active participation of an array of nonstate institutions. From the perspective of economic growth, institutional roles are critical in measuring performance. From a political perspective, governmental institutions provide policy directions and the wherewithal to implement and administer development policies and programs. Social networks and civic associations, if permitted to function without hindrance, can embolden citizen engagement in public affairs, create social trust, and contribute to sound democratic governance. From a societal standpoint, the nature of state–society relations and the degree of cooperation of society's constituent parts determine the nature of the state and its approach toward human welfare (Putnam, 1993, 2004; North, 1990; Evans, 1995).

Political Institutions

While their roles are critical in a democracy, because "[e]ffective governance is multidimensional … [as] it involves tasks as diverse as targeting resources efficiently, imposing losses on powerful organized groups, coordinating conflicting objectives, and managing deep societal cleavages," political institutions are only part of the total machinery that bolsters comprehensive development (Weaver and Rockman, 1993: 445). Together with other institutions, strong and stable political institutions serve important purposes in achieving the goals of development and "need to work in harmony as a coherent enterprise within a constitutional framework supporting the rule of law, the preservation of fundamental rights and civil liberties, and upholding the moral obligations of the state" (Zafarullah and Huque, 2006: 30).

Political equilibrium is an important element in the agenda of development. This equilibrium follows from a pluralist democratic environment, which tends to "obtain relatively high endogenous support and, as a consequence, they should have greater longevity than exclusive or simple institutions favoring the concentration of power" (Colomar, 2001: 211). While one might argue that in the past development did occur in both hard and soft authoritarian political systems (e.g., South Korea, Taiwan, Singapore), it goes without saying that in today's globalized world, pluralist democratic governance is unavoidable even if in a moderate scale if total society is to gain. Democratic institutions are essential for good governance to superintend development initiatives and programs. As has been argued,

> While some of the successful economic tigers have been dictatorships, dictatorships are no tigers. When one looks at the average performance of the two types of regimes, it is clear that, if anything, democracies generate a somewhat higher rate of growth of per capita income, lower mortality, and lower fertility.
>
> **Przeworski (2003: 45)**

If political institutions are strong and vigorous in their pursuit of activities relevant to development, chances for interorganizational conflict for resources and jurisdiction will likely be reduced and may produce predictable outcomes (Lipschutz, 2002). This will serve to boost the process for economic and social progress. Institutions are crucial for development and are "deeply influenced by the political and economic environment, and they mostly matter because institutions change over time as circumstances change" (Sindzingre, 2004: 285). As discussed in Chapter 3, despite authoritarian institutional trappings, the Chinese model has proved effective in advancing economic development, and other authoritarian regimes may find it a viable alternative. However, we are dealing here with development in a democratic framework and therefore not highlighting the Chinese "success."

The power, attitudes, and policy preferences of political actors are manifest through institutional entities, which also shape these by applying institutional rules and organized activities. The performance of political institutions that directly or indirectly have relevance to managing development is generally guided by historical factors, the attributes of the political culture, the operational styles of key political personalities, and the interface between the institutions and the wider society. The nature of political regimes determines the way political institutions are designed and operated. Predictably, these will act differently in a democracy than in a dictatorship or their variants. Even within liberal democracies, there will be differences between parliamentary and presidential types or between federal and unitary systems. The character of intergovernmental relations will also determine the scope for each constituent's (federal/central vs. provincial/state vs.

local) capacity and means to undertake developmental tasks either at the macro or microlevels.

Generally, when we refer to political institutions, we tend to focus mainly on specific formal organizations, associations, or structures created for the purpose of governance and the maintenance of social order. However, these can be more than formal structures and concrete entities and can include the following:

> (1) a written constitution; (2) with a declaration of rights implying a limitation of the sphere of government; (3) majority rule, usually control of a government by an elected legislature; (4) the separation of powers of government so that each power might check and balance the other; (5) public education to produce the knowledge and spirit appropriate to democratic government.
>
> **Finer (1962: 78)**

More specifically, political institutions include the constitution or corpus of laws and rules that empower and guide a government and set limits to its jurisdictions, legislative bodies, the executive (including the cabinet and the bureaucracy), the judiciary, political parties, and the electoral system. Other relevant political institutional forms include interest groups and the media that have significant influence on policy making.

The political executive or cabinet is at the center of the political process. Collectively, its members provide political direction and oversight to the varied processes of governance, so that a preferred development alternative can be implemented and institutionalized with minimum impediment. The role, however, differs in presidential and parliamentary systems. In the former, the notion of separation of powers is the basis of the political process. The chief executive or the president, generally elected directly, command considerable power and authority and oftentimes has complete sway over key decisions including the privilege to interdict legislative decisions. Of course, the powers of the chief executive in a democratic presidential system may be inhibited by a method of checks and balances that apparently works well in curbing excessive executive dominance. Apparently, the president is immune to legislative accountability, serves a fixed term during which he or she is irremovable except for gross misconduct or impropriety and has almost total control over the bureaucracy—the administrative arm of government that implements and superintends the development process (Lijphart, 1992; Verney, 1959). The fixed nature of the term of the executive obviously gives it greater leeway in making policy choices and the temporal certainty to implement development programs/projects.

In parliamentary democracies, on the other hand, the political executive and the legislature are basically fused with most members of the former being first elected as legislators by the people. There executive power is assumed by the party

with a majority in parliament and the leader of that party take on the responsibilities of the head of government. He or she is "first among equals" and is expected to provide political and administrative leadership, in consultation with cabinet colleagues. Unlike in "genuine" presidential systems, where there is almost complete separation of powers, parliamentary systems approximate a division of power between the legislature and the executive with the latter accountable to the former (Strøm et al., 2003). However, as it has become apparent in recent times, powerful political personalities at the helm of government—the prime minister—have used strict party discipline to control legislative behavior and business to prioritize the policy goals of the ruling party including those related to economic matters and HD. These issues are raised in cabinet by relevant ministers representing specialized ministries/departments, but decisions made are of a collective nature, but ministers are responsible for the developmental tasks entrusted to their respective departments. Because a government's tenure depends on the confidence it commands in the legislature, the situation in making policy choices can become somewhat tricky; the possibility of the government being defeated in the house on certain policies it may propose looms large. Thus, there is more bargaining and negotiations between legislators on the treasury and opposition benches with a stake in a particular policy. It has been argued that "parties supporting the executive hold valuable proposal powers that they risk to lose in a government crisis. Therefore, they have strong incentives to maintain a stable majority when voting on policy proposals in the legislature" (Persson, 2002: 889). Like any other governance matters, development policy making then becomes entwined in politics and often loses sight of the public interest.

Most development policy matters are initiated by the executive branch, but sometimes the push for a particular agenda may also emanate from the legislature and elsewhere, such as civil society, the private sector, and the media. The presidential office or the cabinet may directly coordinate and harmonize different strands of the development process or delegate the responsibility to special agencies. There may be variations in the way the process is managed in different countries. However, technology and expertise are key factors in the choice of agencies and the modus operandi for specific jobs. Development agencies should go beyond their interests and stick to principles and focus on the larger picture rather than striving to attain their own narrow objectives. The relationship between organizations involved in a particular project or program can become cumbersome unless overarching coordinating agencies play a supportive role and oversee the interactions.

The bureaucracy is a vital cog in the development machine with its peculiar institutional trappings. Although in a democratic system, it is expected to complement the elected political executive's job of governing and taking on a neutral apolitical position *vis-à-vis* policy making and implementation, the bureaucracy or the civil/public service transcends that role and adopts a more proactive, often interfering stance in decision making and policy agenda setting.

Civil Society

Civil society in many DCs had its genesis in social and political movements against authoritarianism and in the struggle for democracy; in a few, where democracy was installed at independence, it gradually emerged as a promoter of social and economic change and a bulwark against threats to democratic rule and human rights abuses. Indeed, democratic transitions of the late 1970s and 1980s in the DCs were in many ways directly or indirectly influenced by civil society pressures. The steady building of democratic institutions and consolidation, where they happened, fostered the further development of civil society, which served as "the cutting edge of the effort to build a viable democratic order" (Diamond et al., 1989: 26).

In a democracy, civil society provides individuals and groups the opportunity to engage themselves in determining the common good for society and the nation and in influencing public policies that affect them (DeLue, 2004). It can also work to restrain overbearing state power, predation, or coercion and to scrutinize state actions from social and political standpoints (Fukuyama, 2000; Harbeson et al., 1994). It is a buffer between state and society and "is strong enough to counterbalance the state and, while not preventing the state from fulfilling its role of keeper of peace and arbitrator between major interests, can nevertheless prevent it from dominating and atomizing the rest of society" (Gellner, 1994: 5).

Civil society is one of the three sectors in the development arena, the other two being the state and the market. It is often banded as the "third sector" as it typifies the space between the individual/family and the state (or the market) and serves as a bridge linking the two entities. White (2003: 6) suggests that "civil society is a sociological counterpart of the market in the economic sphere and to democracy in the political sphere." However, there are conceptual variations of the term and, in particular, the different purposes it serves. The lines demarcating the boundaries of civil society and other entities are often indistinct, abetting encroachments into its arena by others, such as political society and economic society. At times, even the distinction between the state and civil society can be fuzzy because some of their activities are overlapping or their constituents are simultaneously representing both entities* (Carroll, 2006). The two may complement each other particularly when CSOs undertake quasi-governmental operations and reinforce the developmental tasks of the state (Clarke and Thomas, 2006).

Indeed, the concept is rather elusive and ambiguous and often misapplied in explaining events, actions, and relationships (Edwards, 2004: vi; Uphoff and Krishna, 2004). Nonetheless, putting aside controversies and debates and the virtues and vices surrounding the concept, we shall use the term as a positive factor in development, while at the same time try to extrapolate the problems associated with the activities of civil society's constituents. It may be considered "a valuable

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* For instance, a government employee may at the same time be a member of a CSO and pursue its interests or that of the state or both.

analytical complement to the tired old 'state-market' dichotomy" (White, 2003: 6) that helps us understand the significance of associational interrelationships in governance and development.

The word "civil" in civil society obviously denotes a virtue—individuals and groups working together by adhering to the civic virtues of trust, tolerance, and mutual respect to attain something positive for society (DeLue, 2004: 16–18). The acceptance and application of these norms enable civil society to create social solidarity and advance social capital, which in turn promotes social cohesion, self-belief, self-reliance, and self-development among the people (see Dasgupta and Serageldin, 1999; Putnam, 1993). Individuals and groups within civil society are expected to be politically nonpartisan in their approach and avoid, as far as practicable, conflict and antagonism unlike in political society where political parties and partisan interest groups invariably compete for power and influence.

Social capital, a public good, contributes to social cohesion, which is the basis of civil society. Without positive interactions among people and groups and the long-term upkeep of a network of relationships and norms, society's common values cannot be shared and its good purposes realized. These networks of civil engagement and norms constitute a kind of resource or capital that can be invested for collective action in the pursuit for societal well-being. A robust civil society can further advance social capital by creating opportunities for coordinated and efficient exploitation of society's potentials. The more social capital is generated, the more integrated civil society will be, and its desired outputs and the outcomes to follow will better serve society (Putnam, 1993; Coleman, 1988; Field, 2003). The international donor community sees the application of social capital as contributing to poverty alleviation, HD, and sustainable livelihoods (World Bank, 2001; Organization for Economic Development and Co-operation [OECD], 2001).

Generally, civil society "refers not to a single, homogeneous thing which can be larger or smaller, stronger or weaker, but rather to networks of relationships between state institutions and the citizens within a society who are subject to state authority as well as among those citizens" (Uphoff and Krishna, 2004: 358). White (2003: 10) defines it as "an intermediate associational realm between state and family populated by organisations which are separate from the state, enjoy autonomy in relation to the state and are formed voluntarily by members of society to protect or extend their interests or values." For the purposes of obtaining analytical focus, he excludes economic institutions, whose realm is "economic society." Nevertheless, neither economic society nor political society can, for practical purposes, be divorced from civil society, which arguably is an offshoot of these two societies with a "distinctive" character. Their interrelationships and the interface between state and these three societies cannot be oversimplified. Each has critical roles to play in development, and interactions are imperative.

In the development arena, civil society is the conglomeration of diverse nongovernmental institutions, people's organizations, voluntary associations, and social movements and activities that work to alleviate a host of social and economic

problems confronting the nation and diverse communities within it. These CSOs support socioeconomic development activities and an array of human and environmental services. They enable civil engagement; promote empowerment; enhance local organization capacity; gather, process, and disseminate information for policy development; perform social audits; strengthen accountability structures; endorse citizen action programs; reinforce global development initiatives; and provide critical inputs to the global policy-making process (Zafarullah and Haque, 2006: 31). CSOs create equilibrium between state-led and market-based approaches to development and open up possibilities for wider public–private partnerships (PPPs) in attacking poverty and other forms of social inequality and in providing services in health, education, advocacy, environmental management, legal support, and so on (Anheier, 2004; Anheier and Salamon, 1998; McLaughlin et al., 2002).

Nongovernmental organizations (NGOs), as the foremost constituent of civil society, in general, are advocates for and partners in development and are alternative institutional forms of development resource (Carroll, 1992). The number of development NGOs has been on the increase ever since the seeds of democracy were sowed in many DCs in the developing regions. In the last two decades, they have been assuming many of the functions and responsibilities hitherto performed by retreating or shrinking states in the wake of neoliberal economic prescriptions imposed upon the developing world by Western governments and global institutions.

NGOs, to reiterate, perform a variety of functions relating to social and economic development. These include poverty alleviation, human welfare services, relief and rehabilitation, disaster management, SD, capacity building, conscientization, advocacy and campaigning, and policy development. Korten (1990) identifies four generations of NGOs (Table 4.1). The first-generation NGOs are mainly into relief and welfare operations "to meet an immediate deficiency or shortage experienced by the beneficiary population, such as needs for food, health care or shelter," whereas the second-generation NGOs "focus . . . on developing the capacities of the people to better meet their own needs through self-reliant local action" at the community level. The development of sustainable systems is the domain of the third generation, which "seeks changes in specific policies and institutions at local, national and global levels," while people's movements promoting and mobilizing an all-embracing social vision for alleviating poverty and harnessing HD represent the orbit of the fourth-generation NGOs (Korten, 1990: 115, 118, 120, 127). NGOs in development encompass all four generations in varying degrees as their scope extends from the individual to the community and region and thence to the global sphere. Some NGOs have over time moved from being first generational to another. For instance, Bangladesh Rural Advancement Committee (BRAC) started as a relief and welfare agency during and after Bangladesh's war of independence in 1971. Within a couple of decades, it has enlarged its domain to cover a wide spectrum of development activities and *en route* has become the largest NGO in the world.

Table 4.1 Korten's Four Generations of NGOs

	Generation			
	First	*Second*	*Third*	*Fourth*
	Relief and Welfare	*Community Development*	*Sustainable Systems Development*	*People's Movements*
Problem definition	Shortage	Local inertia	Institutional and policy constraints	Inadequate mobilizing vision
Time frame	Immediate	Project life	10–20 years	Indefinite future
Scope	Individual or family	Neighborhood or village	Region or nation	National or global
Chief actors	NGO	NGO + community	All relevant public and private institutions	Loosely defined networks of people and organizations
NGO's role	Doer	Mobilizer	Catalyst	Activist/educator
Management orientation	Logistics management	Project management	Strategic management	Coalescing and energizing self-managing networks
Development education	Starving children	Community self-help	Constraining policies and institutions	Spaceship earth

Source: Korten, D.C., *Getting to the 21st Century: Voluntary Action and the Global Agenda*, Kumanian Press, West Hartford, CT, 1990, 115–125.

Market and Financial Institutions

Macroeconomic changes and structural reforms directed toward a fusion of the domestic economy with the global and a move to a market-oriented system may have both positive and unintended economic and social consequences. With state-run monopolies in a variety of economic sectors gradually withering in the neoliberal setting in most DCs, the impact of structural adjustment with its wide-ranging ramifications, such as the push for cutbacks and austerity, has led to social displacement. Jobs have been slashed, retrenchments in public enterprises have been common, financial and social protection programs have been removed or curtailed, and a premium has been put on public sector performance. With the drive toward neoliberalism intensifying, market forces have assumed critical significance, and in the process, development has become overly dependent on the performance of the market.

While the direct relevance of financial markets to such things as HD may not be readily apparent, market forces do have considerable bearing on society and its progress, particularly in ways these have implications for income differentials and living standards. In many important ways, markets do have the potential to contribute to growth and development and in affecting human welfare. We have seen how the financial crisis of the late 1990s put pressure on the national economies of the developing world, and in 2007–2009, even the advanced industrialized nations could not remain immune to the financial meltdown whose ripples were felt across the globe.

From a macroperspective, changes in the global market have crucial impact on the domestic economy. For example, the debt burden may inflate with interest rate increases in the world capital market and decline in the value of the local currency. Plummeting foreign reserves, contracting money stocks, negative balance of payments, and inflationary conditions may cause immeasurable damage to the economy and bring hardship for the common people. Often reform measures may backfire and lead to more undesirable effects in the domestic economy. An unstable global economy may have a direct or indirect relevance to national economic growth rates (Ghosh, 1984b; Jorge et al., 2000). Markets may play an important role in enhancing economic growth but, even if they are financially productive, may not be the only solution to the problems of poverty, human underdevelopment, and social stagnation. It has been argued that "[c]ompetitive markets may be the best guarantee of efficiency, but not necessarily of equity ... [a]nd markets are neither the first nor the last word in human development" (UNDP, 1999: 2). Development policy makers cannot afford to rely simply on "market signals or market mimicking mechanisms" as contributing "to enhancing the effectiveness of public institutions" and supporting growth and development (Evans, 2005: 37).

While globalization has created opportunities for markets to prosper, it is imperative for global, regional, and domestic financial markets to be run prudently and efficiently such that their performance can have a positive impact on the developing

world. The reins on the forces and directions of globalization have to be tightened to work for human well-being and development, not just economic growth. In this situation, there has to be closer nexus between the state and the market and the private sector and appropriate regulatory frameworks for them to function smoothly yet not without some form of control to protect national economies and create opportunities for social and human advancement by combating poverty.

The emergence of new markets, new actors, new tools, and new maxims in response to globalization will require a harmonious liaison to serve the greater purpose of HD. As asserted, "If poverty is to be reduced, economic growth needs to be more pro-poor and governments need to intervene more directly" (Moore and White, 2003: 72). State intervention cannot just be obliterated but carefully directed to achieve the optimum benefit of well-functioning markets. In fact, the operation of markets, to have any meaning for the common people, "depends on the broader institutional context in which they are embedded" and "require a combination of formal and informal disciplining institutions" (Evans, 2005: 38). Markets can go wayward in the absence of rules and institutions to control them. The history of market failures and their ramifications for the entire, let alone the developing, world is too obvious. The reasons for these failures need to be addressed.

The emphasis on the market within the globalization framework implies broadening of opportunities for the private sector, letting it to widen the scope of its coverage, become more diversified and competitive, yet at the same time, ascertaining that it conforms to the norms of social responsibility and sound business principles. To encourage entrepreneurship, investments, and trade, national governments have an important role to create a favorable environment for private enterprises and multinational corporations (MNCs) to operate and make productive efforts at enhancing growth, alleviating poverty, and sustaining HD. To the extent practicable, discrimination between MNCs and domestic private enterprises, as far as enforcing rules and regulations, should be curbed. As a rider of HD, protection of workers from labor market vulnerabilities would be critical and, as such, governments and private firms could ill afford to deny workers of their rights. On the contrary, they should be adequately compensated for their efforts, their skills constantly upgraded, their benefits maintained, and jobs protected or unemployment insurance provided (UNDP, 1999).

Apart from national governments, the institutions of global governance, such as the World Bank, IMF, ILO, and WTO, also have their obligations toward making the market and its constituents more responsive to the needs of the common people and especially the workers. Global rules that promote human concerns, economic efficiency, and environmental sustainability are essential.

Global Institutions

Since the end of World War II, economic activities could no longer afford to remain confined within national boundaries. Now with globalization in full swing, these

activities and, in particular, the process of development in the developing world are being significantly influenced by global institutions that may be single- or multiple-purpose bodies, treatises, or conventions. With the majority of poorer countries deeply dependent on development aid and support, the primacy of these intergovernmental institutions in shaping national policies cannot be discounted. The interventions of the Bretton Woods institutions (BWIs) and other regional development banks in guiding national growth strategies and poverty reduction and social development initiatives are conspicuous. The WTO has been at the forefront of devising the rules of the global commerce regime and attempting to enforce and monitor them. The UN and its agencies have been engaged in a range of programs covering various dimensions of development, mainly relating to the issues of human well-being (health, education, habitat, aged-care, safety, rights and freedom, etc.). SD issues, such as climate change, environmental degradation, biodiversity, and the like, are being addressed at the global level, as are gender, population movements, food security, technology, and human rights concerns. Many of these issues cannot be attended to by national governments alone because of their scope and magnitude and hence need to be tackled through cooperation and consensus on the international plane. This has led to the emergence of *global governance.*

The Commission on Global Governance (1995) describes global governance as "involving NGOs, citizens' movements, multinational corporations, and the global capital market," but it is more than that. According to one scholar, it "include[s] systems of rule at all levels of human activity—from the family to the international organization—in which the pursuit of goals through the exercise of control has transnational repercussions" (Rosenau, 1995a: 13). Global governance insofar as it relates to international development and the framing of social, economic, and environmental policies is, in realty, the domain of multilateral bodies advancing neoliberal prescriptions to solving global, regional, and national problems without the formal legitimate authority of representing the global citizenry (Duffield, 2001). Is global governance then governing without government or without sovereign authority (Finkelstein, 1995)? It has led to "the decreased salience of states and increased involvement of non-state actors in norm- and rule-setting processes and compliance monitoring" (Brühl and Rittberger, 2001: 1).

This has happened due to the emergence and consolidation of a "global capitalist class," which has fabricated global governance as

> a complex process which institutionalizes structural power through the widespread adoption of cultural values and legitimating ideology. But this legitimating ideology, while often parading under the banner of "deregulation," draws governments into an ever-widening circumference of "regulation" in the form of policy initiatives and legislation.

Hoogvelt (2001: 153)

Global institutions not only regulate but, perhaps, also monitor and scrutinize the progress of national governments on policies, implementation, and outcomes. However, none is entrusted with the task of formally reviewing the performance of these institutions or enforcing any form of accountability for their actions. The formalities of so-called global governance are conducted without the support of any organized global government but by a network of intergovernmental organizations (IGOs) "beyond the public gaze." These networks serve as "primary mechanisms through which civil society and corporate interests are effectively embedded in the global policy process" (Held and McGrew, 2007: 156; Slaughter, 2004). Being generally fragmented, they operate without any centralized authority to govern or monitor their activities (Gordenker and Weiss, 1996). As Rosenau (1995a) suggests,

> There is no single organizing principle on which global governance rests, no emergent order around which communities and nations are likely to converge. Global governance is the sum of myriad—literally millions of—control mechanisms driven by different histories, goals, structures, and processes … the world is too disaggregated for grand logics that postulate a measure of global coherence.

Thus, skeptics often question the real motives of these global institutions and the agenda they advance. For instance, it is argued,

> To different degrees and in different ways, these key institutions have been adapting their general orientation, and their respective institutional structures and policies, to facilitate movement towards a world in which for capital, if not for citizens, national economic sovereignty is an anachronism.
>
> **Thomas (2002: 120)**

Arguably, the predominance of these institutions and their policies may have mitigated the autonomy of the disadvantaged nations to develop and pursue economic and social strategies of their own without conforming to their diktats, but, at the same time, they have created opportunities for these nations to benefit from the ideas they offer, such as in improving democratic governance, administrative performance, and policy development and implementation. From a normative perspective, global governance is perceived "as a solution, as a tool that politicians need to develop and employ to solve the problems that globalization has brought about" (Biermann, 2004: 7).

There are several institutions at the global level that have direct relevance to the managing of development in the developing world. The global IGOs include the UN along with its specialized agencies, the World Bank, IMF, WTO, other development and environmental agencies, and international NGOs. Interregional and

regional organizations, such as Association of Southeast Asian Nations (ASEAN), the European Union (EU), and Organization of American States, and regional development banks are also "participants." However, apart from these organized bodies, global governance also encompasses the cooperative activities and outcomes (treaties, resolutions, recommendations, etc.) of international summits and conventions, such as the Rio Earth Summit or the Beijing World Conference on Women. Unlike the IGOs, which have permanent structures and sets of rules and regulations governing them, these conventions are relatively nebulous and informal in character, but they do serve useful purposes.

The UN was, perhaps, the first concerted effort at creating, albeit unwittingly, a rudimentary version of global governance. Although the UN had its genesis in the League of Nations, it epitomized a truly global enterprise with participation of almost all independent states. Since its inception in 1945, it has grown into an enormous organization with 192 member states working together in good faith toward the maintenance of international peace and security, developing "friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples" and "harmonizing the actions of nations in the attainment of these common ends" (UN, 1945: Article 1). Its work is supported by six main bodies, several committees, and subsidiary bodies, a host of specialized agencies/programs/funds and research/training institutes and regional economic commissions. Among these, not all are relevant to managing development in the developing world, and those that are work under an umbrella body known as the United Nations Development Group (UNDG). It harmonizes the activities of 32 different UN agencies, funds, programs, and so on and has as its common objective the delivery of "more coherent, effective and efficient support to countries seeking to attain internationally agreed development goals, including the Millennium Development Goals" (http://www.undg.org/). Complementing UNDG is the UNDP, the UN's global development network that advocates and promotes change for human well-being. One of its most significant contributions is its continued assessment of economic, social, and HD issues, such as poverty alleviation, crisis prevention and recovery, health matters, environmental concerns, and democratic governance.

The BWIs—the World Bank and the IMF—are at the forefront of the global governance movement mainly because of the promotion and perhaps enforcement of their "brainchild"—the *Washington Consensus*—and for supporting globalization with all its associated trends such as deregulation, liberalization, and privatization. The World Bank, established in 1944 to support reconstruction in war-torn Europe, gradually moved toward financing development projects for economic growth in the DCs. From the 1960s, it changed its stance from being a sheer financier to that of an active international development agent in the social, political, economic, and environmental arenas. Its initial reliance on the state to initiate and sustain development has been replaced by an extraordinary emphasis on civil society and private sector participation. It promotes the idea of participatory development involving major stakeholders in the development process and also highlights

the significance of democratic governance in the pursuit of political stability, public integrity, and socioeconomic progress. The Bank, apart from itself being a premier IGO in international development, also plays a key role in the building of global governance regimes (Williams, 2008).

Although the IMF is a specialized agency of the UN, it has a mind of its own and operates more or less autonomously. It "tracks global economic trends and performance, alerts its member countries when it sees problems on the horizon, provides a forum for policy dialogue, and passes on know-how to governments on how to tackle economic difficulties" (IMF, online). It provides loans to member countries from a common pool of funds maintained by member contributions. All members though do not enjoy the same voting privilege—the rich nations contributing more to the fund have greater influence in decision making and the poorer nations deserving greater assistance are supported according to strict criteria, such as the quantum of their contribution, their national income, and gold reserve (Kegley and Raymond, 2005).

The policies and conditionalities proposed and applied upon by the World Bank, IMF, and WTO have not always proved advantageous to the developing nations. For example, the push for structural adjustment proved baneful for the poor and disadvantaged population adding to their economic and social miseries (Saadatmand et al., 2007; Zattler, 2005). Again, during the Asian Crisis, IMF policies caused more despair for the countries affected than resolved the problems (Feldstein, 1998; Bhagwati, 1998).

Closely aligned to the neoliberal approach is the one pursued by WTO, which is striving to create a new architecture of integrated and more comprehensive international free trade. The organization lists 10 benefits its system proffers: promoting peace, constructive handling of disputes between trading partners, making rules that "make life easier for all," cutting the costs of living through freer trade, providing more choice of products and qualities, raising income through trade, stimulating economic growth, making life more efficient, shielding governments from lobbying, and encouraging good government (WTO, 2009; http://www.wto.org/english/thewto_e/whatis_e/10ben_e/10b00_e.htm). Despite these altruistic purposes, it has been argued that WTO "undermines the traditional rule of law prohibiting interference in sovereign states' domestic affairs, including management of economic practices *within* the states' territorial jurisdiction" (Kegley and Raymond, 2005: 128). Together with the World Bank and the IMF, it tends to remain oblivious to the DCs' right to be heard on policies it creates and their impact on their economies.

Quasi-formal intergovernmental global gatherings and conventions on various issues like poverty reduction, health, climate change and environment, gender, human rights, and so on have their influence in global governance. Many of these are sponsored or supported by the UN. These specific purpose conventions became popular in the 1990s, although they had their beginning much earlier, and have continued despite their irregularity and generally *ad hoc* nature. These have been well attended and much heralded, creating headlines and lot of debate and controversies. Some have led to protests and even violence against globalization and its

consequent impact on the DCs; the neoliberal policies of the World Bank, IMF, and WTO; lukewarm response by some Western governments to climate change and global warming issues; marginalization of women; and other development issues. Clearly, these protests have been sparked by civic dissatisfaction with global governance and the roles of IGOs and are spontaneously and concurrently organized, often with the backing of civil society bodies and global social movements during intergovernmental summits with world leaders in attendance.

In the past decade or so, the prominent global level intergovernmental forums relating to development issues that have left their mark on recent trends have been the annual meetings of the Group of Eight (G8) and Group of Twenty (major economies; G20), UN Conference on Environment and Development—1992, WSSD—2002, World Summit for Social Development—1995, Fourth World Conference on Women—1995, UN Conference on Human settlements—Habitat II, UN Millennium Summit 2000, World Health Organization (WHO) Global Conferences on Health Promotion, several World Conferences on Higher Education, World Education Forum—2002, Intergovernmental Conference on Cultural Policies for Development—1998, and so on. These meetings, some held periodically, are often followed up with meetings at regional levels to monitor and review progress in the respective jurisdictions.

From the perspective of the organizers, these conferences, conventions, or summits may have altruistic purposes:

> to raise popular and elite consciousness; to mobilize public and official attention to and support for particular issues; to develop or cultivate support for particular responses to global problems; to bring the moral force of the UN to bear on societal abusers, and to generate and eventually implement mechanisms (including international law) for coping with ongoing problems.
>
> **Schechter (2001: 5)**

One scholar argues that

> the effects of the most successful conferences have been to increase national concern and to increase government capacity to address problems politically and technically by means of agenda setting, consciousness raising, expanded participation, monitoring, knowledge generation and diffusion, target setting, norm development and diffusion, and administrative reforms.
>
> **Haas (2002: 77)**

Critics, however, question their usefulness for their failure in correctly addressing the issues, high costs in organizing them, the polemic they generate, the

compromises rather than commitments they produce, the protests they invite, and so on (see Schechter, 2001). The continued control of the World Bank, IMF, WTO, and the global governance regime, in general, by the powerful Western nations has reduced their credibility as truly global institutions with clear nondiscriminatory agendas. Global governance is being dominated by the Western nations, the G8,* in particular, through their overrepresentation in the powerful global institutions and preemptory attitude toward global issues *vis-à-vis* the developing ones, which together embody a much larger land mass and the majority of the world's population. Obviously, the latter's aspirations and imperatives are often relegated to secondary prominence.

This has led to the call for accountability and reform of global governance and the way institutions and global-level forums work, especially the UN, the two BWIs, WTO, and the several multilateral conventions (such G20 and G8). A variety of recommendations have been put forward by individuals and institutions. These range from organizational restructuring to comprehensive changes of principles and strategies dealing with growth and development to benefit all countries, big and small, rich and poor, and weak and powerful. However, there must be congruence between institutional reforms and changes in the form and modus operandi of global-level meetings. As Bradford and Linn (2007: 116) posit,

> Reform of the overarching global governance groups, especially the G-8[sic] summit but also other regional and sectoral forums, is necessary if change is to be systemic, sufficient and effective. It is the nexus of global reforms—the interaction and interdependence of individual institutional reforms and broader governance reforms—that defines the global governance reform agenda today.

Apart from academics and analysts, the demand for reform has emanated from civil society, such as the "Civil G8," a conglomeration of national and international NGOs, politicians, campaigners, and so on, which is pushing for "a development model founded on a new economic and financial structure, with a greater awareness of responsibilities for the environment and the fundamental rights of all people" (G8, 2009). Specific groups are also involved in campaigning for improved governance in various sectors. As an illustration, in environmental governance Greenpeace, Friends of the Earth, *World Wildlife Fund* (WWF), and so on are prominent campaigners on saving the planet from environmental hazards and doing it the right way. To promote and safeguard the fundamental rights of people, Human Rights Watch, Action Without Borders, Amnesty International, and so on are prominent advocacy groups.

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* The G8 is an abbreviation for the Group of Eight. This forum is composed of the United States, the United Kingdom, France, Germany, Canada, Russia, Italy, and Japan. It concerns itself with global social, political, developmental, and environmental issues.

Implications for Development Management

The role of the state in the newly emerging development management framework stands minimized to that of a regulator and facilitator, leaving, as much as is appropriate, the direct provision of services to nonstate institutions or administered through coproduction, such as PPPs. The effectiveness of development governance will depend on the appropriate degree of state intervention—neither too intrusive nor overly withdrawn. The state is expected to use its regulatory powers to steer development policy implementation and program management within a decentralized structure that devolves responsibility down to the local level but with built-in mechanisms to ensure transparence and accountability. The new development state will maintain its political and economic sovereignty and hold ownership of public policies it frames while preserving a mutually reinforcing and supportive nexus with global development institutions and regimes. The relevance of the market economy to development cannot be deprecated. Despite its neoliberal connection, it promotes entrepreneurism and business initiatives and supports "a political culture of citizen involvement and leadership" (Center for International Private Enterprise [CIPE], 2009: 8).

State–society relations need to be reciprocal; both can fruitfully influence and support each other. Wider citizen engagement in development through the solicitation and elicitation of their views and demands and mechanisms for their participation in development initiatives serve useful purpose. Responsiveness in development management would be achieved by enhancing leadership and decision-making skills in the civil service, capacity building of development practitioners, improving accountability and transparency within government structures, and inducing service and efficiency values in public management. Both *participant-governed* and *lead organization-governed* networks (see Chapter 6) can serve useful purposes in supporting development activities, however, the preferred form would be one where all stakeholders or participants interact and contribute toward network goals in a decentralized structure through self-regulation (Provan and Kenis, 2007). Civil society participation in policy development, implementation, monitoring, and evaluation is desirable and vital in democratic development governance (DDG), although, at times, this may create conflicts between representative democracy and inclusive participatory development, but without the latter, the former "is plagued by democratic deficits, encouraging a spiral towards increasingly executive governance and public 'apathy' or abstention" (White, 2009: 3).

The infusion of public value in development management would result in an ethos that would create and sustain a performance culture in the governmental system, cause a commitment to accountability, an obligation to share information, bestow legitimacy to development partners and participants, build the capacity to support universal access, develop responsible employment practices, and contribute to societal welfare (Aldridge and Stoker, 2002).

The technology gap and the digital divide between groups, sectors, organizations, and regions will need to be bridged for development to have all-encompassing

ramifications. In most DCs, some people or regions have access to technology and its effective use, while others are denied or have restricted access. This creates disequilibrium in society and is a cause for conflict between and among stakeholders. State development agencies and NGOs need to acquire, use, and share information for capacity building, decision making, project selection, monitoring and evaluation, procurement matters, and other relevant purposes. The application of information and communications technology (ICT) can make the development sector more synergistic, productive, and participatory. Public agencies coordinate their tasks better if they are networked through ICT systems. For the poorer people, ICT can support the development of their technical and business skills, can facilitate their access to government services and financial resources, and can help develop small-scale entrepreneurism at the grassroots. As the efficient and cost-effective implementation of an array of social and economic programs/projects is critical in development management, e-Governance or e-Development "contributes to total factor productivity and GDP growth and can play an important role in the development of a competitive information economy" (United Nations Conference on Trade and Development [UNCTAD], 2007b: xxvii, xxxiii).

Review Questions

1. What initiatives were taken at the global level to make development more social in orientation?
2. What is HD? What are its main elements?
3. What was the main thrust of the World Bank's "CDF"?
4. How would you define SD? What are its main criteria?
5. What is expected of the MDGs?
6. What roles do institutions play in development?

Further Reading

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Chapter 5

The Governance of Development

Which is the best government? That which teaches us to govern ourselves.

Johann Wolfgang von Goethe

Setting the Scene

With the emergence of globalization and the intrusions of neoliberal ideas over the past few decades, the role of the state and the approach to and strategies of economic growth and development have undergone a remarkable transformation. The first-generation neoliberal economic reforms before the 1980s were basically about establishing and entrenching macroeconomic fundamentals and the creation of a new development paradigm. Issues such as stabilization, efficiency and performance, enlargement of the role of market forces, financial liberalization, and privatization were addressed within this "model" (Krueger, 2002; Corbo, 2002). These reforms, however, were unable to tide over enormous economic woes that confronted many developing countries (DCs) and were in many ways restrictive to the pursuit of policies and programs that would create opportunities for efficiently running national economies for alleviating poverty and supporting social development and in effectively integrating them with the global system.

This brought to the fore the need for second-generation reforms for additional stimulus to improve economic and social performance through a reconfiguration of the role of the state and its relationship with the political and social space (political

institutions and civil society), the economic space (market and private sector), and the influential international space (global institutions and regimes). These second-generation reforms became imperative for advancing social development goals, in addition to the economic, and for making the delivery of basic human services (such as health, education, and housing) more efficient and productive. If the first-generation reforms set the conditions for macroeconomic stability, the second-generation ones were more pervasive in nature and encompassed social, political, economic, and legal domains (Corbo, 2002). These were not mere instruments or inputs for obtaining macroeconomic changes but envisaged broad outcomes through clearly articulated policies and strategies for implementation (Navia and Velasco, 2003). It is mainly about building new institutions and strengthening existing ones to perform the core functions of the state efficiently, economically, effectively, and ethically within a democratic structure.

Specifically, the second-generation neoliberal reforms sought to consolidate the gains of the first-generation reforms and addressed the issues of institutionalization, state's regulatory capacities, efficient and productive market functioning for social well-being, improved macroeconomic performance, private sector development and public–private partnerships (PPPs), public management, governmental and corporate integrity, and citizen engagements. With societywide ramifications not simply confined to obtaining economic growth or to boost market performance, these reforms were politically contextualized and had the potential for controversies and conflicts. On the other hand, improving social conditions was one of the priorities to be realized through strategies augmenting public service delivery, administrative efficiency and decision-making practices, the rule of law, and investment in human capital (Naim, 1994; Navia and Velasco, 2003).

Clearly, the goals of development can be better realized within a framework that stipulates a set of democratic principles and interactions between the state and other stakeholders—the market, political society, civil society, and global regimes. Such a framework has been labeled as *governance*—a process or practice for sustaining a sociopolitical order by harmonizing relations between the state and nonstate institutions and actors involved in development.

Origins of "Governance"

The notion of governance was highlighted in the late 1980s when neoliberal ideas began to permeate political and economic thinking and developmental praxis. Within rapidly changing dynamics of global political and economic arrangements, with governments unable to meet demands of development and human progress in the domestic sphere, and with the descent of democratic values upon previously authoritarian polities, intellectual thinking in development studies and practical "judgment" among aid-giving institutions on appropriate means to make governments more effective began to transform (Kickert et al., 1997). The art and

science of government was beginning to be reconsidered, from an entirely new perspective.

The idea of governance was foreshadowed in the European concept of *corporatism*, which sought to remove conflicts in a capitalist economy by providing a functional representation to a limited and selected number of well-organized ideologically coherent interest groups in society. These are

> singular, compulsory, non-competitive, hierarchically ordered and functionally differentiated categories, recognized or licensed … by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and support.
>
> **Schmitter (1979: 13)**

Indeed, the state is the principal actor in organizing and influencing collective societal interests, which "are incorporated within the process of authoritative decision-making and implementation. As such they are officially recognised by the state not merely as interest intermediaries but as co-responsible 'partners' in governance and social guidance" (Schmitter, 1981: 295). It is also utilized by the state as a mechanism to tide over social and economic difficulties and market setbacks and to serve the public interest by forging links between relevant stakeholders through cooperation rather than competition (Roche and Cradden, 2003; Smith, 1993).

Corporatism, however, circumscribed spontaneous open competition among interest groups in a more or less democratic environment. This was in contrast to *pluralism*, which developed in the United States about the same time as corporatism. Pluralism considers interest groups as free-forming, voluntary, competitive actors in the policy process but without representational monopoly in articulating their interests. Their differences and hostilities are reconciled within a pluralist framework with the government serving as a facilitator and coordinator. In this scenario, public policies are therefore the product of interactions, either competitive or cooperative, among nonhierarchically organized societal groups advancing their collective interests (Self, 1985; Schmitter, 1979: 15). While apparently more democratic than corporatism, pluralism as a governance model has perhaps been more difficult to apply in DCs than in more developed democracies where civil society and social capital are strongly entrenched. Interestingly, however, even in these democracies, corporatism has emerged as an alternative to pluralism (Offe, 1981).

Under authoritarian rule, techno-bureaucratic elites in some DCs made up for the lack of scope for people's participation in state affairs by "mov[ing] towards reliance, not on coercive or authoritarian domination, but rather on rebuilding a cooperative partnership between state and society" and thereby achieving "both legitimacy and control" (Brown, 1996: 69). That helped governments to advance industrialization and economic growth. After the transition to and consolidation of democracy in many of these countries, corporatist institutional arrangements have

helped harmonize disparate groups and their interests to efficiently manage social and economic affairs of the state (Schmitter, 1992; Im, 1999).

Nonetheless, corporatism has its drawbacks. As Rhodes (1997: 32) argues, it places "too much stress on the top-down nature of policy making, on economic interests and on aggregate analysis" rather than on a more democratic participatory aggregated policy process. As an alternative to both the pluralist and corporatist models of governance, the idea of *network governance* (NetGov) has been advanced as a useful platform to problem solving and conflict resolution in social, political, and economic matters in a democratic milieu. The central rationale of this approach is that governing and policy making are both very complex and highly differentiated tasks involving only a few stakeholders, and their relationships with the state fluctuates on the differences certain areas of concern present. The state takes on the role of an "activator" using both vertical and horizontal divisions of its jurisdictions and functions through "highly organized social sub-systems," rather than the top–down authoritative allocation of resources and decisions (Eising and Kohler-Koch, 1999: 5). The state governs not through coercion but by exacting compliance through participation by these divergent groups and self-regulating networks of interests at various levels (Rhodes, 1997; Rosenau, 1992a; Sørensen, 2002). This could somewhat be related to *inclusive corporatism*, mainly designed in the Irish Republic, that denotes a kind of social partnership that is very wide-ranging in nature and incorporating a myriad of cause-centered social groups and interests and a culture of social interrelationships (House and McGrath, 2004; Murphy, 2003).

Defining Governance

The term *governance* is an offshoot of *government*, and the two are oftentimes synonymously and interchangeably used. There are, however, qualitative differences between the two. Finer (1974: 4) attested four different meanings to the term "government": (1) process of governing or exercising control; (2) condition of ordered rule; (3) the body of individuals assigned the task of governing; and (4) "the manner, method or system by which a particular society is governed." Government is an organized body politic—a formal structure of institutions, individuals (positions), and functions designed and managed to undertake defined responsibilities to attain certain specified goals in society. Consisting of a rule system and governed by a legal framework, a government through elected and appointed officials exercises legitimate authority over its jurisdictions and has effective monopoly of coercive powers without which it would become ineffective (Levine, 1987; Rawls, 1993). Constitutional legitimacy and autonomy afford government to use formal sanctions to generate compliance of institutions, groups, and individuals (Rosenau, 1997).

The main points that come out of Rosenau's (1992b: 6, 7) distinction between the two concepts are that both government and governance

> refer to purposive behavior, to goal-oriented activities, to systems of rules; but government suggests activities that are backed by formal authority … , whereas governance refers to activities backed by shared goals that may or may not derive from legal and formally prescribed responsibilities … [Governance] embraces governmental institutions, but it also subsumes informal, non-governmental mechanisms whereby those persons and organizations within its purview move ahead, satisfy their needs, and fulfill their wants … governance is a system of rule that works only if it is accepted by the majority …, whereas governments can function even in the face of widespread opposition to their policies … governance is associated with occasions when power is exercised in dependently of the authority of government. Some distinguish governance as a mode of allocating values while viewing government as operating the mechanisms through which the allocation is accomplished. In some instances governance is equated with the emergence of rule-like systems and problem-solving devices.

As an organized entity, government has normative, structural, and behavioral attributes. Normatively, it has to do with notions of justice, equity, and equality. Structurally, it is about the distribution of power and authority, formal organizational arrangements, instruments, and procedures to control and regulate and decide on issues and policies and implement them. Behaviorally, it deals with the noninstitutional influences of motivation and human interactions on political activity and public affairs (Easton, 1965).

Government is the principal "instrumentality through which the political system works" (Apter, 1998: 372). It can therefore be distinguished from a *political system*, which basically is a complex network of relationships and interactions performing integration and adaptation functions (Almond, 1960) and transforming political inputs (power relationships and demands) into outputs (laws and public policies) through this instrument of government (Easton, 1965). Often, the political system and the state, also a formal political organization, are considered synonymous. Raz (1979: 100), for instance, argues that "a state is the political organization of a society, it is a political system that is a subsystem of a more comprehensive social system," and "it uses the government to undertake its functions and uses the law in exercising its power" (Raz, 1986: 70). Government is an agency of the state and is "furnished with explicit rights and subject to control according to established procedures" (Eising and Kohler-Koch, 1999: 14).

Governance, on the other hand, is the process of governing in an appropriate manner to realize certain purposes of the state for societal well-being and progress. It is about the quality of governmental functioning and the positive responsiveness

of state institutions for effective delivery of public services with utmost integrity, least discrimination, and respect for human rights. Governance is not likened with government because of the social and economic functions the former incorporates in its repertoire, apart from the political and administrative. It "signifies a change in the meaning of government, referring to a *new* process of governing; or a *changed* condition of ordered rule; or the *new* method by which society is governed" (Rhodes, 1997: 46). It is expected to be less hierarchical, less institutionalized, and therefore less bureaucratic than government. However, similar to government, it is also normative in nature and inherently value laden. It is about the efficient and productive performance of a government working within a democratic setup and being deferential and committed to the rule of law. It is about practices and mechanisms and attitudes and behaviors. Governance is about relationships between different entities and between different sets of ideas and practices. It represents a complex matrix of interrelationships between state and society in general, state and political and/or civil society, state and markets, the public and private sectors, state and global institutions, international regimes and national practices, and so on. The compass of governance is much wider than government, much more penetrating than traditional statecraft. As Hajer and Wagenaar (2003: 3) argue, governance

> indicates a shift away from well-established notions of politics and brings in new sites, new actors and new themes. There is a move from the familiar topography of formal political institutions to the edges of organizational activity, negotiations between sovereign bodies, and inter-organizational networks that challenge the established distinction between public and private. The disparate actors who populate these networks find nascent points of solidarity in the joint realization that they need one another to craft effective political agreements. Their efforts to find solutions acceptable to all who are involved ... nibble and gnaw on the constitutional system of territorially based representative democracy.

Basically, governance focuses on the synergies and collaboration between stakeholders in an intricate yet inclusive network of interactions "to achieve communicative rationality" toward deliberative solutions to societal problems (Innes and Booher, 2003: 39). Evidently being more democratic in its orientation, governance also implies sharing of power between divergent (central vs. subnational or local) but perhaps overlapping vertical or horizontal layers in the state structure and often between state and nonstate entities (public agencies vs. quasi-governmental or nongovernmental organizations [NGOs]). The governance paradigm supports the "hollowing out" of state activities, external inputs into the policy process, more citizen engagements in public affairs, and wider PPPs. It acknowledges that political power is relational and needs to be shared and cannot be the exclusive domain of the state. Concentrated authority at the highest levels may not always deliver

(Rhodes, 1997; Held et al., 1999). Policy making needs to be shared vertically as well as horizontally among different actors at different levels.

Reinicke (1998: 89) introduces the concept of *subsidiarity* as a political instrument in delegating policy functions either to lower level political–administrative entities, such as local councils or quasi-governmental entities, or to NGOs or even private contractors. This attempts "to improve the legitimacy, acceptability, efficiency, and effectiveness of public policies." Subsidiarity may be vertical—delegating policy-making functions down the governmental hierarchy, or horizontal—entrusting nonstate actors* in undertaking functions on behalf of the government. This approach of expanding the policy-making process and providing alternative modes of delivering public services to the community has produced the notion of "*governing without government*" (Rhodes, 1997: 46; Peters, 1997; Peters and Pierre, 1998). Rosenau (1992a) suggests that such a notion relates to "system of rule that is as dependent on intersubjective meaning as on formally sanctioned constitutions and charters." Thus, both formal and informal attributes are associated with governance, making it more flexible and adaptable in character than government.

In the emerging governance paradigm, "multifaceted interdependencies" among autonomous social actors are prominent and more effective, *vis-à-vis* the previously authoritative state institutions, in public policy dynamics, that is, in converting their policy preferences into policy choices such that "the plurality of interests is transformed into coordinated action and the compliance of actors is achieved" (Eising and EKohler-Koch, 1999: 5; see also Rhodes, 1997). Nonetheless, despite the transformations impinging upon it, the state continues to be the dominant political force in society, and its role will not cease or diminish in advancing social agendas or in confronting market failures (Evans, 1997; Rhodes, 1997; Pierre and Peters, 2000). The transformations, however, need to be cautiously handled and correctly paced for minimum disruptions to developmental activities. Even if government and governance are not the same thing, it is the government that plays the leading role in overseeing governance (the process of governing) and in guiding and influencing development dynamics. Indeed, governance cannot be schemed without government, which is at its nucleus, yet not the only element in the realization of its objectives.

Several individuals and institutions have defined governance in their own distinguishing way reflecting their approach in explaining the concept or in signifying its usage in particular settings or for specific reasons (See Box 5.1 for a good definition). Institutions, especially, conceptualize the praxis of governance from their distinctive rationale of operationalizing their missions and programs in DCs. Scholarly writings have defined governance from a general multidisciplinary perspective and applied them to specific areas of concern. We provide below a few of these definitions:

From a social–political perspective, several explanations have been offered. Young (1994: 26, ix) looks at governance as "an institution that specializes in

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* These may include private businesses, labor organizations, NGOs, voluntary bodies, consumer groups, and the like.

BOX 5.1 GOVERNANCE

Governance is the system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way a society organizes itself to make and implement decisions—achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interests, mediate their differences and exercise their legal rights and obligations. It is the rules, institutions and practices that set limits and provide incentives for individuals, organizations and firms. Governance, including its social, political and economic dimensions, operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe.

Source: UNDP (2000), quoted in UNDP (2007c), *Governance Indicators: A Users' Guide*, 2nd edition, United Nations Development Programme, New York, 2007c, p. 2.

making on collective choices on matters of common concern to the members of a distinct social group" or "sets of rules guiding the behavior of those engaged in identifiable social practices" and a government is there to "administer the provisions of governance systems." Focusing on "rules and qualities of systems"; "co-operation to enhance legitimacy and effectiveness"; and "new processes, arrangements and methods," Kooiman (1999: 69, 70) defines governance as follows:

> All those interactive arrangements in which public as well as private actors participate aimed at solving societal problems, or creating societal opportunities, and attending to the institutions within which these governing activities take place.

Governance Applications

Governance is a generic term and can be applied to a variety of domains (public, private, corporate), institutions (social, political, economic), issues and practices (environmental, technological, educational, health), and levels (local, national, regional, and global). It is "the sum of many ways individuals and institutions, public and private, manage their common affairs" (Commission on Global Governance, 1995: 2). When applied to specific situations, it takes on a prefix. Thus, we hear about public governance, corporate governance, environmental governance, health governance, and so forth. In this book, we are concerned with governance from a broad perspective related to development—the application of appropriate principles and practices

in the public domain and the making of public decisions and policies by the state exercising political power within a democratic process that encompasses openness, participation, accountability, effectiveness, predictability, and coherence (European Union [EU], 2001; World Bank, 1989; Asian Development Bank [ADB], 1997). This governing process is about engaging concerned stakeholders and citizens in obtaining the common good through interaction, collaboration, and cooperation. Governance is conceptualized here in a way that is relevant to development and social well-being.

However, to provide an idea of the different ways governance has been conceptualized, let us consider 10 different connotation of the term. Rhodes (1997) first came up with 6 conceptualizations that were later expanded to 10 by Kooiman (1999). These were premised on general/theoretical ideas in the wider social science literature or applications proffered by international bodies for compliance by DCs. Each of these conceptualizations focuses on a particular dimension, some dealing with the social–political, some with the economic and financial, and others with notions of governability or with the application of the democratic ethos. Many of the elements of each "model" may, however, overlap.

Governance as the Minimal State

The neoliberal ideas that ramified in the 1980s with Thatcherism and Reaganomics conceived the state to play a minimal role and pushed for rolling back the state on the pretext of giving individuals more freedom for making choices and setting priorities (Held, 1989: 25; see Gray, 1994). The free market radicalism enunciated by the policies of Thatcher and Reagan meant less government spending and moth-eaten welfarism. State intervention was reduced to only providing the basic services and guaranteeing the conditions for the market to play its role in a generally deregulated environment. This led to the downsizing of government (through cutback management and personnel retrenchment) and privatizing state enterprises (Rhodes, 1997). Governance was contrived to achieve this minimalist form of state.

Governance as Corporate Governance

Generally, the term *corporate governance* is directly relevant to the big private sector corporations and the manner in which they are managed and controlled. It is about the form of relationships between their governing bodies and share- and stakeholders. However, as Sir Adrian Cadbury (cited in Hopkins, 2006: 33) states,

> Corporate governance is concerned with holding the balance between economic and social goals and between individuals and communal goals. The corporate governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.

Thus, we have the notions of *corporate social responsibility* and *corporate accountability* that are relevant in shaping global public policy and impacting upon international development (Hirschland, 2006; Hopkins, 2006). The corporate governance principles of transparency, accountability, and integrity are equally applicable in the public sector.

Governance as New Public Management

A major reason for adopting a new approach to public sector management by the end of the 1980s was the growing dissatisfaction with the performance of traditional public administration (TPA) in realizing the goals of progressive governments. Despite some of the proven merits of formal bureaucracies, idealized by Max Weber, these were constrained from being innovative, risk taking, and efficient and were often self-regulating to the extent of becoming unaccountable and unresponsive. Bureaucratism, along with its unpleasant practices, was decried as a threat to societal progress (Hughes, 2003; Caiden, 1991). *Managerialism* thereby became the basis of the new approach. It stressed managerial responsibility in achieving results by employing business principles in managing the public sector. Combined with the elements of *New Institutional Economics* (NIE) that favor competition and incentives in the marketplace, managerialism was transformed into *New Public Management* (NPM) that emphasized public institutions' hands-on professional management, explicit standards and measures of performance, output controls, disaggregation of bureaucracies, greater competition, business methods and practices, and discipline and parsimony (Hood, 1991; Rhodes, 1997; Joskow, 2008). NPM is a basic element of governance because of the latter's accent on the process of governing with small, efficient, transparent, accountable, entrepreneurial, and uncorrupt government devolved with the task of providing broader direction to policy making and implementation (Osborne and Gaebler, 1993).

Governance as "Good Governance"

The catchphrase "good governance" came into prominence in 1989 in the international donor community mainly as a policy prescription to guide aid-recipient countries in refurbishing their governmental systems along preferred lines. Generally, it is characterized in terms of donor–recipient relationships, that is, aid became conditional upon creating a politico-administrative regime that would meet the criteria stipulated by donors—the industrialized nations, the Bretton Woods institutions (BWIs), and regional development banks. The World Bank (1989: 60) first defined "good governance" as "the exercise of political power to manage a nation's affairs." Later, this connotation was reinterpreted to mean "the manner in which power is exercised in the management of a country's economic and social resources for development" (World Bank, 1992b: 1). Apparently, the underlying themes of these two conceptualizations are the nature of the political system, the process of

exercising power, and the capacity of a government in policy making and implementation. The standard criteria for measuring *good* governance generally shared by most international/regional organizations are accountability, transparency, integrity, participation, and an enabling legal framework (Agere, 2000: 3, 7–9; see also Corkery, 1999). Pluralist democracy and deference to human rights are at the heart of this concept (Leftwich, 1993).

Governance as Sociopolitical Governance

The central gist of this interpretation of governance is that the process of governing is no longer restricted to a sole entity—the government, to be precise; rather it draws from the participation of a host of actors interacting to achieve a common purpose (Rhodes, 1997). This is to suggest that while the government, as the central or all-powerful entity, may be at the center of the governing process, its supremacy is somewhat diluted in the midst of a highly differentiated political system characterized by interaction dynamics in which the government generally plays an enabling role. Kooiman (1999: 68, 69) distinguishes three types of social–political–administrative interactions that are critical: *interferences* (the uncoordinated and informal forms of social interactions), *interplays* (coordinated but semiformalized networked and collaborative formations), and *interventions* (formalized modes of social interactions occurring within legal structures). Public policies and their success or failures are the outcome of complementarities between public and private actors, each possessed of sufficient knowledge and expertise to contribute to agenda setting, policy formulation, policy adoption, monitoring, and evaluation. Social–political interactions have also helped produce such strategies in development as PPPs, social investments, cooperative management, entrepreneurial community ventures, and social forestry, to mention a few.

Governance as Self-Organizing Interorganizational Networks

Closely related to the central theme of social–political governance is *NetGov* based on linkages between different institutions, both state and nonstate. The notion of this variant of governance emanates from the reality "that political actors consider problem-solving the essence of politics and that the setting of policymaking is defined by the existence of highly organised social sub-systems. In such a setting, efficient and effective governing has to pay tribute to the specific rationalities of these sub-systems" (Eising and Kohler-Koch, 1999: 5; Kohler-Koch, 1999). Basically horizontally organized and fragmented self-regulating networks operate to govern, formulate policies, and deliver services by sharing sovereignty with the state (Sørensen, 2002). The government gets things done by involving outside organizations and coordinating and harmonizing their activities, and their compliance is ensured not by coercion by any central authority but by relying on their "reputation, trust, reciprocity and mutual interdependence" (Larson, 1992: 1; Rosenau, 1992b). According

to Rhodes (1997: 52, 53), these networks are autonomous and therefore virtually unaccountable to the state and can have the potentiality to defy the government's steering power. Nonetheless, the system that emerges from this sort of interdependence networking makes governance "broader than government, covering non-state actors" and "the boundaries between public, private and voluntary sectors [are] shifting and opaque" with "continuing interactions between network members, caused by the need to exchange resources and negotiate shared purposes."

Governance as "Political Steering"

On the basis of the works of Mayntz (1993) and Kickert (1993), Kooiman (1999) proposes another usage of the governance concept—that of *steering*. In German political parlance, the term "steuerung" was originally applied "to refer to the ability of political authorities to mould their social environment" and then to conceptualize "governance," which has different meanings—(1) a way of acting, (2) a process, and (3) a functional aspect of systems (Mayntz, 1993: 11). It differs from governing, which is basically "technical steering" or "the exertion of goal-directed influence" in a process participated by several actors. But because governing has its limitations, most critical of which is the capacity of certain actors to resist political guidance, the notion of political steering, control, and guidance become so significant. Steering in system theory is related to the idea of control but in explanations of governance, control is about "a balance between governing actors … [it] is pushing and pulling on the many subjects that are at stake" (Kickert, 1993: 195). The complexity that arises from managing diverse interests in the policy process puts a premium on steering unless there is a spontaneous urge for self-control and self-regulation. If governance is about "steering, controlling, and guiding societal sectors," this has to be carefully orchestrated with the government playing a key but not the sole role. As Marin and Mayntz (1991) asserts, "political governance in modern societies can no longer be conceived in terms of external governmental control of society but emerges from the plurality of governing actors." Stoker (2000: 98) points out that

> [s]teering involves government learning a different operating code which rests less on its authority to make decisions and instead builds on its capacity to create the conditions for positive—sum partnerships and setting or changing the rules of the game to encourage what are perceived as beneficial outcomes.

Governance as International Order

Globalization has led to fundamental changes in the global order and the transformation of regimes, norms and rules, and networks on the international plane since the 1980s. Global governance almost mirrors national governance except that it is supraterritorial in compass and global in perspective. It is about managing

relations between nation-states, international civil society organizations (CSO), and markets. It "incorporates participation by a more broadly defined global public, engaged in collective actions, and managed by a range of formal and informal mechanisms and rules" (Dodgson and Lee, 2002: 100). Similar to governance at the level of the nation-state, global governance comprises a myriad of actors, both formal and quasi-formal establishments and groups, interacting to find solutions to common problems or even disagreeing on critical issues. These may include the organized international bodies such as the United Nations (UN), the World Bank, International Monetary Fund (IMF), World Trade Organization (WTO), international NGOs, and transnational bodies on specific issues, such as climate change, terrorism, human trafficking, and so on. These bodies often work within a framework and a corpus of rules of their own making.

It has been suggested that "contemporary global governance is highly uneven. Some of its dimensions, particularly in the field of economic governance, are highly developed; whereas others, especially in the fields of health, environment and human rights, are underdeveloped, barely existent or wholly absent" (Wilkinson, 2002: 3). It is common to find in the literature that global governance works against the interests of the poorer countries because of the "internationalization of authority" and that their problems are handled by imposing social and economic policies promoted by global institutions (Gill, 1995: 418; Sinclair, 1994). Equity and participation of all nation-states in global governance seem to be an illusion. Rosenau (1995b: 285) argues that "the authority, effectiveness, and sovereignty of states are under severe strain and steadily diminishing, the ramifications of global governance are enormous."

Governance as Governing the Economy

Governing the economy is a troublesome game. A lot is at stake, and the dynamics involved are complex because of the presence and influence of a range of variables that keep changing given the volatility of the economic environment and the unpredictable behavior of markets and transactions. Economic governance, similar to other forms of governance, is about interactions among economic actors; interventions of the state and of markets; and interplays between national, regional, and global regimes. It relates to "the use of institutions and structures of authority to allocate resources and coordinate or control activity in society or in any other relevant environment; including the economy" (Bell, 2002: 1). Economic governance, according to Campbell et al. (1991: 6, 7), "is an extremely complex phenomenon. Transactions occur within a sector among a wide range of interdependent actors . . . who must routinely solve problems, such as raising capital, setting wages, standardizing products, and establishing prices in order for economic activity to continue." They also suggest that "governance transformations are likely to occur when actors, who are unable to manage problems of interdependence to their satisfaction within the existing arrangement of governance mechanisms, search for institutional

alternatives in contingently rational ways." Economic governance occurs in diverse arenas and involves different activities and actors. Bell (2002) and Gamble (2000) list the state or the public sector, the market or the private sector, networks and communities, and social capital as conduits through which the organizing of economic transactions and transformations happen at local, national, regional, and international levels.

Governance as Governmentality

The idea of governmentality was largely developed by Foucault from his sense of the constitutive elements of government and the outcome of its institutional processes and the discursive mediation in the exercise of power (Walters, 2000). It is about the application of political rationalities (knowledge, expertise, tactics) and technologies. By governmentality, Foucault (2005: 142) means three things:

- The ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics that allow the exercise of [a] very specific albeit complex form of power. ...
- The tendency which, over a long period and throughout the West, has steadily led towards the pre-eminence over all other forms ... of this type of power which may be termed government, resulting ... in the formation of a whole series of specific governmental apparatuses. ...
- The process, or rather the result of the process ... [that] transformed into the administrative state ... gradually becomes "governmentalized."

Foucault also suggests that governments should not govern for the sake of governing alone but enhance people's welfare and their productive capacities maximized and the knowledge of the state for scientific analyses sophisticated. In other words, the focus should be on the application of rational principles. "[I]t is the tactics of government," he argues, "which make possible the continual definition and redefinition of what is within the competence of the state and what is not ... and the state can only be understood in its survival and its limits on the basis of the general tactics of governmentality" (Foucault, 2005: 143). However, what specific form governance will take or what form of techniques will be applied depends on the cultural dispositions or perceptions of powerful actors who plan and undertake ventures. Thus, in development, we have different approaches for tackling poverty or different strategies for raising standards of living or realizing human capabilities. It is the mentality of governance that determines the appropriate approach in dealing with specific issues and problems. Nonetheless, there may be universalistic approaches that may provide the premise to develop the right strategy to solve specific problems. In approaching poverty alleviation, for instance, while "poverty may manifest itself differently in different places, and poor people in these places may have different perceptions of their situations and needs, development discourse

expounds and circulates a dominant understanding of poverty … and a general model for addressing it" (Sharma and Gupta, 2005: 28, 29).

Democratic Development Governance

We have discussed in Chapter 4 the principal elements that go into the scheme of an inclusive developmental state (IDS). The developmental state in the past had more of an economic orientation than a social orientation. It provided a regulatory framework to obtain the desired results from efficient markets. This approach has now been enlarged to include the functioning of a "social order" for social progress and human prosperity with greater emphasis on harnessing social and political trust and building social capital (Fukuyama, 1996). As White (1998: 20) argued,

> Economic growth should be complemented to the extent feasible by the pursuit of certain social objectives: the alleviation of absolute and relative poverty; the correction of glaring inequalities of social condition (between genders, classes, regions, and ethnic groups); provision for personal safety and security; and the tackling of looming threats such as environmental degradation.

It is imperative for such a state to thrive and deliver in a democratic environment. Indeed, with the democratization of most DCs during the past three decades, people's expectations of the performance of elected governments have enlarged. In the aftermath of political reforms that led to the establishment/rejuvenation of political institutions, attention has been diverted not only to creating a public management system equipped with the capacity and resources to plan and implement effective development programs not just for economic growth through industrialization, capital investment, trade and commerce, and infrastructure building but also to improve people's well-being and guarantee their rights. Democratization has also accorded legitimacy and unquestioning authority to DC governments in negotiating the terms of external assistance with global and regional donor organizations and supportive richer nations in financing their development initiatives. Legitimacy has similarly endowed them with the political standing to design with indigenous knowledge and expertise their developmental policies based on local needs and perhaps reduced external intervention. Democratization has also helped to usher in nonstate stakeholders such as NGOs, community groups, think tanks, and private sector concerns into the public policy arena. This has created opportunities for governments to pursue deliberative policy making with people's interests, needs, and rights in focus (UNDP, 2002; Cheema, 2005).

The attributes of governance when associated with those of democracy—constitutionalism and the rule of law; representativeness and multiparty contestation

under free and fair conditions; diffusion of power within a decentralized structure; governmental transparency and accountability; political and administrative integrity; liberal economic arrangements; civilian control of the military, civil, and political liberties and rights; independence of the judiciary; citizen access to information and public services; free media; broad inclusion and gender equity; enlarged policy space with wider public participation and dialogue; and strengthened civil society and social capital—produce democratic governance (Diamond, 1999; Linz and Stepan, 1996; Osborne, 1993; Lowenthal and Dominguez, 1996; Dahl and Lindblom, 1976). It is "the quality of being completely or almost completely responsive to all its citizens" that is characteristic of a truly democratic state and not just providing them with the right to choose their representatives through electoral contestations (Dahl, 1971: 2). The implications of the quality of governance for democracy are significant for the latter to sustain.

The *Millennium Summit* of 2000 underscored the relevance and significance of democratic governance in eradicating poverty from the developing world. It resolved "to promote democracy and strengthen the rule of law, as well as respect for all internationally recognized human rights and fundamental freedoms, including the right to development" (UN, 2006a). The United Nations Development Program (UNDP) (http://www.undp.org/governance/mdgs.htm) points out that "democracy can work to put in a political dynamic to respond to the social and economic priorities of people and contribute to reducing poverty and promoting human development" and "[d]emocratic institutions and processes that give voice to people, and hold rulers accountable, as well as open competition for power, make politicians more likely to respond to the needs of ordinary people."

