

Université de Montréal

**The new poverty agenda: change or continuation in international
development practice**

par
Marlihan Lopez Gerena

Études internationales
Faculté des études supérieures

Mémoire présenté à la Faculté des études supérieures
en vue de l'obtention du grade de M.Sc.
en Études internationales

Janvier 2006

© Marlihan Lopez Gerena, 2006



JZ

1242

U54

2006

V. 054

Direction des bibliothèques

AVIS

L'auteur a autorisé l'Université de Montréal à reproduire et diffuser, en totalité ou en partie, par quelque moyen que ce soit et sur quelque support que ce soit, et exclusivement à des fins non lucratives d'enseignement et de recherche, des copies de ce mémoire ou de cette thèse.

L'auteur et les coauteurs le cas échéant conservent la propriété du droit d'auteur et des droits moraux qui protègent ce document. Ni la thèse ou le mémoire, ni des extraits substantiels de ce document, ne doivent être imprimés ou autrement reproduits sans l'autorisation de l'auteur.

Afin de se conformer à la Loi canadienne sur la protection des renseignements personnels, quelques formulaires secondaires, coordonnées ou signatures intégrées au texte ont pu être enlevés de ce document. Bien que cela ait pu affecter la pagination, il n'y a aucun contenu manquant.

NOTICE

The author of this thesis or dissertation has granted a nonexclusive license allowing Université de Montréal to reproduce and publish the document, in part or in whole, and in any format, solely for noncommercial educational and research purposes.

The author and co-authors if applicable retain copyright ownership and moral rights in this document. Neither the whole thesis or dissertation, nor substantial extracts from it, may be printed or otherwise reproduced without the author's permission.

In compliance with the Canadian Privacy Act some supporting forms, contact information or signatures may have been removed from the document. While this may affect the document page count, it does not represent any loss of content from the document.

Université de Montréal
Faculté des études supérieures

Ce mémoire intitulé :

**The new poverty agenda: change or continuation in international
development practice**

présenté par:
Marlihan Lopez Gerena

a été évalué par un jury composé des personnes suivantes:

Dominique Caouette
président-rapporteur

Jacques Fisette
directeur de recherche

Nancy Thède
membre du jury

Résumé

Depuis la fin des années 1990, un consensus a émergé au sein de la communauté du développement international autour de la mise en œuvre de ce que Simon Maxwell (2001) appelle « The New Poverty Agenda » (NPA). Cet agenda, conduit par la Banque Mondiale et les Nations Unies, constitue une réponse à l'échec du modèle néo-libéral quant à la réduction de la pauvreté et la réalisation d'autres objectifs sociaux. Il s'articule autour des Documents de stratégie pour la réduction de la pauvreté (DSRP) et des Objectifs de développement pour le Millénaire (OMD). La rhétorique de cette nouvelle politique de lutte anti-pauvreté génère une terminologie normative, autour de concepts tels que « autonomisation », « participation », « appropriation ». Elle énonce une stratégie alternative qui met l'accent sur une approche participative.

L'hypothèse défendue est qu'à travers le NPA, « l'industrie de développement » – Banque mondiale en tête - tente de revigorer le régime de l'aide après la crise de légitimité qu'il a traversé au cours de la dernière décennie. Après avoir analysé les évolutions discursives et celles de la pratique du développement, nous décrivons en détails les OMD et leurs objectifs, ainsi que le contenu du DSRP afin de déterminer s'il y a un changement dans la pratique ou une simple adaptation organisationnelle, un recyclage de pratiques orthodoxes. Nous démontrerons que cette nouvelle politique constitue une continuation des anciennes approches et donc de la manière dont l'industrie du développement aborde la réduction de la pauvreté. Conséquemment, cette réorientation vers une approche en faveur des pauvres constitue une adaptation plutôt qu'un véritable apprentissage organisationnel.

Mots clés : pauvreté, développement, Banque Mondiale, aide

Abstract

A consensus within the development community has emerged engaging donors, governments, NGOs and civil society organizations in the implementation of what Simon Maxwell (2001) defines as the New Poverty Agenda (NPA). This new agenda, driven by the World Bank and the United Nations, was established in response to the neo-liberal model's failure in achieving a significant reduction in poverty and other social objectives. This agreement is articulated by the U.N. Millennium Development Goals the World Bank's Poverty Reduction Strategy Papers. The rhetoric surrounding these two policy instruments manifests a normative terminology, with key concepts such as "empowerment", "participation", "ownership" and "partnership". It promises an entirely different way of doing business, focusing on poverty reduction through a participative approach.

The hypothesis defended in this thesis is that the NPA represents an attempt by the "development industry"-headed by the World Bank- to rejuvenate the aid regime after suffering from a loss of legitimacy during the last decade. After identifying the discursive shifts in development practice over the years, we will proceed with an in-depth description of the MDGs and their objectives and analyze the content of the PRSPs in light of determining whether there has been any change in practice or simply organizational adaptation, a recycling of orthodox practices. We conclude the NPA constitutes a continuation of past development approaches and hence in the way the development industry tackles poverty reduction. Consequently, this shift towards a pro-poor agenda results in adaptation rather than true organizational learning.

Keywords: poverty, development, aid, World Bank

Table of contents

INTRODUCTION	5
RESEARCH SUBJECT	ERREUR ! SIGNET NON DÉFINI.
RESEARCH PROBLEM AND QUESTION	7
HYPOTHESIS	9
LITERATURE REVIEW AND METHODOLOGY	10
OVERVIEW OF CHAPTERS	13
CHAPTER 1: METHODOLOGY AND CONCEPTUAL FRAMEWORK.....	15
METHODOLOGY	15
<i>Managerial documents</i>	16
VARIABLES, CAUSAL RELATIONSHIP, AND INDICATORS	18
<i>Indicators</i>	19
CONCEPTUAL FRAMEWORK.....	19
<i>Post-development theory</i>	20
<i>Sociological organization theory</i>	22
CHAPTER 2: THE EVOLUTION OF THE DEVELOPMENT INDUSTRY'S APPROACH ON POVERTY REDUCTION	28
INTRODUCTION	28
THE TRICKLE-DOWN ERA (1951-1960)	29
MCNAMARA'S POVERTY AGENDA AND THE EMERGENCE OF THE BASIC NEEDS APPROACH (1970- 1980).....	32
<i>McNamara's World Bank</i>	32
<i>The United Nations Poverty Agenda and the Emergence of the Basic Needs Approach</i>	34
STRUCTURAL ADJUSTMENT PROGRAMS: A SHIFT AWAY POVERTY REDUCTION (1980-1990).....	37
<i>Structural Adjustment loans</i>	38
<i>The introduction of good governance debate</i>	41
1990S: ANOTHER SHIFT TOWARDS POVERTY REDUCTION	42
THE BIRTH OF THE NEW POVERTY AGENDA	44
<i>The New Poverty Agenda and the MDGs</i>	49
CONCLUSION	51
CHAPTER 3: THE MILLENNIUM DEVELOPMENT GOALS: A NEW AGENDA FOR COMBATING POVERTY OR CONTINUATION OF TRADITIONAL DEVELOPMENT PRACTICE?	53
INTRODUCTION	53
UNDERLYING FACTS BEHIND THE MDGs.....	54
MDGs QUANTITATIVE TARGETS AND RESULTS-BASED APPROACH	62
THE MDGs FOCUS ON POVERTY AND HUMAN DEVELOPMENT	66
MDG8: FORGING A GLOBAL PARTNERSHIP.....	69
CONCLUSION	75
CHAPTER 4: POVERTY REDUCTION STRATEGY PAPERS: A PRO-POOR AGENDA OR STRUCTURAL ADJUSTMENT IN DISGUISE?	78
INTRODUCTION	78
THE BIRTH OF THE PRSPs.....	79
THE CONTENT AND UNDERLYING PRINCIPLES OF THE PRSPs	82
<i>Principles</i>	83
<i>Content</i>	85
MONITORING AND EVALUATION IN THE PRSP PROCESS	91
THE IMPLICATIONS OF DONOR COORDINATION AND AID EFFICIENCY	93
<i>Donor coordination: what and why?</i>	94
<i>Implications of donor coordination</i>	98

THE PRSP'S PRINCIPLE OF PARTICIPATION AND PARTNERSHIP	101
CONCLUSION	106
CONCLUSION	109
<i>Technocratic and apolitical agenda</i>	110
<i>Organizational imperatives and learning</i>	111
<i>Closing thoughts</i>	112
BIBLIOGRAPHY	116

List of Tables

Table 2: Pillars and Policies of WDR 1990 and WDR 2000/01	p. 47
Table 3: Total Net Disbursement of Total Official and Private Aid Flows by Type, 1971-2001 (%)	p. 54
Table 3.1: The MDGs Origins	p. 56
Table 3.2: The MDGs (www.un.org)	p. 58

List of Boxes

Box 1: Indicators	p. 19
Box 2: Six Elements Characterizing SAPs	p. 39
Box 3: International Development Targets	p. 57
Box 4: PRSP's Five Key Elements	p. 85
Box 4.1: Three Principles of Harmonization	p. 95

List of Figures

Figure 1: Change in International Organizations	p. 26
Figure 2.1: The New Poverty Agenda and its Operational Instruments	p. 50
Figure 3: Three Key Elements characterizing the MDGs	p. 60
Figure 4: The Key Characteristics of PRSPs	p. 81
Figure 4.1: Aid Effectiveness Pyramid	p. 96

List of Acronyms and Abbreviations

BWI	Bretton Woods Institutions
CDF	Comprehensive Development Framework
CSO	civil society organizations
GDP	gross domestic product
GNP	gross national product
HDR	Human Development Report
HIPC	Heavy Indebted Poor Country
IDA	International Development Association
IFI	International financial institutions
I-PRSP	Interim Poverty Reduction Strategy Paper
MDG	Millennium Development Goals
NPA	New Poverty Agenda
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
WTO	World Trade Organization
PARIS	Partnership in Statistics for Development in the 21st century
PRS	Poverty Reduction Strategies
PRSP	Poverty Reduction Strategy Paper
SAP	Structural Adjustment Programs
UN	United Nations
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
WB	World Bank

Acknowledgements

I am indebted to the numerous individuals that helped or supported me in different ways during the writing of this thesis. First of all, I would like to thank my family, specifically my mother, my father and my adoptive mother in Quebec, Gladys Crèvecoeur for their faith and encouragement.

I gratefully acknowledge the time, patience and intellectual input that my director, Jacques Fisette, offered me during this period. I would also like to thank my friends at CÉRIUM (Centre for International Studies and Research at the University of Montreal) for their support and friendship.

Introduction

As early as the 1960s, the international development industry¹ was tackling pressing issues of poverty and hunger by the means of action plans. Nevertheless, these packages mostly failed in their attempts to address the core issues of poverty. At the end of the 20th century the development industry adopted a new package and identified poverty reduction as the primary objective of their agenda. The 2001 World Bank Report, *Attacking Poverty*, consolidated a decade's accumulation of development approaches and redefined the shape and foundation of the standard poverty reduction approach to what Simon Maxwell (2001) identifies as the New Poverty Agenda (NPA). A consensus on poverty, driven by the primary influential international financial institutions (IFIs), was therefore established in response to the neo-liberal agenda's failure in achieving a substantial reduction in poverty reduction and other social objectives.

With the arrival of the NPA, the United Nations General Assembly adopted the Millennium Declaration and the Millennium Development Goals (MDG) which recaptured and repackaged many of the development targets that had been set and unmet in the last decades. As for the World Bank and IMF, they reformulated their structural adjustment programs to become Poverty Reduction Strategy Papers (PRSP). This new construction of poverty links the PRSPs- a new set of instruments for delivering aid and results-based management- to the MDGs- a set of global time-bound goals aimed to reduce poverty.

The MDGs are a commitment adopted by 189 countries at the U.N. Millennium Summit in September 2000, which establishes a "timeframe" for achieving quantitative targets for poverty reduction and improvements in sectors such as health, education, gender issues and the environment. According to the Millennium Declaration, the objective is to achieve these goals by 2015 in the vast and diverse countries of "developing" world.

¹Development, once a field engaging people who had a calling, has become a full fledged industry, employing an infinite number of practitioners and experts (professionalization) in numerous fields and where development organizations are preoccupied with self-preservation, growth and legitimization. (Dichter, 2003).

The MDGs have been widely accepted and encouraged by international development and donor agencies. According to the development community, these goals are well defined and measurable, therefore mobilizing a great deal of support from donors. They affirm that these targets represent a consensus in the sustainable development agenda and promote strong donor coordination.

On the other hand, the Poverty Reduction Strategy Paper, adopted in 1999 by the World Bank and the IMF, is viewed as being an ambitious commitment to poverty reduction. PRSPs are meant to replace Structural Adjustment Programs as the new pre-condition for loans and debt relief. PRSPs are a formal requirement for developing countries seeking assistance through the Heavily Indebted Poor Countries Initiative (HIPC) or concessional lending from the World Bank. Their main focus is to ensure that resources that are released for debt relief are allocated and invested for poverty reduction.

Moreover, they allegedly represent a rupture with traditional conditionality and are based on the concept of partnership and recipient country ownership of development programs. According to some of the principal actors of the development industry (ex. World Bank and U.N.), PRSPs provide a key opportunity for mobilizing national actors towards the achievement of the MDGs. Furthermore, the PRSPs have become the principal framework for all donor lending and the main methodology for developing national strategies for achieving poverty reduction.

We chose to focus our analysis on these two important policy instruments (the MDGs and the PRSPs) due to their current popularity within the development community and more importantly, the seductive rhetoric around them. This rhetoric promises an entirely different way of doing business, focusing on poverty reduction through the participation of civil society. Furthermore, the MDGs and PRSPs encode the alleged consensus in a linear logic (Cornwall and Brock 2005) and represent a clear articulation of the New Poverty Agenda.

Research problem and question

Arturo Escobar (1995) claims that today's global conceptualizations of poverty were conceived early in the post-second world war period and later gained prominence among the international community as it was understood that world poverty and inequality were a great menace to global stability. From the beginning, poverty was defined as a deficiency of money and material possessions and the panacea identified was economic growth and increased incomes facilitated by external development assistance and the implementation of macro-economic prescriptions such as liberalization. Poverty reduction was assumed to follow this process naturally (Storey and al 2005). This solution was presented as the universal truth by global development agencies such as the World Bank. It was around this premise that development discourse and practice would be based. The World Bank took on the role of guaranteeing the reproduction and survival of this neo-liberal agenda.

According to the leading agencies of the development industry, the New Poverty Agenda represents a break with past approaches and constitutes a new rationale for aid and development based on partnerships towards a common and realistic objective- poverty reduction. The leading actors claim that the concept of poverty has been broadened beyond the notions of inadequate income and consumption towards a more comprehensive perspective.

Furthermore, the NPA is also based on the shared understanding that the elimination of poverty can only be realized through the engagement of the "poor" in development processes. It is based on the belief that poverty reduction requires coherent collaboration and partnership among a large variety of actors, such as development agencies, recipient governments, civil society organizations and the private sector.

Nevertheless, numerous critics and sceptics (ex. Brock Cornwall and Gaventa 2001; Storey, Bulloch and Overton 2005) have underlined the never-ending problems with poverty policy-making and the lack of change in practice. For many CSO and researchers within the field, there is no new agenda; the new focus

on poverty merely constitutes a different path to the same ends of political reform and economic adjustment (Storey, Bulloch Overton, 2005).

The MDGs are construed as being an innovative attempt to alleviate poverty and promote sustainable development. However, time-bound objectives and specific goal setting is not really new in development. Even though the MDGs contain various novelties, many fear that these goals end up being a mere continuation of the development industry conceiving action plans that demand they assist countries in direct ways and inject money to achieve measurable results. The tendency of doing things directly is inherently linked to the imperatives that have come to dictate development organizations' actions (Dichter 2003).

On the other hand, the PRSPs are lauded for their potential in increasing aid effectiveness, donor coordination and poverty reduction through participatory policy-making. However, many fear that this new policy instrument constitutes a mere repackaging of the structural adjustment agenda. They question the underlying interests and motivations of the World Bank, which has now become the largest "for profit" organization in the business of poverty reduction.

One cannot deny that poverty reduction has become the essential focus of development agencies over the past decade. A consensus among key development organizations has emerged engaging governments, multilateral aid agencies and NGOs on the poverty bandwagon. Agreement about the importance of focusing on poverty through a participative approach is exemplified by the adoption of poverty objectives such as the Millennium Development Goals and policy instruments such as the PRSPs. This new "fad" can be partly explained by the loss of legitimacy of the *raison d'être* of aid and the fatigue that has emerged in consequence. However, division among donors and recipient countries still remains about what causes poverty and the means of reducing it. Consequently, the coherence of this new poverty approach is not evident in practice.

Furthermore, it is important to underline that the development agenda is and has been determined by global actors (Storey and al 2005, p.31). Development practice has shown that policy does not necessarily react to the interests of traditional bilateral recipients or "partner countries", but to the influential

multilateral institutions² (World Bank and United Nations) that prescribe and adopt development action plans (Brock, Cornwall and Gaventa 2001). In terms of designing development policy, NGO's, bilateral donors and recipient governments are policy-takers rather than policy-makers.

Hence, as the development industry experiences a shift towards a poverty focus-driven by Northern donors and Northern-aligned multilateral institutions-we must question if this evolution translates into the adoption of development programs based on recipient countries' national priorities, defined internally. Today's development rhetoric contains an extremely normative terminology, with concepts such as poverty reduction, participation, ownership and partnership occupying an important place within discourse. However, has their use translated into a substantial change in the policies pursued in practice by mainstream development? Does the NPA compete with recipient governments' own policies or is it inspired by these? While poverty reduction has taken center stage, have leading donors made significant changes in development practice? Furthermore, does the New Poverty Agenda, more specifically the PRSPs, represent a rupture from orthodox neo-liberal agendas of the past which have failed to tackle the structural causes of poverty in a sustainable manner? In sum, the question we aim to answer is whether the MDGs and PRSPs constitute a breakthrough in the manner that development organizations, such as the World Bank and the U.N., tackle poverty?

Hypothesis

Our hypothesis is that the NPA and the operational frameworks which constitute it (the MDGs and the PRSPs) represent a response to the mounting criticism from outside and inside the industry and an attempt by the development community-headed by the World Bank- to rejuvenate the aid system which has suffered from fatigue and a loss of legitimacy in the last decade. We believe that this new focus on poverty reduction, which is finely articulated by the MDGs and the PRSPs, constitutes a continuation of past development approaches and hence in the way

² Consequently, this master's thesis will focus primarily on World Bank policies and secondly, on UN key policy statements and action plans.

the development industry tackles poverty reduction. Consequently, this shift towards a pro-poor agenda results in organizational adaptation rather than learning.

Literature Review and Methodology

This literature review will demonstrate that writers either welcome the MDGs and the PRSPs because they represent change or they discard them for their continuity. The different authors and actors that have expressed their opinions and views on the subject can therefore be classified into two categories: those who believe that the NPA and its instruments constitute a change in development paradigm and practice and those who view them as being a simple continuation of past approaches.

The first consider the MDGs and PRSPs to be an enormous advance in the development community's understanding of the characteristics of poverty and the poor, the logic of poverty measurements and underlying economic dynamics. Jeffrey Sachs (Special Advisor to the U.N. Secretary General on the MDGs) praises and firmly defends the potential and promises that the MDGs represent. In his book, *The End of Poverty*, Jeffrey Sachs states:

“ The Millennium Development Goals wisely recognize that extreme poverty has many dimensions, not only low-income, but also vulnerability to disease, exclusion from education, chronic hunger, and undernutrition, lack of access to basic amenities such as clean water and sanitation, and environmental degradation such as deforestation and land erosion that threatens lives and livelihoods.” (Sachs 2005, 213)

According to Sachs, the end of extreme poverty is within reach, and achieving the Goals will lead us close to that target.

Sakiko Fukuda Parr claims that the Goals constitute a shift away from growth as the primary goal of the development endeavor. According to Parr,

“...the goals put human development-poverty and people and their lives- at the center of the global development agenda for the new millennium...
...MDGs are not just aspirations, but provide a framework for accountability...”
(Fukuda Parr 2004, 1)

Fukuda also highlights that the Goals are the first to address inputs from high-income countries, therefore creating a compact that holds both “rich” and “poor” equally accountable.

Ruth Driscoll and Alison Evans (2004) suggest that experience with the first generation of PRSPs has proven to achieve important progress in three key areas. It has contributed to a much stronger focus on poverty by national recipient governments; it has engaged civil society in poverty policy debates on an unprecedented scale; and finally, it has focused attention on donor alignment and harmonisation internationally as well as at a the country level.

According to the previous World Bank President, James Wolfensohn (1998), in today’s development discourse there is little talk about macro-economic theory in the traditional sense. His 2000/01 World Development Report (WDR) sustains that there has been a “complete flip around” during the 1990s in the World Bank’s approach to development (Kanbur and Vines 2000, 95). The World Bank defends the PRSPs as being an innovative and participative approach to poverty reduction that involves multiple actors including civil society.

On the other hand, there are the sceptics and critics who claim that the NPA and its instruments do not constitute a significant shift away from the predominant neo-liberal ideology in theory or in practice. The NPA is viewed instead as a “process of hybridization” where alternative concepts have been appropriated by the primary development institutions and integrated into mainstream (Storey, Bulloch and Overton 2005, 35). These critics argue that the fundamental elements of the NPA remain orthodox and are not challenged by their association to the alternative.

