

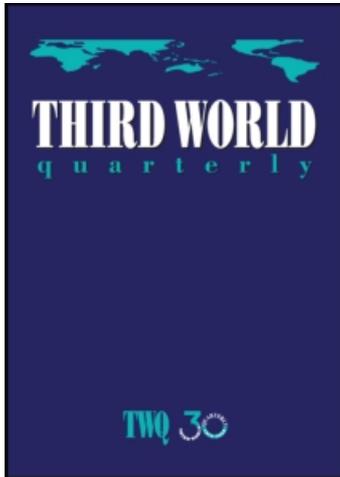
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### Participation in Poverty Reduction Strategy Papers: reviewing the past, assessing the present and predicting the future

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*Review Article*

# Participation in Poverty Reduction Strategy Papers: reviewing the past, assessing the present and predicting the future

JOEL LAZARUS

**ABSTRACT** *This article assesses the various accounts put forward to explain the disappointing outcomes thus far of ‘civil society participation’ in the design and implementation of Poverty Reduction Strategy Papers (PRSPs) in aid-receiving countries throughout the world. While donors’ technical and depoliticised explanations prove particularly unhelpful, other more radical perspectives, though insightful, often lack sufficient subtlety in their analyses. The article goes on to consider and critique commentators’ various visions and prescriptions for PRSP participation. Finding within participation aid’s classic paradox—where it can work it is not needed and where it might be needed it cannot work—the article predicts a bleak future for PRSP participation and argues that the project’s failure may exacerbate the crisis of legitimacy faced by the World Bank and International Monetary Fund, a crisis that led these organisations to launch the PRSP initiative in the first place.*

## **Introduction: Poverty Reduction Strategy Papers and participation**

### *Poverty Reduction Strategy Papers*

Since their introduction in the late 1990s Poverty Reduction Strategy Papers (PRSPs) have become the World Bank’s and IMF’s central vehicle for delivering aid to low-income countries. A PRSP is intended to serve as the blueprint for a country’s strategy to reduce poverty nation-wide. The Bank’s and Fund’s own assistance programmes are supposed to derive their priorities and targets from the PRSP and, as part of the drive to harmonise their activities, other bilateral and multilateral donors are also expected to align their aid objectives with the PRSP. Thus the PRSP is promoted by the Bank and Fund as an overarching document for co-ordinating medium- and

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long-term national economic and social policy planning in aid-receiving countries. PRSPs have been formulated in around 70 countries to date, many of which have already produced or are producing second generation PRSPs—documents with updated goals and priorities for the next two to three years.

The PRSP initiative constituted the World Bank and IMF's strategic response to their own frustrations with earlier policy conditionality-based attempts to secure the implementation of their reform agenda in client countries. A large body of research had concluded that domestic political factors in client countries were central in thwarting these reforms.<sup>1</sup> While this conclusion preserved the ideological sanctity of neoliberal policy prescriptions, it left World Bank and IMF seniors looking for ways to secure the support of government leaders, powerful domestic political constituents, and also of society more broadly. Transferring authorship of policy documents to client governments—a fundamental innovation of the new PRSP approach—was introduced as a means of engendering this crucial sense of 'ownership'. The Bank and Fund also extended an invitation to representatives of 'civil society', and 'the poor' in particular, to 'participate' alongside government and donors in both the production and implementation of PRSPs. The move also sought to douse the flames of growing popular protest in both rich and poor countries at the often damaging effects that stabilisation and structural adjustment reforms had had on the poorest sections of societies in client countries. Finally, the invitation also symbolised the growing influence of international NGOs in shaping the World Bank's vision of 'development', particularly since the accession of James Wolfensohn to the post of president in 1995.

### *Participation*

The international financial institutions (IFIs) of the World Bank and IMF see participation as a process of national dialogue through which 'stakeholders influence and share control over priority setting, policymaking, resource allocations, and/or program implementation',<sup>2</sup> and from which 'some level of national consensus' is formed around policy priorities.<sup>3</sup> With universal agreement recognised as unattainable, the goal instead is the establishment of 'some critical mass of support for national policy'.<sup>4</sup> A major element of the process, therefore, constitutes a public consultation exercise conducted through public discussions and workshops, mass media coverage, and Poverty Social Impact Assessment surveys. Through this process, the Paper is supposed to become the product and property of a government and its citizens. Thus, for the World Bank, participation can 'help build ownership over the strategy, make it more equitable to and representative of various stakeholder interests, increase the transparency of the policy formulation process, and make the strategy more sustainable'.<sup>5</sup> The ultimate outcome of the participatory process should, therefore, be a unique, country-specific document detailing a Poverty Reduction Strategy designed to 'suit local circumstances and capacities' and to prove 'useful to the country, not only to external donors'.<sup>6</sup>