Democratic development governance (DDG) has the inherent quality to establish the latitude for political socialization that leads to a robust civil society, which is a "sector of social reality in which human interests … seek to affirm themselves and defend their rights and prerogatives" (Ana, 1994: 3). A potent civil society can help to build and deepen democracy and bolster development by focusing on the problems of the excluded and marginalized sections of society, enabling civil engagements, and working for the empowerment of the poor (Zafarullah and Haque, 2006). Gender bias or discrimination goes against the tenets of democracy and can only be curbed by infusing democratic principles in widening the opportunities for women. Similar to any other rights, gender equality is inalienable and cannot be divorced from the very nucleus of development. Democracy "aims at empowering people as if societies were made through a social contract between equals, all of whom have the same potential for making autonomous and responsible choices" (Inglehart and Welzel, 2005: 171). A democratic development regime is premised on the notion of citizen engagement and participation in governance and development programs facilitated by an enabling environment fostered by the state and supported by nonstate actors (Edigheji, 2005). Because of its deliberative and consensus-building traits, democracy is capable of promoting "more effective strategies

for reform and … build[ing] a broad coalition for societal change" (Kozul-Wright and Rayment, 2007: 260).

The centralized structures of strong authoritarian states, hitherto a common problem in most parts of the developing world, are inappropriate in instilling a democratic ethos in local governance. Poverty eradication will, more often than not, succeed if civic participation is permitted to lend a local view, and indigenous knowledge is used in development planning. More specifically, it allows a community to voice grievances and make demands relevant to their welfare. The likely outcome would be policies and plans that would reflect the needs of communities or groups they intend to serve. Democracy bodes well in a decentralized state configuration. The process of decentralization involves the distribution of state authority away from a top–down, nationally oriented structure of power to create a more localized structure that is more responsive to local needs and in which local people have greater access to government activities and services (UNDP, 2002). Essentially, decentralization is a central component of the democracy-building process as it necessarily creates "new political spaces" within which relationships between people and the state may be built (Cornwall and Gaventa, 2006).

The institutional framework for managing development efficiently, effectively, and ethically rests upon the principles of sound governance—accountability, transparency, predictability, participation, and integrity. These attributes must be combined to create a coherent mechanism that would enable the development process to attain desired goals. None of these can be practiced without democratic constitutionalism or a corpus of rules and regulations made by people's representative or their delegated agents and applied prudently by invoking the rule of law. All governmental activities relating to development must be accounted for, disclosed to the public, undertaken within a complex rule-based system, supported by stakeholder participation, and based on ethical principles (ADB, 1977; Zafarullah and Haque, 2006).

For all practical purposes, there cannot or should not be any conflict between democracy and development (see Chapter 4). Indeed, the nexus between the two is strong enough to make it all happen, that is, they can complement each other in improving the quality of life in all nations. Thus, states in the developing world should simultaneously strive to attain the goals of development and democracy to make human prosperity inclusive.

DDG needs to be authoritative and coherent, yet at the same time inclusive. Democratically organized, robust political institutions are capable of affording "a crucial level of mediation and aggregation between, on one side, structural factors and, on the other, not only individuals but also the diverse groupings under which society organizes its multiple interests and identities" (O'Donnell, 1994: 98). Effective development governance can be constructed and sustained in democracies that are concentrated and intensive. Leftwich (1998: 57, 58) argues that "since *only consolidated democracies can become developmental democratic states*, the conditions of consolidation are crucial in shaping the democratic developmental state"

(emphasis in the original). Legitimacy, consensus and constitutionalism, and policy restraint by winners are key conditions that have to be met. DDG focuses on the social, political, and economic dimensions of the development management process. It is a total phenomenon and a composite process.

Attributes of DDG

Several sets of indicators for measuring DDG or its variants constructed over the past decade by international and regional organizations (such as the World Bank, IMF, Organization for Economic Development and Co-operation [OECD], UNDP, ADB, African Development Bank [AfDB]) and nonpolitical think tanks and monitoring organizations (Freedom House, Amnesty International, and Human Rights Watch) are currently in vogue. Most of these have been especially designed to support the field operations of these organizations as well as to gauge the quality and impact of public policies and development strategies. Social scientists have also been active in constructing their own indices, some appraising the nature and quality of democracy, while others focusing on the performance of institutions, public and private, and the delivery of public services and the implementation/administration of development programs (Bollen and Paxton, 2000; Bovaird and Löffler, 2003; Berg-Schlosser, 2004; Bowman et al., 2005). These benchmarks and yardsticks are useful in academic and risk analyses of the performance of governments in their development endeavors. These can also be taken as a set of attributes that are relevant to DDG. When these attributes are present in good measure in a particular country, we can label it as conforming to the desired level of sound democratic governance with the appropriate approach to development.

The degree of "democraticness" has been the focus of many indices that have gained currency in the social literature in recent times. These include, Dahl's *Polyarchy*, which has been widely used as the basis for evaluating polities all over the world. The three major criteria for a political system to be branded "democratic" or "polyarchical" are as follows: (1) political contestation among individual and organized parties for occupying key and effective positions in government; (2) inclusive political participation in the affairs of the state obtained through a free electoral process; and (3) a range of civil and political liberties that make possible for citizens to enjoy social, political, and economic freedoms (Dahl, 1971: 3–20).

Other indices that measure the effectiveness of democracy have extended Dahl's construct and use several social, political, and economic criteria. The Polity IV project

> examines *concomitant qualities of democratic and autocratic authority* in governing institutions, rather than discreet and mutually exclusive forms of governance. This perspective envisions a spectrum of governing authority that spans from *fully institutionalized autocracies* through

mixed, or incoherent, authority regimes (termed "anocracies") to *fully institutionalized democracies*.

Marshall and Jaggers (2009)

This measure uses five indicators—competitiveness of political participation (ranging from competitive to suppressed), regulation of political participation (regulated to unregulated), competitiveness of executive recruitment (election to selection), openness of executive recruitment (election to closed), and constraints on chief executive (parity or subordination to unlimited power) to distinguish a democracy from an autocracy (see Marshall et al., 2002).

Freedom House has developed a similar index (Gastil index) that measures the extent of implementing real-world individual freedoms and rights. Countries and regions are rated according to two sets of criteria—one directs attention on political rights and the other on civil liberties. Political rights focus on three subcriteria, namely, electoral process, political pluralism and participation, and government functioning, while civil liberties are concerned with four major issues, namely, freedom of expression and belief, associational and organizational rights, rule of law, and personal autonomy and individual rights (Freedom House, 2009; Gastil, 1991). (For a critical review of several of these indices, see Munck and Verkuilen [2002]).

The World Bank and the IMF focused attention on macroeconomic management issues as the basis of development governance. Williamson (2000: 252, 253), who coined the term "Washington Consensus," includes the following:

- Fiscal discipline
- A redirection of public expenditure priorities toward fields offering both high economic returns and the potential to improve income distribution, such as primary health care, primary education, and infrastructure
- Tax reform (to lower marginal rates and broaden the tax base)
- Interest rate liberalization
- A competitive exchange rate
- Trade liberalization
- Liberalization of inflows of foreign direct investment
- Privatization
- Deregulation (to abolish barriers to entry and exit)
- Secure property rights

These clearly reflected the neoliberal approach that the BWIs were keen to see being followed in the developing nations, many of which were recipient of their services.

The main themes that are common in all of the above indices are political contestation, openness and fairness in political recruitment, participation, inclusiveness, political rights, civil liberties, and macroeconomic management. It should, however, also be noted that because governance and development are culture

bound, there cannot be any universal standard to measure their performance and outcomes in all societies. Especially, the indicators of liberal democracy, as envisaged by some of their architects (mentioned above), cannot always be fully relevant to the social–cultural conditions of the places where they are measured. For instance, there are variations in the way corruption or human rights are perceived in divergent cultures, and this needs to be factored in while assessing them. Even countries in the same region or continent display sociocultural differences, and this need to be considered. As one author, referring to African countries, notes,

> Because the major indicators of democracy show the greatest discrepancies and lowest correlation for this continent, it is all the more imperative to assess them critically side by side for each case drawing on their relative strengths and avoiding some of their weaknesses in order to arrive at a more valid and more meaningful evaluation of these countries.

Berg-Schlosser (2004: 39)

This simple fact cannot be ignored. On the other hand, effectiveness of DDG cannot be ensured if only the political and social indicators are addressed. These need to be reinforced by efficient managerial tools and strategic actions that are directed at achieving developmental goals. Thus, the emphasis is on sound development governance encompassing appropriate institutional arrangements, and coherent processes that are goal directed and outcome oriented. Contrarily, "to understand development governance properly, we have to understand it politically, not simply managerially or administratively" (Leftwich, 2006: 57). DDG is, therefore, a political process that is entwined with technical and managerial elements given the accent on outputs and outcomes under neoliberal political economy conditions with the market playing a key role.

Parameters for Measuring Governance

The international aid community advanced several governance benchmarks as part of their neoliberal strategy and which formed, *albeit* partly, the basis for governing development under democratic conditions. Several sets of parameters have been or are being used to assess the quality of governance in developing nations. The ADB (1997: 9) came up with its own version of governance what it terms "sound development management." It includes elements, such as

- *Accountability*—public officials to be held responsible for following political directives and delivering particular outputs
- *Transparency*—the public to be provided information on government actions, rules, and regulations

■ *Predictability*—the need for a stable, open, and widely understood set of rules of the game
■ *Participation*—to ensure ownership and beneficiary support for development initiatives

The AfDB added two more elements to the ADB "model." These are combating corruption in the public domain and creating a prodevelopmental legal and judicial system (AfDB, 2002). The Inter-American Development Bank (IADB) places the spotlight on democracy, the rule of law, public management, decentralization, market institutions, and socioeconomic conditions (http://www.iadb.org/datagob). The UNDP considers governance from three perspectives: political (focusing on governmental decision making and the policy process), economic (direction over economic matters and relationships), and administrative (policy and program implementation and administration). In addition to participation, the rule of law, transparency, and accountability, the UNDP criteria of sound governance includes the following:

■ *Responsiveness*—institutions and processes in development are to serve all stakeholders, especially the people.
■ *Consensus orientation*—consensus-building approaches on policies and programs must be adopted, and all conflicting and divergent interests should be mediated by these institutions and processes.
■ *Equity*—there should be minimum of discrimination and equality of opportunity for all citizens regardless of personal attributes be extended.
■ *Effectiveness and efficiency*—optimum utilization of resources must be made while desired and targeted outcomes are achieved by development institutions and processes.
■ *Strategic vision*—development must be approached with the bigger picture and long-term perspective in mind (UNDP, 1997).

Participation and consensus orientation may be coupled to produce the principle of *legitimacy and voice,* responsiveness and effectiveness and efficiency to indicate *performance*, and equity and the rule of law to manifest *fairness*. Strategic vision may be equated with *direction*, while *accountability* is adjoined with transparency. These five core principles constitute "good governance" as conceived by the UNDP.

The United States Agency for International Development (USAID) identifies five key elements of democratic governance with implications for development (USAID, 2000: ch 2). These are as follows:

■ *Consensus* on the most fundamental rules of political life, such as those relating to political competition and inclusion that confers legitimacy on governments.
■ *Rule of Law*—the presence of an equitable and independent legal structure to enforce the rule of law incorporating basic human rights and civil liberties.

- *Competition*—the extent to which there is formalized and fair electoral contestation to elect representative governments, a pluralistic civil society pursuing divergent interests, and checks and balance between the executive, legislative, and judicial branches.
- *Inclusion*—the guarantee of equal rights for citizen participation in public and private spheres.
- *Good Governance*—the capacity of state as well as social institutions to deliver obligated services efficiently and equitably within the norms of transparency, accountability, and the rule of law.

On the basis of these preferred democratic governance features, USAID produced a set of indicators for measuring democratic governance in countries where it has a stake in development. This has four strategic objectives: (1) strengthened rule of law and respect for human rights, (2) more genuine and competitive political processes, (3) increased development of politically active civil society, and (4) more accountable and transparent government institutions. Each strategic objective is broken down into several intermediate targeted outcomes (see Table 5.1).

In defining DDG, Kaufmann et al. (1999: 1) focus on the

> traditions and institutions by which authority in a country is exercised. This includes (1) the process by which governments are selected, monitored and replaced, (2) the capacity of the government to effectively formulate and implement sound policies, and (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them.

The *Worldwide Governance Indicators* (WGI), which Kaufmann, Kray, and Mastruzzi developed along with their colleagues at the World Bank Institute, attempted "to develop more precise or informative measures of broad concepts of governance by drawing on a diverse set of underlying indicators" (Kaufmann et al., 2008: 4). The WGI measures six dimensions of governance—*voice and accountability*, *political stability and absence of violence*, *government effectiveness*, *regulatory quality*, *rule of law*, and *control of corruption*. Citizens' should have the ability to participate in selecting their government and enjoy democratic freedoms. The presence of a free media is essential to expose government failures and present the views of the opposition and the public. Political stability is imperative for the government's development programs to be delivered efficiently and timely. Terrorism and violence should be under control or eliminated. The quality of public administration should be high and public personnel must be insulated from political pressure. The policy process has to be effective and the government's commitment to such policies must be evident. It should also have the power to regulate the economy and be committed to promoting private sector development. The rules of society must be adhered to by the agents of the government and the quality of contract enforcement, property rights, the police, and the courts must be upheld. All forms

Table 5.1   USAID DDG Indicators

Rule of Law and Respect for Human Rights
Protection of human rights and gender equity
Laws, regulations, and policies promote a market-based economy
Equal access to justice
Effective and fair legal sector institutions
Elections and Political Processes
Genuineness and competitiveness of the political processes
Credible electoral administration
An informed and active citizenry
Effective oversight of the electoral processes
Representative and competitive multiparty system
Inclusion of women and disadvantaged groups
Effective transfer of political power
Development of a Politically Active Civil Society
Legal framework to protect and promote civil society
Citizen participation in the policy process and oversight of public institutions
Institutional and financial viability of csos
Free flow of information
Democratic political culture
Transparent and Accountable Government Institutions
Government responsiveness to citizens at the local level
Citizen access to improved government information
Ethical practices in government
Strengthened civil–military relations supportive of democracy
Effective, independent, and representative legislatures
Policy processes in the executive branch

Source: USAID, *Handbook of Democracy and Governance Program Indicators*, U.S. Agency for International Development, Washington, DC, 1998.

of corruption, as well as "capture" of the state by elites and private interests, must be controlled (Kaufmann et al., 2008: 7, 8).

These six dimensions of DDG are based on more than 300 indicators. The WGI "represent[s] the most extensive study on governance indicators," a broad measure of the quality of governance, which has been very meticulously constructed and, despite its methodological limitations, it has been widely used by academics in teaching and research, policy makers, and aid administrators around the world (UNDP, ND: 50). (For critiques of WGI, see Arndt and Oman [2006], Thomas [2006], and Langbein and Knack [2008]).

Mainly used for resource allocation purposes, the World Bank also rates a country's policy and institutional framework against 16 criteria grouped in four clusters:

- *Economic management* (macroeconomic management, fiscal policy, and debt policy)
- *Structural policies* (trade, financial sector, and business regulatory environment)
- *Social inclusion and equity policies* (gender equality, equity of public resource use, building human resources, social protection and labor, and policies and institutions for environmental sustainability)
- *Public sector management and institutions* (property rights and rule-based governance; quality of budgetary and financial management; efficiency of revenue mobilization; quality of public administration; and transparency, accountability, and corruption in the public sector)

These four sets of criteria are significantly relevant to developmental concerns because they assess a country's overall approach to social, economic issues, and governance problems.

The British government agency Department for International Development (DFID) lists capability (stability, regulation, trade/growth, effectiveness, security), accountability (transparency, free media, rule of law, elections), and responsiveness (rights/liberties, propoor, equality, regulation, corruption) as the central elements of governance. Governance, in its perspective, relates to "all the mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests and exercise their rights and obligations" (DFID, 2007: 6). Furthermore, it is concerned with the way "people mediate their differences, make decisions and enact policies that affect public life and economic and social development." DFID makes it clear that governance is country specific and that it

> cannot be constructed simply by transferring institutional models or organisational blue-prints from rich to poor countries. Countries need to create their own institutions through locally driven processes. Reforms require careful prioritisation and sequencing, depending on individual country circumstances.

DFID (2007: 9)

Several CSOs around the world have developed their own sets of indicators to assess the state of DDG. For instance, Britain's leading development research organization, Overseas Development Institute (ODI) provides six principles of good governance: participation (involvement and ownership by stakeholders), fairness (do rules apply equally to everyone in society), decency (rules are implemented without harming people), accountability (political actors are responsible for actions), transparency (clarity and openness of decision making), and efficiency (use of limited resources for greatest outputs) (ODI, 2007). Social watch (2009), an international network of citizen groups, focus on several development indicators: communications and technology, demography, development assistance, macroeconomy, external debt, education, employment, health, gender, inequality, poverty, and social and public expenditure. An African think tank, Afrobarometer Network (2009), identifies democracy, trust, legitimacy and the rule of law, accountability, government performance, leadership, individual efficacy and action including citizen engagement and participation, social capital and equality, and the economy and livelihoods as some of the requirements of sound governance. Similarly, the Latinobarometro indicators feature democracy; politics and institutions; public policy; and civic culture, social capital, and participation (Allen, 2009).

Apart from measuring democracy and governance in broad general terms, several sets of indicators have been in use to determine the quality of specific governance issues, such as public integrity and human rights (by Amnesty International), nature and roles of civil society (Civicus), electoral practices by the Epic Project (International IDEA), macroeconomic aspects (European Bank for Reconstruction and Development [EBRD]), accountability (One World Trust), gender issues (UNDP, Inter-Parliamentary Union), decentralization (Open Society Institute), media matters (International Research and Exchanges Board, Reporters without Borders), workers' rights (International Labor Organization [ILO]), commerce and investment (Poverty Reduction Strategy [PRS], Price Waterhouse Coopers), and so on. Several universities also have their own projects to assess the state of governance across the world (see UNDP, ND, for details).

Governance assessment principles, especially those that have been adopted by the international donor community, are generally informed by three different perspectives, such as TPA, NPM, and NetGov. The first has been gradually replaced by NPM in some DCs but retains its legacy in most others, while NetGov is becoming an important factor in facilitating the pursuit of development goals within the framework of democracy and "good" governance. Elements of both NPM and network governance, if fused properly, can consolidate concerted efforts in governing and managing development and policies adopting these approaches have a better prospect of success.

Implications for Development Management

"Good governance" has become catchphrase in development and is being prescribed for the DCs as *the* norm by international donors. The management of development is

no longer a purely administrative or technocratic matter; it has become a component of the larger realm of governance and goes beyond the simple efficiency principle. The routine is measured in terms of effectiveness, equity, and inclusivity. Thus, the implications of the attributes/elements of democratic governance for managing development are significant. Inclusive participation by citizens who are afforded rights and freedoms by a system of government based on constitutionalism and the rule of law and run by a politically organized group of people selected through open competition is the key to the efficiency and effectiveness of development praxis. When these are present in any political setting, it becomes relatively unproblematic in pursuing public programs for economic growth, poverty alleviation, and social well-being. Thus, the import of measuring governance, apart from the democratic attributes, is by correlating it with the indicators of human development, that is, by locating the nexus between democratic governance and development outcomes. Governmental effectiveness cannot only be associated with economic outcomes alone but also with broader social–political and civic dimensions that are directly relevant to citizens, such as poverty reduction, gender empowerment, corruption, governmental responsiveness, access and service delivery, and so on (Molutsi, 2002; Malik, 2002).

A high-quality economic management system is necessary to provide for sustained economic growth through sound monetary, fiscal and trade policies, and an efficient debt management strategy. A nation's economy is also dependent on financial stability, efficiency, and resource mobilization capacity. The legal, regulatory, and policy environment must be conducive to business productivity and investment. Public expenditure must be consistent with poverty reduction priorities and strategies. Gender equality is gauged by the way nondiscrimination policies are enforced, the nature of access for women in human capital development and productive economic resources and whether their status is protected by law. The focus should be on human development outcomes, and social development programs (health, education, social protection, labor relations, etc.) must conform to the Millennium Development Goals (MDGs). The environmental policies are to be geared in promoting the sustainable use of natural resources and in managing pollution. The principal instrument for achieving all these is a well-organized, efficient, responsive, and ethically oriented public management system for sound policy coordination and improved service delivery obtained through accountable, transparent, and corruption-free structures and procedures (World Bank, 2007).

Review Questions

1. How would you define "governance"? What is its scope?
2. What are the 10 conceptualizations of governance?
3. How has governance been extended by the tenets of democracy?
4. What are the main elements of DDG?
5. How is DDG measured?

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Chapter 6

Managing and Networking Development

Coming together is a beginning. Keeping together is progress. Working together is success.

Henry Ford

Paradigm Shifts in Governmental Administration

The administrative legacy bequeathed to most developing countries (DCs) by colonial rulers at independence consisted of a form of bureaucracy that was highly institutionalized and overdeveloped *vis-à-vis* other political institutions such as legislatures and political parties. Enjoying centrality within the state structure, which was constructed primarily for the purpose of supporting colonial rule, the bureaucracies after independence continued to operate more or less along lines that were instilled by their former colonial rulers. Thus, inherited administrative systems were generally imitations of the colonial systems they had ostensibly replaced. These mirrored British, French, Dutch, or Spanish administrative influences wherever their rules existed and were run by bureaucracies exhibiting certain common characteristics that, by and large, closely approximated the essence of the legal–rational bureaucratic paradigm developed by Max Weber.

The form of public administration that gradually unfolded in the developed world, especially in the United States and Britain and, to some extent, in France and Germany, in the first half of the twentieth century has been aptly explained

by scholars who represented different schools of thought—the classical, neoclassical, and modern. These scholars not only described and analyzed existing patterns and trends but also proposed new ideas to reframe administrative practices. Thus, we find in theory and practice Frederick Taylor's one best way of accomplishing a task with efficiency and precision, Weber's legal–rational hierarchically arranged organizational structure performing routinized and specialized tasks, Luther Gulick's POSDCORB signifying planning, organizing, staffing, directing, coordinating, reporting, and budgeting, Fayol's classification of administrative functions and principles of management, Chester Barnard's enumeration of executive functions, Paul Appleby's debunking of the politics–administration dichotomy myth,* Herbert Simon's task of making rational choices from among alternatives, Fritz Morstein Marx's essential dynamics of public administration, the movement to infuse human relations dimensions in the workplace, and so on. These largely characterized the framework of public administration in the DCs. Generally, this form has been labeled as *traditional public administration* (TPA). Within the TPA paradigm, politicians and higher level administrators had a wide role to play in controlling administrative behavior and practices that were regulated by maintaining rigorous hierarchical strata, corpora of strictly enforced rules and standards, input-based processes, technical approaches to resolving problems, top–down policy processes, and bureaucratic careers based on "scientific" merit principles *a la* Weberian (Marx, 1957; Sayre, 1958; Waldo, 1968).

Peters (2001: 4–13) lists some attributes of TPA: (1) an apolitical service, (2) hierarchy and rules, (3) permanence and stability, (4) an institutionalized civil service, (5) internal regulation, and (6) equality of outcomes. Indeed, TPA was almost totally trapped in bureaucratism and represented the pivotal point of conventional administrative doctrines that underscored "the prescribed separation between substance and institutional administration *within* the administration component of the politics/administration dichotomy" and epitomized a proclivity to further parochial organizational interests (Brazelay, 1992: 179).

Over time, with the outcome of trials and errors becoming known, proven inefficiency and ineffectiveness of the bureaucratic model becoming evident, and the germination of new ideas creating a growing interest in reform, TPA lost its usefulness and credibility as an efficacious tool. TPA gave way to *New Public Administration* (NPA) and then to *New Public Management* (NPM). The governance model incorporated many of the features of NPA and NPM and supplemented them with the elements of *Network Governance* (NetGov). In DCs, their appropriate blending and judicious application may have practical utility in attaining developmental goals (Table 6.1).

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* Woodrow Wilson argued as early as 1887 that administration should be separated from politics and policy making. He also proposed the application of business techniques in government administration. See his pioneering paper on public administration (Wilson, 1887). Later, authors such as Paul Appleby and Frank Goodnow rejected this dichotomy.

Table 6.1 Governance *vis-à-vis* TPA, NPM, and NetGov

Governance	TPA	NPM	NetGov
Focus	Rule-based governance and management; accountability for inputs and outputs; hierarchical control from politicians to frontline providers; transparency and predictability; focus inside the public system	Results-based governance and management; accountability for outputs; sanctions and rewards; performance-based contracts; outsourcing	Networks between organizations inside and outside the public sector; at national and international levels; cooperation between and governance by multiple partners pursuing partly shared objectives in loosely coupled coalitions
Basic assumptions			
Role of the state	The state as a steering and control mechanism	The state provides an enabling environment	The state as facilitator of NetGov
Key governance actors	Politicians and administrators	Politicians and managers	Politicians, civil servants, citizens, customers, producers, and providers
Efficiency	Through bureaucratic hierarchy	Secured through competition	Secured through partnerships and cooperation
Power	Visible, regulated, located in center of government	Dispersed in the market place	Fragmented and/or shared in consensus building networks

Table 6.1 **Governance *vis-à-vis* TPA, NPM, and NetGov (continued)**

Governance	TPA	NPM	NetGov
Likely direction of change	"Basic-first" approach; strengthening input control and accountability; audits; formalization of processes; stabilizing civil service through career and merit-based system	Introduction of results-based budgeting and management technologies; use of agencies or outsourcing of state functions through performance-contracts; drive civil service performance through incentives linked to results	Creation of policy and implementation networks, partnerships and task teams across organizational boundaries; knowledge-sharing networks; flattening of hierarchies and increasing actors' autonomy and options to network
Likely mode of change	Technocratic, incremental, long-term horizon	Technocratic; reformist; short- to medium-term horizon	Communicative and persuasive; learning-oriented and experimental; change as permanent operational mode

Source: OECD, *Donor Approaches to Governance Assessments: 2009 Sourcebook*, Organization for Economic Development and Cooperation, Paris, 2009a.

Public Administration in DCs

Public administration in the DCs, which was branded *development administration* by American social scientists in the 1950s, incorporated many of the norms of TPA theorized and practiced in North America and Europe. Thus, administrative systems that developed in these postcolonial countries mainly under external influences were unmistakably Western in terms of structure, functions, norms, and behavior (Hughes, 2003: 56). Their continuance after independence created contradictions as most exotic attributes of governmental administration resided alongside "deeply entrenched traditions and values" of the developing societies. As Riggs (2003: 22) pointed out, "Both the old and the new, each legitimate and viable when practiced alone, were undermined and ineffective when juxtaposed." He went on to say:

> In this context, neither the sacred beliefs and practices of traditional societies nor imported secular institutions based on Western models were likely to prevail. Instead, brute force, military authoritarianism, and bureaucratic domination often ensued, accompanied by corruption, the enrichment of a few and the impoverishment of the many.

It was the primacy of bureaucracy and its institutional and cultural attributes that determined the form of public administration that developed. Smith (2003: 168) provides a general snapshot of the nature of the bureaucracy in developing societies up until recently:

> The bureaucracy controls and manages the means of production through the state. It provides the necessary organization. It proliferates opportunities for bureaucratic careers by the creation of public bodies needing public managers—marketing boards, development corporations and other parastatal organizations and their subsidiaries. It articulates an ideology of state ownership and planning. It organizes the means of its own reproduction by passing on to the offspring of bureaucrats disproportionately advantageous opportunities to obtain the qualifications advantageous opportunities to obtain the qualifications needed for entry into bureaucratic occupations and therefore the new class.

Attempts at modernization also had a clear Western bias being the product of overseas aid and technical assistance. The idea was to create a so-called modernizing elite to take on the task of development. Clearly, such a system did not reflect social realities and more often than not created a wide hiatus between the state and society (Dwivedi, 1994). On the political plane, given the infancy or weakness of political institutions or the incapacity or unconfidence of the political leadership, the elite corps of civil servants imbued in Western precepts and administrative

traditions all but handled the reins of power and were disdainful of political control. In some places, a bureaucratic-authoritarian state was created, such as in South Korea, Singapore, and Pakistan and other African and Latin American states (Schaffer, 1978; Braibanti, 1966; Subramaniam, 1990; Hopkins, 2001). In these administrative systems with overly centralized and highly bureaucratic structures, the primacy of specialized civil service cadres recruited, promoted, and rewarded through merit-based schemes was apparent. These cadres, which were organizationally separated from the lower level civil service groups that had limited upward mobility, performed the main functions of planning, budgeting, coordination, and control. Despite the prevalence of rigid norms and codes of conduct, higher civil servants had ample discretionary powers to subvert political directions and influence the course and outcome of policy making. As Smith (2003: 160) contends, the development process

> tended to be highly centralized, technocratic and of the "top down" variety, where the experts at the top make the decisions about what the masses need in terms of programmes of development, whether in health care, agriculture, education or other areas of planned development. This feature of bureaucracy reflects the concept of a specially recruited group appointed on the basis of merit to produce rational and efficient methods of working.

Despite these features, it was assumed by aid givers that the bureaucracy with its ingrained stable institutional trapping would be good enough to improve growth and take a country toward its developmental goals (Dwivedi, 1994; Rostow, 1960; Esman, 1966). Mainly focusing on the policy cycle, development administration targeted state agencies manned by bureaucrats to build the capacity to manage change with directions from the top. This was to be achieved through "increased differentiation and coordination, together with appropriate accompanying specialization" (Weidner, 1970: 8). Other elements of development administration were planning for economic growth, system change under stable political conditions, mobilization and allocation of resources, reinforcing of administrative capacity, application of social decisions by administrators using of specialized instruments, expanded role of the public sector, and emphasis on formal and technical issues of administration (Gant, 1979; Stone, 1966; Diamant, 1966; Riggs, 1966). Although in the initial phase of state formation this trend may have facilitated institutional building and planning for undertaking an array of development programs, gratuitous technical orientation, emphasis on inputs, lack of hierarchical political control, and inward-focused orientation of bureaucrats caused the development process to be bureaucratized and stagnated (Swerdlow, 1975). The emphasis was on "arrangements and procedures for making decisions, rather than with the substance and impacts of these decisions" on society or development (Dunleavy, 1982: 215). The bureaucracy's professional direction, technical competence, and political/ideological

neutrality were desirable attributes, but the absence of favorable social, cultural, and economic conditions deterred development administration from realizing its goals (Dwivedi and Henderson, 1990: 13, 14).

The general populace was therefore unable to draw the attention of the government on their real and perceived needs as citizen access to governmental circles was limited or entirely absent. External impetus for modernization and reform took the form of overseas and in-country training of officials by expatriate instructors and experts, implantation of Western ideas and technology, and policy prescriptions of a technical nature and devoid of any propeople touch. It has been pointed out that "the centralist hierarchical-bureaucratic organizational modality" of development administration was unsuitable for attaining holistic development (Wunsch, 1999). Overall, the practice of development administration, as it stood until the end of the 1980s,

> perpetuated existing administrative dysfunctions, sustained social anomalies and uneven power relationships, and deterred creativity and innovation in government and public engagement in development. To a large extent, the rich-poor divide endured and even widened, decentralization was partially implemented, administrative reforms resisted by self-serving bureaucrats, the policy process captured by political and administrative elites, and people's participation neutralized by overarching controls.
>
> **Zafarullah and Haque (2006: 26)**

In DCs, to a great extent, the failure of public administration based on eclectic ideas was due to social–cultural factors as much as they were for political and bureaucratic reasons. Administrative structure and processes were not placed in proper social and political contexts, and the simultaneous existence of traditional practices and imported Western norms of administrative behavior could not do justice in obtaining the desired results in managing social and economic programs. Administrative efficiency lapsed under the weight of bureaucratic power, while the political leadership floundered in playing a stewardship role. The neopatrimonial and clientelist approach in politics and administration caused policy failures. Citizens disillusioned about their rights, and liberties were subjected to caprices of the governed. The traditional mode of administering development programs had become dysfunctional and needed to be replaced by new management strategies.

New Public Management

In the meantime in the West, the old interventionist "administrative state" outlived its usefulness by the 1980s with the advent of neoliberal ideas surrounding the structure and role of the public sector. There was renewed thinking of the status of TPA in serving the cause of socioeconomic well-being everywhere and not

just the developing world. In fact, the latter's search for the right balance between societal needs and state actions unwittingly rested on ideas coming from elsewhere even if these were not always appropriate under local conditions. Thus, the way development was to be managed was essentially dependent on calls for administrative reforms by the international organizations along lines they proposed. Their prescriptions were based on the themes of NPM that by the 1990s had replaced another framework known as the NPA conceptualized by a group of scholars led by George Frederickson and colleagues at Minnowbrook. They believed in making public administration more humane and more functional for citizen welfare and in making public decisions based on normative value for promoting social inclusion and equity (Marini, 1992). Some of these aspects were later incorporated in the broader notion of democratic governance (Box 6.1).

NPM had its practical genesis in Thatcherism and Reaganomics, both of which advanced new strategies in tackling domestic social and economic problems by reducing the role of the state and laying greater stress on market discipline in easing public sector disorders and in promoting efficiency and effectiveness of public services. The state was to play a more "enabling role" and be generally responsive to individual needs. Private sector managerial practices were heralded as quick fixes for public sector woes. Business management principles were considered more practical and more productive than the old-fashioned bureaucratic mode of operation

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BOX 6.1   PRINCIPLES OF NPA

- Democracy is good, more democracy is better.
- Bureaucracy can develop rigidities and dysfunctional aspects, and we should work against this.
- Humane phenomena, actions, ideas, and approaches are preferred to their alternatives and should be fostered.
- Public service should stand for the enlightened interest and welfare of the citizenry.
- Simplistic methodological assumptions and approaches should be eschewed for sophisticated and sound alternatives.
- Values should not be ignored by public administration, and intellectual orientations that hold otherwise are unlikely to be helpful to our field.
- Our society should be kept as open and free as possible, and we should work against any aspects that threaten to create a permanent underclass or permanent exclusions to full participation.
- Public administration should be in the service of the people, with justice and equity among its cherished goals.

Source: Marini, F., In *Public Management in an Interconnected World: Essays in the Minnowbrook Tradition*, Greenwood Press, New York, 1992, 2.

and therefore needed importation to the public sector (Pirie, 1988; Metcalfe, 1989). It attempted to debureaucratize public sector operations.

Much of NPM had its antecedents in *Public Choice Theory* (PCT) that postulates the maximization of choices by individuals whose behavior is influenced by self-interest, *Principal-Agent Theory* that concerns the agreed relationship between two parties—the principals (shareholders) and agents (managers) to get tasks performed by the latter—and *Transaction Cost Theory* that examines "the comparative costs of planning, adapting, and monitoring task completion"(Williamson, 1985: 2) and other managerial strategies such as *Management by Objectives* (MBO),* *Zero-Based Budgeting* (ZBB),† or *Total Quality Management* (TQM).‡

David Osborne and Ted Gaebler's phenomenal treatise *Reinventing Government* and Osborne and Peter Plastrik's *Banishing Bureaucracy* have also had some effect on extending the maxims of NPM and providing the premise for sound governance despite criticisms about inconsistencies in their formulations (see Williams, 2000; Lane, 2005: 18–27, for critiques). The reinvention movement that they influenced basically promoted the standpoint "that government should not only adopt the techniques of business administration, but it should also adopt the values of business" (deLeon and Denhardt, 2000: 90). Thus, they proposed greater entrepreneurism, less bureaucratization, and wider participation to transform government and its operations into a complete service-driven mechanism with citizen welfare in its radar. It called for a form of government that would be catalytic, community owned, competitive, mission driven, results oriented, customer driven, enterprising, anticipatory, decentralized, and market oriented. In advancing their ideas, Osborne and Gaebler (1993: 310) argue,

> Used almost as a checklist, the ten principles offer a powerful tool. One can run any public organization or system—or any of society's problems—through the list, and the process will suggest a radically different approach from that which government would traditionally take. This is the checklist's ultimate value; the power to unleash new ways of thinking—and acting.

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* MBO, a management strategy popularized by Peter Drucker in the 1950s, was basically about setting goals, moving toward those goals, and reviewing results. Strategic planning, management, and performance appraisals were key components (see Drucker, 1954).

† ZBB, developed in the 1970s, refers to a form of budgeting "that required each part of [an] organization to identify its major activities, determine their criticality to the organization's mission, and describe the activity at several possible levels of funding and the implications of not funding the activity" (Maddox, 1999: 224).

‡ TQM is a client-driven approach to management with eight key elements: Ethics, Integrity, Trust, Training, Teamwork, Leadership, Recognition, Communication. TQM "applies the ideas of continuous improvement, customer service, and quality across the board. It concentrates on improving quality rather than reducing costs by cutting corners or eliminating jobs, and in turn the better end-products produces more consumers, making the company more profitable" (Farazmand, 2004: 228).

Table 6.2   The Five Cs for Reinventing Government

Lever	Strategy	Approaches
Purpose	Core strategy	Clarity of purpose
		Clarity of role
		Clarity of direction
Incentives	Consequence strategy	Managed competition
		Enterprise management
		Performance management
Accountability	Customer strategy	Customer choice
		Competitive choice
		Customer quality assurance
Power	Control strategy	Organizational empowerment
		Employee empowerment
		Community empowerment
Culture	Culture strategy	Breaking habits
		Touching hearts
		Winning minds

Source: Osborne, D. and Plastrik, P., *Banishing Bureaucracy: The Five Strategies for Reinventing Government*, Penguin, New York, 1998, 39.

To put the 10 principles in actual practice, Osborne and Plastrik (1998: 10, 38) prescribed five strategies, which "have proven most effective" in many parts of the world. These are packaged as "The Five Cs," which they describe as the "fundamental levers of change," each with a specific focus and several approaches and tools (see Table 6.2).

Policy initiatives and innovative practices such as *Next Steps Initiative*, *Citizen's Charter Initiative*, and *Principles of Service Delivery* in Britain; the highly acclaimed *New Zealand Model*; *National Performance Review* in the United States; and other country-based efforts and proposals of international organizations such as the World Bank and OECD enlarged and enhanced NPM (Table 6.3). The OECD, for instance, mentioned a new paradigm in government administration "aimed at fostering a performance-oriented culture in a less centralized public sector" by "combin[ing] modern management practices with the logic of economics, while still retaining core public service values" (OECD, 1995: 8, 1998: 5). Clearly, the

Table 6.3 Policy Initiatives in Some Developed Countries

Britain	United States	New Zealand
Next Steps Initiative (1988)	*National Performance Review (1993)*	*The New Zealand NPM Model (1988)*
Organizing departmental work to focus on job to be done	Cutting red tape	Privatization of state-owned organizations for commercial purposes
Enhancing systems and structures for the effective delivery of policy and services	*Step 1:* streamlining the budget process	Creation of nondepartmental organizations in place of ministerial departments
Ensuring personnel experience and skills to make government effective	*Step 2:* decentralizing personnel policy	Specialization of organizations
Sustaining pressure on departments to improve performance	*Step 3:* streamlining procurement	Separating policy and operations/implementation
Obtaining value for money in the delivery of policies and services	*Step 4:* reorienting the inspectors general	Separation of operations from regulation
Establishing agencies for carrying out executive functions and freely managing themselves	*Step 5:* eliminating regulatory overkill	Separation of provision from review and audit
Citizen's Charter (1991)	*Step 6:* empower state and local governments	Flat organizational structure
Quality: improving the quality of services;	Putting customers first	Straight-line accountability
Choice: wherever possible	*Step 1:* giving customers a voice and a choice	
Standards: specify what to expect and how to act if standards are not met	*Step 2:* making service organizations compete	
	Step 3: creating market dynamics	
	Step 4: using market mechanisms to solve problems	

Table 6.3   Policy Initiatives in Some Developed Countries (continued)

Britain	United States	New Zealand
Value: for the taxpayers' money	Empowering employees to get results	
Accountability: individuals and organizations	*Step 1*: decentralizing decision-making power	
Transparency: rules/procedures/schemes/ grievances	*Step 2*: hold all federal employees accountable for results	
Principles of Service Delivery (1998)	*Step 3*: giving federal workers the tools they need to do their jobs	
Set standards of service	*Step 4*: enhancing the quality of work life	
Be open and provide full information	*Step 5*: forming a labor–management partnership	
Consult and involve	*Step 6*: exert leadership	
Encourage access and the promotion of choice	Producing better government for less	
Treat all fairly	*Step 1*: eliminate what we do not need	
Put things right when they go wrong	*Step 2*: collecting more	
Use resources effectively	*Step 3*: investing in greater productivity	
Innovate and improve	*Step 4*: reengineering programs to cut costs	
Work with other providers		

Source: Lane, J.-E., *Public Administration and Public Management: The Principal-Agent Perspective,* Routledge, London, 2005; Metcalfe, L. Accountable public management: UK concepts and experience, In Kakabadse, A., Brovetto, P. and Holzen, R. eds., *Management Development in the Public Sector,* Avebury Press, Aldershot, 1989.

NPM model is influenced by neoliberal economics sprinkled with ideas relevant to democracy, social relations, ethics, law, and, of course, management science.

Some of the ideas emanating from these sources influenced administrative reform and changes in the framework of governance in many DCs over the past two decades. Lessons from success stories in the advanced countries have had some influence in redesigning the public management framework and applying best practice in the DCs. Evidence of effective implementation of NPM patterned initiatives has been reported from several countries in Asia, Africa, and Latin America, but failures are also noticeable (McCourt, 2001; Polidano, 2001).

In many places, public management reforms have been linked to broader governance issues often at the insistence of international organizations, which advance their preferred models for change (Mavima and Chackerian, 2002: 93). However, the limitations of transforming administrative systems in these countries *à la* Western precepts may not always work because of various sociocultural factors and political–institutional reasons, mentioned before. Even the World Bank warns of the risk of imposing NPM in developing societies.

> The transaction costs of radical reforms to autonomize service delivery can outweigh the efficiency gains of an arms-length contractual relationship. Ironically, there also is a risk that NPM structures can reduce accountability, particularly where performance information is scare and subject to manipulation. The challenge is to understand the contingent factors that determine when NPM tools can successfully be adopted, and when they should be scrupulously avoided in others.
>
> **World Bank (2009)**

The centrality of the state in these polities (along with the primacy of the bureaucratic–technocratic approach) has been a time-honored notion and many of the elements associated with managerialism may be difficult for entrenched institutionalized bureaucracies and neopatrimonial power structures to accept unless behavioral changes accompany systemic makeovers (Minogue, 1998; Schick, 1998; Hughes, 2003; Hyden, 2003). The resistance of bureaucrats toward reform and change is common knowledge. Wherever these were attempted, at macro- or microlevels, they did not come easily (Caiden, 1991; Pollitt and Bouckaert, 2004; Andersson and Tengbald, 2009).

Attributes of NPM

The underlying rationale of NPM is performance improvement in government for the efficient delivery of public goods and services. This is to be achieved by not only raising performance and productivity in the public sector but also by making wider use of the private sector in carrying out certain public services efficiently

and competitively. Its purpose is to rectify "the irretrievable failures and even moral bankruptcy in the 'old' public management," place the public sector on a market footing, make the policy process more coherent and participatory, corporatize governmental activities, and provide for the effective management of public programs (Hood, 1991: 4; Hughes, 2003).

The introduction of NPM implies reforms of a comprehensive nature involving many levels in government, a myriad of tasks and procedures, and relationships between the political executive and public servants, on the one hand, and public servants and citizens, on the other, as well as the government and the private sector. Its *raison d'être* is a strategic approach to solving administrative/management problems by emphasizing incentives, flexibility, and results with public managers serving as strategic political actors. It is not about what governments ought to do, but how best to do it by separating politics from administration, letting and making public managers manage, and connecting the government to the people (Shah, 2007; Stein, 2008; Lynn, 1996). Interestingly, while the theoretical foundation of NPM lay, among others, in PCT and managerialism, each is antithetical to the other because "managerialism requires a politics/administration dichotomy, public choice theory repudiates it" (Lynn, 2007: 43). Thus, NPM caused the mating of two opposite ideas. In fact, there emerged a symbiotic nexus between the old bureaucratic administration and NPM as the latter "both challenges and reinforces bureaucracy"—reducing the public bureaucracy while at the same time giving the managers in government administration the opportunity to work with reduced restraints and greater discretion (Meier and Hill, 2007: 55).

Since its conceptualization and initial application through the reforms in Britain and New Zealand in the late 1980s and early 1990s, several formulations of NPM have been advanced capturing its original and refined or extended elements. An early image of NPM was provided by Hood (1991) in which he presented seven doctrinal components of the new public sector scheme: hands-on professional management; explicit standards and measures of performance; greater emphasis on output controls; disaggregation of units; greater competition; private sector styles of management practice; and discipline and parsimony in resource use (see Table 6.4).

Pollitt (1991: 474) encapsulates various interpretations of the NPM model proposed by academics and institutions:

- A shift in the focus of management systems and management effort from inputs and processes to outputs and outcomes.
- A shift towards more measurement, manifesting itself in the appearance of batteries of performance indicators and standards.
- A preference for more specialized, "lean," "flat" and autonomous organizational forms rather than large, multi-purpose, hierarchical bureaucracies.
- A widespread substitution of contract or contract-like relationships for hierarchical relationships.

Table 6.4   Doctrinal Components of NPM

Doctrine	Meaning	Typical Justification
"Hands-on professional management"	Active, visible, discretionary control of organizations from names persons at the top, "free to manage"	Accountability requires clear assignment of responsibility for action not diffusion of power
Explicit standards and measures of performance	Definition of goals, targets, indicators of success, preferably expressed in quantitative terms, especially for professional services	Accountability requires clear statement of goals; efficiency requires "hard look" at objectives
Greater emphasis on output controls	Resource allocation and rewards linked to measured performance; breakup of centralized bureaucracy-wide personnel management	Need to stress results rather than procedures
Shift to disaggregation of units	Breakup of formerly "monolithic" units; unbundling of u-form management systems into corporatized units around products operating on decentralized "one-line" budgets and dealing with one another on an "arms-length" basis	Need to create "manageable" units, separate provision and production interests, gain efficiency advantages of use of contract or franchise arrangements inside as well as outside the public sector
Shift to greater competition	Move away from military-style "public service ethic"; greater flexibility in hiring and rewards; greater use of public relations techniques	Need to use "proven" private sector management tools in the public sector
Greater stress on discipline and parsimony in resource use	Cutting direct costs, raising labor discipline; resisting union demands; limiting "compliance costs" to business	Need to check resource demands of public sector and "do more with less"

Source: Hood, C., *Publ. Admin.*, 69, 4, 5, 1991.

- A much wider than hitherto use of market or market-like mechanisms for the delivery of public services (including privatization, contracting out, the development of internal markets, etc.).
- A broadening and blurring of the "frontier" between the public and private sectors (characterized by the growth of public/private partnerships of various kinds and the apparent proliferation of "hybrid" organizations).
- A shift in value priorities away from universalism, equity, security and resilience and towards efficiency and individualism.

Administrative reform efforts in many developed countries of the West were geared to adopting, and often adapting, the NPM model. Changes in managerial styles became evident; strategic approaches in planning and implementation placed the spotlight on the external environment, uncertainties and threats, and outputs and outcomes; benchmarks and indicators helped measure organizational or program performance; institutional leadership became important in program management and in directing staff; new techniques in financial management provided better use of resources, budgeting, and expenditure control; public managers were hired, trained, and positioned in keeping with their expertise and experience; disaggregation in the departmental structure created specialized agencies for better service delivery; competition policies were drawn giving citizens wider choice for services; and public services began to be contracted out to private providers. A significant consequence of the NPM reforms meant a redefinition of the relationship between public managers and politicians and the public (Hughes, 2003).

The contemporary image of NPM that has evolved in the Western democracies depicts, according to Lane (2005), the following elements:

- Emphasis on outputs and outcomes: both individual and organizational performances are underscored.
- Productivity and effectiveness: both internal efficiency (performance) and external efficiency (positive outcome) of public organizations are essential.
- Customer service: public organizations creating value for society through goods and services.
- Downsizing or economy: adopting cutback strategies in allocation, redistribution, and regulation.
- Deregulation or reregulation: fewer restraints on the private sector to provide services but greater regulation for quality assurance purposes.
- Decentralization: devolving functions to subnational entities, such as local government.
- Privatization or public–private partnership (PPP): either transferring public programs to the private sector or undertaking governmental initiatives in collaboration with private concerns.

- Contracting out: public activities outsourced to private providers.
- Leaner or flatter organization: reducing organizational size in the public sector by removing unnecessary layers.

Can NPM exist in a democratic framework? Some have argued that NPM "has little to do with democracy and democratic values, shedding the reality or the façade of democracy found in earlier public-sector reforms. What is left is a core of market orientation to economic efficiency in the public sector." It "limits the degree to which citizens can meaningfully affect policy and administration" (Box et al., 2001: 613). If citizens are treated as customers, their position in a democracy is politically and morally demeaned and they have little influence on public affairs (Borgmann, 1992, cited in Box et al., 2001; Kettl, 1997; Terry, 1998). Only through citizen involvement rather than keeping them at arm's length as users of public services can a truly inclusive democratic polity be built and the goals of social progress and economic development attained (Putnam, 1993; Kelly, 1998). It has been argued that NPM "does not answer the question of how atomized actors making choices in a market can contribute to creating a stable and responsible democratic system. Moreover, their potential to influence the provision and quality of services is also ambiguous and debatable" (Christensen and Laegreid, 2009). NPM, it is suggested, overstresses responsiveness to consumers on the part of public personnel rather than on citizen participation and collaboration (Vigoda, 2002). However, it is important for NPM to lessen any aspect of democratic deficit its application might create to emphasize the efficiency norm. Apart from executing elaborate sets of performance indicators to make public agencies more accountable in managing their programs and in delivering services, the notion of "public value" can be more intensely infused into the governance paradigm by enabling social coordination through wider participation and building social capital through a system of networks and alliances within a broader political space (Putnam, 1993; Kelly et al., 2002).

Network Governance

In Chapter 5, we identified sociopolitical governance as one of many governance applications. Informal interactions (interferences, interplays, or interventions) between a myriad of nonstate actors in a social–political setting often bolster policy development and implementation (Kooiman, 1999). This form of interactive governance relies heavily upon networks, which "constitute the new social morphology of our societies, and the diffusion of network logic substantially modifies the operation and outcomes in processes of production, experience, power and culture" (Castells, 1996: 468). In the network society, social relations find a new dimension through "time-space distanciation" mainly because of knowledge-sharing and information flows in an age of globalization that impinge on "the actions of individuals and groups" (Giddens, 1990: 17). This has relevance to what occurs in the

public domain and the choices made in resolving societal problems through interface, conciliation, bargaining, and exchange between key stakeholders. The government cannot and ought not to act alone and as such formal vertical hierarchies are losing their primacy or are becoming ineffective. They are being gradually replaced by less formal horizontal and lateral networks. The policy-making process has, to some extent, been debureaucratized or less influenced by the public bureaucracy or market forces (Peters, 2001; Koppenjan and Klijn, 2004; Rhodes, 1997; Denters et al., 2003; Braithwaite, 2006). As Koppenjan and Klijn (2004: 5) state,

> Ideas about how organizations interact with groups and individuals have changed … Relations become more business-like. Citizens and administrators increasingly base their behaviour on cost-benefit calculations … Horizontal relations replace loyalties and authoritative relations: there is a transformation from an authoritative to a negotiating society. This translates into new styles of management and the use of other steering instruments … Concomitantly, there is a shift in the use of instruments. There is less emphasis on unilateral legal instruments such as legislation and regulation. More frequently, instruments that leave room for consultation and cooperation, such as subsidies, covenants and contracts, are chosen.

Similar to many concepts in the social sciences, NetGov has been variously defined and interpreted. This is because the term "networks" has been used in different contexts and disciplines, such as in business and economics, science and technology, behavioral and social sciences, organizational studies, and the like. NetGov is premised on *network relationships*, which assumes that "one party is dependent on the resources controlled by another and that there are gains to be had by the pooling of resources" (Powell, 1990: 303). Being alternatives to hierarchies, networks are self-organizing entrepreneurial entities. Interdependencies, collaborations, and consensualism created between autonomous players through reciprocal and discursive communication in a competitive pluralist milieu deepen democracy and make the governance regimen more meaningful. The principle of *subsidiarity*, which is about private and voluntary organizations providing for the welfare of citizens and leaving a residual role for the state, is linked to the process and outcome of NetGov (Fenger and Bekkers, 2007; Dryzek, 2002; Kickert, 1993; Rhodes, 1997; Powell, 1990; Kohler-Koch, 1999).

Sorensen and Torfing (2005: 203) assert that governance networks represent a particular kind of governance and a particular kind of "network" and highlight some of the common elements found in various interpretations of the notion. Thus, network governance is

> a relatively stable horizontal articulation of interdependent, but operationally autonomous actors … who interact through negotiations [that]

> take place within a regulative, cognitive and imaginary framework ...
> that to a certain extent is self-regulating ... and ... contributes to the
> production of public purpose within or across particular policy areas.

Networks, based on trust and informality, promote active participation and citizen
and group engagements. They do not only set preferences for particular goals and
resolve problems collectively and with the common interest in mind but, with the
synthesis of shared knowledge and experience that they bring to the interactive
process, also add legitimacy and credibility to public decision making at different
levels. Civic networks, in fact, are not only useful in governance but also for cre-
ating social synergies. The old notion of the state as an authoritative allocator of
functionally specific values from above has been replaced by a new role—that of a
mediator and an activator to coordinate the specific rationalities of multiple stake-
holders interacting on a more equal footing. Compliance is assured not through
coercion but free-willing association of participants and secured on a voluntary
basis (Rosenau, 1992; Kohler-Koch, 1999: 25, 26).

   With "unique structural characteristics, modes of conflict resolution, bases of
legitimacy," NetGov is different from other forms of governance but complements
them (Provan and Kenis, 2007: 232). Thus, NetGov, as "spaces of cross sector con-
nection" (White, 2009: 7), cannot operate in isolation; it coexists with the state
and its highly formal hierarchical structures, the complex nonhierarchical mar-
ket configurations, and civil society processes and together can provide dividends
to society and contribute to citizen welfare (Box 6.2). In fact, the state becomes

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BOX 6.2   DEFINITION OF NETWORKS

Benson defines a network as "a cluster or complex of organizations connected
to each other by resource dependencies and distinguished from other clusters
or complexes by breaks in the structure of resource dependencies."

Source: Benson, J.K., *Interorganizational Coordination*, Iowa State University
Press, Ames, IA, 1982, 148.

The International Development Research Centre (IDRC) defines a network
as "a social arrangement comprising either organizations or individuals that
is based on building relationships, sharing tasks, and working on mutual or
joint activities."

Source: Willard, T. and Creech, H., *Sustainability of International Development
Networks: Review of IDRC Experience (1995–2005)*, International
Development Research Centre & International Institute for Sustainable
Development, Winnipeg, 2006, 1.

the "negotiating state" rather than being entirely hierarchical or autonomous. As Jørgensen (1993: 222) writes, such a form of state

> builds on the idea of "realpolitik." The state cannot be regarded as an autocratic agent that has a free hand to impose all its decisions on citizens … The role of the state is to negotiate between different interests. In this model the citizen acts as a member of one or several interest organizations.

Significance of NetGov

NetGov has advantages over other governing forms—where others such as markets and governments fail; it has the capacity to adjust and reconfigure its operational settings. The reflexivity and facilitative nature of the state permits independent self-governing actors to play a productive role in society and promote efficiency and accountability in governance and thence in development (Foucault, 2005). Foucault (2003: 29) argues, "Power is exercised through networks, and individuals do not simply circulate in those networks; they are in a position to both submit to and exercise this power." Networks are far more flexible in adapting to change than formal hierarchies (Mulgan, 2004: 53). Drawing on the theories of interdependence, governability, integration, and governmentality, Sørensen and Torfing (2005: 211) suggest that NetGov makes democracy more functional, contributes to "democratic empowerment," improves the quality of public policies and their output, enhances accountability and legitimacy of public systems, and promotes "the ability of citizens to launch critique, opposition and dissent." Potentially, it pools diverse ideas, viewpoints, information, and expertise and the generally powerful and stable partnerships it creates among its constituents affords it access to more and better resources that serve to make the outcomes of development efforts more effective and acceptable. It adds legitimacy to the policy process and enhances the policy capacity of the state. Through efficient use of resources and coordination of activities, reduced transaction costs and economies of scale useful dividends are obtained. Shared learning can cause innovative thinking that can help develop new practices (Koschatzky, 2001; Rhodes, 2000; Durose and Rummery, 2006; Scharpf, 2000). More important, networks can help build and sustain social capital, a necessary tool in development for the pursuit of shared goals.

From the decision-making perspective, NetGov has useful implications as it helps

- to identify new problems and provide a negotiated response that is both flexible and feasible;
- to qualify the decision-making process by means of providing much-needed information, arguments and assessments;
- to establish a framework for consensus building or, at least, the handling and civilization of conflicts; and

- to create a joint responsibility for new policies and thus reduce resistance against their implementation.

<p align="right">**Sorensen (2005: 197–237, 205)**</p>

Similar to any other processes, NetGov may also suffer breakdowns and may also pose threats to the normal functioning of democracy. Operating in uncertain environments, networks often encounter problems of coordination and adaptation and of preserving intergroup exchanges. The political context in which they operate may be crucial as would be the way they are regulated by public bodies for the sake of ensuring political accountability. They may be difficult to steer, and the cooperative processes that negotiations involve may procrastinate causing delays in reaching agreements. They may serve narrow sectional rather than the public interest and are prone to be put out of action by conflicts of interest. The larger the size of a network, the greater will be the possibilities of malcoordination or conflict resolution. Manifesting a desire to maintain their autonomous character, networks may not easily connect with other governing systems, and formal hierarchies can still be dominant (Rhodes, 2000: 81; Scharpf, 2000; Agranoff, 2007). Furthermore, they "remain poor at mobilising resources, sustaining themselves through hard times, generating surpluses, organising commitments, or playing games of power" (Mulgan, 2004: 53). Nonetheless, problems can be offset by applying certain social mechanisms such as restricted access to exchanges between stakeholders, enforcement of collective sanctions on any particular participating group, harmonization of expectations through socialization, and the use of social memory through information dissemination (Jones et al., 1997).

Development effectiveness may be achieved through NetGov, especially when projects and programs, such as in poverty reduction, education, health care, and environmental protection, require collective action or participation of concerned stakeholders either in the task of framing policies or in plan implementation.

Toward "New Development Management"

Best practice packages emanating from the successful application of NPM and NetGov in the developed industrial economies are being replicated, often selectively, in many DCs; some delivering benefits, while others producing a mixed bag of results. Indeed, many DCs have reformed their public administrative systems along NPM lines and complemented by the Washington Consensus and the structural adjustment programs (SAPs) and the prescriptions of other international or regional organizations. While the Bretton Woods institutions (BWIs) have been more intrusive in their reform insistence, agencies such as the United Nations Development Program (UNDP) and Department for International Development (DFID) have "been consistently more sensitive to the need for a broader analytical

context" (Minogue, 2001: 7). Nonetheless, as Hood (1998: 203) remarks, these "international organizations are almost by their *raison d'être* committed to a view of international convergence on some single 'best-practice' model which it is their role to 'benchmark' and foster, helping the 'laggards' to catch up with the best-practice techniques of the vanguard." However, there is no single universal recipe on public management applicable everywhere, especially in the developing world (Polidano, 1999). It has been warned that overseas

> models and practices can result in fostering a reaction from the most conservative elements in society and in the public service, who may instrumentalise nationalistic sentiments in order to reject reforms that might weaken their status. Furthermore, using foreign models and practices may well marginalise the best professionals in the public service and the best experts of a country's public administration in politics, in the economy and in civil society.
>
> **SIGMA (2007: 11)**

Similar to the advanced industrialized countries of the West, DCs have also adopted the neoliberal approach in reforming their public management systems and gearing them to serve the needs of development. The dominant thinking behind the reforms has been the usefulness and effectiveness of neoclassical market-driven business-like strategies and principles in managing development initiatives at various levels—macro, meso, and micro—spread over a variety of social and economic sectors. Obviously, in the case of the DCs whatever management reforms are adopted and implemented, these need to be applied in achieving the Millennium Development Goals (MDGs) or similar goals for socioeconomic development. The public sector needs the impetus to serve not as an obstacle to effective and enduring development but as a catalyst for a positive change.

The appropriateness of transplanting eclectic public management and networking paradigms in DCs has been a debatable issue, but since some countries such as Malaysia, Singapore, Tanzania, and Brazil have successfully adapted some of the key elements of the NPM model in keeping with the prevailing socioadministrative culture, it is only proper to try them out incrementally and in parts along with reforms in other areas such as policy making and decentralization. Obviously, whatever overseas-generated reforms are attempted, these must be context sensitive and not oblivious to local imperatives if development has to be efficiently and effectively managed. Apart from the international institutional pressures coming forth from Washington and New York for convergence of organizational forms and institutional procedures, local institutional and organizational/programmatic factors are also crucial enough to be taken into account. These sets of factors have a bearing upon reform planning, adoption, and implementation (Scott, 1995). Thus, there have been variations in the way NPM or the NetGov processes have been applied in

many DCs. Some have been overly enthusiastic, others cautious, while even others hesitant to go the NPM way. Some may be reforming their governmental systems in ways that are only partially linked to the NPM principles, while others may still be, to a certain extent, adhering to the TPA approach in managing development (Turner, 2002; Polidano, 1999).

As there have been variations in the way public management reform has been approached and changes have been put in place in the developing world, it is a difficult to come up with a single framework or model. However, several reform strategies and guidelines have been produced by global and regional institutions that serve as directions for change. Their agenda for change are generally premised on neoliberal principles and practices and tinted by public choice ideas. On the basis of their agendas, the scholarly literature, and empirical evidence of experiments in different countries, we can delineate some of the critical management principles and network strategies appropriate for efficiently managing development in the DCs. It is important to note that the reforms are basically related to or consequences of structural policy changes promoted by the international and regional bodies, and their successful implementation depends on continuing policy dialogue between stakeholders, capacity building in government, availability of information to guide the reforms, raising public awareness and building support for changes, and making reform a continuous process (Buckle and Cruickshank, 2007).

In the form and substance, it has been put in place in the advanced nations of the West, NPM will not always work in the developing world because "many local problems [there] are quite different from those that NPM seeks to solve" (United Nations [UN], 2005: xi). In fact, NPM has to shed its Western orientation and adapted to reflect local realities so as to have any worthwhile effect on development. On the other hand, networking between stakeholders will also need to be patterned on prevailing social relations and cannot be overly subjected to alien practices that go against societal cultural norms. The norms of managing development have to be indigenized. This process

> would not preclude Western concepts and methods, but entails a more realistic view of them as reflecting a specific geographical and historical context. It rejects efforts to remold other people according to ethnocentric "universal" models and pre-defined standards. Instead, it calls for development workers to be open to differences and learn from them. This means learning about other social groups and cultures, taking an interest in local knowledge and cultural practices as a basis for redefining development approaches, adopting a more critical stance with respect to established theories and methods, and promoting the participation of indigenous popular organizations in all stages of development initiatives.
>
> **Brohman (1996: 337, 338)**

Thus, by minimizing the unwarranted excesses of NPM and making NetGov relevant to local development needs and, most important, by giving management a *public-value* orientation, we can create a new paradigm—New Development Management (NDM) that places people, including the marginalized and disadvantaged, at the forefront of development and is governed by the norms of sound governance; decentered multilayered participatory processes; interactive–deliberative stakeholder transactions; and a responsive, functional, ethical, professionally oriented independent public management system. NDM's focus will be on obtaining public value in "an overly political public-interest context" (UN, 2005: 13). It cannot be a totally apolitical phenomenon detached from the influence of power and politics, be it partisan or interest politics. As Turner and Hulme (1997: 21) argue, many aspects relating to the development process "are highly political activities which involve conflict, bargaining, coercion and coalition building among groups and individuals both inside and outside the formal organization. Thus, development objectives can be better attained through a culture of dialogue and exchange between and among stakeholders" (Stoker, 2006; Moore, 1995).

As an instrumentality of holistic development encompassing all strata and all precincts of society, NDM would be served well by an impartial, responsive, and professional civil service system that would incorporate the following elements (UN, 2005: 21):

- A politically impartial, professional, and merit-based civil service
- A core "guardian" agency, exercising strategic leadership and monitoring a system of dispersed management rather than operating through bureaucratic controls
- A strong focus on results-oriented management in the public service through the use of effective performance standards and indicators as well as promotion criteria giving greater weight to relative efficiency (rather than relying only on seniority)
- Tough, objective anticorruption rules and agencies
- Legislative provisions and professional norms that facilitate making the civil service open to external scrutiny
- Systems and skill sets that provide high levels of communication capacity through being networked by the effective deployment of information technology

Staffing policies (recruitment, selection, and promotion) must reflect a commitment to reconciling merit and equity. Disadvantaged sections (women, minorities, etc.) deserve more access to civil service employment and advancement. Incentive structures must be in place to reward performance, strategies worked out to improve managerial efficiency and program implementation capacity, and party politicization shunned from all levels of the hierarchy. Capacity building (including leadership skills development) is a vital tool in effective development outcomes (Cohen, 1995).

The public sector will need trimming to get rid of redundant agencies that are a burden on the public exchequer, while sinecures maybe reallocated positions in

sectors they can make worthwhile contributions in or even retrenched with fair compensation but not making them dependent on state welfare. Indeed, instead of downsizing the public sector, which has been a common pattern, the norm should be right- or propersizing to optimize human resources utilization in the civil service. Restructuring can be accompanied by mergers of agencies undertaking near-similar functions or splitting up large unmanageable ones. Often, the reassignment of tasks down the hierarchy helps. Task-specific smaller agencies in place of multipurpose mega departments can make service delivery easier to handle (Peters, 2001). *Corporatization* of public authorities (to be run along corporate lines) has been an essential concomitant of the governmental reforms in the developing world. In some countries, special autonomous executive agencies have been created to oversee or manage specific development programs.

Administrative simplification has been a priority in administrative reform in the developing nations (McCourt, 2001; Killian and Eklund, 2008; Farazmand, 2004). This strategy is "designed to reduce regulatory complexity and uncertainty, and cut red tape reducing unnecessary burdens created by bureaucracy and paperwork" mainly "to promote the rule of law, efficiency and economically enabling environments" (OECD, 2009b: 5). The OECD suggests five phases in any strategy to simplify the management process: planning, consultation, design, implementation, and monitoring and evaluation. Similar to most administrative reform efforts, a number of strategic and technical barriers may need to be surmounted, and these generally relate to the degree of political support, bureaucratic resistance to change, the problem of coordination, lack of an integrated approach to reform, resource constraints, compliance and enforcement issues, scanty human resource capacity, inadequate knowledge, information system failures, undeveloped information and communications technology (ICT), absence of standardized procedures, and poor monitoring and evaluative mechanisms (OECD, 2009b: 26–30).