Donovan Storey, Hannah Bulloch and John Overton (2005) believe that the New Poverty Agenda in its present form constitutes a “missed opportunity” in terms of ameliorating development assistance and the relationship between actors. They claim that the primary global agendas such as globalization and structural adjustment remain intact despite this new focus on poverty reduction. Furthermore, they affirm that PRSPs, instead of completely breaking with

traditional conditionality, have merely adopted another form. They add that the MDGs do not represent a break with past practice and conclude that:

“The NPA is a trend, emanating from the major multilateral institutions and adopted by overseas development agencies in a ‘follow the leader’ fashion (D.Storey and al. 2005, 42).”

Andrea Cornwall and Karen Brock (2005) assert that even though the New Poverty Agenda has adopted a highly normative discourse with terms such as pro-poor, participation, empowerment, partnership and ownership, technical prescriptions for attaining growth such as liberalization still dominate discourse and practice. They claim:

“...the World Bank reshaped its existing narratives to make them more palatable to an increasingly critical international community...” (Brock and al. 2001, 8)

Most of the managerial literature³ available evaluates the achievability and the costs of the Millennium Development Goals but few analyze their underlying framework. The majority of practitioners who have written articles and books on the MDGs have failed to question whether they actually tackle the structural causes of poverty. Moreover, most documentation available on the PRSPs fails to address issues such as the politics of participation and the implications of donor coordination for low-income countries. In sum, the literature review demonstrated that in general, the authors and practitioners have not been scientifically rigorous in their method or in the conceptual framework chosen for their analysis.

The method employed in this thesis will consist in performing a diachronic analysis of past and present development policies and frameworks in order to establish whether or not the NPA constitutes a break or continuation of development approaches and practice. We will situate this new rhetoric by focusing on the two frames of reference for development intervention that have gained undisputed currency in recent years: the MDGs and the PRSPs. We will draw substantially on official World Bank Reports, UNDP documentation and other managerial texts and on publications and papers prepared by the key development agencies associated and influenced by the alleged shift in

³ Refers to the documents and policy papers published by development organizations such as the World Bank, the UN and the OECD.

development discourse and policy⁴. We will then analyze to what extent these policy/discourse shifts have been operationalized in practice. The objective of this master's thesis is to analyze these two policy instruments in view of establishing whether or not their underlying normative rhetoric translates into genuine change or a continuation of the status quo. We will evaluate what is being done in the name of poverty reduction, participation and ownership in practice, by taking a comprehensive look at the MDGs and PRSPs and verifying to what extent these instruments represent real change in practice or simply an appropriation of a normative and moral rhetoric in an attempt to mask "business as usual".

Overview of chapters

In the chapter that follows (Chapter 1: Methodology and Conceptual Framework), we sketch out the method(s) employed throughout this master's thesis in order to prove or disprove the hypothesis stated above. Firstly, we will describe in detail the methodological approach chosen that will allow us to establish if the NPA and its two primary instruments constitute an element of change or continuity. Secondly, we will identify and define our conceptual framework and explain how it will help us evaluate, from a theoretical point of view, whether or not we are witness to a new paradigm and a breakthrough in development practice.

In Chapter 2 (History of Past Approaches), we identify and analyze the discursive shifts and evolutions in development practice that have brought us to where we are now. In this chapter, the question of change is addressed by detailing the shifts in content of the World Bank's policy/discourse and the U.N. development action plans and agendas over the last 50 years. These shifts will be contextualized through the identification of the policy and economic developments that had an important impact on the development agenda. This exercise will help us comprehend the context in which the NPA has emerged.

In Chapter 3 our attention turns to the analysis of the Millennium Development Goals. We will begin with an in-depth description of the MDGs and their objectives. Furthermore, we will identify their origin(s), the elements that have

⁴ It is important to emphasize that we focus on the shift in World Bank and secondly UN policy and discourse.

inspired this new global consensus and familiarize ourselves with their underlying facts. Then we will put to question the primary characteristics of the MDGs-valued by some and denounced by others. This chapter's ultimate objective is to determine whether or not the MDGs constitute a new way of tackling poverty reduction.

Finally, in Chapter 4 our focus will turn to the Poverty Reduction Strategy Papers. We will analyze the content of the PRSPs with the purpose of determining if there has been any change in practice or if structural adjustment been merely camouflaged and repackaged. We will evaluate the implications of the PRSP's emphasis on aid effectiveness and donor coordination for low-income countries and finally, we will address the politics of participation, which constitute a central foundation of this new instrument. Our objective is to explore if the PRSPs have the potential of changing the way the development industry tackles poverty.

Chapter 1: Methodology and Conceptual Framework

Methodology

In this master's thesis, we will engage in an inductive study of the New Poverty Agenda by analyzing two of its primary policy instruments or frameworks: the Millennium Development Goals and the Poverty Reduction Strategy Papers. The research method employed will be a qualitative and diachronic analysis through literature and documentation review. We will compare past and present managerial documentation, official publications and policy papers produced by the major development agencies such as the United Nations Development Program and the World Bank. We choose to focus on these two institutions because they have dominated the content of development discourse⁵ and practice over the past fifty years, through their financial leverage and or development knowledge and expertise. Furthermore, their influence and power have compelled most of the organizations within the development industry to adopt their theoretical discourse and practices. We will identify the similarities and differences between their past and present development action plans and approaches and evaluate the current general tendency in order to verify if today's "New Poverty Agenda" constitutes change or continuity in the development industry's method of tackling poverty.

We will pay particular attention to PRSP and MDG reports and concerning documents. Since the Millennium Development Goals and the PRSPs have become increasingly popular in the last decade, international development agencies, NGOs and national development think-tanks offer a large amount of documentation on the subject. We will analyze this managerial literature. Through an analysis of the rhetoric present in this documentation, we hope to obtain empirical data necessary in order to compare discourse, strategies and programs.

⁵ By discourse we mean the "ensemble of ideas, concepts, and categories through which meaning is given to phenomena". (Hajer 1993, 45). According to Foucault (1979), discourses are "tactical elements or blocks operating in the field of force relations; there can exist different and even contradictory discourses within the same strategy; they can, on the contrary, circulate without changing their form from one strategy to another, opposing strategy (pp.101-102).

They will provide us with the variables and indicators that are embodied in development policies and poverty reduction strategies prescribed by the major development organizations. They will also help us identify the gaps between rhetoric and practice.

Managerial documents

First of all, we can turn to the World Bank, the main development agency and financial institution, which has and continues to dominate development discourse and set the agenda. One can refer to the World Bank's website, www.worldbank.org, which provides practical information on the MDGs and the PRSPs. The Organization gives public access to national Poverty Reduction Papers, the PRSP sourcebook, Policy Research Papers, and Working Papers on issues concerning the achievement of the MDGs and poverty alleviation. Sectoral research papers, data on progress achieved and capacity building efforts are also available on the website. The Bank's website also has a webpage named Poverty Net, which is considered a valuable source for researchers and practitioners, offering documents on poverty measurement, monitoring analysis and on PRSPs. Furthermore, the Comprehensive Development Framework (CDF)⁶ Secretariat provides information on how the World Bank is enhancing country ownership through PRSPs and working towards the achievement of the Millennium Development Goals.

Among other informational resources available from within the development industry one will find numerous documents provided by the United Nations. The U.N. has dedicated an entire section of its website to the Millennium Development Goals: www.un.org/millenniumgoals/. This page offers information on themes such as the status of the MDGs in world regions, statistics on each goal and information on the implementation of the Millennium Declaration. In addition, the U.N. Secretary-General Koffi Annan and former U.N. Development

⁶ The CDF, considered a holistic approach to development, was developed by the World Bank after the failure of SAP. According to the Bank, the CDF is not based on conditionality, but on partnership between itself, assuming the repositioned role of "Knowledge Bank" and the recipient governments who allegedly have full ownership of the policies they choose to pursue (Pender 2001, 397).

Program (UNDP) Administrator, Mark Malloch Brown have launched the Millennium Project, www.millenniumproject.org, mandated to identify the best strategies for achieving the MDGs. The Millennium Project is directed by Jeffrey Sachs, who serves as Special Advisor to the Secretary-General on the MDGs. The Millennium Project's research aims to underline the operational priorities, organizational means of implementation and the financial resources needed to accomplish the Goals. Moreover, the United Nations Development Group (UNDG), www.undg.org, created in 1997, designs policies and procedures that facilitate the coordination of UN member agencies' efforts around poverty reduction. Member agencies work together and analyze country issues, plan and implement support programmes and strategies, and monitor results. These initiatives aim to increase UN impact in helping countries achieve the Millennium Development Goals (MDGs). The website offers documents and publications focusing on the importance of rendering the MDGs operational, localizing the Goals and harmonizing development efforts towards their achievement. The United Nations Development Program has also created a webpage for issues surrounding the MDGs: www.undp.org/mdg/. The UNDP website offers country assessments, MDG Reports (prepared by various developing countries) and other documents pertaining to national development frameworks for attaining the Goals. It also publicizes reports that chart progress towards reaching the goals, in cooperation with other UN agencies, the World Bank, the International Monetary Fund, civil society and other partners.

One can also refer to the OECD website, www.oecd.org which constitutes a valuable resource for analyzing mainstream rhetoric on poverty reduction. The website includes policy briefs, case studies, working papers and other publications pertaining to the MDGs and the PRSPs. For example, the OECD's DAC Network on Poverty Reduction (POVNET), which was launched in 1998, offers various documents offering policy guidance and aiming to help bilateral donors strengthen the impact of their poverty reduction efforts.

Finally, publications from numerous international development think tanks will help build and develop the theoretical foundation of the research question. They offer a critical analysis of the variables to be studied throughout this thesis. First,

there is the Overseas Development Institute (ODI), Great Britain's leading independent think tank on international development issues such as PRSPs, inequality and social exclusion, globalization in trade and finance, and the reform of global governance (www.odi.org.uk). We referred to the numerous ODI publications, specifically the *Development Policy Review*, a journal which establishes valuable links between research and policy in international development. Secondly, there is the Institute for Environment and Development, an international policy research center that offers publications on themes surrounding poverty reduction and sustainable development (www.iied.org). The Institute publishes articles on topics such as the MDGs, participation and global governance. There is also the French think tank on economic development, DIAL (Development, Institutions and Long Term Analysis) which was created in partnership with the French Development Agency (AFD) and the Institute for Development Research (IDR) (www.dial.prd.fr). This Institute published an important book on the PRSPs, *New International Poverty Reduction Strategies* which offers an extensive and critical analysis of the poverty reduction strategies and highlights its main innovations. They have also published books on debt relief, the aid fatigue, and globalization. Finally, we must mention the *Third World Quarterly (TWQ)* an academic journal of policy in the field of international development studies. This journal provides an alternative, comprehensive, reflective analysis on crucial issues surrounding poverty reduction and has published various articles on the implications of the New Poverty Agenda (www.tandf.co.uk).

Variables, causal relationship, and indicators

As stated earlier, a comparative analysis of past and present discourse will help us identify the ideological stand of development organizations over the years. A shift of ideas will imply a change in discourse. The program or action plan will facilitate the implementation of the strategies and the achievement of the objectives identified within the discourse. A change in discourse should result in the adoption of new programs. The implementation of new programs should translate into a change in practice. However, this is not always the case. If practice

remains unchanged, there has not been genuine change and one is probably witness to organizational adaptation or status quo.

Indicators

We have identified a certain number of preliminary indicators that will help us evaluate whether or not the NPA constitutes a genuine change in development practice and discourse:

Box 1: Indicators

- Presence of conditionalities
- Agenda's focus on redistribution, equality and structural causes of poverty
- Presence of macroeconomic prescriptions for growth (ex. liberalization, privatization etc.)
- Emphasis on income and consumption, the use of GDP as a predominant indicator of progress in poverty reduction
- Input of national recipient governments vs. input of donors or development agencies
- Input of new actors: civil society vs. input of national governments

Conceptual Framework

Our conceptual framework includes two theoretical sources. On one hand, we will refer to constructivist works drawing from the sociological organizational theory (Lewis 2003, Leiteritz and Weaver 2005) in order to fully understand the process of change within major multilateral development organizations which embody the "poverty alleviation industry"⁷ such as the World Bank and the United Nations specialized agencies. On another hand, we will make reference to the post-development anthropological theory defended by multiple authors such as Escobar and Ferguson. This approach will provide us with another angle for critically analyzing the different variables and indicators. These two theoretical frameworks will help us understand the technocratic and political logics behind

⁷ A term borrowed from Thomas Dichter (2003).

poverty reduction and development agendas. Recent publications in organizational and post-development theory provide us with elements and tools for understanding past and present development practices and the outcomes that result from their operations. They represent a creative opportunity for advancing our comprehension in regards to the “development industry's” true objectives, ideologies and the organizational imperatives that explain why organizations involved in the business of poverty reduction behave the way they do. Furthermore, this method will allow us to verify if today’s New Poverty Agenda constitutes a breakthrough in development practice or a continuation of past approaches.

Post-development theory

The post-development theory is a “radical reaction to the dilemmas of development” (Pieterse 2000, 175). Post-developmentalists such as Arturo Escobar, Gustavo Esteva, James Ferguson, Serge Latouche, Gilbert Rist and Vandana Shiva sustain that development must be discarded and done away with on account of its mediocre results and most importantly, its underlying intentions. Unlike mainstream development theories such as “basic needs” and sustainable development, this theoretical approach constitutes an absolute rejection of the development paradigm (Siemiatycki, 2005).

Jan Nederveen Pieterse, like many others, considers importations of post-structuralist perspectives as the origin of the post-development theory. A post-structuralist analysis of development centers on understanding the concept as a discourse or a system of knowledge, techniques, practices and power relationships that regulate the objects of development. This analysis consists of a meticulous and careful scrutiny of language as a framework of presuppositions and structures of thought (Pieterse, 2000, p.180). Managerial texts such as planning documents, strategic frameworks, sector reports and project documents are analyzed with the objective of identifying the ways in which the language and terminology used in these texts establish a certain way of thinking and viewing development, while excluding others (Lewis, Bebbington, Batterbury, Shah, Olson, Siddiqi and Duvall

2003). Post-developmentalists use this methodology to argue that development discourse sustains and reproduces unequal power relations.

For some time now, anthropologists such as Arturo Escobar have provided academic circles with an ethnographic perspective to the development endeavor. Those dedicated to studying development issues have produced numerous publications on power, history and agency within organizations by analyzing development as a discourse (ex. Escobar 1994, Ferguson 1994). Previously, their studies were centered on the "objects" of development, but today they also focus on development organizations and interventions themselves. The primary object of research within these studies has been the World Bank due to its influence in the production of development knowledge.

A post-structural analysis of development also challenges the preconceived notions about how and why development organizations operate the way they do, unveiling their true objectives and survival instincts. They also reflect on the relationships of power that surround development organizations and their practices and the way in which they end up bypassing their alleged mandate of empowering populations. Power is central to these analyses; it is impossible to adequately conceptualize organizational culture and behavior without reflecting on the power relations within organizations and between them and other actors and stakeholders (Lewis and al. 2003). While analyzing the repercussions of the industry's practices one uncovers the system of power relationships that exists between actors that characterize the development endeavor.

Post-development writings from authors such as Ferguson and Escobar have analyzed development as a discourse. In James Ferguson's book, *The Anti-politics Machine: "Development," Depoliticization and Bureaucratic Power in Lesotho* the author analyzes project documents as texts with the objective of demonstrating how language and concepts privilege a certain way of thinking by limiting others. He classifies literature on the development industry into two types. The first stream of literature concentrates on managing development to make it more efficient/effective. Most of this research is produced from within the industry, in development agencies by practitioners. It views the development

endeavor as an instrument at the disposal of the “expert”. Development is therefore conceived as being a technical tool that can produce the desired anti-poverty and pro-growth results if the right combination of inputs is selected. The second type of literature views development as being a political, anti-democratic, ethnocentric project of exploitation of the “Third World”. As one can observe, the technocratic logic favors professional expertise and management, economic growth and bureaucracies that generate quick measurable results. The other denounces development initiatives for being externally imposed, top-down interventions, rejecting the concept of development altogether.

Moreover, the post-development theory aims to clarify how meanings and concepts associated with development are produced, questioned and modified in practice. These texts have also shed light on how international, national and local development bureaucracies operate and how their practices lead to significant gaps between development goals as presented in policy documents and the goals pursued in operational practice and influenced by bureaucrats’ personal interests (D. Lewis and al. 2003).

Sociological organization theory

The sociological organization theory analyzes the nature of the organization's agency, in other words the culture that explains behavioral outcomes and processes of change. This approach studies the interaction of endogenous and exogenous factors that generate power and influence the policies of international organizations such as the Bank and the UN. It supports the notion that organizations develop and evolve into social actors acquiring interests and a behavior that ensures their survival and reproduction.

The theory suggests that organizations attempt to reach their objectives in competitive environments by creating formal structures and technologies and constructing their own organizational culture (Leiteritz and al. 2005). Within organizations, or in this case development agencies, culture evolves very slowly over time or is strategically orchestrated by bureaucrats as a means of dealing with crises (Leiteritz and al. 2005). Furthermore, important, external non-state

actors can have a strong impact on the development industry and its most important institutions by affecting their normative and competitive environment. Organizational culture constitutes a determining variable which informs members on how to respond to changes in this environment.

Organizational culture can therefore be defined as:

"the ideologies, norms and routines governing the expectations and behavior of the bureaucratic staff, as well as the organization's relationship with its external environment" (Leiteritz and al. 2005, 3).

Changing the organizational culture of an institution such as the World Bank or the UN can be a lengthy and highly complex process. If the values, beliefs and norms are strong, the process of change will be even more difficult. Organizational change therefore requires an important shift in the organization's ideologies, shared norms, values etc., a process which has proved to be inherently slow. These imperatives and culture constitute the elements that stir change in a slow manner and produce outcomes that do not always coincide with the interests of the actors that are inside and outside the industry. Proposed reforms to organizational culture may produce resistance and hostility, especially from those who benefit from the status quo. Institutional change will therefore most likely occur when the proposed reforms converge with the existing organizational norms and do not challenge existing ideologies.

The outcomes of reform efforts within organizations, in this case the primary organizations that make up the development industry, can be classified as learning, adaptation or status quo. Learning can be defined as the process through which values, ideologies, norms, language and routines are questioned and targeted for change (Leiteritz and al. 2005, 9). When learning is involved, the organizational behavior changes as internal actors question their values, policies programs and agendas.

On the other hand there is adaptation, which constitutes a process through which the organization experiences modifications in its behavior as its actors add on new programs without necessarily dropping old ones or changing their underlying culture (Haas 1990). Reforms that demand small adaptations in the organization's

underlying culture are more likely to succeed than radical reforms that attempt to alter their existing logic and behavior. Adaptation processes are reflected through the organization's response in dealing with new problems or critics. The organization usually develops new programs and agendas in an attempt to dissolve external pressure and advocacy, without questioning their coherence and sustainability. It is important to point out that these new programs or agendas are nevertheless consistent and coherent with the organization's existing ideas, norms, values and do not go against its operating procedures.

Finally, the last possible outcome is status quo, where the organization refuses to adapt, even less learn, because programs and agendas are at odds with its organizational culture. In this case, culture is very resistant, due to the organization's attempt to protect traditional ideologies, norms and the internal management of its operations. A qualitative shift in organizational behavior is therefore completely absent.

Constructivist applications of the sociological concept of organizational culture also maintain that reform within powerful and influential international development agencies such as the UN and the World Bank depend on a "convergence" of external and internal factors. For example, changes in the national interests of the principal member states or shareholders, in addition to paradigm shifts in the general international development regime and massive protests from NGOs and civil society organizations have all amounted to an external demand for change and reform, but with diverging and conflicting ideas on desired outcomes.

Important changes in the development industry's external normative and competitive environment throughout the last decades have increased pressures for reform. The principal catalyst of reform has been the changing interests of donor countries which collectively detain the power to influence major organizations (World Bank, UN) activities. Concern over loss of ODA legitimacy, stemming from waning public support, pushed donor governments to cut back their development assistance flows and focus on increasing aid effectiveness through results-based management approach.

On the other hand, one can point out the proliferating number of international development organizations such as regional, bilateral development banks and other aid agencies offering development assistance and diminishing the dependence on Bank funds. These increasing numbers of agencies have had an impact on the competitive environment of the World Bank and have pushed the Organization to focus on aid coordination. Furthermore, the Institution has been forced to adapt to this changing environment by redefining its development agenda and lending modalities.