At its introduction, the PRSP constituted a brave new world of donor–recipient country relations in the eyes of the international aid donors. Breaking

with past attitudes, the World Bank declared a new ‘openness’ on the part of itself and the Fund to accept ‘homegrown’ approaches to ‘poverty reduction’.<sup>7</sup> The needs of ‘the poor’ were central to the new strategy and, furthermore, ‘the poor’ were to be given the voice to express these needs. Their representatives—civil society organisations—were to be granted access to policy-making circles in order to formulate and implement appropriate ‘pro-poor’ policies.

### **Reviewing the past: failing to deliver**

Nine years on from their introduction case studies from around the world portray a reality of PRSPs and participation that is greatly divergent from that envisaged by its architects. Indeed, although PRSPs have been produced in poor countries in every continent, observers have been able to identify clear commonalities in the process’s outcomes. Three such main commonalities are listed here:

- No change in macroeconomic policies—the stark similarity in the macroeconomic policy components of PRSPs worldwide has led to conclusions that the standard neoliberal macroeconomic policies at the core of every PRSP remain non-negotiable.<sup>8</sup>
- Participation is, at best, consultation—evidence from across the globe suggests that the level and nature of participation in PRSP processes has been largely shallow and narrow.<sup>9</sup> Almost everywhere the process has constituted a public consultation exercise at best and, at worst, participation has taken the form of ‘theatre’ staged by governments to satisfy donor demands in which civil society’s policy input has been largely or entirely ignored.<sup>10</sup> There has been an overwhelming focus on the part of donors on the process rather than the principles of participation.
- ‘Donorship’. While the primacy of public ownership of the PRSP is proclaimed, negotiations over key concessional loans remain the private domain of ‘a select few representatives of a small set of ministries and donors in a virtually participation-free zone’.<sup>11</sup> Such ‘backstage’ negotiations take place concomitantly behind the on-stage ‘theatre’ of participation. Thus the move towards policy ‘ownership’ for client governments and their citizens has been overwhelmingly rhetorical.

Overall most supposedly participatory PRSPs have arguably done little more than produce a ‘standard IMF package with a larger social protection budget’.<sup>12</sup>

The observed outcomes of participatory processes to date have provoked a diverse range of attempts to explain their causes. There seems to be consensus only around the fact that the PRSP project has proved to be a disappointment thus far. To what extent, on what grounds, and for what reasons are highly contentious questions. This article reviews and assesses the validity and value of various perspectives on participation in explaining the failure of civil society participation in the design and implementation of PRSPs to deliver on donors’ stated objectives. Although it identifies shortcomings in several

analyses of participation, it finds donors' and even other development industry reformists' apolitical, technical conceptualisations particularly unhelpful. While the article finds more radical postcolonial or neo-Marxian perspectives useful, it argues for a more nuanced understanding of participatory processes by conceiving of them as arenas of interaction in which outcomes of participation are shaped by participants' merging or conflicting interests and the power relations prevailing between them. Thus, depending on power distributions, PRSP participation may theoretically serve the interests of any group of participants.

The article goes on to reflect on the various visions and prescriptions for the future role of participation in PRSPs. Similarly it argues that, while donors' proposals ignore fundamental political realities present in aid-receiving countries, many of their critics' calls for reform are also flawed, since they consider neither the practical (not to mention ethical) problems of social engineering by external forces nor the institutional realities prevailing *within* donor agencies themselves that make hopes for substantive change in their approaches to participation improbable. Instead, the article envisages a dim future for PRSP participation, identifying within it aid's classic political paradox—where participation can work it is not needed and where participation might be needed it cannot work and, indeed, proves harmful. Since the PRSP and participation constitute the IFIs' main response to crises of faith and legitimacy within the institutions, within the donor–recipient relationship and within the societies of both rich and poor countries, it is argued that its ultimate inability to deliver on its promises may well be exacerbating these crises.