Sick enterprises in the public sector can be revitalized by denationalizing them and permitting the private sector to take them over. Apart from retrenchment, privatization of state-owned enterprises (SOEs) can help tackle productivity problems in the public sector but because results have not always been positive wherever applied, the regulatory framework will need to focus on performance, equity, social obligations, and monopolistic exploitation mainly because of the way these were managed postprivatization (World Bank, 1995; Hughes, 2003; Cook, 2001). Privatized entities need to conform to corporate governance best practice and set benchmarks for monitoring and evaluating decision execution and management procedures, maintaining financial integrity, transparency, and overall accountability (World Bank, 2005a). Privatized SOEs with relevance in development have a special role to play particularly in the service delivery sector. For instance, if basic utilities are privatized, their pricing policies may have a negative impact on users. Therefore, it is imperative for governments to regulate pricing, competition, and customer service-related policies and monitor efficiency, distributional impact, and community service obligations for more effective results.

Implications for Development Management

Development management is a dynamic phenomenon and needs continuous invigoration and renewal. The old ways of doing things need to be replaced by new ideas and innovations, new techniques, and new processes. While it is neither possible nor desirable to fully replicate NPM, as practiced in the West, it is imperative for the DCs to adapt some of the key elements of the model. Along with the statics and dynamics of NetGov as appropriate in a developing society situation, best practices in managing development tried successfully in some DCs may be applied. To serve any meaningful ends, NDM needs to focus on indigenous issues or some of the NPM strategies in promoting development and the delivery of human services to society. Cultural dimensions are critical in planning and implementing reforms, and political leadership, reform advocates, and reform agents must be mindful of what will be most effective and beneficial to the country concerned. Development performance cannot be measured along a universal standard but by employing yardsticks that have relevance to people's and community needs and developed through wide consultation with stakeholders and in-depth trials and assessments. Success will depend on the proper contextualization of the management of development (Brohman, 1996; Oslo Governance Centre, 2009).

Ambitious plans to apply sophisticated management techniques in situations where traces of colonial or postcolonial administrative practices are still prevalent will fail unless concurrent measures are initiated to make realistic changes to the ways administrative business is conducted. Strong political commitment toward rigorous management reforms supported by all stakeholders, including the bureaucracy, will be critical. Governmental agencies and their personnel, especially those in managerial positions, will need to raise their game. To that end, intensive capacity building programs must be planned and implemented and vigorously evaluated to assess their outcomes. More importantly, there needs to be more inputs from civil society and citizens in planning, monitoring, and assessing development programs at the microlevel. After all, development management is all about societal progress and prosperity, and the people must be at the center.

Review Questions

1. What was TPA like?
2. To what extent does public administration in DCs differ from TPA?
3. How would you explain NPM?
4. What should a list of the central attributes of NPM contain?
5. What do you mean by NetGov?

Further Reading

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Chapter 7

Development Policy Making

A policy is a temporary creed liable to be changed, but while it holds good it has got to be pursued with apostolic zeal.

Mahatma Gandhi

Introduction

In the contemporary era of globalization, state intervention in economic matters is perhaps gradually declining *vis-à-vis* the growing influence of the market, yet to a significant degree, control of the economy and its management remains both the state's prerogative and obligation. Despite the increasing sways of the neoliberal approach to development, the pressures of global financial institutions on domestic matters, and the increasing association of nongovernmental initiatives in a range of economic and social sectors, the state retains its central role of governing the course of development at the macrolevel, being complemented by market processes, while withdrawing some of its direct involvement at the microlevel. In this still emerging scenario, certain changes in state–society relations are noticeable.

The developmental state in its heyday played simultaneous roles, that of custodian (framing and enforcing laws and regulations), producer (producing and delivering goods and services), midwife (facilitating the emergence of private enterprise), and husband (supporting private initiatives in sustenance). These roles have been gradually redefined in keeping with the state's newer approach toward

more inclusionary social development. By utilizing a compact system of networks and interconnections, the inclusive developmental state (IDS) serves as an instrument of both economic and social transformation (Evans, 1995). While economic growth has so long been the primary goal of the old developmental state, the IDS is and will be confronted with perennial challenges in attaining the targeted levels of human well-being (Goode, 1984; Tanzi, 1991; Stiglitz, 1999). Accordingly, its policy making and planning functions insofar as they relate to poverty reduction, economic growth, human welfare, and sustainable development (SD) that have been undergoing transformation to make them more efficient and effective. The policy process is gradually becoming more expansive and open. It can neither remain the exclusive domain of political and bureaucratic elites nor be entrapped in the hegemonic influence of global institutions or the international political economy. In the IDS, public policies and their formulation, adoption, implementation, and evaluation are influenced by society and its many structures and relationships as much as they are conditioned by market forces and global politics and economics.

The Context of Development Policy Making

Policy making is a complex process, a daunting task. Its complexity derives from the intricate interplay of actors, networks, institutions, social and political forces, approaches, basis for actions, and so on. In developing countries (DCs), public policies are directly connected to the attainment of development goals that are not only essentially human rights and people centered (social) but also growth and market related (economic). These policies are created to address a myriad of issues with implications for poverty reduction, sustained well-being, human capability enhancement, environmental protection, macroeconomic and financial management, infrastructure building, empowerment and access, and the like. In fact, anything to do with development has policy ramifications and implications as public policies are interventions to enhance the quality of life in the real world (Hogwood and Gunn, 1984). With the compass of development activities enlarging, the scope for policy making has also been widening. To broaden the reach of development to all segments of the population and the entire geographical terrain, policy makers got to be attentive to real and perceived problems and proactive in finding solutions. Thus, there is the need for fundamental reorientation of policy reforms in the DCs, and this can be achieved through collaboration and partnerships (Schon and Rein, 1995).

Actually, the policy orientation of developing nations has been changing since the 1980s with the overwhelming influence of globalization and more importantly with the pressures of global regimes relating to aid, international business, information, and the environment (Williamson, 1990a; Preston and Windsor, 1997; Braman, 2004; Dimitrov, 2005; Getz, 2006). The Millennium Development Goals (MDGs), in particular, have added new dimensions to policy renewal. The eight

goals are directed at addressing problems of human well-being and as such national action to achieving them is a priority for all governments, and this has required them to extend existing policies or to design new ones. The overriding neoliberal approach to development of the 1980s and early 1990s and the policy overtures of the Bretton Woods institutions (BWIs) have had to be somewhat moderated by the human development and environmental propositions of the United Nations (UN) agencies and other development and advocacy organizations or groups. Apparently, striking the correct balance between growth- and people-centered approaches has now become vital (Clarke, 2002). This is the kind of policy approach desired and currently favored by the DCs.

However, making appropriate policy choices is just one phase of the policy process, efficiently and effectively implementing them is the crux of the policy problem, and most DC governments struggle to do that in the face of unpredictable extraneous factors and domestic circumstances. Policy makers need to be aware of the country's overall development strategy and sensitive to the demands of specific situations. They can neither afford to be idealistic nor too ideologically inclined in making choices and thereby making implementation difficult; rather they require adopting a pragmatic approach in handling problems while not being totally oblivious to the political orientation of the government and the national interest. They need to possess the facility and prescience to look beyond the short-term, to be strategic in coping with the external environment and unpredictable conditions, and skillful in managing policy stakeholders and usefully utilizing their inputs in the policy process (Lindenberg and Ramírez, 1989). Political factors are significant and cannot be overlooked. Political stability and consensus on major national issues are necessary conditions for development policies to succeed (Lane, 1999).

DC governments need to devise their own developmental policies in keeping with their requirements, resources, and restraints. The political leadership must envisage a clear practical vision about building a poverty-free society and promoting human well-being. It has been argued that "strategies and policies to eliminate poverty need fundamentally to be designed and initiated by the government itself" (Goudie, 1998: 171). Thus, policy initiatives must come from within the state structures but complemented by inputs from civil society, the private sector, and other stakeholders. Ideas about new approaches to development originating from outside government need to be encouraged by the political executive. A policy will be owned by a country only when it is conceived, formulated, implemented, and evaluated by state agencies or others designated to undertake these (Department for International Development [DFID], 2000). External scrutiny may also be essential to obtain objective feedback on policy impact.

The Question of Policy Ownership

Policy ownership remains a sticky issue in development governance with most DCs remaining deeply dependent on Western governments and global institutions for

financial and technical support. For instance, International Monetary Fund (IMF) lending is conditional upon governments and its agencies "carrying out specified policies and achieving specified outcomes" (Boughton and Mourmouras, 2002: 3). But IMF's position on policy ownership is ambiguous:

> Ownership is a willing assumption of responsibility for an *agreed program of policies*, by officials in a borrowing country who have the responsibility to formulate and carry out those policies, based on an understanding that the program is achievable and is in the country's own interest (emphasis added).

Quoted in Boughton and Mourmouras (2002: 3)

Policy ownership, according to this position, does not mean that a policy has to be conceived and thereafter framed by a government, but rather, it has to appreciate and implement a policy created elsewhere or, at best, to abide by certain specified guidelines in devising one for its use. In the 1990s, the World Bank, on the other hand, did speak out in favor of "home-grown" initiatives and the importance of government officials perceiving a stake in development programs (World Bank, 1995: 6). Nonetheless, there is little scope for policies to actually originate in the recipient country, which is constantly faced with the conditionality syndrome. Often, policy planners or local consultants are given directions by donor agencies to design policies or make policy prescriptions that reflect donor interests or prescribed guidelines. As a representative of an international donor agency admitted, "ownership exists when [recipient countries] do what we want them to do" (quoted in Helleiner, 2000: 85). The imposition of conditionality and continual watch over a country's policy measures imply considerable influence in its policy development and execution process. This dilutes policy ownership.

Even policy prescriptions on development matters imposed by the lending institutions often seem to be overly general and inappropriate for a specific country situation. Wood (2005: 69) summarizes the inadequacies of the IMF approach:

■ Lack of appreciation of the political environment in which decisions are taken and/or to allow for it in policy advice;
■ Lack of attention to the differences between countries when giving advice;
■ Proposing policies that are not institutionally feasible and failing to assess and improve governments' implementation capacity;
■ Lack of understanding of the redistributive effects of some policy measures or the need to take these into account;
■ Institutional incentives to "overpromise" on the speed at which core reforms can be implemented and long-term sustainability attained;
■ Insufficient assessment of the real economy responses to programs and to the sources of growth;

- Failure to develop strategies to respond to inevitable uncertainties about the economic environment in DCs lending to *ad hoc* corrections;
- Inability to step back and reconsider the overall strategy pursued by programs while learning from experience; and
- Inability to reorient policy advice in the light of new objectives.

To overcome these problems, the Sachs Report emphasizes the importance of country-specific national policies and institutions in the development process (Sachs, 2005).

External Advocacy and Development Policy Making

The "Washington Consensus" was not meant to be "a policy prescription for development" but a set of 10 "commandments" articulated in the light of the neoliberal doctrine promoted by institutions based in the U.S. capital, such as the IMF, the World Bank, and U.S. federal agencies linked to international development. Apparently, these commandments were to be followed by DC governments if they were to be eligible for assistance by these agencies.

   Thus came structural adjustment policies in the 1980s, thrust upon by the multilateral institutions, which stressed and reduced the role for the state, greater reliance on market forces, and more macroeconomic stability. While the focus of the Washington Consensus was to guide DCs toward the free market path to economic growth that required amendment of their policy approach to reflect the principal themes of neoliberalism, it fell short of addressing poverty, equality, and human well-being issues and responding to market failures, which were not uncommon in the late 1980s and 1990s. As Stiglitz (1999: 9, 10) argues,

> Some countries have closely followed the dictates of the model, but have not seen especially strong economic performance. Other countries have ignored many of the dictates—at least with respect to the crucial details of sequencing—and have experienced some of the highest rates of sustained growth the world has ever seen. By focusing on too narrow a set of objectives—increasing GDP—other objectives, such as equity may have been sacrificed … On trying to force rapid transformation—often by imposing strong conditionality for the receipt of vitally needed assistance—not only were democratic processes undermined, but political sustainability was frequently weakened.

To correct the shortcomings of the Washington Consensus, the *Santiago Consensus* of 1998 took into account the problems of market failures and the direct role of the state in poverty alleviation; education and health-care reforms; infrastructure development and communications; and in establishing equity, justice, and women's rights; promoting citizen participation; building capacity for development, environmental

planning, and management; and strengthening subnational governance (Economic Commission for Latin America and the Caribbean [ECLAC], 2000; Todaro and Smith, 2003). The *Monterrey Consensus* of 2002 was even more specific in addressing the challenges of development finance. The three key issues were poverty alleviation, economic growth, and SD. It was also for "promoting national and global economic systems based on the principles of justice, equity, democracy, participation, transparency, accountability and inclusion" (UN, 2002c: 6). In the meantime, the MDGs had been launched, and the DCs focused on national policies to achieve the eight goals encompassing issues in poverty, education, gender, child and maternal health, HIV/AIDS, environment, and global partnership.

These three consensuses and the MDGs provided some directions for DCs to modify their existing policies and to frame new ones relating to governance and development issues. This meant revamping existing policy structures, creating new agencies for implementation, putting in place new mechanisms for monitoring and evaluating policies and programs, and refining and extending extant policy matrices to introduce new elements in particular policies. The Sachs Report of 2005 outlined development strategies for DC governments to achieve the MDGs within the stipulated time—2015. It called for making public investments for the well-being of the poor and empowering them to face the challenges confronting them by "strengthening governance, promoting human rights, engaging civil society, and promoting the private sector" (Sachs, 2005: xx).

Contextualizing Policy Making

In the current globalization phenomenon with the neoliberal wind blowing strongly despite frequent market failures and economic meltdowns, the DCs cannot escape the influence of global governance and the considerable leverage of those institutions prevailing over it. It is a reality they are fated to accept, even if unwillingly. Consequently, national policy making, for all practical purposes, cannot remain an autonomous process divorced from external pressures mainly from the multilateral financial institutions. Indeed, national policy autonomy has diminished because of "commitments to obligations and acceptance of rules set by international economic governance systems and institutions … [and] … the form and degree of a country's integration into the international economy" (UN, 2006b: ix). We noted before how the structural adjustment programs (SAPs) of the 1980s led to massive privatization and the World Bank's poverty reduction strategy (PRS) approach brought about changes to the way development plans are now being formulated and implemented. National policy making has acquired an international dimension. Inputs and pressures come from the global arena. Similar to other state activities, the policy process has also become a collective exercise with, of course, the governmental machinery playing the pivotal role and other stakeholders making effective contributions.

The policy process is inherently political and occurs in the public domain, and almost all citizens in one way or the other are affected or influenced by public

policies. Policies are made by governments overseen and run by elected representatives chosen by the people. Thus, governments derive the power and authority to consciously frame and implement policies or to make authoritative decisions with the consent of the governed, and this they are expected to do with the "public interest" and societal goals in perspective (Dye, 1972; Cochrane and Malone, 1995; Peters, 1999). Not all policies, however, affect all citizens in exactly the same degree or manner; some have influence on specific segments of the population (such as agricultural policies affecting farmers more than any other groups, or education policies having direct relevance to students, parents, and teachers) or specific sectors or regions (e.g., drug policies on health care, tariff policies on national revenue, or irrigation policies on particular regions).

In a democracy, the public policy process is expected to be inclusive, participatory, transparent, and accountable. Policy actors and institutions operate within a constitutional framework and abide by statutory or other rules and norms. Although public policies are usually made by public bodies such as the government (the primary agent of public decision making) and its agencies, the legislatures (the primary law making body), or even by the judiciary (through court rulings or interpretations), the policy process cannot be insulated from society. Neither it is exclusive to the state nor the branches of government. The current thinking in democratic governance points to making the policy process *social* (engaging societal actors) along with its existing *political* (involving negotiation, bargaining, mutual adjustment, etc. in a pluralist environment) and *technical* (causing policy goals and instruments to effectively match each other) orientations (Howlett et al., 2009: 4). National policy making also has an *international* orientation being exposed to global influences. Its sociality derives from the relevance of societal forces such as civil society, which is constituted of a wide array of individuals, groups, organizations, networks, and movements to policy making. Because of its social orientation, policy makers must be appreciative of social values (such as rights, justice, freedom, equality, and democracy) underlying the policies they design to close the democratic deficit in governance (George and Wilding, 1996; Carrow, 1998).

While the content aspect of development policy analysis is critical, it is also important to focus on the process perspective. Three generations of policy analysis can be identified: the first generation emphasized economic models for providing the best solutions; the second generation took on a political economy approach and highlighted the interplay among the state, market, and civil society; while the third "recognizes the complex interactions among policy statutes, stakeholders, implementers, and socio-political environments" (Brinkerhoff and Crosby, 2002: 5). A more recent approach links policy performance with the governance paradigm—viewing the policy process as pluralist, transparent, accountable, ethical, participatory, responsive, and representative of the public interest. This new "generation" of policy analysis accents the democratic nature of policy making and implementation (Grindle and Thomas, 1989; Frischtak, 1994; Kaufmann et al., 2008).

Types of Development Policies

In the public policy literature, the categorization of policies helps us to appreciate their scope, rationale, diversity, and ramification insofar as they serve society and the manner of their formulation and impact (Anderson, 2011). We can locate five different categories of public policies: constituent, distributive, regulatory, self-regulatory, and redistributive. We can apply these to form our understanding of development policies.

Constituent Policies

In DCs, these policies are vital in the design and functioning of the governmental machinery. In effect, these policies have wide implications for the efficient conduct of governmental operations and provide the enabling conditions for other policies to be framed and implemented. They create specialized bodies to undertake specific functions or establish the norms, rules, and procedures for state action (Lowi, 2009: 15). Apart from creating new agencies to execute or oversee development programs, constituent policies may also be relevant to staffing them, providing financial and logistical support, and supplying physical resources. Examples of constituent policies from a development procedural standpoint would be civil service legislation, rules of government business, maxims of nongovernmental organization (NGO)–government relations, local government laws, and the like.

Distributive Policies

Distributive policies deliver services or benefits to certain individuals, groups, communities, or organizations. Financial support for development programs may come from domestic sources (through taxation, levies, etc.) or from international development agencies (such as the World Bank, regional development banks, etc.). Society's major groups' demands are met by these policies, and beneficiaries, which may include target groups, such as women, children, landless farmers, and the like, are not required to compete with one another for support (Anderson, 2011: 12, 13). Both state and nonstate agencies may be involved in the implementation of distributive policies. Agricultural subsidy, health research, water projects, and so on are good examples.

Redistributive Policies

These policies involve the deliberate taxation of one group of people to support the needs of another. It is about shifting resources (wealth, income, property) from the privileged to the disadvantaged. Even certain rights (such as in employment and access) may have to be sacrificed or compromised by certain groups for the sake of others. Welfare programs based on the idea of redistribution take into account social justice, equity, and egalitarian issues. Graduated income tax or targeted levies

for educational, health-care support, food stamps, and housing subsidies are forms of redistributive policy (IMF, 1998; Prasad, 2008). High-income earners are taxed at higher rates than those at lower income levels, and the revenue so generated may be used for undertaking development programs that support underprivileged segments of the population. The latter get more from the state compared with their contributions to the exchequer. Policies may favor underrepresented populations (as minorities and women) in obtaining jobs under affirmative action employment practices, but such policies may create political controversies, intergroup tensions, and bureaucratic foul-ups.

Regulatory Policies

Such policies impose governmental restrictions on individuals or groups, so that they do not transgress acceptable bounds of behavior. Regulatory policies are products of intergroup conflicts, for instance, producers versus consumers, with one group seeking domination over another. The freedom or choice of those affected by regulatory policies is, in effect, curtailed (Gerston, 2004; Anderson, 2011). In implementing these kinds of policies, the state is more directly involved in enforcing regulations and monitoring and penalizing for noncompliance. In many sectors, stringent laws are put in place, such as in environmental protection, public resources management, trade and corporate practices, health-care quality management, drug control, and so on.

Self-Regulatory Policies

Self-regulatory policies differ from regulatory policies in that they "are usually more controlled by the regulated group as a means of protecting the interests of its members" (Anderson, 2011: 14). Voluntary compliance is expected, and enforcement of regulation is by a body representative of licensees (professional groups and not-for-profit organizations). As there is little external control over these bodies, the role of bureaucratic agencies in overseeing self-regulatory policies is nominal or none. Good conduct on the part of these special groups is voluntarily elicited (Klein, 1997). NGOs and other voluntary community groups would have their own peak associations to monitor the activities of their members, and with stakeholder accountability on the increase due to the influence of "good" governance standards, NGO self-regulation is becoming more of a pattern in Asia and Africa (Sidel, 2003; Lloyd, 2005; Gugerty, 2008).

Policy Makers and the Policy Cycle

In DCs, the policy process differs in different policy environments that are influenced by the level of democratization, the degree of political institutionalization,

prevailing political and administrative culture, the socioeconomic context, the quality of civil society engagement, the role of the private sector, and the degree of international involvement. In a consolidated democracy, competition for political power is based on regular free and fair elections, which will provide a government the legitimate right to govern, make authoritative allocation of the nation's resources, and oversee the policy process. Political institutionalization involves the building of multilevel structures to bring order and discipline in the political and policy processes to enable predictable configurations of political behavior (Scalapino et al., 1986). This may promote debate and dialogue between competing interests on particular policy issues and encourage citizen and stakeholder engagement in policy making and appraisal. The robustness of civil society and its active involvement will confer legitimacy to policy decisions and affirms a strong participatory element in policy making.

A nation's political culture significantly shapes the environment in which policies are made and implemented. This is a set of cultural values influencing political behavior and incorporates the political orientations of political leaders, societal groups, and the people (Almond and Verba, 1989). It directly impacts upon policy making, and its variations in different policy environments can lead to differences in the way societal issues are perceived and policies made (Anderson, 2011). Political culture is never fixed and changes with the increasing level of political institutionalization and the gradual process of political socialization. Thus, in DCs transitioning to consolidated democratic rule, we can expect a move from the fragmented or parochial to an integrated and participatory political culture,* which supports wider involvement of individuals and groups in the policy process.

Development policy makers operate in a changing social–political–economic–technological environment where the interplay of different external and internal dynamics occurs (see Chapter 1). Thus, they must be cognizant of the intricacies of the interrelationships and the way their orientations toward various development issues are shaped. Whatever their ideological or political leanings are, it is crucial that they are objective and committed toward the nation's interest, and policy decisions are made on pragmatic terms after resolving conflicts among stakeholders. Both socioeconomic and political factors have relevance to the nature of policy

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* A political culture is fragmented when the citizenry does not manifest a broad agreement on political objects because of the presence of parochial political loyalties that eclipse national allegiance, the absence of widely accepted norms to resolve and manage conflict, and the pervasiveness of political distrust between social groups. This differs from integrated political culture wherein people identify themselves with the nation first and then with other groups. Different societies can be placed on different points in a continuum ranging from fragmented to integrated. Almond and Verba (1989) distinguishes between parochial (based on tribal or clan relationships), subject (individuals are affectively oriented toward political objects), and participant (exhibits an explicit orientation toward political activities by the population) political cultures (see Rosenbaum, 1975; Kamrava, 1999).

outcomes; however, there might be a slight difference in the correlation. As Thomas Dye (1966: 46) reported,

> Differences in the policy choices of states with different types of political systems turn out to be largely a product of differing socioeconomic levels rather than a direct product of political variables. Levels of urbanization, industrialization, income, and education appear to be more influential in shaping policy outcomes than political system characteristics.

While this view was directly relevant to the United States, it may be applicable to the developing nations to some extent. Even in countries with restrained democracy, low level of political institutionalization, and a not-so-vibrant civil society, sound policies have emerged with a positive impact on society mainly due to strong political commitment, a corporatist approach to policy development, and an efficient public management system. Sound policy making is the outcome of the careful reconciliation of principles and interests. Neither can be ignored if policies are to be made within a pluralist democratic framework.

In previous chapters, we have hinted at the roles of several actors and institutions with a stake in development. Here, we consider briefly the influences they bring to the policy process. Each actor/institution plays its part in significant but varying degrees. Some policy actors are official with the legal authority to stamp their direct control on policy making and execution, some are nonstate and "however important or dominant they may be in various situations, they themselves do not have legal authority to make binding decisions" (Anderson, 2011: 59). Then again actors may be domestic with direct concern for national development or international with the clout to influence national policy choices (Howlett et al., 2009). Again, the formal institutions may be primary with the constitutional prerogative to directly act (make, superintend, or interpret) on a policy issue, or secondary performing policy acts delegated by the primary jurisdictions. The former include the three branches of government—the legislature, the executive, and the judiciary.

Elected politicians sit in the legislature and the executive in most democracies, but there may be variation in parliamentary and presidential systems. In the United States where the executive has less control over the legislative process, Congress plays a crucial role in shaping key policies. Its committees perform very specialized functions by considering specific issues relating to policy development and implementation. Such a role makes the American Congress a very influential player in the policy process. In parliamentary democracies, such as in Britain and India, on the other hand, the legislature has more of a scrutinizing responsibility—holding the executive accountable for its actions. Nonetheless, this task does give it the scope to raise issues, mobilize public opinion, and influence policy making (Howlett et al., 2009; Anderson, 2011). However, once the executive has decided on a policy, it may be required to have the approval of the legislature. More often than

not, in parliamentary democracies with the ruling party enjoying majority in the house, this is a mere formality, and policies in the form of bills are easily adopted. This, however, does not preclude opposition to debate on proposed legislation, but strict discipline along party lines inhibits ruling party legislators from taking any independent stand on issues. This is rarely the case in the American system. In most DCs, either in the presidential or parliamentary mode, legislatures generally play a very nominal role or it is the political executive together with the bureaucracy that dominates policy making (Smith, 2006).

Secondary institutions are the administrative agencies of the government with the task of supporting policy development, implementing policies, and monitoring performance and outcome. Under new public management (NPM), bureaucratic autonomy has increased and has given public officials an upper hand in managing development and people's welfare (Smith, 2003: 171). While policy making is a political process and policies reflect the choices and priorities of the governing party, much of what goes on in policy development and renewal is deeply influenced by the bureaucracy. The great irony of democracy is that appointed officials play a major role in policy making and in persuading and lobbying the political executive for adopting certain course of action rather than another. Operating in a power setting, the bureaucracy has the capacity to manipulate the nature and degree of interactions and interrelationships among various elements that contribute in broadening its power base (Downs, 1963; Kaufman, 2001). Actually, bureaucrats can have considerable impact on the policy process because of their ability to mobilize political support and to apply or deny their administrative skills and technical expertise. The bureaucracy with high social status and elitist preeminence in society is functionally well organized and is uniquely placed to access a wide range of resources, including information—so vital in policy making (Smith, 2003; Anderson, 2011). Especially in postcolonial DCs as members of an entrenched and more developed institution *vis-à-vis* political entities, higher level bureaucrats enjoy enormous discretionary power and the leverage to make value choices. Thus, they unquestionably perform political acts and are in the midst of the politics of policy making (Sayre, 1958; Heclo, 1972; Rourke, 1984; Smith, 1988).

In most Western democracies, the judiciary is independent of both the executive and legislative branches. This is especially true for the U.S. system, which enables the courts to influence policy making. This is done through a judicial review of policies and decisions made by the other branches of government (Banks and O'Brien, 2008). The constitutionality of policies and decisions of the executive and the legislature are often subjected to the scrutiny of the courts. Even in strong parliamentary democracies, such as in Australia or Canada, decisions of the courts have had implications for policy renewal. The judiciary interprets legislations or policies in the light of the constitutional order and is "engaged in the practice of articulating a socially accepted and predetermined set of rules" (Birkland, 2005: 75). While in the past, the independence of the judiciary was suspect in many DCs, in recent times with the inroads of governance principles, the scenario has been changing,

and the courts at the highest levels are beginning to play a more active and objective role in policy making. Thus, in Latin America, we notice a rise in judicial activism in influencing policies in the aftermath of reforms. It is argued in the context of Latin America that for development to occur in a global setting an independent and responsible judicial system

> requires predictability in the outcomes of cases, accessibility to the courts by the population regardless of income levels, reasonable times to disposition and adequate court-provided remedies.
>
> **Dakolias (1995: 169, 170)**

Such characteristics of the judicial system can have wide ramifications in influencing the policy process in any DC. In the development process itself, governmental interventions may cause a mismatch between state initiatives and people's interests and expectations. This can result in litigations that need to be judiciously resolved by the courts for the greater well-being of the nation and its people.

Agenda Setting and Policy Formulation

As we are aware, DCs are beset with problems and issues, most of which are related to poverty alleviation in the context of SD. The principal focus of earlier development strategies was on economic development such as industrialization, infrastructure building, agriculture, trade and commerce, and science and technology. The focus has now shifted to human well-being and the environment—population control and health care, education and capacity building, ecosystems management, gender equality, participation and empowerment, human rights, and so on. However, the needs of countries and regions are dissimilar as they are at different points on the development continuum. The stress on a particular policy or set of policies may be stronger in one country than in another depending on many factors, such as demand, feasibility, resources, and execution. Then again, policies cannot be stand-alone as one policy in one way or the other complements or supplements another (e.g., environmental policies have direct relevance to health-care policies, poverty reduction strategies to fiscal policies, educational policies to gender issues, and *vice versa*); rather these need to be linked and integrated to the overarching policy strategy of the government. Thus, problem definition, prioritization, and sequencing of policies to obtain the maximum desired outcome become preeminent.

In a typical DC, social and economic problems are so well appreciated and clearly identifiable that there is always the need for policy makers to be steadfast in devising appropriate policies that would produce the desired outcomes. In the advanced Western democracies, societal problems are *relatively* few and sporadic, and competition between interest groups is fierce in influencing the public agenda.

On the contrary, because of the absence or limitation of organized interest groups in the DCs, the policy process generally remains a state-managed affair. This circumscribes the policy process from being more open, inclusive, and bottom–up in orientation. However, with democratic institutionalization and consolidation becoming more vigorous in many countries, the process is becoming generally more participatory with an attentive public and interest groups/advocacy coalitions making more noise on sensitive issues and problems and seeking to influence the development agenda. Civil society activism is mainly about drawing the attention of policy makers on major issues confronting society and providing alternative solutions to problems. With such activism growing in the DCs, there is wide scope for the advocacy for new policies or redesigning existing ones coming from outside the government (Brinkerhoff and Crosby, 2002). Media reportage can be an effective mechanism in shaping public opinion and drawing the attention of policy makers on issues that might have remained hidden from public view (Anderson, 2011).

According to Kingdon (1984: 3), a policy agenda "is the list of subjects or problems to which government officials, and people outside of government closely associated with those officials, are paying some serious attention at any given time." In reality, policy makers can pay attention to only a few issues from an infinite array of possible policy problems. A range of powerful forces act as issue drivers that influence the policy agenda from outside government and within it. In essence, the inclusion of an issue on the policy agenda raises its status from private or social concern to a public issue, with the implication that it has the potential to be resolved by government action (Howlett et al., 2009).

Theories of Agenda Setting

The means by which an issue of concern is elevated to the position of a policy problem worthy of government consideration, and possibly intervention, has been variously understood. Early perspectives were deterministic, seeing policy problems as arising, almost automatically, from the challenges faced by governments as a result of socioeconomic factors. In this view, industrialization and economic modernization lead to the emergence of common sets of problems and hence a convergence of policies in different countries. Critics of the convergence approach considered this an oversimplification, pointing out that supposedly convergent jurisdictions displayed policy divergences as well (Sharkansky, 1971; Howlett et al., 2009).

Howlett et al. (2009: 95) suggest that the alternative resource-dependency model posited that industrialization necessitates the formulation of social policies such as in health care, social protection, and education for the welfare of the working class. Another perspective, exemplified by the political business cycle concept, argued that both political and economic factors are important determinants of agenda setting and should be considered together. These approaches, and variations on them, essentially saw problems as having an objective existence and waiting to receive attention from governments when circumstances were right.

The postpositivists, on the other hand, regard policy "problems" as being subjectively constructed by policy actors who are inherently biased by their world views, cultural experiences, and beliefs (Trochim, 2000). Many researchers have noted that the lens through which individuals see the world has a significant impact on the way they define policy problems, conceptualize solutions, and demand, or take, action (Flatham, 1966; Howlett and Ramesh, 1998; Chadwick, 2000; Howlett et al., 2009). The limitations of the "objective" and "subjective" models of policy problem construction led to a range of multivariate models, for example, the "funnel of causality" (King, 1973) and "issue-attention cycle" (Downs, 1972; King, 1973), which attempted to incorporate the influences of institutions, actors, and ideas on agenda setting.

Kingdon's Analytical Framework

Kingdon's analytical framework was built on those of his multivariate predecessors and considered political, economic, and ideological influences simultaneously. He proposed that participants are pivotal and may be visible or hidden. Visible participants include politicians, the media, political parties, and campaigners, and they are the most influential in getting issues onto the institutional agenda. Hidden participants, such as academic specialists, career bureaucrats, and ministerial advisers are less influential in setting the agenda but much more so in generating and narrowing the list of potential alternatives "to the ones that actually receive serious consideration" (Kingdon, 1984: 209).

In Kingdon's analysis, participants, both visible and hidden, influence public agendas through three streams of processes: *problems, politics*, and *policies*. He asks "why do some problems come to occupy the attention of governmental officials more than other problems?" and sees the answer as depending on

- "the means by which those officials learn about conditions"—such as the large magnitude of, or a change in, a social condition; a focusing event; or feedback on existing programs
- "the ways in which conditions become defined as problems"—by violating important values; by looking bad in comparison with others (e.g., other countries); or when viewed through a particular "lens," which results in the perception of the condition as a problem

Political developments, meanwhile, unfold independently. Changes in administration or national mood can profoundly affect agendas and, to a lesser degree, interest groups can affect the agenda by blocking, supporting, or massaging proposals (Kingdon, 1984: 207, 208).

Kingdon (1984: 209, 210) conceives of a "policy primeval soup" where ideas float around, combine, and recombine. Extending the primordial analogy, the selection of policies is seen as a Darwinian process mitigated by selective criteria: technical

feasibility, congruence with community values, possible future constraints, "public acceptability and politicians' receptivity." "Pet proposals" are pushed on many fronts by "policy entrepreneurs" through a long "gestation process" that refines and remolds policy ideas.

These streams flow along more or less independently but sometimes combine through a rich array of possible circumstances and events. At times, these intersections will coincide with the opening of a "policy window" (Kingdon, 1984: 212), occurring as a result of events in either the policy or political streams. This creates an opportunity for participants to complete the linkages between the streams and "move packages of the three joined elements up on decision agendas" (Kingdon, 1984: 212, 213).

Kingdon's theory conveys a sense of the "complex interrelationships of ideas, actors and institutions" (Howlett et al., 2009: 108), associated with the agenda-setting process. One of the strengths of his framework is that it permits analysts to draw conclusions based on empirical analysis of the case in question rather than on the base of theoretical assumptions.

Agenda Sources

Generally, agenda setting is the initial phase in the policy cycle. This is the phase when issues and problems relating or relevant to development are identified, discussed, debated, and placed on the policy agenda. It is the most critical phase because of its "decisive impact on the entire subsequent policy cycle and its outcomes" (Howlett et al., 2009: 92). As indicated previously, policy agenda setting may be influenced from within the government by state actors who normally toe the ruling party lines or outside by nonstate players who strive to push their specific agenda for the attention of the government (Kingdon, 1984). Depending on their source, items for the policy agenda may be either *inside* or *outside initiated*. The outside-initiated policy phenomenon occurs in pluralist polities with a strong democratic culture and a robust civil society with organized social groups, which avail the conditions to advance their policy overtures for follow-up by the government. What starts as informal demands may be, through strong lobbying, pressures, negotiations, bargaining and perhaps public support, converted into formal proposals and explicit items on the formal public agenda. The informal or *systemic* agenda "consists of all issues that are commonly perceived by members of the political community as meriting public attention and as involving matters within the legitimate jurisdiction of existing governmental authority" (Cobb and Elder, 1972: 85).

Thus, in agenda setting, a variety of actors and institutions may be involved each of whom alone or in concert with allies may toss up ideas and views for the attention of the public and, of course, policy makers. The outside-initiated systemic agenda then is converted into the formal *institutional* agenda after acceptance by the government. According to Cobb et al. (1976: 127),

> The public agenda consists of all issues which (1) are the subject of widespread attention or at least awareness; (2) require action, in the view of a sizeable proportion of the public; and (3) are the appropriate concern of some governmental unit, in the perception of community members. An issue requires the recognition of only a major portion of the polity, not of all its members … Every local community will have a public agenda. If this community is subsumed in a wider political system there will be some overlap of items from the public agendas of communities at higher levels.

At times, however, such *outside-initiated* demands may be transitory, and public opinion may change and lose relevance. As one of the foremost political scientists, Anthony Downs (1972: 38) in advancing his notion of *issue-attention cycle* argued that

> public attention rarely remains sharply focused upon any one domestic issue for very long—even if it involves a continuing problem of crucial importance to society. Instead, a systematic issue-attention cycle seems strongly to influence public attitudes and behavior concerning most key domestic problems. Each of these problems suddenly leaps into prominence, remains there for a short time, and then—though still largely resolved—gradually fades from the center of public attention.

Thus, in many DCs, we find certain problems highlighted by politicians or by the media. The former might demand people's support especially before elections, but generally, these are pushed to the background after the euphoria has passed over and the issues move out of the public mind.

The *inside-initiated model* was perhaps more applicable to the old developmental states (South Korea, Taiwan, or former Hong Kong) or are still in vogue in some others (Singapore, Malaysia, Brazil) that adhere to the corporatist approach in policy making. Certain state-favored or often state-sponsored groups are given access to the governmental decision-making platform and use their technical and professional expertise to influence the design of policies to address particular problems. Instead of placing an issue on the public agenda, the groups initiating the policies use "their own ability to apply sufficient pressure to assure formal agenda status, a favorable decision and successful implementation" (Cobb et al., 1976: 128). This is opposite to what happens in a pluralist political framework.

The outside-initiated model is associated with pluralism, which recognizes and encourages the presence and input of competing groups in the policy process. Pluralism creates a favorable environment that enables these groups to enter into debate and deliberation, negotiation and bargaining among themselves, and intense lobbying of the government to influence decisions and policies. Basically, pluralism is premised on the belief that organized interest groups can play an

effective role in crystallizing public policy (Box 7.1). These groups with either latent or manifest interests are free-forming associative bodies often with over-lapping membership and may display differential characteristics in terms of their access to and extent of influence upon policy makers (Schmitter, 1977; Smith, 1990).

The policy preferences of interest groups may more often than not conflict. Especially, this happens when new groups emerge and manifest divergent views on the common issues they bring to light and strive to get addressed. Their demands may be different or they might present divergent alternative solutions to a problem. In such conflicting situations, the government can play different roles—it can serve as an area where competing groups interact and resolve their differences with the government being the rule setter and neutral adjudicator. However, to what extent it can remain dispassionate in these engagements is open to question, for it may favor certain groups over others, especially if such groups are supportive of its policy priorities (Dahl, 1967; Howlett et al., 2009).

Unlike advanced democracies where interest groups are able to promote their own interests bereft of any restraints, interest group dynamics in DCs are basically sporadic, inconsistent or fragmented, and often difficult to follow. They operate in different social–political settings that may not yet be ready for accommodating extragovernmental influences on public policy making. The bureaucracy still has the upper hand in the policy process—from agenda setting to execution and evaluation. Even where interest groups exist, the relationship between them and governing bodies consisted of state officials is ambiguous and not properly config-ured. More commonly, preferred outside groups are used by the government as the preferred ideational and advisory source in policy formulation. However, this use of interest groups by the state for policy development or policy support, encapsulated in corporatism, is gradually giving way to pluralism, even if uneven in some cases (Bianchi, 1986).

Whatever the conditions, policies should be based upon objective evidence gathered through the application of scientific methods and not just on subjective opinion that might be politically contentious and socially divisive. Nonetheless, it is practically impossible to develop policy simply based on evidence; yet efforts

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BOX 7.1   PLURALISM

In group theories of politics, the theory, assumption, or belief that there are many groups that compete with one another in a reasonably open political system and that policy results from this group competition.

Source: Birkland, T.A.., *An Introduction to the Policy Process: Theories, Concepts, and Models of Public Policy Making*, M.E. Sharpe, Armonk, NY, 2005, 109.

> **BOX 7.2   FACTORS IN EVIDENCE-BASED POLICY (EBP)**
>
> - *Accuracy:* Is the evidence correctly describing what it purports to do?
> - *Objectivity:* The quality of the approach taken to generate evidence and the objectiveness of the source, as well as the extent of contestation regarding evidence.
> - *Credibility:* This relates to the reliability of the evidence and therefore whether we can depend on it for monitoring, evaluation, or impact assessments.
> - *Generalizability:* Is there extensive information or are there just selective cases or pilots?
> - *Relevance:* Whether evidence is timely, topical, and has policy implications.
> - *Availability:* The existence of (good) evidence.
> - *Rootedness:* Is evidence grounded in reality?
> - *Practicalities:* Whether policymakers have access to the evidence in a useful form and whether the policy implications of the research are feasible and affordable.
>
> *Source:* Sutcliffe, S. and Court, J., *Toolkit for Progressive Policymakers in Developing Countries*, Overseas Development Institute, London, 2007, 3.

must be made to lean as far as possible toward EBP, and this is the trend in most countries (Sutcliffe and Court, 2007; Box 7.2).

Stakeholders as Interests

In development parlance, it is more common to use the term *stakeholders* rather than "interest groups" in specifying vested groups who have an interest (stake) in the design and outcome of a particular development policy. Drawing from the management literature, we can define stakeholders as "persons or groups with legitimate interests in procedural and/or substantive aspects of [development] activity" (Donaldson and Preston, 1995: 67). They are participants in "the human process of joint value creation" (Freeman, 1994: 415) and may influence the development of a policy or may, in turn, be influenced by a policy. Stakeholders shaping or influencing policy include the political executive, politicians (both elected and nonelected), government officials, NGOs, advocacy or lobby groups, think tanks, private sector bodies, and international development institutions (including donor agencies). Each has a specific interest in policy making and program implementation, the government and its bureaucratic apparatus being at the center because of their legitimate authority to make decisions, allocate resources, and monitor policy application and outcome.

Those affected by a policy are the beneficiaries of a policy initiative or development activity or the clients/users of welfare services (Morse and Struyk, 2006). Effective development policy management requires a stakeholder approach—that of acknowledging the significance and utilizing inputs of appropriate stakeholders associated with a particular development sector. But not all stakeholders are equally influential and do not have the same degree of clout to place pressure on the government. The degree of stakeholder influence on policy makers and program administrators is dependent on a number of attributes that define the relationship between them. These are *power* (the extent to which stakeholders can get things done by suasion or pressure), *legitimacy* (the demands are appropriate and adheres to certain socially constructed norms), *urgency* (the time sensitivity and criticality of demands), and *salience* (prioritization of competing stakeholder demands; Mitchell et al., 1997: 869).

Civil society organizations (CSOs), such as NGOs, are very important stakeholders in development, and they can play a critical role in informing policy development, in general, and sectoral policies, in particular. There may be multiple competing NGOs with stake in one particular policy, and together or in clusters or even solely they can influence or provide inputs into different phases of the policy cycle, including agenda setting and policy formulation. Some large and prominent NGOs from developing nations along with their northern counterparts have access to international policy making. On the domestic front, regular and unrelenting lobbying and advocacy by many information- or pressure-oriented NGOs have considerable bearing on policy makers' priorities and preferences. Often, structures and policies are targeted and successfully renewed to the benefit of poverty-stricken people (Chapman and Fisher, 2002). Jordan (2003) provides the rationale for NGO engagement in policy formulation. First of all, it confers legitimacy on governmental policy decisions; second, NGO involvement in the policy process can enlarge the assortment of ideas and information; third, at the international level, weaker governments can count on the support of the global civil society and make their demands count; and finally, strong NGOs can reinforce the policy makers' commitment to a particular development initiative.

Policy Networks in Development

To organize developmental activities coherently and to manage their operations effectively, it is essential for state actors to consult various kinds of organizations and gain from their knowledge of local issues and active involvement in activities close to the people. In framing new policies or in renewing existing ones, consultation with relevant stakeholders can improve the process of defining, considering, or even rejecting policy options. However, generally participation in the policy process goes beyond simple community consultation. The policy process manifests a transactional or negotiable approach in pluralism and to a limited extent in corporatism

and "enables a focus on the pattern of recurring relations between members, the nature, extent and source of value consensus and the degree to which issues are the property of identifiable groups of actors in the policy process" (Houlihan, 1997: 20). In fact, policy negotiation engages policy subsystems, policy networks, and advocacy coalitions. However, in many DCs, such engagements, if embarked upon, are hidden from the public view and essentially remain a closed occurrence and, even if conspicuous, circumscribed by relational intricacies.

In agenda setting, a *policy universe* is at play. This includes a host of potential actors and institutions representing the state, society, and the global arena but may not all have a direct bearing in a specific policy area. Within the policy universe exists the *policy community*, which is "a relatively small group of participants in the policy process which has emerged to deal with some identifiable class of problems that have or could become the concern of central government" (Laffin, 1986: 110). In a policy community, divergent idea sets are deliberated upon and consensus reached on particular sets depending on the strength of the ideas and the number of groups supporting them. The more the differences on an idea set, the more fragmented would the community be (Howlett et al., 2009). For instance, in DCs, the need for poverty alleviation obtains universal support in a policy community, but specific policies or strategies relating to particular components of the poverty reduction process may be challenged by various stakeholders.

It is at the *policy subsystem* level that involvement of highly informed, specialized, and professional key actors is noticeable, and this is where direct inputs to agenda setting and policy formulation may be made. The subsystem, characterized by stable membership, normally includes a small group of actors who identify themselves with particular policy areas. They play useful roles in advising policy makers at the highest levels. They contribute to the development of alternative solutions to a problem and to present them to state-centered decision makers who have the ultimate authority to act (Bickers and Williams, 2001; Howlett et al., 2009). Within the policy subsystem, there may be subsets of actors, such as the *advocacy coalition*. This consists of state, societal, and private sector actors at various levels of government, and they "share a set of basic beliefs … and … seek to manipulate the rules, budgets and personnel of governmental institutions in order to achieve these goals over time" (Jenkins-Smith and Sabatier, 1993: 5). Often the distinction between these various group structures in policy is blurred; their roles and membership overlap. Some use the terms interchangeably to mean almost the same things.

Nevertheless, the different levels or structures of policy-relevant groups are generally integrated in *policy networks*. While there may be disagreements on what these actually mean or how these should be characterized or generalized, for our purposes here, we can brand them as overarching structures that focus on the "power relationships between the government and interest groups, in which resources are exchanged" (Börzel, 1997: 2). As Hanf and Scharpf (1978: 12) state,

> By stressing the "interrelations" and "interdependence" of . . . individual actors, [policy network] draws attention to the patterns of linkages and interactions among these elements and the way in which these structure the behavior of the individual [actors] . . . [which] are embedded in a particular set of relationships, the structure of which constrains the action options open to them and the kind of behavior they can engage in as they go about their particular business.

Policy networks perform a useful functional role in agenda setting and policy formulation, and their knowledgeable and concerted inputs can have remarkable influence on the favorable outcome of a policy making exercise, mainly those relating to highly technical issues, such as in environmental and climate control, infrastructure development, industry, agriculture, health care, education, information and computer technology, and so on. It should be noted that the structure, behavior, and performance of policy networks depend on the nature of their formation, composition, and interactive practices, that is, the relationships between its constituents and the different strategies they adopt to tackle the issues around which the networks are established. State actors are generally the dominating ones in these networks, especially those of the corporatist types, but there may be many in which societal actors can play more influential roles—the pluralist ones (Coleman and Skogstad, 1990; Coleman and Perl, 1999; Howlett et al., 2009: 85). For networks to succeed in the primary purpose of obtaining policy outcomes, it is important for each participating group to collaborate with others in a mutually inclusive manner and to recognize the "interdependence with other groups as necessary for [a] social problem to be addressed effectively" (Logsdon, 1991: 26).

What exactly do these policy networks do? As a platform linking formal and informal structures, a network performs a variety of functions during the agenda setting, policy formulation, implementation, and reformulation phases. According to Reinicke and Deng (2000: 24),

> Networks create bridges that enable … various participants to exploit the synergies between … different resources. They allow for the pooling of know-how and the exchange of experience. Collaboration in networks creates regularity and predictability in the participants' relationships, generating a viable institutional framework for fruitful cooperation. Spanning socioeconomic, political, and cultural gaps, networks manage relationships that might otherwise degenerate into counterproductive confrontation, something we have seen too often in recent years with the growing presence of both business and civil society in the global policy arena.
>
> [These] networks not only combine existing knowledge from different sources and backgrounds but also create new knowledge, as

consensus emerges over often-contentious issues … Relying on differences in knowledge and in opportunities for knowledge gathering among their stakeholders, [these] networks apply an *open sourcing* model already applied in the private sector, and manage knowledge from the bottom up.

A publication of the Overseas Development Institute (ODI; Mendizabal, 2006) suggests that in development policy formation networks perform six functions: (1) filtering a wealth of unmanageable information for productive use; (2) amplifying ideas, disseminating and communicating them to the wider public; (3) providing resources in the form of funding, skills, and technical assistance to network participants to help them to carry out their activities; (4) convening or assembling stakeholders with a common purpose and deliberate upon policy options; (5) building communities to uphold and bolster the "values" and "standards" of the network; and (6) facilitating network constituents to efficiently and effectively perform their tasks. In many ways, networks perform, what Perkin and Court (2005) say, the three Cs: *communication, creativity*, and *consensus* (See Box 7.3). Also, as policy making is premised on ideas and information, networks can contribute to and facilitate research. Network organizations can foster a culture of sharing ideational resources, technical know-how, and experience that can prove beneficial in agenda setting and policy formulation. These can help bridge the research and policy practice relevant to development (Stone and Maxwell, 2004).

**BOX 7.3   POLICY NETWORK PURPOSES:
ACHIEVING THE THREE Cs**

Communication: the multiplicity of links within a network allows for actors to communicate better. Hence, there is the potential for knowledge to be shared interactively across both horizontal and vertical dimensions.

Creativity: free and interactive communication among a diverse range of actors offers a fertile climate for a creative action.

Consensus: networks can make use of their many links among diverse actors to build consensus, often circumventing formal barriers. They allow like-minded actors to identify each other and rally around a common issue.

Source: Perkin, E. and Court, J. *Networks and Policy Processes in International Development: A Literature Review*, Overseas Development Institute, London, 2005, 2, 3.

Policy Adoption

Agenda setting and the policy formulation phases of the policy cycle provide the launching pad for a development-related policy to be formally activated and its goals to be realized within a stipulated time frame. Policy options raised and deliberated upon in the previous two phases are further examined at the highest levels of the governmental structure before the best option becomes the basis of a proposed policy. Thus, the policy adoption phase involves action on a preferred policy alternative by and large supported by various actors in the policy process. It is in this phase that a policy proposal is further refined by the political executive with the aid of senior officials in the bureaucracy and sometimes with legislators but less often with the members of the judiciary. If the policy is to be in the form of executive rules and regulations, then it is the prerogative of the cabinet or council of ministers to make the decisions. On the other hand, in a democracy, it is usually the people's representatives in the legislature who put their stamp of approval to a policy. This clothes the policy with greater political legitimacy, is more acceptable to the citizens, and therefore has greater chance of being executed (Anderson, 2011). This, however, is not to suggest that rules made by the political executive lack credibility or do not have the same binding force as are legislative statutes. Made by public officials holding legitimate/constitutional authority, they too enjoy similar legal status but may lack the democratic flavor.

Policy adoption is all about decision making—a process that defines the substance of a policy by balancing divergent views on it, reducing discrepancies, and removing provisions that are unacceptable or appending new ones more feasible than others. Public decision making thus involves choosing from among a relatively small number of policy options identified in the process of policy formulation to resolve a public problem. The process of choosing is not a technical exercise but an essentially political one. The resulting decisions create winners and losers, even if the decision is made to do nothing or to retain the *status quo* (Brewer and DeLeon, 1983; Anderson, 2011).

Unlike the agenda setting and formulation stage, policy adoption involves fewer actors as it normally excludes nearly all nonstate actors. Only those politicians, judges, and government officials authorized to make decisions—the "decision makers"—in a particular policy area provide their inputs. They make decisions within the parameters laid out by the constitution and the specific mandate conferred on individual decision makers by various laws and regulations.

Development Decision Making

Policy action or policy change in any area of development requires the design of strategies and initiatives that would best serve the cause of economy, efficiency, and effectiveness insofar as these relate to poverty alleviation, social development, and economic growth. Sound policy outcomes can be achieved through the efficient

allocation and optimum utilization of resources by targeting specific development and welfare programs, as well as specific segments of the population, such as the marginalized and the disadvantaged. For economic growth to occur, special sectors, such as agriculture, industry, trade and commerce, need the special attention of decision makers (Morse and Struyk, 2006). Clearly, this exercise depends on careful evaluation of different alternatives using multiple criteria. In development management, decision making would require the use of sophisticated techniques and tools, such as poverty and inequality analysis, direct impact analysis, social accounting matrices, institutional analysis, or benefit incidence analysis, to mention a few. Therefore, decision making in development is a comprehensive and complex undertaking, and only the appropriate approaches in decision making can bring about desired changes. Obviously, decision makers must be skilled and strategic in playing the decision game, which can at times be awfully cumbersome in choosing the right alternative and futile if positive results do not flow. They need to be cautious about priorities and preferences; risks and uncertainties; and social, political, and economic costs and overall benefits to the people and society. The value of their decisions will largely be conditioned by the long-term or enduring positive impact these have on a policy area.

In the earliest discussions on the public policy process, the decision making stage was the center of attention. But the discussion stagnated in the mid-1960s when it became stuck in the rather superficial debate between the *rationalists* and *incrementalists.* The situation improved in the 1970s when more sophisticated efforts were attempted in developing alternative models of decision making in government, especially in the context of certain policy areas pertaining to development and welfare. However, the two best-known models of public policy decision making, referred to as the *rational model* and the *incremental model*, have always been the starting point on any explanations of the various other models.

The *rational–comprehensive model* is essentially a model of economic or business decision making applied to the public arena (Box 7.4). The model is "rational" in the sense it prescribes procedures for decision making that it claims will lead to the choice of the most efficient means of achieving policy goals. This model assumes that decision makers have all the required information regarding a problem as well as informed pointers to a range of alternative solutions. This model is about maximizing the possibilities of achieving goals. In its pure form, the model requires assessment of all possible alternatives and the social and economic costs of each alternative before a decision is made. This inherently "technical" model is criticized on both practical and ethical grounds. It is considered an inadequate model as it makes unrealistic demands on the intellect of decision makers. Pure "rationality" is impossible to acquire; human cognition has limits, and, therefore, rationality is bounded (Simon, 1957; Lindblom, 1959; Birkland, 2005). In development decision making with changes occurring constantly, it is quite a difficult proposition to rely alone on the rational–comprehensive model. Other models may help in reaching more appropriate strategic decisions.

BOX 7.4 ELEMENTS OF THE RATIONAL COMPREHENSIVE DECISION MODEL

- The decision-maker is confronted with a problem that can be separated from other problems or at least considered meaningfully in comparison with them.
- The goals, values, or objectives that guide the decision-maker are known and can be clarified and ranked according to their importance.
- The various alternatives for dealing with the problem are examined.
- The consequences (costs and benefits, advantages and disadvantages) that would follow from selecting each alternative are investigated.
- Each alternative, and its attendant consequences, is then compared with the other alternatives.
- The decision-maker will choose the alternative, and its consequences, that maximizes attainment of his or her goals, values, or objectives.

Source: Anderson, J.E., *Public Policymaking*, Wadsworth, Boston, MA, 2011, 127.

Dissatisfaction with the rationalist model fostered the emergence of the *incremental model* that represents decision making on public issues as "a political process characterized by bargaining and compromise among self-interested decision-makers" (Howlett et al., 2009: 146). This model being political in nature is applied to public policy. It claims that decisions that are politically practical and economically feasible rather than what is technically preferable should be chosen. Decisions are made through a process of "successive limited comparisons" with earlier decisions, and decision makers consider only a few familiar alternatives for their appropriateness and stop the search when they believe an acceptable alternative has been found. Apparently, they adopt a strategy of "continually building out from the current situation, step-by-step and by small degrees" (Lindblom, 1959: 81). Marginal changes are made to a particular policy, and decisions are reflective of incremental movements from the *status quo* as highly contrasting or dissimilar alternatives may not result in favorable policy outcomes (Dunn, 2004). This model, also referred to as *disjointed incrementalism*, was conceived by Charles Lindblom in the late 1950s (Box 7.5).

Quite apart from the accuracy of the incremental model's description of the decision-making process, critics find several faults with the implications of the line of inquiry suggested by it. Incrementalism is overly conservative, geared to maintain the *status quo* and is advantageous to organized groups with a stake in a particular policy while disregarding the needs of marginalized and disadvantaged segments of the population with little or no political or social clout. It delimits the decision-making process to a select group of actors and institutions, virtually

BOX 7.5   FEATURES OF DISJOINTED INCREMENTALISM

Decision makers

- Consider only those alternatives that differ incrementally … from the *status quo*
- Limit the number of consequences forecast for each alternative
- Make mutual adjustments in goals and objectives, on the one hand, and policy alternatives, on the other
- Continuously reformulate problems and alternatives in the course of acquiring new information
- Analyze and evaluate alternatives sequentially, so that choices are continuously amended over time, rather than made at a single point prior to action
- Continuously remedy existing problems, rather than attempt to solve problems completely at one point in time
- Share responsibilities for analysis and evaluation with many groups in society, so that the process of making choices is fragmented or disjointed
- Make incremental and remedial policy changes by acting on such issues.

Source: Dunn, W.A., *Public Policy Analysis: An Introduction*, Pearson/ Prentice Hall, Upper Saddle River, NJ, 2004, 50.

rejects the scope for comprehensive change, innovation, and experimentation; lacks goal orientation; cannot handle crisis situations; puts off the search for ready-to-use alternatives; and thus promotes short-term solutions to problems, and, last but not least, it works well only in stable political and economic situations (Dror, 1964; Etzioni, 1967; Forester, 1984; Howlett et al., 2009; Anderson, 2011). Such an approach is not desirable and needs to be avoided in developing societies or combined with others.

The limitations of the rational and incremental models led critics to look for alternatives. Most of these efforts took the form of developing a model combining some elements of the rationalist and incrementalist approaches, such as the *mixed-scanning model* constructed by Amitai Etzioni. Anderson summarizes the essence of this model:

> Mixed scanning enables decision-makers to utilize both the rational-comprehensive and incremental theories, but in different situations. In some instances, incrementalism will be adequate; in others, a more thorough approach along rational-comprehensive lines will be needed. Mixed scanning also takes into account different capacities of decision-makers. The greater their capacity to mobilize power to implement their

decisions, the more scanning they can realistically engage in; the more encompassing the scanning, the more effective the decision-making.

Anderson (2011: 131)

In managing development programs and projects, it is essential for decision makers to have a thorough strategic understanding of the factors affecting decisions and the impact of a set of decisions relevant to a specific problem on related issues. For instance, a decision to construct housing complexes for the urban low middle-class population must also factor in the possible environmental ramifications of the project as well as accessibility of inhabitants to different facilities such as transportation, schools, health clinics, and shopping centers. While this would involve (even if) a cursory examination of the entire needs of the targeted population and invite the support or opposition of different groups in society, the decision makers' capacity to thoroughly engage in an informed and rational search for the best alternatives for the housing project would also have a positive influence on the efficacy of the decision. As Etzioni argued, "The flexibility of the different scanning levels makes mixed-scanning a useful strategy for decision-making in environments of varying stability and by actors with varying control and consensus-building capacities." Mixed-scanning basically is a hierarchical mode of decision making combining higher order (rational decision making) and lower order (incremental decision making) (Etzioni, 1967: Abstract, 1986).

One of the most interesting recent developments in the study of decision making is to be found in the works of John Forester. According to him, the decision-making style and the type of decision made by decision makers vary according to the issues at hand and the institutional context in which they are addressed. He further notes that it is not possible to come up with precise generalizations about which decision-making style is practical or desirable in specific situations because of the wide variations in the nature of the problems and their contexts. Different problems involve different actors, circumstances, case of resolution, and availability of information and time—all of which affect the decision-making process and its outcomes (Forester, 1984; Howlett et al., 2009: 155, 156).

Policy makers in DCs must employ the most approach or combination of approaches to arrive at decisions that would best serve the interests of the general population and lift society from poverty through economic growth and social development.

Implications for Development Management

For developing nations, policy making can be a complex process because of the context in which it takes place, internal demands, and external pressures. The critical dilemma for policy makers is the extent to which local requirements can be matched with the availability of resources and the constraints placed upon them by

international development regimes (IDR). Questions about policy ownership loom large. Whether a country is ready enough to embrace the almost universal prescriptions advanced by these regimes worry the political leadership and those in charge of deciding the direction of development. Obtaining the correct mix of policy types and applying them appropriately in specific situations often becomes a difficult proposition. The other problem relates to the expansion of the policy domain and the extent to which the assortment of diverse stakeholders are to be associated with the policy process. Given that most DCs are still feeling their way in democratic institutionalization and consolidation, it will be a while before a fully pluralistic policy process is operationalized within the political system.

A country's development management regime to be effective in its pursuits needs proper structures and procedures for the entire policy cycle to play its full circle without hindrances. For policies to have a positive impact in society, policy making, as far as practicable, should be an open operation with the spontaneous participation of both state and nonstate actors. The official policy makers—elected and appointed administrators—must be proactive in identifying specific problems with past policies or their execution, analyzing them and taking the initiative in setting the agenda for policy formulation or renewal. For their part, nonstate actors are expected to highlight developmental issues, propose solutions, and create awareness among citizens. While inside-initiated approaches to solving development problems still play a dominant role in most DCs, outside-initiated efforts should be encouraged and permitted to contribute to policy making. Even though policy networks are still embryonic in their construction or circumspect to make advances, an enabling environment must be created by the state for their meaningful participation. Most importantly, the entire policy process must be geared to the demands of transparency, accountability, and integrity.

Review Questions

1. What factors influence policy making in DCs?
2. Who can be identified as the principal actors in policy making?
3. What is a policy agenda and how is it determined?
4. What is the significance of policy networks in development?
5. How is policy adopted? Can you identify some of the decision-making theories?

Further Reading

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Chapter 8

Implementing Policy and Planning Development

> Surround yourself with the best people you can find, delegate authority, and don't interfere as long as the policy you've decided upon is being carried out.
>
> **Ronald Reagan**

Introduction

As development depends on the positive outcome of policies, the implementation phase of the policy cycle is particularly important as it actually converts ideas into reality and plans into action. But development policy implementation can be a labyrinthine and unmanageable undertaking in countries where implementation capacity is weak, political and economic conditions are not supportive, resources are scarce, institutional arrangements are chaotic, and policy coordination is problematic. Most policies, however, fail at the implementation stage not only because of these problems but also because of shortcomings in policy design, absence of clearly defined execution strategies, poor executive oversight, inattentive predilections of implementers, rent seeking and corruption, and unjustifiable policy reversals following changes in governments (Edwards, 1980; Birkland, 2005). Implementation is more than a technical exercise employing "calculated choices of appropriate techniques"; it is also exceedingly political in its orientation and social in its ramifications and therefore has to be very carefully approached (Turner

and Hulme, 1997: 75, 76). Politics, indeed, is a decisive element in policy implementation, which as Grindle (1980: 3) argues, "involves far more than a mechanical translation of goals into routine procedures; it involves fundamental questions about conflict, decision making, and 'who gets what' in a society."

Thus, one of the most daunting challenges for governments in DCs relates to the conversion of policies into concrete action plans that seek to implement development policies at various levels (macro, meso, and micro) and sectors (social, economic, environmental, or technological). Similar to policy formulation, designing national plans and undertaking development programs and projects under them can also be rigorous activities. National developing planning takes place within overarching sectoral policies. A specific component (such as economic growth, trade and commerce, health, education, infrastructure development, gender, etc.) of a national development plan must be in consonance with the set of guiding principles or rules set out in a policy relating to that component. Thus, as an example, a health policy will influence decisions and actions in the health component of the national plan and the strategies within it.

Often policies and plans are erroneously taken to mean the same thing. However, there are some distinctions between the two. Almost 70 years ago, the now-defunct popular *Life* magazine (27 September, 1943: 36) pointed out the distinction between a policy and a plan in the following words:

> A plan is a way to get things done, it purports to provide a solution to a given problem, and it is put forward with the expectation that, if adopted, it will actually eliminate or liquidate the problem … Yet a plan has definite limitations. If the problem that it proposes to solve happens to be insoluble, it falls with a crash … A policy is very different from a plan. [It] does not propose to eliminate the problem that it faces, but rather to acknowledge its existence and to deal with it in a consistent and predictable way. A policy is a course of action, a continuing and open-ended attitude toward the unpredictable impact of events.

Thus, policies are actually executed through concrete plans concertedly made through a meticulous procedure by applying sophisticated methods. A policy envisages broad ideas; a plan is the blueprint for activating a policy or parts thereof through interrelated measures over a stipulated period of time by mobilizing and utilizing resources and employing existing institutional arrangements or creating new ones to achieve specific objectives (Waterston, 1965; Hope, 1996). Interestingly, in many DCs, most development programs are based on plans, often contrived in haste without being influenced by precise policies as such. Development planning may be labeled as a technically based instrument of development policy intervention of a government often influenced by politically motivated self-interested stakeholders (Schaffer, 1984; Turner and Hulme, 1997; Chowdhury, 2002).

Implementing Policies

Policy implementation does not always smoothly follow policy adoption. However sound a policy might be, obstacles and constraints may emerge before and during implementation, and these will need to be negotiated carefully (van Meter and van Horn, 1975; Pressman and Wildavsky, 1984). A policy is not a policy but just a piece of paper until it is operationalized—that is, put into place and administered. Therefore, how can we define *policy implementation* as a critical phase of the policy cycle?

Mazmanian and Sabatier (1983: 20, 21) provide an inclusive definition of implementation. They explain it as

> the carrying out of a basic policy decision, usually incorporated in a statute but which can also take the form of important executive orders or court decisions. Ideally, that decision identifies the problem(s) to be addressed, stipulates the objective(s) to be pursued, and in a variety of ways, "structures" the implementation process. The process normally runs through a number of stages beginning with passage of the basic statute, followed by the policy outputs (decisions) of the implementing agencies, the compliance of target groups with those decisions, the actual impacts—both intended and unintended—of those outputs, the perceived impacts of agency decisions, and finally, important revisions (or attempted revisions) in the basic [policy].

They point to the relevance of definite directives to guide implementers in the realization of a certain policy, their technical and managerial skills as well as their commitment to the policy goals, continued support of stakeholders in pursuing objectives, consistency of the policy with other cognate policies, ongoing assessment of the implementation process, and, if required, modifications to the policy itself. Thus, implementation can be a delicate process as basically it is about converting policy intentions of the government into concrete action that provide the desired outcomes. If this does not happen, implementation fails. Implementation strategies need to be set in advance and not left when the process is on and implementers cannot be unmindful of the ultimate anticipated impact of a policy. The performance of implanting agencies is very important. Gaps between promise and performance are not uncommon and the reasons may be varied. Something may be promised by the government because there is a long-standing demand for it but not acted upon; a policy may not be based on "a sound program theory that correctly identifies what design conditions will get the target groups to behave in the desired fashion"; unanticipated changes in the social, political, and economic environments may pose problems; organizational and procedural arrangements may work contrary to the intended strategy; and resources may be insufficient to effectively meet policy objectives (Palumbo and Calista, 1990: 4).

BOX 8.1   PRECONDITIONS OF IMPLEMENTATION

- No external crippling constraints on the implementing agency.
- Adequate time and sufficient resources made are available.
- Right combination of resources.
- Policy implemented on a valid theory of cause and effect.
- Relationship between cause and effect is direct with few intervening links.
- A single implementing agency with minimal dependency on others.
- Understanding of and agreement on objectives.
- Full specification of tasks and their correct sequencing.
- Perfect communication and coordination.
- Securing total compliance and control by higher officials.