Furthermore, there are very important non-state actors that also play a role as catalysts of change. For example, there are numerous watchdog and advocacy groups that closely observe the actions of the principal players of the development industry. These international, national, local non-governmental and civil society organizations have torn away the legitimacy of institutions such as the World Bank by documenting and publicizing the devastating social effects of programs such as structural adjustment (Leiteritz and al. 2005)

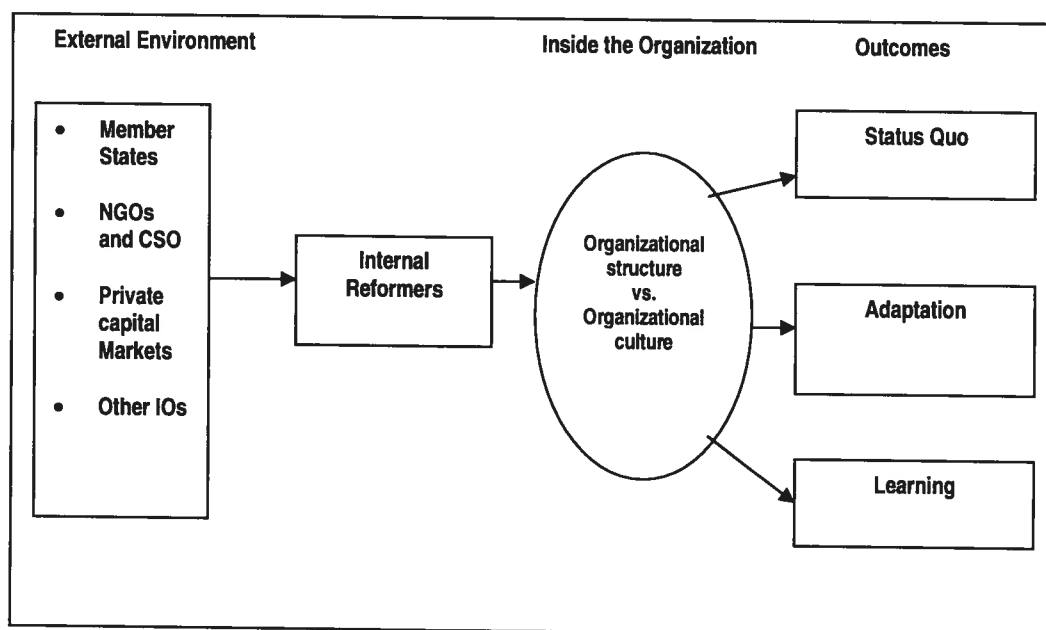
Finally, one could also point out the exogenous impact of scholars who have not ceased to criticize the dominant neo-liberal economic heterodoxy pushed forward by the Washington Consensus and defended within the development industry. The well-known failure of structural adjustment programs in achieving sustainable poverty reduction and growth also fuelled this external pressure. This loss of legitimacy put institutions such as the World Bank in a delicate position, as they risked losing their leadership role and credibility. Moreover, progressive theories, focusing on the social and environmental dimensions of development were gaining importance, consequently pushing the World Bank to evaluate its rhetoric and commitment to poverty reduction. This also resulted in an increasing demand for more participative approaches to designing and implementing development strategies. Henceforth, the Bank has been pressured into adopting a large number of “new” agendas devoted to participatory and sustainable development that have pushed the Institution to commit to consultations with NGOs, and local CSOs. The effect of this rapidly changing normative environment has been the emergence of a series of new development issues (participation, partnership, accountability, empowerment etc), which challenge the traditional macro-

economic focus, apolitical and technocratic rationality characterizing the World Bank and other major development agencies.

Nevertheless, there are internal constraints that limit the impact and influence of external factors and therefore hinder reform efforts. Organizational culture affects the manner in which environmental demands are understood and translated into policy agendas and development strategies. Development agencies such as the World Bank have to deal with external requirements for survival and reproduction as well as ensuring their internal integration which guarantees their efficiency.

As stated earlier, reform is much easier when it does not imply disruptions in the ideologies, norms and values of the organization. Today's demands for the industry to become more poverty-focused, accountable and dependent on participatory processes, fundamentally challenges much of its existing culture if implemented in practice. These objectives could threaten the economic, technocratic, apolitical rationality that dominates the organizational culture of Institutions such as the World Bank.

Figure 1: Change in International Organizations (Leiteritz and al. 2005, 11)



In sum, this theoretical framework will allow us to evaluate whether the development industry is capable of going beyond its economic imperatives and

produce real change. Are we witness to a break with the neo-liberal economic heterodoxy present in past and present development approaches? In sum, we hope to verify whether the development industry's pro-poor reform efforts are a continuation of the status quo, or whether they have led to adaptation or learning. This conceptual framework will provide a point of reference when evaluating whether the New Poverty Agenda constitutes a meaningful shift in development discourse and practice and true organizational change and learning within the development industry.

Chapter 2: The Evolution of the development industry's approach on poverty reduction

Introduction

A new shift in development discourse seems to have occurred and the New Poverty Agenda (NPA) serves as the concrete articulation of this rhetoric. As exemplified by the Millennium Development Goals (MDG) and the Poverty Reduction Strategy Papers (PRSP), poverty reduction has once again taken center stage on the international development agenda. Emphasis no longer lies exclusively on economic growth but includes a more comprehensive set of social and environmental objectives surrounding development.

Nevertheless, poverty has not always been the industry's primary preoccupation; it has had other priorities over the decades, including economic growth and industrialization. Different theories and approaches to development have emerged over the years, but has development practice really changed? Is development being reinvented or merely repackaged? Is the New Poverty Agenda part of this repackaging?

To fully understand the implications of the New Poverty Agenda, specifically the MDGs and the PRSPs, we must look back at the past approaches and poverty related strategies that preceded them. This historical evaluation will help us understand why poverty alleviation has become the central objective and theme of today's development agenda. This will also help us comprehend how and why the MDGs and the PRSPs emerged and have become the new trend within the development community. Hence, we will start by taking a brief glance at the multiple approaches that have been employed and have influenced development discourse over the last fifty years. Finally, we will study the present context in which the NPA has risen in hopes of answering the question of whether or not it constitutes a break or a continuation in development thinking and rhetoric.

The trickle-down era (1951-1960)

In the 1950s the Cold War became a major driver of the development establishment by giving countries situated between the West and the East the status of the “third world”. It is in this political atmosphere that President Truman’s 1949 Point Four Program emerged on the international scene. According to Thomas Dichter, Point Four was an important pillar in development history because for the first time development was seen as a “program” (Dichter 2004). Development had rapidly become an “organizing concept” and the object of a new problematization (Escobar 1995, 24). In addition, it is important to point out that for the first time material growth coincided with economic development, making per capita income the measuring tool for development.

At this point, development was already envisaged as an engineered, mechanical process of imitation and replication of progress in the West (Dichter 2003, 59). Economists viewed capital as the engine of economic growth. Most practitioners believed that growth was based on rapid industrialization, thus becoming a synonym of development. The metaphor of a machine is highly symbolic in this period because of its fastness and the underlying supposition that a country could develop and catch up with the West relatively quickly (Dichter 2003). The idea was that the benefits of rapid economic growth would “trickle down” to the poor. There was a widespread belief that through policies on trade, interests and currency exchange rates, “developing” countries would be able to expand their economies in order to reach industrialization. Important elements such as inequality or poverty were not viewed as being essential factors.

In 1960, one of the leading institutions in the development field, the World Bank, established the International Development Association (IDA) which would provide long-term interest-free loans, credits and grants to low-income countries in order to support economic growth. This new division of concessional lending would soon be known as official development assistance. The IDA significantly broadened the World Bank’s clientele of recipient governments and its scope of work and mandate (Kapur, Lewis and Webb 1997, 1119). The Bank would become the intermediary for new government-to government concessional

transfers that would later condition future multilateral concessional lending (Kapur, Lewis and Webb 1997). Moreover, the Institution would not only function as an IFI, it would also assume the role of an international development organization.

During this period, the Bank viewed infrastructure as the sine qua non of industrial development. Consequently, most of its development initiatives involved financing projects to build roads, power plants, dams etc. While development was a priority for the Bank, poverty reduction was not. The Institution considered that financing certain social fields such as education and health might provoke a vast increase in demand for loans and therefore disturb the soundness of the Bank's management (Ayres 1983). Hence, the Institution did not direct its lending toward low-income countries or to specific sectors such as health, education, and agriculture where the poor benefited directly.

Throughout the 1960s the development community believed that public sector involvement in national economies was essential in order to accelerate industrialization in developing countries. Economic growth remained the central theme of development strategies. Practitioners still assumed that large public infrastructure projects were a precondition for countries to achieve rapid economic growth. This was exemplified in the World Bank's lending between fiscal years 1961-1965, which allocated 76.8 of its financial assistance to electric power and transportation projects (Ayres 1983). Development practitioners were combining economic with social infrastructure such as schools and universities, raising knowledge transfer to a more formal and prominent level (Dichter 2003, 59). This type of knowledge transfer became known as technical assistance.

Within the United Nations, the 1960s was named the "Decade of Development", which also coincided with the time when most of the world's new States became independent. Many agree that the U.N.'s engagement in the development endeavor was consolidated with the creation of the First Development Decade. The main objective of the U.N.'s Development Decade was more economic than social. Goal-setting became prominent and time-bound targets included accelerating economic growth in developing countries and more specifically

creating conditions where national incomes of developing countries increased by 5% yearly by 1970 (www.un.org).

Most experts agree, that throughout the 1950s, 1960s and until the beginning of the 1970s, economic growth was considered being synonymous with development. Development theories viewed the amelioration of people's livelihoods as mere socio-economics returns to growth (Remenyi 2004, 25). The main actors involved in development planning and implementation were technical professionals from various sectors (engineering, law, demography agriculture etc.) who were strongly committed to modernization. During this period, poverty reduction was secondary to the goal of economic development. Development translated into modernization, which was to be achieved through domestic capacity building in technology, capital intensive industries as well as the capacitation of the scientific base of production in traditional rural industries (Remenyi 2004, 28). Modernization emphasized the diversion of national production from consumption to investment, which would consequently reduce low consumption levels.

Soon, much would change, or would it? In 1968, former US Secretary of Defense, Robert S. McNamara assumed the presidency of the World Bank. McNamara was skeptical of the trickle-down theory, mainly because the benefits of growth were not being distributed among the poorest in "developing" countries. He sustained that security depended as much on poverty reduction as it did on economic growth. McNamara began shifting lending away from large economic infrastructure projects toward agriculture, rural development and social services. He took a strong interest in education, nutrition, health and population issues and pushed them onto the poverty agenda. Other development issues were addressed, such as urbanization, water, sanitation and basic needs. By the end of the 1960s, global poverty had emerged on the development agenda to become an international priority. Poverty had become intrinsically related with economic growth and new preoccupations such as gender equity and environmental protection.

McNamara's poverty agenda and the emergence of the basic needs approach (1970-1980)

McNamara's World Bank

The McNamara era of the World Bank was characterized by two major changes: a large increase in the flow of financial resources from the Bank to “developing” countries and a reorientation towards poverty reduction as the central objective of its efforts. After 1973, the Bank shifted the sectoral allocation of its resources away from an exclusive focus on funding projects of basic economic infrastructure towards funding projects explicitly committed to poverty reduction in low-income countries. All these changes lead us to believe that the Bank had become the world's largest anti-poverty agency at a time where the development industry had entered an era of poverty-oriented development projects.

As mentioned above, the first notable change was in lending, which increased, from 68 new projects approved by the Bank in 1968 to 266 in the 1981 fiscal year⁸. In fiscal 1968 these initiatives totaled \$953.5 million; in fiscal 1981, 12.4 billion. At the end of fiscal 1981 the total cumulative lending commitments of the Bank and IDA were \$92.2 billion. Of this amount, all but \$13 billion were allocated during the McNamara years. Furthermore, the organization also grew, from having a total of 767 professional staff in fiscal 1968 to 2,552 in fiscal 1981.

This reorientation was also reflected through the changes in the Bank's lending activities for development. For example, the World Bank's lending for agriculture and rural development represented only 18.1 percent of its total lending in 1968, but increased to 31 percent of its total lending in 1981. Health and education components began to comprise a significant part of its projects. Furthermore, the Institution also became increasingly concerned with the problems of urban poverty which led it to finance low-cost housing and slum rehabilitation projects. One could say that the World Bank rapidly “moved to the vanguard of international efforts on the antipoverty front”, mainly because it possessed the resources to make the poverty agenda operational (Ayres 1983, 9).

⁸ Statistics and estimations of the Bank's lending and the growth of its staff during this period (1960's-1980's) were taken from Robert Ayres, « Banking on the Poor: the World Bank and World Poverty ». Cambridge: MIT Press, 1983, p.4.

McNamara focused strongly on the dimensions of world poverty, especially on rural development. Most of the Bank's research concentrated on the questions surrounding poverty reduction. Consequently, the Bank produced a series of sector policy papers that expressed its concerns with sectoral poverty and proposed the roles the Bank could play in attacking extreme poverty.

This new and brief consensus on the centrality of poverty reduction was strongly inspired by the Cold War geopolitical imperative of preventing "poor countries" from seeking solutions in Communism. The focus on poverty reduction was also motivated by the apparent failure of the trickle-down strategy to development. Past efforts focusing on triggering economic growth appeared to by-pass the poor and those most in need. Moreover, in many cases development efforts were even aggravating poverty, despite the fact that progress was being made in terms of growth. In sum, it was evident that economic growth did not necessarily translate into the amelioration of the absolute poor's living conditions. These facts forced the industry to acknowledge that development assistance had to tackle poverty directly.

Nevertheless, many within the Organization criticized McNamara's failure to acknowledge the need for structural adjustment in the 1970s. According to Mosley, Hannigan and Toyne (1991), the Bank did not show much concern for adjustment during this period, instead it supported large-scale commercial borrowing in order to maintain economic rates. Thus, growth during the 1970s had been pursued regardless of stability, but in the 1980s this would radically change.

On the other hand, many practitioners (ex. Ayres 1983) claim that the Bank's new concerns for poverty reduction did not alter the Institution's fundamental objectives which were ultimately economic growth. The Bank's new poverty-oriented projects remained consistent with the Institution's focus on growth and development projects to facilitate this objective were considered the principal instrument for achieving this goal. In the 1970s social factors gained importance; nevertheless, the industry preserved the prevailing system through reforms whose necessity was not previously understood (Ayres 2005, 11).

Although McNamara's Bank increased lending towards poverty oriented activities, one cannot assert that the Institution was entirely transformed into an anti-poverty agency. Traditional lending grew at the same time and much poverty oriented lending was considered highly traditional (Ayres 1983). Furthermore, anti-poverty projects undertaken by the Bank were consistent with its priority on economic growth. Before McNamara obtained the presidency of the Bank, the Institution believed that the key to growth was in investing in economic infrastructure. Under his presidency the panacea was enlarged to include social sector investments, human resource development and other anti-poverty related activities. Moreover, the Bank did not eliminate its traditional lending for projects of basic economic infrastructure. Hence, while there was an increased focus of poverty reduction during the McNamara presidency, the World Bank was far from adopting a new paradigm.

The United Nations Poverty Agenda and the Emergence of the Basic Needs Approach

During the 1970s poverty reduction also occupied a prominent place within the UN agenda. The concept of development was evolving to address social and environmental issues. Within the UN specialized agencies, development was viewed as a human affair and not a mere economic enterprise.

The UN proclaimed its Second Development Decade in 1970 which reinforced global poverty as the central theme of its agenda. The primary goal called for an increase to 6% economic growth as an average to be achieved over a ten year period (Emmerij, Jolly and Weiss 2000). This constituted the birth of the famous target for aid that exhorted developed countries to attribute 0.7% of their national income to foreign aid. The Second Development Decade also established goals for the achievement of universal primary enrolment by 1990 and coordinated efforts for eradicating various diseases.

Contemporaneous with the World Bank's new emphasis on poverty reduction was the emergence of the basic needs approach which asserted that the focus of aid should shift from investment in capital formation to the development of human

resources (Cornwall and Brock 2005). Henceforth, bilateral and multilateral assistance programs would emphasize the importance of satisfying material needs or ensuring the minimum acceptable levels of food, nutrition, drinking water, basic health, shelter and education. During this period many practitioners believed that poverty created disabling traps that held and kept populations poor. In order to break these poverty traps government intervention and policies needed to secure and guarantee the basic needs of populations.

The focus on basic needs was advocated by economists Mahbub ul Haq and Paul Streeten in the late 1970's. Dr. Haq's 1976 seminal study, *The Poverty Curtain* is considered by many as being the precursor to this approach. The basic needs approach to development was founded on the acknowledgement that the benefits of economic growth do not necessarily trickle-down to those most at need. It can therefore be considered a direct response to the critique on the divergence and gap between growth and equity at a time where it seemed that economic growth in low-income countries often reinforced inequalities (Streeten 1981)⁹. This approach was concerned with eradicating mass deprivation and assuring the satisfaction of elementary needs to populations in "developing countries". The hypothesis of the basic needs theory was that a group of selective policies would quickly facilitate the satisfaction of human basic needs of populations at income levels (per head) substantially lower than those required by a less discriminating economic growth strategy (Streeten 1981, 38).

According to Paul Streeten, the basic needs approach has several advantages over previous approaches:

“..the basic needs concept is a reminder that the objective of the development effort is to provide all human beings with the opportunity for a full life.

To consider basic needs is to move from the abstract to the concrete, from aggregate to specific.

...the basic needs approach appeals to members of the national and international and is therefore capable of mobilizing resources...”(Streeten and al. 1981, 21-22)

⁹In 1974, the Development Research Center of the World Bank and the Sussex Institute of Development Studies published *Redistribution and Growth* which questioned the impacts of economic growth on distribution.

The basic needs approach primary objective was to provide the populations with the opportunity of achieving full mental, physical and social development. Non-monetary needs were prioritized because they were viewed as being important conditions for satisfying material needs.

However, in practice, this approach continued to emphasize growth over redistribution and established scientifically based standards and measurable objectives for health care, nutrition, education as well as many other basic social services (Clark 2005, 73). Although the industry gave new emphasis to the importance of satisfying basic needs, projects of a top-down nature remained the principal vehicle for aid agency influence (Robb 2004, 23). Furthermore, these initiatives continued to be viewed as economic and technical interventions rather than social processes. To this regard, Gilbert Rist (1997) offered a valuable critique to the basic needs approach, arguing that concept fails to challenge the basic assumptions of the classical economic theory.

Others sustain that the basic needs approach disappeared into a rhetoric of welfare (Remenyi 2004). According to these critics, the focus on the welfare needs of the poor diverted attention from the importance of increasing populations' and their environment's productivity. Furthermore, they sustained that policies directed at the poor were highly paternalistic and highly dependent on external technical assistance. Joe Remenyi (2004) claims that at the beginning of the 1970s the meaning of development remained marked by a technocratic, elitist and paternalistic tone. There was little appreciation of the knowledge and savoir-faire that local populations could contribute to development.

The focus on poverty and meeting basic human needs would soon end and instead, concerns of an economic nature would take center stage. The 1970's series of oil crises, which led "developing" countries to increase borrowing and debt, would have a strong impact on the development agenda. These crises had a disastrous effect on developing countries that were heavily dependent on oil exports for fostering industrialization. Most lacked the financial resources needed to pay for oil due to drops in commodity prices of products they exported. The fact that few "developed" countries achieved the goal of providing 0.7 percent of

their GDP in the form of ODA exacerbated the crisis. With declining aid flows, low-income countries were forced to increase borrowing and on progressively harder terms. Debt service repayments increased from 9.6 percent per year during the 1960s to 16.5 percent at the beginning of the 1970s (Clark 2005). Furthermore, climbing interest rates affected countries' capacity to repay their debts and consequently led to massive payment imbalances. By the end of the 1970s the problem of debt had pushed poverty reduction off the development agenda and paved the way for the imminent structural adjustment programs.

Structural adjustment programs: a shift away poverty reduction (1980-1990)

In the context of development thinking, the 1980s was influenced by World Bank and IMF strategies of macroeconomic structural adjustment. Throughout the decade, the World Bank displayed a strong conviction that the objective of development policy for the "developing world" was the achievement of rapid economic growth. It was a shift back to the premise that economic growth preceded poverty reduction. This belief was shared not only by the IMF, but also by Washington-based policy makers, creating a general agreement that would be referred to by John Williamson as "the Washington Consensus" (Pender 2001). The SAPs were based on neo-liberal economic thinking which promoted the elimination of State interference in financial and capital markets as well as all barriers to international trade (Stiglitz 2002, 59). Although the stated objective of the BWIs was economic growth, their interventions became extremely politicized while their rhetoric continued being highly technical and functional¹⁰.

Structural adjustment programs stem from classical mainstream liberal economic theory. However, it constitutes a break with the Keynesian economic principle that considers the State as a key agent in economic growth. The World Bank would emphasize the importance of fiscal discipline, restrictions on state spending and the reduction of balance of payments deficits (Pender 2001). It would enforce structural adjustment programs through the application of conditionalities; a topic that we will discuss later on.

¹⁰ For more information, consult Griffin, K., « Foreign aid after the Cold War », 22 Development and Change 4 (1991).

Two major events in 1981 influenced the Bank's new direction in terms of its development agenda and discourse: the arrival of the Reagan administration in the US and a new president at the Bank, A.W. Clausen. In the early 1980s, conservative governments came to power among some of the World Bank's largest shareholder countries (US, Germany, UK). These conservative governments viewed past poverty-oriented projects as being welfare programs with marginal returns that should not be undertaken by an institution such as the Bank.

Secondly, Clausen's appointment implied a new agenda for the Bank, which would be highly different from that of McNamara. His presidency was characterized by an abrupt shift away from poverty reduction which had constituted the main theme in World Bank operations throughout the 1970s. Between 1982 and 1987, the Bank focused on growth-oriented projects, leaving poverty reduction far behind. There were new concerns such as energy and structural adjustment which made outsiders question the Bank's commitment to poverty reduction.

Structural Adjustment loans

The debt crisis, which worsened in the 1980s, was having a devastating effect on development by undermining the potential for new investments and by handicapping national economies. In order to redress these economies, the World Bank's operations chief, Ernest Stern developed a structural adjustment loan which first appeared in 1980 and linked new Bank loans to macroeconomic reforms for borrowers.

Rolph van der Hoeven defines structural adjustment policies as:

“a set of policies which combine short-run stabilization measures and longer-run adjustment measures, which are either applied sequentially or simultaneously or overlap each other” (Vander Hoeven 2003, 61).