### **Assessing the present: perspectives on participation**

#### *Donor perspectives*

What is it about participation as it is conceptualised and operationalised by the IFIs that has led to the disappointing outcomes we find today? For the institutions themselves and certain other observers disappointing outcomes can be traced to more simple technical issues of implementation. For example, participatory processes have proven unsatisfactory because all newly invited 'stakeholders' are still inexperienced at participating and, furthermore, 'the poor', or the organisations which represent them, have lacked the skills and resources needed for effective participation. In short, 'demand-side accountability for results' has been weak.<sup>13</sup> Similarly an independent evaluation of the PRSP project found that it was the Bank's and Fund's overly ambitious timetable for completion of first-round PRSPs which led to a compromise in quality in participatory processes.<sup>14</sup> The same evaluators also highlighted the ambiguity of the five principles of the PRSP,<sup>15</sup> arguing that not only was their attainment very difficult to measure, but this vagueness has led to incompatible expectations among stakeholders.<sup>16</sup>

The project's chief architect, the World Bank, remains defiant and claims that PRSPs have been instrumental in reducing poverty in client countries,

often by large amounts. Others also credit the PRSP project with significant successes. Driscoll and Evans, for example, find that PRSPs have instilled a much stronger focus on poverty within aid-receiving governments and have ‘engaged civil society’ in poverty policy debates on an unprecedented scale.<sup>17</sup>

*Reformist perspectives*

Technical explanations are wholly unsatisfactory for many reformist critics, who emphasise the omission of political considerations in the simplistic theory underpinning the World Bank’s vision for participation. The theory in question, according to Booth *et al*, is one which assumes that, once ‘obliged to debate the sources of poverty and options for reducing it with their citizens and their organizations’, governments would become ‘compelled to take the matter more seriously and would enter into new bonds of accountability for policies and their results as a consequence’.<sup>18</sup> For Piron and Evans this assumption was one of the ‘crucial gambles’ that the whole PRSP project hinged on.<sup>19</sup> This ‘depoliticised’ conceptualisation of participation ignores the complex and historically contingent relations between state and society which determine, for instance, a government’s level of accountability to its citizens. Furthermore, by ignoring political and structural causes of inequality, it renders PRSPs and participation impotent in tackling poverty *at its roots*. Consequently ‘poverty’ also becomes a condition through which individuals simply suffer a material lack of resources and, therefore, its ‘reduction’ can be prescribed through obvious redistributive policy measures.

This depoliticised approach leads to PRSP participation—and aid negotiations in general—in many recipient countries existing in a realm of ‘policy’ quite apart from the sphere of ‘politics’ where the real battles over control of state institutions and resource allocations ensue. This detachment means that donors often live in their own ‘virtual reality’, not taking into account the actual domestic political situation.<sup>20</sup> Piron and Evans have shown how donors have neglected considerations of electoral cycles in their planning schedules for the production of PRSPs and could not even entertain the thought that the policies contained within them, being to their minds ‘technically sound’, would not happily be espoused by any government.<sup>21</sup>

For reformists, then, only the politicisation of participation and poverty reduction can redeem the PRSP project.

*Radical perspectives*

*Damaging sociopolitical consequences.* Various authors argue that not only do donors’ technical and apolitical approaches to ‘poverty reduction’ and participation render the PRSP project impotent, but they are also generating damaging sociopolitical effects in recipient countries. Dijkstra, for example, argues that PRSP participation’s technocratic façade shields and abets

dominant elites in particular by undermining formally elected representative bodies and, thereby, weakening leaders' *domestic* accountability.<sup>22</sup> Morrison and Singer, echoing Dijkstra's concerns, fear that the institution of the participatory National Dialogue in Bolivia may have weakened the country's Congress.<sup>23</sup> Whitfield seems right to be concerned that sidestepping these representative institutions, however tenuously democratic, may undermine their potential future development.<sup>24</sup>

Perhaps the most stark and well documented example of a subversive sociopolitical consequence of PRSP participation in recipient countries is the observation that the IFIs' invitation to participate has been taken up not by 'the poor', for whom the opportunity cost of participating is proscriptively high, but instead by 'better off, better organized and more articulate actors', namely the urban-based, professional middle-classes in recipient countries.<sup>25</sup> Strong evidence of this has been found on each continent in which PRSPs have been introduced. By establishing themselves as 'consultants', and 'experts' operating in local NGOs, most members of this group have sought to participate in the PRSP project not in order to articulate the demands of the poor (assuming there are such shared demands) but in order to access the funding opportunities presented by the PRSP project. For Gould this constitutes the single most alarming element of the PRSP agenda: that 'the middle classes—the main source of political and economic entrepreneurialism—display a political imagination that conceives of aid dependence and debt servitude as inevitable'.<sup>26</sup> Craig and Porter concur, adding that not only does this scenario reinforce aid dependence and the aid industry but, by absorbing activist energies, it also actually diminishes chances for real reform of the political system.<sup>27</sup>