Source: Hogwood, B.W. and Gunn, L.A., *Policy Analysis for the Real World*, Oxford, London, 1984.

Developing countries (DCs) present additional impediments to development policy implementation: centralization, incoherence, and fragmentation of governmental structures; overstaffed, bloated, weakly capacitated, slow-moving, and unresponsive bureaucracies; undue political influence on routine administrative matters; interagency politics, functional duplication, and malcoordination; poor sequencing of implementation tasks; lack of transparency and accountability of the implementation process; bureaucratic biases that may go against policy goals; donor pressures on using complex practices unfamiliar to implementing officials; and, most importantly, political instability or discontinuity (Turner and Hulme, 1997; Das, 1998; Weiss, 1998; Garcia-Zamor, 2001).

Hogwood and Gunn (1984) suggest 10 preconditions for successful policy implementation, and these relate to external circumstances and influences, adequacy of time, sufficiency of resources and their correct combination, policies cognizant of cause and effect relationship, interagency interface, policy consensus, proper sequencing of tasks, communication and coordination, and compliance and control issues (Box 8.1).

Policy implementation can be distinct from project or program implementation. There are several reasons for this difference. As Brinkerhoff and Crosby (2002: 23–24) suggest, unlike project implementation,

> policy implementation can often be multidirectional, fragmented, frequently interrupted, unpredictable, and very long term … [It] requires the concerted actions of multiple agencies and groups, both within and outside, from civil society and the private sector … [T]he losers are usually in a much more powerful position to defend their interests, oppose

> and resist change than those who stand to gain … [and] policies gener-
> ally do not come with budgets.

They further underscore the significance of policy legitimization, constituency building, resource accumulation, organizational design and modification, mobilizing resources and actions, and monitoring progress and impact in policy implementation that distinguishes it from project implementation. While the emphasis of policy implementation is on "strategic tasks," that of the other is on "operating tasks" (see Figure 8.1; Brinkerhoff and Crosby, 2002: 24–31).

Effective policy implementation depends on the legitimacy a policy acquires during the formulation and adoption phases. Apart from the policy makers' official position that gives them the authority and legitimacy to frame policies, legitimation also depends on the trust citizens have on agencies responsible for implementing them and for being accountable for their actions (Lane, 1987). If a policy is too politically contentious, socially sensitive, and economically burdensome, obtaining legitimacy would be difficult. It then becomes critical to mobilize support and promote the policy. Once this is achieved, it then becomes necessary to accumulate resources—human, material, financial, and ideational. Unless there are sufficient resources, implementation will falter. Organizational challenges can also be obtrusive and need to be carefully negotiated by appropriate design or redesign of structures and procedures (Crosby, 1996). Resistance and disagreement often emerge when a policy is actually put into practice. Communities or groups preempting adverse
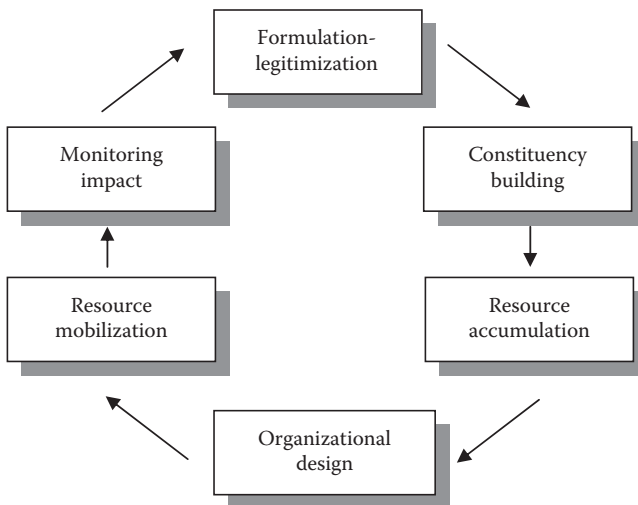
Figure 8.1 Sequencing and the policy implementation tasks. (Adapted from Brinkerhoff, D.W. and Crosby, B.L., *Managing Policy Reform: Concepts and Tools for Decision-Makers in Developing and Transitioning Countries,* **Kumarian Press, Bloomfield, CT, 2002, 32.)**

consequences may be particularly uneasy and will need to be appeased. Continuous evaluation of policy impact will help to reduce unintended or unpredicted outcomes and refine the policy (Brinkerhoff and Crosby, 2002). During implementation, often overlooked are the extent to which policy enabling legislations are clear and consistent in accomplishing policy objectives, the jurisdictional boundaries of agency administrators in controlling tasks and serving targeted groups or sectors, and the managerial skills of implementer (Mazmanian and Sabatier, 1983). Each of these, along with the preconditions mentioned previously, is of vital importance.

Top–Down versus Bottom–Up Approaches

An important dimension in understanding policy process in DCs is the way policy implementation is approached. The old approach—the *top–down* approach, which was in vogue in the 1960s and before—was considered by its proponents as efficient, whereas its converse—*bottom–up*, popularized after the 1970s—was seen to be more effective. In the former, policy making is the exclusive domain of the top echelons of the governmental hierarchy, whereas the latter is conducted by their agents. In the top–down approach, policy making is highly centralized, statist in orientation, exclusive in its composition, oblivious of nonstate actors and policy subsystems, and insensitive to local demands (Sabatier, 1986). In the "bottom–up" approach, on the other hand, decision inputs are provided by junior officials at the local level as well as relevant nonstate stakeholders. It is premised on community participation, grassroots movements, and local decision making. First-hand knowledge and awareness of local problems are critical inputs (Finger, 1994). One of the key elements of participatory development is local input in policy making and implementation, and decentralized governance is one way of enabling this.

The bottom–up policy approach "foster[s] development that emerges organically through grass-roots efforts" and would require a shift away from the existing "top–down" approach that, apart from command and control systems located at the apex of the state machinery, support external interventions from global aid and development regimes (Elledge, 2010: 83). The active presence of civil society and the private sector in the policy process can make it more inclusive and balance external pressures. While there are many differences between the two approaches, in the DCs, it would be a folly to overstress the bottom–up approach and ignore the significance of the top–down given the nascent state of civil society and the private sector and the underdeveloped nature of policy subsystems. Even in advanced democratic countries, the "bottom–up" approach is merely a myth and does not represent the reality as the values and preferences of the governing elite are invariably reflected in the policies created by it, and the process is at times "top–down" (Dye, 2000). Thus, an appropriate combination of the two approaches would best serve the purposes of the development policy process in most DCs because of the absence of strong local government system, a vibrant "third" sector and dynamic networks. Even then, implementation may suffer if there is a dearth of flexibility in

Table 8.1   Comparison between Top–Down and Bottom–Up Approaches

	Top–Down	Bottom–Up
Initial focus	Central government decision on a policy	Local implementation structure or network involved in a policy area
Identification of major actors in the process	From top–down and from government out to private sector or nongovernmental organizations (NGOs)	From bottom–up (government, private, NGOs)
Evaluative criteria	Primary focus on extent of attainment of formal objectives through careful analysis	Much less careful analysis of government decisions. Specific criteria relevant to the policy used
Overall focus	On ways to steer system to achieve (top) policy maker's intended policy results	Strategic interaction among multiple actors in a policy network

Source: Adapted from Sabatier, P.A., Top-down and bottom-up approaches to implementation research: A critical analysis and suggested synthesis, *Journal of Public Policy*, 6, 21–48, 1986.

routines and procedures, malcoordination between collaborating agencies, and lack of responsiveness among implementers (Table 8.1).

Policy Consequences

Development policy implementation needs to be closely monitored and carefully evaluated as an ongoing routine to assess the consequences and impact of policies on people, communities, and society. Development policies are expected to have wide social, economic, technological, legal, and even political ramifications as these directly affect key aspects of development—the poverty situation, social and economic inequalities, human well-being and rights, natural resources and the environment, and economic growth. Monitoring and evaluation are also critical for their social, economic, environmental, legal, or political impact. The central rationale of such evaluation is to determine the efficiency of the policy instruments (e.g., regulation or direct provision) used for implementing or administering a policy and assess their effectiveness in realizing the stipulated goals (such as poverty reduction or environmental protection). Both are powerful tools to "assess the effectiveness of a public policy in terms of its perceived intentions and results" (Gerston, 2004: 120). Both tasks are normally the responsibility of the government but may also be

undertaken by outside bodies, such as think tanks, NGOs, international aid and development agencies, and major nonstate stakeholders.

A governance approach to developmental policy monitoring and evaluation (DPME), among others, can serve a useful purpose in understanding the "substantial interplay between state, market, and society … [and] the significance of legitimacy, accountability, and public feedback [on] … the content and procedural design of policy evaluation" (Gasper, 2006: 656). This approach, along with existing ones such as scientific analysis, political, administrative management, and judicial evaluations and social accounting procedures, has gained ground in recent years. Indeed, it combines the social and political approaches and uses such evaluation criteria as legitimacy, acceptance, participation, partnership, networking, interagency collaboration, and responsiveness (Balloch and Taylor, 2001). In assessing development policies, it is apposite to employ participatory approaches as far as practicable. These approaches enable evaluation to be "mostly carried out in close cooperation with policy-makers and other stakeholders in order to make policy evaluation as much a multi-actor activity as policy-making itself" (Crabbé and Leroy, 2008: 23).

Policy Output and Policy Outcome: The Difference

Policy output is not the same as policy outcome, as often inadvertently assumed. The two are quite different in their connotation and scope. Anderson (2011: 271, 272) explains the distinction:

> *Policy outputs* are the things actually done by agencies in pursuance of policy decisions and statements … Outputs usually can be readily counted, totaled [*sic*], and statistically analyzed. Examining outputs may indicate, or seem to indicate, that a lot is being done to implement a policy. Such activity, however, sometimes amounts to nothing more than … "bean counting."

> *Policy outcomes* … are the consequences for society, intended and unintended, that stem from deliberate governmental action or inaction … whether policies are accomplishing their intended purposes, whether society is changing as a consequence of policy actions and not because of other factors … and, whether it is changing as intended or in other ways [emphasis in the original].

Thus, it is policy outcome, rather than output, that should be more of a concern for governments. However, to appreciate outcomes, it is also essential to gauge outputs. Outputs measure the efficiency of implementation, whereas outcomes look at policy effectiveness. For instance, a policy to improve health care may indicate a substantial increase in the number of patients being treated in hospitals. This indicates a

positive output (efficiency) from the implementation of the policy—the right thing is being done to provide better access for patients and actions are being carried out quickly by hospital staff leading to more people being treated. Although this demonstrates results, it does not signify effectiveness of the policy—attaining the goal of providing the best treatment to patients and curing them of their illness completely or improving people's lifestyles, so that diseases can be prevented. Therefore, it is the quality of health care—the outcome of the policy—that is crucial. Similarly, a poverty reduction policy may improve the income situation of targeted groups (positive output) but what is more important is whether this leads to sustained good standards of living for them (positive outcome) or an education policy that help to increase the number of graduates (positive output) but who are unable to get jobs in their specialized fields (negative outcome). As Dye (2000: 201) states,

> Governments produce reams of statistics about, for example, Social Security beneficiaries, welfare recipients, public school pupils, crimes reported to police, and prisoners in correctional institutions, as well as the money it spends on its programs. But this "bean counting" tells us very little about the financial condition of the aged, the extent or hardship of poverty, the reading or analytic skills of children, or the safety of the … public. We cannot know how far a bird flies by counting how many times it flaps its wings.

The impact of the policy can only be positive when both outputs and outcomes are positive as well.

Policy Evaluation

Policy evaluation seeks "to systematically investigate the effectiveness of social intervention(s) … that improve social conditions" (Rossi et al., 2004: 29). It can also help to measure policy impact or societal changes and is therefore an important task in the policy cycle. The process "provides feedback on the efficiency, effectiveness and performance of public policies and can be critical to policy improvement and innovation" (PUMA/OECD, 1998: 1). Sound policy evaluation can help in policy renewal for better results after an existing policy has been tested.

Dye provides a set of general measures for evaluation:

■ Identifying specific target groups to assess the impact of a policy on them. These can be both targeted (for whom the policy is intended) and nontargeted (who are also affected by the policy);
■ Measuring financial costs of implementing and running programs/projects under a policy outlaid in government budgets and those to society but not reflected therein; and

◼ Calculating the final residue of the benefits and costs of administering a policy. If costs exceed benefits, then the policy needs to be modified or programs under it reconfigured to obtain the most preferred results.

Policy evaluation, being a functional activity, can be both top–down and bottom–up. It is top–down when the government or its designated agencies as well as the legislature and judiciary undertake the evaluation and bottom–up when civil society, stakeholders, pressure groups, citizens' groups, and international agencies are involved. These actors' evaluation exercise may be either formal or informal, may overlap, and often be uncoordinated, whereas the results of evaluation may be conflicting (Anderson, 2011; Dye, 2000; Howlett et al., 2009). Dye (2000: 161) informs that governments are seldom interested in evaluating outcome or impact but are mainly concerned with outputs to prove the efficiency of their bureaucratic apparatus.

Policy failures are not uncommon; in fact, in the DCs, policies fail mainly at the implementation stage because of improper design, unfeasible objectives, poorly developed strategies for action, inaccurate budgeting, unreasonable resource allocation, and deployment of unsuitable personnel to execute them (Pressman and Wildavsky, 1984; Michael, 2006; Smith, 2006). Because of these reasons, it is imperative for evaluation to be properly approached using state-of-the-art methods and techniques.

Howlett et al. (2009: 185–91) classify policy evaluation into three broad types: administrative, judicial, and political. *Administrative evaluation* is generally undertaken by a specialized agency of the government but extragovernmental bodies may be assigned for the purpose. Such evaluations may cover issues of goal attainment, efficiency, equity, "value for money," effectiveness, and principles of justice and democracy. Administrative evaluation may be broken down into subtypes: process evaluation, effort evaluation, performance evaluation, efficiency evaluation, and effectiveness evaluation. Each of these subtypes employs specific evaluation techniques to examine financial outlays, program planning, expenditure management systems, personnel capacity, and so on. However, administrative evaluation has limitations and needs to be complemented with other forms of evaluation (Box 8.2).

Occurring in the domain of the judiciary, *judicial evaluations* "are concerned with possible conflicts between government actions and constitutional provisions or established standards of administrative conduct and individual rights" (Howlett et al., 2009: 189). *Political evaluations* can be very partisan employing little or no systematic techniques. These may be conditioned by the political or ideological orientation of those undertaking them and are rarely fully objective. Such evaluations done by people or groups belonging to or sympathetic of the governing party are overly supportive of the government policies, while those undertaken by the opposition or others might challenge the establishment's position on a particular policy. When social factors are taken into consideration by political evaluators, the

BOX 8.2   TYPES OF ADMINISTRATIVE EVALUATION

Process evaluations: "examine the organizational methods, including rules and operating procedures, used to deliver programs. The objective is usually to see if a process can be streamlined and made more efficient."

Effort evaluation: "attempts to measure the quantity of program inputs, that is, the amount of effort governments put into accomplishing their goals. The input may be personnel, office space, communication, transportation, and so on—all of which are calculated in terms of the monetary costs involved."

Performance evaluation: "examines program outputs rather than inputs … The main aim of performance evaluation is simply to determine what the policy is producing, often regardless of the stated objectives."

Efficiency evaluation: "attempts to assess a program's costs and judge if the same amount and quality of outputs could be achieved more efficiently, that is, at a lower cost, through various kinds of production streamlining."

Effectiveness evaluation: "the performance of a given program is compared to its intended goals to determine whether the program is meeting those goals and/or whether the goals need to adjusted in the light of the program's accomplishments."

Source: Howlett, M., et al., *Studying Public Policy: Policy Cycles and Policy Subsystems*, Oxford, Toronto, 2009, 186.

type of evaluation that emerges is *sociopolitical*, and when technical matters are factored into evaluation, it becomes *technopolitical* (Stephens et al., 2008). *Ethical* consideration may also come into play, especially on biotechnological policies, such as stem cell research (Räikkä, 2009).

Participatory Evaluation

In the DCs, apart from the typical forms of evaluation, developmental policies are also monitored and appraised using participatory approaches. This follows the participatory development model that underscores the need to involve policy beneficiaries in policy implementation and management and for providing feedback on policy impact. This improves transparency, accountability, and due process and enables the right of the people to be heard (Chambers, 1995; Cornwall, 2000; World Bank, 2001; Zafarullah, 2004). Participatory evaluation can also be a useful learning exercise for all stakeholders as it engages them to explore and

discover both positive and negative aspects of policy implementation and impact. Lay and nonprofessional participants learn the skills of observing, scrutinizing, and weighing up the course of putting a policy in place and its implications for development.

Participatory evaluation has the following features (Aubel, 1999: 11, 12):

■ Policy stakeholders are involved in all of the evaluation process;
■ A coordinator is responsible for identifying the key stakeholders and deciding the extent of their involvement;
■ It is a time-consuming exercise, and therefore, all participants' commitment and patience will be important factors;
■ The coordinator's tasks include the following:
  – Definition of the evaluation objectives
  – Developing the methodology
  – Collecting and interpreting information
  – Writing a report (conclusions and recommendations)
■ Stakeholders' role includes the following:
  – Sharing experiences with others
  – Participating in collecting additional information about policy implementation
  – Working with the evaluation team to analyze both the data collected and the experiences described
  – Formulating conclusions about the program strategy and outcomes; and
■ Evaluation results reflect both the *subjective* perspective of program implementers and the more *objective* perspective of an outside evaluator.

Participatory evaluation involves collaboration among a range of stakeholders, both state and nonstate, who collaborate to plan, conduct, and analyze the process. By their in-depth focus and detailed comprehension, they are able to generate information and utilize them for social action (Patton, 1999).

Evaluation Approaches/Methods

Several methods and techniques are used "to systematically investigate the effectiveness of policy interventions, implementation and processes, and to determine their merit, worth, or value in terms of improving the social and economic conditions of different stakeholders" (Cabinet Office, 2003: 3). Here, we focus on some of these that have relevance to one key sector in development—the environment, just to get an idea of the diverse ways evaluation can be approached. We draw upon the explanations provided by Crabbé and Leroy (2008) who distinguish between approaches to evaluation and approaches for designing evaluation research. Here, we list the several types of evaluation methods and shall deal with impact assessments later.

Approaches to Policy Evaluation

- *Needs Analysis* considers critical questions about objectives that a policy seeks to attain and assesses these to expected outcomes.
- *Program Theory Evaluation* discerns the extent of attaining policy goals by using appropriate tools and their relevance to existing needs in the policy area.
- *Case Study Evaluation* uses case analysis to explain the factors behind the working of a policy or the reasons for failure.
- *Experiment and Quasi-Experiment* tries to find a causal relation between the policy intervention and anticipated effect.
- *Formative/Developmental Evaluation* "focus[es] not on the [outcome] of a program *per se,* but on the internal dynamics of all that contributes (or hinders) the production of that … outcome" (Rist, 1990: 36, quoted in Crabbé and Leroy, 2008: 72).
- *Goal-Free Evaluation* is used to comprehend policy implementation and administration without reference to policy objectives, that is "if [a] policy produces the expected effects, then this will transpire from the evaluation" (Crabbé and Leroy, 2008: 77).
- *Cost-Effectiveness and Cost–Benefit Analyses* seek to assess benefits and effectiveness of implementing a policy in terms of their cost and affordability. If costs outweigh benefits/effectiveness the policy or implementation strategies may not be financially viable.
- *Logical Framework Approach* is about preempting postimplementation evaluation during the policy design and incorporating mechanisms for doing this.
- *Multicriteria Analysis* "is a method for weighing up alternative policy action against each other in order to arrive at the 'best' alternative in a complex policy context" (Crabbé and Leroy, 2008: 115).

In addition to these evaluation methods, Crabbé and Leroy (2008) list several approaches for designing evaluation research that focus on contentious policy issues, contextual matters, standpoints of experts on policy issues, stakeholder involvement and perceptions, inclusion and dialogue, self-evaluation and reflection, evaluation difficulties, choice of methods and tools, and policy renewal. From this list, we select a few that are more relevant to the practical evaluation of development policies:

- *Context-Input-Process-Product (CIPP) Model* evaluates policy context (focus on needs), input (means and alternatives), process (procedures and problems), and product (results).
- *Deliberative Democratic Evaluation* applies democratic principles such as inclusion/participation of major stakeholders and dialogue and deliberation among them to resolve conflicts.
- *Empowerment Evaluation* is important in self-reliant development and as its originator states, it "is designed to help people help themselves and improve

their programs ... by the use of evaluation concepts and techniques to foster self-determination" (Fetterman, 1997: 382, quoted in Crabbé and Leroy, 2008: 159).

■ *Responsive Evaluation* is a participatory approach as stakeholders are engaged in choosing the methods and techniques for evaluating a policy.

■ *Utilization-Focused Evaluation* is the application of "values and norms put forward by clearly identified direct users of the evaluation findings ... who should subsequently take due account of the findings and recommendations" (Crabbé and Leroy, 2008: 188).

Policy Monitoring

Evaluation actually follows policy implementation and program administration monitoring. This adds value to the evaluation process as information and views generated during monitoring are used as inputs to analyze policy impact. It is a process that helps establish "factual premises about public policy ... [and] produces designative claims during and after policies have been adopted and implemented ..." (Dunn, 2004: 277). More specifically, it involves information gathering, assimilation, and analyses on progress of policy implementation and program administration. Obviously, monitoring provides cues about adjustments and alternatives. Monitoring and evaluation are mutually supportive. According to Dunn (2004: 277, 278), monitoring achieves four key functions:

■ *Compliance:* verifying whether stipulated standards are being followed by implementing agencies (e.g., environmental control).

■ *Auditing:* ascertaining if resources and services meant for targeted beneficiaries are actually being delivered to them (e.g., subsidies for farmers).

■ *Accounting:* using factual data generated during this process to account for social and economic changes in society (e.g., information on poverty situation).

■ *Explanation:* explicating the differences in policy outcomes by using information generated during the monitoring process.

For the monitoring process to be effective, it is important to establish a management information system with targeted indicators, affording a participatory environment for stakeholder involvement, encouraging diagnostic analysis to solve practical implementation problems, and introducing policy learning as an ongoing exercise (Brinkerhoff and Crosby, 2002: 222; Howlett et al., 2009). To achieve policy coherence for development, it is essential to have a well-defined transparent system of monitoring, analyzing, and reporting policy impacts "to enable ... stakeholders to hold policy makers and their political masters accountable" (OECD, 2009c: 33, 34).

Assessing Policy Impact

To gauge the ramifications and effectiveness of policies, impact analysis is a useful tool. Broadly, impact analysis can be defined "as the process by which research and new ideas enter application and thereby appear to make a lasting difference in the direction of later thinking and practice" (Larwood and Gattiker, 1999: 3). It is through research and in-depth analysis that the effects of a policy can be determined and causes of successes and failures identified. In development praxis, it is common to have a variety of this tool to determine how specific policies are impacting upon the lives of the people, especially those being targeted. The results of impact analyses can have many benefits. Factors affecting the attainment of policy goals may be identified, unintended consequences mitigated based on impact results, overexpenditures reduced, resources better utilized, organizational and managerial flaws detected and removed, inadvertent effects on nontargeted groups avoided, and, most important, it can assist in policy renewal and the introduction of new interventions (Morse and Struyk, 2006; Anderson, 2011).

Ex ante, as opposed to *ex post*, assessment is based on anticipated changes or activities in development. Most international donors supporting developmental policies in DCs favor or carry out *ex ante* assessments "to understand and maximize the poverty reducing impacts of their interventions responding both to the need for accountability to their constituencies and the importance of transparent evidence-based decision making" (OECD, 2006: 7). *Ex post* assessments, on the other hand, is about appraising the performance and outcomes of existing or past policy interventions. Basically, it is "backward looking" evaluation and is summative in form, that is, attempts to find out if a policy has served its intended purpose (Bickers and Williams, 2001).

Impact analyses are still feeling their way in most DCs. Civil society organizations (CSOs), both domestic and international, and international donor agencies are more into this exercise than governments, which still rely on a bureaucratic approach in dealing with policy implementation problems and a casual *ad hoc* response to failed initiatives. Unskilled research capability of government agencies charged with undertaking the function of monitoring and evaluating policy execution, restricted academic freedom in scrutinizing government policies, and lack of research resources are some of the major stumbling blocks in evidence-based research (EBR). It is only in recent years, mainly due to the insistence of the donor community and civil society pressure that governments have become serious about policy impacts (Sutcliffe and Court, 2007). The enlargement of the democratic space has also been a key factor in enabling CSO involvement in the policy process, especially in scrutinizing policies. The growth of private think tanks and research organizations also has positive implications for EBR in development policy analyses (Start and Hovland, 2004).

Going back to Crabbé and Leroy's (2008) list of evaluation methods and approaches, there are a few that are more relevant to undertaking policy impact

analysis. The common ones include poverty and social impact assessment (PSIA), environmental impact assessment (EIA), and regulatory impact assessments (RIAs). While many of these are performed *ex ante*, that is, before implementation to predict possible undesired consequences of policies and correct them, these may be repeated (*ex post*) to discern problems during program administration. To reiterate, performing an *ex ante* analysis helps to "open up space for different options, identify mitigating measures and necessary modifications, and support decision makers in choosing the solutions which fit best"; *ex post*, on the other hand, can help to "fine-tune implementation and also … support evaluations and identify lessons learned" (OECD, 2007: 2). Generally, PSIA adopts a methodology that combines public participation, inventory of alternatives, baseline measurements, scoping or "selection of possible social effects to be studied," prediction of effects and possible responses to expected effects, analyzing indirect and cumulative effects, changes relating to alternatives, compensation for negative effects, and monitoring (Crabbé and Leroy, 2008: 84–86). Mixed-method (qualitative and quantitative) evaluation techniques are normally applied in the process.

The several international aid and development agencies have their own models for policy impact assessments but may have common elements and criteria. OECD's poverty impact assessment focuses on Millennium Development Goals (MDGs) and the progress with achieving them through national development strategic plans; enhancement of economic, cultural, political, human, and protective capabilities; and attention to gender and environmental issues (OECD, 2007). The World Bank's PSIA is a 10-step conceptual approach that attempts to analyze policy reform impacts on the welfare of the poor and marginalized groups in society by looking at macroeconomic, structural, and sectoral policy changes. It combines both *ex ante* and *ex post* analyses. Specifically, PSIA measures income and nonincome dimensions of distributional impacts on welfare. The income dimension includes the "money-metric welfare measures," whereas with the increasing emphasis on human welfare issues, nonincome social development indicators are applied to assess risk, vulnerability, empowerment, and social capital (World Bank, 2003c). The 10 stages of PSIA include the following:

- Asking the right questions
- Identifying stakeholders
- Understanding transmission channels
- Assessing institutions
- Gathering data and information
- Analyzing impacts
- Contemplating enhancement and compensation measures
- Assessing risks
- Monitoring and evaluating impacts
- Fostering policy debate and feeding back into policy choice (see Figure 8.2).
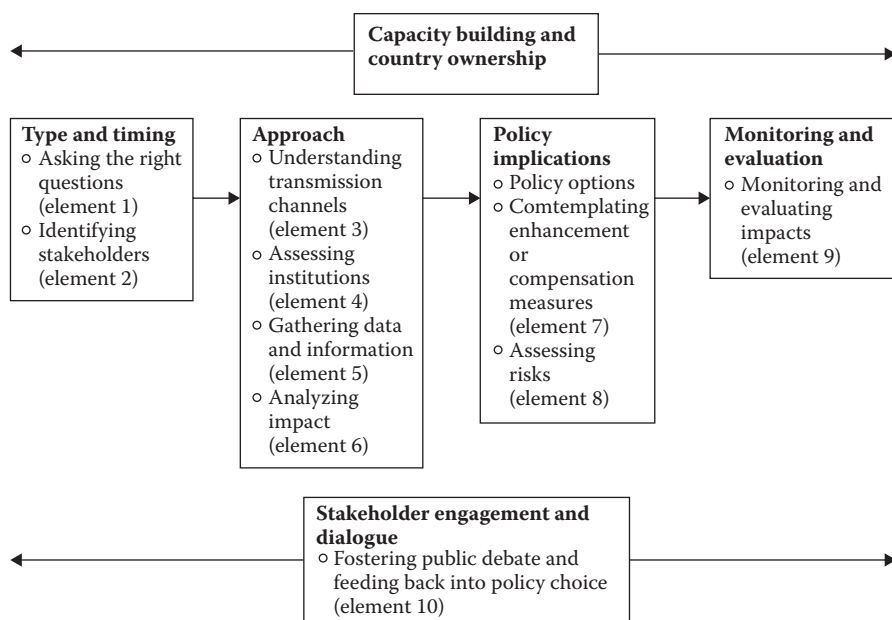
Figure 8.2   World Bank's 10 elements of the PSIA approach. (Adapted from World Bank, *A User's Guide to Poverty and Social Impact Analysis*, **World Bank, Washington, DC, 2003c.)**

Each of these involves careful planning, research, deliberation, and analysis using both qualitative and quantitative methods. Stakeholder analysis is an important element.

The results of impact assessments are used to refine and extend existing policies. Lessons learned and knowledge generated from implementation have the potential to recreate policies for better results (Dunn, 2004). Often, utterly failed policies may be terminated because of technical faults or redesigned after incorporating recommendations from impact assessment outcomes. The change of political regimes may usher policy reversals simply on political grounds—the outgoing governing party's ideas may not be to the liking of an incoming government of a different ideological complexion. Such policy reversals are common in DCs with unstable politics or highly charged vindictive political relationship between competing major parties. This is when development gets stalled with adverse implications for people's and society's welfare.

Development Planning

After gaining independence, most DCs have embraced planning as a tool of economic growth and development. The idea of centralized planning originated both

in the Marshall Plan in the United States in the wake of World War II and in the Soviet Union where the socialist approach of state intervention in the economy gained fertile ground. The former was a blueprint for the recovery and development of war-torn Europe; it provided some positive lessons for emulation by the newly independent countries. The Soviet approach envisaged positive outcomes from both short- and long-term planning of economic initiatives under the total state control and sought to ensure that the economy worked for the people. For DCs, each of these approaches provided general principles of planned development with ambitious goals that displayed the "commitments" of nationalist leaders to be doing something for their countries' development (Turner and Hulme, 1997). In many countries, 5-year economic plans became the norm and even crude methods adopted in the Soviet Union served as the basis of planning (Hope, 1996; Todaro and Smith, 2003). Central planning was regarded as the launching pad for comprehensive macroeconomic growth and state planning machineries were created to sketch long-term economic goals and chart the course of attaining them. Governments were considered to be best positioned in controlling economic fluctuations, mobilizing national resources, and managing international aid. The international donor community therefore supported central planning (Caiden and Wildavsky, 1980).

Over the years, however, the rigid "imperative" forms of rationalist planning have been gradually replaced by different modes, such as participatory planning that focus on human development and poverty reduction strategies seeking to salvage the marginalized and the poorest sections of the community from pitiable conditions. The move has been from macroeconomic growth to social development (Rondinelli, 1993; Fozzard, 2001). Moreover, skepticism about the usefulness of central planning was often expressed. Several reasons have been cited for the growing disenchantment with the way planning was approached from the 1950s to the 1980s. First, stipulated targets set in state-made plans were hardly ever attained; second, there were apparent deficiencies in methods and techniques used for planning; third, there was a gap between expectations and the realities of implementation; fourth, the short supply of information inhibited accurate analyses of real conditions and making right predictions; fifth, lack of skill personnel to take on the tasks of planning has been obvious; and, last but not least, the noninterventionist market-based approach was evidently found to be more realistic than the state approach (Caiden and Wildavsky, 1980; Kirkpatrick and Chowdhury, 1994: 3). In fact, the failure or weakness of the older styles of planning was, among other things, attributed to uncertain economic conditions, limited resources, obscure and insufficient data, poorly organized planning mechanisms, methodological flaws, and want of total political commitment on realizing national goals. There have also been wide criticisms of the top–down rationalist model of planning. The argument is that planning, like policy making, must be made more democratic and not left to the caprices of politicians, bureaucrats, and economists; rather, the participatory element need to be introduced to give the process some degree of legitimacy (Forester, 1982; Wegener et al., 2007).

Nature of Development Planning

Waterston (1965: 8) defined planning as "an organised, intelligent attempt to select the best available alternatives to achieve specific goals." In the context of the DCs, this would need to be qualified as "planning of any organized endeavour that aims at promoting development" (Dale, 2004: 15) or accelerating "the rate of economic and social progress" (Waterston, 1965: 27). Such an endeavor would include a wide range of activities in social, economic, technological, and governance spheres. The central question then is who are the ultimate beneficiaries of this endeavor and what does it strive to achieve? John Friedmann (1989: 129) once wrote, "Planning for whom, with whom, and against whom?" We can rephrase this and state that development planning is basically for and with the people against any form of social and economic indigence. It is undertaken for a society's and a nation's composite interest and progress with the people and their welfare and potentials and rights being at the center. Planning, in general, according to Davidoff and Reiner (1962: 103), is "a process for determining appropriate future action through a sequence of choices." They qualify this definition by the notion of choice:

> The choices which constitute the planning process are made at three levels: first, the selection of ends and criteria; second, the identification of a set of alternatives consistent with these general prescriptive, and the selection of a desired alternative; and, third, guidance of action toward determined ends. Each of these choices requires the exercise of judgment; judgment permeates planning.
>
> **Davidoff and Reiner (1962: 103)**

Making choices in the planning exercise is somewhat akin to making choices in policy making, except that in the former, choices are more specific and action oriented. Thus, planners need to be mindful of the real problems confronting an issue or a sector that they are analyzing and providing prescriptions for. They must be skilled in using "comprehensive criteria," such as historical, spatial, economic, cultural, political, technological, and political. More specifically, it is their calling to be cognizant about

- the efficacy (and relative efficiency) of the intervention strategies potentially available.
- the political dynamics that bear on a solution of the problem.
- [ways] of getting new and pertinent knowledge.
- [ways] problem dynamics and intervention strategies relate to images of the good society.

Friedmann (1989: 129)

Each of the above requires access to and utilization of information as well as creating participatory structures for stakeholder involvement. This will clothe planners with the political clout and social legitimacy to undertake their job with enthusiasm and a sense of purpose. Forester argues that planners can obtain this

> by shaping which facts certain citizens may have ... [and] by shaping the trust and expectations of those citizens as well. Planners not only organize data and sketches, they also organize cooperation, or acquiescence, or activism ... or attention to options for action, to particular costs and benefits, to particular arguments for and against proposals.

> **Forester (1982: 68)**

The exercise to serve any meaningful purpose relies a lot on information and concrete knowledge about the context, constraints, and available instruments to attain plan objectives (Kirkpatrick and Chowdhury, 1994).

Development planning today, unlike in the past when the emphasis was on raising the gross national product (GNP) through capital formation, industrialization, and agricultural modernization, has more to do with proving social goods and sustaining the environment along with maintaining economic growth (Lewis, 1972; Todaro and Smith, 2003). Development planning is also about eradicating or containing poverty, ensuring people's rights and welfare, efficiently managing the ecosystem and technology, and providing infrastructure for people's use. With the advent of neoliberal approaches to economic governance, state planning on many of these issues to a large extent is gradually being redefined and repositioned. The ascendancy of the market economy or the increasing dominance of international development agencies may have eroded some of the scope of state intervention but, by and large, the state in the DCs still retains its role as a regulator and facilitator of development. Some of the tasks and responsibilities of the state may have been transferred to the private sector or nonstate agencies, but overall planning remains with the state machinery. In fact, more and more DCs are now engaging themselves in different forms of planning—perspective, scenario, strategic, tactical, sectoral or segmented, short-term and long-term, proactive or reactive, operational, interpretive, collaborative, substantive, technical, and so on. Development planning is often labeled as "people-centered" planning (Korten and Klauss, 1984; Korten, 1987) for no development can be planned without the people in mind.

Dale (2004: 9) characterizes development planning as "mode-centred and normative; it emphasises the relationship between means and ends; it is institution-sensitive and organisation-inclusive; and it is primarily strategic." Each of these features shows the scope of development planning. For instance, the *mode-centered* element provides the prospect to explore the problems targeted; identify constraints and opportunities; link decisions and targets to tasks, resources, and organizations; schedule activities; set up techniques of following up tasks; and know planning

participants. The *normative-centered* approach in planning has to do with the people who are the intended beneficiaries of a development plan, their social and economic status, and the level of their needs. The *means-end* equation is about goals to be achieved and the strategies and resources to be applied for their realization. Dale argues that development planning needs to be *institution sensitive* and *organization sensitive* as organizational forms and culture, coordinative mechanisms, regulatory norms, and stakeholder orientations are important for ensuring optimum results. Furthermore, planning needs to be *strategic* as it "incorporates an analysis of people-related problems ... clarifies objectives of the envisioned intervention that correspond to significant problems, and seeks to match the objectives with contextual (environmental) factors, resources and organizational capabilities" (Dale, 2004: 9).

In essence, a national development plan defines the multiple development objectives of the government that are strategically achieved over a stipulated period of time (short to longer). The planning process is guided by "a centrally co-ordinated, internally consistent set of principles and policies" and employs a "formalized macro-economic model" projecting intended future performance of development programs (Killick, 1976: 161, 162).

Planning Process

By and large, the development planning process corresponds to that of the policy process as explained in Chapter 7. However, representations of this process as outlined by authors vary. Some are quite complex and formal, and others are simply involving fewer stages. According to Lewis, the process may involve the following: (1) surveys of current economic conditions, (2) proposed expenditure, (3) expected private sector developments, (4) macroeconomic projections of the economy, and (5) review of government policies (Lewis, 1972: 1). The common stages of most present-day models include review of past performance, a comprehensive assessment of current needs, determination of goals, estimation of available resources, consideration of alternative approaches to attain goals, deciding on best course of action, choosing the instruments of action, implementing programs and projects, monitoring progress, and evaluating outcomes (Griffin and Enos, 1970; Chadwick, 1978; Beenhakker, 1980).

As previously mentioned, formal planning to attain specific goals under the overarching national comprehensive or particular social or economic sectors is generally undertaken as a cyclical process that covers a sequence of interconnected phases *a la* the policy process. The basic policy goals for a specific sector provide the framework for detailed planning activity for programs to be operationalized in that sector. Activities in each phase have implications for the ones to follow, and techniques of implementation may be modified according to the needs of a situation (Conyers and Hills, 1984). Such techniques may include macroeconomic, social accounting and programming models, and input–output and cost–benefit analyses (Kirkpatrick and Chowdhury, 1994).

Lin and Chen (1996: 18–20) summarize the planning stages:

(a) The first input into planning is a combination of economic analysis of facts and value judgments. The facts are the data of the system and may be technical, political, social, demographic, or economic. Value judgments introduce national aspirations or the leader's vision of a country's destiny into the plan. The economic analysis involved in planning refers to causal relationships that determine crucial economic variables.

(b) The second step is a process of formulating alternative sets of targets with crucial economic and social variables and suggesting the trade-offs that may exist among these targets.

(c) The third step in planning involves identification of the development strategy. To make a feasible and consistent plan, resource constraints such as capital, labor and balance of payments must be considered.

(d) In step 4, the policy control variables are further specified in terms of policy instruments used in the plan implementation. During the course of implementation, the plan is routinely monitored and evaluated; there is interaction between formulation and implementation. In the case of events that were not anticipated in the plan formulation stage, there must be feedback and referral from step 4 to step 2 to warrant immediate plan modification or revision.

(e) Finally, step 5—the ex post evaluation—becomes an important input into the process of learning by doing. The formulation of subsequent plans relies heavily on the experience and results obtained in the process of formulating and executing previous plans.

Development planning cannot be undertaken in a vacuum or in isolation from the environment. A development strategy has to have as its primary focus societal well-being achieved through social and economic development. Development planners must make strategic choices that would enable realization of goals the easiest, the quickest, the fairest, the most efficient, the most transparent, and the most accountable manner. This involves strategic thinking: "dealing with immediate concerns as perceived ... starting with immediate concerns and breaking them down into component parts for solution ... [and] ... starting with immediate concerns and expanding them to find creative solutions" (Mercer, 1991: 20). Thus, development planning to be strategic has to be undertaken by a robust planning machinery with strategic thinkers not just bureaucratized managers capable of perceiving and identifying "quality-of-life-related" problems, conscious of opportunities and constraints, clear about plan objectives and scope of action, resources and expected outputs, known stakeholders and their needs, adept in using planning techniques, aware of organizational structure, procedures and complexities, and willing to accept feedback (Figure 8.3). The best fit in strategic development planning will be obtained when intentions (mission and objectives) and capabilities (resources and organizational strengths and weaknesses) are related to the context
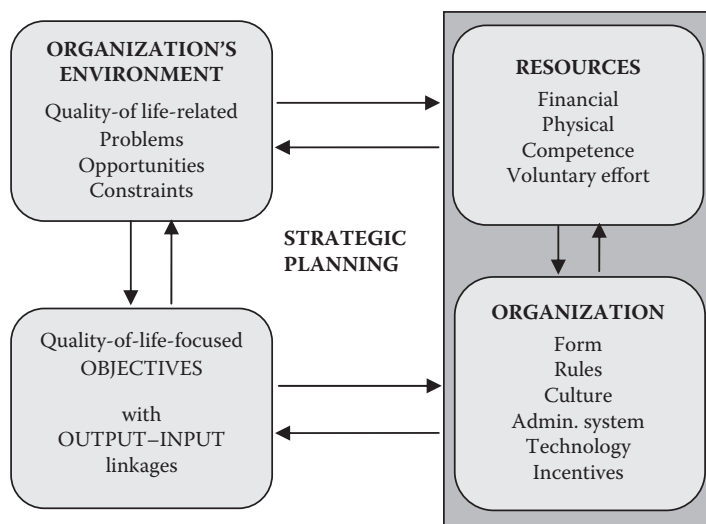
Figure 8.3 Analytical variables and relationships in strategic development plan-ning. (Adapted from Dale, R., *Development Planning: Concepts and Tools for Planners, Managers and Facilitators*, Zed Books, London, 2004, 19.)

(present and future opportunities, uncertainties, and threats) in which planning takes place (Dale, 2004: 17–20).

Why Planning Fails?

Development planning does not always provide positive results. In many countries, state planning of development activities has resulted in dismal failures often lead-ing governments to redesign the plan itself, changing planning instruments and methods or even entirely abandoning it (Waterston, 1965; Caiden and Wildavsky, 1980). Instead of providing the intended benefits, "national development planning failed has retarded rates of economic growth and discouraged the evolution of insti-tutions and procedures that could lead to more effective decision-making" (Turner and Hulme, 1997: 136). Several scholars have identified the principal reasons for plan failure. Killick (1976: 164) lists five of them:

(a) *Deficiencies in the plans:* they tend to be over-ambitious, to be based upon inap-propriately specified macro-models, to be insufficiently specific about policies and projects, to overlook important non-economic considerations, to fail to incorporate adequate administrative provision for their own implementation;

(b) *Inadequate resources:* incomplete and unreliable data; too few economists and other planning personnel;

    (c) *Unanticipated dislocations to domestic economic activity:* adverse movements in the terms of trade; irregular flows of development aid; unplanned changes in the private sector;

    (d) *Institutional weaknesses:* failures to locate the planning agency appropriately in the machinery of government; failures of communication between planners, administrators, and their political masters; the importation of institutional arrangements unsuited to local circumstances;

    (e) *Failings on the part of the administrative civil service:* cumbersome bureaucratic procedures; excessive caution and resistance to innovations; personal and departmental rivalries; lack of concern with economic considerations (emphasis added to highlight points).

Other reasons are also significant. Uncertainties in the general environment may pose challenges to planning. It is often difficult to predict changes and make strategic choices accordingly. For instance, the global financial crisis in 2008–2009 upset the arithmetic of planning, and the scope of many development programs and projects had to be contracted. Indeed, it is difficult to map challenges in any situation of economic uncertainty. Second, the trend toward sectoral development created complexities in maintaining linkages between sectors to cater to the goals of comprehensive development (Rondinelli, 1993) and thus implications of decisions relating to certain sectors cannot always be directly linked to national development planning. As Conyers and Hills (1984: 71) suggest, "there may be 'knock-on' effects from other areas of decision-making that are outside the scope of the planning exercise." Drawing from Friend and Jessop (1969), Conyers and Hills also point to the influence of "value judgments" that are applied in making choices and how these can be perceived by the public. Moreover, Rondinelli (1993: 5) argues that not often development planning has "been carried out in the prescribed ways, and this disparity between theory and reality is at the heart of recurring debates over the effectiveness of conventional methods of development planning and administration."

Poverty Reduction Strategy Paper: The New Planning Prescription

Since the days of structural adjustment initiated by the International Monetary Fund (IMF) and the World Bank, development planning has undergone changes. With neoliberalism taking firm root and the role of the state in development redefined, the abandonment of planning was mooted in international donor circles because of evident failures in many countries. But such a radical shift was considered premature, unwarranted, and risky in the context of the prevailing social, political, and economic situation in DCs. On the contrary, a cautious approach has been adopted

and made attempts to strike a balance between state intervention and application of market forces in obtaining social and economic efficiency. Development planning was to stay, but its compass reduced (Turner and Hulme, 1997; Chowdhury, 2002). Thus emerged the concept of poverty reduction strategy (PRS) that quickly began replacing, even if temporarily, long-term planning in the old Soviet mode. However, it has been all happening at the behest of the Bretton Woods institutions (BWIs), which have tied up DC aid and assistance to poverty reduction programs according to *their* prescriptions. Other international aid organizations and Western governments with a stake in international development have also linked their aid policies to this initiative—boosting social and economic development through the PRS system.

Poverty Reduction Strategy

What is PRS? PRS is an initiative that departs from the abortive structural adjustment scheme in that it provides opportunities to make planning a participatory exercise with scope for monitoring and evaluation by stakeholders rather than by the government agencies on their own. Its principal objective is to promote participation in the development planning process and a propoor market economy. Unlike the structural adjustment initiative that strove to confer bureaucratic legitimacy to the development process, PRS was to be more democratic in character (Cogneau, 2003). It also has the potential to make aid recipience and administration more coherent and productive and to ensure that resources are optimally utilized for alleviating poverty and for human development and not just for economic growth.

In 1999, the IMF and the World Bank launched a new market-centered approach—the *Poverty Reduction Strategy Paper* (PRSP) initiative to encourage aid recipient countries to take over the ownership of designing poverty alleviation programs that would, apart from tackling economic indigence, reduce people's vulnerability to joblessness, health problems, environmental hazards, and the like and give them a stronger voice to influencing government policies and programs. This approach endorses ownership, participation, social capital, access, accountability, and empowerment within the gamut of a market economy. Conditions on the use of aid money in development and the procedures of planning social and economic changes have been set by the BWIs (Haslam et al., 2009). PRSP, obviously, was introduced on the heels of the *Comprehensive Development Framework* (CDF) advanced earlier and came within the purview of the so-called *Global Architecture of Governance* (GAG) with the objective of achieving the MDGs (Box 8.3). Critics argue that

> the PRSP is structured and employed to ensure direct IMF intervention in dictating the broad framework of macroeconomic policy, while the World Bank takes the lead in ensuring that social and structural

BOX 8.3   THE PRSP APPROACH: FIVE CORE PRINCIPLES

Country-driven, promoting national ownership of strategies through broad-based participation of civil society;

Result-oriented and focused on outcomes that will benefit the poor;

Comprehensive in recognizing the multidimensional nature of poverty;

Partnership-oriented, involving coordinated participation of development partners (government, domestic stakeholders, and external donors); and

Long-term perspective for poverty reduction.

Source: IMF Factsheet: Poverty Reduction Strategy Papers (http://www.imf.org/external/np/exr/facts/pdf/prsp.pdf; accessed November 2010).

policies are systematically subordinated to it, and will induce the institutional and behavioural changes that will lock it in place.

Cammack (2002: 45)

Thus, the question remains: to what extent is the initiative country driven and how ownership of the poverty reduction programs will be ensured?

A DC PRSP is to be prepared by the national planning agency in consultation with the World Bank and IMF, other aid-proving governments, international development partners, and domestic stakeholders. This document, expected to be revised or updated every 3 years, is a blueprint for poverty reduction and social development to be achieved within the medium- and long-term but a minimum of 3 years. A range of relevant outcome-related indicators in areas key to poverty reduction will be applied to monitor progress. Although the PRSPs will be designed by country governments, this must be done through a broad consultative process to "be facilitated by the [World] Bank, with the involvement of the [IMF] on macroeconomic policies and in relevant structural areas" (IMF/IDA, 1999: 30). More importantly, the document will need to have the endorsement of both institutions before being operationalized. In many ways, the process of formulating the PRSPs is apparently tied "to a rigid IMF-prescribed macroeconomic framework and a disciplinary agenda devised and promoted by the Bank" (Cammack, 2002: 49; Figure 8.4).

The PRSP agenda has been endorsed by development institutions in advanced countries, such as the OECD, European Union (EU), Department for International Development (DFID), and so on and increasingly being utilized by
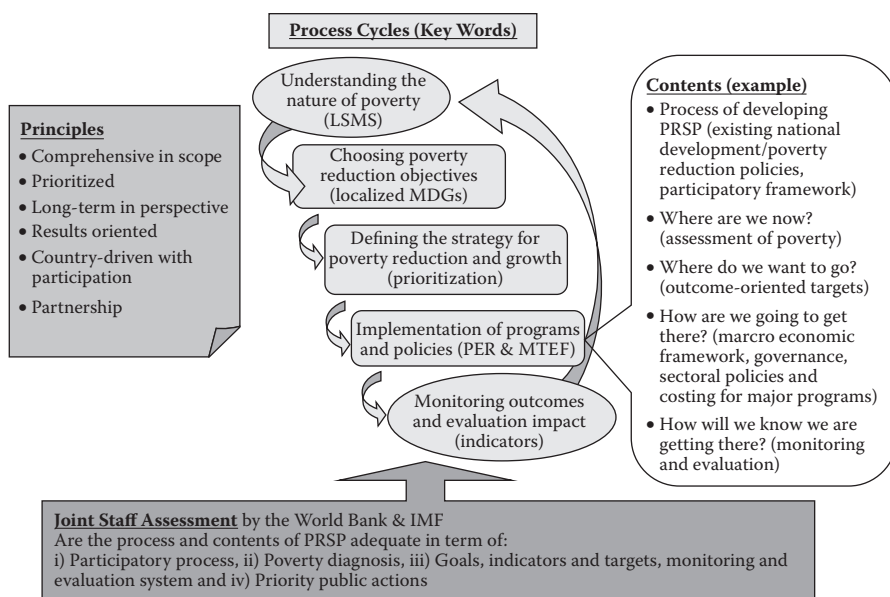
Figure 8.4   PRSP: Principles, cycle, contents, and assessment. (Adapted from World Bank, *Building Poverty Reduction Strategies in Developing Countries,* **World Bank, Washington, DC, 1999; World Bank, "Preface" in** *PRSP Source Book,* **Draft for Comments, World Bank, Washington, DC, 2001c; IMF and World Bank,** *Guidelines for Joint Staff Assessment of a PRSP,* **IMF/World Bank, Washington, DC; http://www.grips.ac.jp/module/prsp/PRSP.htm.)**

DC governments.* PRSPization is now the accepted norm in development practice around the developing regions even though it is still a long way to reach the objectives PRSP was designed for. One author argues,

> What emerges here is a fascinating story of "democracy lite." Basically, donors try to create so-called national dialogues in the many countries whose institutions are not democratic—a very complicated balancing act. PRSPs are supposed to reflect widespread participation by the population at large, but they take place in political environments where significant parts of that population are habitually excluded from debate, have little access to the necessary information, and are not represented by strong and legitimate institutions.
>
> **Uvin (2004: 74)**

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* At the time of writing, 61 countries were involved with the PRSP initiative.

Thus, PRSP model is basically structural adjustment clothed with some new element—ownership and participation. The old conditionality regime remains, and the BWIs dominate policy making and development planning in the DCs.

Implications for Development Management

It is said that implementation is the Achilles' heel of the policy process. In the DCs, it is even more delicate and unmanageable. Often policies are hastily made leaving many gaps and ambiguities thereby making their execution difficult. Governing parties launch ambitious policies with fanfare mainly to make political capital but do not have the proper strategies of implementation or the instruments in place to monitor and evaluate them. Thus, it is imperative that the development management system have built-in mechanisms to support the systematic phase-by-phase implementation of policies, plans, and programs.

The preconditions of implementation must be met. The right kind of implementing agencies must be established and equipped with resources and competent personnel to do the work, and clear directions must be provided to them, so that a policy is not only smoothly implemented, but the development programs and projects that originate from it are also efficiently managed in the longer run. These implementing agencies should be devolved with enough autonomy and discretion to make correct decisions at the ground level whenever required and feed the higher echelons in the policy-making structure with periodic reports on the progress of implementation. The traditional top-down approach to implementation would need to be complemented by the bottom-up. Neither should override the other. This would create a proper balance and make the process more effective. Similar to the policy-making process, this phase of the policy cycle will also need to be transparent to stakeholders, and those involved in the task must be made accountable for their actions. With the involvement of local level stakeholders, bureaucratic biases or undue political influences may be reduced to some extent.

Policy evaluation needs to be a continuous methodical process. Apart from official evaluations based on predetermined standards, inputs from civil society think tanks and international donor agencies that have their own evaluation criteria can serve very useful purposes. Legislatures can play a substantive role by scrutinizing the performance of implementing agencies or the outcome of programs and the judiciary can provide rulings on miscarriages of policies or adverse consequences of programs. Capacity building in policy and plan implementation should be an ongoing activity and administrative agencies provided adequate financial, logistical, and ideational support. Overall, the outcome of policies and their positive impact on societal well-being largely depends on the implementation process.

Review Questions

1. Why is policy implementation so significant in development?
2. What is the distinction between top–down and bottom–up approaches in implementation?
3. What are the reasons for implementation failures in the DCs?
4. What are the different ways of evaluating development policies?
5. What is PRSP? Is this the right way of attaining development goals?

Further Reading

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DEVELOPMENT ISSUES

II

Decentralization and Intergovernmental Relationships

> Nearly all men can stand adversity, but if you want to test a man's character, give him power.

Abraham Lincoln

Relevance, Rationale, and Context

Most development projects are initiated and implemented at the local levels. Plans are formulated on the basis of conditions prevailing in the far corners of the country, and governments make decisions on the best methods and mechanisms for promoting development. A considerable amount of work goes into the formulation of development policies. Many of these tasks are performed at the center, but eventually the tasks have to be completed by agencies and officials who are at the field level. Activities at the grassroot level are increasingly being recognized as critical. Furthermore, the emphasis on democratic values has led to the adoption of decentralization as a preferred strategy in developing countries (DCs).

Development activities require a streamlined system of management to plan, design, and implement projects at a high level of efficiency. The process entails involvement of a number of central and local departments and agencies, as well as other social groups and institutions in the country. Therefore, the relationships and

transactions between and among national, regional, and local governments and their agencies at various levels become important. Their activities need to be coordinated to devise effective development plans and implement them with maximum impact. This chapter will discuss the issues of decentralization and intergovernmental relations (IGR) and assess their importance in the process of development management.

Smith (1985: 19–30) views decentralization as a key element of liberal political tradition and clearly outlined its advantages at both the national and local levels:

> Each can be further sub-divided into three sets of interrelated values. At the national level, these values relate to political education, training in leadership and political stability. At the local level, the relevant values are equality, liberty and responsiveness.
>
> **Smith (1985: 20)**

Crook and Manor (1994: 2) believe that

> decentralisation combined with democratisation (usually in its electoral, representative form) might provide greater transparency, accountability, responsiveness, probity, frugality, efficiency, equity and opportunities for mass participation.

The principle of decentralization in the management of development can be critical for several reasons. One obvious reason is that decentralization of power and responsibilities helps overcome the constraints and difficulties involved in centralized planning (see Rondinelli, 1978). Among other arguments, the potential of decentralization in facilitating equitable distribution of the benefits of development is also convincing. This can be effectively achieved by developing programs that depend on the support and involvement of local level administrators and citizens (Rondinelli , 1979).

Other contributors have presented arguments in favor of decentralization. It helps delegate greater authority to officials working in the field, respond quickly to local needs, understand local problems, extend national policies to remote local communities, represent diverse interests in the policy process, enhance administrative capability and promote civic participation (DeVries, 2000: 197). Rondinelli and Cheema (1983: 14–16) identified the benefits of a flexible, creative, and innovative administrative system that can contribute to political stability and national unity. Osborne and Gaebler (1993: 251) stated that the outcome is better if employees of public organizations "have the authority to make many of their own decisions."

Another argument in favor of decentralization is the need to develop the administrative capacity of local leaders and organizations to provide services to the remote

areas. Capacity building has been a central theme in the development literature for several decades. Decentralization is also considered critical for improving the effectiveness of the central government through identification of local needs and demands and incorporating them in the process of management. This strategy is conducive to the administration of countries with complex socioeconomic structure and ethnic and linguistic diversity. In addition, the concept of decentralization is also "associated ideologically with principles of local self-reliance, participation, and accountability and was pursued as a political objective in itself" (Rondinelli, 1983: 185). Overall, decentralization contributes to efficient allocation of resources, achievement of good governance, promotion of economic growth, reduction of poverty, accomplishment of gender equity, and empowerment of the disadvantaged sections of society (Rao, 2007: 135). The potential benefits of decentralization can be better understood by examining the concept and considering the ways in which it has been applied in practice.

Decentralization

Concepts and Applications

Over the years, the concept of decentralization acquired importance for two major reasons related to political and administrative arrangements. First, it connotes a democratic value that allows power to be delegated and exercised at lower levels of a hierarchy. There is scope for contribution of ideas and opinions from various levels in the system, and decisions are based on inputs from a wide group of stakeholders. It helps the process of implementation as adjustments can be made in the mode of delivery of services and operation of projects without incurring delays in seeking approval from central authorities. A sense of participation prevails among the officials who are employed at a distance from the center of power. Moreover, the approach is consistent with a set of democratic values that is favored by the donors and associates in the process of development.

The second reason for resorting to the strategy of decentralization is the proliferation of activities, functions, and volume of governments and agencies. Continuous growth of the government and the public sector has resulted in a cumbersome overload of activities in central government institutions and agencies. The complexity of administrative arrangements in modern states makes it necessary to transfer functions, authority, and control over operations to lower the levels of the government as the volume of work becomes too high to be managed from a central point of direction. Besides, decentralization facilitates the adoption of quick decisions and adjustment of procedures and tasks on the basis of the needs and circumstances encountered at the lower levels of hierarchy. These arrangements are consistent with the principles of democratic administration and can contribute to a higher incidence of involvement among public officials.

In common usage, decentralization involves the "transfer of powers to locally elected 'authorities' where 'policies' are both made and carried out on the local level" (Alderfer, 1967: 53). In broader terms, decentralization refers to

> the transfer of planning, decision-making or management functions from the central government and its agencies to field organizations, subordinate units of government, semi-autonomous public corporations, area-wide or regional development organizations, specialized functional authorities or non-governmental organizations.
>
> **Rondinelli (1981: 133–45)**

The process contributes to empowerment of participants as well as preparing the ground for local councils and bodies to effectively participate in developmental activities.

Morris (1992: 3) points out that decentralization can be viewed as a policy aim that involves "governments and their agents at various levels," and they "attempt to develop powers and to subdivide tasks. It can also be discerned as an observable process occurring in many areas, whether viewed as a demographic, economic, social, or politico-administrative process, with spatial connotations." These ideas open up various interpretations of decentralization. It can be considered as an ideological approach that guides development activities. At the same time, decentralization can be viewed as a strategy for improving the organization and delivery of public services by associating partners at the local units as well as officials at the lower levels of the bureaucracy. At another level, decentralization can be considered as a process of transformation that sets in motion new ideas and practices as previously centralized patterns of promoting development are gradually replaced. Finally, decentralization can also be perceived as an end in itself where the ultimate purpose is to transfer functions, duties, and responsibilities down the political and administrative hierarchy.

Forms, Strategies, and Outcomes

Decentralization is an integrated concept, but it may take various forms, depending on the intent and extent of power sharing, relationship between political and executive leadership as well as central and regional governments, and political and organizational arrangements. Rondinelli (1983: 188, 189) identified four common forms of decentralization on the bases of degree of authority and power and scope of functions:

- *Deconcentration*: the transfer of functions within the central government hierarchy through the shifting of workload from central ministries to field officers, the creation of field agencies, or the shifting of responsibility to local

administrative units. The objective is to eliminate problems emanating from overburden on the system at the centre to allow the government to concentrate on major policy issues.

■ *Delegation*: the transfer of functions to regional or functional development authorities, parastatal organizations, or special project implementation units. This makes sense in view of the diverse nature of policy activities that require certain functions to be performed at the appropriate level. The ability to perform tasks without having to go back to the centre for approval on every occasion has the potential of enhancing efficiency.

■ *Devolution*: the transfer of functions or decision-making authority to legally incorporated local governments. Policy decisions are often not effective due to the lack of authority and the inability of the subordinate units to act on their own. It also results in a weak image and position of local authorities that may frustrate development efforts. Devolution provides agencies outside the central government structure with authority to assert their position in order to contribute to development efforts.

■ *Transfer to non-government institutions*: shifting responsibilities for activities from the public sector to private or quasi-public organizations that are not part of the government structure. This involves a wide range of strategies that shift authority, responsibility and functions related to the production and delivery of public goods and services. Privatization and contracting-out are two of the most popular variants whereby the private sector is invited to assist with activities that were traditionally offered by the government. This arrangement has the potential of benefits related to financing, enhancement of capacity and efficiency.

In addition, there are other variants of organizational arrangements that should be included in this discussion. In some cases, it may be designated as *departmentalization* as new units are created to assume decision-making authority or existing ones empowered to do so. It helps in managing development because the structure of the organization becomes flat with fewer layers and the span of control is wider. The benefit of making decisions closer to the focus of activity helps.

Deregulation has become a preferred strategy of many governments because it allows autonomy to organizational units to operate without the constraints imposed by regulations. Clients enjoy the benefit of deregulation with the termination of legal restrictions and opening up of a competitive environment for private and non-governmental organizations (NGOs) to participate in providing public services. The rigidity that affect the performance of the government or regulated monopolies can thus be overcome through decentralization.

Most of these forms overlap with one another to make the concept of decentralization open to various interpretations. Morris (1992: 3) points out that the

emphasis is "on the simple *dilution of centrality* by distributing various elements of political and administrative activity to non-central offices." Alderfer (1967: 53) discussed another pattern of transferring "powers to special bodies endowed with their own legal personalities, and separate from the state, its central ministries, and local authorities" and termed it as *devolution*. On the other hand, Riggs (1964: 342) described devolution as an alternative mode of decentralization "in which full responsibility for policy determination in regard to specified subjects is transferred to the recipient of authority." In practice, devolution may sometimes be used interchangeably with decentralization and delegation with deconcentration. Delegation generally involves the retention of central control, while assigning more responsibility for "case decisions to subordinate personnel" (Riggs, 1964: 341–420).

It may be pertinent to add an extreme form of decentralization—*divestment*. In cases where governments are overloaded with tasks and responsibilities, there may be efforts to transfer status, power, or ownership to corporate entities outside the formal structure of state organization. At the same time, divestment may be viewed as a strategy to restructure the delivery of public services to improve the financial and management capability of the government.

Although decentralization is viewed primarily through the lens of dispersing power and decision-making authority, it can be argued that the process can also play a major role in combating poverty. It provides scope to design programs based on local needs and regional variations and to promote population mobility, healthy competition among local governments and authorities, and efficient and responsive governance due to increased citizen influence (Box 9.1).

Decentralization is achieved through different strategies, depending on the context and needs of a country. The constitution of a state outlines the *division of power* and relationships between various layers and agencies of government. Introducing changes to the established system of governing entails amendments or additions to the constitution to legitimately disperse power to the lower levels of government. There is a need to establish clear guidelines for sustaining effective relationships between the center and localities and the state and communities.

At an organizational level, decentralization involves arrangements for the delegation of decision-making power to the lower levels of the hierarchy. The purpose is to transfer authority away from the center that empowers units at the field level to identify problems and resolve them speedily. This approach entails a high level of trust and confidence in the ability of field officials and a sound system of control and regulations.

In this regard, it is useful to be aware of two other categories of decentralization—*political* and *administrative*. Political decentralization emphasizes the representative aspect of modern states. Enhanced power of citizens or their representatives in elected bodies facilitates their participation in the formulation and implementation of public policies. Although citizens of DCs are not always able to make their input in the process, the existence of facilities for doing so contributes

**BOX 9.1   LINKAGES BETWEEN DECENTRALIZATION
AND POVERTY REDUCTION**

There are several potentials ways in which decentralization may affect basic needs of the population through the provision of services in areas such as primary education, basic health and other social services. These public services affect the quality of life for all people and therefore are an important ingredient for poverty reduction. The following benefits are commonly attributed to decentralized provision of public services:

■ regional differences in needs and preferences can be better taken into account: Local governments are better positioned than the national government to administer and deliver public services as a result of informational advantage regarding local preferences and costs. Local governments have a more institutionalized linkage with beneficiary communities, improved information, and the incentive to use this information; therefore, local governments are better placed to identify the poor, to respect local social identities, and to respond more efficiently to local variations in conditions, tastes, standards, affordability, location requirements and so on for services or infrastructure. Community participation can improve the information flow leading to improved project performance and better targeting. In contrast to deconcentrated branches of central ministries, local governments may ensure horizontal coordination of line department staff, budget and activities at the local level.

■ population mobility narrows the gap between local government policy and local communities' preferences: Decentralization of expenditure responsibility and tax authority breaks uniformity and thus enriches the choice of bundles of public goods and taxes that can be offered. Through self selection of individuals, their preferences can be matched with bundles that different governments offer.

■ competition among local governments favors efficiency and organizational and political innovations: Mobility of labor and capital between localities rewards governments who better serve residents and businesses via the expansion of the tax base. Competition among subnational governments can be also a source of innovation, leading to improved quality and lower costs in the production of public goods.

■ more efficient and responsive governance as citizens have more influence: Accountability relationships between local authorities, citizens, providers and the center are strengthened, as decentralization can bring

greater citizens' voice, information, responsiveness and monitoring. Since local residents can monitor local government better than the central government, they are more likely to hold local officials accountable for delivery of services at some acceptable quantity and quality. If voters are dissatisfied with public services, they no longer vote for the offending officials.

Source: USAID, *Fighting Poverty through Fiscal Decentralization*, USAID, Washington, DC, 2006, 9, 10.

to a democratic environment. With wider scope for participation, the quality of decisions is expected to be better and consistent with the needs and demands of the public.

According to the World Bank,

> Administrative decentralization seeks to redistribute authority, responsibility and financial resources for providing public services among different levels of government," and allows "the transfer of responsibility for the planning, financing and management of certain public functions from the central government and its agencies to field units of government agencies, subordinate units or levels of government, semi-autonomous public authorities or corporations, or area-wide, regional or functional authorities.

http:www.worldbank.org/publicsector/decentralization/admin.htm

Fiscal decentralization relates to the financial arrangements for local and regional governments for performing their role as effective units of administration. Various arrangements may be considered to empower these units to mobilize revenue and make decisions on spending. Rao (2007: 136) noticed the potential of fiscal decentralization "to significantly improve the efficiency of public services delivery." Thus, administrative and fiscal decentralization allows authority to be shifted from the higher to lower levels and decisions to be made closer to ground. In general, this involves a revision of existing rules and regulations to facilitate the process of service provision.