Box 2: Six elements characterizing SAPs (Van der Hoeven 2003, 61-62)

Six elements characterizing SAPs

- Fiscal policies designed to reduce the budget deficit
- Monetary policies designed to reduce the money supply
- Wage and price policy designed to control inflation
- Exchange rate policies to reduce balance of payment deficits
- Reform of trade policies in order to achieve “free trade”
- Restructuring of the public sector and privatization of publicly owned enterprises to reduce fiscal deficit

Three important elements characterized the 1980s structural adjustment loans. The first factor was the use of non-project or program lending, which was given as general support for a deficit balance of payments in order to facilitate imports and stimulate economic growth and development (Mosley, Harrigan and Teye 1991). Another important element was the combination of program lending with policy reform conditions. Finally, the last underlying factor was the broadening of these conditions from sectoral/sub-sectoral to the national macro-economic level. This methodology reflected the overwhelming presence of economists within the Bank, in contrast with the early dominance of professional engineers throughout the first decades. Economists were highly skeptical of project aid, due to the problem of fungibility and the risk that they may create a misleading sense of certainty about the output of aid on development.

Structural adjustment loans were perceived as being an instrument in the hands of the Bank's powerful shareholders, capable of pressuring developing countries into following orthodox liberal economic prescriptions of price reform and privatization. The Bank stated that SAPs were needed to meet an existing or to avoid an impending balance of payments crisis (World Bank Annual Report 1988: 22). By the mid-eighties the Bank defended the SAPs as the means of persuading governments to change their economic policies in order to reform the internal factors that were perceived as being the main cause of poor development

performance. Furthermore, the degrading international economic environment in the 1980s was also used to justify the use of adjustment lending.

As stated earlier, under structural adjustment programs, countries were lent money on the condition they adopt a series of reforms imposed by the Bank that included: a cutback on public spending, curbing inflation, liberalizing imports and maintaining flexible exchange rates (Clark 2005, 80). John Pender claims:

“World Bank and IMF intervention through conditionality associated with Structural Adjustment was thus formally promoting economic growth, but by imposing a very particular model of development and a narrow set of economic instruments.”(Pender 2001, 399)

This model would hinder “developing” countries’ capacity of creating and testing endogenous development models. It is important to underline that conditionality during this period was nevertheless restricted to the economic realm.

The objectives of stabilization and structural adjustment depended heavily on market forces and a diminished role of the State. In most cases, structural adjustment led to greater poverty within “developing” countries, where these policies contributed to an increase in unemployment rates and reduced spending on basic needs (health, education etc). By fostering the globalization of trade as a primary priority, SAP exacerbated inequalities within “developing” countries and between “developing” and industrialized countries. In sum, the panacea for reducing poverty during this decade was considered to be economic growth through market friendly mechanisms.

Within the U.N. forum, the eighties gave birth to the Third Development Decade. During this decade the main economic goal was to raise GDP growth rate to 7%. The General Assembly Resolution for the 3rd Development Decade stated that its strategy would strive to achieve the “accelerated development of developing countries”(www.un.org). The resolution highlighted that in order to achieve the objectives of the 3rd Development Decade, changes in the configuration of the world economy and in the economies of “developed” and “developing” countries themselves, had to be made. Thus, this U.N. Development Decade had a strong focus on trade and industrialization.

Many refer to the 1980s as being the “lost” decade. “Developing” countries faced debt service payments which exceeded what they could borrow, while ODA declined. Structural Adjustment Programs forced countries to cut social spending, deteriorating the daily conditions of the poor. But as the effects of SAP began to be felt on the poor, the development industry witnessed an unintended effect of its intervention: more intense poverty. In 1987, UNICEF reacted by publishing *Adjustment With a Human Face* which highlighted the social impacts of SAPs. Furthermore, the negative social effects of SAPs brought a renewed emphasis on poverty reduction and meeting basic needs at the end of the decade. In retrospect, one could ascertain that the 1980s cannot be considered a period of innovative or bold advances in international anti-poverty initiatives.

The introduction of good governance debate

At the end of the 1980s a large variety of issues associated with the concept of “governance” and originating within the neo-liberal economic paradigm came to occupy an important place in the development debate. The notion of “good governance” emerged in 1989 in the World Bank report on Sub-Saharan Africa which identified the crisis in this geographical region as a “crisis of governance (Santiso 2001). The introduction of this term in development discourse reflects the growing concerns over the effectiveness of aid, whose inputs in poverty reduction efforts were producing very frustrating results. The inefficiency of aid was being attributed to recipient governments’ lack of commitment to reform and the increasing incidences of corruption in “developing” countries. By adopting this concept, the World Bank and numerous donors questioned the ability, capacity and will of recipient countries to govern effectively and in the interest of their population (Santiso 2001).

According to the World Bank’s definition of the concept, governance includes the form of political regime, the process by which authority is exercised in managing the country’s financial and human resources for development and the government’s capacity to formulate and implement policies (World Bank 1991). World Bank researchers have identified six main dimensions to good governance: voice and accountability, government effectiveness, lack of regulatory burden, the

rule of law as well as the independence of the judiciary and the control over corruption (Kauffman, Kraay and Zoido Lobaton 1999).

Carlos Santiso (2001) underlines that the approach employed to enforce good governance in “developing countries” is very similar to the one used to promote economic reform; aid conditionality is merely extended to the political arena. By employing this approach, the IFI’s strive to achieve successful governmental and social reengineering in recipient countries (Santiso 2001, 3). The World Bank was entering a highly political territory by engaging in an enterprise that was traditionally considered as being outside of its mandate and a violation to its founding charter which clearly prohibits the organization from considering political considerations when developing aid programs. The Bank was therefore obligated to express a false sense of political neutrality by concentrating on the effectiveness of the State rather than the equity of the economic system or the legitimacy of the power structure (Santiso 2001, 4). Good governance has proven to be a difficult concept for development agencies and donors who want to be perceived as being apolitical and engaged in strictly technical endeavors.

1990s: Another shift towards poverty reduction

In the 1990s, development thinking became highly influenced by the human development approach. Mahbub ul Haq was one of the founders of the human development theory. This approach was an attempt to shift the focus of development from national income accounting to people-centered policies (Haq 1995). Nevertheless it was Amartya Sen’s work on capabilities which provided the conceptual and theoretical foundation for this approach. Sen (1985) defines capabilities as “the overall freedoms of people to lead the kind of lives they have reason to value”. According to Sakiko Fukuda Parr, Sen’s ideas would constitute the core principles of the human development approach. Parr sustains: “This approach is a paradigm based on the concept of well-being that can help define public policy...” (Fukuda Parr 2003, 1) It would influence the World Bank reorientation towards poverty reduction. While leading development organizations appropriated a human development terminology, we could still witness the predominance of the neo-liberal paradigm.

However, the human development approach did force donors to evaluate the effects of their macroeconomic policies on poverty. Many international development institutions had no choice but to turn to poverty reduction oriented strategies. After being subject to harsh criticism from civil society groups and other actors directly affected by the 1980s SAPs, the World Bank published a World Development Report in 1990 centered on poverty reduction. The 1990 WDR widened the concept of poverty to include the deprivation of fundamental rights such as education, health and nutrition. This report became the foundation for a series of policy changes which have altered discourse within the development industry.

The 1990 World Development Report was based on a three-pillar approach: labor intensity, investment in physical and human capital of the poor and the reinforcement of social safety nets (Booth and Mosley 2003, 4). The objective of this approach was to strengthen the command of the poor over their resources in order to increase their productivity. Nevertheless, the 1990 WDR had a strong macro-economic focus. The main ingredients of the Bank's approach to poverty reduction continued to be open markets and stable macro-economic policy to nurture labor intensive growth. However, one could observe that a gradual broadening of the Bank's definition poverty was progressively emerging. Nevertheless, it is important to point out that the concept "inequality" was almost absent from the 1990 WDR.

On the other hand, the Bank commenced a data-gathering effort called the *Social Dimension of Adjustment Survey* in low-income countries, which made annual data on poverty in "developing" countries public for the first time (Booth and Mosley 2003). Moreover, the Bank's *Poverty Reduction Handbook* placed poverty alleviation at the top of the Institution's priorities. These actions were emulated by the development industry as a whole.

Moreover, the UN approach to poverty reduction tended to be very multidisciplinary. Even though the Bretton Woods Institutions have dominated the development agenda because of their large scale lending, the UN has brought forth some of the key concepts of today's war on poverty. These include human

development, gender equity, and sustainable development. Furthermore, in contrast to past decades, the World Bank seemed to be cooperating more closely with UN agencies.

From the late 1980s the UNDP also began pushing for a more “human-oriented development strategy” based on poverty reduction, social justice, participation, and employment creation (Emmerij and al. 2001, 137). Most importantly, a series of Human Development Reports began to be published in 1990 and made a critical evaluation of the development orthodoxy pertaining to that time. The HDR put people at the center of analysis and made policy recommendations that were built on the notion of human development, defining the notion as the process of broadening people’s choices and strengthening capacities. Furthermore, the Human Development Report also introduced new indicators for measuring development and poverty reduction: the human development index (HDI). The HDI is a composite measure based on three indicators including longevity, educational attainment and access to resources for a decent standard of living (Emmerij and al. 2001, 139). The HDI represented an alternative measure of development as opposed to the traditional GDP.

Furthermore, in 1991, the UN launched its 4th Development Decade in an attempt to change the industry’s record of unsatisfactory progress and performance. The principal aim of this decade continued to be accelerated development. Nevertheless, the United Nation’s strategy paid special attention to the policies and measures needed in the areas of poverty alleviation, human resource development and the environment. The Resolution underlined that reactivating development required a supportive environment for international trade. In sum, the Resolution stressed the fact that in order to achieve poverty eradication, the development process needed to be responsive to social needs, promote the development and utilization of human resources and assure a sound sustainable environment (www.un.org).

The birth of the New Poverty Agenda

In October 1998, the World Bank’s president, Wolfensohn asserted the priority of poverty alleviation in the Bank’s new holistic “architecture” of development:

“Development is about getting the macroeconomics right...but...also about building roads, empowering people...protecting the environment...”
(www.worldbank.org)

On the other hand, it is also important to note Wolfensohn's and Stiglitz's efforts to push the Institution and other development agencies toward policy changes in directions long supported by the UNDP and other institutions in the U.N. system. The Bank's new development framework considered poverty alleviation as being much more than a question of income; it was viewed as a comprehensive strategy that included access to basic services, empowerment and participation as well as adequate infrastructure.

In 2000, the Bank published another World Development Report centered on poverty. This WDR differed from that of 1990 in its recommendations, its process and even its definition of poverty. The Bank now defined poverty as the “pronounced deprivation of well-being” rather than solely a deprivation of income (Booth and Mosley 2003, 5). WDR 2000/01 also broadened the notion of poverty to include vulnerability and the exposure to risk. This Report is innovative, being that its focus is not limited to the macroeconomic approach which addresses the relationship between growth and income poverty, but includes non-income factors in its definition of poverty.

The 2000/01 WDR is also based on three pillars: empowerment, security and opportunity. A large number of policies associated with the security themes make reference to the 1990 WDR's emphasis on social safety nets, while “opportunity” elaborates the possibilities for developing the human and physical capital of the poor contained in the earlier report. However, the empowerment theme is not mentioned in the 1990 WDR. The concept of “social capital” is new in the WDR 2000/01 report. This term is defined as the “ability of individuals and households to secure benefits by membership of social networks”, enabling the poor to empower themselves (Booth and Mosley 2005, 8).

The empowerment theme recognizes that political, institutional and social causes of poverty are inherently linked to its economic causes. Empowerment will bring about social cohesion which in turn constitutes an essential determinant of

economic growth. The 2000/01 WDR considers social capital to be as important and influential in poverty reduction as human and physical capital.

The “vulnerability” theme emphasizes the importance of policies promoting security. Past experiences have proved that that vulnerability to shocks is one of the main reasons populations fall into poverty. The WDR addresses the importance of protection and prevention from certain shocks such as financial crises, market instability, illness, and natural disasters (Cling and al 2003, 31). The concept of security is contradictory to the World Bank’s pure market economy approach and is therefore subject to conflict. Nevertheless, the objective of security policies is to protect the market’s losers and promote safety net mechanisms that benefit the poor.

Finally, the “opportunities” theme calls for free-market reforms and deregulation at the microeconomic level. According to the World Bank, markets should be “pro-poor” or enable the poor to acquire assets and obtain the best opportunities. Moreover, development polices should address microfinance, land reform, tax policies and human capital.

Table 2: Pillars and Policies of WDR 1990 and WDR 2000/01

WDR 1990		WDR 2000/01	
Pillars	Associated Policies	Pillars	Associated Policies
<ul style="list-style-type: none"> Labor intensity 	<ul style="list-style-type: none"> Small-scale industry Special employment measures Green revolution in small-farm agriculture 		
<ul style="list-style-type: none"> Investment in human capital for the poor 	<ul style="list-style-type: none"> Promotion of primary health and education Micro-finance 	<ul style="list-style-type: none"> Opportunity 	<ul style="list-style-type: none"> Micro-finance Asset redistribution policies Measures to reduce inequality Pro-poor public expenditure patterns
<ul style="list-style-type: none"> Social safety nets 	<ul style="list-style-type: none"> Food subsidies Social funds 	<ul style="list-style-type: none"> Security 	<ul style="list-style-type: none"> "Tailor-made" social protection measures Measures to support asset diversification insurance International public goods defenses against economic crisis
		<ul style="list-style-type: none"> Empowerment 	<ul style="list-style-type: none"> Democratization Decentralization Promoting social capital

*Source: Booth and Mosley, 2003

Furthermore, in the 2000/01 WDR, James Wolfensohn reiterates the Bank's firm belief in macro-economic stability and market-friendly reforms for reducing poverty. He also recognizes the importance of focusing more on "institutional and social foundations for the development process and on managing vulnerability and encouraging participation to ensure inclusive growth" (WDR 2000/01, vi). This contrasts with its 1990 Report which focuses on labor-intensive growth and expanded social services.

Some critics underline that this Report is less operational than previous WDRs. Although this Report has presented the international community with a new multidimensional definition of poverty it has not been able to offer a clear alternative to old poverty strategies. It fails to propose an alternative to the Washington Consensus and provide precise political recommendations for sustained poverty reduction (Cling, 2003). The impact of international economic relations, specifically in the domain of trade, and their impact on the poor are superficially explored. Most of the analysis focuses on development aid. Furthermore, the Report does not address the tradeoffs and conflict of interests that will inevitably arise between the elite and the marginalized from this new stance based on empowerment, and opportunity. Moreover, with this new approach, the apolitical World Bank was inevitably entering highly political territory; however it has failed to address the potential for conflict.

It is in this line of thinking that the Bank and the IMF developed a comprehensive strategy for poverty reduction and discussed with national authorities the design of policies aimed at achieving this objective. Together, the Bank and the IMF created the Poverty Reduction Strategy Paper (PRSP) with the purpose of promoting and facilitating consultation with civil society, specifically the poor. The objective of the PRSP was also to create a direct link between donors and to stress the importance of working through partnerships with national governments rather than resorting to parallel structures for service provisions (Hinton and al. 2004, 4)¹¹. Participatory methods in project design and implementation were becoming very popular among development agencies. Another example of participation at the policy level was the emergence of the World Bank's

¹¹ The PRSPs will be studied extensively in Chapter 4

participatory poverty assessments (PPA), which aimed to implicate the poor as key actors in situational analysis (Robb 2004, 31). The PPAs also questioned the classic, narrow definition of poverty based on income and consumption measures.

To summarize, the World Bank and the U.N. have been continuously rethinking their overall development approach in light of past failures, the limited progress accomplished in poverty reduction and the social tensions that have been associated with it. Emmerij, Jolly and Weiss (2001) emphasize that there is increasing evidence that at the beginning of this new millennium, a new development discourse was emerging, with a vision more closely shared by the UN system and the World Bank and IMF.

The New Poverty Agenda and the MDGs

By the year 2000 the development industry had reinstated poverty reduction as the central objective of their agenda. With the birth of the “New Poverty Agenda” the World Bank and IMF had adopted PRSPs as their primary policy instrument. As for the United Nations, its General Assembly adopted the Millennium Development Declaration in September 2000 and selected the Millennium Development Goals as their new development framework. Along with other bilateral and multilateral development institutions, the World Bank, and the IMF have subscribed to the Goals. They are all taking steps to harmonize their efforts in order to achieve greater effectiveness. Moreover, most development activities have converged around the MDGs.

We already know that global goals similar to the MDGs have been set in the past, already becoming a central part of the development discourse in the 1970s, and suggesting that a greater priority to basic needs was required. Simon Maxwell affirms that the MDGs emerged in the context of a “new poverty agenda”, characterized by the introduction of a new multidimensional model of poverty, headed by the UN and later by the World Bank (Maxwell 2004, 25). This thesis will focus on two instruments that characterize the development industry’s new thinking on poverty (Maxwell 2004, 25):

- **The Millennium Development Goals:** a set of international, time-bound development targets adopted by the United Nations at the 2000 Millennium Summit which embody the development industry's new multi-dimensional approach to poverty reduction.
- **PRSPs:** the operational frameworks that translate MDG targets into action, they are country-led and allegedly based on participatory processes, accepted by donors on the basis of conditionality on process. PRSPs should provide a road map for poverty reduction and increase aid effectiveness.

Both articulate the explicit adoption of a multi-dimensional model of poverty with emphasis on growth while stressing empowerment, opportunity and security. Furthermore, both are strongly focused on the importance of achieving a higher degree of aid efficiency.

Figure 2.1: The New Poverty Agenda and its operational instruments



Conclusion

Today, the majority of development agencies have expressed a formal commitment to poverty reduction as their primary priority. From 1990 onwards one can observe an increased interest on poverty reduction goals, such as the International Development Targets and the MDGs, by international development agencies. Furthermore, the development industry has adopted a multi-dimensional definition of poverty which includes a wider set of issues concerning social exclusion and deprivation rather than the classic definition centered on narrow income-consumption.

On the other hand, PRSPs have also become an important part of the New Poverty Agenda because they constitute a low-income country's blueprint for their development plans and for reaching the MDGs. Furthermore, the PRSPs underline priorities, policies and act as a basis for donor support.

The World Bank alleges that today, poverty reduction is its central objective. Over the last 5 decades, poverty has been translated into various meanings, from a lack of income to a lack of freedom. Approaches to poverty reduction and development have also varied over the past. During the 1950s the industry fought poverty through economic growth and industrialization. The industry viewed large investments in physical capital and infrastructure as the means for achieving rapid development. Nevertheless, the 1970s demonstrated that growth did not necessarily equate to poverty alleviation. Poverty increased and inequalities were intensified. Consequently, the development industry acknowledged that economic infrastructure was not enough and focused on satisfying basic needs through direct interventions in social sectors such as health, nutrition and education. The industry's focus on poverty alleviation and basic needs did not last long, in the 1980s, following debt and oil crisis, the development community was witness to another shift. After briefly reorienting its efforts towards anti-poverty oriented strategies, the industry turned to SAPs which threw many "developing" countries even deeper into misery. During this decade, the industry focused on improving economic management and promoting market-friendly policies. The Bank asserted that poor populations were likely to suffer in the short-term from SAPs,

but adjustment was necessary for long-term growth. The effects of SAPs underlined the need to address, once again, the basic needs of the poor (1990 WDR).

Today, another shift in development rhetoric has occurred and poverty constitutes once again the main theme of the development agenda. Several alternative concepts have been appropriated by the leading actors of the development industry and now dominate discourse: ownership, participation, partnership, empowerment, etc. With the MDGs the development industry has found the way to measure progress in its war against poverty. The industry has moved towards the coordination of its development activities. However, does this new shift (in discourse) translate into change in development practice? Up to now, we have observed how the development industry has modified its rhetoric and adopted normative concepts. Nevertheless, it has failed to change the prevailing theoretical paradigm which continues to be strongly influenced by the neo-liberal economic model. From this point on, we will evaluate whether the leading institutions within the development industry have changed their practices. In the next chapter we will take a brief look at the origins of the MDGs and analyze the implications surrounding these Goals.

Chapter 3: The Millennium Development Goals: a New Agenda for Combating Poverty or Continuation of Traditional Development Practice?

Introduction

There is a consensus within the development community that the Millennium Declaration offers an appropriate human rights framework for the MDGs. The MDGs have quickly achieved the status of panacea in international development policy-making. For its supporters, the Goals constitute the comprehensive articulation, at the highest political level, of key priorities of social, economic, and environmental development that need to be addressed in order to achieve progress in poverty reduction and sustainable development. The MDGs are particularly important because they acknowledge that establishing a global partnership based on collective responsibilities is key to achieving a sustainable advance in poverty reduction. Nevertheless, the MDGs' multidimensional nature has been questioned, as well as its alleged focus on poverty reduction. Its detractors claim that the MDGs target-oriented approach is currently overshadowing a more rights-based approach, thus undermining the ability of many marginalized groups to defend their social, cultural and economic rights. Furthermore, many fear that the popular MDG agenda will sideline other important issues such as human rights, governance and democratic inclusion. According to many critics, the MDG do not constitute an appropriate instrument for bringing about systemic gains in poverty reduction. Moreover, if they continue to be pursued in the same manner, they risk completely sidelining attention on critical issues such as inequality. Others believe that the only change that the MDGs have produced is modifying development discourse, rather than the substance of policies. This Chapter will evaluate these arguments and attempt to shed greater light on whether the MDGs have brought about change in the manner the development industry tackles poverty.

There is no doubt that the Millennium Development Goals have had profound and contagious effect on the international development community. Development agencies, donors, governments and many civil-society groups are uniting their

efforts towards reaching the Goals. Nevertheless, the MDGs did not come out of thin air. So what are the MDGs and what are their objectives? Where do they come from? What has inspired this new global consensus? Who are the leaders, advocates and supporters behind these goals? Before we can engage in a deep analysis on the implications the MDGs and the New Poverty Agenda have on the development industry it is important to familiarize ourselves with the facts concerning these Goals.