*A technology of social control.* The World Bank's and IMF's universal unwillingness to relinquish their control of PRSP policy content has led many to conclude that the project was created with other goals in mind. Many commentators have shown that the major beneficiaries of PRSP participation to date in most countries have been donors themselves and the 'trustees of development'—the World Bank and IMF—in particular.<sup>28</sup> Several have highlighted how the semantic ambiguity of the central terms of the poverty reduction discourse, not least the word 'participation' itself, have allowed powerful actors to shape their practical application in ways which serve their own interests.<sup>29</sup> Thus 'buzzwords' actually become 'fuzzwords', 'shelter[ing] multiple meanings' and 'shielding those who use them from attack by lending the possibility of common meaning to extremely disparate actors'.<sup>30</sup> It has been argued that, in practice, participation has served to 'mystify power relations, depoliticise negotiations, and thus secure IFI control of outcomes' in recipient societies.<sup>31</sup> Participation is, therefore, conceived of by some as a form of 'tyranny', facilitating the control, co-optation and domination by the powerful of the weak.<sup>32</sup>

Some observers assert that these consequences are not 'unintended', but are, in fact, the outcomes of a conscious strategy on the part of Western donors to use participation as a technology of social control in their goal of

establishing a neoliberal hegemonic world order.<sup>33</sup> Thus, in neo-Gramscian terms, participation is a ‘micropolitical technology’, facilitating efforts to ‘control subaltern social forces and coopt them into the inclusive neo-liberal framework by legitimating the norms of the world order’. At the same time such technologies serve to absorb counter-hegemonic ideas.<sup>34</sup> It is in this way that participation can transform ‘individual and group consciousness and identity’, thereby co-opting and controlling subaltern social forces.<sup>35</sup>

### *Critiquing the radical critics*

*Transferring resources, not transmitting values.* While these radical perspectives on PRSP participation are of major importance, they can often lack analytical subtlety. For example, on the overall basis of evidence offered within case studies, this author at least, echoing Rückert, sees material incentives as more successful in donors’ attempts at co-optation of non-governmental participants than more subtle and profound techniques of indoctrination.<sup>36</sup> NGOs are very often drawn into participation by the lure of material rewards. In Armenia, for example, as in many countries, NGOs are overwhelmingly ‘economic survival strategies for many middle-class intellectuals and professionals’.<sup>37</sup> ‘Subordination of Armenia’s NGOs has been financial but not intellectual’.<sup>38</sup> While many Armenian NGOs have articulated developmental visions at stark odds with Washington prescriptions, only one organisation has actually formally withdrawn from the PRSP participatory process, reflecting the extent of financial dependence of Armenian NGOs and, therefore, their co-optation into the process. In spite of this dependence, most NGO representatives and their organisations remain committed ideologically to their alternative positions. ‘Though most pay homage to the Emperor, Armenian PRSP participants can see that he is naked’.<sup>39</sup>

It may be that the Soviet experience has bequeathed Armenians (and other former Soviet peoples) a greater sense of cynicism and ‘immunity to propaganda’ than others.<sup>40</sup> However, we see similar cases from all around the world of NGO groups remaining within the participatory process even though their policy proposals have been rejected by donors, suggesting that the case of Armenia is far from unique.<sup>41</sup> Further research is needed to establish whether donors are achieving more than just buying what would amount to a far more superficial form of consent.

*Causality reversed.* A dominant theme of case studies of PRSPs has been that of showing how the outcomes of participatory processes have largely been shaped or ‘localised’ by domestic political conditions in recipient countries.<sup>42</sup> If donors’ hopes for securing local consent around their new poverty agenda are being scuppered in this way, why should we assume that supposed attempts at indoctrinating participants with liberal values are enjoying more success? Furthermore, we must also ask why it is that, if social control is their overriding goal, donors do not seek to adapt their strategy to local conditions. This question prompts us to consider whether there really is such a conscious strategy or whether the reinforcement of donors’ position

and authority in many recipient societies is an accidental consequence of donors' depoliticised approach to participation. Perhaps there is truth in both positions: while participation has been designed from above as a strategy to 'produce neo-liberal hegemony',<sup>43</sup> the institutional realities within aid agencies ensure that their depoliticised, universally applied prescriptions produce mixed, often unintended, results in heterogeneous local political environments.