Issues and Constraints

There are various issues of concern related to the principle and practice of decentralization. These need to be recognized in preparing a decentralized approach to initiate development activities in a country. A common problem is the reluctance

of central governments to actually decentralize and share power with the localities (Huque, 1986). Governments in DCs often lack legitimacy after ascending to power through unconstitutional means. Even democratically elected governments may suffer from a crisis of legitimacy because of problems with the process of elections that may have been rigged or won through violent means. Consequently, central governments are apprehensive of losing control and seek to retain power at the center.

A related issue is the lack of understanding of the prevailing social and economic structures in implementing decentralization in DCs. Boone (2000) believed that efforts at decentralization are definitely influenced by socioeconomic and political factors. This view is useful in understanding the intricacies of complex relationships between central elites, the intermediate elites at the rural or regional levels, and the citizens. In this tussle, the process of decentralization suffers as each group seeks to maximize its interest. To make things even more complicated, other actors such as donors and development partners, NGOs, and the civil society become participants in the process.

A major obstacle to the implementation of decentralization is the limited range of power accorded to local councils. Fleurke and Hulst (2006) examined a series of measures for decentralization that were intended to improve the performance of the administrative system and encourage local democracy in the Netherlands. They found that the objectives were not achieved and that decentralization is not an adequate measure for this purpose, and its effectiveness is contingent on the scope and features of local government functions:

> If decentralization involves public services that are important to the local community as a whole and local government is in full control, elected councils are likely to take charge, and instruct and control the executive boards. If on the other hand, decentralization merely reduces the regulation concerning the execution of statutory dictated functions, the executive boards—if not their civil servants—are likely to absorb the increase in discretion. In the second place, elected councils will enhance their grip on policy-making when decentralization strengthens the position of local government vis-a-vis non-governmental organizations and interest groups, by providing it with policy-instruments.
>
> **Fleurke and Hulst (2006: 48)**

Turner and Hulme (1997: 164) reviewed trends of decentralization in Africa and Latin America. They observed that there has been no perceivable increase in the power and influence of representatives in local governments in the former and resulted in the creation of centralist tendencies and interests among both politicians and bureaucrats in the latter. Slater and Watson (1989) have documented efforts by the political party in power to win over local councils through the distribution of

patronage. Successive military governments used local government institutions as tools to create an "illusion" of decentralization and impose central directions and control on local institutions (Huque, 1986).

The experience of Indonesia highlights a number of other issues. The concept of decentralization has been applied in a highly political context. Therefore, power relations drove the programs of decentralization and they "had little bearing in terms of pushing forward a governance agenda based on transparency and accountability … but has been instrumental in the development of newly decentralized, predatory networks of patronage." He found noticeable faults in the design of the program in terms of legal contradictions and ambiguities but attributes its failure to the capture of decentralization "by interests that have little to gain from local governance characterized by greater accountability to local communities, transparency, and the like" (Hafiz, 2004: 699, 716).

Ambivalence in adopting an ideological position may lead astray programs of decentralization in DCs. Widespread popularity of the free market principle in the Western world and efforts by the international community to create a coordinated economic system forced several DCs to adopt it. However, because of the lack of political and economic infrastructure such as effective legislature, banking, and legal systems, the results are disappointing. In some cases, while the government preached an aggressive program of privatization under the influence of international agencies, the process and outcome were not consistent with the spirit. Ideological consistency in various aspects of the operation of modern states is critical for the success of decentralization programs.

Reluctance of governments and central bureaucracies to decentralize power to the localities is a common problem. This has led to the generation of various strategies that governments adopt to present a decentralized image, without truly creating the framework of a system in which power, functions, and responsibilities are transferred to lower levels of the political structure. There are "continuous shifts in the relations between central and local government" (Fleurke and Hulst, 2006: 37). These issues have affected the progress of development programs in many countries.

In his study of Argentina and the Philippines, Eaton pronounced decentralization to be "neither inevitable nor irreversible" and identified strong political obstacles as a major issue. In fact, a tendency toward centralization was evident in the 1930s in Argentina when the provinces delegated authority to the federal government for collecting provincial taxes. This was consistent with the centralized administration preferred under military rule, and a concentration of political and economic power resulted (Jones, 1997).

In the case of the Philippines, the preferred options seemed to be devolution and deconcentration, and Abueva (1965) reported that power was redistributed within the central bureaucracies. Because of some unique features of the Philippine political system, attachment to parties and constituents seems to be weak. Eaton (2001: 124) identified waves of decentralization and recentralization and added that "national politicians responded to decentralization in ways that compromised

the goals of transparency and accountability by increasing the complexity of relations between national and sub-national governments."

Decentralization efforts across developing nations have been affected by these issues, and new issues are emerging at frequent intervals. Globalization has posed new challenges of maintaining a balance among global, regional, and local participants in development activities. Worldwide financial crisis has had an impact on the availability of resources to finance development. Concern over security and the war on terror have imposed restrictions on activities that could be conducive to development. As a result, previous progress achieved by governments toward attaining and managing development need serious consideration, and new strategies need to be adopted to deal with the new challenges resulting from major changes in the world order.

Potentials of Decentralization

Decentralization has been a formidable challenge for many DCs, and the results have been disappointing for the reasons discussed above. This idea has the potential to facilitate the process of development in a number of areas. It should also be possible to draw lessons from those countries that have been able to implement decentralization and reap benefits.

The *bottom–up* approach (as discussed in a previous chapter) is prominent in the policy literature. It is believed that this approach allows decisions to be made closer to the place where policy actions take place, encourages participation by stakeholders at the field level, and facilitates the adoption of good decisions based on local knowledge and limitations. These benefits are similar to those offered by decentralization, and hence, the bottom–up approach has the potential of delivering a productive and result-oriented set of policies. It will also facilitate successful implementation, as there will be practically no gap between policy intention and action.

Wolman (1990: 31) drew attention to the potential of efficiency gains in decentralization. He suggested that it could be obtained through a bureaucratic direction and justified it as a public choice argument. The decentralization initiative was found to be "painfully slow" in Indonesia. Devas (1997: 365) went on to note that even if "the limited notion of management decentralization is to produce the desired efficiency gains, institutional changes will be required." Existing structures; their configurations; and relationships between social, political, and economic institutions seem to be an obstacle in the way of realizing the full potential of decentralization.

Decentralization has the potential of contributing to the success of political and administrative reforms in a country. In most DCs, reform plans are formulated at the center and imposed on the country without providing any scope for participation by citizens and institutions in the localities. Dispersion of authority helps generate higher awareness of the issues confronting the nation and appreciate the actions and solutions chosen by the government. This goes a long way in combating reluctance to participate in the process of implementation of national policies and in reducing resistance to reforms.

Several authors have identified further potentials and benefits that can be attained from a strategy of decentralization. Drawing upon various sources, Anderson (2003: 7) listed greater government accountability, improved problem-solving capacity, opportunities for sharing technical and social expertise in policy making, influence over policy decisions, and control over the development of policy programs that NGOs may be expected to implement, among others. These possible results can open up opportunities for improvement in relationships among groups and strengthen the capacity of local actors to influence decisions.

A volume edited by Bennet (1994) presents a list of the potential benefits of decentralization. It will help by bringing the central government closer to the citizens and thus make the policy makers more responsive to the needs and demands of the citizens. The spirit of diversity will be incorporated in public policies because of decentralized structures. Enhanced political participation will contribute to civic education and the development of leadership at the local level.

The most potential benefit of decentralization is the facilitation of access of localities and local residents to the government, its programs, and services. In DCs, the gap between the center and the periphery is huge and efforts are seldom made to bridge it. This distance between the center and localities is usually maintained either because governments are not confident of their position and legitimacy or because of the preference of elites to maintain the *status quo*, as it helps the elites to capture state power. This precludes popular participation in public affairs and restricts the opportunities to access and use public services.

Decentralization has the advantage of placing the citizens in the midst of service provision. They are able to have more information on the nature and cost of services and the procedures involved in obtaining them. They are able to make informed choice on the consumption of public services. Easy access to the services is ensured through consultation on the location of facilities, methods of cost recovery, and means to hold the providers responsible.

There is no guarantee that these results will be achieved simply by decentralizing functions, authority, and agencies. The final outcome is determined through a complex calculation of traditions, costs, benefits, relationships, and the ever-changing mood of the nation. Anderson (2003: 7) noted the increase of power at the executive level and its decline at the local level and added:

> But while this trend has been happening and central governments have become more bureaucratic in nature and often less relevant to local people, there has also been an astounding growth of cities and urban communities in the developed and developing world.

The increasing number of local units and pressure on them to perform in providing public services will act as a strong incentive to incorporate localities in the planning and implementation of development policies.

Intergovernmental Relationships

Concepts and Applications

Intergovernmental relations (IGR) have been a key element of the concept of federalism, in which a number of units come together to obtain various benefits. These may include advantages related to the security of the country, foreign affairs, major infrastructure and economic benefits, or the representation of national identity. In federal systems, there are different levels of government at the central and territorial levels, and both have jurisdiction over the population and territory. Separate governments exist both at a central and subordinate unit levels. The central government takes the lead promoting common good, and the units usually entrust the center with some of their political power to achieve that end.

In general, the constitution of a country allocates power between the center and the units. These would be the major areas of a government's activities such as national defense, economy, and political structure. A range of other powers are distributed depending on the nature and needs of the federation. There are complex issues related to the access and use of natural resources, financing of essential public programs at the unit level, and the role of the units in the operation of the federation. As it is impossible to designate powers to the center and units, the concept of residual power is used to deal with contingencies.

In most federal states, such as India, Malaysia, Argentina, Brazil, Mexico, Nigeria, and many more, there is a constant tussle between the two levels of government over autonomy, share of power, and resources, and new issues that were not considered at the time of federation emerge later. Under such circumstances, the constitution plays a critical role in resolving conflicts between the center and the units, and the judiciary provides the important service of interpreting the constitution.

In unitary systems of government, almost all authority is vested in the central government, which may choose to delegate duties to the units. The overall control remains in the hands of the center, and power can be retracted at any time. Even in unitary systems, the concept of IGR remains important because of the administrative need to manage policy areas across departments. There is a need to consider both the vertical integration of the three (central, regional, and local) tiers of government and horizontally across them.

Government agencies are mandated to administer and achieve the political and policy purposes of the state in their respective domain of public affairs. The fundamental tasks of the agencies are laid out in the statutes that establish them and provide the base on which the work of the executive branch is conducted. The organizational structures of the agencies are guided by law.

Traditional approach to public administration placed too much emphasis on the hierarchical structure, unity and chain of command, and clear direction backed up by strict supervision and control. The POSDCORB principles (planning,

organizing, staffing, directing, coordinating, reporting, and budgeting) were considered to capture the essence of administrative activities, whereas other critical areas such as human relations, social interactions, and behavioral implications were neglected. At the same time, the need for cooperation and collaboration across organizational boundaries and jurisdiction received scant attention.

IGR have received increasing attention, more so in federal states. In recent years, given the interdependent and cross-cutting nature of the government's activities, key policy objectives cannot be achieved without the cooperation and collaboration of several different agencies, both at the central and regional levels, as well as external partners. IGR have assumed enhanced importance in view of the recognition of new realities. Coordination and management is critical for a set of activities between two or more organizational units where the aim is to achieve outcomes that cannot be accomplished on its own by any one agency, and the units involved do not have hierarchical control over one another.

Forms, Strategies, and Outcomes

Coordination and collaboration feature prominently in the process of managing IGR. Coordination assists to align structures and activities to facilitate achievement of horizontal objectives, reduce overlap and duplication, and ensure that the policy objectives are not impeded by the actions of one or more units. Collaboration is the active process of coordinating as well as developing, agreeing to, and implementing a strategy for achieving the objectives on the policy agenda. Such an approach based on partnership helps formalize collaborative agreements and arrangements and allows effective management of development.

Table 9.1 highlights a number of issues in decentralization and IGR. It includes instruments for effecting decentralization, a set of criteria for assessing it, and rationale and strategies for implementation.

Traditionally, the administrative machinery of governments was organized on the basis of a hierarchical structure. The pyramidal structure was expected to provide effective control as agencies at the lower level were under the span of control of higher levels and the chain of command extended from the center all the way to the remote localities. This resulted in two problems. First, in most DCs, the networks of governmental organizations do not extend to all regions, and development activities become reliant on the interest and involvement of the community. This requires a strong tradition of the principles of voluntarism and self-help, and existing schisms in DCs make them difficult to establish and operate. Second, development can no longer be approached on strictly sectoral base, and several activities are intimately interrelated. Consequently, they require an integrated approach, and the traditional organizational arrangements cannot cope with this need.

In recent years, it has been suggested that the problem can be dealt with by applying the concept of horizontal management. This phenomenon exists "when one or several managers of one or several organizations address a question no longer

Table 9.1   Issues in Decentralization and IGR

Decentralization Instruments
• *Allocation of responsibilities*: Sharing or retaining of responsibilities among central, intermediate (regional), and local governments depending upon the source of revenue (e.g., income tax vs. local levies).
• *Allocation of taxes*: Which level of government should be given the responsibility of taxation and access to revenue for development will depend on the nature of the taxes (personal income, corporate income, value-added, property, activity, wages, the movement of goods, excise taxes, etc.).
• *Transfers system*: Transfer of funds from central to subnational governments.
• *Central government controls*: Even within a decentralized framework, the central government retains control over certain fiscal issues.
• *Local government election rules*: Local bodies operate under certain electoral, administrative, and fiscal rules often determined by the central or regional (state/provincial) government.
Decentralization Criteria
• *Economic efficiency*: Focus on allocative ("adequacy of the mix of goods and services provided to the mix of goods and services wanted by the population, and therefore to its satisfaction") or productive efficiency ("the resource cost of the production of a given public good").
• *Political efficiency*: Created by citizen participation in decision making and local government serving as a training ground for democracy.
• *Macroeconomic stability*: Government by the degree of decentralization/ centralization.
• *Redistribution*: Removes social and economic gaps between segments of the population and between regions and localities.
Decentralization Strategies
• *Need for different paths*: There is no one universal strategy for all countries. Each country has its unique sets of factors that must be taken into account.
• *Need for compromises*: Compromises for the best solution must be found to satisfy all levels of government.
• *Need for incrementalism*: Decisions must not be hastily taken. An incremental strategy would best serve the interests of decentralized governance.

Table 9.1   Issues in Decentralization and IGR (continued)

• *Need for geographic diversity*: Diversity rather than uniformity can solve problems of difference between geographic, social, and other factors and specific demands.
• *Need for international assistance*: Donors' involvement in decentralized governance must be carefully regulated to obtain positive results.

Source: Prud'homme, R., *Fiscal Decentralization and Intergovernmental Fiscal Relations: A Summary Report Prepared for the UNCDF Symposium on Decentralization Local Governance in Africa*, United Nations Capital Development Fund, New York, 2001 (http://www.uncdf.org/english/local_development/uploads/thematic/capetown_ paper1.pdf).

based exclusively on preoccupations for which they are responsible, but on a wider approach aiming at including interests, resources and constraints of other stakeholders of this field" (Bourgault and Lapierre, 2000). The purpose is to facilitate optimum utilization of the organizational and human resources in ensuring development in a specific policy area. It is obviously no longer realistic to expect a single agency to ensure effective implementation of development policies. Collaboration across agencies and jurisdictions becomes critical as issues straddle more than one policy areas and jurisdictions.

One feature of horizontal management is that there is no single superior under this arrangement (Sproule-Jones, 2000). While this can be helpful in facilitating negotiations and cooperation, it bears the potential risk of conflict among agencies seeking to expand their sphere of control and influence. IGR deserve special attention in cases where the extent of indigenous needs require concerted actions by various agencies of the government. In implementing development projects, it is quite likely that there will be dispute over jurisdiction and authority as well as competition over the control of resources.

In most cases, the preferred strategy to overcome the potential problems is to form a coalition of the participating agencies for implementing development policies. They can be formed by constitutional stipulations or through collaborative arrangements among the levels of government involved in a particular policy area. In multilevel political systems, the most common pattern is to arrange for relevant leaders of ministries and departments to work together and ensure the implementation of development policies through their respective organizations. The main tools are negotiations and compromises aimed at balancing the competing interests.

Issues and Constraints

The policy paradigm of "government" has been replaced by "governance," which implies that horizontality replaces hierarchy and relies upon the coordination

of public, private, and voluntary sectors, both among governments and across departments to accomplish policy goals. Programs become "agendas," as an intersecting set of policies, rather than as stand-alone programs (Andrew et al., 2002). Intergovernmental bodies have the complex task of planning and implementing policies for regions over which they may not have complete jurisdiction or full control. This may lead to impediments in implementing development policies.

IGR may also affect the integrity of policies as different stakeholders may seek to advance different interests. Although the objective is to improve the efficacy of the system through concerted action, there are political and bureaucratic interests at work. Collaboration is an expensive approach and incurs higher cost as these activities may be added on to the routine tasks of agencies and their personnel. It is difficult to judge because "the costs of time and other organizational resources are not always easily measured and the benefits even less so, with respect to both direct outputs and longer-term outcomes" (Bakvis and Juillet, 2004: 20).

Constitutional stipulations can emerge as an issue. The powers and responsibilities of each unit are laid out in the document, and there is no scope for tampering with it. Consequently, many DCs are unable to keep up with changing needs and circumstances and bring together relevant agencies to deal with them. Jurisdictional issues become prominent over the exercise of authority, particularly in countries where the extraction and sale of natural resources constitute an important element of the economy.

Often, the relationship between the central and local/territorial governments may be strained. Tensions exist over the exercise of authority, sharing of natural resources, or due to differences in political ideology. Even when the same political party is in office at the center and lower units, regional identity could contribute to tension between the governments. These stressful emotions can spill over in the area of IGR and pose further obstacles to development.

Interagency conflict is another issue worth consideration. Ideally, administrative agencies are complementary units that are assigned tasks and responsibilities that are intended to obtain optimal results. In practice, the agencies may be in competition with one another for budget and control over territories and activities. In DCs, the competition becomes intense because of the limited amount of resources available. Bureaucratic leaders exhibit the tendency to align themselves with political power holders and, in the process, neglect the principle of collaboration.

Potentials of IGR

IGR are a given in the management of development in states with multiple levels of government and can be beneficial to the process. Modern governments are complex in nature and include units that vary in social, economic, and geographical features. Effective development initiatives entail coordinated plan and action, and IGR allow a combination of agencies and personnel to accomplish them. Cooperation among various levels and units of government has the potential of maximizing the impact of development and managing the process from an inclusive perspective.

Development entails a thorough understanding of local needs and conditions and devising policies that are best able to address those needs. This highlights the necessity to use the knowledge and expertise available at the local level. At the same time, the success of these policies depends, to a great extent, on the will of the central authorities and support from the central government. Therefore, the potential of IGR is enormous in bringing together agencies, personnel, knowledge and ideas, and skills to effectively manage development.

Implications for Development Management

Decentralization and IGR are useful tools in implementing and managing development. It is impossible to offer a verdict on the degree of their effectiveness because it depends on the context in which they are adopted. Developing nations have to guard against the discrepancy between the formal arrangements and the actual practice on the ground. While constitutions, laws, regulations, and policies of a country may plan for a high degree of decentralization and effective IGR, it may not be effective in the absence of a clear allocation of responsibilities and a system of accountability. Finally, it is important to bear in mind that the arrangements for decentralization and IGR cannot be expected to remain in place indefinitely. In the interest of effective development management, there will be a need to make adjustments and changes, and such reforms will be a prominent feature in most countries.

Review Questions

1. What are the features of a decentralized administration?
2. How can decentralization contribute to development?
3. What are the main challenges to decentralization?
4. Why are IGR important in DCs?

Further Reading

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Chapter 10

Management Reforms and Capacity Building

We are what we think. All that we are arises with our thoughts. With our thoughts we make the world.

Gautama Buddha

Relevance, Rationale, and Context

The process of development and its management depends, to a considerable extent, on the political and administrative structure of a country and the manner in which they interact with one another. The structure ensures transmission of information and instruction up and down the hierarchy, formulation of development plans, and the performance of administrative functions to achieve the goals determined by appropriate authorities. In developing countries (DCs), the nature of authorities varies according to the political system and range from democratic to authoritarian and totalitarian regimes. In all cases, the successful formulation and implementation of development plans and their management requires knowledge and understanding of needs and available resources—human, financial, and organizational—and strategies for their optimal utilization.

Management structures and processes are the products of a combination of traditions, experiences, local and international trends, and lessons drawn from the experiences of other countries. In development management, it is critical to

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assess the impact of traditions both in light of past achievements and current needs. Experiences serve as useful indicators of the appropriateness or otherwise of strategies adopted and their outcomes to assist with decisions. Changes take place within countries as development progresses and shifts occur in demographic, social, political, and economic arrangements and relationships. In the contemporary world, international events and trends have a profound impact on DCs because of the dependency relationship and obligations to the world community. Management patterns in DCs have to follow the trends and make frequent adjustments to the existing arrangements. Finally, countries learn from one another, and the positive outcome of management practices—apparent or real—leads to enthusiasm to import ideas and implement them.

Development cannot be considered to be effective with sporadic successes of a few projects intended to improve conditions in a country. For development to be sustainable, countries need to build capacity to allow citizens and the state to work together. This involves a number of plans, actions, and arrangements that will have the ability to sustain over long periods of time and make adjustments and refinements as circumstances change. DCs should have the capacity not only to meet the challenges of development as they arise but also to update strategies, reconfigure structures, and reformulate procedures as required over time.

It is common to view management reforms as a means to building capacity. However, while management reforms do contribute to the building and strengthening of the capacity of a country, DCs are confronted with a number of other challenges that need to be addressed in the process. Sustainable development (SD) depends on both the will and ability to introduce and implement substantial reforms. Furthermore, the capacity of citizens, communities, governments, and states to respond positively to changes and challenges and to deal with their consequences is a key factor.

Management Reforms

Concepts and Applications

In general, the term "reform" denotes the act of analyzing a system and putting together methods and mechanisms to correct errors, remove obstacles, resolve problems, and effect improvements. It is a continuing process because there are changes in governments, ideological inclinations, demands from internal and external environments, and financial and political capacity of countries. In brief, management reforms entail deliberate actions to improve the efficiency and effectiveness of public sector management and provide better services to the citizens at lower cost.

An overview of the literature on management reform reveals that it is associated with several meanings. A common approach is to view reform as an effort to change and improve the quality of administration and service delivery by correcting faults,

removing inconsistencies and abuses, and imposing modern methods or values. In other words, it could represent the reorganization and improvement of political and administrative institutions or systems that are considered to be faulty or ineffective. The essence of reforms is change and improvements, and these are achieved through a variety of approaches and strategies.

Reform implies the "artificial inducement of administrative transformation" (Caiden, 1969: 65), and Dror (1976: 127) views it as "directed change of the main features of an administrative system." Lee used innovation theory to the strategy of administrative reform and described it as a complex process in which many factors interact to lead to changes. Khan (1975: 149) views reform as the growing capability of the administrative system to cope, on a continuous basis, with problems created by social change toward the goal of achieving political, economic, and social progress. Sadza (2001: 201) argues, "Reform processes or the notion of reform presupposes a malfunctioning of a system of public administration which, if changed, would present a turnaround for progress toward development." Governments respond to identified problems or shortcomings in a system or to meet new needs and demands that emerge as a result of changed circumstances. All governments are interested in improvements in the administrative process and develop plans to achieve that end. However, the application of reform plans need to be considered with reference to the context and circumstances in which they are introduced. Another area of concern is the maturity of the system and the capacity of political regimes to introduce reforms and back them up with political will.

An analysis of 14 countries by a team assembled by the World Bank identified a number of broad reform concerns in them. These were, in different degrees, common across countries and included reduction of public expenditure, strengthening of policy responsiveness and implementation, improvement of government as employer, enhancement of service delivery, and building private sector confidence (Manning and Parison, 2004: xiv). The circumstances vary prominently in the developing world, and management reform has to be attempted simultaneously with the creation and evolution of development agencies.

Mavima and Chakerian (2002: 94, 95) explored the adoption and implementation of administrative reform in the context of globalization and identified four categories of factors that might influence the process. International institutional factors include "the web of international normative expectations, regulations, and ways of thinking that are brought to bear on administrative systems of developing countries." Local institutional factors comprise of regulative (rules and regulations to govern the operation of organizations), cognitive (manner in which reality is perceived), and normative (perceptions of how things should be done) factors (Scott, 1995). Two other categories presented by Mavima and Chakerian (2002: 97) are local organizational and programmatic factors. "Organizational factors include the capacities of the organizations responsible for reform implementation," and programmatic factors are concerned with "the extent to which the reform program itself is properly designed." The design and application of reform packages has often

> ### BOX 10.1 PUBLIC MANAGEMENT REFORM
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> ... is usually thought of as a means to an end, not an end in itself. To be more precise we should perhaps say that it is potentially a means to *multiple* ends. These include making *savings* (economies) in public expenditure, improving the *quality* of public services, making the operations of government more *efficient,* and increasing the chances that the policies which are chosen and implemented will be effective. On the way to achieving these important objectives, public management reform may also serve a number of *intermediate* ends, including those of strengthening the control of politicians over the bureaucracy, freeing public officials from bureaucratic constraints that inhibit their opportunities to manage, and enhancing the government's *accountability* to the legislature and the citizenry for policies and programs.
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> *Source:* Pollitt, C. and Bouckaert, G., *Public Management Reform: A Comparative Analysis*, Oxford University Press, Oxford, 2000, 6.

fluctuated in DCs as local and international factors influenced agenda, strategies, and objectives (Box 10.1).

Forms, Strategies, and Outcomes

Management reform can be approached in different ways. There may be changes, rearrangements, and reengineering within organizations to improve performance. At other times, reforms can have wider implications and lead to considerable changes in certain sections of administrative organizations. Of more significance could be radical alterations and adjustments to approaches, structures, processes and relationships, and significant transformations to the public service of a country. In recent years, management reforms also sought to enhance accountability and responsiveness, achieve representativeness, and promote principles and practices established as standards across the world.

Various components and elements in the management reform packages have been tried in DCs. Privatization, retrenchment, agencification and corporatization, and emphasis on performance are evident in several countries across the world. An interesting point noted by Polidano and Hulme (1999: 123, 124) is that "many countries are undertaking reforms completely at variance with new public management precepts at the same time as they are sampling items from the NPM menu." Their assessment reveals that there are evidences of good performance in selected areas by some countries, but consistency and success in management reforms cannot be found. This is a reminder that a single set of reform strategies cannot be

applied to all DCs, and the search for a universal reform package may not be worth pursuing.

DCs adopt a number of strategies for initiating and implementing management reform. Often, reform is initiated in response to problems identified in the course of administrative activities, service delivery, or the event of a crisis. These reactive measures do not provide sustained benefits. Kaufmann (1969: 4) noted that in DCs, management reforms are often short-term and limited responses to an identified shortcoming in an area of government activity. He was concerned with the shift in priorities and emphasis and attributed this to the concentration of attention on a single problem area over a period of time that allowed other discontent or weakness in another area to deteriorate to a considerable extent. In a later study, Kaufman (1985: 36–38) argued that the pattern of reform is influenced by changes that take place in values, tastes, sociopolitical and economic institutions, and advancements in knowledge and technology.

Forms of management reform in the developing world are largely determined by the experience of other countries. The most common practice is to import ideas and practices from the developed countries and is probably influenced by the assumption that best practices are transferable across countries and societies. Hence, the success of a particular strategy could be emulated without taking into consideration the potentials and constraints of local circumstances. Not surprisingly, the outcomes may be strikingly different from what was originally intended and even exacerbate the problems that were being addressed through management reform. While adoption of strategies related to work processes and technical issues seems to be more amenable for transferring to DCs, other aspects such as work ethic and culture and behavioral changes seldom succeed.

Issues and Constraints

Management reform is a critical endeavor, and issues and constraints of management reform are documented in numerous studies from all parts of the world and include the experiences of both developed countries and DCs. The impetus and incentive for reform is a prime candidate for consideration. Political systems in DCs are often captive to authoritarian or military dictatorship, while some are apparently democratic in nature. Such arrangements reflect inequality in power relationships, and management reform programs are strongly influenced by this anomaly. Consequently, reform in many countries are aimed at strengthening the position of vested interests entrenched within the political and civil and military bureaucratic elite. While keeping this point in mind, it is worthwhile to examine the various factors that contribute to the initiation of reform.

Kettl (2005) believes that political, social, economic, and institutional forces played a part in the process that lead many governments to pursue similar reform strategies. The end of the Cold War, efforts to determine the role of the government, rising expectations of citizens for better public services, and demonstration of

the effect of changes in other countries created political forces in favor of reforms. Major societal transformation and the radical shift from the "Industrial Age to the Information Age" created strong social forces that demanded reform. The Asian financial crisis and its fallout gave rise to a serious concern, and the need for economies to escape stagnation and foster growth was behind the economic forces that pushed for reform. Finally, the prominent role played by the major international organizations such as the World Bank, the United Nations (UN), the International Monetary Fund (IMF), the Inter-American Development Bank (IADB), and the World Trade Organization (WTO) in standardizing practices and shaping the world community resulted in increased awareness of the need for attention to the institutions at the supranational level and contributed to the institutional forces for introducing reforms.

There are examples of introduction of management reform in DCs. Uganda made drastic cuts in civil service employment, and Ghana, Kenya, Pakistan, and a number of countries converted civil service departments into autonomous agencies, authorities, and corporations (Polidano and Hulme, 1999: 123). One area of concern is the setting of targets that could be used to ascertain the progress achieved through reforms. Administrative and institutional arrangements are so diverse across DCs that it becomes extremely difficult to assess the success or failure of reforms and also establish standards for comparison.

A prominent issue in management reform is the role of the bureaucracy in the process. While reforms are intended to enhance the capacity, autonomy, responsiveness, and accountability of the public service, their success depends to a large extent on the attitude and actions of this critical group. It is generally believed that bureaucrats are reluctant to implement reforms that have the potential to erode their power, privileges, and authority and resist change with all the resources at their disposal. The problem is exacerbated in DCs because of the strained relationship between the bureaucrats and the political leadership that emerges out of nationalist independence movements. While the movements are underway, the two groups find themselves in an adversarial position. The bureaucracy acts in the interest of the colonial regime in power and work to thwart the nationalist movement. After the termination of colonial rule, it is not always possible for the two formerly adversarial groups to work in unison and relationships remain tense.

Gains and John examined bureaucratic response to institutional reform to test the bureau-shaping thesis developed by Dunleavy (1991). Drawing upon data obtained through interviews with senior public servants in England, Gains and John (2010: 461) reported that "there is a link between attitudes and actions, reflecting the degree to which bureaucrats are free to shape their bureaus" and these "actions can have large consequences for how bureaus work and whether reformers get the policy-making machine they desire or whether bureaucracies work in the same way as before." The mind-set and attitude of senior bureaucrats can be a major impediment to the implementation of management reforms.

The experiences of newly democratizing countries in Central and Eastern Europe add to insight on management reform. Peteri and Zentai (2002) studied reforms in decentralization and public administration in Hungary, Poland, Bulgaria, Latvia, Croatia, and Slovakia and confirmed that there is no single solution or model that works "even in this similar group of countries," especially for reform management techniques and methods. The design of country-specific strategies and their implementation remains a major challenge in many DCs.

Potentials and Best Practices

The success of management reform depends on a number of factors and conditions prevailing in the country. Political will of the government remains the most potent factor because many attempts at reform peter out as the regime and its leaders lose momentum, either for personal interest or under pressure from powerful groups in the political system. There is potential for reforms to be effective if leadership in DCs have complete trust and belief in the programs and demonstrate their commitment to carry them out.

Polidano and Hulme (1999: 123) have cataloged a number of successful attempts in the developing world. In addition to the downsizing of the civil service in Ghana, they mention the merger of customs and income tax departments into corporatized national revenue authorities, increase in revenue collection, and marginal improvements in controlling corruption. Reform proposals in DCs outline the advantages to be obtained from specific reforms. The key task is to ensure effective implementation and providing opportunities for all stakeholders to participate in the process.

The potentials of success seem to be higher if reforms are targeted at specific areas. Broad and widespread efforts at management reforms often get diluted or sabotaged as certain stakeholder(s) may agree with some elements of the reform but not with others. In his study on the debt crisis in Latin America, Williamson (1990b) emphasizes the importance of establishing a baseline for measuring the extent of success in implementing reforms. The standards and measures may be open to debates.

As management reform is a continuous process, it is difficult to identify and persist with best practices. New strategies and practices emerge as conditions change, and there are shifts in the ideologies. The need for making internal and external demands compatible will continue to influence the nature of management reforms. The effectiveness of reform varies across cultures and contexts and, in the contemporary world, is influenced by external forces. Reform agenda are often determined by governments in reaction to developments in other countries and changes in the world system. At the same time, reform plans have to take into consideration local needs, aspirations, and the capacity of administrative systems to ensure sustainable progress. In brief, management reform has potentials of success in countries where governments and leadership are willing to allow involvement of stakeholders and

exhibit strong political will to ensure the implementation of reforms. This needs to be supplemented by the capacity of political and administrative institutions to fulfill their share of the responsibilities. The implications of management reform for development management need to be discussed along with the concept of capacity building.

Capacity Building

Concepts and Applications

One of the cornerstones of development efforts has been the building up of capacity. External financial aid, technical assistance, and expert advice constituted the core of development strategies and programs since the idea of development administration gained currency. Throughout the 1950s and 1960s, development sponsors concentrated on inputs and assistance aimed at increasing productivity in agriculture, facilitating industrialization, and enhancing the capacity of administrative agencies and institutions. The strategies adopted included technical assistance and advice, consultation, and training opportunities for relevant personnel. The ultimate objective was to enhance the capacity of personnel and agencies that would play a leading role in development management.

In general terms, capacity building refers to "expanding the range of functions which an organization can carry out effectively on a sustained basis" (Polidano and Hulme, 1999: 124). This encapsulates a variety of elements that contribute to the idea of capacity. The emphasis is not only on adding new sets of functions but also on performing them in a manner that yields results that are sustained over time. "Capacity in government is the process of identifying and developing the management skills necessary to address policy problems; attracting, absorbing and managing financial, human and information resources; and operating programs effectively, including evaluating program outcomes to guide future activities" (Umeh, 1992: 58; Box 10.2).

Most of the definitions proposed by international agencies engaged in promoting capacity building in DCs are broad and general in nature. The World Bank draws upon the view of United Nations Development Program (UNDP) and describes capacity building as "the process by which individuals, organizations, and societies develop abilities to perform functions, solve problems, and set and achieve goals, premised on ownership, choice and self-esteem" (World Bank, 2005b: 6). Earlier, the UNDP (1991) suggested that the concept of capacity building should cover the creation of an enabling environment with appropriate policy and legal frameworks, institutional development and community participation, and the strengthening of managerial systems through human resource management. According to Grindle and Hilderbrand (1995: 461), "Building effective state capacity means continuous development and effective utilization of human resources,

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BOX 10.2   APPROACHES TO CAPACITY BUILDING

1. Technocratic rationality and control
   Characterised by goal-oriented planning and control theory manage-
   ment (the blue-print approach). Techniques include: the project cycle,
   management by objectives (MBO) and programme planning budget-
   ing systems (PPBS) from the 1960s, and strategic planning, zero-base
   budgeting and total performance systems from the 1970s and 1980s,
   and various forms of Results-Based Management (RBM) in the 1990s.
   The approach can be summarised as: "The task can be identified. It can
   be defined. Goals can be set. And performance can be measured. And
   then business can perform." Overall the approach is oriented towards
   organisational control. It fits best with organisational tasks that are
   repetitive, production-oriented and focused on direct service delivery.

2. Experimental or learning-based
   It is judged that in many development situations, systems are often "cha-
   otic" and that participants (stakeholders, including primary stakehold-
   ers, managers and development planners) have a limited understanding
   of their operation and the role of institutions. Political, psychological,
   cultural and social influences on participant behaviour overwhelm the
   effects of linear planning. Programmes rely less on pre-implementation
   planning and must give greater emphasis to experimentation, scaling-
   up from pilot programmes, organisational flexibility, learning, the
   importance of process and a much more distributed sense of participa-
   tion and ownership.

Source: World Bank, *Policy Briefs: Good Management Practice in Sustainable
Fisheries*, nd/online (http://www.onefish.org/global/archive/sifar/DfID_Keysheets/
WBPolicyBrief03.pdf).

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constructive management of task-oriented organization, institutional contexts that
facilitate problem-solving, and economic, political and social conditions that help
sustain such capacity."

A conference organized by the UN produced a comprehensive definition of
capacity building:

> Specifically, CB [capacity building] encompasses the country's human,
> scientific, technological, organizational, institutional and resource
> capabilities. A fundamental goal of CB is to enhance the ability to eval-
> uate and address the crucial questions related to policy choices and
> modes of implementation among development options, based on an

understanding of environmental potentials and limits and of needs per-
ceived by the people of the country concerned.

**United Nations Conference on Environment and Development
[UNCED] (1992)**

The concept of capacity building, therefore, encompasses a series of activities that
are expected to have an impact on the composition, structure, and operation of
agencies and organizations as well as the development of human resources to enable
them to perform roles to facilitate the process of transformation. Brinkerhoff states
that capacity "deals with the aptitudes, resources, relationships and facilitating con-
ditions necessary to act effectively to achieve some intended purpose" (Brinkerhoff,
2010: 66), and there are constant efforts toward those ends both by internal and
external agents of development.

Forms, Strategies, and Outcomes

Capacity building entails diverse efforts and organizational arrangements. Earlier,
capacity building took the form of assistance to enhance the level of performance
through impartation of skills for groups and organizations. Cohen (1995) noted
that capacity-building interventions were limited to training. This is the easiest
and most visible form of capacity building based on the idea that strengthening the
ability of individuals to perform on the job will contribute to the achievement of
the desired efficiency.

Brinkerhoff indicated that five capabilities constitute the core of capacity,
and these must be considered in efforts to build capacity. These include the
following:

- The capability to commit and engage for mobilizing resources; creating space
  and autonomy; motivating unwilling or unresponsive partners; and plan-
  ning, deciding and engaging collectively to exercise their other capabilities.
- The capability to carry out technical, service delivery, and logistical tasks for
  producing acceptable levels of performance; generating substantive outputs
  and outcomes; sustaining production over time; and adding value for their
  clients, beneficiaries and citizens.
- The capability to relate and attract support for establishing and managing
  linkages, alliances, and partnerships with others to leverage resources and
  actions; building legitimacy in the eyes of key stakeholders; and dealing effec-
  tively with competition, politics and power differentials.
- The capability to adapt and self-renew for modifying plans and operations
  based on monitoring of progress and outcomes; anticipating new challenges;
  coping with changing contexts; and developing resiliency.

■ The capability to balance diversity and coherence for developing strategies and visions; balancing control, flexibility and consistency; integrating and harmonizing plans and actions in complex and multi-actor settings; and coping with cycles of stability and change.

Brinkerhoff (2010: 3)

Earlier, capacity building was "frequently used with reference to just one particular aspect, namely the education and training of scholars" (Ceccon and Cetto, 2003: 347). Later, the idea of training the trainers acquired prominence, but more importantly, it was considered necessary to set up "structures or policies which create an environment" for building capacity (Kaplan, 2000: 524). In a study of the efforts of 125 grassroots organizations over a period of 5 years, Sobeck (2008: 54) noted that they tried to "empower local groups through education and skill building," and training workshops were considered to be "one of the most cost-effective capacity-building mechanisms to provide information and allow participants the opportunity to apply the principles to their situations as well as network with their peers" (Box 10.3).

Brinkerhoff (2010: 66) sought to link capacity-building targets with varying foci of interventions. For enhancing resources, interventions focus on material and equipment, microcredit, food aid, and budget support, but the focus shifts to training, study tours, technical assistance, and technology transfer for targets of skills and knowledge. The capacity of organizations is built through management systems' development, restructuring, civil service reform, and decentralization, while targets of incentive are addressed through sectoral policy reforms, civic dialogue, accountability structures and procedures, and improved rule of law. If the target is politics and power, the interventions take the form of community empowerment, civil society advocacy development, strengthening of legislature, and political party development. This indicates the complex nature of capacity-building analyses and the challenge of application across DCs.

Issues and Constraints

An analysis of capacity-building efforts reveals several issues that merit attention and limitations in the process that need to be addressed. Grindle and Hilderbrand (1995: 443) attribute the lack of positive capacity-building experiences to the assumptions that guide the efforts:

That organizations or training activities are the logical site for capacity building initiatives; that administrative structures and monetary rewards determine organizational and individual performance; that

BOX 10.3   REQUIREMENTS FOR BETTER HUMAN RESOURCES CAPACITY BUILDING

Given the limited success of the past human resource capacity building efforts in the public service, a number of requirements have been identified [by the] … Fourth Pan African Conference of Public Service Ministers of Public Service, 2003:

- *Adequate budgetary allocations to capacity building efforts.* Generally, in the public service, budgetary allocations for human resources development have not only been very low, but have been drastically reduced over the years. The general recommendation is to earmark 20 per cent of personnel costs for staff training.
- *Adequate funding of training/educational institutions.* Both public sector institutions of higher learning and MDIs* should be funded adequately to meet the expectations of the public service. Adequate funding will enable them to maintain their facilities, and to acquire sufficient teaching and learning materials and equipment.
- *Institutional relations between public sector training institutions.* There should be a defined relationship and effective coordination between the agency responsible for implementing public service reforms and capacity building institutions. Measures for performance improvement of the public service should be factored into the training programmes of these institutions and adequately patronized. A strong formal institutional relationship between the reformed focal point and capacity building institutions is crucial in building the requisite and effective institutional capacity within the public service for formulation and implementation of appropriate strategies for public service reforms.
- *Public-private sector partnerships.* Forming partnerships between the private and public sector will foster the mobilization of capital, the promotion of management capabilities, and the sharing of skills between sectors for managing development projects.
- *Political will and support.* Political will and support is essential for the implementation of all the dimensions of the reforms.
- *Stakeholder consultations/ownership.* The private sector, civil society and the donor community are three of the public sector's major development partners. They have an interest in ensuring that the public service provides an enabling environment within which they themselves can operate. It is, therefore, important that the public sector provides

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* Management Development Institutes.

all the stakeholders with relevant information about its activities and mobilizes them to improve public service efficiency. Involving stakeholders increases a sense of ownership of the reforms, which can help to increase the chances of successful implementation.

Source: Economic Commission for Africa, *Public Sector Management Reforms in Africa: Lessons Learned*, Development Policy Management Division, Addis Ababa, 2003, 46.

organizations work well when structures and control mechanisms are in place; and that individual performance improves as a result of skill and technology transfer through training activities.

Ensuring these conditions can be extremely difficult, if not impossible, in societies that are affected by numerous problems and irregularities in the various areas.

Several issues that affect capacity building were identified in a number of studies. Technical assistance programs failed to achieve their goals as agencies were not prepared to make effective use of acquired information and skills (Wahl et al., 1998). Joffres et al. (2004) found that lack of financial support, undecided priorities, and overload of tasks as factors that impeded the implementation of programs for capacity building. Blumenthal (2003) attributed the failure to lack of commitment evident from a disinterest in following through to implement changes. Besides, Brinkerhoff (2010: 69, 70) alerted to the problem of trade-offs between the exercise of existent capacity and building it, the search of alternative sources for delivery of services in case of breakdown in the process, and "the humanitarian imperative to provide immediate services against the need to rebuild public institutions and the capacity to deliver services."

On the basis of a study of capacity building in Mexico, Ceccon and Cetto identified the nature of undergraduate education that offers "monodisciplinary training of high specialization and oriented to specific topics," combined with emphasis on "individual performance rather than collective work" as obstacles to capacity building. The problem is exacerbated by the "established policy of promotion, career development and assessment of researchers" that does not "stimulate interdisciplinarity and development-oriented research" (Ceccon and Cetto, 2003: 349). Similarly, Klitgaard (1997) pointed to the low pay in a number of countries in Africa and Latin America that makes it difficult to hire and retain skilled personnel. Zeelen and van der Linden (2009: 616) drew attention to the importance of contextualization, social learning, interactive knowledge production, and establishing a "balance between the interests of the North and the South." Polidano and Hulme (1999: 124) believe that weak institutionalization of administrative structures make them "prone to 'penetration' by party politics and leading to politicization at all levels

in the organizational hierarchy" and limit capacity. In addition, there is a need to resolve the dilemma between immediate security (such as reestablishing law and order) and long-term stability that entails a framework of democratic governance and political legitimacy of regimes (Brinkerhoff, 2010: 71).

Many of the constraints and challenges in understanding and building capacity can be traced to definitional problems. Kaplan (2000: 517) described capacity building as an elusive concept, and earlier, Honadle (1982: 65) stated that the term is used to describe "both the ends, and the means to an end." It becomes increasingly complex with other perspectives on the concept of capacity building. Capacity may be viewed as a quality that can help or hinder the achievement of organizational objectives (Chaskin, 2001: 292) or as an internal and/or external organizational quality (Forbes and Lynn, 2006). The vagueness surrounding the definition of capacity building is further complicated by the challenge of evaluating its process and progress. The World Bank (2005b: 43) recognizes that capacity building is "a long-term process that requires a systematic approach and attention to demand for improved public services as well as the supply of well-structured organizations and skilled personnel."

Capacity building is critical for the organization and management of development activities. It has been the target of development efforts across the world as the realization dawned that programs cannot be continued perennially with imported skills and resources. Unfortunately, decades of efforts have produced limited success because of confusion and controversy over the concept and the areas on which efforts should be concentrated. There has been progress in selected aspects in some countries in the developing world, but much remains to be done. An overview of the best practices and potentials of capacity building will be helpful in establishing an effective system of development management.

Potentials and Best Practices

Capacity building, similar to other areas of development, must be viewed with reference to indigenous culture, values, and practices. The potentials of capacity building can be understood with reference to the creation of an enabling environment with appropriate policy and legal frameworks, institutional development as well as community participation, and human resource development and strengthening of managerial systems (UNDP, 1991). Kaplan (2000: 518, 519) proposed a set of elements for realizing the potentials of a country in building capacity. They include a conceptual framework for the organization to understand its internal and external environment, its confidence to act in a way that it believes can be effective, a clear vision and strategy, sound organizational structure, acquisition of appropriate skills, and material resources for accomplishing its objectives.

Capacity-building activities, in one form or another, have been going on for a long time. Training programs constituted one of the earliest forms of capacity-building efforts, and they have contributed considerably to the development

process. They have helped enhance the capacity of individuals, organizations, and communities in a number of areas. This has been achieved through investments in training for the target groups as well as trainers. It requires time for newly acquired knowledge and skills require time to take root, and the system has to wait for the appropriate circumstances for their application. "Time strongly influences the capacity-building work that practitioners are doing, and is linked to both financial resources and culture" (Girgis, 2007: 356).

Building capacity for public organizations is a bigger challenge and entails careful planning and preparation. The most common strategy for accomplishing reforms is to develop reform programs aimed at strengthening of organizational capacity. Introducing and implementing reforms in the public sector is a continual challenge for governments in DCs, and their sustenance is dependent on the stability and vitality of the political and economic systems. At the same time, it is necessary to design reforms that are compatible with the social and cultural norms of the country.

There have been successful attempts by countries in building capacity in individuals and organizations. However, it has not been easy to build capacity in communities and national level institutions because of constraints that are beyond the control of governments. Integration of interests of the diverse population in DCs presents a challenge, but the civil society has emerged as a potent force for articulating and aggregating the interests of various groups to assist with the task of capacity building and facilitating the development process.

Grindle and Hilderbrand (1995: 461) sought to identify the potentials of capacity building with reference to the site, nature, and effectiveness of performance. They suggest the following:

- Selecting a site that will most constructively address the problems of poor performance must follow from an assessment of a relatively broad set of factors, including the action environment in which all such activities take place.
- Public sector performance is driven more by strong organizational cultures, good management practices, and effective communication networks than it is by rules and regulations or procedures and pay scales.
- Individual performance is more affected by opportunities for meaningful work, shared professional norms, teamwork, and promotion based on performance than it is by training in specific skills.

Brinkerhoff (2010b: 76, 77) concluded that there is no single "right way" to develop capacity but listed a number of factors and conditions that can contribute to success. Although his analysis is based on the experience of "fragile states," there are elements in the list that are applicable to DCs in general. They include the following:

- Purposes or objectives should be harmonized to accommodate a productive blend of technical and political objectives.

- ◼ It is necessary to select government agencies, NGOs, civil society, and private firms with consideration for their ability and potential for making the best use of external support and their standing with local decision makers.
- ◼ Attention should be paid to recognize the optimum mix of targets for their needs—including resources, skills and knowledge, organization, power, and incentives—to be addressed.
- ◼ The competence of the capacity builders should be considered and clarified with reference to the expectations of external (and internal) actors, along with related indicators of progress.
- ◼ Sound knowledge and understanding of the context in which capacity building takes place is critical for the success of capacity-building initiatives.

However, as capacity building is "a long term and continual process in which all stakeholders participate" (Ceccon and Cetto, 2003: 347), identification of potentials and best practices will entail observation over a prolonged period of time. In addition, the elements of capacity, that is, knowledge, types of skill, and alignments of relationships will continue to evolve and change, making it a perennial exercise. Along with the shifts in the nature of development principles and practices, capacity-building efforts will require constant watch to keep up with changing time and needs.

Implications for Development Management

Management reforms and capacity building are two of the major challenges faced by DCs. They are dependent on one another and have significant implications for the success of development management. Appropriate management reforms will assist DCs to keep up with changing times and circumstances and update administrative practices accordingly. Periodic review of existing principles and procedures and reflection on their success in contributing to the process of development in the country will help identify areas that merit attention and allow governments to act on them. Updating management structures to ensure achieving higher productivity and effectiveness is essential for sound development management.

Management reforms are undertaken in both developed countries and DCs because governments intend to bring about improvements in the system. This is done by considering local circumstances, problems, and needs, and decisions are tempered by external influences that are brought to bear in the form of technical assistance and foreign aid. While attention is devoted to designing and implementing management reforms, routine tasks of administration and public service delivery must be continued. A robust system of management is required to perform routine tasks and innovate at the same time, and meaningful reforms play a critical role in ensuring success in these areas to proceed with uninterrupted programs for development.

Capacity building must be performed in tandem with management reforms as they are complementary in several ways. Enhancement of capacity is usually one

of the key objectives of management reforms. Effective development management entails participation by, and contribution from, all stakeholders, and they include citizens, communities, agencies, organizations, and the government. Building capacity of individuals, groups, and other stakeholders remains an imperative if development management is to be productive, effective, and meaningful.

Review Questions

1. How would you determine the need for reforms in the administrative system?
2. How can management reforms contribute to development?
3. Whose capacity needs to be enhanced for promoting development?
4. What are the common obstacles to capacity development in DCs?
5. How can capacity be enhanced through management reforms?

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Chapter 11

Citizen Participation and Empowerment

We ourselves feel that what we are doing is just a drop in the ocean. But the ocean would be less because of that missing drop.

Mother Teresa

Relevance, Rationale, and Context

Traditional approaches to development favored a top–down approach. Needs and objectives for development were to be determined by the state and its key actors at the highest level. Ideas for resolving problems and achieving development were transmitted from the top to the local levels through a hierarchy of governmental machinery. Citizens remained passive observers as their fate were decided upon by the government and its bureaucrats, often with input from the international community of donors. Consequently, most developing countries (DCs) continue to struggle with the same problems that have afflicted them for centuries, and the goal of development remains unattained.

One of the reasons behind the development debacle for many countries has been the inconsistency between local needs and the nature and objectives of programs designed for this purpose. Lack of understanding of local conditions and capacity has led to the failure of development efforts and underlines the need for contribution from all stakeholders in designing programs. Among the stakeholders,

citizens constitute the largest and more potential group, and their participation is critical for making development a reality.

Development, as mentioned previously, is extremely difficult to conceptualize, and the task becomes far more complex because of the various approaches in defining it. In general, development involves a series of activities that lead to stability in the political system, soundness in the economy, general consensus of values among all groups participating in the political process, responsible electorate, well-developed civil and political institutions, and effective machinery for helping with the formulation and implementation of policies (Heady, 2001: chs 5 and 7). Although many of these objectives seem to be linked to the maturity of the political system and level of democratization, the elements of *citizen participation* and *empowerment* are intimately related to the process in achieving them. King et al. (1998: 318) found that there is "a growing recognition of the part of administrators that decision making without public participation is ineffective."

In the context of DCs, citizen participation and empowerment are much more significant. The huge gap between the center and the periphery as well as economic classes isolates policy makers from the vast clientele the policies are intended to help. A rigid and hierarchical bureaucracy and social system precludes the participation and contribution to the development process by the majority of the population. These citizens are often not included in the network of the national economy and have minimal involvement in political decisions that are critical in determining policies and programs for development. Citizen participation is useful in serving as means of effective negotiation, building relationships, and enhancing trust among the participants (see Clay, 1996: 109, 110).

Participation

Concept and Applications

The concept of *participation* became prominent in the development literature as new nations gained experience in forming governments and establishing institutions. Often, developmental activities and decisions were dominated by authoritarian civilian or military rulers who were out of touch with, and insensitive to, the needs of the vast number of citizens who resided outside the national capital. According to Inkles and Smith (1974: 3, 4),

> A modern nation needs participating citizens, men and women who take an active interest in public affairs and who exercise their rights and perform their duties as members of a community larger than that of the kinship network and the immediate geographical community.

There are several meanings and interpretations of participation, and a number of distinct views were identified by the Food and Agricultural Organization (FAO). It may mean:

■ sensitizing people to make them more responsive to development programs and to encourage local initiatives and self-help;
■ involving people as much as possible actively in the decision-making process which regards their development;
■ organizing group action to give to hitherto excluded disadvantaged people control over resources, access to services and/or bargaining power;
■ promoting the involvement of people in the planning and implementation of development efforts as well as in the sharing of their benefits; and
■ in more general, descriptive terms, "the involvement of a significant number of persons in situations or actions which enhance their well-being, e.g. their income, security or self-esteem."

http://www.fao.org/economic/esw/esw-home/esw-participation/en/

Participation can be approached in several ways. It may be viewed as a "process in which individuals take part in decision making in the institutions, programs and environments that affect them" (Heller et al., 1984: 339). It refers to "actions by which ordinary members of a political system influence or attempt to influence outcome" (Nagel, 1987: 1). In various forms, participation constitutes one of the cornerstones for democracy and development. Blair (2000: 23) views participation as an attempt to "include people from all walks of life in community decision-making." Arnstein (1969: 216) believes that the redistribution of power "enables the have-not citizens, presently excluded from the political and economic processes, to be deliberately included in the future."

In broad terms, participation refers to the direct involvement of citizens in the process of political and administrative decision making, as well as policy formulation and implementation. However, there are differences in the ways and approaches to participation and the level of intensity. Arnstein's work is still considered as an important reference in studying citizen participation in modern states. She identified three broad approaches of *nonparticipation*, *tokenism*, and *citizen power*—ranging from the least to most effective. The two lowest steps in the "Ladder of Participation"—*manipulation* and *therapy*—actually represent nonparticipation that is posed as a substitute for genuine participation, as they do not aim to enable people to participate. Steps at the level of tokenism include informing and consultation, but there is no assurance that the views and demands of citizens will be noted and acted upon to introduce meaningful changes. The next step of *placation* is not more effective as citizens may advise while they do not have the right to make decisions.

Actual participation takes place at the top three rungs in the ladder, and they become progressively effective in making decisions. Arnstein believes that citizens

can enter into partnerships with the power holders in enabling them to engage in negotiations and obtain compromises. The highest steps of *delegated power* and *citizen control* would indicate the most effective form of participation in which citizens could influence decisions and shape outcomes. The concept is useful in the sense that participation at various levels is apparent in many DCs where state power holders take recourse to symbolic participation. Token representation in local and national institutions, co-optation of citizens into important bodies, or advisory status in committees where they are outnumbered and outvoted does not contribute to the participation and empowerment of citizens. These ideas were later explored further and developed by Connor (1988) and Rocha (1997). Connor (1988: 250) developed a new ladder of citizen participation "to provide a systematic approach to preventing and resolving public controversy about specific policies, programs and projects whether in urban, suburban or rural settings and whether governmental or private sector in sponsorship," while Rocha (1997: 32) sought to delineate five types of empowerment efforts within the task of planning and helped "to think about empowerment rather than as a how-to manual with specific instructions for each type."

Connor's new ladder of participation has education as the foundation (Figure 11.1). The three lower rungs comprise *education*, *information feedback*, and *consultation*. Education helps inform the public of the objectives and expected outcomes of policies, programs, and projects and facilitates acceptance by the citizens. At the next level, information about the project is disseminated and views of the citizens on it solicited. The third level or consultation is attempted when:

- A preceding education program has not generated informed support by most of the members of key constituencies for a proposal;
- When an information-feedback program failed to develop general understanding and acceptance of a proposed solution; or
- When the gap between current knowledge about, and acceptance of, a proposal seems too great to be bridged by an Education and Information-Feedback program.

Connor (1988: 253)

Connor (1988: 254, 255) advocates a *joint planning* process with representatives of each agency meeting in a planning workshop and working through a shared definition of the situation, the alternative solutions, and an evaluative procedure, and these steps will help resolve most of the issues that adversely affect projects at a later stage. The next three levels are *mediation*, *litigation*, and *resolution/prevention*. Mediation draws upon contributions by both technical experts and behavioral leaders who assist "with mutual acceptance and understanding among those involved, creative problem-solving and negotiating processes."

If *mediation* does not succeed in resolving problems, *litigation* comes into play. Lawyers may be able to settle disputes before they reach the court and that may
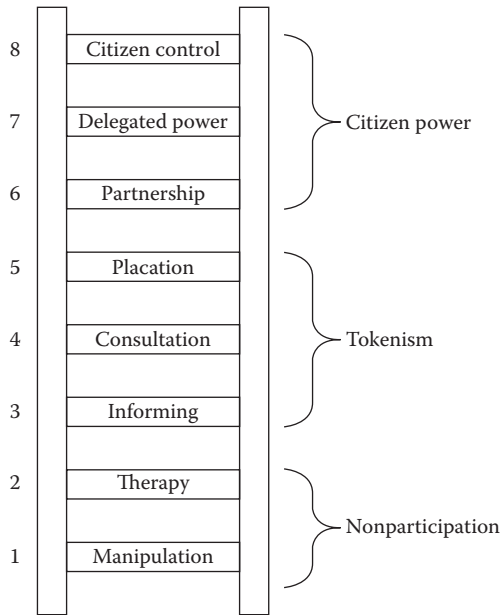
Figure 11.1   A ladder of citizen participation. (Adapted from Arnstein, S., A ladder of citizen participation, *J. Am. Inst. Plan.,* 35, 216–224, 1969.)

be time-consuming and expensive. All of the six steps in the new ladder of citizen participation contribute to prevention of conflicts and controversies that saves time and money and better project proposals. Although Connor's contribution is oriented toward organizations and managers to improve their performance and morale, the ideas are relevant to the facilitation of citizen participation in development activities (Figure 11.2).

There are various interpretations of participation. In the ideal sense, every citizen would have a direct input to decisions that have an impact on their lives. The closest approximation would be decisions made in democratic traditions in ancient Greece. Such form of participation is not practicable in contemporary developing societies that are generally overpopulated and lack the necessary tools and facilities for participation. In addition, the social and political arrangements are often major obstacles in the way of participation by citizens in public affairs. As a result, efforts are made to enable citizens to participate through local and community organizations and the media. Newman et al. (2004: 204, 205) described the process as the "politics of presence" that enables citizens to voice their interests, experiences, and identities in the deliberative process. Participation is intimately linked with the concept of development, and it is understood that the "targets" of development must have a role in determining the goals as well as deciding on the means for achieving them.
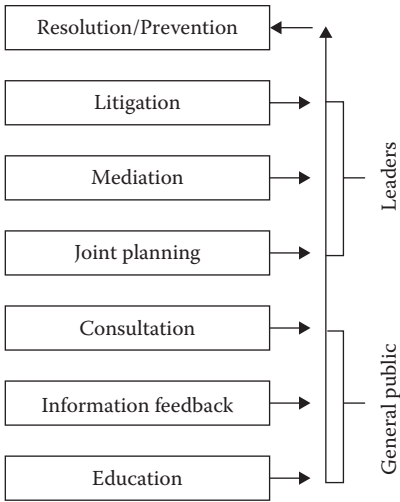
Figure 11.2   New ladder of citizen participation. (Adapted from Connor, D.M., A new ladder of citizen participation, *Natl. Civic Rev.*, 77, 249–257, 1988.)

Forms, Strategies, and Outcomes

Participation takes various forms, and they vary according to the nature of the social and political system that exists in a country. Cornwall and Gaventa (2006: 408) considered them separately and stated that traditionally the methods of political participation "included voter education, enhancing the awareness of rights and responsibilities of citizens, lobbying and advocacy, often aimed towards developing a more informed citizenry who could hold elected representatives more accountable." In terms of social and community participation, they noted "the development of a number of broader participatory methods for appraisal, planning, monitoring large institutions, training and awareness building."

Citizens can participate as advisors on boards or committees, policy makers on neighborhood councils that influence municipal policy, and residents in local community organizations that develop plans and activities through joining social movements (Florin and Wandersman, 1990: 43). At various levels, citizens participate through voting for their preferred political parties, candidates, and programs or by marching in peaceful demonstrations to register their dissatisfaction. Uphoff (1979) introduced the concept of *development participation* and emphasized the empowerment of people from the disadvantaged groups and strengthening their organizations at the grassroots level. His approach was to focus on economically productive activities that could benefit the poor sections in the remote and rural areas, determination of targets jointly by the poor in collaboration with public officials, making all concerned parties aware of their roles, and local solution of problems.

Another form of participation could be representation in the governing boards and councils of public bodies. Citizens can be elected or appointed to public institutions and contribute to better performance of these bodies by representing the views and interests of the community. The existing theories of representation—trustee, delegate, status, and symbolic—reflect different kinds of roles for citizens who have the opportunity of serving on public bodies (Mitchell, 1997). But the issue of participation for assisting with development extends far beyond co-opting or electing members of public bodies. It entails a wide range of activities and requires meaningful inputs in the process of setting agenda, shaping policies, and implementing them and involves a continuing role for the citizens in monitoring the progress of steps taken to achieve the ultimate aim of development.

Various mechanisms may be employed to stimulate citizen participation in public affairs. Bautista (2005: 252, 253) noted the involvement of marginalized sectors in the different structures in India and the Philippines and the use of information and communication technology "to make demands by demonstrating what government is doing—for instance, the setting up of e-participation projects in Taiwan, China, and Indonesia." Similar to the debates on development, the concept of participation can be considered both as a goal and a means to an end. Goulet (1989: 166) highlights this distinction and adds that participation may be classified according to the scope of the arena in which it operates or the agent that originates it. It is also useful to identify the social and economic position and ability to access channels of participation by stakeholders. A study of participation by women in India and Chad indicated that the majority of the poor are excluded because of high opportunity costs to join groups and underlined the importance of an existing social network. The study also confirmed that bargaining power of the members is critical in their decision to participate (Weinberger, 2001: 1391–1404).

The target group for participation depends on the social and political circumstances as well as the goals of development. At the broadest level, participation in the electoral process is increasingly becoming popular as more and more states adopt a system of universal franchise. Some restrictions apply in cases where representation in the legislature is limited by constitutional requirement. Interestingly, participation through electoral means is hardly effective as the system of first-past-the-post adopted by most countries reflects a choice of the majority, however slim it may be. Cleaver (1999: 597) stated that "there is little evidence of the long-term effectiveness of participation in materially improving the conditions of the most vulnerable people or as a strategy for social change." This highlights the need for meaningful participation by citizens that would have a clear impact on governmental decisions and policies.

Yet another approach to citizen participation can be considered in terms of involvement in the local and national institutions of a country. For example, there should be scope for participation in the national and regional legislatures, public service, and other bodies and agencies that are able to influence policy decisions. In

> ### BOX 11.1   PARTICIPATION *VIS-À-VIS* DEVELOPMENT
>
> … participation is the sum of the human transactions which take place voluntarily (within and across organizations) in a society aiming to achieve sustainable and equitable economic growth … It is shaped by the interests of participants, their relative status, their access to resources and the information available to them regarding the benefits and costs of future interactions.
>
> *Source:* Picciotto, R., *Participatory Development: Myths and Dilemmas*, World Bank, Washington, DC, 1992, 5.

plural societies, this may be achieved through the reservation of places according to the number of identifiable groups. An alternative approach is to provide full and effective access for all citizens to facilities for education and empowerment so as to allow them to compete with potential groups for inclusion in the national institutions. It should also be recognized that effective development management entails not only the inclusion of the poor and disadvantaged sections but positive contributions from all other groups in society. In view of worldwide impacts of globalization and increasingly important role of the market and private sector in obtaining good governance, participation of all groups has become critical.

Several positive outcomes of citizen participation are recorded in the literature. Beresford (2002) pointed out an interesting dilemma in this respect. First, it may lead to enhanced political interest and, at the same time, reveal public dissatisfaction. Second, citizen participation is generally a priority of the governments, but it does not achieve much because of various constraints including limited allocation of resources. Therefore, the genuineness of interest and political will need to be present along with the formal statement of preference for citizen participation (Box 11.1).

Issues and Constraints

The idea of citizen participation is appealing, but several factors need to be considered in planning and facilitating the process. The existing social and political structures influence the mind-set and behavior of citizens. Unless they are consistent with the spirit of citizen participation, it is an extremely difficult goal to accomplish. Often the level of development and some of its key indicators are cited as constraints on the ground that high levels of awareness, literacy, and vibrant institutions are essential for effective citizen participation. While there is difference of opinion on the concept, practice, trends, and outcome of citizen participation, it is generally regarded as a useful tool for the effective operation of government. It is time to recognize the fact that traditional criteria for assessing the suitability and eligibility for participation are no longer relevant. Citizen participation has

emerged as an integral element in the management of public affairs. The prospect of development is diminished to a large extent if its targets and principal tools—citizens—are excluded from the processes of determining needs, ascertaining capacity, and designing programs to achieve this end. In all DCs, the challenge of including citizens in the development process and the distance between the state and the public pose formidable obstacles.

Cornwall and Gaventa (2006: 406) identified efforts to bridge the gap that exists between the citizens and state institutions:

> On the one hand, attention has been paid to strengthening the processes of participation and representation—that is, the way in which poor people exercise voice through new forms of inclusion, consultation and mobilization designed to inform and to influence larger institutions and policies. On the other hand, growing attention has been paid to how to strengthen the accountability and responsiveness of these institutions and policies through changes in institutional design and a focus on the enabling structures for good governance.

Such tension leads to a number of additional issues, and some of these were raised at a conference held in Malaysia in 2004:

- Individual participation is the first stage of citizen-development agency engagement, as individuals learn or are convinced of the value of participation, prior to being equipped with the knowledge of and readiness for collective involvement.
- Participation of community members is more effective in organized groups than through the conduct of mass assemblies.
- Participation in policy formulation and planning processes is critical for empowerment, as community members should decide their own direction, rather than accepting/adopting packaged programs or projects decided upon by the development agency.
- It takes greater effort to convince the most impoverished to participate, as participation could affect their livelihood/sustenance.

Bautista (2005: 254, 255)

These observations encapsulate several aspects of citizen participation and point to the constraints that may be encountered in promoting it. A major problem is the refusal of the state in many DCs to allow devolution and decentralization and facilitating decision making by stakeholders in fostering the appropriate environment for participation. Public participation "demands a commitment from politicians and bureaucracy to take into account public knowledge and complaints" (Ploger, 2001: 237).