Underlying facts behind the MDGs

The Millennium Development Goals (MDGs) were adopted at the historic United Nations Millennium Summit in September 2000. The MDGs reached the international development scene at a time when official development assistance had reached its lowest point since 1973 in real terms, hence creating an urgent need for donor financing. Aid fatigue among the donor community was largely due to the perception that ODA was not being allocated efficiently and had not served the purpose of achieving significant gains in growth and poverty reduction. The Goals would represent an opportunity for campaigning for the increase and doubling of aid. These campaigns would reinforce the ancient optimism that aid was capable of eradicating poverty. One could affirm that parallel to their poverty reduction objectives, the MDGs were given the task of rejuvenating and re-sourcing an aid regime that had suffered from a decade of loss and fatigue.

Table 3: Total Net Disbursement of Total Official and Private Flows by Type, 1971-2001 (%)
Source: OECD (2004)

All Developing Countries	1971-80	1981-90	1991-2002
ODA Bilateral	29.0	38.3	30.9
ODA Multilateral	7.7	12.5	12.7
Other Official Flows	8.7	6.6	4.3
Private Flows	50.7	38.2	47.7
Grants from NGOs	3.9	4.4	4.8
Total	100.0	100.0	100.0

Secretary-General Koffi Annan presented the international community with "*We the Peoples: the Role of the United Nations in the 21st Century*" which underlined the great challenges facing global society: poverty, disease, environmental hazards, and conflict (www.un.org). This document was the inspiration for the Millennium Declaration which was adopted by the Heads of States present at the Summit.

The Millennium Declaration addresses these issues and underlines certain fundamental values essential to international relations in the 21st century: freedom, equality, solidarity, tolerance, respect for nature and shared responsibility (www.un.org). Furthermore, it enumerates a series of quantified and time-bound goals to reduce extreme poverty, disease and deprivation. These goals were taken from the Declaration and integrated to what is now known as the Millennium Development Goals.

The international community has set many development goals since the First Development Decade of the 1960s. Nevertheless, the idea of setting a unique group of international development targets came from a series of past UN world conferences, particularly those that were held in the 1990s (ex. World Summit for Children in 1990 and World Summit for Social Development in 1995).

Table 3.1: The MDGs origins.
Source: (Black and White 2004)

Target	Origin
<p>Economic well-being</p> <ul style="list-style-type: none"> • Proportion of people living in extreme poverty in developing countries should be halved by 2015 	<ul style="list-style-type: none"> • Copenhagen Declaration and Program of Action (1995)
<p>Social Development: substantial progress in primary education, gender equality, basic health care and family planning</p> <ul style="list-style-type: none"> • Universal primary education should be reached in all countries by 2015 • Eliminating gender disparity in primary and secondary education by 2015 • 1990 Mortality rates for infants and children under 5 should be reduced by 2/3 in all developing countries by 2015 • maternal mortality rates must be reduced by ¾ during this same period • access should be made available through the primary healthy care system to reproductive health services for all individuals of appropriate ages by 2015 	<ul style="list-style-type: none"> • Jomtien Conference on Education for All (1990) • Cairo Conference on Population and Development (1994), Copenhagen and Beijing Conference for Women • Cairo, confirmed at Beijing • Cairo, confirmed at Beijing • Cairo
<p>Environmental sustainability and regeneration</p> <ul style="list-style-type: none"> • There should be a national strategy for sustainable development in the process of implementation in every country by 2005 in order to reverse current trends in the loss of environmental resources 	<ul style="list-style-type: none"> • Rio Conference on Environment and Development (1992)

These targets were later compiled in 1996 by the OECD Development Assistance Committee in an important meeting and became the International Development Targets, a series of goals to be reached by 2015. Since the International Development Goals originated in the donor community, they never received a

high level of acceptance from civil society groups in “developing” countries (HDR 2003). Many CSOs strongly criticized the International Development Targets for holding “developing” countries accountable for their progress without acknowledging the responsibilities of high-income countries and multilateral institutions in their plight for poverty reduction.

Box 3: International Development Targets (Hunt 2004)

- Halve the proportion of people living in extreme poverty by 2015
- Universal primary education with the elimination of gender disparities by 2005
- Reduction by 2/3 of 1990 child mortality rates in children under 5 by 2015
- Reduction by ¾ of 1990 maternal mortality rates by 2015
- Universal access to reproductive health care services by 2015
- Reversal of the trends in loss of environmental resources through national strategies by 2015

The International Targets were later presented in the Millennium Declaration, with an additional 8th goal addressing the responsibility of high-income countries. Following extensive consultation among international development agencies such as the World Bank, the IMF, the OECD and other UN specialized agencies, the General Assembly adopted the MDGs as the roadmap or blueprint for implementing the Millennium Declaration.

The MDGs are seven quantifiable development goals, with an 8th unquantifiable goal pertaining to the responsibility of high-income countries. They can be separated into three fields of action: economic development, social development and environmental sustainability. The first seven goals call for a large diminution of poverty, disease and environmental degradation, while the 8th goal is essentially a commitment of global partnership or a compact between low and high income countries to work together to achieve the first seven goals.

Table 3.2: the MDGs (www.un.org)

Millennium Development Goals (1990-2015)	
Goal #1: Eradicate extreme poverty and hunger	Target #2: Cut by half the proportion of people who suffer from hunger
	Target #1: Cut by half the proportion of people with less than one dollar a day.
Goal #2: Achieve universal primary education	Target #3: Ensure that boys and girls complete primary schooling
Goal #3: Promote gender equality and empower women	Target #4: Eliminate gender disparity in primary and secondary education by 2005 and at all levels by 2015
Goal #4: Reduce child mortality	Target #5: Reduce by two thirds the mortality rate for children under 5
Goal #5: Improve maternal health	Target #6: Reduce by three-quarters the maternal mortality ratio
Goal #6: Combat HIV/AIDS, malaria and other diseases	Target #7: Stop and begin to reverse the spread of HIV/AIDS
	Target #8: Halt and begin to reverse the spread of malaria and tuberculosis
Goal #7: Ensure environmental sustainability	Target #9: Integrate the principles of sustainable development in country policies and reverse loss of environmental resources
	Target #10: Cut by half the proportion of people without access to potable water
	Target #11: Significantly improve the lives of at least 100 million slum dwellers by 2020
Goal #8: Develop a global partnership for development	Target # 12: Continue developing an open trading and financial system. Includes a commitment to good governance and national/international poverty reduction
	Target # 13: Address the least developed countries' special needs in the areas of trade, debt relief and development assistance.
	Target # 14: Address the special needs of landlocked and small island developing States.
	Target #15: Take measures to make debt sustainable in the long term
	Target #16: Develop decent and productive work for youth in cooperation with developing countries
	Target # 17: Provide access to affordable essential drugs in developing countries, in cooperation with pharmaceutical companies.
	Target #18: Provide access to the benefits of new technologies in cooperation with the private sector.

These three areas embody the newly accepted multi-dimensional conception of poverty (WDR 1990). Moreover, they constitute an attempt to demonstrate that poverty reduction is the central objective of current development practice, focusing on a wide variety of issues and not merely on issues concerning the level of income.

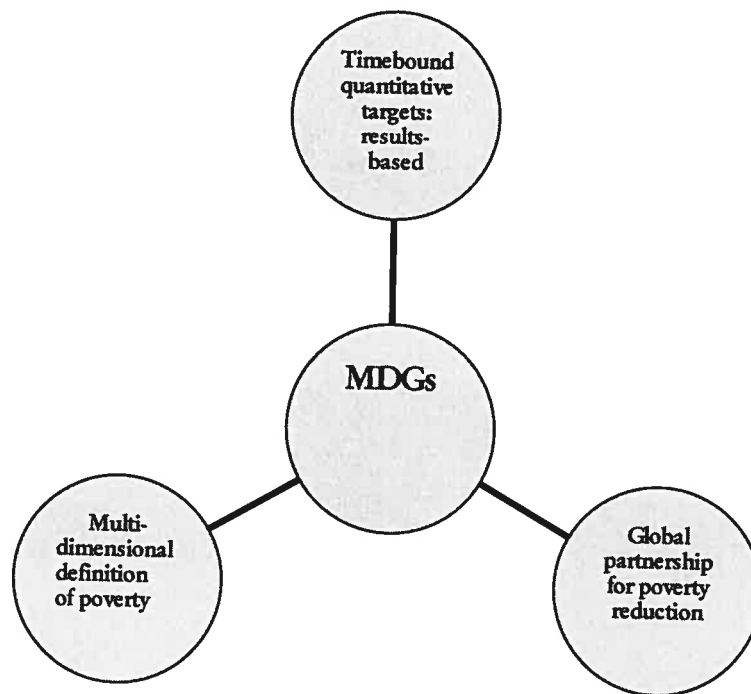
Furthermore, the Goals aim at realizing quantitative reductions in these multiple dimensions of poverty by 2015. Their numerical targets were established on the assumption that the global progress observed during the 1970's and 1980's would continue in the present and through the year 2015. The Goals enumerate targets against which performance of donors, international development agencies and recipient countries can be measured.

An essential element of the MDGs is the fact that they call for a global partnership and address issues such as trade, debt and technology transfer (8th goal). This commitment forms the basis for the Millennium Development Compact, an agreement through which the international community can work together to help low-income countries reach the MDGs. This compact calls for all actors to orient their efforts towards ensuring the success of the Goals, in a system of shared responsibilities. MDG8 can be considered somewhat innovative, nevertheless one should point out that it's the only goal that does not establish time-bound targets to achieve progress in areas which are highly influential in achieving sustainable poverty reduction.

Donors consider that the Goals help define both the objectives of development cooperation activities and the priorities to be followed within these areas. According to the development community these goals are well defined and measurable, which mobilizes a great deal of support from donors. There is also an evident emphasis on quantitative analysis, including basic statistical data and the monitoring and evaluation of policy reform and development program effectiveness (www.worldbank.org). Moreover, the development community affirms that these goals represent a consensus on the sustainable development agenda and promote strong donor coordination.

Finally, within the development industry, the MDGs are well-known for their capacity of putting human development at the center of the agenda. Much of their support is due to the fact that they allegedly constitute a shift away from growth as the primary goal of the development endeavor. Moreover, the Goals provide a framework for accountability by defining concrete targets that can be monitored. Fukuda Parr highlights that the MDGs are the first global compact¹² to address inputs from rich countries, therefore holding both rich and poor governments equally accountable, in rhetoric (Fukuda Parr 2004).

Figure 3: Three key elements characterizing the MDGs



The MDGs have been widely accepted and encouraged by international development and donor agencies. Large multilateral development and financial

¹² The issue of global compact and partnership will be discussed later in the chapter.

institutions such as the UN, the World Bank and the IMF as well as bilateral donors, development agencies and NGOs have rallied behind the Goals and concerted their efforts towards their achievement. Unlike any other development agenda, the Goals have the entire development community engaged in their implementation through a variety of channels. First there is the UNDP which is in charge of monitoring and therefore receives MDG country reports on implementation. There is also the World Bank, which has rendered the Goals operational through their Poverty Reduction Strategy Papers.

One of the most influential people working on the achievement of the MDGs is economist Jeffrey Sachs. He is also the Special Advisor to the United Nations Secretary-General Koffi Annan on the MDGs. Sachs was delegated the task of creating an operational plan in which the UN, governments and civil society can contribute to the achievement of the MDGs. Finally, he is the Director of the UN Millennium Project which is devoted to developing a global plan for meeting the Goals.

The UN Millennium Project is composed of ten task forces that cover the different problems and issues that are embodied in the Goals. Each task force is composed of practitioners, policy experts and other stakeholders who participate in deliberative efforts. The project has also engaged the entire UN system through an expert group composed of representatives from its leading specialized agencies. UN country teams are also involved in the Project, working together with experts and acting as a liaison between UN headquarters and the on-the-ground realities of the Organization's engagement in "developing" countries (Sachs 2005, 223).

In addition, the UN has also created the Millennium Campaign which is mandated to inform and encourage people's involvement and engagement in the realization of the MDGs. The Campaign was launched by the UN in October 2002, two years after the MDGs had been adopted. The Millennium Campaign encourages existing civil society organizations, networks and movements to unite and work together for the same cause: the achievement of the Goals. As one can observe, there has been a large degree of mobilization around the Millennium Development Goals.

These are the basic facts concerning the origin, the purpose and the leading figures behind the Millennium Development Goals. It is evident that the MDGs manifest the international community's current sentiment of urgency in dealing with poverty. They also serve as the concrete articulation of the new multi-dimensional definition of poverty, one that focuses on much more than income growth. The targets that embody the MDGs are not new, they are the product of multiple international development conferences held throughout the 1990s that have been compiled and have become important fields of action in today's war on poverty. However, the question this chapter aims to answer is whether or not the MDGs constitute a new way of tackling poverty reduction.

MDGs quantitative targets and results-based approach

When analyzing current development discourse one can observe how results and aid effectiveness have moved to the center of the debate. But how can we explain this phenomenon? Experts claim that declining aid volumes in the 1990s and unsatisfying results in almost a generation of development assistance in "developing" countries can be considered an important factor. Nevertheless, one can also point out the increasing demand in OECD countries for public sector efficiency and effectiveness and the shift towards results orientation in public management (OECD 2002). Finally, the possibility of achieving substantially increased amounts of aid from major donors also underlines the importance of improving the effectiveness of development assistance. According to its adherents, the results-based approach promotes accountability, evaluation, reporting and stimulates knowledge and learning. Furthermore, organizations that are results-focused are viewed as being more effective in ensuring that resource allocations to countries respond to results (OECD 2002).

The heated debate surrounding the effectiveness or counter-productivity of aid is one of the most important issues facing the development community today¹³. Aid inefficiency is often attributed to factors such as fungibility, insufficient alignment between donors and recipient governments, lack of policy coherence among donor

¹³For more information, consult Robert Cassen, « Does Aid Work? » New York: Oxford University Press, 1994.

activities and the commercial tying of aid (McGillivray 2004). Today, the leading players of the development industry have engaged in the “rethinking of aid”. They have acknowledged the need to re-conceptualize the role of development assistance in light of the increasing threat that global poverty represents. In this regard, the World Bank (1998) published *Assessing Aid: What Works, What doesn't and Why?* This policy research report culminates a Bank research program on the effectiveness of aid¹⁴.

The target-oriented approach present in the Millennium Development Goals reflects the growing popularity of results-based interventions. However, goal-setting has been strongly criticized over the years by scholars and even by numerous development practitioners. From the beginning, sceptics have argued that global goals would lead to top-down processes in planning and implementation, with participation of local groups and therefore ownership at stake. Others claim that the selection of development goals is highly biased, prioritizing those that are internationally favored by donors rather than those that “developing” countries find to be more pertinent. Hence, global goals are strongly determined by “external experts” and overly concerned with measurable outcomes. Moreover, numerous risks come with a target-oriented approach; we will evaluate some in this section.

First of all, goal-setting leads donors to prioritize quantitative over qualitative achievement. This strong preoccupation with measurable results implies a great deal of support for top-down, targeted interventions to deliver on the chosen outputs and the neglect of development outputs that are not easily measured (Satterwaite 2003, 9). Consequently, a target-oriented approach prioritizes outputs rather than the quality of inputs or processes (Salord 2005). For this reason, many claim that the Goals ignore many of the non-material aspects of poverty which are often unquantifiable¹⁵. In other words, the results-based

¹⁴ Written by David Collar and Lant Pritchett, it constitutes an attempt to understand when aid works, when it doesn't and why. Its principal idea is that for aid to be effective it must be accompanied by sound economic institutions and policies.

¹⁵ Refer to Vandemoortele (2004) and Minujin and Delamonica (2005).

management underlying this target-oriented approach can risk overshadowing the importance of tackling the structural causes of poverty.

Furthermore, this focus on quantitative results does not allow for a distinction between good practice and bad practice. This could lead to the adoption of controversial and potentially damaging anti-poor policies (ex. the privatization of basic services) without regard to the long-term effects on the equitable redistribution of national assets.

Ideally, quantitative goal setting in poverty reduction is meant to improve the well-being of underprivileged populations. However, one must underline that global trends on which the Goals are based, are the result of aggregating millions of very different trends across individuals, families, communities and countries. National development strategies and plans cannot be based on such aggregations because they do not take into account a country's history, social and gender disparities or specific challenges. Global targets, such as the MDGs risk becoming nothing more than one-size –fits-all objectives without any conceptualization, making them highly inadequate at the local level.

Moreover, proportionally, the populations most in need benefit less from progress. Target-setting usually ends up improving the well-being of the better-off segment of the population. National development policies can be highly biased in directing social and economic investments in favor of these segments of the population, therefore making it easier to achieve global targets, but increasing inequality in the process. Furthermore, it could also push local and national officials to produce false statistics in order to avoid admitting total failure and a lack of capacity in monitoring and evaluation. For poverty reduction targets to be pro-poor, social and economic indicators for the most disadvantaged people must improve more rapidly than the rest of the population. Finally, many experts claim that goal-setting could create excessive optimism thereby causing frustration and exasperating aid fatigue if global goals are not achieved (Satterwaite 2003).

Nevertheless positive aspects to goal setting do exist. The authors, Richard Black and Howard White (2004), in *Targeting Development: Critical Perspectives on the Millennium Development Goals*, claim that it constitutes a way of defining an

organization's role. This has become very important at a time where the development industry faces aid pessimism, past failures and even a loss of credibility. Black and White sustain that goal-setting aims to resolve the issue of responsibility by allegedly promoting upward as well as downward forms of accountability. In principle, with clear targets for development, international aid agencies can be held accountable for their performance. But are the international aid agencies really the ones being judged? Finally, Black and White sustain that goal-setting helps to increase the cohesiveness of the international development community and has brought new political impetus to poverty reduction efforts. Even with its numerous critics, international goal-setting continues to be a highly popular instrument within the development community.

Since the 1960s, the international development industry has tackled pressing issues of poverty and hunger by the means of packages and goal-setting. However, international goal-setting has not produced any long-term sustainable development. Even though various goals have been achieved at the global level, they have failed to be comprehensively implemented. This has justified strong criticism from academics and practitioners who are highly sceptic of international goal-setting and the way the industry has managed development as a whole.

We all know that global goal-setting can be effective in mobilizing actors towards implementing development agendas. They have set trends over the years and led to the production of an important amount of literature. Nevertheless, one needs to question to what extent global goals have a long-term and sustainable effect in countries that are most affected by poverty, even when they are met.

While the MDG targets may have broadened the set of outcomes by which aid will be judged, there has not been any real discussion on the methods or inputs that need to change to ensure that the desired results are achieved in a sustainable manner. Furthermore, target-driven approaches often pay little attention to the processes or measures through which the targets are addressed. For many, the Millennium Development Goals exasperate this trend. Performance targets offer a standard against which the implementation of poverty reduction strategies can be measured, but they can end up oversimplifying the highly complex and

interrelated dimensions of poverty. Furthermore, by setting targets on the basis of quantifiable indicators, the development industry is promoting a simplistic definition of poverty.

The MDGs focus on poverty and human development

The MDGs are explicit targets for progress but do they detract from important obligations? As mentioned previously, the Millennium Development Goals originated in the Millennium Declaration. The Declaration itself was inspired on international human rights treaties such as the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. Consequently, many supporters affirm that the Goals are themselves based on human rights. According to the U.N., the Goals are founded on a human development framework, where poverty is viewed as being multidimensional, manifesting itself in the form of illiteracy, disease, malnutrition etc. Moreover, the UN claims that the Millennium Development Goals promote a cross-sectoral approach with the potential of producing numerous advances in the multiple dimensions of poverty.

Nevertheless, even with all the support, the MDGs have not been able to escape the reprehension of critics and sceptics. Many argue that unlike the Millennium Declaration, the Goals do not focus on the rights-approach or legal framework the UN has been mandated to implement (Salord 2005). Goals, such as access to basic services and the eradication of hunger, constitute fundamental human rights and should be viewed as such, and not just as a mere statistical necessity or target. According to critics, the MDGs support the commodification of basic social services rather than working towards the achievement of their universal access. Furthermore, the overwhelming importance given to the MDGs by the development industry and the place it occupies in current development discourse could push the international community to neglect other UN instruments that do prioritize human rights. They may consequently minimize numerous issues that achieved importance in UN Conferences during the 1990s, leading to abandoned commitments. Furthermore, this could entail the disempowerment of many marginalized groups in their negotiations with national governments on human

rights issues. The World Bank and the IMF have always hesitated to recognize, or even less, adopt a rights-based framework for dealing with poverty reduction. Although it has acknowledged the importance of poverty reduction being central to their mandate, it has failed to ensure that the multi-dimensional nature of poverty be directly addressed in its own programming.

As stated previously, the MDGs are highly concerned with measurable outputs and therefore focus on the dimensions of poverty that are easily quantifiable. Consequently, the Goals rely on indicators that are conceptually flawed and depend on constructions that unreliable, like the controversial “US \$1 a day poverty line”, or indicator for absolute poverty (Vandemoortele, 2004). To date, absolute poverty has been the main indicator for assessing progress towards the Millennium Development Goals. This indicator measures the proportion of a population surviving on less than a specific level of income per day. Nevertheless, altering the poverty line by just a few units can significantly change the picture we get of poverty in a country. Furthermore this indicator tells us very little about how people experience poverty in different regions and among different populations. Hence, the use of this indicator can result in a systematic underestimation of poverty, due to the inaccurate conversion rates in purchasing power parity, the aggregation of data from rural to urban areas and finally, the use of national household surveys which have proven to be highly inaccurate and tended to hide inequalities within households (Vandermoortele 2004, 3).