*Participation as political arena.* This article posits a conceptualisation of PRSP participation as a process which establishes arenas of interaction between participant actors in which conflicting ideas and interests are negotiated and contested, and in which outcomes of these interactions are largely determined by prevailing power relations. These arenas can be conceived of as an example of what Foucault termed 'interfaces'—points at which power is in 'direct and immediate relationship with that which we can provisionally call its object, its target'.<sup>44</sup> Thus outcomes of PRSP participatory processes will be largely determined by prevailing local political conditions. Therefore, while in perhaps the majority of cases this will result in the reinforcement of the position of the donors, it may in other cases serve to bolster the position of the ruling elite, or may even strengthen a particular group within or outside the government. For example, in Armenia, it was the government which found itself most able to dictate the PRSP process and to attempt through participation to co-opt and control participant NGOs.<sup>45</sup> In Bolivia Morrison and Singer found that the Catholic Church was able to use participation to organise and assert its position on the political scene.<sup>46</sup> Radical commentators should resist the pitfalls of generalisations and assess PRSP participatory outcomes derived from subtle analyses of the power contestations that participation produces.

### Predicting the future

Having assessed the powers of these varied perspectives to explain the failures of PRSP participation thus far, the article will now consider and critique both what the proponents of these various perspectives envisage for its future and what they prescribe either as the remedy for (donors and reformists) or the antidote to (radicals) PRSP participation.

#### *Donor prescriptions*

*More of the same.* Unsurprisingly, the donor community and some others continue to express a strong belief in the ability of participation to be instrumental in achieving significant poverty reduction in recipient countries. Consequently there is a call from these quarters for more and better participation, with an emphasis on involving a broader representation of society.<sup>47</sup> But how much participation is enough? Taken to its logical extreme, universal participation results not in complete consensus but in total inertia. As Dijkstra asks, 'how can broad consultation about virtually

everything lead to comprehensive strategies in which clear priorities are set?'.<sup>48</sup> Putzel reminds us that this is why societies create representative institutions in the first place, as well as pointing out that comparable forms of participation at a national level do not exist in donor countries.<sup>49</sup>

*Institutionalise participation.* Another response by donors and others has been to insist that participation has to be institutionalised within recipient political systems in order to fulfil its potential.<sup>50</sup> The World Bank sees institutionalised participation as a complement or even a substitute to dysfunctional legislatures.<sup>51</sup> Such visions are flawed for several reasons. First, they overlook the obvious democratic shortcomings of participation—arbitrary invitations to participate; the non-representational status of civil society actors; and the unaccountability of their actions to name a few.<sup>52</sup> Second, it is unrealistic to believe that replacing one dysfunctional democratic institution with an externally imposed alternative will reap rewards. As mentioned earlier, case studies show how PRSP participatory processes are shaped by local politics just like any other political institution. Third, there is significant evidence to suggest that, in countries where the rule of law is often subordinate to the logic of informal institutions, the formal institutionalisation of PRSP participatory bodies and practices has counted for very little. Dijkstra has found that laws institutionalising PRSP-related procedures in Bolivia, Honduras and Nicaragua have subsequently been ignored, or that their execution led 'only to cosmetic processes, with dubious consequences for the population's trust in domestic political processes'.<sup>53</sup> In Armenia, a country in which participation has been formally institutionalised to a far greater extent than most, PRSP committees are powerless and moribund organisations.<sup>54</sup>

#### *Reformist prescriptions*

*Bring in political analysis.* Other commentators see a potentially brighter future for participation in PRSPs if donors would inform their interventions with more sophisticated political analyses of recipient countries.<sup>55</sup> In this way they might begin to 'harness politics to the goals of development'.<sup>56</sup> Putzel has argued that any promotion of participation must 'start from, and engage with, the realities of how and where ordinary and poor people actually are organized'.<sup>57</sup> Similarly, Morrison and Singer highlight the need to 'identify inequalities before you start and design institutions to handle them'.<sup>58</sup> But what if such analyses identified a political environment wholly anathematical to substantive participation? Hamilton offers an example of such a situation in politically polarised pre-revolution Georgia in 2003.<sup>59</sup> Booth feels that a crucial part of the answer to this question lies in effecting political change by 'changing the perceived opinions of key actors, political and intellectual elites'. This would be achieved by 'open[ing] up the debate about the politics and political economy of reform'.<sup>60</sup> But have not the World Bank and IMF been trying to do just that for decades? Is not the logic of the PRSP grounded in these organisations' understanding that local buy-in to the reform agenda

is vital to its success? Would an attempt to convince leaders of the intellectual soundness of implementing reforms that would weaken their political position really succeed? Have they in the past?