There are several factors that affect the nature and extent of participation by citizens. Most citizens in the developing world are unable to take time off their

struggle to earn a living and support family and dependents. According to King et al. (1998: 322), "The barriers stemming from the practical realities of daily life are tied to the social class position of citizens and include factors like transportation, time constraints, family structure, number of family members in the labor force, child care and economic disadvantages." Nagel (1987: 15, 16) noted that participation requires investment in terms of time, and there may be an opportunity cost. In the harsh realities of the developing world, very few citizens have the means to take time off their regular jobs to participate in public affairs. Difficulties in commuting, communicating, and persuading policy makers remain a challenge.

For citizen participation to be effective, it can be argued that the process should encompass all groups and not only specific targets because decisions intended to benefit specific groups will have an impact on other groups as well. Besides, "there is always the danger that those who are not well mobilized to represent their views may become even more marginalized by the process" (Hsu and Wang, 2005: 339). While the literature on participation focuses on the problems, prospects, and facilities for participation of the poor and disadvantaged groups, very few emphasize the need to facilitate participation by all groups in society.

Finally, the issue of the competence and ability of the citizens to participate and contribute to the process of development is a major constraint. The public may not be competent enough to contribute through participation (Dahl, 1970: 28–40). Low level of literacy, lack of training and exposure to experience in public affairs, and unfamiliarity with the political process of a country can render it extremely difficult to understand the process and significance of participation. This problem often leads to the question of preparing the citizens before opening up facilities for participation.

To sum up, constraints in the way of citizen participation emerge from cultural and structural barriers. In the developing world, the culture encourages deference to authority, and citizens view the government and its functionaries as the appropriate source of wisdom. Problems are defined and solutions devised at the state level, and there is little scope for participation by citizens in shaping development policies. This mind-set has prevailed over centuries and poses a formidable constraint, and the structural framework of governing reinforces it. In designing and operating public institutions, governments and power holders in DCs do not feel comfortable to provide adequate formal opportunities to the citizens to participate. "While most people define citizen participation as desirable, any participation seen as challenging the administrative status quo is blocked by the very administrators who desire more participatory processes" (King et al., 1998: 322). Such an approach has disastrous consequences as violent uprisings and military interventions seem to be the only means for voicing preferences of citizens.

Potentials and Best Practices

DCs are afflicted with numerous social, economic, political, and administrative problems. Lack of knowledge and awareness about the conditions in various parts

of the country and the absence of effective channels for communication of needs and demands result in nonachievement of objectives by development programs. Governments and policy makers often have to rely on perception and unreliable information in determining needs and designing programs. Increased participation by citizens could help in alleviating many of these problems and bridging the distance between the state and communities.

There are a number of ways in which the potentials of citizen participation can be realized to the advantage of all parties. Communities must develop the capacity to understand the origin of problems and be aware of their consequences to engage in public affairs. In mobilizing communities, development agencies need to be sensitive to cultural dynamics and work in collaboration with the citizens. "Thus, preparing community mobilizers for political skills and self-expression becomes a responsibility of development agencies that espouse the posture of participatory governance" (Bautista, 2005: 253). This end cannot be attained without an effective format of citizen participation.

Wandersman and Florin (1999) identified the potentials of citizen participation at various levels. Several studies noted improvements to neighborhood and community as well as stronger interpersonal relations resulting from citizen participation (see Cassidy, 1980; Hallman, 1984; Unger and Wandersman, 1983; Woodson, 1981). In other cases, potentials were realized in the form of feelings of personal and political efficacy (Cole, 1974; Zimmerman and Rappaport, 1988) and individual competence and confidence (Bandura, 1986). As citizens of DCs are engaged in a constant struggle for survival, the scope and incentives for participation are severely limited. However, with the demonstration of positive outcomes, it should be possible to encourage wider and more meaningful participation. A crucial step should be to establish means and mechanisms for participation to clearly show the potentials to prompt proactive behavior by the citizens.

Citizen participation will have potential impact on the nature and quality of public service delivery (Box 11.2). The level of efficiency and extent of effectiveness could be enhanced, along with increased democratization in process and substance. Cleaver (1999: 597) argues that the "conundrum of ensuring the sustainability of development interventions is assumed to be solvable by the proper involvement of beneficiaries in the supply and management of resources, services and facilities."

Cornwall and Gaventa (2006: 409) identified some innovations in enhancing participation that could serve as guides for communities. For example, there are multistakeholder intermediary institutions to help the public hold the state accountable, new practices such as public meetings and committees, and participatory assessments for direct democratic interface between the public and state. These examples suggest that the potential for participation is always there because mere formal qualifications do not really contribute to enhanced quality of input. It must be accomplished through a variety of channels and strategies as well as diverse organizational approaches. The implications of participation for development

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BOX 11.2　PARTICIPATORY DEVELOPMENT

… participatory development can significantly enhance the effectiveness of … efforts to reduce poverty … When citizens develop a sense of ownership of development efforts as a consequence of their engagement in decision making about selecting, planning, managing, and monitoring project activities, results are typically enhanced and impact more sustained. Similarly, when relevant institutional stakeholders are involved in designing programs or policy changes and planning their implementation, the outcomes are usually improved. At the same time, capacities are built, social capital enhanced, and partnerships between government, civil society, and the private sector improved as people learn by working together in a supportive milieu. Thus, the additional effort of early and careful participatory planning, plus facilitation and monitoring, combine to affect poverty reduction broadly by addressing the economic, social, and governance or institutional dimensions of poverty simultaneously and promoting more successful and sustainable programs and projects.

Source: ADB, *Poverty and Social Development Papers No. 6*, Asian Development Bank, Manila, 2003.

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management must be considered with a clear understanding of the process through which participation leads to empowerment of the disadvantaged groups in society and has a positive impact on the nature of relationships among the state, national, and local institutions, relevant stakeholders, and citizens.

Empowerment

Concepts and Applications

The concepts of participation and empowerment are intimately linked, and it is not easy to approach them with complete disregard for any or the other. In lay terms, the concept of empowerment connotes the enhancement of strength and power in individuals and communities that facilitates the acquisition of rights required to enable them to contribute to common good. In developing societies, the inequitable distribution of resources and means of production result in the concentration of power in the hands of certain groups who use this advantage to increase their share of the assets and dominate the decision process. Development management involves the recognition of such tendencies and empowering the weaker groups to assist them to overcome the handicap.

Empowerment is a slippery concept and hence not easy to define or describe. Rappaport (1984) pointed out that it is easy to define empowerment by its absence rather than in action as it takes on different forms in different people and contexts. Zimmerman (1984) has an even more interesting point that focusing in a narrow and single definition of empowerment to render it reducible to a formula or prescription may contradict its essence. Bailey suggested defining empowerment with reference to the people and context involved. Therefore, the common idea of awarding more power to identified groups without referring to the context, processes, relationships, and impacts does not capture the concept of empowerment.

Page and Czuba (1999: 3) suggest that

> empowerment is a multi-dimensional social process that helps people gain control over their own lives. It is a process that fosters power (that is, the capacity to implement) in people, for use in their own lives, their communities, and in their society, by acting on issues that they define as important.

They emphasize that empowerment is multidimensional because of the sociological, psychological, economic, and other dimensions within which it occurs at different levels. It is also a social process as it takes place in relation to others, one in which "the individual and community are community are fundamentally connected" (Page and Czuba, 1999). Wilson (1996) highlighted the relationship between individual change and empowerment and viewed this as a link between community connectedness and social change.

Forms, Strategies, and Outcomes

Achievement of empowerment is a long and complex process and involves the application of relevant strategies. There are a number of skills, knowledge, perceptions, and practice that form the core of essential elements of empowerment. A range of competence lies at the center of empowerment that requires individual, group, and institutional support. Participation emerges as a key step in the process of empowerment. Several studies suggest that "participation in voluntary organizations provides an effective means by which individuals can obtain the skills, knowledge, self-perceptions, political perceptions, and practice necessary for the development and growth of individual empowerment" (Prestby et al., 1990: 143).

The most common form of empowerment is the representation of identified groups on boards and managing committees of organizations. In the field of development management, specific occupational groups such as farmers, fishermen, or weavers have been accommodated in cooperative organizations. Increasingly, recognition is being awarded to gender groups as women are represented on important committees. However, it is necessary to understand and analyze the actual degree

of power exerted by groups and representatives considered to be empowered. Power is obtained and exercised in a variety of ways. But it must be added that only significant influence on decisions and their outcomes is meaningful. Token representation on boards and committees does not really result in empowerment.

There are many sources and strategies of empowerment. The constitution of a country and rules of an organization can seek to ensure that power is evenly distributed among stakeholders. However, the process of empowerment assumes importance as rules may not be implemented according to intention or the power structure of the organization may inhibit the process. This strategy may involve regular review of the operation and performance of the agency and revision of rules and regulations.

Rocha (1997) found that power emanates from individual as well as external sources, and it proceeds through four stages. While earlier efforts are aimed at acquiring power for the individual, the emphasis shifts toward the community at later stages. McClelland (1975) traced what he described as "power experience" and constructed an interesting picture of how the various sources of power strengthen individuals by supporting and nurturing them. These experiences help individuals control and direct themselves, and eventually they realize that they influence and impact on others. The outcome is evident as these experiences move individuals to serve and influence others and culminate in the empowerment of the group and community.

Similar to the ladder of participation developed by Arnstein (1969), a ladder of empowerment was proposed by Rocha (1997; Figure 11.3). The ladder is marked by five distinct rungs and indicates the progress from "individual empowerment" to "community empowerment," and four dimensions of locus, process, goals, and power are identified. Beginning with "atomistic individual empowerment" at the lowest rung, the process leads to "embedded individual empowerment" at the

Rung 5	EMBEDDED INDIVIDUAL EMPOWERMENT	⇧
Rung 4	POLITICAL EMPOWERMENT	⇧
Rung 3	MEDIATED EMPOWERMENT	⇧
Rung 2	EMBEDDED INDIVIDUAL EMPOWERMENT	⇧
Rung 1	ATOMISTIC INDIVIDUAL EMPOWERMENT	⇧
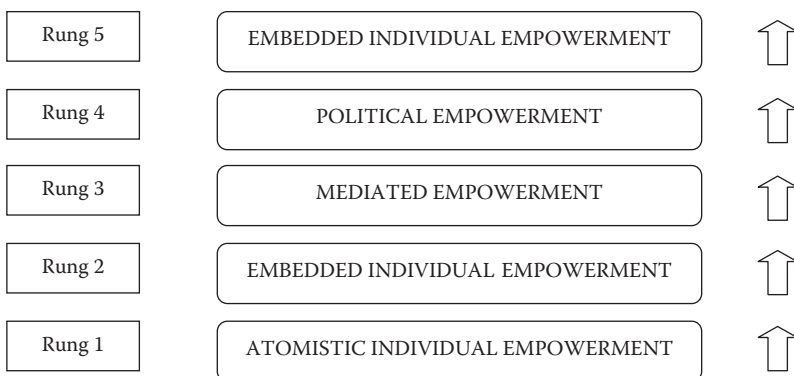
Figure 11.3   A ladder of empowerment. (Adapted from Rocha, E., A ladder of empowerment, *J. Plan. Educ. Res.*, 17, 31–44, 1997.)

next level. The rungs ascend through "mediated empowerment" to "socio-political empowerment," and eventually reach "political empowerment" at the highest level.

In atomistic individual empowerment, the "goal is increased efficacy," and "the process consists of altering the emotional or physical state of the individual" (Rocha, 1997: 34). Embedded individual empowerment takes into consideration the place of the individual in the environment: "The goal is to understand how what goes on inside one's head interacts with what goes on in one's environment to enhance or inhibit one's mastery and control over the factors that affect one's life" (Zimmerman, 1990: 174). The goals of mediated empowerment "are to provide knowledge and information necessary for individual or community decision-making and action," and sociopolitical empowerment "focuses on the process of change within a community locus in the context of collaborative struggle to alter social, political or economic relations." The highest rung represents political empowerment and "involves expanded access to group resources, e.g., in education, housing, employment, government benefits, health care, or political representation" and seeks to facilitate institutional change through political action (Rocha, 1997: 36, 37, 39).

Apparently, empowerment takes place at various levels as well as within individuals and communities. It is critical to understand the transition from one level to the next. Rocha used the following schema to explain the pattern and emphasized locus, goals, process, and power experience to develop five distinct types of empowerment (Table 11.1).

Empowerment has a number of outcomes that could be conducive to development management. It helps bridge the gap between awareness and the will to participate and action and actual results. It is important that citizens and stakeholders are aware of the problems and strategies for dealing with them as well as their rights and responsibilities. However, unless they are in a position to exercise their rights and have the support of the system in implementing those decisions, development management will be extremely difficult to execute.

Issues and Constraints

Empowerment is desirable, but a number of issues must be dealt with, and numerous constraints must be overcome to achieve it. This is not surprising. "Empowerment is a process that challenges our assumptions about the way things are and can be" as well as our basic assumptions about power, helping achieving, and succeeding (Page and Czuba, 1999). Assumptions may vary across communities and societies, and perceptions about the way things are and can be diverse. While ideals differ from one context to the next, they add to the difficulty of recognizing empowerment as there are both tangible and intangible indications. Often, members of the community are not aware of the impacts of their action. At other times, attempts to measure the impacts that reflect empowerment are frustrated owing to lack of reliable instruments and data.

Table 11.1 Types of Empowerment

	Atomistic Individual	*Embedded Individual*	*Mediated*	*Sociopolitical*	*Political*
Locus	• Individual	• Individual	• Individual • Community	• Individual • Community	• Community
Goals	• Personal satisfaction • Increased coping ability	• Personal satisfaction • Competence in negotiating daily environment	• Knowledge/information for proper decision making	• Individual development • Expanded access to community resources	• Expanded access to community services, goods, and rights
Process	• Therapy • Daily living skills • Self-help	• Organizational participation	• Professional/client relationship	• Organizational participation • Collaborative grass-roots action	• Political action, voting, protest • Political representation
Power experience	• Nurturing support	• Nurturing support • Direct and control self	• Support • Strengthen self • Control by helping • Moralized action	• Support • Strengthen self • Influence, coerce others • Togetherness	• Influence, coerce others • Assertion

Source: Rocha, E., A ladder of empowerment, *J. Plan. Educ. Res.*, 17, 31–44, 1997.

Prestby et al. (1990) sought to study the measurement of participation and empowerment by examining, among other things, "the impact of perceived benefits and costs on members' level of organizational participation" and "organizational/ setting factors which facilitate individual and organizational empowerment …" There are interesting correlations between participation and empowerment, and the most potent fact is that the former comes as an antecedent before the latter. In other words, progress toward empowerment may be negated in the absence of scope for participation.

Guy (1999: 338) identified the problem of an uneven power structure that often affects the process of empowerment in local government. "In addition to the role that local government plays in keeping citizens informed, it must also level the playing field so that all citizens are empowered to perform as full-fledged citizens." This brings to the fore the challenge of facilitating acceptance of empowered elements by other groups in the society. Failure to do so would generate conflicts and confusion to the detriment of effective management of development.

The study by Denhardt et al. (2009) on barriers to citizen engagement in DCs reveals conditions that have an impact on empowerment. The long list includes poverty, the absence of democratic culture and civil society, time pressures, demands for immediate results, and the lack of an institutional infrastructure as factors that impede the process. They bring out the importance of economic development to democratic governance and development.

The Internet has become an effective tool of empowerment in some countries. This media has the advantage of establishing quick contacts and networks and bringing together large number of participants. "In Korea, online media have emerged as a powerful alternative journalism by challenging the existing conservative media" and facilitates participation through convenient access to detailed information, free expression and exchange of opinions, online activism led by political agenda, and active formation of cyber groups (Chang, 2005: 925). However, in many DCs, the Internet is beyond the reach of most citizens owing to the high cost of obtaining and maintaining computer hardware. Additional problems can be found in nonavailability of power sources and irregular supply of electricity. Residents of rural regions are at the most disadvantage because governments in DCs aim policies and projects principally with the urban residents in mind, while the rural areas are neglected.

Potentials and Best Practices

Empowerment of citizens has tremendous potential for planning and implementing development projects. It is an essential element of democratic values and holds promise for facilitating development through informed decisions to plan and act. Khan reviewed a number of development projects in Pakistan and revealed findings relevant to the outcomes of citizen participation and

empowerment and concluded that "people's involvement and active participation can lead to significant improvement in their standard of living," and the chances of success for complex and difficult projects can be enhanced by "enlisting the support and cooperation of the people in the area." The study added that involvement in the projects "conferred upon people a sense of empowerment and confidence" and "awareness throughout the country that much can be done by the people to alleviate poverty and provide the basic amenities of life on a self-help basis" (Khan, 2005: 309).

A study on Costa Rica demonstrates that empowerment through partnerships has contributed to sustainable development (SD) (Vargas, 2002). Ashman (2001) studied 10 cases of collaboration between civil society organizations (CSOs) and businesses in Brazil, India, and South Africa and recommended this as an appropriate model for pursuing SD. On the basis of the Korean experience, Chang (2005: 933) observes that "political participation of the citizens is increased, thereby accelerating hitherto prolonged and delayed process of democratic consolidation." This shows that participation and empowerment are complementary processes, and they have potentials for positive results across societies.

The issue of empowerment is intimately associated with the nature of the state, power structure, and relationships between the citizens and the community. In most DCs, the best practices are found in local communities and organizations that seek to deal with problems related to livelihood issues. Empowered citizens are able to play a positive role in obtaining agricultural inputs, marketing produce, and securing irrigation facilities and in local health and educational programs. Unfortunately, empowerment and participation have limited impact as central governments in DCs are seldom interested in genuine power-sharing arrangements. Nevertheless, empowerment is beneficial for the community as demands can be voiced more effectively and stronger impact made in negotiating with other stakeholders.

Citizen empowerment has the potential to expand the choice in setting development goals and shaping strategies. It contributes to enhance the ability of citizens who have the skills and expertise relevant to specific development programs and allows them to exercise their rights and obligations in the process. The objective of development is to provide conditions and opportunities to citizens to shape their own lives. The state assists through the allocation of resources and agency. In DCs, the state is the largest provider of resources, and agencies have assumed increased importance since the rejection of the top–down approach to development (Malhotra, 2003: 3). The potential of empowerment of stakeholders is evident in the pressures exerted upon the government by local and international agencies and groups and subtle coercion toward convergence with international standards and norms. In brief, empowerment has the potential to lead toward control over the development process, and awareness of local needs and constraints, and providing a voice to the citizens that is backed up by power to initiate discussions and shape decisions.

Implications for Development Management

The importance of participation in promoting development has been recognized in various ways. The most noticeable manifestation has emerged in the concept of "participatory development." It entails creating the conditions for the citizens to engage intensively in the process and play an active role in constructing the agenda for development and participating proactively throughout the experience. There are many benefits in citizens' participation for all stakeholders, including the state and international community. Goulet (1989: 176) observed that participation "began largely as a defense mechanism against the destruction wrought by elite problem solvers in the name of progress and development" and later "evolved into a preferred form of do-it-yourself problem solving in small-scale operations."

Citizen participation and empowerment have implications for development management. Development is not a one-way process in which the state plans and implements programs to benefit the citizens. A state-led approach in which crucial decisions are made without input from the citizens may not result in the best outcome. It is necessary to obtain information, opinions, and feedback from the actual targets of development before determining goals and strategies. Citizen participation and development ensures the incorporation of this critical element in development decisions.

In development efforts, partnerships are forged among the various parties involved in the process. Political leadership, agencies, the bureaucracy, and international development partners constitute the core elements, but there are important roles to be played by the citizens. Civil society and nongovernmental organizations (NGOs) try to facilitate the participation of citizens and promote their empowerment. The task of development management will become more effective with participation of all the stakeholders and the pursuit of common goals.

Thus, the incorporation of local stakeholders in the process of development becomes a central issue. Partnerships will become effective and development management meaningful only if stakeholders are allowed to contribute ideas and relate their experience to the actors who determine the agenda for development, establish goals, decide on strategies, and eventually allocate resources and agencies to accomplish the task. Awareness, control, voice, and power of citizens emerge as essential as development management seeks to proceed with a strong emphasis on democratic and SD.

Review Questions

1. How can citizens participate in public affairs?
2. What channels for participation are available to citizens in DCs?
3. Why is empowerment of citizens important for development?
4. What are the obstacles to empowerment in plural societies?
5. How can participation contribute to empowerment?

Further Reading

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Chapter 12

Rural Development and Microfinance

Give a man a fish and you feed him for a day.
Teach a man to fish and you feed him for a lifetime.

Chinese Proverb

Relevance, Rationale, and Context

Rural development occupies a central place in the literature on development for a number of reasons. An overwhelmingly large percentage of the population of developing countries (DCs) lives in the rural areas. Despite increasing migration from the rural to urban centers, this body of migrants has close ties with their places of origins and is affected by changes in rural areas. Moreover, the economies of DCs are heavily dependent on agriculture. Increased agricultural productivity and concurrent development in the rural areas were considered to be the essence of development in the early days, and rural development was the cornerstone of most programs in DCs.

Over the years, development efforts have become diversified and expanded to include several aspects of life. Urban-centered growth and the integration of DCs in the world system have shifted attention away from the rural areas. However, the need for food security and the saturation of urban capacity, along with overpopulation, pollution, and traffic congestion, have reestablished the need for effective rural development to reverse the trend and alleviate pressure on the cities. Several

countries experimented with programs of decentralization and sought to disperse authority away from the location of the central government.

Rural development programs resulted in some improvements in modernizing the system of agricultural production. Introduction of mechanization in agriculture, inputs, and improvements in irrigation arrangements helped some countries to raise the level of productivity and prosperity in rural areas, and there were noticeable impacts on the quality of life and standard of living to encourage the prospects of development. These types of programs were the key elements that strengthened confidence in the potentials of rural development.

The progress achieved in rural development was not entirely sustainable because of various factors, such as natural disasters, the vagaries of market for produce, and the imposition of international standards and practices that arose out of mainly environmental concerns. It was believed that parallel developments in other sectors of the rural society were essential. The lack of access to financial support and traditional dependence on land resources exacerbated inequalities and benefitted farmers with access to state functionaries and agricultural inputs. Failure to attain the expected objectives through strengthening of the farming activities, it was necessary for rural residents to enter new areas of activities. This involved the pursuit of existing strategies for rural development, along with involvement in new areas through entrepreneurship and small business ventures.

This highlighted the need for capital for investment by villagers in animal husbandry, cottage industries, and other enterprises. As these people had no wealth or collateral for obtaining credit from the financial institutions, microfinance emerged as the solution for their apparent disadvantage. Both state and nonstate actors became involved in initiatives to provide assistance to small-scale entrepreneurs and helped them to establish business ventures. Alternative approaches to the establishment of creditworthiness were adopted, and substantial amounts of credit were made available. Initial results are encouraging, and microfinance has emerged as a potential tool for development in countries where other strategies for poverty reduction had remained unsuccessful.

Microfinance has become increasingly important for DCs. It allows a large section of population to enter the formal economy and participate in activities that contribute to the development efforts. It has the potential to reduce poverty, empower stakeholders, generate employment and business opportunities, forge cooperative relationships, and facilitate the integration of a higher number of people in the process of development.

Rural Development

Concepts and Applications

The concept of "development," as indicated before, is contentious in itself, but the term "rural" is equally difficult to specify. Vast areas in developing countries

are rural in nature, and Conway (1997: 134, 135) described these units as low potential areas:

> The majority of the rural poor live in areas that are resource poor, highly heterogeneous, and risk prone. They inhabit the impoverished lands of north-east Brazil, the low rainfall savannahs and desert margins of the Sahel, the outer islands of the Philippines and Indonesia, the shifting deltas of Bangladesh, and the highlands of northern South Asia and the Andes of Latin America.

Rural development refers to the planned efforts undertaken to reduce or eliminate poverty, enhance resilience, promote ecological sustainability, and build capacity to meet these and other challenges faced by the nonurban areas in DCs.

Chambers (1983: 146) noted that "rural development has been identified variously with economic growth, with modernization, with increased agricultural production, with socialist forms of organization, and with services for basic needs such as health, education, transport and water supply." Therefore, it is difficult to specify the core elements of rural development. This description, however, captures the essence of the concept of rural development that seeks to improve the quality of life in the rural areas with simultaneous efforts to facilitate growth, productivity, and well-being of the residents.

Earlier, the World Bank emphasized the rural poor as the specific targets of rural development. The World Bank (1975: 3) viewed rural development as

> a strategy designed to improve the economic and social life of a specific group of people—the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural areas. This group includes small-scale farmers, tenants and the landless.

This view was criticized for not including women and children among the target groups and neglecting to address the control over the process by powerful groups who could deprive the disadvantaged groups of the benefits of rural development (Chambers, 1983: 147). In later years, rural development programs became "less narrowly focused on agriculture or other single aspects of rural life" (Dixon, 1990: 58).

The concept of *rural development* relates to improvements in the countryside or nonurban sections of a country, with "an emphasis on agriculture as the chief economic component" (Blair, 2006: 824). It is obvious that "the agricultural sector cannot be residualized and left in a state of public denial" and "its social, economic and physical role is a central element in achieving a more sustainable society, both for the rural and urban public" (Marsden et al., 2001: 75). Interestingly, rural development is not the concern of DCs only. Many developed countries have

initiated programs of rural development to strengthen the capacity of rural areas for supporting themselves through *capacity building*, *community-based initiatives*, and *partnerships* (Ray, 2000; Buller, 2000).

The rural areas suffer from neglect in the developing world as political and economic activities are concentrated in the urban centers. The powerful elite and state functionaries reside in the urban areas and use the rural society as their power base. However, in the context of DCs, these efforts must be coordinated with strategies that will contribute to the reduction of gap between urban and rural areas and integrate the activities to effect improvements in both.

Using the view of the World Bank, Chambers (1983: 147) sought to develop a definition of rural development that seems to be comprehensive:

> Rural development is a strategy to enable a specific group of people, poor rural women and men, to gain for themselves and their children more of what they want and need. It involves helping the poorest among those who seek a livelihood in the rural areas to demand and control more of the benefits of rural development.

This widened the radius and scope of rural development.

Forms, Strategies, and Outcomes

As the concept of rural development encompasses a wide variety of sectors and activities, it takes various forms and adopts diverse strategies. In general, attention is focused on economic, social, or political aspects of life in the rural areas. At different times, rural development efforts are aimed at specific vulnerable groups such as women and children, along the occupational divisions of farmers, fishermen, artisans, or landless laborers. The forms and strategies of rural development differ according to the target groups and specific areas covered under it (Table 12.1).

The earliest efforts at rural development were made with a number of common formats and strategies. As agricultural development and increased productivity was accorded priority, the best strategy was believed to be assistance with input in this area. Financial assistance was provided to allow farmers use improved seeds and fertilizers and modernize the methods of cultivation. Rural development efforts encouraged the use of motorized tools for tilling the soil and motor pumps for irrigation to replace the traditional labor intensive means of agriculture.

A related strategy was to provide technical knowledge on the methods for enhancing productivity. Most of the cultivators had very low level or no literacy, and it entailed special efforts to impart the knowledge and skills required to take advantage of the assistance received for improvement. The objectives could be achieved by approaching both individual cultivators or imparting training to groups. This strategy opened up opportunities for importing mechanized agricultural and irrigation

Table 12.1   A Typology of Strategies of Rural Development Programs

	Reformist Model	*Free Market Model*	*Technocratic Model*	*Collectivist Model*
Farm size	Small	Usually large	Policy determined	Large
Land system	Owner/ cultivator	Private, commercial	Private	Social control
Technology	Labor intensive	Market induced	Policy induced	Socially determined
Nonagricultural sector	High/small policy determined	Small	Small	High/small socially determined
Employment mode	Unpaid family labor	Wage based	Wage based	Share based
Prices	Policy determined	Market determined	Policy determined to keep profitability high	Internally consistent state determined
Agricultural input supply	Local/urban policy determined	Urban	Urban	Local
Marketing	Cooperative	Private	Private or cooperative	Cooperative
Rural institutions	Socially determined with state help	Market determined	Policy determined	Socially determined
Successful examples from policy makers' point of view	Taiwan	Pakistan (Punjab), Brazil (parts)	India (Punjab), South Korea	China, Tanzania (parts)

Source: Lea, D.A.M. and Chaudhri, D.P., eds., *Rural Development and the State*, Methuen, London, 1983, 19.

equipment as well as the supply of fuel, and some rural groups were able to take advantage to improve their economic standing.

Simultaneous efforts are necessary to develop the nonfarm economy in the rural areas. It can start with the removal of general constraints to growth through increased investment in transportation and communication infrastructure and

education and health programs. Another area worth consideration is the growth of enterprise by supporting producers to market and source produce and removing strict regulation on them. But more importantly, the linkages between urban and rural areas must be strengthened by facilitating flow of people and commodities, increasing the flow of market and price information to rural areas, and identifying options for increasing access to social–business networks (Ashley and Maxwell, 2001: 410).

While the strategies discussed above were partially successful in achieving the objectives of rural development, the values of cooperation, participation, and integration received little attention. Initial experiences with rural development gave rise to concern about the lack of awareness and power among the rural people. Subsequent efforts placed emphasis on the benefits of forming cooperatives to maximize production and enhance the bargaining strength of cultivators. The creation of awareness of the rights and responsibilities of stakeholders in the process and facilities for participation emerged as a central concern, and rural development efforts assumed an *integrated* approach with the passage of time (Box 12.1).

The strategy of "growth maximization" pursued in the 1950s and 1960s was based on the assumption of a "trickle-down" effect that would pass on the benefits to the rural poor. This did not happen, and the strategy shifted to "redistribution with growth" or "growth with justice" in the early 1970s, although most policies "remained preoccupied with raising productivity" in the early 1970s (Dixon, 1990: 58). Ellis and Briggs (2001: 444) described a sequence of phases that highlight the strategies pursued for rural development over the past half century:

(a) from community development (1950s) to the emphasis on small-farm growth (1960s);
(b) continuing small-farm growth within integrated rural development (1970s);
(c) from state-led rural development (1970s) to market liberalisation (1980s);
(d) process, participation, empowerment and actor approaches (1980s and 1990s);
(e) emergence of sustainable livelihoods as an integrating framework (1990s);
(f) mainstreaming rural development in poverty reduction strategy papers (2000s).

Measuring the outcomes of rural development programs involves complicated calculations and reliable data. Some aspects are easier to assess, and it can be said that productivity has been raised and rural economies strengthened through rural development efforts. In recent years, there has been noticeable progress in social benefits and programs to build capacity and awareness. Success in increasing the levels of participation by the rural poor is also evident. However, the tasks of promoting empowerment and inclusion remain a major challenge, although the

BOX 12.1   INTEGRAL RURAL DEVELOPMENT—CONCEPT

[Integrated rural development], which met with limited sustainable success, was undermined by national policies throughout the developing world that de-scaled the role of the state. By contrast, what can be called "integral rural development" approach has evolved, through experimentation with rural development projects pioneered by agencies such as IFAD, the Inter-American Foundation, and innovative NGOs. It was adopted and perfected by the World Bank, the Inter-American Development Bank, the Inter-American Institute for Cooperation in Agriculture, and the UK's Department for International Development. This approach is a process as opposed to a blueprint, characterized by pragmatic adaptation to local conditions. In spite of its fluidity, though, it rests on several fundamental principles that contrast it to the old version of the integrated approach, most particularly in emphasizing decentralization, participation and collective action, devolution of managerial functions to communities, a territorial as opposed to a sectoral approach, payments for environmental and social services, coordination mechanisms with macro and sectoral policy and the reconstruction of a set of rural institutions to compensate for the descaling of the role of the state.

Source: Janvry, A.D., *United Nations, an Integrated Approach to Rural Development: Dialogues at the Economic and Social Council*, Department of Economic and Social Affairs, United Nations, New York, 2004, 13, 14.

INTEGRATED RURAL DEVELOPMENT—TARGETS

- Increase of food production and improvement of the supplies for the whole population
- Improvement of the material infrastructure, training, and health services
- Attenuation of the "flight from the land" by the provision of jobs in agriculture (including complementary services) and in nonagricultural fields
- Increase of employment, productivity, and incomes of the rural population—especially the rural poor—and betterment of their living conditions
- Integration of the whole population with the socioeconomic process of development and decision making

Source: Brunswick-VoIkenrode, A.B., *Intereconomics*, July/August, 191, 1979.

existing circumstances may be attributed to the power structure and societal relationships that have been strongly embedded in DCs.

Issues and Constraints

Over the years, development practitioners have encountered many issues and constraints in implementing programs. In DCs, the availability of resources is a perennial problem. Governments find it difficult to administer programs with the scarce resource at their disposal. Some aspects of rural development require the commitment of substantial resources for considerable periods of time, and national governments are unable to obtain them. In addition, the impacts of some programs take time to be realized, and there is political risk in investing in programs whose consequences will not be known for some time.

The lack of progress in rural development has resulted in a crisis and loss of confidence in the idea (Ashley and Maxwell, 2001: 395). Some of this stems from the way people think about rural development and also neglect by the government to enforce various laws that impact development (Chambers, 1983: 149–151). There is scope for improvements in the modes of intervention by governments in the process.

In a study on the concept and operation of integrated rural development in the European Union (EU), Nemes (2005) distinguished between the central bureaucratic and local heuristic systems of rural development and found that few historic roots and weak public, civil, and business institutions affected their achievement. Ashley and Maxwell (2001) adopted a more focused approach and listed the role of agriculture as an engine of rural development; the viability of small farms; the potential of nonfarm rural economy; the challenges of new insight into poverty, participation, and governance; and implementation problems as prominent issues. Their analysis draws attention to the tension between the respective role of the state and market and productive and social sectors.

Rural development aims to alleviate a number of risks in the life of rural communities. Devereux (2001) detailed the various kinds of risks faced by the rural poor. There are risks related to crop production in the form of drought and pests and disruption of exports and imports. Other areas include sudden increase in food price, possibilities of loss of employment or wages, health issues leading to decline in productivity, and demographic or individual risks affecting large groups. Finally, there is the risk of political or policy failure due to the location of households in areas affected by war or civil unrest or lack of connection "to growth centres via infrastructure" (Devereux, 2001: 510).

Ellis and Briggs examined the shifts in the trends of rural development over time and identified patterns. Beginning with the theme of large-scale modernization in the 1950s, the emphasis shifted to community development and small farmer mobilization to create the ground for the Green Revolution in the 1960s. Experimentation with the Green Revolution continued in the 1970s, along with

the promotion of participation and integrated rural development. By the 1980s, frustration was felt over the role of the state, and structural adjustment seemed to be the preferred strategy. Over the 1990s, nongovernmental organizations (NGOs) started to take up the role played by the state in rural development, and the ideals of decentralization, democratic participation, and empowerment emerged as dominant values, and the trend continued in the 2000s (Ellis and Briggs, 2001: 437–448).

Resistance to change is often found to be a strong constraining-force agent of rural development. However, even conservative villages in India have responded to efforts at change (see Bailey, 1957; Ishwaran, 1970). Krishnamurty (2000: 16) underlined the problem of selectivity and stated that "certain aspects of development are accepted and viewed with favour while certain other aspects are ignored." Kydd and Dorward (2001) pointed out problems resulting from undercapitalization, skewed distribution of resources, and policy and institutional failure. They revealed that agriculture suffers from inadequate support, excessive taxation, and discrimination in policies; marketing institutions are inefficient, uncompetitive, and poorly linked to international markets; rural financial systems have failed to stimulate and capture agricultural savings and channel them to investment; political institutions are weak; insecure property investments have inhibited investment in land improvements; and "OECD agricultural and trade policies have limited market access, depressed world market prices, caused greater price volatility and inhibited processing to add value within poorer countries" (cited in Ashley and Maxwell, 2001: 405).

Issues continue to emerge in rural development and impose stricter challenges on efforts by DCs. Generation of wealth, higher productivity, alleviation of poverty and discrimination, distribution of resources and benefits, and social protection contribute to the complexity of the process. Development management entails awareness and understanding of these issues and constraints and striking a balance between divergent objectives and developing appropriate strategies for the success of rural development programs.

Potentials and Best Practices

Rural development has not attained stunning success in all areas but has contributed to increased productivity, reduced poverty, and the introduction of social programs across a number of DCs. There is potential for more success, and identification of good practices can help in the promotion of rural development. The progress has been uneven, and the outcomes were influenced by numerous factors—internal and external. Measurement problems give rise to debates over the reduction in poverty as opposed to the number of poor.

Dixon (1990: 109, 110) summed up the rural development approaches of China as a combination of education, land reform, collectivization, structural reorganization, rural equity, and modernization and noted that many DCs are affected

by "a weak urban industrial sector." Devereux (2001: 516) highlighted the need to address likelihood insecurity and stated that sustainable "rural development requires tackling vulnerability as well as reducing poverty."

There is great potential for empowerment of the rural poor. While many factors contribute to the extent to which groups are empowered, Bebbibington et al. (2007: 616, 617) found that the projects they studied "had certain empowerment effects" and some "local organisations appeared to have become stronger and more assertive as a result of engaging in participatory and—in some cases—self-management processes within the projects." In fact, improvement in farming practices and agricultural growth produced a number of benefits. Farm employment and income increased, residents received better nutrition leading to quality of health, and enhanced tax revenue and demands for better infrastructure had positive impacts on the national economy (Ashley and Maxwell, 2001: 403). In addition, the prospect of earning opportunities in rural areas can make them more attractive alternatives to migration to big cities (Epstein and Jezeph, 2001: 1444).

Olfert and Partridge (2010: 147–164) reviewed best practices in rural development and proposed replacing historically sectoral or "fad-based" policies with "place-based rural development programs and policies." The suggested approach has the potential of benefiting the residents by enhancing the competitiveness of places that are "poor" through programs initiated and financed by both local and national governments.

The success of rural development hinges, to a great extent, on the key issues of livelihood and social protection. Devereux (2001: 516) argued that sustainable rural development entails tackling vulnerability resulting from lack of assets as well as reducing poverty. Experience acquired from the operation and outcome of rural development programs across DCs can be gleaned to identify best practices. Success depends on the commitment of governments to effect development in the neglected rural areas and the ability of communities to respond to these efforts. Epstein and Jezeph (2001: 1451–1453) constructed a list of essential conditions for developing productive rural–urban partnerships, and the same ideas can be applied to develop best practices in rural development. They include political commitment, local participation, appropriate and decentralized education and training facilities, the establishment of an industrial extension service for the rural areas, promotion of agro-based industries, linking urban-based businesses with rural small-scale producers, and rural infrastructure. Rural development programs have the potential to succeed if these conditions can be ensured.

As rapid changes take place in approaches to development and shifts occur in priorities, new ideas and areas of concern emerge. Rural development suffered from lack of attention for some time, and recent concern about food security, overpopulated urban centers, and environmental degradation has rekindled the interest in rural development. With remarkable progress in technology and strong awareness of global needs for the world community to develop as partners, more changes can be expected in the future.

Microfinance

A significant realization in recent years has been the emergence of microfinance as a potent tool for development and its management. There has been a consistent concern over the inability of the vulnerable groups to participate in the process and the lopsided distribution of development benefits. Lack of access to capital seemed to restrict a large number of people from joining the economic activities and using this facility to improve their condition. The concept of microfinance was built around the idea of making available financial services to people with low or no income that would not be able to use the existing financial institutions. This represents an innovative measure in the context of DCs where an overwhelming majority of the population does not have access to credit or the services of financial institutions.

The philosophy of microfinance is based on trust in human beings and their capacity to repay. The practice of using assets as collateral against loans has not proved to be successful in many cases, as is evident in the statistics on default and bankruptcies. The approach to microfinance is markedly different and assists to boost the confidence among the vulnerable groups who were considered to be unproductive burdens on the society for years. The idea has become popular, and many DCs as well as developed countries have introduced programs of microfinance to alleviate poverty.

The failure of agricultural development banks to assist the rural population is a major factor in the emergence of microcredit with a more flexible approach. The Microcredit Summit in 2004 concluded with a declaration:

> The time has come to recognize microcredit as a powerful tool in the struggle to end poverty and dependence. We have assembled to launch a global movement to reach 100 million of the world's poorest families, with credit for self-employment and other financial and business services by the year 2005.
>
> **Microcredit Summit (2004)**

Consequently, almost all development projects, "from maternal and child health, to women's education, to soil conservation, to social forestry, to old-fashioned integrated rural development" have a microcredit component (Dichter, nd). The practice has now extended to DCs in Asia, Africa, Latin America, and Europe.

Concepts and Applications

"Microfinance is a methodology for providing financial services to poor or financially underserved populations or both" (Buyske, 2007: 12). It is a "poverty-relief program that grants very small loans to the poor for small business enterprises" (Isserles, 2003: 38). Groups with very low income and no collateral to guarantee

their recovery are able to receive financial services and engage in enterprises to improve their financial standing. The practice is to extend loans—generally of a moderate amount—to the poor to assist them start small-scale enterprises. In the early stage, the objective is to help the poor survive and gradually achieve financial independence to get out of poverty and move on to other areas of well-being.

Microfinance has been the subject of intense investigation and scrutiny; particularly, it challenges traditional approaches and practices to financial transactions between institutions and their clients. One of the reasons is the interchangeable use of the terms "microfinance" and "microcredit." A subtle difference may be made between the two terms, but for the purpose of this book, they are used interchangeably. Moreover, views on microfinance are tempered by ideological and practical considerations.

In view of the diverse views on the concept, Robinson (2003: 9) developed a definition of microfinance that may be helpful. She defined microfinance as

> small-scale financial services—primarily credit and savings—provided to people who farm or fish or herd; who operate small enterprises or microenterprises where goods are produced, recycled, repaired or sold; who provide services; who work for wages or commissions; who gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools; and to other individuals and groups at the local levels of developing countries, both urban and local.

Since the Third World debt crisis of the 1980s, microfinance emerged as a market-driven development strategy to empower women through self-employment, imbue the "poorest of the poor" with the ostensible virtues of a savings mentality, and expand the sphere of the market economy into the informal sector. "The basic contention is that the informal sector will create the growth of small businesses, which then generate employment through increased investment" (Lucarelli, 2005: 79). Microfinance offers financial services to individuals "that are excluded from the traditional financial system" because they are considered "unbankable" for "lacking collateral, steady employment and a verifiable credit history" (Westover, 2008). In the context of most DCs, the amounts of the loans are small, and they are provided to groups of poor households who are required to repay them through regular installments. The purpose of the loans "is to create self-employment in non-formal sectors for income generating purposes" and are "given without collaterals, i.e. legally enforceable contracts" (Elahi and Danopoulos, 2004: 645).

In short, the concept of microfinance has emerged in response to the unwillingness of the traditional financial institutions to serve the needs of the poor. It "differs significantly from other targeted poverty reduction strategies in that it is embedded in a commercial framework" (Weber, 2002: 540). The other critical aspect of microfinance is the recognition of credit as a human right. This is critical to facilitate development in areas where the poor receive no support from the state and its

financial institutions in their efforts to overcome poverty. In applying the concept, variations are to be expected across societies due to political, social, economic, and cultural contexts.

Forms, Strategies, and Outcomes

Microfinance operations are similar to those of regular financial institutions in the sense that they advance loans at stipulated rate of interest and recover them. However, there are differences because the criteria for eligibility and methods for providing loans are based on quite diverse criteria. They are based on a different set of principles that emphasize capacity of the borrowers, trust among the coborrowers, and the potential of microcredit to contribute to development (See Box 12.2).

Potential borrowers are required to form groups or associations for the purpose of initiating and managing tasks related to microfinance. The groups are usually composed of people in similar economic or occupational circumstances or specific stakeholders such as women or youth. The objective is to establish a support structure that can provide the momentum for undertaking small-scale enterprises and develop joint responsibility for liabilities. Some international agencies have created guarantee funds that are used by banks and NGOs for microfinance programs. They train community groups to prepare for various types of entrepreneurial activities. The loans are provided to individuals or groups. In addition, cooperative groups are established to bring together people "to meet their common economic, social, and cultural needs and aspiration through a jointly-owned and democratically controlled enterprise" (Grameen Bank, http://www.grameen-info.org).

The process of implementing microfinance programs is simple as found in the practice followed by the Grameen Bank in Bangladesh. The financing bank sets up a unit to cover a specific area, and the bankers visit villagers to introduce themselves

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BOX 12.2   LEADING MODELS OF MICROFINANCE

- Grameen banking, perhaps the most widespread, with characteristic forms of small group organization and strict procedures
- Self-help groups, with larger and more autonomous groups and a mixture of social and financial intermediation
- Regulated financial institutions, usually small and operating in favorable regulatory environments
- Credit cooperatives, some of which, as in Sri Lanka, have made an effort to include the poor.

Source: ADB, *The Role of Central Banks in Microfinance in Asia and the Pacific: Overview*, Asian Development Bank, Manila, 2000, 9.

and explain the objectives and modes of operation of the bank to them. Groups of potential borrowers are formed, and initially, only one or two members are given loans. The groups are observed for a period of time to ensure that they conform to the rules of the bank. "Only if the first two borrowers repay the principal plus interest over a period of fifty weeks do other members of the group become eligible themselves for a loan." This places pressure on group members to conform and repay loans and collective responsibility, serve as collateral on the loan (Grameen Bank, http://www.grameen-info.org). Group or mutual "guarantee mechanisms, such as peer monitoring and peer pressure, are employed as a form of social collateral," and interest rates are charged on a commercial basis (Weber, 2002: 540).

A casual overview reveals several outcomes of microfinance programs. There are cases of people getting out of extreme poverty through programs of self-employment, which has also allowed the rural poor recover from damage inflicted by natural disasters. Significant impacts have been reported on the microcredit users

> across wide range of economic and social indicators, including increased income, improved nutrition, better food intake, better consumption on clothing, better housing, lower child mortality, lower birth rate, higher adoption of family-planning practices, better healthcare, better access to education for the children, empowerment of women, participation in social and political activities, etc.
>
> **Yunus (2003: 2, 3)**

Microfinance projects have created a sense of security among the rural poor as they are aware of a source for support for small enterprises. The idea has resulted "the demand for more donors on the field" and "development projects are not perceived as legitimate if they do not have microcredit as part of their portfolio of investments" (Dichter, nd: 5). Actual outcomes are difficult to ascertain, as both positive and negative impacts are reported on microcredit projects. While some changes in terms of confidence building, awareness, and group investments are obvious, other outcomes related to stress emanating from loan default, methods for collection of investments, and issues related to the management of microcredit cloud the process. However, studies have documented the use of microcredit for diverse purposes such as food security, health care, festivals and social obligations, emergencies (e.g., crop failure, illness), microenterprise (livestock, sewing machines), irrigation, transportation, education, and so on (see the following site for studies on microfinance: http://www.planetd.org/2010/01/18/literature-review-impact-microfinance/).

Evaluations of microcredit have been criticized by the prospect of the exacerbation of existing social hierarchies and assume that "access to credit leads to economic, social and political empowerment for women" (MacIsaac, 1997). However,

a study on India reported that "microcredit continues to play an important role in pulling families out of poverty" and "the village women are experiencing progress" in their economic and social life (Arnopoulos, 2010: 320). In the case of Bangladesh, it was found that "microcredit programme participation expands women's access to resources like self-employment and mobility into certain public spaces, like the NGO office and health centre" (Mahmud, 2003: 601). Among other outcomes, microcredit has helped reduce poverty through increasing individual and household income, improved health care, nutrition, education, and empowerment of women as well as an enhanced sense of dignity and self-confidence acquired through the repayment of loans (Westover, 2008: 4).

Issues and Constraints

A key issue with microfinance is the problem of replication of the principles in diverse contexts. It makes sense to establish banking structures in densely populated DCs but is a severe strain on resources if the volume of business is low. There is some concern over the use of credit as it is impossible to monitor and ensure that they are used only for productive purposes. The ability of the poor to pay interest at high rates is often raised in reference to microfinance. But Gibbons and Meehan (2000: 35) pointed out that even relatively high interest rates result in relatively small installments because the loan amounts are low and that "the poor and poorest can pay much higher effective interest rates on loans for income generation than has been presumed by many."

In the case of Zambia, microfinance programs seem to benefit the moderately poor as compared to the destitute, and thus, the impacts vary across income groups (Copestake et al., 2001). Goetz and Gupta (1995) raised the issue of preference for women as borrowers and commented that men are required to have wives to secure loans for them. Morduch (1998) drew attention to the existence of a vicious cycle of debt, microcredit dependency, increased workloads, and domestic violence among those associated with the programs. There is concern about the harsh methods employed for recovering loan as well as very high interest rates. Rapid extension of microfinance programs may result in a reduction of government and charitable assistance (Neff, 1996). In addition, Lucarelli (2005: 86) identified a risk that microfinance initiatives for combating poverty "could be imperilled by an indiscriminate flow of resources to programmes to that are not ready for rapid growth."

Questions are raised over claims made about the efficiency and utility of microfinance programs. Conflicting claims about the achievements and challenges gave rise to a dilemma, and Elahi and Danopoulos (2004: 647) believe that the problem is related to "the traditional method used to investigate microcredit's poverty-alleviating power." Mayoux (2002: 76) found that even "in financially successful microfinance programmes, actual contribution to empowerment (of women) is often limited" and proceeded to provide a list of examples:

- Most women remained confined to a narrow range of female low-income activities.
- Many women have limited control over income and/or what little income they earn may substitute for former male household contributors, as men retain more of their own earnings for their own use.
- Women often have greater workloads combining both production and reproductive tasks.
- Women's expenditure decisions may continue to prioritise men and male children, while daughters or daughters-in-law bear the brunt of unpaid domestic work.
- Where women actively press for change, this may increase tensions in the household and the incidence of domestic violence.
- Women remain marginalised in local and national level political processes.

Another study reported, "Improvement in women's material resource base due to participation in microcredit programmes is small because increase in women's resource access was limited to resources that do not expand women's choices a great deal" (Mahmud, 2003: 602).

A major concern is the sustainability of microfinance programs. The source of finance or the clients are open to various types of risks, and obstructions to the flow of funds and repayments can jeopardize the programs. The tendency to advance loans to women as they are more likely to repay them contributes to the neglect and exclusion of a large number of male poor. Dichter (nd: 4, 5) is critical of the "marginal developmental returns" from microfinance, and this is reflected in the continuation of subsistence level success for most borrowers. Elahi and Danopoulos (2004: 649) have similar concerns: "Microcredit can perhaps help some poor people avoid starvation, but it is difficult to see how it could get them out of the poverty environment."

The methods and strategies for evaluation of programs that concentrate on single cases may not depict the actual situation. The success or failure of microfinance programs is biased as it focuses on the repayment rates and financial viability, while the perspective of the borrower does not feature in the process (Neff, 1996). The impact on the clients and the realization of their objectives are neglected.

There are reasons to be aware of the overall general consequence of a large number of microfinance programs. Excessive enthusiasm over microfinance could "cannibalize other programs, including government assistance and aid" and create microfinance dependency that will hurt the poor (Westover, 2008: 7). The lending agencies do not have adequate mechanisms to ensure that the loans are used for the stated purposes and not diverted to cover household or emergency expenditures. A common practice among borrowers is to use the loan from one organization to repay another, thus sinking the clients further into debt and poverty.

Overzealous officials tend to make the situation of clients worse by using coercive measures to recover loans. "In March 2006, in Andhra Pradesh (India), several

women committed suicide because they could not repay loans to microfinance institutions that were leaning on them," resulting in the shutting down of four institutions in the state (Arnopoulos, 2010: 317). The combined effect of the issues and constraints faced my microfinance institutions and their clients are more obstacles to the process of development and an exacerbation of poverty. The motivation of the poor is affected, and they lose the confidence to participate in productive enterprises (Box 12.2).

Potentials and Best Practices

It is possible to draw insight and ideas from the experience and accounts of the operation of microfinance programs. There has been noticeable progress in some areas, but it is too early to pronounce definitive success. Several studies have provided lists of the number of financial institutions providing microfinance services in different countries, the number of clients taking advantage of the loans, the enterprises in which they have invested, and increases in the earnings of families. Other studies documented the problems encountered in implementing microfinance programs and pointed out imperfections in the procedure that lead to undesired consequences. However, there seems to be a consensus on the enormous potential of microfinance as a tool in the battle against poverty.

Microfinance has the potential to contribute not only to the economic progress of groups and localities but also toward a more equitable social system. Arnopoulos (2010: 319) expressed confidence in the potential of microfinance to

> lead to major advances because of what women will undertake when they start meeting in groups. One the village women clear away the nuts and bolts of taking loans and paying them back, discussion tends to turn to issues relating to social justice in their communities.

On the basis of their study of Latin American providers, Miller and Martinez (2006) concluded that microfinance can be an effective method for providing low-cost financial services to the poor. Khandker (2005) reported that microfinance programs have contributed to the growth of the local economies and helped the poor to increase disposable income levels and per capita household consumption in Bangladesh.

The United Nations (UN) General Assembly passed the Microcredit Resolution in 1997 and "recognized the potential contribution of microcredit programs in poverty eradication as well as in social and human development processes" (Elahi and Danopoulos, 2004: 647). Hunt and Kasynathan (2002: 71) interpreted the high repayment rates as an indicator that women were using the loans productively and described microfinance as "an effective poverty alleviation intervention, with a positive impact on economic growth and a number of social development indicators."

The potentials of microfinance can be enhanced with some adjustments in the existing practices. Considering the state of affairs in Africa, Mayoux (2005) is in favor of changing "emphasis from viewing groups simply as a repayment mechanism to looking at ways of building on social capital." Mahmud's (2003: 604) study of Bangladesh revealed that there are definite implications for women and,

> even without a significant increase in women's access to resources whose allocation is structurally determined, it is possible to increase access to other choice-expanding but less restricted resources and to enhance the exercise of women's agency, both of which can eventually be effective in transforming structures that restrict women's access to resources.

Isserles (2003: 39, 40) agrees that microfinance strategies "address concerns that women benefit from the development process" and "present images of women who have been empowered, economically and socially, by the microloan."

Identification of best practices and applying them elsewhere must be performed very carefully. The context in which a practice works effectively will differ across societies and may require adjustments to succeed in a new setting. The nature of society, state of the economy, strength of organizations, demographics and the capacity of individuals, groups and the community must be taken into consideration in designing programs of microfinance.

Implications for Development Management

Rural development and microfinance have important implications for development management. The rural context dominates the political, social, and economic activities in DCs. The majority of the population lives in the rural areas, thus constituting a formidable part of the vote bank. The economy is dominated by agriculture and rural industries, and the community is guided by norms and traditions developed from the experience of the rural society. Obviously, development management must take into consideration the predominant influences of the rural context, and therefore, rural development has remained a centerpiece of development efforts for several decades.

The prospects of success of rural development have grown to a considerable extent with the introduction of microfinance programs. The impacts are documented in several studies that indicate that individuals, groups, and communities have been able to pull themselves out of poverty through the effective use of microfinance loans. Although there are dissenting voices that question the wisdom of turning the rural population into "indebted entrepreneurs and self-employed workers" (Isserles, 2003: 55) and the "widening gap between reality and propaganda" (Dichter, nd: 1), the progress achieved in combating poverty should be recognized. Development management will need to adopt a flexible and result-oriented approach to respond

to some of these criticisms and ensure effectiveness and productivity in the areas of rural development and microfinance.

Review Questions

1. Why is rural development critical for DCs?
2. How can rural development help reduce the pressure on urban areas?
3. What lessons can be learned from the experience of rural development in the past?
4. Is microfinance an effective tool for development?
5. What are the potentials and pitfalls of microfinance?

Further Reading

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Chapter 13

Health and Population Management

Health, which is a state of complete physical, mental and social well-being, and not merely the absence of disease or infirmity, is a fundamental human right.

**Declaration at the International Conference
on Primary Health Care, Alma Ata, 1978**

Relevance, Rationale, and Context

The health sector is identified as a core policy area that has very strong relevance to the development process. Health is a prominent indicator for the level of development achieved by a country and considerable effort and resources are devoted to the promotion of health care services. It is not surprising that several developmental goals are related to the health sector. Effective management of health services can contribute toward a healthy workforce that could, in turn, result in higher productivity. There are implications for the construction and maintenance of health infrastructure, and a healthier population will not exert a massive pressure on public funds. The cost of drugs, physicians, and laboratories can have severe impacts on the budget of a developing country (DC).

The economies of most DCs are dependent on labor-intensive activities as capital is in short supply. This adds to the need for effective policies to ensure an adequate supply of a healthy workforce that can help the country to compete in

trade and commerce. Health policy encompasses a range of intentions, actions, regulations, and achievements by the governments of DCs. In brief, the facilitation of an environment in which the citizens are able to develop physical, emotional, and social ability to deal with the requirements of life is becoming an increasingly important element in DCs.

Health policy and management have numerous dimensions. Stacey (1988) identified a collective concept with emphasis on prevention, and Seedhouse (1986) argued that health is a means to an end rather than a predetermined state of being for an individual. To synthesize the diverse needs, objectives, means, and methods, international organizations and governments "have attempted to unify the concepts of health to standardize policy interventions for development" (Bjorkman, 2006: 781).

Many DCs face difficulties in meeting the needs and demands of a population that are beyond their capacity to sustain. Rapid population growth has been attributed to various factors such as a lack of knowledge and understanding of the gravity of the problem. It is a formidable challenge to plan and manage the human resources in the country. Other explanations include a preference for male children, absence of birth control paraphernalia and facilities, and inability of governments to provide programs and services to communities across the country. As a result, the population increases at an alarmingly high rate, and governments are unable to regulate the growth. Unplanned population growth can lead to several undesired consequences that have an adverse impact on the development of a country. Health and population management are intricately intertwined and deserve special attention in planning and implementing development programs. In general, these policy areas are under the jurisdiction of the same ministry in most DCs.

Health

Concepts and Applications

The concept of health can be viewed in several ways. The World Health Organization (WHO, 1947) views health not only as "the absence of disease or infirmity" but also as a state of "complete physical, mental, and social well-being." According to Dubos (1962), health represents the "expression of the extent to which the individual and the social body maintain in readiness the resources required to meet the exigencies of the future." Parsons (1972) considers health as "a state of optimum capacity of an individual for the effective performance of the roles and tasks for which he has been socialized." McDermott (1977) goes on to describe health as "a relative state that represents the degree to which an individual can operate effectively within the circumstances of his hereditary and his physical and cultural environment." Thus, health management involves a full range of tasks and responsibilities that serve the health and well-being needs of individuals, communities, and the society in a country.

Health policies have several aspects that complement one another. A key element found in health policy is the promotion of a healthy lifestyle that yields benefits in the form of reduced cost for governments and good health for the citizens. Another aspect of health policy includes preventive measures that would allow citizens to avoid being afflicted with illnesses and pandemics that appear regularly across the globe. However, the element that emerges as the most prominent aspect of health policy is the organization, financing and delivery of services in the form of medical advice through professionals, procurement and distribution of drugs, and the financing and delivery of health care services. Obviously, the responsibilities of the government extend to training of health professionals, construction and maintenance of medical facilities, and dissemination of information on healthy lifestyle and health risks to the citizens. Governments in DCs are also required to ensure quality of health services and regulate the medical profession to avoid mistakes and malpractice. The concept of health comprises a combination of the above-mentioned principles, tasks, relationships, and responsibilities.

Application of these principles in the context of DCs constitutes a formidable challenge. The numerous constraints within which governments operate place obstacles in the way of obtaining information on the status of health and acting on them. Local and national governments and international agencies have emphasized that improvement in health is a critical aspect of development. Owing to the slow pace of development of the private sector, the government remains the main provider of health care services. Naturally, the government is expected to take the lead in the provision of primary health care and immunization services, facilities for sanitation, access to safe drinking water, and arrangements for care for all citizens. WHO considers health technology, education, financing, risk and impact assessment, information, promotion, and workforce as critical components of health systems (http://www.who.int/topics/health_promotion/en/).

The recurring emergence of diseases that have consequences across national borders prompted the United Nations (UN) to consider health as "a key component of strategies to reduce poverty and ensure international peace and security" and view it as "a critical component of social development and social welfare" (International Federation of the Red Cross and Red Crescent [ICRCRC], 2005). The policy of the ICRCRC recognizes health as an inalienable right and a contributor to social cohesion and social and economic progress. "Hence health security is a fundamental and indispensable prerequisite to global, national and individual development" (Bjorkman, 2006: 778).

Forms, Strategies, and Outcomes

Health management encompasses a wide range of activities, and they are reflected in its various forms. They may be related with the diagnosis and treatment of disease, promotion, maintenance, and restoration of health. Health promotion intends to enable citizens of a country to exercise increased control over factors relevant to

their health. Although individuals and their behavior with respect to health and hygiene are key elements, DCs have to consider a broad range of social and environmental interventions. Therefore, health management overlaps with other polices that are intended to guide and influence social behavior as well as the prevention of environmental degradation.

Educating the population about the importance of a healthy lifestyle and the benefits of maintaining good practices has immense potential for the development of a country. Health education comprises a combination of learning experiences designed to help individuals and communities improve their health. This can be accomplished through various means. Most governments seek to increase the knowledge of the citizens on health hazards and avoiding them as well as promoting good practices that contribute to physical and mental well-being. Health policies and government actions contribute to influencing the attitudes and behavior of the public in establishing a system through which knowledge and information are available to them.

In addition, health management entails the task of impact assessment that is critical for the government. It involves a number of procedures, methods, and tools used to evaluate the potential effects of a policy and related programs and projects. The objective of an impact assessment is to develop plans and recommendations to assist decision makers and other stakeholders in making choices about alternatives and improvements to prevent disease and physical injury and to actively promote health.

Health policies reflect the culmination of decisions, plans, and actions that are undertaken to achieve specific health care goals in a DC. They highlight the vision and objectives of the government regarding the philosophy and rationale of health care and outline the arrangements for translating them into concrete programs. The vision for the future helps to establish targets and points of reference for the short and medium terms. It outlines priorities and the expected roles of different groups; at the same time, it builds consensus and informs people.

Health services are the most visible functions that are experienced and observed by the users and the public. Service provision is a huge responsibility and entails the best utilization of resources such as money, medical and support personnel, equipment and health facilities, and drugs. These elements have to be brought together to contribute to the effective delivery of health interventions and have major implications on health services. Health services in DCs face challenges in ensuring access to citizens across the society, without imposing restrictions by way of ability to pay. It is important to provide coverage to all citizens and ensure the quality of health care available to them.

The efficacy of health management depends, to a large extent, on the ways in which services are organized and managed. Governments in DCs are organized along jurisdictional lines, with ministries and directorates discharging responsibilities in their assigned areas. A rigid style of management practiced by bureaucratic organizations is often ineffective in meeting the needs of the citizens, and the services have to be supplemented by a private, nonprofit, and nongovernmental organization (NGO). International agencies also make input in the process by providing finance and technical advice to the key actors.
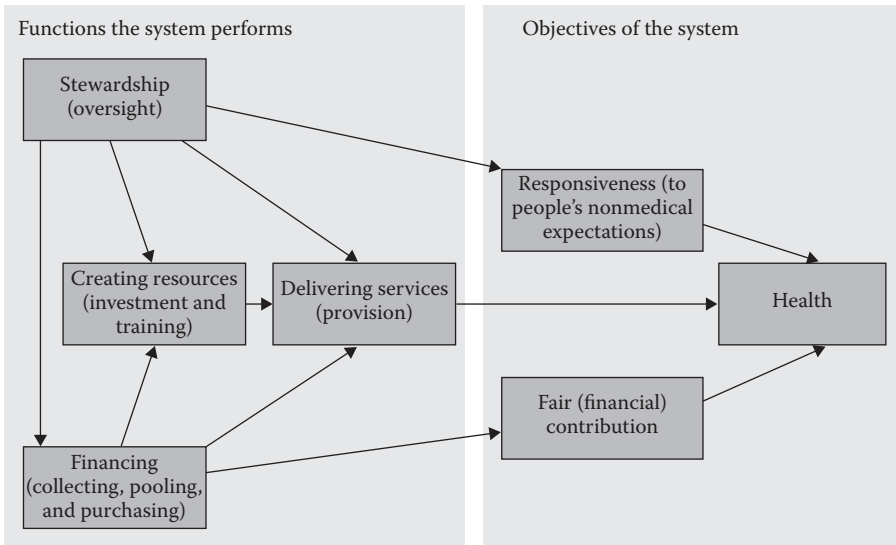
Figure 13.1 Relationships between functions and objectives of a health system. (Adapted from WHO, *The World Health Report 2000,* World Health Organization, Geneva, 2000, 75.)

WHO demonstrated the relationship between the functions and objectives of a health system (see Figure 13.1). The functions include stewardship through oversight and creation of resources by making investments and training personnel. Financing involves collecting and pooling resources for purchasing and delivering services. These functions assist with fulfilling the objectives of being responsive to the expectations of the citizens and establishing a system that is fair in terms of financial contributions. The combined impact is expected to be good health.

In general, health service providers use surveys to obtain information on mortality, incidence of diseases, accessibility, cost, coverage, and behavior related to health. This makes it possible to get an idea on the levels of health services as well as trends and equity. Most importantly, they serve as useful tools for shaping policies to influence actions and behavior of providers and users. They include agencies involved in providing health care and prevention of diseases, the drug industry, skilled medical professionals, and workers in the rehabilitation services. The *World Health Report 2006* identified health workers as "all people engaged in actions whose primary intent is to enhance health." As WHO emphasizes,

> The unmistakable imperative is to strengthen the workforce so that health systems can tackle crippling diseases and achieve national and global health goals. A strong human infrastructure is fundamental

to closing today's gap between health promise and health reality, and anticipating the health challenges of the 21st century.

http://www.who.int/topics/health_promotion/en/

The UN formulated the Millennium Development Goals (MDGs) to assist with achieving progress in a number of areas, including health, in DCs. Goals 4–6 of the MDGs aim to reduce child mortality, improve maternal health, and combat HIV/AIDS, malaria, and other diseases (Table 13.1). Clemens et al. (2007: 743–744) found that only one country, Indonesia, was able to reduce child mortality during the period 1975–2000. "Widespread achievement of the fourth MDG has *no* recent precedent in other poor countries, despite a vast range of different approaches to health policy, different degrees of health system capacity, different geographic conditions, and access to medical technology." They argue that instead of taking the MDGs literally, it may be better to take a more nuanced view and approach them as a "tool" and not as a "practical target" (Clemens et al., 2007: 747). Obviously, the achievement of MDGs in relation to health is disappointing.

To summarize, the objective of health policy and management is to ensure delivery of quality care and services to the citizens. There is no ideal design of arrangements or pattern of delivery across DCs because the contexts, circumstances, needs, and capacities vary from one country to the other. However, the requirements have been summarized by WHO: "a robust financing mechanism; a well-trained and adequately paid workforce; reliable information on which to base decisions and policies; well maintained facilities and logistics to deliver quality medicines and technologies" (http://www.who.int/topics/health_systems/en/).

Issues and Constraints

Health services are critical but at the same time complex and controversial. There are a number of issues that deserve attention. The right to health care has remained an issue of contention, along with debates on the financing. As health is intimately related to development, governments are keen to provide services that will be accessible to all citizens who, in turn, will contribute in their respective capacities to their cost. Understandably, there are massive financial implications, and governments have to obtain the resources through taxes, levies, and assistance from external sources. Imposition of taxes for financing health care is not popular with certain groups who are opposed to the idea of government's involvement in all sectors of the economy. Almost half a century ago, Arrow (1963) identified issues of entry, pricing, insurance, uncertainty of effects of treatment, and licensing and educational standards. Many of these dilemmas still persist and continue to generate debates.