The continuous reliance of this indicator demonstrates the development industry's attachment to the traditional and prevailing poverty reduction theory which is based on the alleged elastic relationship between economic growth and poverty alleviation. This theory fails to acknowledge that poverty constitutes above all a human phenomenon which is rooted in numerous factors, many of which are non-income, such as food insecurity, civil strife or conflict, lack of land ownership or environmental degradation. The income-based definition of poverty fails to address the multi-dimensional character of poverty which can manifest itself in different ways such as lack of access to essential services, decreasing quality and quantity of employment, lack of coping capacities among the poor, social and economic dislocation, political disempowerment, environmental degradation,

gender gaps, increased child mortality etc. Hence, many question whether absolute poverty is the right target.

Moreover, even though the MDGs are strong on the material aspects of deprivation, they do not take measures concerning participation, democracy and governance, all of which constitute key elements of the Millennium Declaration that are strongly advocated by civil society groups in “developing” countries. Furthermore, they do not address issues such as reproductive health or job creation. Hence, one could agree that the MDGs oversimplify poverty and the objectives of development. For this reason, many consider the Goals to be a simplistic, incomplete approach to poverty reduction and step backwards for human development. Therefore, these factors must be considered when developing indicators for absolute poverty.

Furthermore, critics argue that the Goals demonstrate the industry’s lack of political will and commitment in tackling the structural causes of poverty. The IFIs and the U.N. seem too attached to the neo-liberal policies that characterize the post-development era (Focus on the Global South 2004, 7). Unfortunately international development agencies and donors are unable to critically analyze how these policies contribute to the entrenchment of poverty. Therefore, one must question if the MDGs go further than past international development goals or are they a mere continuation of the “same old, same old”.

On the other hand, numerous critics underline the fact that there is a basic contradiction between poverty eradication and the narrow application of growth-oriented development strategies (Focus on the Global South 2004, 7). The prescription for economic growth shifts attention away from local endowments and internal economic capacities, hindering the adoption of policies that can address extreme poverty. Most of the studies concentrating on poverty reduction have been limited to the calculation of how much economic growth is necessary in order to alleviate poverty over a given time (Focus on the Global South 2004, 10). Even though the link between growth and poverty reduction remains controversial, it has been widely accepted that growth alone will not produce the

trickle-down effects it previously assured¹⁶. Paradoxically, the Goals, which are allegedly based on a human development vision, have not detached themselves from the growth-driven model which continues to dominate the development industry's discourse. Here lies an enormous contradiction; while achieving the Goals requires investments in social sectors such as health and education, the traditional neo-liberal model emphasizes a reduction of state expenditure for the benefit of financial stability. The development industry has failed to address these contradictions, nor establish the preeminence of development as freedom rather than growth for development.

The Millennium Development Goals were born out of a Declaration that was founded on fundamental human rights. Nevertheless, the Goals themselves seem to be adopted in support of the traditional neo-liberal vision of development which is strongly detached from the belief that life without poverty is a right, ensured in international human rights law and UN Declarations. In sum, for the MDGs to truly tackle the roots of poverty, they must address issues such as agrarian reform, redistribution of wealth, enhanced public services, food security, labour rights as well as essential gender guarantees. They must go far beyond the traditional dollar-a-day benchmarks and address the issues concerning the distribution of political power, such as participation.

MDG8: Forging a global partnership

It is frequently asserted that the Millennium Declaration, which was adopted by 147 Heads of State and 189 Member States, constitutes the most significant partnership established by the international community over any given set of quantitative and time-bound development goals. The development industry considers the MDGs a global compact, based on shared values, goals, and responsibilities that have been established by the UN Charter and the Millennium Declaration (Katsianouni 2005). The Declaration highlights both global and national responsibilities that were later reaffirmed at the 2002 international meeting in Monterrey, (Monterrey Consensus) where low-income countries were

¹⁶ Refer to McGillivray (2005), Easterly (2003) and Erixon (2005).

exhorted to improve their policies and high-income countries were asked to fulfill MDG8 by providing better aid and opening up access to their markets¹⁷.

At the international level, the MDGs are allegedly based on sustainable partnership among international actors. This partnership emphasizes the importance of governance and committing to resource mobilization, equitable trade and debt cancellation. At the national level there are governance requirements such as ensuring democracy, human rights, the rule of law, participation, inclusiveness and accountability (Katsiaouni 2005) all of which constitute an end and a means for achieving the MDGs. An innovative form of partnership at the national level involves the active participation of civil society organizations in adopting development objectives, such as poverty reduction. This type of partnership will be discussed in the next chapter on the Poverty Reduction Strategy Papers. At both levels, these partnerships are often less productive or conducive to change due to inequitable market conditions and weak negotiation capacity of low-income countries, which is strongly linked to the unequal power relations present at both international and national level. Right now, we will focus on partnership at the global or international level, as called for by the 8th MDG. Our evaluation of MDG8 is concerned with determining whether the Goals have accomplished important advances in creating an international economic policy environment favorable to the achievement the MDGs and to reaching the goal of poverty reduction.

True partnerships are characterized by a relationship based on equity, respect and national ownership. According to the development community, the term global partnership for development implies an alliance in the fight against poverty, through the aid, trade and debt-relief relationship between donor governments and “developing” countries. It conditions donor commitment to more development finance and greater flexibility in use of resources to country commitment to poverty reduction and good governance. Even though the philosophy is not new, it marks an important shift in approaches to development. This approach implies

¹⁷ For more on the Monterrey Consensus, consult Zia Qureshi, and James Boughton « From Vision to Action”. Finance and Development, September 2004 which is available at www.imf.org

that development is not just about income growth, it is also about self-determination, and self respect.

While the first seven goals address the progress that needs to be achieved in the different dimensions of human development, MDG8 commits high-income countries to a global partnership for development, based on a fairer trade system, debt relief, technology transfer and an increase in aid flows. Goal 8 is about creating an enabling international environment in which national poverty reduction strategies can succeed (Watkins and Amadi 2004). Furthermore, this goal acknowledges that external, exogenous factors are influential on growth. Experts know that MDG8 is of extreme importance for achieving poverty reduction and reaching development goals. Moreover, MDG8 is the only goal that covers international relations. International factors have become extremely important in national development as a result of the potent globalization process. "Developing" countries have become more integrated in the world economy and their economic performance is highly dependent on the international economic environment.

Unfortunately, this goal is not effective in holding the influential players accountable. The weaknesses around this goal are another indication of how high-income countries lack the political will for accepting change and truly prioritizing poverty reduction. In contrast with the first seven MDGs, the 8th seems to be a mere statement of good intentions, rather than a clear commitment for action. It is the only MDG without time-bound or quantified indicators. Behind the rhetoric, one can easily observe that Goal 8 is flawed by its inferior nature, compared to that of the other Goals. For example there is no time-bound target for reducing trade barriers or agricultural subsidies, even though there are numerous targets that could be used. Second, the same effort is not put into producing reports on progress for these targets whereas there is a great amount of reporting being done on the indicators of the first seven Goals. Neither the World Bank nor the OECD web sites for the Millennium Development Goals report on these indicators whereas they do numerous reports on indicators for the other Goals (Watkins and Amadi 2003). The UN has established special projects for helping countries define national strategies, monitor progress, and for campaigns advocating the

realization of the MDGs and mobilizing all stakeholders (Watkins and Amadi 2004). The lack of global monitoring of Goal 8 demonstrates that high-income countries will not be held accountable for the success or failure of the MDGs, while low-income countries are being monitored and held accountable for their gains as well as for their failures.

The implementation of MDG8 could constitute the first step towards achieving policy coherence between current development discourse and fundamental areas of public policies. Nevertheless, successful and sustainable poverty reduction efforts require suitable policies at the international level. Globalization has rendered low-income countries, especially those which are highly reliant on bilateral and multilateral institutions for aid, loans and debt relief, increasingly dependent on the global economic order and international policies. Therefore, it is essential that the development community acknowledge the significance of creating a favorable policy environment for encouraging development effectiveness. Hence, policy coherence should be considered a prerequisite for achieving the Goals. In the context of the Millennium Development Goals, especially MDG1, countries' performance towards reaching the Goals depends not only on domestic policy choices but on global economic structures and policies. It creates necessary incentives and generates effective synergies across different sectors, elements that are not always present in "developing" countries or at the international level.

There are evident contradictions and a lack of coherence between the goal of eradicating poverty and the policies promoted by donors and international bodies which often go against important UN conventions on development, thereby undermining commitment to the MDGs and the creation of a true global partnership. Although UN agencies play an important role in promoting and implementing the MDGs they are unable to effectively influence the global finance and trade regimes in reforming into a more just and equitable system. On the contrary, the U.N. has moved towards reforming its own approach to make it coherent with Bretton Woods Institutions.

Despite some debt reform initiatives, the weight of debt repayment and service continues to diminish low-income countries' capacity to tackle poverty. The MDG fails to commit the international community to debt cancellation, even though this would constitute a great investment for reaching the Goals. To date, the only commitment that high-income countries have made is to increase aid flows. However, not much has been done to reform it. Increased aid without necessary reforms could imply increasingly centralized conditionality as well as dependence on macro-economic prescriptions pushed forward by the IFIs. Over the last five decades, donors have used ODA to further their national interests. These interests have usually overshadowed recipient countries' poverty reduction objectives by cutting public expenditures on sectors crucial to human development. MDG8, while addressing the importance on increasing the quantity of aid, fails to address the significance of improving its quality.

We do not argue that foreign aid cannot play a valuable role in poverty reduction. Nevertheless, the development industry should seek innovative and creative ways for increasing the financial resources available to low-income countries. The MDG8 merely pushes for increases in ODA, without addressing the numerous possibilities that exist in recurring to other aid sources. For example, many civil society organizations have called for a tax on foreign exchange transactions at the global level, or the Tobin Tax proposed by the Association for the Taxation of Financial Transactions for the Aid of Citizens (ATTAC). Moreover, aid flows could come from other sources, such as a tax on arms trade or an environmental tax on the use of carbon. To this regard, a study commissioned by the U.N from the World Institute for Development (Sandmo 2003) considers a global environmental levy; a carbon-use tax applied at a rate of 4.8 US cents a gallon. This tax would be applied to high-income countries and could lead to around 60 \$US billion a year.

On the other hand, one cannot question the importance of trade for development. In the realm of trade, liberalization continues to be the creed by which the "developing" world must abide. Although the international community acknowledges that international commerce is an essential source of economic growth, many low-income countries continue to be deprived of its benefits due to

inequitable practices, such as U.S. and European subsidies in agriculture. Furthermore, MDG8 does not defend a country's right to choose its own approach to liberalizing its trade and economic system. Consequently, countries are not free to use domestic trade as an instrument for shaping national development. The importance the MDGs have given to the volume of aid tends to promote a "charity approach" to poverty reduction, sidelining the significance of reforming international financial, commercial and political structures. In the past, rhetorical commitments have failed to dismantle the trade barriers and implement comprehensive debt relief programs (Watkins and Amadi 2004). The MDGs will fail to establish global partnership if equity remains absent in multiple economic and political relations that have an impact on development.

A global partnership for poverty reduction can take many forms, but to date, it is manifested through foreign aid or ODA (Vanemoortele 2004). As one can observe, even though the language of Goal 8 sounds like a breakthrough in past development discourse, the reality of actions in trade and debt do not match up to the rhetoric. High-income countries retain the upper hand and are not taking the adequate steps to fulfilling their commitment for achieving the MDGs. It is highly important that high income countries accept their obligation and responsibilities in the war against poverty.

Furthermore, at the macro level, decisions on poverty reduction policies and action plans must seek the consultation of civil society prior to implementation. Poverty reduction cannot be addressed in a sustainable manner unless governments and civil society work together and find ways in which they can play critical and complementary roles. It is well known that the MDGs were created by a senior level UN conference and not actually inspired by civil society. At the micro level, development projects must seek the majority endorsement of the populations affected prior to their approval. Many civil society networks working at the grassroots level are not familiar with the MDGs (Focus on the Global South 2004, 7). It is important to question how meaningful the MDGs are to the poor and to what extent they provide incentives for their participation since the targets seem to be too remote to respond to the urgent needs and problems of the poor.

The MDGs do not offer a comprehensive analytical review of policy reform and institutional change. If high-income countries do not align their policies with the industry's poverty reduction objectives and cooperate in creating a just international economic and political environment favorable to development, the Goals will not be achieved, and sustainable progress will not be realized.

For there to be a true global partnership for development, the international community needs to accept that "developing" countries have the right to take a pragmatic approach towards "selectively" integrating their domestic economy with the global economy (Khor 2003, 4). This consensus should be the foundation for the international trade, finance, investment, and aid systems, as well as the system for international property rights. Without a different approach at the global level a true global and equitable partnership will never exist.

Conclusion

Throughout the years, organizations such as the World Bank and the U.N. have put a great deal of effort and invested a large amount of resources searching for the next big idea that will allow aid to buy growth or at least revitalize the system in the process. The MDGs seem to constitute a new attempt at rejuvenating an industry that has suffered from large failures and a loss of credibility. The development community continues overselling the efficacy of aid and the MDGs are playing a vital role in this process by making the case that poverty can be eradicated with the right amount of resources.

It is essential that the MDGs provide a greater emphasis on the quality of processes and not just the quantity of outputs, prioritized by the target-oriented approach. Furthermore, the MDGs must not become a new conditionality that binds governments to donor set international targets rather than their national priorities. The Goals address many areas concerning human development; nevertheless, they do not take measures concerning participation, human rights and democracy, all of which constitute key parts of the Millennium Declaration. Furthermore, the MDGs ignore issues of democratic governance and the need to strengthen civil society. Hence, development inputs need to accord a greater

consideration to structural causes of poverty and acknowledge the limited potential of aid in achieving long-term sustainable development or meeting international development goals. The MDGs should serve as an example of the type of outcomes that the development community should strive for. But they should not overshadow important issues such as human rights and inequality. While the development industry sustains that the spirit of the MDGs is not to impose specific targets on each country, one cannot ignore that the Goals have become the new world-wide development trend. It seems very difficult for countries to establish their own development plan without following the industry's new "fad".

The MDGs do not constitute a paradigm in development, but benchmark indicators of how the developing world is advancing in the areas of human development and social/economic rights (Fukuda Parr, 2003). Hence, the MDGs are not a new development strategy, but a new tool for mobilizing action, a global commitment and a potential framework for accountability. The MDGs are capable of stimulating new debates about why they might not be met and what can be done about it. The novelty surrounding the MDGs is not due to their content but to how they have accomplished political consensus on common objectives. For the MDGs to constitute a real breakthrough in the way the development industry tackles poverty it is extremely important for MDG8 to be translated into a clearer time-bound commitment, pressuring high-income countries to align their policies in key areas. If not, the gap between the industry's rhetoric and their practice will remain enormously wide, and development will fail to be sustainable. Today, MDG8 constitutes the key element to achieving the Millennium Development Goals. Nevertheless, MDG8 fails to address the imbalances and power relations present in international structures. Furthermore, the development community must address the contradictions that exist between applying a systematic approach to poverty reduction and adhering to the traditional ideology based on liberalization.

There is a certain level of consensus that the MDGs are about ends, but there is a great deal of disagreement on the means that should be employed for reaching these Goals. Numerous civil society organizations demand that the development

industry go further beyond the MDGs. Some sustain that development institutions should treat them as if there were an occasion to achieve improvement rather than a charter for development. Nevertheless, most agree that the MDGs must be based on a wider framework of values and principles present in UN Conventions on economic, social, economic and cultural rights.

Nevertheless, not all is negative. The urgency that the development community now feels concerning the achievement of these goals demands increased investments in areas concerning poverty reduction. This in turns gives civil society the leverage for ensuring that the development industry and high-income countries address numerous issues, such as better aid, debt forgiveness, equitable trade etc.

Chapter 4: Poverty Reduction Strategy Papers: a Pro-Poor Agenda or Structural Adjustment in Disguise?

Introduction

Since its beginning, development assistance has been driven by political, economic and institutional concerns from both donors and recipients. Pushed by their different political and institutional environment and donor's organizational culture, both actors have engaged in an aid system that has been characterized by a lack of consensus on how to pursue poverty reduction and development. Recipients have and continue to be highly dependent on the financial resources offered by the development industry while donors face organizational demands for ensuring their survival (Dante 2002, 6).

Following the failure of structural adjustment programs, two concepts have dominated the industry's discourse: aid effectiveness and poverty reduction. United Nations' specialized agencies such as UNICEF and UNDP are considered the precursors of this new shift, as they had already demonstrated their awareness of the rising incidence of poverty in developing countries by denouncing the fatal effects of SAP policies, specifically, the large increase of foreign debt. For the Bretton Woods Institutions', the frustrating results of structural adjustment strengthened their conviction that national recipient governments' policies were the most important determinant of aid's ability to produce growth and poverty reduction¹⁸. Today, development rhetoric has changed and traditional conditionality has been substituted by country selectivity and ownership. Furthermore, the development community is allegedly pushing for a new partnership based on a more equitable relationship between donor and recipient governments.

One of the central foundations for this approach is the World Bank's and IMF's Poverty Reduction Strategy Paper around which all future external financial

¹⁸ For more information, consult David Collar and Lant Pritchett, « Assessing Aid: What Works, What doesn't and Why? » World Bank, 1998.

development assistance, including debt relief would be coordinated. They replace Policy Framework Papers prepared between the IMF, World Bank and recipient governments for concessional loans. The Bretton Woods Institutions affirm that PRSPs constitute a new approach for tackling the problematic issues surrounding poverty reduction and economic development in low-income countries. The PRSP is based on three main innovations: its focus on poverty reduction, its participatory process for policymaking and monitoring which links the donor community with national stakeholders and its aim at achieving better coordination and coherence of ODA and all funding for achieving the MDGs (Cling, Razafindrakoto and Roubaud 2003). While the MDGs constitute a normative framework with moral imperative, the PRSP is a pragmatic policy instrument backed by economic power (Cornwall and Brock 2005).

Today, there seems to be a consensus among donors. All ODA flows to low-income countries are channeled through PRSPs. However, this has raised many questions within the development community. Has the content of the development industry's policies really changed? Or has structural adjustment been camouflaged into PRSPs? What are the implications for this new emphasis on aid effectiveness and donor coordination? Are the PRSPs capable of changing the way the industry tackles poverty or does this change constitute a way to ensure that the industry operates in the same way with the exact ideological bias? Above all, acknowledging that the BWIs are the authors of this new initiative, what are the implications of having the largest "for profit" organization in charge of the business of eradicating poverty? These are some of the questions we will attempt to answer in this chapter.

The birth of the PRSPs

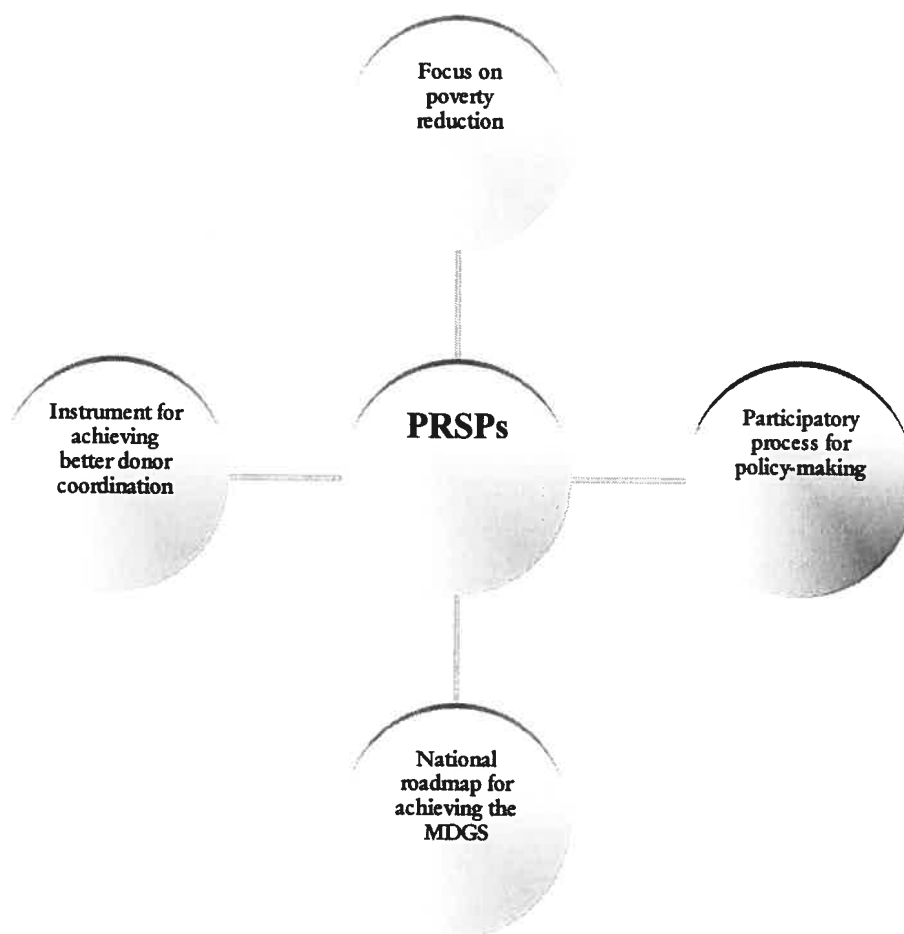
In 1999 the World Bank and IMF made its new war on poverty operational by launching the Poverty Reduction Strategy Paper. Under this joint initiative, low-income countries applying for external financial aid or debt relief from either of the institutions would be required to prepare and submit poverty reduction programs. Both IFIs adapted their aid programs in order to include poverty

reduction as a main goal. Henceforth, the PRSPs would be the key instrument for providing development assistance in terms of grants and loans.