Evidence from other areas of development work where donor agencies have attempted to incorporate a political or cultural analysis of recipient countries or communities is not encouraging. Rew's textual analysis of a large number of development project planning reports reveals that the 'interpretation and use of a socio-cultural perspective in design or in implementation strategies is rarely considered',<sup>61</sup> and that local cultural factors are largely seen as obstacles to the project. Furthermore, when cultural analysis is called upon to inform project design, culture 'experts' were expected to 'provide for the people side of the design'—essentially 'controlling for cultural or indigenous elements' and 'design[ing] out undesirable factors'.<sup>62</sup>

A constructivist perspective on aid agencies offers explanations for Rew's findings and for why we might be similarly pessimistic about donors' abilities to incorporate political analyses into the design and implementation of PRSP participatory processes. From this perspective, in constructing the object of 'development' as deficient in the skills, knowledges, and resources that they themselves are best suited to provide, aid agencies, reflecting the strengths of their own personnel, reject political and cultural considerations for the economic and the technical. Internal organisational factors and incentives also ensure that long-term visions are subordinated by short-term cycles, and policy diversity by universal prescriptions. The commonalities found in the outcomes of PRSP processes world-wide offer strong evidence of the influence of the institutional culture of donor agencies over these processes. While many commentators call for donors to understand better the institutional realities within recipient countries, they fail to consider the institutional realities *within donor agencies themselves*. For these reasons we should be sceptical about the chances of donors incorporating political or cultural analyses into PRSP project designs.

Finally, even if donors were willing and able to incorporate political analyses into their design of PRSPs, there is no evidence that development actors possess the know-how or even the right tools to implement successful social engineering. A modicum of humility might be in order here. History shows us that political rights are hard-won and not conferred. The disappointing outcomes of PRSP participatory processes around the world seem to support this position. More equitable distributions of wealth result only from the rising of broad domestic social movements which cannot be brought about or catalysed by any externally imposed process of participation, however well informed its architects are of the history, politics or sociology of the country in question.

*Give recipient governments genuine ownership.* Driscoll and Evans call for a move to genuine ownership of PRSPs on the part of donors by allowing governments, especially new governments with popular mandates, to create their own strategies in a genuinely participatory fashion.<sup>63</sup> In other words,

while much of the dogma accompanying PRSPs should be jettisoned, the ‘spirit of the PRSP approach’ should be preserved and fostered.<sup>64</sup> The mass of evidence around the world showing how donors have so far undermined ownership does little to inspire hope that the call to embrace this spirit will be heeded.<sup>65</sup> Furthermore, the trend among donors towards even greater and more comprehensive control and surveillance of recipient government policy makes this suggestion seem unrealistic.

*Radical predictions*

*Disciplining the ‘local’?* What are the prospects for PRSP participation as a front-line vehicle for the spread of neoliberal globalisation? Can participation succeed in ‘disciplining the local’ away from informal, ‘irrational’ forms of political and economic behaviour towards the kind of ‘formally specified, globally legible and legally binding norms and rules’ that global capital demands?<sup>66</sup> The evidence from the PRSP project thus far is not convincing. In fact, case studies of PRSP participatory processes on all continents show that donors’ intended direction of causation is actually being reversed. Instead of participation influencing and disciplining the local, local politics has shaped the process and its outcomes. Donors’ PRSP plans are being ‘localised’ and made ‘irrational’ in their interaction with domestic politics.

*Catalysing or undermining political reform?* It has been argued that the introduction of PRSP participation might in itself ultimately prove to be a catalyst for political change in a perverse and undoubtedly unintended way—that civil society participants’ frustration and disaffection with both participation and PRSP policies will trigger the emergence of broader social movements mobilised against incumbent governments and the development industry. Rückert, for example, concludes that ‘the lack of real participation and the contradictions of the inclusive-neo-liberal policy regime will lead to further disenchantment with the PRSP approach and that, ultimately, this might translate into even stronger resistance to the IFIs’ development model’.<sup>67</sup> Others may disagree with this prediction. Gould, for example, sees PRSP participation as guilty of ‘undermin[ing] the consolidation of the social forces dedicated to greater equity and accountability’.<sup>68</sup>

At first glance evidence of divisive ‘grant-seeking’ competition among NGOs and of NGOs being co-opted by material inducements may seem to support Gould’s position. However, as argued above, this phenomenon does also suggest that their loyalty is superficial. Many case studies document the profound disappointment and anger felt by participant ‘civil society’ groups with both their governments and donors at their treatment during the participatory process. Furthermore, the PRSP espouses an ideology and an approach to development that these groups do not subscribe to. It is quite possible, when NGOs exist first and foremost as economic entities, for their founders and staff to continue to participate while simultaneously harbouring increasingly anti-government or anti-development beliefs and even intentions. Nevertheless, their competition for aid resources does seem inimical to

their close co-operation. Finally, of course, we must remember that these supposed representatives of civil society in these recipient countries very often represent no one but a small sector of the capital's professional middle class. It is more conceivable, however, that in societies in which the aid industry has a longer history and more embedded political position, and in which social movements that articulate anti-development or anti-globalisation discourses exist, the failure of the PRSP and participation to keep its promises may exacerbate local resistance to development. Ultimately this question is an area of future research. Do PRSP participatory processes which fail to deliver on the hopes they arouse undermine agents of political change or do they incite them to political activism by stirring up anger and frustration? The answer may very well depend on specific local political conditions.