A prominent role of the government in the production and delivery of health care services gives rise to several concerns. They are related to the issue of privacy as information shared by service providers and recipients could be disclosed to the government.

Table 13.1 Millennium Development Goals: Health

Goal 4: Reduce Child Mortality
Target 4.A: Reduce by Two Thirds, between 1990 and 2015, the under-5 Mortality Rate
• Child deaths are falling, but not quickly enough to reach the target
• Revitalizing efforts against pneumonia and diarrhea, while bolstering nutrition, could save millions of children
• Recent success in controlling measles may be short-lived if funding gaps are not bridged
Goal 5: Improve Maternal Health
Target 5.A: Reduce by Three Quarters the Maternal Mortality Ratio
• Most maternal deaths could be avoided
• Giving birth is especially risky in Southern Asia and sub-Saharan Africa, where most women deliver without skilled care
• The rural-urban gap in skilled care during childbirth has narrowed
Target 5.B: Achieve Universal Access to Reproductive Health
• More women are receiving antenatal care
• Inequalities in care during pregnancy are striking
• Only one in three rural women in developing regions receive the recommended care during pregnancy

Table 13.1 Millennium Development Goals: Health (continued)

- Progress has stalled in reducing the number of teenage pregnancies, putting more young mothers at risk

- Poverty and lack of education perpetuate high adolescent birth rates

- Progress in expanding the use of contraceptives by women has slowed

- Use of contraception is lowest among the poorest women and those with no education

- Inadequate funding for family planning is a major failure in fulfilling commitments to improving women's reproductive health

Goal 6: Combat HIV/Aids, Malaria and Other Diseases

Target 6.A: Have Halted by 2015 and Begun to Reverse the Spread of HIV/AIDS

- The spread of HIV appears to have stabilized in most regions, and more people are surviving longer

- Many young people still lack the knowledge to protect themselves against HIV

- Empowering women through AIDS education is indeed possible, as a number of countries have shown

- In sub-Saharan Africa, knowledge of HIV increases with wealth and among those living in urban areas

- Disparities are found in condom use by women and men and among those from the richest and poorest households

- Condom use during high-risk sex is gaining acceptance in some countries and is one facet of effective HIV prevention

- Mounting evidence shows a link between gender-based violence and HIV

- Children orphaned by AIDS suffer more than the loss of parents

Target 6.B: Achieve, by 2010, Universal Access to Treatment for HIV/AIDS for All Those Who Need It

- The rate of new HIV infections continues to outstrip the expansion of treatment

- Expanded treatment for HIV-positive women also safeguards their newborns

Target 6.C: Have Halted by 2015 and Begun to Reverse the Incidence of Malaria and Other Major Diseases

- Production of insecticide-treated mosquito nets soars

- Across Africa, expanded use of insecticide-treated bed nets is protecting communities from malaria

- Poverty continues to limit use of mosquito nets

- Global procurement of more effective antimalarial drugs continues to rise rapidly

- Children from the poorest households are least likely to receive treatment for malaria

- External funding is helping to reduce malaria incidence and deaths, but additional support is needed

- Progress on tuberculosis inches forward

- Tuberculosis prevalence is falling in most regions

- Tuberculosis remains the second leading killer after HIV

Source: UN (Web) MDGs (http://www.un.org/millenniumgoals/aids.shtml).

Besides, concern over personal freedom to select insurance providers and the choice between publicly financed health care and market driven arrangements continue to rise. The health of the workforce acquires increasing importance as new challenges of aging population, diseases, conflicts, and violence that results in displacement of people add pressure on existing health care infrastructure.

One of the most challenging aspects of health management is financing. This constitutes the biggest obstacle as DCs find it extremely difficult to procure the required resources for providing health care to the citizens. The task involves identifying potential sources of revenue and allocating them in an optimal way to ensure service to the public. Most DCs find it extremely difficult to raise adequate resources to fund health care services. The sources from which financial resources are generated need to be consistent and effective. Governments and relevant stakeholders must arrive at a consensus regarding the allocation of the resources to specific areas of health care.

Many DCs are inclined to introduce compulsory health insurance that will attract more resources to the health sector and free up limited tax funds to provide services to a smaller group of people with better standards. However, this involves a number of complex tasks including the establishment or adaptation of administrative agencies, a system of collecting contributions, contracting providers, determining payment systems and terms of contract, and creating an advanced "information system needed to monitor utilization, costs and quality" (Abel-Smith, 1992: 225).

A second issue is related to the financial barriers that exclude a large number of citizens who do not have the ability to access health services. In a study on the ends and means in public health policy in DCs, Hammer and Berman (1995: 31) listed improving aggregate health status, equity and reduction of poverty, and individual welfare as three specific goals of the health sector. In some cases, health projects in DCs "can lead to fragmentation and duplication of effort, especially if many donors are involved, each focusing support on a specific geographical or programme area." These problems arise from the heavy workload of bureaucrats and frequent efforts by the donors to "identify, plan, monitor, or evaluate their own particular activities" (Cassels and Janovsky, 1998: 1777).

The experiences of several DCs reveal more about the nature of issues and constraints in the health sector. Health policy and systems research in Nigeria found capacity constraints at individual and organizational levels, communication gaps and poor networking between policy makers and researchers, and the non-involvement of health care recipients in identifying and planning care delivery needs (Uneke et al., 2010). In the case of Vietnam, Conway (2000b) identified the tendency of donors to maintain a project-based approach, high levels of corruption, the difficulties of involving provincial health and finance officials, and the lack of engagement of the private sector to be severe constraints. The problems were also related to the absence of a shared vision between donors and the government, a clear functional mandate for the ministry, and a strong political commitment.

In Mozambique, constraints were related to the risk of domination by a single donor and close involvement of donors in funding decisions, along with low morale and high attrition of health care personnel, an overburdened ministry of health, shortage of management skills, and a lack of consensus among donors (Brown, 2000a). The constraints faced in Uganda were quite different in nature and included duplication of efforts, gaps in funding, competing priorities, uncertainties about sustainability, and heavy administrative burden on both donors and the government. The study went on to identify a number of issues relevant to the extent to which program infrastructure can be extended to reach the poor, concerns about the poor performance of health service staff, the steep levels of user fees, and the question of whether the ministry of health should continue needs-based planning or concentrate on the efficient use of available resources (Brown, 2000b). Ghana's experience with project aid was found to be unhelpful and led to inefficiencies and dissatisfaction, and Asamoa-Baah and Smithson (1999) noted the proliferation of discrete projects with isolated objectives, an undermining of the role and authority of the ministry, and the tendency to obtain quick results as major issues and constraints.

The issues and constraints in the health sector can be summarized as weaknesses in governments' monitoring procedures and a reluctance of donors to relinquish control, increased demands on staff within ministries of health in the DCs, and extremely complex management arrangements that had an adverse impact on governments' capacity (Foster et al., 2000). Finally, the challenges facing the establishment of national health account systems were compounded by obstacles in the form of a lack of reliable financial data, methodological limitations, implementation constraints, and using the evidence to inform policy making (Powell-Jackson and Mills, 2007: 357–359). The social, economic, and political realities in DCs contribute to the complexities and challenges in the health sector, and governments struggle to provide an equitable and efficient mix of health services.

Potentials and Best Practices

The importance of health policy and management prompts governments to search for potentials and identify best practices. These are drawn from the literature on health studies and practical experiences of countries that have been able to effect improvements. Hammer and Berman (1995: 45) suggest specific allocation rules for national budgets "on the relative importance of goals such as improving health, redressing inequity or increasing welfare." Best practice is a process-oriented concept for achieving improvements within individual agencies or settings over time (Carnegie, 1994).

Arguing in favor of a sectorwide approach to health, Cassels and Janovsky (1998: 1778) noted the progress made in a number of DCs. They noticed the rebuilding and reorientation of a health service that was on the verge of collapse in Zambia, encouraging results in immunization coverage, reproductive health and overall rate

of health science utilization in Ghana, increased spending on social services in Pakistan, and substantial reduction in fertility and child mortality in Bangladesh.

On the basis of the experience of developed countries, it is possible to suggest good practices for the DCs. The provision of health care can be improved through promotion of strategies to encourage partnership between researchers and policy makers, improvement of staff incentives and facilities for research activities, increased budgetary provision for research, and sustainable institutional capacity development (Uneke et al., 2010).

Reforms offer opportunities for reviewing past approaches and practices and contain potentials for success in health policy and management. Analyses undertaken for the purpose of reforms may yield insight and lessons about capacity building that can help ensure that past mistakes are not repeated (Paul, 1995). Kahssay and Oakley (1999) present community involvement in health development both as a concept and a strategy, as well as an ongoing experiment in the search for ways to improve health care for the majority of the world's population.

Reviews of the health sector in specific countries revealed a number of best practices and potentials. For example, the Ministry of Health in Cambodia is considered to be one of the best in the country, and efforts are underway to improve the process of disbursing central funds, matching plans to the budget, negotiating agreements with donors, and securing donor support at the provincial level (Conway, 2000a). Drawing upon the experience of Tanzania, Brown (2000c) concluded that national commitment to health sector programs and reforms in the area of public expenditure have resulted in positive impacts.

Cassels (1997) emphasizes the strategy of forging partnerships between governments and donors in the health sector. He found evidence of good practice in setting goals and coherent sectorwide strategies in a collaborative manner, allocating funds in line with the goals and strategies, and taking collective actions and responsibilities, although ownership remains with the government. In a separate study, Cassels (1995) argues that a coherent approach to reform can be facilitated by a sophisticated understanding of the context in which health systems operate.

Coordination of the roles of governments and donors emerges as a critical factor in approaches to health development. A significant characteristic of the sectorwide approach is the use of all funding to support a single-sector policy and expenditure program. This is to be done under the control of the government who will be ultimately responsible for disbursing the resources and accounting for all funds. Such arrangements can result in greater agreement on a more restricted range of priorities, better integration of individual programs within the budget-planning process, stronger links between policy and implementation, and improved understandings of barriers to service utilization. This may help shed light on the incidence of corruption and problems of incentives (Foster et al., 2000).

The potentials for improvements in health policy and management are to be realized through organizational and management reforms undertaken at regular intervals. Structures become irrelevant and practices get outdated with the passage

of time, advancement of technology, and changes in circumstances. While national governments have an important role to play, external agents such as WHO have the potential to contribute to the process. The capacity and credibility of WHO at country and international levels can be useful in developing and sustaining effective partnerships between donors and government, while other international agencies will have an opportunity to provide support from their respective positions.

Best practices can be achieved by systematically identifying, collecting, and evaluating information; disseminating and implementing reviewed information; and monitoring the effects of health care interventions and policies. In this way, Perleth et al. (2001: 238) combined the input, implementation, and outcome domains to determine the best practices and potentials in the delivery of health care services. It is possible to invigorate the health sector by viewing health as a basic human right and as an investment for economic development, as well as by combining the mandated and participatory modes through joining them "by an intermediary-level paraprofessional who provides the linkage and two-way communication that give the system long-term viability and productivity" (Smith and Powell, 1978: 1–3).

The role of health management in development has assumed increased importance as it has implications for productivity, confidence, and attitude of the citizens toward governments. A good health system indicates the government's interest in citizen's well-being, contributes to economic and social progress, and facilitates the successful implementation of development projects.

Population Management

Concepts and Applications

Population or the number of people in a country presents an interesting challenge in the pursuit for development. The common practice is to conduct an enumeration of the citizens through a national census and determine the population. There is no ideal size of population for a country. However, it is considered to be optimal as long as the available resources and commodities are adequate to meet the needs of the population. While the general view is that a rapidly increasing population is unsustainable for resource-constrained DCs, it is necessary to recognize the potential of a large population for contributing to productivity and consumption. There is a need to recognize that "the core problem is development, *within* which population is inextricably enmeshed" (Sen, 1994: 71).

The composition of the population of a country is shaped by several factors. Lack of knowledge and understanding of the implications of unplanned family structure, nonavailability of access to birth control facilities, social and religious mores, and inaction by the government may result in large families. The potential of having a sufficient number of people available to engage in economic activities may work as an incentive to population growth among families. Governments in DCs "specify

the goals of a population policy in terms of a reduction in the population growth rates," but they "rarely specify the means to reduce mortality and to influence the movement of people" (Jain and Bruce, 1994: 194). Thus, reduction of fertility and population growth seems to be at the core of population policy in these countries.

Population policy refers to "government actions which are designed to affect the demographic variables of fertility, mortality and migration or have an important unintentional effect on them" (Stillman, 1971: 1). Nortman's (1975: 19) approach is oriented toward population control, and he views population policy as "direct manipulation of demographic variables—family planning services to reduce growth rates, or re-settlement programs to alter distribution." Davis (1971: 6) defined population policy as "a deliberate attempt through government or quasi-governmental measures to change or maintain the rate of population growth."

The evolution of population policies over decades reflects the nature of the concept and its application. In the early years of development efforts, the UN established a program of technical assistance that emphasized collection of data and their analysis instead of direct activities to promote family planning (Gille, 1986). Following a lack of consensus across nations on the needs, objectives, and methods of population planning, participants at the World Population Conference organized by the UN (Cox, 1955) in Rome in 1954 agreed to consider the need to study populations in the context of their indigenous economic, social, and cultural conditions. Consequently, the UN General Assembly called for increasing research on the relationship between population growth and economic and social development in 1962.

Several DCs felt the pressure of rapid population growth and started to initiate national programs on family planning. While the right of parents to determine the number of children was established as a basic human right, the Second World Population Conference in Belgrade in 1965 placed it in its social and international context (Macura, 1987). The concept of population management must be approached with caution, and its application needs to be country specific in nature.

Forms, Strategies, and Outcomes

Rapid population growth was viewed by various international agencies such as the UN, WHO, United Nations Children's Fund (formerly United Nations International Children's Education Fund or UNICEF), Food and Agricultural Organization (FAO), United Nations Economic and Social Council (UNESCO), the International Labour Organization (ILO), and the World Bank as a major obstacle to development. These agencies were concerned over the problems in the areas of national health, children's health, food security, education, the welfare of workers, and investment for development (UN, 2003: 15). In its efforts to highlight the magnitude of the problem and adopt a more proactive role in the process, the United Nations Population Trust Fund was transformed into the United Nations Population Fund (formerly United Nations Fund for Population Activities or

UNFPA) in 1970. The UNFPA was mandated to promote awareness of the social, economic, and environmental implications of national and international population problems; awareness of the human rights aspects of family planning; and strategies "to deal with them in accordance with the plans and priorities of each country" (UN, 2003: 15).

Reduction in the growth of population is achieved through the practice of reducing the rate of birth. In earlier days, colonization of new territories allowed governments to transfer excess population outside the overcrowded areas. A recent strategy is the encouragement toward adopting an ideal family size through the provision of birth control information and facilities. This entails a vigorous campaign to create awareness and educate the citizens on the benefits of population control. An extreme example can be found in China's mandatory one-child policy. Because of various reasons, it was felt essential to reduce population growth in China, and the government mandated that each couple be restricted to one child. There are, however, some provisions for exemption, and the choices are being extended with the gradual liberalization of China's economy (Box 13.1).

> ### BOX 13.1 FAMILY PLANNING FOR HEALTH AND DEVELOPMENT: ACTIONS FOR CHANGE
>
> 1. Promote investments in family planning in national policies and development plans. Advocates need to help governments increase line-item budgets, gain commitments from planning and finance ministries, and implement plans with specific costs identified and addressed, such as the recently developed Tanzania Family Planning Costed Implementation Program. Also, including family planning in comprehensive sexual and reproductive health and overall health plans strengthens political support.
> 2. Expand access to and demand for a broader mix of contraceptive methods by involving community stakeholders and others. Faith leaders, village elders, the media, women's groups, men, and youth can all help generate acceptance and interest in family planning. Multiple strategies can help achieve access, such as engaging community-based advocates, integrating services with maternal and child health and HIV programs, using the media, and integrating family planning into ongoing systems. Efforts need to make less expensive and long-acting methods more available, including Sino-Implant and a subcutaneous version of the injectable DMPA.
> 3. Increase collaboration among contraceptive suppliers and support multiple financing systems for family planning. More inter-country planning is needed to help shift available inventories when needed.

In countries emphasizing decentralization and using "basket" funding approaches, training is needed at lower tiers of government to help ensure good planning for and access to commodities and supplies. Also, support is needed not only for public clinics but also for social marketing approaches, franchising systems, and private insurance schemes.

4. Integrate family planning services both within and beyond the health sector. Access to contraception at the community level can increase if information and referral services are coordinated and available through HIV/AIDS and maternal and child health systems. Family planning can also be promoted as complementary to the missions of agricultural, environmental, and other projects. Consolidated services and innovative alliances with multiple sectors can help extend the reach of information and services, especially as innovative approaches are scaled up. Without such actions, the family planning field and related development partners will continue to miss opportunities for providing information and services to women, men, and youth.

5. Reach beyond married women to engage men and address the needs of unmarried youth regarding contraception. Couple communication about family planning needs more emphasis, as do programs that engage men in reflection on gender norms, the impact of family size on land and food, and the option of vasectomy. Family planning approaches—traditionally offered through health centers and among married couples—need to expand to reach more young people, promoting access to contraceptives especially to those who are sexually active, single, living in large cities, or newly married and underserved. Condoms need promotion for dual protection for unintended pregnancy and disease prevention. Gender-based violence needs to be a priority, as girls are often forced into sexual initiation or unwanted pregnancies. Programs need to answer questions that concern men and youth and offer the services that they want.

Source: USAID/WHO/UNFPA, *Family Planning for Health and Development*, 2006 (http://www.fhi.org/NR/rdonlyres/e54ksdzjj2y5cvvpt-p2hvgh4cphj2lb5wydj5epy34ifu5s36owi3qknr4cew6rkjraf7hxwimo37g/KampalaReportIBP.pdf).

The forms and strategies of population management are closely related to the ends and means of the process. The objective of reducing birthrate has to be consistent with the methods applied to that end. While the strategies employed are developed and implemented by governments, they are not always supported by social and religious institutions. It is argued that "ignoring corequisites such as economic

and social justice, and women's reproductive health and rights, also makes the overt objective of population policy (namely, a change in birthrates) difficult to achieve" (Sen, 1994: 68). The experiences of several DCs indicate that education and women's empowerment have emerged as the most potent strategies in achieving the goals of population policies.

As population policies are intended to manage the challenge of over- or underpopulation, the strategies entail attaining a delicate balance of numerous factors. A major dilemma stems from the perspective of the government and citizens. It is argued that governments should have the right to intervene, so that individual action can be regulated to promote societal well-being. "Demographically driven population policies have assumed that individual welfare would be advanced by collective action to assist, persuade, or induce individuals to increase or decrease their fertility to meet socially desirable goals" (Sen et al., 1994: 4). This position can be challenged by arguments on the basis of the desire of citizens to control the size of their families and uphold reproductive rights.

There seems to be a common pattern in the forms and strategies adopted by DCs. Problems arising out of overpopulation prompt governments to adopt a strategy of combining sanctions and incentives through national policies and programs to control rapid growth. At the same time, economic pressure resulting from inflation and escalating cost of living discourages citizens from aiming to raise large families. In addition, concern over the population problem among donors and international agencies facilitates the application of technical advice and financial resources that are available to national governments. The combined impacts of efforts by these stakeholders seem to be common across DCs, and the outcomes will become apparent in the future.

Issues and Constraints

The introduction and implementation of population policies entail a careful consideration of a number of issues. The synchronization of development, ethics, and the strategies for facilitating change was identified by Sen et al. (1994) as a major issue. Population management requires stern measures to ensure compliance with state policies to achieve the desired targets. However, it is also important to ensure that the citizens are not coerced into accepting practices and measures that contravene their rights and freedom of choice.

Much of population management practices and arrangements are embodied in national policies and a number of declarations, statements, treaties, and documents prepared by donors and international agencies. Unfortunately, "fundamental ambiguities and conflicts have been glossed over in favor of political consensus" in these documents (Boland et al., 1994: 89). As the issues are sensitive in nature, it is necessary to reformulate "population policies based on an unambiguous acceptance of universal human rights, including not only civil and political rights but also social and economic rights" (Sen et al., 1994: 5).

Difference of opinion exists between the preference for controlling the growth of population as the top priority and the need to uphold individual choice and human rights. This is an example where conflicts arise between the ends to be achieved and the means to be employed. While the objective is to promote development and improve the quality of life, denying the citizens of the opportunity to exercise choice in this matter will impede that process. Furthermore, conflicts "over the various means employed to attain the aims of population policy, such as different methods of contraception, sterilization, and abortion, concern both their efficacy in achieving the intended aims and their moral legitimacy" (Bok, 1994: 17, 21). Widespread opposition emerged to the mandatory sterilization program in India, "especially due to several reports of human rights abuses in the form of forcible sterilization by over-zealous officials who wanted their sterilization quotas filled" (Roberts, 1990: 87).

Ideological divide also adds to the constraints in the field of population policy. Germain et al. (1994) noted two ends of a spectrum. First, rapid population growth in DCs is perceived as a serious threat to "the future of the planet, economic growth, and national security. At the other end of the spectrum are those who for religious or other reasons are opposed to induced abortion and to most or all contraceptives, sex education, and women's rights," with various other groups between the extremes. Such divisions create complexities that are often beyond the capacity of governments to resolve.

The direction of population policies had to be reconsidered in view of shifts in thinking on development. Earlier, massive population growth was seen as a burden on the economy as it reduced domestic savings and diverted funds from productive investment (Demeny, 1992). Later, the idea of economic growth as the main engine of development was discarded and attention shifted to improvements in general health and education that would create awareness of the need to practice voluntary birth control. Increased concern over consumption patterns in overpopulated areas brought environmental issues to the fore and helped integrate this issue with the needs of development.

Population growth has implications for several areas such as economic development, health, education, food supply, housing, poverty, family planning, human rights, and the environment (Ahlburg et al., 1996). Each of these areas, and others, are relevant to issues that need to be addressed for the population policies to be successful. Some of these, such as economic growth, may be facilitated by a burgeoning population. Others, such as food supply and housing, may be adversely affected if demands exceed supply.

The relevance of law and human rights to population policies was recognized rather late. Legal restrictions and requirements are intended to influence behavior that would be consistent with the policies, but they do not always yield desired results. "Restrictive abortion laws, for example, are frequently breached, but laws prohibiting the advertisement of contraceptives are more regularly enforced" (Lee, 1990: 2). However, socioeconomic progress, education and awareness, and

empowerment of women are likely to assist with overcoming the problem of rapid population growth.

Citing Dobell, Searle (1995: 75) highlighted the problem of environmental degradation with reference to the widening gap in wealth between developed and DCs and attributed this to the adoption of "irrational policies." The issue of inequity between and within nations, the challenge of environmental protection, and the need for continuing growth with redistribution often create constraints that need to be addressed through effective policies. It seemed that "fertility and family planning were not generally considered to be appropriate areas for government intervention" (UN, 2003: 11). A study on India pointed out that "the government's excessive focus on population control through sterilization" was responsible for inadequate obstetric care (Mavalankar, 2002: 165). Thus, attention to one segment of the policy was effected to the detriment of another.

Additional constraints arise from the practical problems of collecting data on specific countries and using them to arrive at appropriate policies on population. Most DCs are yet to establish a system for obtaining reliable and accurate statistics. As a result, policies are formulated with incomplete understanding of the needs and capacities of citizens and governments. It becomes extremely difficult to assess the outcomes of policies and determine the progress achieved. "Processes of international development are contingent upon shared understandings of the problem to be solved, yet these are usually taken for granted and only results are scrutinized for effectiveness" (Richey, 2008: 1). It is necessary to discard this approach to evaluation in favor of a comprehensive evaluation of programs.

Potentials and Best Practices

Population programs are a prominent feature of DCs across the world, and significant progress has been made in some areas. The success can be attributed to proactive and effective management by national governments, the absence of socioeconomic obstacles, and continuous support from international agencies in the form of financial and technical assistance. However, it is helpful to identify best practices and look for potentials of success. Mavalankar (2002: 166) recommended various general measures such as long-term policy and management reform, training of management staff, simplification of administrative procedures, and decentralization of decision making.

Ahlburg and Diamond (1996: 325) analyzed the nature of family planning activities and underlined the need for programs to be consistent with the protection of human rights and be socially and culturally sensitive to be successful. They go on to list a number of features that seem to be critical, such as social and cultural acceptability, convenience and accessibility to the range of services and unmet needs, costs and incentives, information, education and communication, political commitment, and administrative organization.

As issues and constraints in population policies are often country and context specific, examples and inspiration may be drawn from the positive experiences in DCs. This is reflected in the statement released by the UN Population Commission in 1961. It stated that each government "had the responsibility to make its own policies and devise its own programs for dealing with its population issues" (UN, 2003: 13). It was also agreed that "socioeconomic development and not aggressive population control programs was the only humane way to reduce birth rates" (Roberts, 1990: 86). Many DCs adopt five-year plans, and population control and management receive a prominent place in the plans. The reduction in population growth in many DCs bears testimony to the fact.

Direct government support to population programs strengthens the legitimacy and facilitates the operation of agencies and actors in DCs. The majority of governments in African countries offered direct support, while others provide the services through NGOs. The laws of the land need to be reviewed and appropriately updated to achieve the ends of population policies. For example, Tunisia was able to repeal a colonial law that prohibited the advertisement of contraceptives. The law was no longer relevant under changed circumstances.

China introduced a one-child policy in 1978 to deal with social, economic, and environmental problems, and authorities claim that the policy has prevented more than 250 million births from its implementation to 2000 (http://www.absoluteastronomy.com/topics/One-child_policy). In anthropology and demography, the human sex ratio is the sex ratio for Homo sapiens. Similar to most sexual species, the sex ratio is approximately 1:1.

To reduce social tension, exemption clauses were included to make the policy appear equitable. Regional governments "provided a variety of social benefits such as housing and education for parents who limited their family to one child" (Roberts, 1990: 87). It also gave the impression that the Chinese government was willing to apply the policy flexibly to suit special circumstances.

A number of reports in *Population Headliners*, a bimonthly newsletter of the Population Division of the UN, identified principles and practices that were contributing to the success of population programs in DCs. A combination of socioeconomic programs with population control measures helped reduce growth in Thailand, Bangladesh, and Sri Lanka. Changes in population through migration; increased age limit for marriage, educational, and recreational facilities; and other actions by the civil society and NGOs have contributed to positive outcomes. The experiences of Asian countries highlight the fact that "population policy must be closely integrated with development programs and one in the absence of the other cannot achieve decline in birth rates" (Roberts, 1990: 90).

The UN (2003: 20) reported, "In many African countries, family planning services and contraceptives first became available after the Alma Ata Conference in 1978, when many Governments, particularly in Africa, adopted a primary health care strategy with integrated family planning services." A series of population

conferences proposed a number of recommendations for the continent over the years. By 1992, it was recommended that

> population policies and programmes should be integrated into development strategies. They should focus on strengthening social sectors with a view to influencing human development and they should work towards the solution of the population problem by setting quantified national objectives for the reduction of population growth.
>
> **UN (2003: 21)**

An International Conference on Family Planning in Kampala, Uganda, in 2009 sought to bring together knowledge, ideas, and information and identified a set of actions that can be considered as best practices. They included promotion of investments in family planning in national policies and development plans, expansion of access to contraceptive methods through involvement of community stakeholders, and collaboration among contraceptive suppliers and support for multiple financing systems for family planning. Other proposed actions were integration of family planning services "both within and beyond the health sector" and getting men involved in the process (USAID/WHO/UNFPA, 2006).

Best practices need to be related to the context in which population policies are executed. Development is facilitated through a comprehensive approach incorporating various related sectors. The success of population programs in the developing world is contingent upon parallel activities that lend support and create favorable conditions for the policies to take effect. It is also helpful to establish quantifiable targets to facilitate the assessment process.

Implications for Development Management

Health and population management are critical for development and often influence one another. Depending on the feature of the country, there may be a need to emphasize specific aspects of health. For example, if the location is prone to certain health threats such as malaria or HIV/AIDS, governments will have to devise policies with the objective of dealing with them. In most DCs, health and population management activities are oriented toward reduction of growth in the number of people through birth control methods. Little attention is paid to the problem of internal migration of population from the less to the more affluent parts of a country. The issue of the overwhelming rates of urbanization, too, remains neglected, and there are practically no efforts by governments to develop public policies for dealing with this tendency.

The health sector is affected by several contentious issues, such as risk, the role of the physician as agent, asymmetry of information between provider and patient, and the potential of government intervention in the provision of care. As

governments try to mediate between competing interests in determining priorities and allocating funds, DCs suffer because of the inclinations of the ruling elite to divert resources to more visible policy sectors. This has often resulted in further damage to the economy as massive exodus of qualified and capable citizens exit the country. Population and health management need to take note of these trends in formulating policies to manage the policy sectors of health and population more effectively.

Review Questions

1. How is health relevant to the process of development?
2. What should governments do to ensure good health care for citizens in DCs?
3. Are the MDGs in relation to health adequate to meet the needs of citizens?
4. How can population be managed to contribute to development?
5. What are the advantages and disadvantages of rapid population growth?

Further Reading

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Chapter 14

Education and Advocacy

Education is a social process. Education is growth.
Education is, not a preparation for life; education is life itself.

John Dewey

Relevance, Rationale, and Context

The concept of development is generally understood in terms of the conditions of living as well as citizens' progress in various aspects of life. One of the most potent tools for achieving this end is education. Therefore, education features prominently among the key indicators of development. A sound system of education facilitates the process of building the capacity of citizens. They acquire knowledge at basic and advanced levels and develop skills and techniques to perform well on the job. Citizens are also able to participate more meaningfully in the process of governance as education helps instill a sense of awareness of issues and guides the thought processes in dealing with them.

Education leads to various benefits for the individual and society. It lays the foundation to assist citizens lift themselves out of poverty through employment or entrepreneurial activities. The public are aware of their rights and responsibilities and acquire the capacity to protect their rights. Elections become meaningful with the participation of an enlightened electorate. The prospects of reducing the elite-mass gap are strengthened as social mobility is facilitated through the tool of education. Moreover,

> education affects the efficiency of the distribution of labour by its influence on both "ability" and "opportunity"; the skill of labour at various

levels reflects the scale and nature of educational provision, which also exercises a decisive influence on vocational choice and on movements between occupations.

Floud and Halsey (1983: 15)

Developing countries (DCs) are confronted with several problems that deserve immediate attention. However, the limited capacity of governments and the inability of the citizens to articulate needs and demands often result in the neglect of critical issues and affects efforts to promote development. One of the methods for drawing attention to pressing issues is a vigorous program of advocacy. In view of competing demands, an effective campaign of advocacy assists to place specific issues on the policy agenda and persuade the government to act on them. In this way, advocacy on different issues can contribute to a responsive government and increase the degree of efficacy among citizens.

Development is a complex process and often requires proactive behavior from the community to indicate needs, demands, and courses of action. Advocacy refers to such activities that support and consciously advocates proposals to attain the desired ends. Education is considered to be a potent tool that can contribute to an effective process of advocacy that requires a sound understanding of the policy issues, the decision-making structure, and power distribution in society. The process may entail pleading or arguing in favor of a cause, idea, policy, or change in existing arrangements. Advocacy can be viewed as active support in the ongoing deliberations on the course of policies for development and efforts to influence policies to protect the interest of specific groups. Education and advocacy can complement each other in achieving this end.

Education

Concepts and Applications

The concept of education can be viewed in a number of ways. In general, it refers to the experience of attending specific institutions established for the purpose of providing students with the knowledge, skills, and thinking capability determined by authorities to be appropriate. In such cases, education is a tool for preparing the population to equip themselves with the necessary skills and abilities that would allow them to become productive members of the society. The experience and training is expected to leave a lasting impression on the minds and behavior of individuals and can be a means of sustaining values, skills, and knowledge of a society through generations.

Alternatively, the process of education may focus on an assortment of knowledge, skills, and values obtained and absorbed from various media of socialization in the community. Family and neighborhood groups have long served as sources

of information and ideas and acted as informal sources of education. There may be no formal recognition for such learning, but they help citizens develop skills and expertise, and the task of transmitting knowledge and skills from one generation to the next is performed effectively. In this way, indigenous techniques and traditions are sustained through education (Box 14.1).

Educational institutions begin the process by imparting basic skills in reading, writing, and arithmetic. As students progress through the learning experience, they are exposed to additional areas of knowledge, such as science, social studies, history, geography, and so on. In this way, students are schooled as they seek to prepare themselves for work and life.

Education provides citizens with access to knowledge, information, and new ideas while enhancing efficiency and social status in DCs (Jejeebhoy, 1995). The concept of education in DCs must be approached in a different manner than that in the developed world and considered with relevance to the context in which education is acquired. In many DCs, education has not yet been established as a fundamental right, and the purpose, objectives, and methods of delivery may differ significantly across them. Nevertheless, education serves as a tool for nation building, creating a pool of capable workforce as well as preparing citizens for playing a meaningful role in public affairs.

BOX 14.1   EDUCATION AND SUSTAINABLE DEVELOPMENT (ESD)

The relationship between education and sustainable development is complex. Generally, research shows that basic education is key to a nation's ability to develop and achieve sustainability targets. Research has shown that education can improve agricultural productivity, enhance the status of women, reduce population growth rates, enhance environmental protection, and generally raise the standard of living. But the relationship is not linear. For example, four to six years of education is the minimum threshold for increasing agricultural productivity. Literacy and numeracy allow farmers to adapt to new agricultural methods, cope with risk, and respond to market signals. Literacy also helps farmers mix and apply chemicals (e.g., fertilizers and pesticides) according to manufacturers' directions, thereby reducing the risks to the environment and human health. A basic education also helps farmers gain title to their land and apply for credit at banks and other lending institutions. Effects of education on agriculture are greatest when the proportion of females educated to threshold level equals that of males.

Source: ESD Toolkit (http://www.esdtoolkit.org/discussion/default.htm).

Applying the principles and practices of education in DCs constitutes a formidable challenge. Social, political, and economic factors affect the efforts to develop plans and implement them in the same manner as it occurs in the developed world. Limited financial and management capacity of governments result in problems with the design and delivery of education to citizens across the country. Development management entails the complex of facilitating access and equity, along with the need of ensuring that citizens are able to participate in deliberations and decisions regarding education that has a major impact on the lives of the students, parents, and the society in general.

Forms, Strategies, and Outcomes

Education takes many forms and may be approached in a variety of ways. It is possible to distinguish between formal and nonformal education. Students in educational institutions receive instructions in discrete subject areas through carefully designed programs delivered through a structured educational system provided by the state. In general, the state provides financial and institutional support to the formal system of education, although private providers may be allowed to assist with the delivery. Nonformal education, on the other hand, is used to denote learning that occurs outside formally organized educational institutions. This term is generally applied to efforts devoted to the pursuit of continuing education or adult literacy programs. Nonformal educational programs are not compulsory. In most DCs, nonformal programs of education are generally initiated by nongovernmental organizations (NGOs) with financial support from international organizations and external donors (Box 14.2).

**BOX 14.2   EIGHT REASONS WHY EDUCATION
IS IMPORTANT TO ACHIEVE THE MILLENNIUM
DEVELOPMENT GOALS (MDGs)**

- More people would grow and develop
- More people would learn and know
- More people would be equal and just
- More children would survive and live
- More mothers would be healthier
- More people would be able to combat illness
- More people would think of the future
- More people would work together

Source: http://www.unesco.org/new/en/education/themes/leading-the-international-agenda/education-for-all/education-and-the-mdgs/eight-reasons-to-achieve-the-mdgs/

Another distinction may be made between the fields of general and technical or vocational education. The former is intended to develop human qualities, rational thinking ability, and skills to prepare students for a variety of areas in the job market. In these programs, basic skills are emphasized at the earlier stages, and subsequently students are allowed to select their areas of preference, and a carefully planned system seeks to assist them reach their potential. General education is also helpful in accommodating the training to the needs of the employment market and facilitates the progress of students. Vocational education allows students to opt for an emphasis on the application of knowledge and specialize in technical expertise. Because of the concentrated nature of training, it is possible to complete vocational education programs in a shorter time span. The route of vocational education could be more suitable for DCs as they often have large numbers of unemployed graduates from the general stream.

A third category of education can be found on the basis of levels and length of periods of study. They include early childhood education, primary, elementary, and secondary to high school level. Some students leave the system and terminate their education at this stage. The next level includes college education for 2 years or 4 years at universities. In addition, there are other arrangements for delivering programs of adult education, training for professions, and facilitating learning for students with special needs. Because of the limited availability of facilities for obtaining educational services in DCs, all groups—children, parents, teachers, employers, and the state—seem to remain disconnected from the process, and it cannot function effectively.

Outside the nationally established regular system of education, there may be other similar services aimed at specific target groups. It is common for DCs to create programs that are designed to serve the educational needs of homeless students, illiterate adults, vulnerable women, or the handicapped. The strategy also varies according to the level of difficulty and sophistication of the material, and the rigor escalates as a student progresses through the program.

The outcomes of education are manifested in several ways and have profound implications for the society. Psacharopoulos (1985) observed that education is regarded as the route to economic prosperity, key to scientific and technological advancement, means to combat unemployment, tool for establishing social equity, and the media for political socialization. The general expectation is an increase in the level of knowledge and awareness among the citizens. The rate of literacy goes up, although the aggregate does not represent a comprehensive picture of the state of education in the country. Overall, the prospects of development are increased as citizens are able to contribute productively to social and economic affairs and activities and participate meaningfully in the political process to work toward developmental goals.

Issues and Constraints

Education features prominently in policy agenda and programs in DCs. There are great potentials for education to contribute to development. However, several

issues and constraints need to be addressed in accomplishing the process, and they are related to the philosophy, approach, methods, and mechanisms used for delivering programs of education. "The ideological defence of modern capitalist society rests heavily on the assertion that the equalizing effects of education can counter disequalizing forces inherent in the free market system" (Bowles, 1983: 27). Apparently, the negative impacts of these forces are much stronger and result in considerable reduction of the benefits that could be obtained from education in DCs.

Issues in education arise out of the content and delivery of policies, size of schools and classes, the nature of curricula, teaching approaches and methods, management and financing of educational programs, the prospects of choice, and access to the services. Other issues are related to training, certification, and remuneration of teachers and investment in education infrastructure. The lack of resources and capacity of governments in many DCs has prompted them to consider privatization of education. Policies guide the education system and have a major impact on the strategies and outcomes. They specify the goals and objectives of education and suggest methods for attaining them along with suggesting tools for measuring the outcomes.

Chimombo (2005: 131–138) examined the state of basic education in DCs and identified a wide variety of issues. They are related to opportunity cost of schooling, equity and gender, cultural and religious attitudes, the level of efficiency and quality, finance, and the relevance of education to the circumstances prevailing in DCs. These issues can have a significant impact on the system of education and are common across many DCs.

A study on South Africa identified a number of causes for the steady deterioration in the quality of education. Marcum (1982: 19–21) listed inequalities between English and Afrikaans schools, poor training and insecurity of teaching staff and low morale among them, strikes and discontent, and parental resistance to the plans for compulsory education as sources of problems. The development and regular renewal of a curriculum "which was seen as increasingly irrelevant to the 'real needs' of learners and of the wider community" seem to have had an adverse effect (Monck and Husbands, 1996: 63).

In another case, "Ethiopia found many of the issues that confronted her in the process of educational development complex and challenging" (Wagaw, 1979: 196). It was reported that "the school system did not expand fast enough to supply the needs of the country for skilled manpower" and problems with limited resources, shortage of qualified teachers and classrooms, as well as equipment and library facilities continued to be a problem. In India, it was found that "there has been a mismatch in the share of expenditure on the different sectors of the educational system in the allocation of limited financial resources, and an apparent discrimination against elementary education in favour of higher education" (Chathley, 1995: 202–204). It is important to develop plans based on rational calculations of costs and benefits before allocating funds for education.

As education has the potential to open up new opportunities for individuals and groups, there is a tendency to transform it into an "oligarchic good" (Jordan et al., 1994: 212), and the issue becomes formidable in DCs. Such tendencies have had an impact of replacing progressive experimentation in methods of education "by a set of reinvented traditional pedagogies" (Ball, 1998: 121). There is competition among groups seeking to take advantage of education as a tool for strengthening their respective positions in society and protect their interests. In this way, education is able to assist with social mobility and even ascent to elite positions (Kumar, 1987: 28).

Effort by regimes to influence the content of curricula for education is a major constraint in DCs. In the process, information is selected and presented to portray regimes in power in a positive light, and such efforts often distort facts and devalue the quality of education. A concurrent problem may be the tendency of the government to dominate the institutions to retain control over the delivery and management of education. Under such circumstances, the formulation and implementation of education policies are unable to produce expected results and have a negative impact on the outcomes.

Some of the most formidable issues and constraints arise from diverse views on various aspects of education. There are different opinions on the right of citizens to education, its management and organization, and financing arrangements. Education may be considered as a right or a privilege or commodity that is available to those who can afford it. The management can be handled by state organizations or the private sector. Similarly, there are differences of opinion on the source of finance for education. The state could undertake the responsibility of providing funds for education or allow the private sector to do so.

Educational programs in DCs often fail to take the needs of the country and its people into consideration, and the outcome turns out to be massive unemployment among educated youths. A "differential system of education" was developed in India "to satisfy the needs and aspirations of different strata of society" (Acharya, 1987: 78), but there are wide disparities in the quality of schooling (Chitnis, 1987: 83–85). Evidence from 42 countries shows that rural children are twice as likely to be unable to attend school as children living in the urban areas (United Nations [UN], 2007). In addition, there are debates on the relative importance of formal and nonformal education, access and choice of institutions, and equity in the process.

There are multiple costs for sending children to school in many DCs. Despite their intention to educate the children, parents are unable to bear the cost for tuition, books, and transportation for attending school regularly. "In sub-Saharan Africa, school fees consume nearly a quarter of a poor family's income, paying not only for tuition, but also indirect fees such as Parent-Teacher Association and community contribution, textbook fees, compulsory uniforms and other charges" (United Nations Development Program [UNDP], http://mdgachievers.com/index.php?option=com_content&view=article&id=151&Itemid=272). In addition, there is the cost of losing the children's contribution to economic activities such as working

in the fields or farms or family enterprises. Often, children are compelled to drop out of school and abandon education because of pressing financial needs. Each of these issues imposes constraints that are beyond the capacity of most DCs to overcome.

Potentials and Best Practices

Despite numerous constraints, education remains as one of the most potent tools for development and has contributed substantially to the process in many DCs. In general, education initiates a series of changes in behavior, mind-set, and attitude that facilitates independence from traditional authority, openness to new ideas, and encourages questioning and challenging passivity and fatalism (Inkles and Smith, 1974). With such changes, the potential for developing skills and abilities among citizens can be realized and can subsequently contribute to productive participation by the citizens.

While education helps develop literacy, numeracy, and cognitive skills, there are other potential benefits. There may be indirect effects on the values and outlooks of students who attend schools and interact with peers and instructors. Exposure to knowledge and free exchange of ideas initiate changes in the thought processes and world view of students. This, in turn, contributes to "a shift away from fatalism and superstition, brought about by the acquisition of greater reasoning powers and a reliance on scientific explanation for everyday phenomena" (Jejeebhoy, 1995).

"A major part of human capital is formed by education and training," and it can be considered as an investment (Gounden, 1987: 104). Among specific groups, women's education has the potential to produce significant changes. It enhances their knowledge, decision-making power, confidence in interacting with the outside world, and economic and social self-reliance, as well as enables women "to assume more autonomy or power in both traditional and gender-stratified family settings and in more egalitarian ones" (Jejeebhoy, 1995). Moreover, a study on Nigeria concluded that better-educated women are more likely to have healthy children, and this has implications for the general health of the population and results in less childbirth as the rate of infant mortality decreases (Caldwell and Caldwell, 1981).

Education is extremely significant for another vulnerable group—children in DCs. High incidence of poverty and lack of schools have pushed many children into the workforce as they have to assist the family earn a living. The MDGs established a target of achieving universal primary education across DCs to provide opportunities to the children for attending school. Naidu (1987: 196) recommends designing special educational programs for these children: "Some of them may require literacy as well as general education, others may need literacy and education combined with vocational training."

The UN Habitat (2008) recognizes best practices in various sectors of development, and some of these in the area of education are described in the following (see http://www.bestpractices.org/). The Academy for a Better World in India is a village-style complex that offers residential self-development courses based on moral and spiritual values. In Zululand, a project was launched for uplifting the standard

of education "through a variety of interventions, from improvements to facilities, to the development of governing bodies and training of teachers and principals." Instead of allocating small amounts of finance that may not be of much help to a large number of schools, the project decided to pursue a strategy to target a limited number of schools that would result in real benefits.

UN Habitat found two examples of good practices in education in Brazil. The "Education through Work Project" seeks to initiate youth who are "in personal and social jeopardy" to the "work market" by collaborating with partner companies, where they receive training "as future professionals and sublimate their social difficulties, opening for them the possibility of effective employment as their own employee." Another project in Brazil intends to implement a "native Indian-oriented school education" in the State of Amazonas near the Colombian and Venezuelan borders. The schools will be assisted in developing their own curriculum and rules and act "as constructive centers of the different aspects of knowledge: academic, popular and Indianist." UN Habitat noted success achieved through the introduction of bilingualism in classrooms, which helped to reduce the failure and drop-out rate, and increasing awareness among the people in the community. In Colombia, educational networks of 15–20 institutions were formed to discuss critical issues, and the secretary of education, board of directors, teachers, parents, students, and community leaders worked together to develop projects for improvement of education.

Carter and O'Neill (1995: 9) proposed a set of steps for improving educational policies and introducing effective reforms:

- Improving national economies by tightening the connection between schooling, employment, productivity and trade.
- Enhancing student outcomes in employment-related skills and competencies.
- Attaining more direct control over curriculum content and assessment.
- Reducing the government's costs of education.
- Increasing community input to education by more direct involvement in school decision making and pressure of market choice.

It is often argued that education can serve as an effective agent of change and renewal because it helps draw attention to, and develop, fresh ideas and practices in different areas. The potential of changes in the education system has strengthened the call for "symbolic action by coalitions of educators, as well as rational discourse" and "a need for analysis that transcends the boundaries of the current debate and helps restore education to a position of civic and moral leadership in our society" (Shaker and Heilman, 2004: 1465).

In tracking the MDGs, a number of good practices were noted in the reviews undertaken by the UN. The abolition of school fees in many African countries has increased enrollment, and in Haiti, effective collaboration between the government, UN agencies, and NGOs resulted in a project for providing supplies and materials

to 33 schools (MDG Monitor, Success Story: http://www.mdgmonitor.org/story. cfm?goal=2). There are several examples of limited success across the developing world.

Investments in teaching infrastructure constitute a good practice, as is evident from Ghana's experiment with recruiting retirees and volunteers to deal with short-fall of teachers. "In Nepal, investment has ensured that more than 90 percent of the students live within 30 minutes of their local schools," and Tanzania has started a program to build large numbers of classrooms and hire additional teachers (UN, 2010). In addition to state initiatives, NGOs and volunteer groups are increasingly becoming involved in the provision of educational services. The role of the private sector in education has been recognized, and it is possible for the government to collaborate with them.

Advocacy

Concepts and Applications

One of the key issues in DCs is the lack of awareness among citizens about public affairs and the consequent difficulties in participation. While many people have opinions on critical issues and their preference for solutions to problems, they are unable to express the ideas and demonstrate support. Such circumstances point to the importance of advocacy roles played by various actors to assist with the process. Advocacy implies the act of supporting, arguing, recommending, and acting in favor of a cause, idea, position, or policy.

> In the United States, the term advocacy is often used as a broad concept to include social action and lobbying; in other parts of the world the concept refers to specific social work practices whereby practitioners advocate for services or resources for a particular client or group of clients. In other parts of the world where social services are less developed, the term *community* development or, more recently, *community participation* is used to refer to a range of activities.
>
> **Hick and McNutt (2002: 7, 8)**

Hepworth and Larsen (1986: 569) defined advocacy as follows:

> the process of working with and/or on behalf of clients
>
> (1) to obtain services or resources for clients that would not otherwise be provided,
> (2) to modify extant policies, procedures or practice that adversely impact clients, or
> (3) to promote new legislation or policies that will result in the provision of needed resources or services.

Advocacy programs assist with the presentation of demands in an organized manner. They are more effective owing to the experience of advocates in pressing for change, and the weight of collective action adds to the strength of the groups.

"Advocacy consists of those purposive efforts to change specific existing or proposed policies or practices on behalf of or with a specific client or group of clients" (Ezell, 2001: xx). It is generally intended to create awareness about an issue and eventually to influence policy decisions in a specific area. In DCs, this has clear implications for resource allocation decisions. Various forces can initiate advocacy activities ranging from grounds related to principles and moral stands to the protection of group or personal interests. Advocacy should be distinguished from lobbying in the context of DCs because it implies actions aimed at improvements for the country and not narrow interests of individuals and groups.

Advocacy may be viewed as defending the interests of the underprivileged. It is a "device to influence the balance of the needs/rights of the group in the favour of the needs/rights of individuals, especially those on the social margin" (Brandon, 1995). Bateman (2001: 42) emphasizes the ethical aspect in advocacy and stated that a firm ethical basis is necessary for it to be effective. Ethical principles ensure that the task of protecting the interest of the poorest and most vulnerable groups in society is made possible through the application of ethical principles. They help establish "the ground rules for operation and provides a clear focus so that their efforts are concentrated on the task in hand and not distracted when a tangential, ethical problem arises" (Bateman, 2001: 45). In brief, action and thought intended to effect improvements to existing conditions is the essence of advocacy. Most often, advocacy is performed by groups that are defined as "any organization that seeks to influence government policy, but not to govern" (Young and Everitt, 2004: 5).

Forms, Strategies, and Outcomes

Advocacy takes several forms, and they represent different approaches and strategies intended to bring changes in society aimed at improvement. In their attempts to initiate actions that would help make a transition from the existing to a better state, different forms are found. For example, questions could be raised about the content or implementation of public policies in appropriate forum or through informal channels. Advocates try to ensure participation in the agenda-setting process as policy proposals are under consideration. Advocacy coalitions have been identified as a potent force for policy change (see Sabatier, 1988; Figure 14.1).

The number of clients or people may be an indicator of different forms. Case advocacy is reflected in partisan intervention on behalf of a client or group of clients to influence one or more secondary institutions to secure or enhance a service, resources or entitlements that are needed (McGowan 1978: 279-281). On the other hand, class advocacy refers to intervention to change procedures or a policy in favor of a group of clients who share the same problem or status (Epstein, 1981).
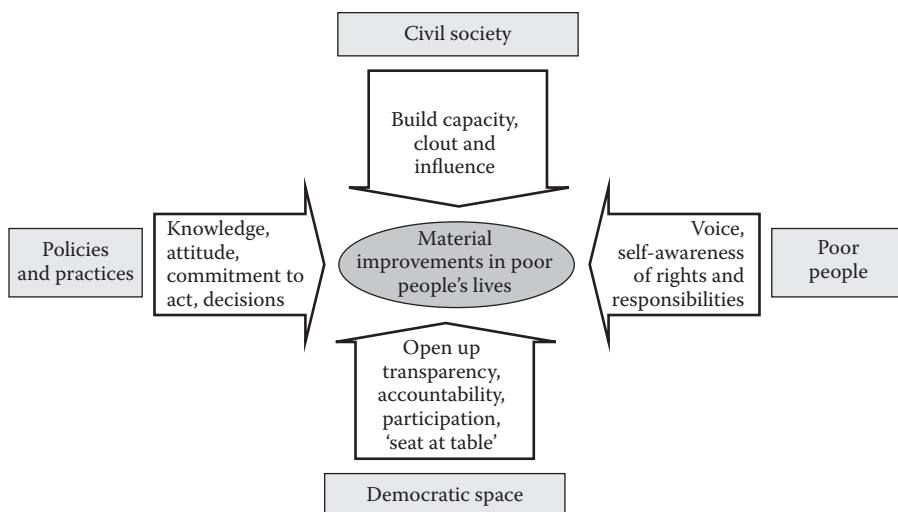
Figure 14.1   Advocacy's four dimensions. (Adapted from O'Connell, M. et al., eds., *The Advocacy Sourcebook*, WaterAid, London, 2007, 20.)

Case advocacy is restricted in scope and does not seek to effect changes of great consequences.

Internal and external advocacy can be identified as another strategy. Internal advocacy is undertaken by employees seeking to bring improvements within their own agencies (Patti, 1974). They may be related to working conditions, procedures, and relationships within the organization. External advocacy takes place when efforts are made to effect improvements by people from outside the agencies. Internal and external advocacies present "advocates with different opportunities and challenges" (Ezell, 2001: 26) and are useful from different points of view.

Several other types of advocacy have been identified by scholars. Systems advocacy seeks to change policies affecting all persons in a specific group or class (Schloss and Jayne, 1994: 230). Amidei (1991) described policy advocacy as efforts to influence those who "work with laws, public programs or court decisions." A combination of class, policy, and systems advocacy may be termed as political advocacy (Ezell, 2001: 27).

Bateman (1995: 4) used the term "self-advocacy" to denote a "process in which an individual, or a group of people, speak or act on their own behalf in pursuit of their own needs and interests." They must know their rights and learn to protect them. Clinical advocacy refers to the delivery of services accompanied by efforts to alter "ecological mismatches" at the root of problem behaviors (Melton, 1983: 98), while direct service advocacy implies "making agencies accessible and accountable to those they serve" (Ezell, 2001: 27).

Citizen advocacy can be approached from two directions. First, citizens may, in their efforts to advocate, work with a service user to understand, respond to, and represent the other person's interests (Bateman, 1995). Second, citizens may make individual and broader-based efforts to effect changes in the formulation of policies and their implementation (Hudson, 1982: 109). Legal advocacy refers to the representation of clients before courts or other legal tribunals, and legislative advocacy seeks to promote and influence legislation that could benefit the underprivileged groups in society (Ezell, 2001: 27).

Finally, community advocacy aims to educate by defining and documenting problems and organizing the community (Schloss and Jayne, 1994). Coates (1989) views community advocacy as an action on behalf of a composite of individuals in a community who have similar problems or needs but may not be known to each other. All the different forms and strategies of advocacy have the same intended outcomes such as change and improvement. These values are at the core of development management.

Advocacy entails undertaking a number of activities, and they range from the passive to highly active. Ezell (2001: 28, 29) compiled a list of 17 "purposive efforts to change specific existing or proposed policies or practices on behalf or with a specific client or group of clients." They include arguing for better services, pushing for increased clients' rights in the agency, and negotiating with agencies. In addition, advocacy requires giving testimony to decision makers, lobbying individual policy makers, litigating or seeking legal remedies, and representing a client in an administrative hearing. It also takes the form of influencing administrative rulemaking in other agencies, teaching advocacy skills to clients to solve a problem, educating clients on their rights, and educating the citizens on their rights. Finally, advocates monitor performance of agencies, conduct issue research, organize coalitions, influence media coverage on an issue, mobilize constituent support, and undertake political campaigning.

Issues and Constraints

Advocacy is a challenging task in DCs for various reasons. In most cases, the power structure precludes the possibility of participation by external actors in the decision process. The lack of an inclusive and transparent system is a major constraint for advocacy. The low level of literacy acts as a barrier as the citizens need to be aware of the issues for which advocacy is undertaken. The fragmented nature of polities that are divided along many different lines does not allow cohesive action to argue or plead in a systematic manner in favor of changes in policies.

One of the key issues is the limited number of conceptual and theoretical research on advocacy. Most available sources are studies of specific cases, but they do not provide adequate conceptual grounding for analysis. The cases are drawn from a wide variety of areas such as health policy, social work, education and human services, and their advocacy strategies and applications are restricted to

certain contexts and areas. Advocacy is also influenced by the ideological positions held by clients and advocates as well as the regime in power. If there are stark contrasts to their positions, there is the possibility of intense conflict and subsequent impact on the system.

Motivation for advocacy may come from diverse sources. The most common source would be a strong belief in certain approaches and outcomes that contribute to spontaneous participation in advocacy efforts. Circumstances and the nature of social and political relationships in DCs often emerge as formidable barriers. Powerful groups and policy makers may refuse to take into consideration the input from advocacy groups. At the same time, the clients might feel intimidated in their efforts to express their needs and preferences to be included in the policy agenda. According to Epstein (1981: 6), "many advocates seem to have entered the field through personal experiences of stigmatization and through involvements in self-help movements." Moreover, there were desires to promote change as well as motivation on account of professional responsibility (Ezell, 2001: 7).

Identifying groups or clients that are in need of advocacy services is a complex task. Several different interests compete for attention, and governments with limited resources are unable to address all of them. Advocates have to select their clients with care, as there are a number of social, political, and ethical considerations. "Children and youth is the client group most frequently advocated for" (Ezell, 2001: 8), and women, disabled, and economically depressed groups are also receiving attention (Box 14.3).

Governments in DCs are generally faced with financial constraints because of weak performance of the economy, financial deficits, unfavorable balance of trade, and the need to provide services to a growing number of people. Similarly, advocacy groups are often ineffective because of the lack of resources. Advocates have to find time for undertaking additional activities and often do not have

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BOX 14.3   ADVOCACY

[A]ims to draw public attention to an issue and influence government policy either on behalf of, or alongside, a particular community interest group. In the international development context advocacy is normally associated with communities in the majority world. Different NGOs target specific communities, groups or sectors in their advocacy work. Advocacy can be approached through NGO participation in high level policy dialogues, lobbying, or through grassroots and community campaigning. Approaches to advocacy and the level of involvement of affected communities differ with each organisation.

Source: AidWatch (http://aidwatch.org.au/where-is-your-aid-money-going/ non-government-organisations/ngo-approaches-to-development-assistance).

adequate training. Moreover, they need to be convinced of advocacy as the best approach for achieving their objectives. Ezell (2001: 12) found that the "lack of time, energy, resources, and training are real barriers that can and must be dealt with" for increasing advocacy.

Advocacy requires conviction and belief in the cause and the methods to be followed. It is necessary to be convinced of the need to act and believe in the potential for success (Homan, 1999). In addition, advocacy may not be free of hazard in DCs, particularly if it involves working for a cause that may not be supported by the regime in power. Issues that are related to democratization, increased participation for women and underprivileged groups, or challenge traditional beliefs and practices may be dealt with harshly by the government. Thus, it may be dangerous to undertake advocacy in such situations. Ezell (2001: 16) points out that the stakes are high and mistakes may be made.

Another issue arises in determining the qualifications required to become an advocate. Some of the issues can be advocated strongly on the basis of technical knowledge, while others may be more general in nature. However, Ezell (2001: 16) points out that one of the advantages of working with a team of advocates is that every member does not have to have detailed knowledge about every aspect of the issue. Moreover, "group participation brings out citizens' basest instinct to pursue their own self-interest over the common good and do so in a rigid and uncompromising manner" (Young and Everitt, 2004: 23). It is also pertinent to consider the legal justification and implications of engaging in advocacy.

Advocates in DCs operate under extremely difficult circumstances for various reasons. The social and political structures are not conducive to open and transparent exchanges between the government and the public, who are not prepared to participate in activities for shaping policies. The public interest is often ignored as the powerful elites seek to further their own agenda. Advocacy brings out disagreements and conflicts and may have an impact on the actual process of working toward initiating change.

Advocacy groups may sometimes be viewed as special interests and that may be a constraint. Young and Everitt (2001: 22) pointed out "the groups that mobilize the most consistently and effectively are those that represent elite segments of society" and the "mobilization is likely to defend the interests of the affluent and powerful against the interests of the common citizen." Therefore, "we must examine carefully which segments of society are mobilized by groups to determine whether societal elites are, in fact, the primary beneficiaries of group action." They also raise the issue of whether groups such as minorities, women, and beneficiaries of publicly delivered government programs "exert undue influence over policy outcomes" and take away resources from the pool for the entire society.

Richart and Bing (1989: 70) draw attention to the risk of overconfidence that may lead advocates to think that their position is right and that differing views are bad. They seem to hold the view "that good intentions and warmheartedness are substitutes for good strategy and hard-headedness." Other issues and challenges

are related to drafting a problem statement and researching to develop solutions. A team of core advocates need to be created for selecting targets and planning the advocacy effort. Subsequently, plans may need to be revised, networks created, and coalitions formed to pursue advocacy efforts effectively (see Ezell, 2001: 156–169).

Potentials and Best Practices

There is immense potential for development through advocacy, and some good practices can be identified to guide the process. It is believed that advocacy groups offer a vehicle for citizens to participate in the democratic process (Young and Everitt, 2004: 25). Moreover, advocacy has emerged as an effective means of influencing policies and behavior and demonstrating the need for change in a desirable direction. In general, "the activists identify a problem, specify a cause, and propose a solution, all with an eye toward producing procedural, substantive and normative change in their area of concern" (Keck and Sikkink, 1998: 8). Each of these steps requires a range of techniques, as well as social and organizational skills. As advocacy is conducted in a variety of areas and contexts, practices must be considered carefully to determine their appropriateness (Box 14.4).

An essential condition for success is for the advocate to believe that action is necessary and that "the unmet needs of current and future clients are not and will not be addressed without an advocacy intervention" (Ezell, 2001: 15). The needs of the clients and community must take precedence over other considerations, and personal convictions and preferences should not be allowed to interfere with the process.

Ezell (2001: 182–188) listed a number of skills and attitudes that are essential for success in advocacy. They include persistence, tenacity, and patience; persuasiveness; compromising; negotiating; dealing with conflict; assertiveness; collaboration; prioritizing; flexibility and agility; and resourcefulness. It is unlikely that any advocacy group will have the entire range of skills. However, the nature of the issue and policy area will render a few or more of these skills relevant.

Young and Everitt (2004) identified the potentials of advocacy groups in developing democratic principles and practices. They assist in the development of better public policy, ensure the accountability of governments, help with the articulation of the interest of the citizens and mobilize them to participate in public affairs, and contribute to the development of a democratic culture. Each of these outcomes is critical to the process of development and its sustenance over long periods of time. The emergence of subsequent advocates and groups will be facilitated if these conditions could be established.

The role played by NGOs in forming and strengthening global networks for transnational environmental protection is a good example. The NGOs held a concurrent parallel forum to the UN official conference and the "face-to-face contact helped activists from different backgrounds and countries recognize commonalities and establish the trust necessary to sustain more distant network contacts after the

BOX 14.4   ISSUES IN ADVOCACY

Social issues, including health, education, culture, the arts, human trafficking, the environment, gender, and the marginalization of groups such as women, the disabled, the elderly, and the young. All social issues also have economic and political aspects. In many DCs, there generally has been more support for advocacy around social issues than around economic or political issues both because donor agencies are often concerned about helping marginalized groups and because social issues tend to be seen as less threatening to those in power. Change therefore seems more achievable.

Political issues, including the rights of people to express themselves, associate freely, elect leaders, provide input into policies, and require government accountability. Advocacy on political issues aims to enlarge the democratic space and the dialogue between the government and nongovernmental institutions and groups.

Economic issues, relating to the livelihood of populations, including access to assets or resources, market competition factors, and free market trade policies. Land law, fishing rights, trade policies, and labor issues such as fair wages are examples of economic issues around which advocacy campaigns have been organized. On a smaller scale, microenterprise vendors in specific markets can organize advocacy campaigns when, for example, they feel that fees for stalls are too high.

Source: Hansen, R. et al., *Strengthening and Measuring Advocacy Capacity of Civil Society Organisations*, Pact Zimbabwe, Harare, Zimbabwe, 2005a, 4.

conference was over" (Keck and Sikkink, 1998: 123). In a globalized world, it is important to forge collaboration among civil societies across national boundaries to promote advocacy, and such efforts have more potential for success over intergovernmental initiatives.

A tool developed by the United States Agency for International Development (USAID) is used to assess advocacy capacity of civil society organizations (CSOs). It seeks to measure the ability of organizations to successfully engage in advocacy campaigns and achieve the expected goals. Hirschman used the qualitative indicator of "advocacy index" to measure progress in Zimbabwe and found that this tool can be useful to determine managerial and policy effectiveness.

Finally, some of the constraints discussed earlier can be addressed through pubic financing of advocacy activities. Young and Everitt (2004: 147) argued that advocacy groups contribute to public benefits by providing a channel for citizens to participate in political life, increasing the representative capacity of government through organization and articulation of interests, and adding new insight and

information to the decision process and therefore should be eligible for financial support.

Ezell (2001: 192–195) prepared a list of practice guidelines that could be relevant for improving the quality of advocacy. They are as follows:

- The plight of clients requires vigorous representation.
- Effective advocates use multiple techniques to hear their clients.
- Successful advocates target specific policies or practices for change.
- Effective advocates closely map the decision systems responsible for targeted policies and practices.
- Effective advocates recast larger problems into solvable pieces.
- Successful advocates propose concrete solutions to the client problems they address.
- Effective advocates utilize several strategies, tactics, and skills simultaneously and sequentially.
- Successful advocates remain aware of and actively counter negative stereotypes about clients and misbeliefs about problems and proposals.
- Effective advocates use the least conflictual tactics necessary to accomplish their change objective.
- Effective advocates are culturally aware and respectful as they relate to advocacy colleagues, clients, and decision makers.
- Effective advocates place a very high priority on impacting budgets.
- Effective advocates closely monitor the implementation of changed policies and practices.

In brief, effective advocacy initiatives should identify timely and nationally significant issues, collect information, carry out research, and obtain input about them. Public opinion on the issues needs to be sought before formulating a viable alternative policy position. A gender analysis and a consideration of the implication of the alternative policies should precede the allocation of resources for advocacy on the issue. Efforts must be made to educate the citizens on the issue and build public support and subsequently to assemble coalitions and networks because cooperative action is likely to be more effective. Advocacy groups go into action to influence policies. After a policy is formulated, the groups continue to be active in facilitating implementation and maintaining continued public interest in the issues (Hansen et al., 2005b: 17).

Implications for Development Management

Education plays an important role in facilitating development. DCs are confronted with challenges and constraints in providing educational services to all groups and regions. It is expected that the identification and implementation of best practices

will help overcome most of these barriers. The MDGs represent the first systematic attempt to promote education through the setting of targets. However, the MDG targets are vague, and some of them are difficult to measure and evaluate. It will be worthwhile to establish comprehensive targets that would be easily measurable. There is a need for careful planning in various activities related to education, such as national policies, curricula, management, and allocating responsibilities to stakeholders. Autonomy to educational institutions for developing the most effective and enabling environment needs to be balanced with elements of regulation to ensure equity, fairness, and public interest. Avenues to facilitate openness and transparency and meaningful participation by teachers, students, parents, and other stakeholders from the community and civil society will make substantial contribution to the spirit and process of development.

While education represents a core element for improving the quality of human resources and life in a country, advocacy is a tool that contributes to the process. Advocacy helps DCs plan in a transparent manner, with the involvement of ministries, civil society, NGOs, the community, and "the country coordinating mechanisms that bring together all these critical stakeholders" (Sachs, 2004: 949). It is not restricted to the field of education but may be applied to effect improvements in a number of other areas, including health, social welfare, rights of underprivileged groups, the environment, and so on. Advocacy is a critical tool for development and provides scope for selecting specific issues that need attention in a society. It is effective in generating awareness about problems as well as the rights and responsibilities of the citizens. Advocacy is undertaken in many different areas, and the action depends on the interest and capacity of advocates and the needs of the community. It should be possible to identify best practices by reviewing the experience of advocates in different settings on various issues. Understanding the context of issues and the effects of actions by advocates can contribute to strengthening the governing process and development.