The IMF and the World Bank have invested a large amount of human and financial resources in the implementation of this new approach in order to assure its success. The development industry's major donors have decided to follow the BWI's lead and link their aid to the PRSPs. The fact that all ODA flows to low-income countries are channeled through these new international poverty reduction strategies is remarkable. This constitutes a major change, notably in terms of donor coordination, in an industry frequently criticized for the lack of coherence and duplication of its initiatives.

The enormous mobilization and channeling of efforts demonstrates the power, and hegemony of BWIs over low-income countries and within the development industry. Their central role in global policy-making and governance give PRSPs a leveraging role far vaster than debt relief and concessional credits. PRSPs constitute the main policy instrument through which the principal donors of the development industry relate with low-income countries. Given all the resources that have been mobilized and the consensus that has been reached among donors, the success or failure of this Initiative will have a large impact on the future of international development assistance.

Figure 4: the key characteristics of PRSPs



According to Cling, Razafindrakoto and Roubaud in *New International Poverty reduction Strategies* (2003), three factors pushed the Bretton Woods Institutions to launch the PRSPs. The first influential factor was the rising incidence of poverty in the developing world. Continuous economic failure in several developing countries, specifically in Africa, put in doubt the efficiency of past development policies. For example, if the figures for China are not included, statistics show that poverty had risen in the last two decades, specifically in Sub-Saharan Africa and Central Asia. Furthermore, the number of least developed countries has also doubled in the last 3 decades (Cling and al. 2003, 4). Consequently, the development industry has acknowledged that urgent action must be taken to reverse these trends. The adoption of the PRSP as a policy instrument is a direct response to current concerns with aid efficiency.

The second factor is the failure of SAPs and the questioning of the Washington Consensus and their three- axed solution: macroeconomic stabilization, internal and external liberalization (Cling and al 2003, 4). It is well documented that the failure of structural adjustment policies has led to an immense multilateral debt crisis and has had an adverse socio-economic impact on societies in the “developing” world. After almost two decades of recommending these policies, the BWI cannot refer to a single country case where these programs have been successful.

The third is the crisis in the legitimacy of BWIs. For the World Bank and the IMF the PRSPs constitute the perfect remedy to this problem. This factor is directly related to the first two, given the consequences of their past approaches in numerous “developing” countries and the aid fatigue they produced. The efficiency of development aid was fiercely questioned throughout the 1990s, contributing to the decrease of financial contributions by donors. The shift in the IFI’s rhetoric constitutes an attempt to restore their legitimacy as well as the international community’s faith in development aid. Furthermore, they also constitute a means for addressing civil society’s harsh criticisms. It is evident that the BWIs were forced to follow the UN’s lead on poverty reduction and make it a central part of their agenda. Hence, one cannot assume that the ideological baggage that came along with SAP has suddenly vanished. Nevertheless, we must not quickly disregard PRSPs as being a mere repackaging of past structural adjustment policies. Before making such an assumption, we must explore the implications of PRSP implementation and their role in achieving the Millennium Development Goals.

The content and underlying principles of the PRSPs

The emergence of PRSPs mark an evolution in the Bank’s thinking on aid. Today the Bank acknowledges that the impact of aid on growth is only positive in the presence of good policies. Traditional conditionalities based on future reforms are inefficient. The release of aid flows is now conditioned to the results obtained and

the quality of policies pursued¹⁹ (Cling and al 2003, 222). The BWIs have understood that aid is far more fungible than imagined and that the allocation of resources through project aid is illusory or unsuccessful. Finally, the development industry acknowledges that differences between “developing” countries, specifically in terms of the quality of policies and institutions, must be considered.

On the other hand, in numerous low-income countries PRSPs are becoming the operational frameworks that translate MDG targets into action. PRSPs are supposed to establish the short and medium-term operational targets required for achieving the Millennium Development Goals. They should lay out the changes in domestic policy needed to attain these international targets. Country ownership, governments’ commitment and donor coordination have the potential of opening spaces for dialogue and bringing MDGs more concertedly into policy debate (Vandemoortele 2005). Furthermore, they are considered to be the overarching framework to ensuring that the Goals are on target and their main monitoring device.

In theory, Poverty Reduction Strategy Papers must be prepared by recipient governments through broad participatory dialogue and under the supervision of the IMF and the World Bank. They should identify the poor, the incidence and causes of poverty, and design strategies for alleviating poverty. The PRSP’s creators underline that poverty reduction strategies must be country driven, results oriented or focused on outcomes that benefit the poor, comprehensive in recognizing the multidimensional nature of poverty, partnership oriented and based on a long term perspective (World Bank, 2002). PRSPs should serve as an action-planning tool for accelerating poverty reduction, with time-bound targets and costing estimates.

Principles

The PRSPs are based on several principles, some of which are highly political²⁰. First of all, there is the principle of country ownership, which can be a very

¹⁹ As stated previously in Chapter 2, aid conditionality has been extended to the political realm.

²⁰ The World Bank’s incursion into the political realm goes back to emergence of the « good governance » concept at the end of the 1980s.

ambiguous concept. This principle should involve donors supporting and funding government-led expenditure plans reflecting national needs and subject to national accountability (Cox and Haidan 2003). When analyzing World Bank and IMF sources or other donor documents, it seems that the concept “country ownership” refers to more than ownership by government actors. National consensus, which would be a prerequisite for country ownership is a highly political debate that technocratic institutions such as the World Bank and the IMF are not prepared to engage in.

Then there is the principle of participation that will be discussed in detail later on. It is not clear what participation truly means. It seems to suggest that governments should facilitate technical consultations with selected local stakeholders. But, who detains the power and the legitimacy to participate and in what processes? Which stakeholders will be prioritized? These issues have not been deeply discussed by the BWIs or bilateral donors. Should these institutions be involved in such highly political processes, or are these beyond the PRSP’s reach. PRSPs are also built on the principle of equal partnership between actors, specifically between governments and donors and government and civil society. Partnerships imply a consensual form of policy-making among relatively equal partners (ODI 2004,5). Yet this conception does not take into consideration the strong power imbalances that exist between these actors, such as the fact that donors have the upper-hand when dealing with recipient governments.

Another underlying principle is the notion of comprehensiveness, which requires that macroeconomic frameworks converge with poverty reduction goals. This requirement demands a certain level of institutional capacity, considering how challenging it is to develop coherent and comprehensive strategies. This principle also requires state legitimacy and the authority or ability to implement policies in a consistent manner.

Finally, like the Millennium Development Goals, PRSPs should be results-oriented and explicit on the poverty reduction goals they aim to achieve. They should also focus on establishing long-term goals, a somewhat difficult task in

countries with unstable political environments and a weak commitment to long term objectives which do not have a strong political appeal.

Content

All PRSPs are expected to contain the main elements, considered by the Bank and Fund to be the essential to poverty reduction. According to previous World Bank board papers, PRSPs should include the following five factors (Klugman 2005).

Box 4: PRSP's Five Key Elements

PRSP's Five Key Elements

- An assessment of poverty and its key determinants
- Specific targets for poverty reduction
- Prioritized list of public actions for poverty reduction
- Systematic monitoring of poverty trends and an evaluation of the impact of government policies and programs
- Description of the main aspects of the participatory process

The World Bank and the IMF strongly underline the importance of country ownership and the fact that PRSP content should depend on local context. Nevertheless, the Institutions demand that countries define a national strategy for development that focuses on the following themes: macro and structural policies for growth, improving governance, appropriate sectoral policies, realistic costing and appropriate funding (Klugman 2001). Sound macroeconomic policies continue to be viewed as a precondition for growth. National macroeconomic frameworks must ensure a level of inflation that does not limit private sector growth, economic growth consistent with poverty reduction objectives and a fiscal position that is compatible with PRSPs growth and poverty reduction objectives. The standard macroeconomic framework is based on keeping the size of the public sector at a strict minimum. Consequently, public investments are limited, since they are viewed to push out private investment. PRSPs should present a series of financial stabilization measures, such as reduced public deficit, fiscal

reform, monetary control etc. They should also develop structural reforms designed to facilitate market mechanisms and favor growth. These reforms include liberalization, privatization and promoting private sector growth. As one can observe, PRSPs have an economic content that is mainly determined by the Bank and the Fund²¹, more specifically the Poverty Reduction and Growth Facility²².

On the other hand, in many developing countries, present governance structures and public sector management constitute a critical obstacle to effective poverty reduction. Hence, PRSPs are expected identify how governance and budget arrangements can be improved (Klugman 2003). Issues such as, the lack of government transparency and accountability, fragmented budgets and poor civil service performance must be addressed. Up to date, most PRSPs have identified measures to combat corruption, improve public sector financial management and institutional reforms such as decentralization and civil service reform.

Moreover, PRSP must also review important sectoral policies and programs and design reforms in health, education, social protection rural development, infrastructure and the environment (Klugman 2003, 19). Strategies in these areas should work towards combating sources of inefficiency and inequity in the delivery of basic services and the inequalities in the distribution of public spending. Moreover, PRSPs are expected to evaluate whether the private sector should play a larger role in service delivery. Countries should also address cross-sectoral linkages and their effects on poverty outcomes. These include linkages between the environment and poverty (ex. the health impacts of natural resource degradation).

²¹ For example, in Nicaragua, the World Bank and the IMF have conditioned loans to the privatization of the country's water resources. This move comes in response to the legislation passed by the Nicaraguan National Assembly in August 2002, halting all water privatization plans until a national debate is held. This conditionality constitutes an attempt on national participatory and democratic processes in Nicaragua (Mekay, 2002).

²² The PRGF is an IMF lending facility established in 1999 which provides a new economic conditionality framework targeting macroeconomic stability, privatizations, and trade liberalization.

PRSPs should also address the realistic costing of all government expenditure programs, such as poverty reduction initiatives and their consistency with the macroeconomic framework. Realistic costing requires that authorities make a selection of priority actions across sectors and that they judge which will have the largest impact on poverty reduction. These priorities should then be integrated into the macroeconomic framework and the budget (Klugman 2003). PRSPs must appropriately estimate the costs of the programs that make up the strategy. This process is important for ensuring that expenditure programs for poverty reduction are adequately funded.

Finally, the PRSP must provide a well defined action plan and a precise calendar that prioritizes measurable objectives. Donors believe that goal-setting constrains recipient governments to develop concrete poverty reduction programs and pushes them to honor their responsibilities, thus, increasing accountability. The 2000/01 WDR enumerates the goals that must guide the definition of poverty reduction policies. The outputs of these policies must include facilitating the access of the poor to "opportunities" and resources by increasing spending on basic social services, promoting their "empowerment" and participation through decentralization measures, increasing access to information and other participatory processes. Finally poverty reduction policies should aim to increase "security" by creating insurance systems, facilitating the poor's access to credit and ensuring food security (Cling and al 2003, 182).

The BWIs provide policy advice on fiscal management, structural, institutional and sectoral reform, budgetary targets and expenditure priorities throughout the stages of preparation of PRSPs. A Sourcebook for Poverty Reduction Strategies²³ is available to guide countries in preparing PRSPs. The Sourcebook includes a collection of broad policy guidelines, examples of international best practice and technical notes for more technically oriented readers (Klugman 2003).

Preparing country-owned participatory PRSPs will take time. With the intention of avoiding delays in the provision of concessional lending or debt relief, the BWIs have decided that countries can prepare Interim Poverty Reduction Strategy

²³ The PRSP sourcebook is available online : www.worldbank.org

Papers²⁴ that would be less demanding in content. Furthermore, for the first time, efforts were made to consult recipient countries' governments, civil societies and private sector through the organization of international, national and regional seminars (Cling and al. 2003, 1). World Bank personnel are involved in Joint Staff assessments that are mandated to ensure that final PRSPs can be presented to the Boards for approval. The staff must decide whether the nationally prepared document provides what the BWIs call a credible framework for designing their programs of concessional assistance (World Bank, 2001). Given the important role that the Bank and Fund occupy in formulating PRSPs, it is difficult to accept that the PRSPs are really country-driven.

On the other hand, the PRSPs have tended to neglect the impacts of inequality at the macroeconomic level and their effects on poverty reduction. The concept of social inequality has rarely been addressed by the World Bank. Combating inequality seems to be considered as a means and not an end. Most experts and researchers in the field continue to believe that faster economic growth can be linked to faster poverty reduction. However, economic growth has to be combined with a certain form of redistribution for poverty reduction strategies to be successful in combating and alleviating poverty (Bourguignon 2002). Achieving elevated increases in growth does not necessarily translate into the alleviation of poverty. While economic growth can lead to improvements in social indicators, it does not address the question of equity and redistribution. The Bank's and Fund's focus on growth remains based on the trickle-down theory which has been highly discredited during the last decades. Jan Vandemoortele states:

“High inequality is not only harmful for the poor, it also inhibits economic growth; delays policy reforms and entrenches special interests. Thus, equity is good for the poor because it is good for growth. Growth alone is not the answer; only when the poor participate in, contribute to and benefit from economic growth will it make a measurable and lasting dent on human poverty” (UNDP 2003, 15)

Unfortunately, up to date most PRSPs do not extensively address the question of inequalities and redistribution. When the subject is addressed, most countries use

²⁴ I-PRSPs are available online : www.worldbank.org

the concept “disparity” instead of inequality and they rarely use the word redistribution²⁵. By emphasizing that growth is the main driver for poverty reduction; PRSPs implicitly turn away from any active redistribution policy (Cling and al 2003). Furthermore, the PRSP approach does not adequately address the negative impact that may come with rapid growth, such as urban congestion, rural migration and environmental degradation (Guttal and Chavez 2003). This constitutes another attempt by the BWIs to remain an apolitical organization, by avoiding as much as they can any conflict of interest.

Some also question to what extent PRSPs take into account a broader concept of poverty and the implications of the new multi-dimensional nature of the concept. First there is the question of which dimension of poverty should be prioritized. For the most part, monitoring indicators focus on monetary poverty, health and education. The MDGs also constitute an example of this tendency. The lack of participation in political processes and respect for human rights are not prioritized as essential instruments for combating poverty. Generally, PRSPs do not address the antinomies and conflicts between the goals of growth/macroeconomic stability and democracy/respect for human rights. Moreover, most PRSPs fail to address the impact of the international environment of poverty reduction. In most cases, the only measures that the poverty strategies make reference to can be reduced to the traditional pursuit of liberalization and limited support for export promotion (Cling and al 2003). The concept of governance seems limited to the realm of domestic affairs, specifically to issues such as corruption and administrative inefficiency.

Hence, one could easily question whether PRSPs really prioritize poverty reduction. Concrete and realistic poverty reduction strategies focusing on precise social sectors are often lacking (Cling and al 2003). The PRSPs preparation process seems to be limited to enumerating a large list of recommendations for actions to be taken. Furthermore, most PRSPs fail to establish a ranking of priorities. Countries are subject to numerous obligations that do not promote an environment for developing policies according to priorities. Above all, countries

²⁵ Bolivia can be considered an exception. Their PRSP does mention these terms. The Bolivian PRSP is available online at www.worldbank.org

must fulfill IFI's demands for financial stability, macroeconomic growth, security, and empowerment.

Thus, an important question imposes itself: to what degree are the PRSPs a simple recycling of past policies? Despite the fact that one of the PRSPs principles is country ownership, most proposed strategies are relatively uniform, thus implying that governments do not take into account their local context and individual conditions. Most Poverty Reduction Strategy Papers look astonishingly similar in content, even for countries that are dealing with different problems and local contexts. If the PRSPs were genuinely country-led and inspired, they should be more heterogeneous. Such homogeneity can be linked to the PRSPs conditionalities. Its supporters believe that PRSPs have moved away from specific policy conditionalities, towards process conditionality in hopes of adjusting unequal power relations between donors and recipient countries (Piron and Evans 2004). However, macroeconomic policies in PRSPs do not seem to be much different to those prescribed by structural adjustment. The international development community therefore faces a strong homogenization process, which is reinforced by the PRSPs donor coordination capacities. This process, constrains low-income countries desiring debt relief and financial aid to adjust their poverty reduction strategies to BWIs demands.

Furthermore, the ownership principle is threatened by the standardized, blue-print framework of the poverty strategies, the strong time constraint, high demands of capacity and the fact that the PRSPs are ultimately adopted by BWI boards²⁶. The BWIs have enforced thematic as well as methodological conditionalities. The Bank and the IMF have basically defined the content that should be present in PRSPs, therefore hindering the development of endogenous ideas. Like SAPs, Poverty Reduction Strategy Papers bind recipient governments to implement Bank-Fund directed policies as conditions for receiving support from donors. Experience in Asia, Africa and Latin America has shown that country governments have little control over the content, structure and policy prescriptions in their respective national PRSP document, thus questioning the principles of

²⁶ Idrissa Dante (2002) cites the Malian proverb: « la main qui donne est au dessus de celle qui reçoit. » (Translation: The hand which gives is above the one which receives.

ownership. The BWIs conditions carry more weight than national laws in countries highly indebted who do not have any access to alternative sources of finance (Guttal and Chavez 2003). With these conditions, it will be very difficult for true ownership and empowerment to thrive and flourish. For there to be genuine ownership, recipient governments must initiate reform programs themselves. When a reform program is guided by a predefined agenda, ownership is problematic.

Henceforth, low –income countries desiring debt relief must define a home-grown development strategy in line with BWIs neo-liberal ideology. The negotiating power of national authorities remains highly limited compared to that of their donor “partners”. As one can see, the PRSPs principles of ownership are highly antithetical with the BWIs use of conditionalities. The means of intervention of the BWIs remain dependent on the use of coercion to a large degree (Cling and al 2003, 160).

Like the structural adjustment policies that preceded them, PRSPs emphasize that macroeconomic stability constitutes the primordial prerequisite for poverty reduction. Seeking financial stabilization while simultaneously ensuring the investments necessary in social sectors can be a very challenging endeavor. Structural reforms aimed at liberalizing and opening national economies remain the major priority of Bretton Woods Institutions. PRSPs continue to focus on medium to long-term benefits for growth, failing to address the negative impacts on the living condition of the poor in the short-term (Cling and al 2003, 186). This demonstrates the IFI’s tendency to presume that liberalization will necessarily benefit the poor and the lack of discussion or openness to other alternatives.

Monitoring and evaluation in the PRSP process

Policy monitoring and evaluation is one of the main weaknesses in PRSPs. The unreliability of statistical systems in low-income countries constitutes a major limitation for effectively monitoring poverty reduction policies. This situation is a result of a lack of technical capacity, the low diffusion of available data and a

quasi-inexistent level of funding from the domestic budget. Generally, countries depend strictly on donor funds for the production of performance surveys, strengthening even more the low degree of ownership (Cling and al 2003, 215).

Even though poverty reduction policies have been implemented by low-income countries, they have rarely been monitored or efficiently evaluated. This is due to the state of their statistical systems which are in ruins and consequently fail to provide the general public with economic and social information. Furthermore, in most cases, statistical data is not available, is incomplete or irrelevant to the immediate needs of decision-makers and civil society. This implies that the diagnoses made in the PRSPs are generally based on unreliable data (Cling and al. 2003, 270). Disaggregated data by regions, demographic groups and by gender are also lacking. Moreover, quantitative data is rarely accompanied by extensive qualitative information, limiting the analysis of the results. Most analyses simply observe the scale of poverty but are unable to underline the factors that could be used to define policy. Since monitoring and evaluation systems are usually weak, assessing the growth and distributional impacts of past policies and programs becomes extremely challenging. This type of evaluation is essential for improving strategies over time.

In order to redress national statistical deficiencies, the international development community developed the PARIS21 Initiative (PARTnerships in Statistics) in 1999. This initiative aims to reinforce the technical capacities of low-income countries to gather and analyze statistical data, in order for indicators to be adequately monitored. Nevertheless, donor provisions of massive amounts of technical assistance to compensate the lack of technical and analytical capacities increase recipient country's dependency on aid.

As one can observe, human and financial limitations in low-income countries will affect the quality of results. Even though the preparation of PRSPs constitute an opportunity for rehabilitating efficient information gathering tools, the time constraints for completing them do not encourage inquiry into the current system's weaknesses and faults or their sustainable reconstruction.

Furthermore, the reshaping of developing policies to include the newly accepted multi-dimensional definition of poverty poses an exceptional challenge to national statisticians, who are in charge of monitoring and evaluating policies. Henceforth, statisticians must employ methods to ensure poverty measures and analyses support the definition of anti-poverty strategies. M&E systems must also provide real-time monitoring of changes in population's living conditions in order to assess the impact of reforms, to evaluate the effectiveness of policies and to establish the adjustments that are necessary. Finally, statisticians must ensure that information is effectively disseminated, allowing all of society's stakeholders to play a part in decision-making and in evaluating policies.

For there to be true ownership, the choice of indicators must strongly depend on each country's poverty reduction objectives. It should therefore result from the identification of needs and priorities, allowing information to be used effectively (Cling and al 2003, 271). Hence, M&E systems should consider local capacity and existing human and financial resources.

The implications of donor coordination and aid efficiency

Aid effectiveness is a fundamental issue when making the case for higher aid volumes. Today, the MDGs and the PRSPs are exerting a growing amount of pressure to improve the efficiency and effectiveness of development aid. As the development industry acknowledges the challenges of reaching the MDGs, attention has become increasingly focused on the need for developing management strategies for enhancing the achievement of outputs and results. Donors are focusing on finding ways to build countries' capacity and demand for results-based approaches, on the need for development agencies to offer coordinated support, and on harmonizing approaches to results measurement, monitoring and management (DAC 2003). The development industry has also begun emphasizing the importance of developing results-focused corporate cultures.