*Exacerbating the IFIs' growing crisis of legitimacy?* It may be that the PRSP project has exacerbated that tension between word and deed which prompted the World Bank to launch the PRSP project in the first place. The PRSP constituted the World Bank's and IMF's main attempt to rebuild their legitimacy in the wake of growing popular protests in both rich and poor countries. Yet, in spite of extravagant theatrical attempts to convince others of a genuine paradigm shift, it has offered just more of the same. If we measure the success of the PRSP initiative to date by its creators' own five principles supposed to guide PRSP implementation—country-driven, results-focused, long-term, comprehensive and partner-oriented—we see the extent of its failings. Overall the PRSP project may have reinforced perceptions in aid-receiving countries that the IFIs' development discourse is discredited.

Dijkstra has described the PRSP initiative as a 'desperate flight forward on the part of donor agencies in order to achieve both ownership and more donor coordination under recipient government leadership'.<sup>69</sup> Desperate seems an accurate description. The PRSP 'experiment' was, according to Booth, 'a rather bold venture into uncharted territory'.<sup>70</sup> But how 'bold' have donors really been? The success or failure of the World Bank's and IMF's move to bestow greater ownership on governments does indeed hinge on their ability to trust their supposed 'partners'. Be it policy conditionality or process conditionality, both depend on the willingness of governments to play ball. Yet the increasing and more pervasive conditionality and micro-management which has accompanied the PRSP is symptomatic of donors' profound and fundamental lack of trust in recipient governments. Ultimately the move to a partnership in donor-recipient relations requires a 'leap of faith' that donors are, rightly or wrongly, too scared to make.<sup>71</sup>

Was it arrogance, ignorance, desperation or a combination of all three which led the architects of development to launch this global 'experiment' with potentially serious and damaging side-effects for aid-receiving countries around the world? When Booth asks in response to the PRSPs' failings 'what else might be worth a try?', is this with breathtakingly flippancy or sheer desperation?<sup>72</sup> Recall that the final collapse of the USSR was, in the words of

Carothers, ‘the result of a failed top-down experiment in liberalizing reforms’.<sup>73</sup>

Barnett and Finnemore see two forms of legitimacy essential for public organisations: ‘The legitimacy of most modern public organizations depends on whether their procedures are viewed as proper and correct (procedural legitimacy) and whether they are reasonably successful at pursuing goals that are consistent with the values of the broader community (substantive legitimacy)’.<sup>74</sup> The failure of PRSPs to deliver thus far suggests that the ‘substantive legitimacy’ of the World Bank in particular is under increasing scrutiny. The constitutive power of words to make worlds and shape values is great. Yet, ultimately, actions must speak louder if discourses are not to be challenged, resisted and discredited. It is becoming increasingly hard for Western donors and the IFIs in particular to explain the continual postponement of promised achievements or to mask failure in the language of success. Evidence from PRSPs world-wide suggests that donors still need to buy the fragile loyalty of their ‘partners’, governmental and non-governmental, instead of earning credibility.

This need for credibility is equally vital *within* the World Bank as without. Not only do donors doubt governments’ commitment to reform, they doubt their own ability to judge this commitment. It has been argued that ‘new aid partnerships’—central to which is the PRSP project—might be best understood as ‘therapeutic interventions or confidence building measures’ for Bank staff themselves.<sup>75</sup> Similarly, with the ‘search for confidence, trust and meaning in the donor–recipient relationship’ becoming its ‘defining characteristic’, ‘ownership’ and ‘partnership’ initiatives might even be interpreted as a form of marriage guidance counselling for disillusioned donors.<sup>76</sup> Equally such moves could also be seen as attempts by donors to foist the blame for failure squarely onto recipient governments. These are speculative arguments, of course, but such speculation is symptomatic of a growing crisis of both external and internal legitimacy within the development industry. This crisis arises from the tensions present in donors’ rhetoric of good governance and their inability to hold recipient country elites accountable, the pluralism that they promote but cannot accommodate, and the populism that the new poverty agenda of PRSPs espouses but cannot deliver.