Review Questions

1. How does education contribute to development?
2. What are the main problems of delivering educational services in DCs?
3. What steps are necessary to make education inclusive and productive?
4. Why is advocacy a potent tool for development?
5. What risks do advocates face in DCs?

Further Reading

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Chapter 15

Environmental Protection

> It is in man's heart that the life of nature's spectacle exists; to see it, one must feel it.

> **Jean-Jacques Rousseau**

Relevance, Rationale, and Context

Traditionally, environment referred to the surrounding in which a phenomenon existed or an event took place. Over time, the concept has broadened considerably and now includes numerous aspects of social, technical, economic, political, and psychological arrangements, activities, and outcomes. Environment refers principally to ecological conditions, but is closely relevant to the quality of life and the management of natural resources (Buhrs and Bartlett, 1993: 9). Modernization and technological advancement have accorded prominence in the move toward development for many decades, and several countries have been making frantic efforts to achieve them. Consequently, overemphasis on infrastructure development and ruthless exploitation of natural resources have upset the ecological balance, and environmental protection and sustainability have emerged as a critical issue in development.

The relevance of development to the environment is obvious. Many of the activities intended to foster development have impacts on the environment. Rapid industrialization and urbanization, mechanization of agriculture, construction of infrastructure, improvements in transportation facilities, and other measures are accomplished at the cost of depletion of forests, overexploitation of natural resources, and diminishing of agricultural land. In addition, the extensive use of fossil fuels, huge carbon emission, and destruction of water bodies have resulted in serious problems. Therefore,

development strategies need to be reconsidered with special attention devoted to the protection of the environment, so that the progress achieved is sustainable.

Developing countries (DCs) currently face the formidable challenge of continuing on the path to development and caring for the environment at the same time. In the context of development, justice and equity are concerned with fairness that "deal with the distribution of shares of anything," and "there is some inequity in the way the world uses its resources and manipulates its environment" (Simmons, 1991: 232). The problem of lack of justice and equity is important because it has implications for efforts to reduce poverty.

In recent years, awareness about the damage to the environment has steadily increased because of the outcome of development efforts as well as the potential impact on a large number of people in the developing world. It has been argued that the adoption of "green technology" could contribute to the protection of the environment. Unfortunately, DCs lack the financial and technological resources that are required to ensure compliance with international standards when they undertake development. Such demands may delay the progress of development and add to the cost. Development management needs to address these issues as environmental protection has become a critical issue across the globe.

Concepts and Applications

The environment is "the physical realm from which we draw resources to sustain our lives and our societies" (O'Lear, 2010: 2), and it occupies an important position in modern society. The concept of environmental protection emerged in response to concern over the consequences of rapid development efforts and increased awareness of the depletion of common pool resources. Initial attempts were restricted to the formulation of policies that would regulate behavior and reduce the pressure on resources and limit the intensity of damage to the environment. It was soon realized that the state had to get involved in protecting the environment as the magnitude of the task was growing and was beyond the capacity of other groups to deal with it.

Several factors deserve consideration in presenting the case for environmental protection. It involves actions related to the promotion and protection of water and air quality, ecosystem management, biodiversity, natural resources, wildlife, and overall impact on human health. The emphasis is on sustainability that aims to ensure meeting "the needs of the present generation without compromising the ability of future generation to meet their own needs." Such a notion incorporates

- the concept of "needs," in particular the essential needs of the world's poor, to which overriding priority should be given; and
- the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs.

**World Commission on Environment
and Development [WCED] (1987: 43)**

Environmental protection measures are expected to hold businesses and industries responsible for their actions that have implications on human health and contribute to offsetting the costs by influencing behavior through incentives and sanctions. Protection of common resources is of utmost importance because they are limited in supply and must be used to provide benefits to the maximum number of people.

Environmental protection is applied through regulations intended to guide behavior. Many countries rely on economic incentives, tax exemptions, and imposition of user fees to achieve this end.

> As pressure intensifies for global action to protect the environment, increasing numbers of developing country-governments will be confronted with demands that they adopt policies more sensitive to the environment and more mindful of the preservation of renewable resources.
>
> **Low (1993: 705)**

Consequently, environmental organizations of international or intergovernmental nature helped diffuse the norm of nation-state responsibility for environmental protection that left little scope for domestic factors and processes to leave an impact (Frank et al., 2000).

As environmental protection activities transcend national boundaries, a number of international treaties, agreements, and protocols have come into effect to guide its application. Environmental degradation in one area can have severe impact across regions, and therefore, organized and coordinated actions are necessary to deal with the problem. As Low (1993: 705) argues,

> The rights of nations to determine their own policies and priorities are being challenged in the environmental sphere because of the global dimension of many of today's environmental concerns, whereby one nation's activities may be perceived as affecting environmental quality in other countries.

These factors have expanded the scope and added to the complexities of creating mechanisms, organizational arrangements, and procedures as multiple stakeholders participate and make monitoring and compliance a formidable challenge.

Redclift (1991: 40) observes that "the environmental message is concerned with finding new forms of co-existence with nature." The danger of balancing the growth of population and the nonrenewable nature of resource development is difficult as there is an asymmetric relationship between them. Commoner (1972: 299) explained that people seem not to be driven by the social organization intended to control nature because "means of gaining wealth which conflict with those which govern nature." It is becoming increasingly difficult to ensure environmental protection as it generates different types of demands on DCs, international standards

have to be complied with, and "environmental pollution is translated into threats to human nutrition" (Dasmann, 1975: 19).

According to Flint (2004: 51), sustainable development (SD) is "progressive socio-economic betterment without growing beyond ecological carrying capacity: achieving human well-being without exceeding the Earth's twin capacities for natural resource regeneration and waste absorption." He points out that economic vitality, ecologic integrity, and social equity are all significant in any policy for environmental protection (see Figure 15.1).

Forms, Strategies, and Outcomes

Environmental protection is facilitated through several channels, actors, and agencies. State institutions are instrumental in formulating regulations and structures for planning and implementing measures to protect the environment, guide and regulate behavior, and negotiate with various stakeholders for the best outcomes. This entails establishing a delicate balance between objectives of economic growth, social development, and environmental protection. In general, government agencies have the primary responsibility of enforcing rules and regulations that would lead to compliance with established standards. However, these efforts have to be supplemented by a myriad of activities by nongovernmental organizations (NGOs)
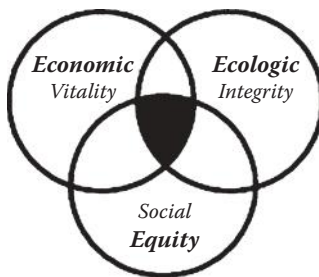
"The conceptual model of sustainable development that illustrates the relationship among economic, ecologic and social issues of concern in decision making. The black overlap of the three circles represents the nexus of connection among issues."

Economic Vitality (Compatible with Nature) development that protects and/or enhances natural resource quantities through improvements in management practices/policies, technology, efficiency, and changes in life-style.
Ecologic Integrity (Natural Ecosystem Capacity) understanding natural system processes of landscapes and watersheds to guide design of sound economic developement strategies that preserve these natural systems.
Social Equity (Balancing the Playing Field) guaranteeing equal access to jobs (income), education, natural resources, and services for all people: total societal welfare.

Figure 15.1   Sustainability model. (Adapted from Flint, R.W., *Water Resources Update,* No. 127, 48–59, January 2004, Universities Council on Water Resources.)

and community organizations, who often undertake the lead in promoting practices for environmental protection.

Stretton (1976: 4) argues that effective environmental protection programs have to "be part of a programme of more general social change," rather than remaining confined to efforts made by the state organs. Sandbach (1980: 22, 23) identifies ecological and scientific programs that "influence policy by presenting a valid, scientifically argued case, based upon ecology and systems analysis" and those that are "less concerned with environmental systems, but more with whether or not science and technology are compatible with humanistic principles." Redclift (1991: 50) listed three principal objectives of resource conservation as the maintenance of essential ecological processes and life support systems, the preservation of genetic diversity, and the sustainable utilization of species and ecosystems.

Whether the issue is management of natural resources in a sustainable manner, reducing industrial pollution, or protecting biodiversity, DCs are increasingly required to respond to demands from industrial countries for effecting modifications in their environmental behavior. But it is one thing for DCs to accept the proposition that safeguarding the environment is a shared responsibility and quite another to subscribe uncritically to environmental priorities and solutions framed in industrial countries. Five basic principles suggest themselves as useful guidelines within which to conduct the discussion of how industrially developed countries and industrializing DCs should interact on environmental issues (Low, 1993).

The state of environmental protection in China and other rapidly progressing DCs often gives rise to debates and controversies. A study found that, in China, the "range of serious problems included threats to air, water, soil and vegetation" (Feng and Reisner, 2011: 434). The problems are often the consequences of actions required for development, and they are disregarded because of the eagerness for rapid change. Moreover, with expanding participation of stakeholders and their multiple "voices, views of development, and understandings of the relationship between human beings and nature increased through the action of a new set of players in the international environmental field" (Keck and Sikkink, 1998: 126).

The World Bank proposed a set of strategies for environmental protection with reference to the key challenges confronting environmentally and socially SD. These intend to

- Improve people's health by reducing their exposure to environmental risks such as indoor and urban air pollution, water- and vector-borne diseases, and toxic substances.
- Support the sustainable management of natural resources—land, water, forests, and biodiversity—to enhance poor people's livelihoods today and in the future.
- Reduce people's vulnerability to environmental risks such as natural disasters, severe weather fluctuations, and the impacts of climate change.

World Bank (2000b: 9)

The common strategies for environmental protection include regulation of behavior for less consumption and environment-friendly measures, sanctions on actions that cause an environmental damage, and vigorous campaign to educate the citizens about desirable consumption and behavior. While the first two strategies are within the jurisdiction of government agencies, other actors and agencies are involved in fostering awareness about the problem and informing people of the consequences. Globally, strategies emerge out of a number of protocols that have developed over several decades.

Methods and mechanisms adopted by governments for environmental protection may be influenced by the location where it takes place. For instance, industrial pollution control and prevention policies were two key strategies put in place in the 1970s in China to protect the environment (Zhang and Wen, 2008: 1260). In the case of Mexico, for example, policies for protecting the environment in the northern part of the country "tend to be human centered and urban oriented. The southern border states remain more rural and more marginalized, and a significant component of the government's environmental protection efforts is directed at managing natural resources and biodiversity" (Lybecker and Mumme, 2002: 424). The context of the region and its needs are thus recognized in developing environmental policies.

A large number of conventions and agreements have been concluded over the past decades, and some of them have acquired prominence in the area of environmental protection. They deal with a variety of issues such as endangered species, hazardous chemicals and pesticides, organic pollutants, desertification, wetlands, whaling, and the protection of the ozone layer.

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) mentions

> several global and regional conventions, agreements and protocols developed during the last quarter of a century such as the Ozone, Basel, CITES, CMS, and the European Convention on Transboundary Air Pollution and the like are examples of hard law, while the Stockholm and Rio Declarations and several instruments dealing with the management of chemicals, such as the London Guidelines, are good examples of soft law.
>
> **http://www.unescap.org/drpad/vc/orientation/legal/3_intro.htm**

The key points of the *Rio Declaration* and *Kyoto Protocol* will be used to illustrate the strategies and expected outcomes.

Some of the conventions have succeeded in providing support and contributing to environmental protection. The Worldwatch Institute (2002: 178, 179) summarized the outcome of a number of conventions:

1. *Convention on Biological Diversity, 1992* provided guidelines for the conservation of biodiversity and required participating countries to formulate strategies for achieving them. It stipulated that biodiversity use must be sustainable and the benefits must be shared between the source and receiving countries. Global Environment Facility (GEF) channeled $1.02 billion into biodiversity funds in 120 developing countries.
2. *UN Framework Convention on Climate Change 1992* succeeded in obtaining agreement among a group of advanced nations to adopt policies to stabilize greenhouse gas emission and provide financial resources for technology transfer. GEF provided $884 million into climate change projects.
3. *Convention to Combat Desertification 1994* created a network of four regions (Africa, Asia, Latin America and the Caribbean, and Northern Mediterranean) to design and implement plans tailored to local needs.
4. *Stockholm Treaty on Persistent Organic Pollution 2000* regulates the production of 12 toxic substances and intends to identify and eliminate stockpiles, and wastes containing persistent organic pollutants.

The Kyoto Protocol is linked to the United Nations Framework Convention on Climate Change (UNFCCC) and is relevant in understanding the state of environmental protection in recent years. It was signed in 1997 and did not come into force until 2005. Under the Kyoto Protocol, industrialized countries are expected to reduce their collective emission of greenhouse gases by 5.2% compared with the level of the year 1990. Using a number of strategies such as emissions trading, adoption of clean development mechanism, and joint implementation, the parties to the protocol were expected to meet their targets through national endeavors. It set "binding targets for 37 industrialized countries and the European Community for reducing greenhouse gas (GHG) emissions," and "while the Convention encouraged the industrialized countries to act on it, the Protocol commits them to do so" (UNFCCC, online accessed on 9 March, 2011; Box 15.1).

Strategies for environmental protection include efforts undertaken at the international, national, local, and community levels. International agreements, conventions, protocols, and treaties facilitate the imposition of regulations on actions that result in environmental degradation and proactive measures to offer assistance from the advanced and industrialized nations. At the state level, national institutions and governmental organizations adopt policies to protect the environment and supplement the efforts through programs designed to educate the citizens, provide incentives for appropriate behavior and conservation, impose sanctions for noncompliance, encourage research on green technology, and promote campaigns to protect the environment. Local councils assist with the implementation of national programs within their jurisdictions. Community groups and NGOs

BOX 15.1 AGENDA 21

Underlying Agenda 21 is the notion that humanity has reached a defining moment in its history. We can continue our present policies which serve to deepen the economic divisions within and between countries; which increase poverty, hunger, sickness and illiteracy worldwide; and which are causing the continued deterioration of the ecosystem on which we depend for life on Earth.

PRINCIPLES

1. Human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature.
2. States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction.
3. The right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.
4. In order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it.
5. All States and all people shall cooperate in the essential task of eradicating poverty as an indispensable requirement for sustainable development, in order to decrease the disparities in standards of living and better meet the needs of the majority of the people of the world.
6. The special situation and needs of developing countries, particularly the least developed and those most environmentally vulnerable, shall be given special priority. International actions in the field of environment and development should also address the interests and needs of all countries.
7. States shall cooperate in a spirit of global partnership to conserve, protect and restore the health and integrity of the Earth's ecosystem. In view of the different contributions to global environmental degradation, States have common but differentiated responsibilities. The developed countries acknowledge the responsibility that they bear in the international pursuit of sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command.

8. To achieve sustainable development and a higher quality of life for all people, States should reduce and eliminate unsustainable patterns of production and consumption and promote appropriate demographic policies.

9. States should cooperate to strengthen endogenous capacity-building for sustainable development by improving scientific understanding through exchanges of scientific and technological knowledge, and by enhancing the development, adaptation, diffusion and transfer of technologies, including new and innovative technologies.

10. Environmental issues are best handled with the participation of all concerned citizens, at the relevant level. At the national level, each individual shall have appropriate access to information concerning the environment that is held by public authorities, including information on hazardous materials and activities in their communities, and the opportunity to participate in decision-making processes. States shall facilitate and encourage public awareness and participation by making information widely available. Effective access to judicial and administrative proceedings, including redress and remedy, shall be provided.

11. States shall enact effective environmental legislation. Environmental standards, management objectives and priorities should reflect the environmental and developmental context to which they apply. Standards applied by some countries may be inappropriate and of unwarranted economic and social cost to other countries, in particular developing countries.

12. States should cooperate to promote a supportive and open international economic system that would lead to economic growth and sustainable development in all countries, to better address the problems of environmental degradation. Trade policy measures for environmental purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. Unilateral actions to deal with environmental challenges outside the jurisdiction of the importing country should be avoided. Environmental measures addressing transboundary or global environmental problems should, as far as possible, be based on an international consensus.

13. States shall develop national law regarding liability and compensation for the victims of pollution and other environmental damage. States shall also cooperate in an expeditious and more determined manner to develop further international law regarding liability and compensation for adverse effects of environmental damage caused by activities within their jurisdiction or control to areas beyond their jurisdiction.

14. States should effectively cooperate to discourage or prevent the relocation and transfer to other States of any activities and substances that cause severe environmental degradation or are found to be harmful to human health.

15. In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

16. National authorities should endeavour to promote the internalization of environmental costs and the use of economic instruments, taking into account the approach that the polluter should, in principle, bear the cost of pollution, with due regard to the public interest and without distorting international trade and investment.

17. Environmental impact assessment, as a national instrument, shall be undertaken for proposed activities that are likely to have a significant adverse impact on the environment and are subject to a decision of a competent national authority.

18. States shall immediately notify other States of any natural disasters or other emergencies that are likely to produce sudden harmful effects on the environment of those States. Every effort shall be made by the international community to help States so afflicted.

19. States shall provide prior and timely notification and relevant information to potentially affected States on activities that may have a significant adverse transboundary environmental effect and shall consult with those States at an early stage and in good faith.

20. Women have a vital role in environmental management and development. Their full participation is therefore essential to achieve sustainable development.

21. The creativity, ideals and courage of the youth of the world should be mobilized to forge a global partnership in order to achieve sustainable development and ensure a better future for all.

22. Indigenous people and their communities and other local communities have a vital role in environmental management and development because of their knowledge and traditional practices. States should recognize and duly support their identity, culture and interests and enable their effective participation in the achievement of sustainable development.

23. The environment and natural resources of people under oppression, domination and occupation shall be protected.

24. Warfare is inherently destructive of sustainable development. States shall therefore respect international law providing protection for the environment in times of armed conflict and cooperate in its further development, as necessary.
25. Peace, development and environmental protection are interdependent and indivisible.
26. States shall resolve all their environmental disputes peacefully and by appropriate means in accordance with the Charter of the United Nations.
27. States and people shall cooperate in good faith and in a spirit of partnership in the fulfilment of the principles embodied in this Declaration and in the further development of international law in the field of sustainable development.

Source: United Nations (UN), *Agenda 21 Summary*, United Nations Department of Public Information, 1992 (http://jaygary.com/agenda21.shtml).

play an increasingly significant role in environmental protection by developing and implementing programs that encourage conservation, recycling, and environment-friendly behavior among the citizens.

Governments in many DCs were confronted with the challenge of designing policies and creating a network of organizations for dealing with environmental protection, and the task had to be accomplished within a relatively short period of time. By 1979, it was found that there was some kind of government agency, ministry, department, or office in almost every country, and they were charged with ensuring environmental protection in a variety of areas such as wildlife, forests, water, natural resources health, or sanitation (Bassow, 1979: 119). It should also be noted that there has been a rapid proliferation of NGOs and grassroots organizations in both the developed and developing world, and they devote most of their work toward environmental protection.

The outcomes of environmental protection efforts are generally positive. They have contributed to awareness about wastage, rapid depletion of natural resources, and the need to protect the environment, and new programs have been introduced to deal with these problems. Consequently, the level of air and water pollution has been reduced to some extent. More importantly, new arrangements and technology are emerging, and they are likely to sustain the progress as governments realize the actual cost of ignoring environmental protection. However, much more needs to be done as the pace of environmental damage has accelerated, and commitment from some countries toward combating it seems to be affected by worldwide economic downturn and ideological shifts on the issue.

Issues and Constraints

Environmental change has a considerable impact on the lives of people in DCs. It has emerged as one of the most critical issues because environmental factors influence agriculture, industries, health, and a host of other policy sectors. Trade and commerce are also affected because of increase in the cost of environment-friendly methods and mechanisms and pressure for compliance with international standards and protocol. While environmental protection is extremely important for development, such demands have serious implications for DCs as they strive to increase agricultural productivity, achieve rapid industrialization, and ensure health and other social services to the citizens with their limited capacity.

Earlier, countries relied on domestic ecosystems for food and clothing, and "on nature to provide clean air and waters, minerals, and aesthetic incentives," but now they "control and manage enormous quantities of the world's energy, affecting the whole biosphere and displacing ecosystems" (Odum, 2007: 332). The most common areas of constraints include the rapid rise of global population, environmental health risks from "lack of access to safe drinking water, high levels of indoor and outdoor air pollution, unsafe use of agro- and industrial chemicals, and vector-borne diseases (malaria, dengue fever)," tremendous pressure on natural resources, and natural and man-made disasters (World Bank, 2000b: 6, 7). Redclift (1991: 41) also expressed concern over the capacity of ecosystems because of "the increase in human population and the non-renewability of resource development."

Linkages between women and the environment have not yet been adequately explored. Rocheleau et al. (1996) traced the connection through "gendered science of survival" that recognizes efforts by women to develop environmental sciences and movements that reflect local knowledge and practices, "gendered environmental rights and responsibilities" related to rights of control and access, and "gendered environmental politics and grassroots activism" that considers women's involvement in political movements for an environmental change. It was found that women are more concerned over the environment than men (see Davidson and Freudenburg, 1996; Mohai, 1997; Szagun and Pavlov, 1995). It is obvious that women and men "differ in environmental values, attitudes, and behaviors" (Nugent and Shandra, 2009: 209).

Environmental research is extremely complex in nature as it draws upon a variety of disciplines. Kuhtz (2011: 80) believes that "[i]n assessing the potential risks from climate change and the costs of averting it, researchers and policymakers encounter pervasive uncertainty." This results in major differences of opinion regarding the appropriate policy response as the threat of climate change is assessed in different ways by experts on various branches of knowledge. Policy preferences, therefore, reflect the level of concern felt by specific groups of analysts and, to some extent, countries. Governments in DCs are under pressure to pursue

economic growth and continue activities to facilitate industrialization and trade, along with stipulations to comply with strict guidelines for environmental protection. Choosing between rapid growth and environmental protection remains an issue of controversy.

The extent of knowledge about environmental issues is a constraint. A study on China reported that knowledge of ecology and environmental issues is confined to the urban areas only, and the vast rural population remained unaware of this (Harris, 2006). The problem is common in DCs because of low literacy rates as well as lack of alternative sources of knowledge and information. It has been assumed that education and information may contribute to changes in individual behavior (Baldassare and Katz, 1992). However, there are other studies that indicate that environmental concern may not necessarily be reflected in the behavior of the citizens and groups (Scott and Willis, 1994).

Environmental protection is affected by diverse approaches adopted by most DCs in managing natural resources. Financial pressure and the eagerness to achieve rapid development may guide actions to extract natural resources unscrupulously instead of using a sustainable approach. Continued extraction results in depletion of resources and causes more harm to the financial strength of the country. Agriculture, forestry, energy production, and mining generate a considerable component of the gross national product (GNP) in many DCs and have implications for livelihood and employment of a large number of people. "Exports of natural resources remain a large factor in their economies, especially for the least developed. Most of these countries face enormous economic pressures, both international and domestic, to overexploit their environmental resource base" (WCED, 1987: 6). Continuation with activities contributing to pollutant discharge in China has resulted in aggravation in ecological deterioration and was found to be "a key factor harming public health and restricting economic growth and social stabilization" (Zhang and Wen, 2008: 1260).

Another issue arises out of the need and tendency for collaborative action by local, national, and international actors in ensuring environmental protection. Many DCs are not adequately connected to the international system to participate effectively in the process, and their efforts are affected. Such complexity of relationships poses a major challenge for environmental management in many DCs (WCED, 1987: 6). The international conventions provide platforms for the DCs to inform the developed world of their problems and seek assistance to deal with environmental issues. Unfortunately, the outcomes of such efforts are not yet evident as more pressing problems often shift attention to new activities.

The disruption of a well-organized system and the destruction of its control mechanisms have severe adverse impacts (Odum, 2007: 58), and this has been happening to the ecology over decades. The risks increase considerably because of the unethical strategies adopted by some industries who try to entice poor, segregated communities with promises of employment opportunities and contribution to the

tax base in return for support and permission (Theodore, 1996: 486). This creates immense stress on countries with very little or limited sources for raising revenue and places the offending industries in advantageous positions. They exploit such opportunities and create formidable obstacles to the progress of developmental efforts.

DCs are exposed to additional constraints as the developed world received a head start by industrializing ahead of them. Massive industrialization caused substantial environmental damage, especially in the absence of strict regulations on pollution and requirements for compliance with standards. As environmental protection emerged as a critical issue, the circumstances have changed and power relationships shifted. As O'Lear (2010: 198) suggests,

> Governments, businesses and consumers in more powerful parts of the world seek to detract attention away from their own consumption and pollution levels by identifying or dramatizing threats emerging elsewhere. By creating a narrative about external threats to the state, including environment- and resource-related threats, attention is shifted away from the role that politically and economically powerful actors play in the destruction of the environment within and beyond their own political borders.

Some environmental problems arise from constraints inherent in the social, political, and economic arrangements in DCs. Two volumes of the *World Environment Report* (1977, 1978) revealed instances of such problems in the developing world. Taking the Indian case, for instance, in both rural and urban areas, a large number of people must use firewood for cooking. In addition, the burning of coal, emissions from factories, power plants and vehicles, runoff from pesticides, and other agricultural chemicals have all contributed to high levels of atmospheric pollution that has a serious impact on public health. The "erosion of forested areas" is a major problem in the Philippines, and air pollution in Malaysia. Continuing industrialization and rapid population growth contributed to severe air pollution in Turkey, particularly in urban areas, and resulted in an increase "in cases of Bronchitis, lung disease, miscarriages, and premature births." Inadequate supply of clean water, poor sanitation, lack of waste disposal facilities, deforestation and erosion, inadequate housing, degradation of agricultural land, and encroaching deserts in the north were reported to be Nigeria's main environmental problems (Ojikutu, 1978, cited in Bassow, 1979: 119).

Conflicts of interest and differences in objectives among stakeholders affect the goal of environmental protection. The North American Free Trade Agreement (NAFTA) included arrangements to promote environmental standards. Interestingly, the corporations

> acted to reduce environmental protection costs, but when faced with significant attacks, they developed a variety of different arguments to

defend their interests. They tried to balance low regulatory costs with consistency in standards when it was convenient for exchange, and when it suited their interests some businesses pointed to U.S. standards as a reason to reject the importation of Mexican goods.

Grossman (2000: 78)

Marchak (1998: 138) observed that the lack of awareness about environmentally unsafe practices may be understandable in view of the failure to engage in trading relationships. The context emerges as a factor for the variations in programs in Mexico. The choice of strategies is a critical act, and often countries adopt the same strategy for all regions. Thus, "it appears that several of the structures and programs pursued by the Mexican government have an urban bias, favoring the industrialized and urban areas of the country," while these programs may not be appropriate for the more rural and less industrialized regions of the country (Lybecker and Mumme, 2002: 425).

Criticism over unscrupulous overexploitation of natural resources is strongly voiced from countries that have reached their developed state in similar ways, sometimes by exploiting resources beyond their own national boundaries. The tendency is to persuade DCs to adopt green technology and minimize the threats to the environment. This is paradoxical because these countries lack the scientific and technological expertise and the financial strength to pursue this option. Consequently, stringent environmental requirements impose additional costs and affect the DCs adversely. Before the 1970s, legislation for protecting the environment was often not comprehensive and was generally limited to "the imposition of controls in those areas where environmental damage was most obvious" (Farquhar, 1984: 268).

Environmental protection, similar to many policy areas, requires huge financial investments. One of the principal constraints facing DCs is the lack of adequate financial resources for providing basic services, and it is very difficult to contribute to research and experiments that could offset environmental degradation and promote green technology. Financial constraints affect innovation and compel these countries to adopt solutions designed for different contexts. There are various kinds of costs, and even "the rise in living standards has been demonstrated to be causing environmental problems" (Farquhar, 1984: 268). It has been argued that meeting the cost of emissions reduction is dependent on the malleability of an economy's stock of capital and the time available for adjustment (Jacoby and Wing, 1999).

Despite increased awareness; collaborative efforts by local, national, and international actors; and technological advancement, the number of issues and constraints in environmental protection continues to proliferate. Certain environmental trends have emerged to affect the state of the planet, desertification has intensified, forests are destroyed, acid rain damaged forests and lakes, and the "burning of fossil fuels puts into the atmosphere carbon dioxide" to cause global warming (WCED, 1987: 2). Gradually, a number of issues have emerged. They include environmental

ethics that has changed the emphasis of moral codes and expanded the concept of the "common good" that lies at the heart of determining whether an action is ethical (Richardson, 1996: 471). Moreover, environmental protection policies have redistributed risks and concentrated them in particular segments of society (Theodore, 1996: 480), and the vulnerable groups have been affected the most. Bryant and Mohai (1992) reported that minority communities and those with low income are disproportionately exposed to environmental hazards such as toxic waste disposal sites, lead, pesticides, air pollution, and contaminated fish.

Issues and constraints are also found in the organization and management of agencies and movements engaged in environmental protection. As this is a relatively recent area of state involvement for many DCs, environmental protection entailed the establishment of organizational structures and the deployment of personnel with relevant skills to administer them. The political institutions have to create legislation and make regulations, and implement policies in societies that are not accustomed to environment-friendly lifestyle. The task becomes even more difficult when environmental policies affect the interests of the powerful groups who create obstacles to the programs of the government.

Continuous changes in the environment and efforts to deal with them will give rise to more issues for governments in DCs. This has added to the burden of their task along with other challenges of development. It will be helpful to review the potentials of policies and practices adopted in some countries to protect the environment that could assist with the development of public policies.

Potentials and Best Practices

Environmental protection is no longer regarded synonymously with "pollution control," nor it is considered "as an unpleasant byproduct of a highly desirable technological society" (Bassow, 1979: 120). Increased awareness among citizens, community groups, and national governments and policy reforms have contributed to progress in environmental protection. The foremost factor is recognition of the threat to the planet and people if environmental degradation continues. This view has been reinforced by frequent and violent natural disasters that are attributed to climate change caused by a variety of factors such as carbon emission, deforestation, overconsumption, and overexploitation of natural resources. These served as clear indications for the need to change consumption style and behavior.

The second factor that has compelled countries to introduce legislation and regulations is the pressure emanating from international agreements and collaborative efforts. In the wake of globalization, DCs are more integrated in the world system, and trade, commerce, and development assistance are increasingly getting linked with environmental protection. For example, the Kyoto Protocol established a set of mechanisms including emission trading or the carbon market and the collaborative implementation of clean development mechanisms. Tanner (1999: 145) reviewed the literature on environmental behavior and noted the assumption that it

is possible to change attitudes and beliefs of citizens through education and information, and this could lead to changes in their actual behavior.

In addition to the establishment of structures and mechanisms and international collaboration, the mission of environmental protection depends on support and enthusiasm within the community. Several NGOs and community groups are active in promoting environmental awareness and actions. "Changes in ideas about the relationship between development and environmental protection encouraged more participation by actors in developing countries—state actors, local scientists and conservationists, and other agents promoting social change" (Keck and Sikkink, 1998: 126).

A study on China recognized that reactive approaches and instruments used in the past are no longer sufficient and recommended integrated measures and actions (Box 15.2). They include

- adherence to the state policy of environmental protection and promotion of the strategy of sustainable development;
- adjustment of the economic structure, such as reducing industries that deplete resources and emit pollutant, policy reforms to improve efficiency and development of environmental industry to "provide technological support for environmental protection";
- implementation of principles emphasizing ecological conservation and pollution prevention;
- building capacity for sustainable development, through both government efforts as well as market and private sector participation for environmental protection; and
- encouragement of international cooperation and wide participation by government, industry and business, non-government organizations and the public.

Zhang and Wen (2008: 1260)

The World Bank started an initiative of "mainstreaming" the environment and "greening" the Bank's portfolio. Prior to that, efforts were directed at using the Bank's

> investment portfolio and technical assistance to strengthen the integration of environmental issues into the development process. In addition to environmental assessment procedures and targeted environmental interventions, the Bank is now moving toward greening its entire portfolio through a growing number of sector projects, which include environmental components or incorporate environmental considerations into project design.

World Bank (2000b: 10)

BOX 15.2   KYOTO PROTOCOL: POLICIES AND MEASURES

(i) Enhancement of energy efficiency in relevant sectors of the national economy;

(ii) Protection and enhancement of sinks and reservoirs of greenhouse gases not controlled by the Montreal Protocol, taking into account its commitments under relevant international environmental agreements; promotion of sustainable forest management practices, afforestation and reforestation;

(iii) Promotion of sustainable forms of agriculture in light of climate change considerations;

(iv) Research on, and promotion, development and increased use of, new and renewable forms of energy, of carbon dioxide sequestration technologies and of advanced and innovative environmentally sound technologies;

(v) Progressive reduction or phasing out of market imperfections, fiscal incentives, tax and duty exemptions and subsidies in all greenhouse gas emitting sectors that run counter to the objective of the Convention and application of market instruments;

(vi) Encouragement of appropriate reforms in relevant sectors aimed at promoting policies and measures which limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol;

(vii) Measures to limit and/or reduce emissions of greenhouse gases not controlled by the Montreal Protocol in the transport sector;

(viii) Limitation and/or reduction of methane emissions through recovery and use in waste management, as well as in the production, transport and distribution of energy.

Source: Kyoto Protocol to the United Nations Framework Convention on Climate Change (http://unfccc.int/essential_background/kyoto_protocol/items/1678.php).

The gradual recognition of the role of women in environmental protection is a definite sign of progress. The Women's Environment and Development Organization carries on advocacy work to get women involved in environmental decision making. This practice makes sense because women in DCs "are in a position of being uniquely and disproportionately affected by environmental degradation outcomes due to domestic responsibilities for provision of water, food and fuel; serving in roles as caregivers; and higher rates of poverty among women" (Nugent and Shandra, 2009: 208). It is obvious that women have a significant role to play in identifying, analyzing, and assisting with plans for implementing programs of environmental protection.

Several studies have found examples of best practices that have the potential to contribute to effective environmental protection. Panwar et al. (2011: 1522) examined the role of renewable energy sources in environmental protection and observed that the "use of solar drying of agricultural produce has good potential for energy conservation in developing countries." One of the most promising alternatives is the manufacture of biodiesel from nonedible vegetable oil. This fuel has the potential of reducing the emission of carbon dioxide and the consumption of petroleum and can replace conventional diesel as fuel (Carraretto et al., 2004).

Nigeria created a Division of Environmental Planning and Protection within the Ministry of Industries and identified 12 priority areas for an environmental action. The country also sought assistance from other countries and international organizations for dealing with environmental problems and negotiated a visit by a mission from the United States Environmental Protection Agency "to prepare a feasibility survey of environmental action priorities in different regions of the country" (Bassow, 1979: 119, 120).

In Latin America, Venezuela established a Ministry of Environment and Renewable Natural Resources that exercises regulatory powers. Over the years, a Law of the Environment was promulgated to provide the basic framework for environmental protection, and the Ministry was given the mandate for establishing priorities and a plan for dealing with resource conservation and management, pollution control, development projects, and institutional arrangements to create support for the national environmental policy with emphasis on public education and citizen participation (Gabaldon, cited in Bassow, 1979: 117). Colombia "passed a comprehensive environmental protection code which although flexibly enforced is, nonetheless, the law of the land" (Bassow, 1979: 117). Brazil suffered from pursuing a strategy of industrial development with no consideration for the environment and eventually had to impose a ban on the construction of industrial plants in Sao Paulo (*World Environment Report*, 1978).

The Malaysian government created a Division of the Environment and entrusted the responsibility to deal with problems of air pollution in Kuala Lumpur as well as for control of pollutants from petroleum refineries, palm oil effluents, and power stations. Malaysia, Singapore, and Indonesia worked in collaboration to reduce pollution by controlling the traffic of oil tankers sailing between Japan and the Middle-East (*World Environment Report*, 1978). In the Philippines, Environmental Protection Council was set up in 1977 to organize measures for reducing sources of pollution, and the government requires an environmental impact statement before approving projects for dams, roads, and power stations (*World Environment Report*, 1978). Turkey's response to environmental challenges included the creation of a new agency by the parliament to deal with the problem, and the constitution of Sri Lanka stipulates the government "to protect, preserve and improve the environment for the benefit of the community" (*World Environment Report*, 1978). It was reported in 1979 that "while other developing countries have not gone as far as Sri Lanka, the trend towards establishing governmental agencies to deal with

environmental problems is becoming widespread in Asia" (Bassow, 1979: 117). At that time, Bangladesh, Indonesia, Iran, Singapore, and Thailand had such agencies, and subsequently, it has been noticed in many more countries across the globe.

In addition to initiatives by state and international organizations, networks of NGOs organized a parallel forum alongside a UN official conference. It triggered a set of activities that helped to form and strengthen advocacy networks across nations. "As it developed, the NGO forum format led to dialogue, conflict, creativity, and synergy. The face-to-face contact helped activists from different backgrounds and countries recognize commonalities and establish the trust necessary to sustain more distant network contacts after the conference was over" (Keck and Sikkink, 1998: 123).

Effective pollution prevention and control measures require careful planning of capital expenditure, efficient operation of the facilities, and proper monitoring of the process (Alexander and Harper, 1984: 198). These requirements point to the need for undertaking a number of activities to prepare the grounds for training relevant personnel on environmental matters. Theodore (1996: 424–428) listed academic learning, employee exchange programs, summer employment and cooperative placements, short-term training, and self-study among the various arrangements for developing skills in this area.

Savory and Butterfield (2010) proposed the concept of a holistic management framework to ensure social, environmental, and economically sound development. They claim that this framework helps "people see that they best serve their own interests by accounting for the environmental, as well as the social and economic, consequences of their decisions" (Savory and Butterfield, 2010: 158). A wide array of plans, strategies, projects, and actions have been introduced, and several of them seem to be working toward the goal of environmental protection. Some of these are too vague to be of much use at this stage, but discrete examples from specific countries could serve as guidelines.

Implications for Development Management

Development entails changes to, and adjustments in, ideas, attitude, outlook, as well as the organization and operation of government agencies and their relationship with the private sector. It is a challenging task as there are multiple parties and interests that compete for attention from policy makers, and information and intentions have to be carefully considered in formulating plans and strategies. The state of the environment has emerged as a critical factor across the globe because it has implications for livelihood, health, freedom, security, as well as human rights and access to essential services.

In the race for development, it has been possible for Western nations to achieve rapid industrialization and urbanization at a time when the environment did not feature prominently in development debates. Earlier, development involved

activities that emphasized immediate results, and the effects of such actions on the ecology were not considered. Over time, progress in technology and new research findings revealed that continuous damage to the environment can result in serious threats to human life, and progress achieved over the years may be affected. Problems related to the environment are not contained by national boundaries, and thus, environmental protection has become one of the most prominent issues for all countries across the globe.

DCs are now confronted with additional challenges to ensure that environmental protection becomes an integral element in planning and implementing projects. They have to abide by national standards and international protocols and conduct environmental impact assessments (EIAs) before moving forward with development projects. The issue is considered at every stage of the process, and the network of environmental groups and organizations is engaged in upholding the standards and complying with agreements. The policy framework must be strengthened to allow adequate scope for identifying priorities and designing programs that will result in development and environmental protection at the same time.

Environmental protection contributes to SD and allows countries to select strategies that are suitable to specific cases. It has been possible to generate awareness of the implications of environmental issues among citizens and actors engaged in developing policies and implementing them. Over the long run, these strategies are expected to lead to changes in behavior and relationships to ensure progress without the undesirable effects that have already caused considerable damage to the planet. The benefits of development will be realized, and progress will be achieved without paying the price of permanent damage to the environment.

Environmental protection plays an important role in development management. While specific countries devise and select policies and practices for protecting the environment, the international community works together to ensure that standards are upheld. The task is accomplished through the formulation of rules and regulations and the establishment of agencies and organizations. At the same time, it is found that the scope of environmental protection is too big to be accomplished by the state agencies, and thus, the private sector, community groups, and international organizations are also involved. A number of agreements and protocols have been concluded to coordinate environmental protection. However, some of the parties have not yet been able to live up to their commitments in full.

Environmental protection is a complex and difficult task, and governments encounter obstacles in ensuring it. The problems arise from social, economic, and political arrangements as well as the context and nature of the community. Several countries have been able to develop methods and practices that have helped to make progress in protecting the environment. They include recognition of the need for environmental protection, development of awareness among citizens and providing scope for their participation in the process, creation of agencies to perform specific tasks, and promotion of technology and innovation to ensure progress without adverse impacts on the environment.

Review Questions

1. Why is environmental protection critical for DCs?
2. Which factors pose formidable obstacles to environmental protection?
3. How can DCs work together to ensure environmental protection?
4. How should responsibilities be shared between developed countries and DCs?
5. What measures do you consider most important for SD?

Further Reading

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Managing Development: Future Directions

The best thing about the future is that it comes one day at a time.

Abraham Lincoln

Introduction

Development management has come of age. From its earlier postwar form, it has transitioned through trials and experimentations to become a vital governmental endeavor in the developing world. Lessons and experiences from past and present development-related programs and projects in countries around the world have helped renew managerial praxis. The art and science of managing development have been pervasively informed by technical analyses and empirical assessments, which specialists and professionals have been undertaking. On the other hand, being an academic exercise as well, its concepts and theories have been redefined, synthesized, and extended with inputs from various cognate fields and the insights of astute observers and scholars concerned with real-world situations. Today, development management is an integral branch of development studies and an essential component of management science. It combines interdisciplinary knowledge to produce a praxis-oriented specialty that focuses on societal well-being and progress. It is sociopolitical in context and employs a sociological approach in understanding and resolving society's problems; it is political and economic in its interventions, managerial in nature, and technical in application.

The management of development entails dealing with a wide range of ideas, negotiations, actions, consequences, and outcomes. Over decades, various issues have acquired prominence, subsequently superseded by new and more critical problems and the challenges of resolving them. The current state of the world, progress and pitfalls in development efforts, past and evolving relationships among nations, and increasing strain on resources have contributed to a new environment in which managing development is confronted with unforeseen challenges.

Globalization has become a formidable force in the contemporary world and its impact resulted in new standards and practices being applied in developing countries (DCs). These changes have necessitated a reconfiguration of the structures, roles, and relationships of states and citizens in managing development. There is a need to move away from the traditional approaches to development and more seriously recognize new problems and challenges. Apparently, the emphasis in tackling the new realities of the twenty-first century will mark a shift from traditional organizational and growth-oriented development toward a framework for facilitating innovation and collaboration among localities, nations, and the international community.

Development Management and the State

The field of development is replete with confusion and debates regarding the concept, its interpretations, goals, strategies, and outcomes (see Huque, 2009). Rapid changes in the first decade of the twenty-first century have rendered many of the early ideas obsolete and induced rethinking on the relevance of development to globalization, governance, and, most importantly, poverty alleviation. Various forms and impacts of globalization have transformed the nature of economies worldwide, state–society relations within nations, and the methods of transnational transactions. Globalization has reconfigured social relations, increased social disparities, caused social instability, produced greater social and economic inequality, threatened traditional cultures, and disrupted ecological equilibrium. Huntington (1993: 26) argues that "economic modernization and the social change throughout the world are separating people from long-standing local identities, as well as weakening the nation-state as a source of identity." On the other hand, diversity gains in the form of pluralization, differentiation, contestation, glocalization, and institutionalization have been achieved through global interconnectedness (http://sociology.emory.edu/globalization/issues05.html). Diverse development opportunities that have been created for the DCs must be judiciously approached to obtain positive social change—change that will address the problems and issues relating to poverty, social exclusion and discrimination, the gender gap, nonparticipation and disempowerment, all of which are still prevalent in many DCs. Thus, the need for enhancing capacity and action at the local and national levels within the global context has become so prominent. In other words, the globalization phenomenon

has initiated debates over the revitalization of regional forces and integration of local needs in designing development programs, with reference to global standards and practices.

The history of most developing nations is rooted in colonialism, and the character of postcolonial states was strongly influenced by it. This was evident in approaches to leadership and governing. In the early days, the state emerged as the most powerful actor in the developmental process because of its control over resources, personnel, and power. It played a prominent role, and early efforts at development were state centered, and its agencies assumed the command in implementing programs. However, as states attempted and faltered in the move toward development, several weaknesses in the process were identified. In most cases, traditional colonial structures and institutions were found to be major obstacles, especially the bureaucracy, which was engaged in administering development programs. Outdated rules and procedures formulated with scant regard to the ideals of modern democratic states caused further problems.

For a long time, state-led development was viewed as an effective approach as it did result in progress in some parts of the developing world, particularly East and Southeast Asia. However, two factors led to the decline in the popularity of the approach. First, the position of the state as the lead agency for development came under challenge as questions were raised about the legitimacy of governments that assumed power through undemocratic means. It was obvious that autocratic and military regimes could use state power to further the interests of specific groups and impede the process of development. Second, the results of state-led development efforts were unsatisfactory as there was scant evidence of the objectives being achieved in most of the countries. This brought the issue of capacity to the fore, and the general view was that the traditional rule-bound bureaucracy was hardly equipped to deal with the challenge of development in modern states. In addition, the financial capacity of governments diminished rapidly owing to the need to attend new challenges in the aftermath of natural and human-engineered disasters, security threats, and economic problems.

The concept of the *developmental state* gradually became popular as remarkable economic growth was noticed in East Asia. However, the idea came under scrutiny as economic growth did not necessarily lead to social and political development. The Asian financial crisis jolted the systems, and analysts began to realize the need for redefining the role of the state. The search was on for strategic directions for repositioning the state in development affairs and measures to address the problems associated with growth in the absence of social and political progress. In response to multifarious problems faced by DCs, including those in East Asia, governance was identified as the "norm," and DCs were encouraged and motivated to strengthen the paraphernalia for governance by international donors and development partners. Consequently, the values of effectiveness, equity, and inclusivity were elevated in the scheme of development management, and citizen participation emerged as a major component of the system. Along with the identification of relevant values,

effective development management considers the appropriateness of strategies and congruence of ideals in adopting them. This underlined the need for an inclusive developmental state (IDS) based on democratic governance.

The IDS has the potential to serve the interests of citizens and guide economic growth to attain human and sustainable global development. The arrangements for harmonizing the actions of local, national, and global institutions emerge as a major challenge in the process. A formal or informal hierarchy of institutions carries the risk of domination by one or more of the stakeholders with the possibility of impeding progress toward development. Thus, repeated calls are being made for reform of the development process and governance, particularly the mechanisms of transparency and accountability. Various studies justified the need for including nonstate actors and institutions in development activities. This would allow big and small actors to participate in the development process on a more or less equal footing (Bradford and Linn, 2007). Civil society has accepted this move as a significant element in redefining the development process as wider participation will make it more accessible, equitable, and propeople. Obviously, while there may be implications for reformulating the practice of development with reference to changing social, political, and economic realities, the renewal exercise can only create opportunities to skim off existing negatives.

Both development and its management are dynamic in nature and require constant reconsideration, revision, and updating of strategies for invigoration and renewal. This is difficult because of the preference for stability and predictability that allows governments to perform at a reasonable level of efficiency. However, this approach assumed unpredictability of problems and tasks. Modern societies in the globalized world are faced with constant pressures for change and adjustments. As public institutions and state agencies are not amenable to frequent restructuring and change, the deficit in capacity to deal with changes can be made up with the establishment of networks that help in sharing ideas and best practices to the benefit of all parties concerned. Undertaking such an approach requires considerable care to avoid conflicts between groups, technologies, and approaches. In any case, input from outside the formal structures—particularly civil society—in planning, monitoring, and assessing the progress of development programs seems to be inevitable, and development managers could take advantage of these resources.

The formulation of development policies is ostensibly a political process. Inputs from various stakeholders may be conflicting and contradictory, and a number of factors may shape the outcome. Similar to other aspects of governing in DCs, policies for development are made in an immensely complex context. A wide range of actors participate, directly or indirectly, in the process and are influenced by the nature of institutional arrangements, social and political forces, and the approaches and strategies adopted by governments. It is encouraging to note that the patterns of formulating policies are undergoing change to incorporate contributions from disadvantaged groups in the society, although it will take a long time to achieve concrete results. The choice of policy trajectory depends on the nature of the regime

in power, and DCs under authoritarian or military rule suffer from policy decisions that may not be conducive to development. Such regimes cause a huge drain on national resources and funds diversion to support regime maintenance, while corruption thrives in the absence of accountability and transparency.

Development policies are complex in nature as the targets include interrelated sectors, as well as comprehensive national interests. The biggest challenges are faced at the stage of implementation. It reveals inconsistencies in ideological positions, gaps in perception, organizational weaknesses, capacity issues, resource constraints, and conflicts between various stakeholders. Although the literature suggests the creation of preconditions for perfect implementation (Hogwood and Gunn, 1984), it is impossible to attain them in the real world. Additional complexities make the task of implementation more difficult for developing nations, and interference by local, national, and international sources further impede the process. Nevertheless, policy implementation remains a critical factor and has helped make progress in attaining development goals.

Development is not an isolated phenomenon that can be conceived, planned, and delivered in a limited area of a country. It entails complex and comprehensive efforts and depends on smooth working relationships and power-sharing arrangements between different levels of government. A related issue is the assessment and enhancement of capacity of actors and agencies to contribute to development projects and governance. Through the mechanism of reforms, many DCs have tried to replace the colonial management structures and establish administrative systems that are suitable for the contemporary world. These efforts received strong support from the international donors and advances in technology have contributed further to enhance public organizational capacity.

The effectiveness of development management depends, to a great extent, on the state of governance prevailing in a country. In most cases, there has been a shift from the traditional state-dominance approach in which public agencies played the key role. The subjects of development—the citizens—are no longer considered as passive participants in the process. In a marked departure from the top–down approach, development programs seek to reflect the needs of the community and ensure implementation through increasing citizen participation. There are several methods and mechanisms for citizen participation, and it is recognized that it involves the difficult task of preparing communities and facilitating their empowerment through decentralization of power and structural–functional–behavioral reforms. The concept of participatory development gained currency as the top–down approach was found to be out of touch with reality and contributed to the concentration of power in state agencies.

In summary, the current state of development management has evolved over decades on the basis of experiences of governments and partners. During this period, there have been changes in ideologies, approaches, and attitudes and areas of relevance identified. Consequently, development programs are designed with an eye on participation, gender balance, and social inclusion. The role of the state has

changed to allow broader participation and open up the scope for contribution by development partners, civil society, and a host of stakeholders. Development plans are still drawn up separately for specific sectors, but the linkages between them are identified and strengthened to attain a comprehensive impact.

The Future of Development Management

Despite progress made so far, development will continue to remain a major challenge for most countries. It is obvious that some countries—labeled as "developing"—are in a dire need of inclusive development to improve the living conditions of citizens there. At the same time, it is possible to identify pockets of underdevelopment in "developed" countries, where living conditions are not as bad as in DCs, but other problems of poverty, disparity, and inequity exist. This issue has not received adequate attention in the literature and presents yet another challenge to development management. The "Arab spring" of discontent in 2011 sounded a cautionary note on the potential risk of allowing living costs to escalate and conditions to deteriorate even in countries that are apparently rich in natural resources.

It is obvious that development management has not fully succeeded over decades of efforts across the world. Development aid, technical assistance, and external support have resulted in some improvements, but problems have proliferated in some areas, and their impact has been disconcerting. The incidence of poverty has increased despite faster economic growth in many countries. Distribution of benefits have remained limited in scope, and state initiatives on human rights have not succeeded in protecting fundamental rights, and arrangements for right to information have not ensured transparency. Access to public services and facilities are often beyond the reach of the disadvantaged groups in society. Moreover, poor state of the economy, political and social discrimination, and acute problems with obtaining the basic services have compelled millions of people to migrate to areas where conditions are better. Such movements have imposed additional strains on host countries, which are already afflicted by various problems related to economic growth and social stability. In the context of globalization, this has contributed to additional complexities, and both countries of origin and hosts view this as an undesirable consequence. The first group of countries suffers from "brain drain" and loses talent after nurturing them at great cost. The second group is unhappy about additional burden on the social support system, the challenge of governing a polity with diverse cultures and population, and frequent backlash from the local population. Ironically, many of the skills identified for development management will need to be applied in the developed countries as well to cope with the situation.

The deadline for meeting the Millennium Development Goals (MDGs) by the year 2015 is drawing near. According to a report of the World Bank (2011: 1), most

countries are on target, and this has been possible because of political commitment, sound policies, efficient institutions, and effective implementation. However,

> reaching the MDGs is only one milestone, for there still is much work to do in fostering inclusive growth, reducing inequality and poverty, and improving health and education outcomes in even the most successful countries. Even the middle-income countries on track to reach the MDGs have trailing pockets of indigenous and socially excluded groups whose odds of reaching the goals are slim.

Those countries still lagging behind must get their act together and avoid a silo approach in attaining the goals. Planning for change must be comprehensive, and the eight goals must be targeted in unison rather than quarantined from one another.

A new dimension has been added with the worldwide emphasis on security. Threats of terrorist attacks are not confined to countries of the developed world, and development management has to contend with this new challenge. Sanctions against certain countries restrict the use of material and expertise at the lowest cost, and DCs are indirectly becoming increasingly dependent on a handful of developed nations for support and resources. Security threats have necessitated the creation of new organizations and reviews/adjustments to existing practices and procedures. These arrangements have been accomplished at a high cost and caused resources to be diverted from development budgets. As the wave of democratization spread across the developing world, one of the expected outcomes was a cut in defense allocations that used up the lion's share of budget allocations. The emphasis on security will contribute to reversing the trend, and programs for eradication of poverty and development in general will be affected.

Climate change has emerged as a major issue in both developed and developing nations. Because of their location in the tropics, most DCs have been repeatedly battered by natural disasters, such as cyclones, tornados, floods, earthquakes, and tsunamis. Global warming has impacted the environment severely, and the situation has worsened with extreme heat and drought; unpredictable weather conditions; and the impact of war, terrorism, and ethnic conflicts. Every disaster—man-made and natural—sets back the progress of development and exacerbates poverty, insecurity, and homelessness. Large-scale migration often takes place and complicates the task of development management. Many governments are unable to resettle or rehabilitate the displaced people and assist with finding means for their livelihood. Additional challenges further erode the capacity built by public organizations over decades. Continuous emergence of new tasks and responsibilities require quick and abrupt responses, and governments and bureaucracies will need to acquire new skills to deal with such circumstances.

Although the literature illustrates the role of the state in development, it varies from one case to another. Depending on the context, political will, and administrative capacity, the role of states may vary. Limited capacity of governments has opened up the scope for participation by citizens and communities, and much of

this has been initiated by nongovernmental organizations (NGOs). There are both local and international NGOs that seem to work toward the common goals of development. Their work is, however, monitored and regulated by governments and often results in conflicts between them. For the sake of effectiveness, the NGOs are now undertaking activities in specific sectors of development, such as health, education, employment, empowerment, environment, and so on. It is possible to recognize evidence of progress in some of the development sectors, despite general disappointment over the lack of visible outcomes.

One aspect of development management is related to the identification of issues and problems, assessment of needs, formulation of programs, and implementation of projects to attain specific goals. Another significant aspect is the forging and sustenance of relationships with local, national, and international participants in the process of development. After decolonization of the vast developing world, colonial powers retained their relationship with former colonies. Although this is done mainly with commercial interests in mind, there are implications for governance in DCs.

Technological advances occurred at a faster pace in the last decades of the twentieth century, and they have revolutionized the art of governing. Communication takes place at unprecedented speed, and information can be disseminated instantly to remote areas of a country. Availability of information has contributed to the improvement of decisions and service delivery. One area of weakness in development management in the past was the absence of reliable information, but technology has now progressed to assist with keeping records and retrieving them to help with decision making. Eventually, development management will be facilitated through analyses and decisions based on reliable information and effective communication between governments, NGOs, and citizens. Information and communications technology (ICT), therefore, has a special role in the process of development. The free flow of information has the potential not only to enable improved coordination of development tasks and effective interaction between state and nonstate organizations but also to keep citizens informed of their rights and responsibilities, create opportunities for them to access and obtain government support and services, and provide them with the scope to express their grievances against particular government action or decision. Most governments have established portals for providing information, and they are also used for limited public service delivery in some countries. In addition, there are several sources that include engines for searching and obtaining information, and efforts are expected to intensify in the coming years. *eDevelopment* is the way to go not only for designing sound policies and efficiently implementing them but also to serve the people by providing online welfare services that would meet their many needs in life. It is thus important for eDevelopment to be embedded into the development governance process.

The future of development management is also likely to be influenced by a redefinition of relationships among the prominent actors. In the past, development was contingent on assistance from the developed world and global institutions in

terms of advice, technical expertise, and, most importantly, financial resources for implementing development projects. Such dependence naturally placed development donors in a dominant position and put recipients at the risk of neglecting local needs and interests. As "sponsors" of development projects, the donor countries and international institutions could dictate the terms and conditions, particularly to DCs that did not have strong democratic governments. It is now realized that such relationships are not conducive to development, and the shift has started from an approach of domination to a spirit of cooperation. The need for development programs to succeed is equally important to both donors and recipients as risks, problems, and consequences are easily transported across borders in a globalized world. Therefore, the transition from donors to development partners and, eventually, to collaborators who will work together to tackle problems of poverty, inequity, and injustice and create conditions for a secure and free environment for citizens to realize their potentials is imperative for effective development management.

The trend in the advanced economies since the arrival of comprehensive neoliberal reforms has been declining involvement of the state in the provision of public services and the consequential transfer of some of these tasks to the private sector. The state in the DCs by and large still retains the major responsibility in undertaking and managing developmental activities. However, even in these countries, the growing influence of the international aid regimes has led to greater involvement of the private sector in carrying out such activities. We now frequently hear of such terms as Build Operate Transfer (BOT), Build Own Operate Transfer (BOOT), Build Own Operate (BOO), and so on. These basically comprise of partnerships between the state (which initiates a project) and private sector organizations (which takes on the task of completing and running it). The nonstate partner, either a domestic or foreign organization, is engaged to build infrastructure projects, maintain, and manage them often for stipulated periods and then to hand them over to the public sector or retain full control over them in lieu of paying taxes and charges to the government (Levy, 1996; Huijbregts, 1996). Public–private partnerships (PPPs) or state–NGO partnerships in achieving MDGs are also being prescribed and financed by the International Development Community (IDC) and pursued by DCs. In future, partnerships in almost all areas of development and welfare will perhaps become the norm thereby realizing the idea of a *synergistic society*.

Global regimes in different development sectors are still dominated by the powerful countries of the West and international organizations, such as the Bretton Woods institutions (BWIs) and World Trade Organization (WTO), in particular. For instance, the World Bank is customarily headed by an American chosen by the U.S. president, while the Europeans reserve the prerogative of choosing the International Monetary Fund (IMF) president. As CEOs of these two important bodies, they have tremendous influence over programs and strategies they oversee. Demands and support for making the selection process open and competitive and the decision-making system more transparent have been ignored, although Britain did make a move to reform the process of appointing the World Bank president (*The

Guardian, 13 October, 2008, http://www.guardian.co.uk/business/2008/oct/13/ worldbank-usa). On the other hand, while the United Nations (UN) agencies do operate under the umbrella of the UN and are expected to be broadly representative of all countries irrespective of their development status, they too are more often than under the hegemonic control of the advanced industrialized countries, especially the United States, Britain, France, Germany, and Japan. Arguably, the UN agencies are not always autonomous enough to work for the interests of the least development countries (LDCs); often their policies are dictated and influenced by the powerful members of the UN including the advanced DCs. A more democratic approach toward development governance at the global level is exigent, so that all countries, large and small, developed and developing, can work on a cooperative basis to resolve common problems.

Research in Development Management

Research in development, in general, and development management, in particular, is an exciting and productive enterprise and its popularity is gaining everywhere. A large number of institutions, scholars, and researchers are continuously engaged in identifying problems, assessing and analyzing them, and coming up with solutions or in advancing new ideas to alleviate poverty, create the conditions for human prosperity, and protect humankind from undesirable natural and humanly engendered phenomena. In producing credible and stimulating ideas and interpretations, the access and use of relevant, objective, and reliable information become imperative. A plethora of sources are available, which provide both conceptual and empirical knowledge, facts and information on state-of-the-art strategies and projects, insights into debates and discussions, and a range of toolkits to comprehend and analyze standards and practices. These enhance our understanding of the field and help us make informed judgment of the development phenomenon and the way it is managed. Several renowned universities around the world provide state-of-the-art teaching in international development, development economics, development sociology, public policy, environmental and health governance, and so on.

There are several sources from where information can be gathered and utilized in research. The following are some key ones:

The Internet

For most students, academics, and researchers, the World Wide Web (www) is now the first point of call for resources. It is easily accessible from almost anywhere and provides instant information. Most of the materials there is genuine and reliable, but many may be spurious and misleading depending on the source and the methods used to assemble them. Anyone can run Web sites or publish on the Internet, and there is no monitoring or evaluation of the range of materials found there.

Therefore, we need to be cautious in filtering materials and using those that are relevant and reliable rather than grabbing everything that comes our way. Most of what is available on the Internet are in the public domain and can be openly accessed, while some sources can be restricted and subject to payment or authorization.

There are some Web sites that explain ways of evaluating the accuracy and trustworthiness of www sources. One such site is run by the Cornell University Library (http://olinuris.library.cornell.edu/ref/research/webcrit.html). Another is a page of the University of California, Santa Barbara (http://www.credibility.ucsb.edu/finding_credible_info.php). There might be many more providing helpful hints.

Reports of government agencies, international organizations, universities, research institutions, and think tanks are generally reliable as these are based on factual information and systematic interpretation. However, some may be biased and advance a particular line of thought. For instance, there are many think tanks in DCs that may not be politically independent as they often toe the line of the party to which they are affiliated. Even international and regional bodies, such as the European Union (EU), may have their own think tanks that subscribe to the official position of their sponsors. Almost all DC governments have their own dedicated portals providing links to departments, bureaus, reports, online services, and so on.

Following is a list of Internet Web sites that may be relevant to development research:

Google Scholar at http://scholar.google.com "provides a simple way to broadly search for scholarly literature. From one place, you can search across many disciplines and sources: articles, theses, books, abstracts and court opinions, from academic publishers, professional societies, online repositories, universities and other web sites" (http://scholar.google.com.au/intl/en/scholar/about.html).

General Knowledge for Global Change—maintained by the Institute of Development Studies, University of Sussex (http://www.ids.ac.uk/go/knowledge-services).

International Development Studies Network—A Canadian site affiliated to the Canadian Consortium of University Programs in International Development Studies (http://www.idsnet.ca/Home.html).

The European Association of Development Research and Training Institutes runs a portal, **EADI Research** (http://www.eadi.org/index.php?id=1189) that is quite useful for research in Asian, African, and Latin American development.

Development Gateway is a global network dedicated to development and change in DCs. The portal has links to country resources, aid data, publications, and much more. The site address is http://www.developmentgateway.org/.

The UN's portal has a subsite dedicated to development (http://www.un.org/en/development/). Information is categorized thematically, and there are links to

UN agencies (e.g., United Nations Development Program [UNDP], United Nations Environment Program [UNEP], United Nations Conference on Trade and Development [UNCTAD]) concerned with development.

International organizations such as the World Bank (http://worldbank.org), IMF (http://imf.org), WTO (http://wto.org), and Organization for Economic Development and Co-operation (OECD) (http://www.oecd.org/topic/0,36 99,en_2649_37413_1_1_1_1_37413,00.html) have thematically organized information and resources on their sites. The World Bank Open Data site is particularly useful (http://data.worldbank.org/).

The regional development banks also have a wealth of development information on the countries they cover. The site of Asian Development Bank (ADB) is at http://www.adb.org, African Development Bank (AfDB) at http://www.afdb.org/en/, and the Inter-American Development Bank (IADB) at http://www.iadb.org/en/inter-american-development-bank,2837.html.

Some of the other sites providing useful information, links to recent publications, and discussions are as follows:

Society for International Development's Web site (http://www.sidint.net/)

Global Development Network (http://cloud2.gdnet.org/cms.php?id=gdn_development_research)

Research for Development (run by Department for International Development [DFID]; http://www.dfid.gov.uk/r4d/SearchResearchDatabase.asp)

Development Studies Association (http://www.devstud.org.uk/)

Development Studies Internet Resources (http://www.wellesley.edu/Polisci/wj/DevelopmentLinks/development-links.htm)

Eldis (http://www.eldis.org/)

Center for Global Development (http://www.cgdev.org/)

Center for International Development (http://www.cid.harvard.edu)

World Resources Institute (http://www.wri.org/)

Human Rights Watch (http://www.hrw.org/)

Amnesty International (http://www.amnesty.org)

ActionAid (http://www.actionaid.org.uk/)

International Development Research Centre (IDRC; http://web.idrc.ca)

Overseas Development Institute (ODI; http://www.odi.org.uk/)

Third World Network (http://www.twnside.org.sg/)

Print Materials

Journals

There are innumerable scholarly journals dealing with development in general and specific sectors. Most well-known publishers have special series in development

studies, public administration/public management, and policy studies that encompass a range of issues covered in this book. A partial list of journals is as follows:

Development
Development Asia
Development and Change
Development in Practice
Development Policy Review
Economic Development and Cultural Change
Economic Development Journal
Forum for Development Studies
Gender and Development
Globalizations
IDS Bulletin
Journal of Development Effectiveness
Journal of Development Studies
Journal of Environment and Development
Journal of Human Development and Capabilities
Journal of International Development
Public Administration and Development
Studies in Comparative International Development
Third World Quarterly
World Development

Reports

Apart from reports on specific development issues, some international organizations publish yearly global reports that are extremely useful for students of development studies. Some of these are as follows:

World Development Report (World Bank)
Human Development Report (UNDP)
Annual Development Outlook (ADB)
African Economic Outlook (AfDB)
Global Monitoring Report (World Bank)
World Economic Outlook (IMF)
World Health Report (WHO)

Conclusion

In the developing nations, research in development and the methods of its governance and management have been rapidly gaining momentum. Continuous

analyses and assessments of development policies, programs, and projects are being made not only for academic reasons but also to help policy makers, public administrators, and NGO personnel appreciate issues and problems and pursue their tasks with alacrity and dexterity. Universities, learned societies, and research bodies have helped create a new development research industry employing a large number of people with appropriate and diverse academic backgrounds, experiences, and skills to make systematic scientific inquiries into the causes and effects of poverty and propose solutions to raise human development and bring about economic progress. The future of development will depend on sound policies, effective implementation, efficient management, and productive synergies—each influenced by adequate information and knowledge, enlightened perception, and balanced compromises.

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Business and Public Administration

Traditionally, development has been rooted in ideologies and assumptions prevalent in the developed world and in practices and strategies adopted by leading industrial nations. However, historically, eclectic ideas and approaches often clash with existing long-established notions of progress and modes of realizing social and economic change. *Managing Development in a Globalized World: Concepts, Processes, Institutions* explores this topic by incorporating ideas and interpretations that have previously been neglected or given inadequate attention in the discourse on developing countries. It underscores development as a continuous process that must be supported by sound policies and efficient management, supplying a wider understanding of the field.

The authors argue that the application of innovative development techniques and best practices is essential for obtaining optimum results in meeting the needs of society. They examine the style of managing development with a new perspective that links the phenomenon with changing demands and the interplay of internal/external actors and a host of stakeholders. An exploration of key sectors in development provides clear comprehension of problems and solutions.

A careful synthesis of theoretical/conceptual and empirical literature, the book assesses real-world situations and provides insight into the operational dynamics of development policies, programs, and institutions. It focuses on goals, values, and dynamics of development management that are undergoing rapid changes and continue to be enhanced to alleviate poverty and improve living standards in an era of globalization and inter-regional and inter-institutional synergies. It highlights best practices essential for the efficient and effective delivery of human development services that are designed and put in place to obtain optimum results in meeting the needs of society.