### *Radical responses*

*Reclaim ‘participation’.* Tracing the history of participatory techniques of development to their radical roots in Freire’s Marxist-oriented Participatory Action Research of the 1960s and 1970s, Leal records how a tool designed for political emancipation has become appropriated and emasculated by the development industry. Leal calls for a resistance to today’s neoliberal world order through a reclamation of ‘participation’ as a word and as ‘an instrument for promoting social transformation’, by ‘reground[ing] [participation] in the radical roots of liberatory/popular education and participatory action research’.<sup>77</sup> Hickey and Mohan have made a similar call to rescue the

transformative potential of participation as a form of development theory and practice, arguing that there is no need to 'throw the baby out with the bathwater'.<sup>78</sup> However, as their book's key findings suggest, the success of participatory development interventions at any level of a society hinge critically on local political conditions. In other words, external practitioners of participation face the very same political obstacles regardless of who they are and what their intentions might be. Indeed, Bebbington concludes Hickey and Mohan's book by insisting that all proponents of participation, in whatever form, must fully understand the obstacles to social transformation and increased social inclusion. Participatory processes should, in his opinion, never again be considered without considering the 'immanent conditions under which they occur'.<sup>79</sup> Before embarking on interventions, we might benefit from a touch of humility in considering what in fact we know about successful social engineering.

Would a determined campaign to reclaim the word 'participation', just as Christians might seek to wrestle back the religious significance of 'Christmas' from the 'Xmas' mass-marketeers, really prove to be a worthwhile pursuit? Perhaps those Western observers determined to see change in the Third World might do better by looking to the First. If globalisation in all its forms is understood as 'the successful expansion on a world scale of particular localisms of social, economic, and political organisation, which are neo-liberal and capitalist in character',<sup>80</sup> then it can be argued that the ideology legitimating these forms of organisation can only seriously be challenged and undermined by effecting a change of popular opinion not in peripheral societies but in those core societies to which these neoliberal forms of organisation are local. As Ferguson has argued in the context of imperial rule, 'an empire . . . needs legitimacy above all—in the eyes of the subject people, in the eyes of the other great powers and, above all, in the eyes of the people back home'.<sup>81</sup> Rich Western countries might be the best battleground for those Western critical theorists or activists involved in the counter-hegemonic fight against neoliberalism, with the struggle to influence popular opinion back home being the key battle.

### **Conclusion: PRSP participation and the classic paradox of aid**

The classic paradox of aid—if it can work in a country it is not needed and if it is needed it cannot work—is there too at the heart of PRSP participation. If a situation is present in a country where there is a level of broad political mobilisation great enough to pressurise or even defeat incumbent elites, a process of participation may well produce a PRSP that is participatory in its production and implementation and is genuinely reformist and 'pro-poor' in its content. Driscoll and Evans find that 'where the PRS process has most clearly succeeded, it has tended to coincide with a national project for poverty reduction that is both articulated by political leaders and widely shared by citizens, for instance longstanding communist ideas prevalent in Vietnam or Museveni's nation-building project in post-war Uganda'.<sup>82</sup> Yet recipient countries experiencing such conditions do not need such an external

intervention. Conversely, in circumstances where recipient societies are atomised and weakly politically organised, PRSP participation processes will benefit donors and/or recipient governments, depending on the balance of power relations between them. In these cases—the large majority of cases—PRSP participation can have and is having damaging effects.

Imbued as it is with the classic aid paradox, the future for PRSP participation seems bleak. Even in countries with great economic and psychological dependence on aid, where participatory processes seem to reinforce the already robust position of donors, PRSPs' and participation's failure to deliver on donors' promises may be exacerbating a longer-term crisis of legitimacy. In other words, donors could be winning a battle but may ultimately be losing the war.

Reformist critics of PRSP participation ignore the institutional realities within donor organisations that make a more responsive, politically informed and partnership-based approach to participation a distant dream. They also arrogantly fail to consider the immanent problems and dangers of social engineering in recipient countries.

Those who see participation as a mechanism for disciplining the local, thus facilitating the establishment of a neoliberal hegemony, may often exaggerate the power of participation to achieve these goals. Furthermore, these radical voices might best serve the struggle against the architects of neoliberal development through political action in their own societies, with citizens of aid-receiving countries working to agitate at home and those from donors' own societies seeking to inform their citizens about the messy and often damaging realities of the aid interventions made in their names.

## Notes

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- 35 Fraser, 'Poverty Reduction Strategy Papers', pp 325, 319.
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PARTICIPATION IN POVERTY REDUCTION STRATEGY PAPERS

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