Among donors and development agencies, there is a widespread belief that improving the effectiveness of aid constitutes a key way to achieving poverty

reduction and hence reaching the MDGs (de Barra 2005). There is a consensus that donor coordination is an essential instrument for improving aid efficiency. The Monterrey Consensus, arising from the 2002 International Conference Financing for Development, stated that donors should “harmonize their interventions behind country-owned poverty reduction strategies...to make aid more effective” (United Nations 2002, par.43).

One of the reasons that PRSPs have become highly popular is the fact that they promote better coherence between donor interventions. The objective of the PRSP approach is to coordinate all donor efforts and make them more efficient and transparent for recipient governments. PRSPs are also considered a valuable instrument for harmonizing donor initiatives towards the recipient government’s own development agenda. Jeni Klugman states:

“... it is envisioned that PRSPs will be the primary instrument by which a country articulates a strategy around which external development partners could align their own programs of support” (Klugman, 2003,6).

The concept of donor coordination has gained importance because the development industry has acknowledged that reaching the MDGs will require closer coordination among donors with partner countries. Furthermore, the formulation of PRSPs requires that donors coordinate their development cooperation contribution and align them with the comprehensive concept established in the papers (German Development Institute 2004).

Donor coordination: what and why?

Donor coordination and aid reform have been popular recurrent themes since the 1980s. This is largely due to the fact that the aid system has faced a great deal of criticism over the last two decades because of its ineffectiveness in terms of delivery and results. Aid effectiveness, which is the main stake of donor coordination, will require that donors and recipient governments convert rhetoric into practice. Furthermore, it is important that aid coherence be based on ownership and partnership, putting recipient countries in the driver’s seat. Up to date, the development industry’s responses to these issues have focused on the semantic of these concepts rather than on practice and on aligning their

instruments to existing national procedures (Dante 2002). To this effect, Tony Killick (2000) affirms that past experience has demonstrated that many obstacles to national ownership are due to donor practices and the imbalance of power in the donor-recipient relationship. A culture of paternalism has always marked this relationship, making coordination of donor activities by countries highly difficult. As highlighted earlier, the lack of ownership is also exacerbated by the assumed lack of technical expertise in developing countries which limit its capacity for elaborating their own poverty reduction strategy according to their national vision. In most low-income countries, so much time is invested in responding to donor conditionalities, monitoring and evaluation procedures, making recipient governments more concerned with donor processes, rather than investing time and resources on their own priorities.

What is donor coordination/harmonization? The German Development Institute defines donor coordination as an agreement among donors with the aim of improving the efficiency and effectiveness of development cooperation (German Development Institute 2004). It requires the alignment of donors with partner countries based on the principles of ownership, alignment and coordination/harmonization (aid effectiveness pyramid). According to the Overseas Development Institute for the DAC Working Party on Aid Effectiveness,

"...harmonization relates to increased coordination and streamlining of the activities of different aid agencies..." (ODI 2005, 9)

Harmonization is based on three principles (ODI 2005):

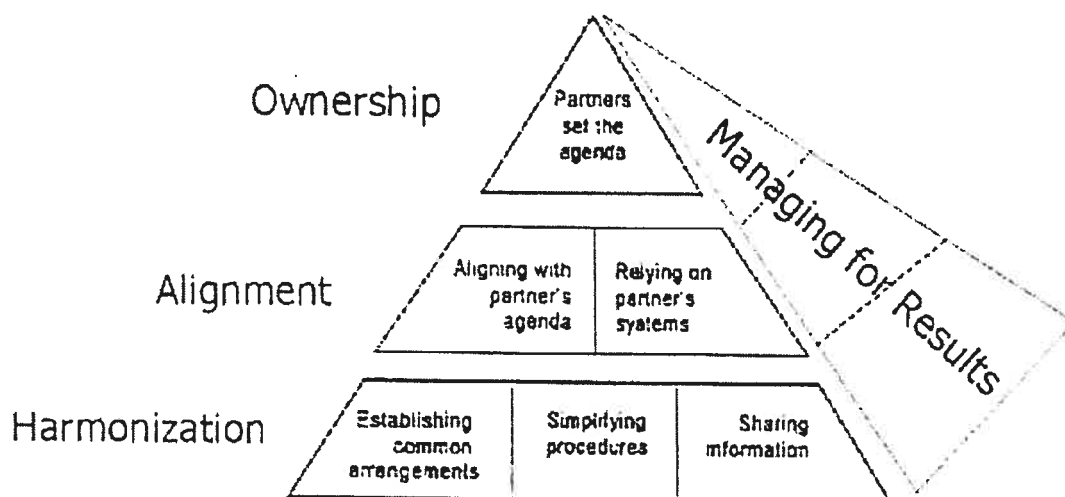
Box 4.1: three principles of harmonization

3 principles of harmonization

- Establishment of common arrangements for planning, managing and delivering aid
- The simplification of procedures and requirements from donors
- Promoting transparency and increasing coordination through the sharing of information

The concept of aid coordination or harmonization, when employed in a more general sense, includes the notions of alignment and ownership, which asserts that efficient partnerships for poverty reduction and development require that donors follow these principles. The DAC conceives harmonization and alignment as a three-phase process aiming to increase aid efficiency. This process can be presented in the form of a three-level pyramid seen below:

Figure 4.1: Aid Effectiveness Pyramid (OECD, DAC 2005)



Country ownership of poverty reduction strategies and policies is a key to achieving effective and sustainable development outcomes. Partner governments must assume a leadership role in setting the development agenda and aid must be delivered in accordance to their priorities. Another essential requirement for aid effectiveness is the alignment of donors' aid programs to country priorities. The Paris Declaration on Aid Effectiveness (2005) states that donors must commit to align behind government-led strategies and if this is not possible, they should turn to country, regional, sector or non-government systems. The PRSPs are allegedly based on these principles. Finally there is the harmonization of donor procedures, which, as stated earlier, involves simplifying procedures and donor requirements by establishing common arrangements for planning, managing and delivering aid. Nevertheless, generally, donors bypass government procedures because they believe government systems and institutions to be weak and inefficient. By totally

ignoring government systems, donors perpetuate developing countries incapacity to manage aid effectively (De Barra 2005). Unfortunately, most harmonization efforts focus on coordinating procedures rather than aligning behind country procedures and priorities.

The pyramid can be read in a top-down or bottom-up manner. If the process is top-down (according to the pyramid), recipient countries begin by preparing their strategy for achieving their own poverty reduction objectives and donors support them by aligning to these strategies. At these two levels, capacity building and institutional development are crucial. In the last phase, donors cooperate with each other and establish common simplified procedures and exchange information. On the other hand, if the process is bottom-up, donors coordinate and harmonize their techniques and have a greater influence in the preparation and implementation of national development strategies. At all levels of the pyramid, a focus on results is emphasized; country-led agendas must be oriented towards growth and the poverty reduction goals it aims to achieve. Unfortunately, past experience demonstrates that the process is more likely to occur in a bottom-up manner. Conditionalities are even more powerful when imposed in collective manner, thus increasing the power of donors in an already highly asymmetrical donor-recipient relationship.

So, why push for aid reform and coherence? The German Development Institute (2004) states that donor coordination is crucial due to the proliferating number of donors in the development industry. The international development industry currently has 37 bilateral donors and some 30 multilateral donors (German Development Institute 2004). This multiplicity of donors increases transaction costs of development cooperation for donors and partner countries and allegedly diminishes the impact of development cooperation. Numerous studies, such as the 2003 DAC Needs Assessment Survey, have confirmed that the principal burden of developing countries was donor driven priorities and procedures. In this case donor coordination could help lower transaction costs that emanate from the preparation of development projects, their implementation, monitoring and evaluation. These costs could be lowered by reducing the multiplicity and diversity of activities through the harmonization of donor procedures (German

Development Institute 2004, 2) The DAC has calculated that a typical African country has to prepare around 2,400 quarterly reports to different development agencies (OECD, DAC 2004). If recipient governments are relieved of having to respond to multiple donors' numerous mechanisms; they will have more time and resources to develop their own approach according to their own concerns.

Uncoordinated aid flows in low-income countries highly dependent on aid and with a lack of national leadership in aid management all contribute to hindering good governance and institutional development. Coordination can also prevent recipient governments from tying their limited capacities in multiple accounting and reporting mechanisms of different donors.

Nevertheless, for donor coordination to be effective, donors have to accept that their role is to empower recipient countries to develop their country-owned poverty reduction programs prior to interaction with donors (Dante 2002, 3). This will help to break the control that donors have over developing countries. Furthermore, donor coordination that is beneficial to low-income countries will depend on the establishment of true partnerships, where donors accept country-led development strategies and empower recipient governments to design and implement these strategies in an inclusive manner. Incoherence among donors has encouraged aid to be driven by donor's own priorities, which in turn hinders real partnership.

Implications of donor coordination

What does donor coordination imply for recipient countries? What does it imply for country ownership and how does it modify the power relations between donors and recipients? Skeptics have underlined the risks that greater cohesion mask: an alignment of all donors behind a strategy defined and implemented by BWIs without the consultation of recipient countries and their national stakeholders. Thus, an allegedly democratic and participative process would become authoritarian by denying a space for pluralism, and the articulation of alternative strategies to poverty reduction. Donors, by channeling all their resources through PRSPs are able to ensure that low-income countries are unable to find alternative

policy advice and financing for poverty reduction (Guttal and Chavez 2003). If all donors become integrated into one unique framework, controlled by the BWIs which have and continue to impose a development vision based on the Washington Consensus, the space for debate and political arbitration will be limited. Furthermore, bilateral donors risk lining up with the BWIs and their macroeconomic conditionalities, leaving the principles of ownership far behind. As one can observe, donor coordination or harmonization can serve as a tool for donors, enabling them to retain considerable control of the development process of countries receiving their aid (Reality of Aid 2004). The GDI underlines that donors can therefore be more efficient in persuading partner countries to accept structural reforms.

On the other hand, the new requirements for enhanced donor coordination may unintentionally imply a greater load for an already overcharged and under-resourced public sector. Governments risk being overwhelmed by new demands involving the redesign of audit and monitoring and evaluation systems. Hence, at the end, the transition from the traditional way of managing ODA to the new method dictated by donors will probably put more stress on countries in terms of the resources needed for establishing a more coordinated procedure for managing aid.

Moreover, the GDI points out the danger of all donors acting erroneously in a coordinated fashion, hence producing disastrous results. If several donors pool their contributions in the form of budget aid and it is not used efficiently because of recipient countries inadequate planning, implementation and monitoring capacities, the effects may be highly negative. This type of argument implies that donor coordination may not be effective for low income countries with limited monitoring capacities.

PRSPs have been predestined to become the primary instrument for coordination between donors and national stakeholders in recipient countries. But, will donors base their alignment on their partner country's national development strategies or will recipient countries be forced to implement donor policies and agendas? If donor coordination is to be effective, it must not overtax the partners' ownership

and capacity by imposing donor methods. Donors can assist partners by providing technical assistance without over-aiding or reducing incentives for partners' to make efforts on their own.

Finally, effective coordination demands willingness on the part of donors to participate in donor-donor and donor-partner dialogues (German Development Institute 2004). They must voluntarily put their interests last if donor coordination is to be successful. But is this possible? Donors each have their personal interests and their own agenda. It may be a little idealist to believe that they will set their interests aside, especially when they are accountable to the tax payers and citizens of their respective countries. Considering the unbalanced power relations currently present in the donor-recipient relationship, it is important to question if and how donor coordination might shift these power relations. Previously, recipient countries had some influence, being able to play donors against each other to their convenience, but with donor coordination more power might be shifted to the donor side. Concerning the MDGs, donor coordination implies concerted efforts on achieving the Goals, but what if partner recipient countries have other priorities. In this case, they risk not being addressed. If donors and recipient countries were equals in their partnership, donor coordination could be highly promising and effective.

As one can observe, aid effectiveness is not solely a technical matter, hence it should not be limited to actions focusing on the harmonization of procedures. Behind the premise of aid inefficiency due to lack of coordination and coherency between donors, also lies the issue of power within the donor-recipient relationship and a western development vision that has been imposed as being the only model for achieving poverty reduction. One cannot deny that uncoordinated aid and the multiplicity of procedures are hindering the effectiveness of aid. Nevertheless, the development industry must address how most donors subjugate aid to their own interests and their conception of development. Aid effectiveness demands a radical transformation of the goals of official development assistance and allocation methods. Above all, ODA must provide support for national policies and strengthen local ability to develop public policies that promote poverty reduction.

The PRSP's principle of participation and partnership

One of the prerequisites that the PRSP have to fulfill is that they should set up participatory processes for developing poverty reduction strategies. Participatory processes imply the active involvement of national stakeholders from all sectors of society in the design, implementation and monitoring of poverty reduction strategies. In this regard, the PRSPs constitute an attempt to confer democratic legitimacy on policy reforms. The traditionally top-down, authoritarian and centralizing approach to economic deregulation and policy reform has proven to be ineffective in producing long-term poverty reduction over the years. According to J.D. Naudet (2003), the increasing emphasis on the role of civil society underlines a shift from “national particularism” to “plural affiliation”. He claims:

“The duty for solidarity by aid institutions is being addressed less and less to states, and more to individuals and civil institutions. The result is the ‘humanitarianization’ of development aid as the frontier between the two poles of intervention becomes less and less clear” (Naudet 2003, 223)

In the past, foreign experts played a large role in defining recipient countries' national policies and in the case where these policies were subject to negotiation, low-income countries possessed narrow margins for maneuver. Information available to citizens was highly limited and most documents used for negotiations were confidential. Nevertheless, the development industry's past experiences have proved that policy-reform does not succeed without local ownership and stakeholder participation. Donors have acknowledged the importance of understanding the socio-political, cultural, institutional as well as economical context of recipient countries.

The PRSPs attempt to take into account these lessons and respect the principles of ownership, empowerment and accountability. The principle of ownership emphasizes that participation is an affair of the state; therefore, governments should be strongly committed to ensuring the role of civil society in the definition and the monitoring of policies. In turn, empowerment aims to give the poor the opportunity to influence policies that have a large impact on their condition. Hence, participatory processes should contribute to ameliorating the quality of the

political debate and to the definition of a poverty reduction strategy efficient in meeting the poor's social needs (Cling and al. 2003, 152). Furthermore, participation implies that all stakeholders are welcomed to discuss government policies. Apart from donors and recipient governments, the large panoply of civil society should be involved in the process. This refers notably to vulnerable groups of society such as the handicapped, the young, women and indigenous groups, as well NGOs, community organizations, trade unions, academic institutions and the private sector.

But what do the IFI's mean when they use the term participation and who should be involved? The World Bank defines participation as:

“The process through which stakeholders influence and share control over priority setting, policy-making, resource allocations and access to public goods and services. There is no blueprint for participation because it plays a role in many different contexts, different projects and for different purposes” (Tikare, Youssef, Donnelly-Roark and Shah 2001, 3).

It is important to point out that the IMF and the World Bank do not explicitly specify whether the participative process will be solely of a consultative nature, or if it will include decisional power. For the most part, participation does not include input in financial programs or macroeconomic planning. The definition of participation is often an interpretation of the organizational culture defining it. It has often been characterized as a means and an end and is viewed as a necessary process for correcting the power imbalances that characterize development initiatives and practices. Nevertheless, there is not any consensus over whether participation is appropriate in all development interventions.

On the other hand, the World Bank does not clearly define the term “civil society”. However, it believes that three elements are essential for ensuring effective civil society participation at the national level. First of all there is legitimacy of the civil society representative, which must be recognized by the public as being so. Secondly, the group must represent the interests and the needs of its constituency. Finally, the civil society representative must have the organizational and analytical capacity necessary to realize its objectives (Tikare and al. 2003). Generally, NGOs are considered to be the only representatives of

civil society even if they often lack the legitimacy, capacity and representativeness (Cling and al 2003, 171). The World Bank views the private sector as being a stakeholder and an independent group/actor, while other institutions view it as being part of civil society.

The BWIs evaluate the degree of participation by focusing of the following elements: participatory processes within governments, national civil society involvement, support from bilateral and multilateral development partners, the presence of mechanisms for consulting the poor and plans for dissemination the PRSPs (Cling and al. 2003, 155). Nevertheless, these do not constitute clear and detailed standards for evaluating the quality of participation in the preparation of PRSPs.

The PRSPs principle of participation implies significant changes in the way national affairs are managed. The new international poverty reduction strategies favor the right to information and expression, tackling one of the key manifestations of poverty, exclusion and marginalization (Cling and al. 2003, 14). This principle has the potential of addressing the lack of democratic institutions in “developing” countries. It should redistribute power, benefiting civil society organizations in decision-making, implementation, monitoring and assessing policies. This process also has the potential of increasing state accountability before its citizens.

Nevertheless, participation is a highly political process and its impact will depend on local context. Most development organizations remain hesitant to what they believe is “political aid”. Many practitioners continue to believe that poverty reduction strategies and development programs are politically neutral. The truth is that the development endeavor has proven to be a highly political enterprise. Implementing the principle of accountability, empowerment and ownership, risks creating multiple conflicts of interest within civil society and between other national stakeholders. The Bretton Woods Institutions have not addressed these risks or identified any instruments for dealing with this problem. Up to date, the World Bank and the IMF have identified themselves as being apolitical institutions, and have therefore attempted to avoid entering the political arena.

Since the IFIs are limited by their economic mandate, they cannot directly engage in purely political reforms such as democratization. By pushing for participation, they inevitably enter highly politicized territory. However, their incursion is limited, since the PRSPs do not take into account conflicts of interest, the need for mediation and the implications for the state. Donors have to consider that government ownership does not translate into citizen ownership and vice versa. Furthermore, participatory approaches imply that the exercise of decision-making power at the local level is as legitimate as it is at the national level (Jennings 2000). This leads us to question if the idea of a participatory process remains a utopian ideal.

Furthermore, the political nature of this process and the lack of attention given to these issues, risks producing two unintended outcomes. On the one hand, there is the risk that those exercising the greatest power at the national level (the elite) impose their point of view on politically weaker stakeholders. This implies that these less powerful groups will have to conform to a mere consultative role in the process. On the other hand, in attempt to avoid conflicts of interest, governments may be enticed to avoid and ignore difficult and socially divisive issues during the participatory process, making poverty reduction strategies less effective (Cling and al 2003, 173). The participatory process of the PRSPs creates democratic demands in “developing” countries that the IMF and the World Bank, as apolitical institutions, refuse to address. On another hand, the insertion of external donors between civil society and national governments risks debilitating the influence of local CSOs in setting national priorities and rendering governments more accountable to donors rather than to their citizens.

Furthermore, how will donors ensure that representatives from the poorest levels of society are included in a participative process? Usually the poorest and most marginalized groups in society are not sufficiently organized to be influential in policymaking. For the most part, participation has been limited to consulting prominent and well resourced NGOs on pre-prepared documents. Furthermore, why should the national government feel accountable to intermediate, unelected institutions that are not subject to any procedure ensuring representativeness? Civil society’s ability to participate in decision-making will depend on their

access to information. In various countries, initial PRSP and Interim PRSPs are not translated into local languages until the final stages of preparation, hence excluding local input during the formulation process (Chavez and Guttal 2004). Furthermore, it is not participation if the purpose is to engage local populations and civil society in order to convince them of the legitimacy of a program or action plan they took no part in creating.

Moreover, the lack of technical capacity in many low-income countries means that frequently donors and external consultants end up being the ones preparing the poverty reduction strategies. Very often, donors appoint several international consultants specialized in sectoral issues in order to fill in capacity gaps. This poses great problems to the principle of ownership and empowerment. Donors and partner countries must establish measures for training and provide technical and financial support to associations. Hence, it is essential that local technical and institutional constraints be addressed and dialogue between the different stakeholders be guaranteed in order to assure that the principles of participation, ownership and accountability are upheld.

The PRSPs also confer an essential role to the state. SAPs were aimed at reducing the role of the state through internal and external economic liberalization. On the contrary, poverty reduction strategies claim to reinforce, at least rhetorically, the role of the state and its autonomy in defining and applying economic policy. Furthermore, PRSP make national governments the pilot and leader of the participatory process. The BWI efforts to rehabilitate the state have raised opposition from those who consider that the state should no longer be viewed as the center for policy formation.

The emphasis that is placed on participatory process has resulted in a confusion concerning the responsibilities of the state. After almost two decades of “less state” philosophy one must question if it has the capacity of assuming this role. The development industry must address the need to reinforce the state, in light of its new responsibilities. Institutional and organizational capacity constraints and elevated costs of managing and mobilizing the large panoply of national stakeholders constitute large obstacles to the sustainability of the process.

Moreover, in order for the state to efficiently assume its new responsibilities under the PRSP process, it is important that it obtain greater autonomy in managing external aid flows. The impact of these changes will depend on the quality of public institutions in recipient countries.

As one can observe, the development industry is increasingly emphasizing that solutions to poverty must be reached through partnerships with recipient governments and local stakeholders. These partnerships must be characterized by a more equitable relationship between donors and recipient countries. Unfortunately, there is no consensus on what partnership really implies or who it involves. Is WB approach to partnership supposed to focus on building a strong relationship with the State or with civil society and other local non-state actors?

In sum, PRSPs have the potential of facilitating more inclusive public debates and dialogues on policy-making, but this by itself will not ensure that policies will be aimed at achieving pro-poor outcomes (Vandemoortele 2004). UNDP studies on the agency's role in the PRSP process found that there was little correlation between the degree of participation and the policy content of national PRSPs (UNDP 2003). Furthermore, while the consultations and open dialogue that the PRSPs promote between low-income countries and donors constitute an opportunity for important debates on national poverty reduction strategies, these occasions must not turn into a routine of compliance with rules and conditionalities associated with the technocratic issues surrounding aid. Structural reform and organizational learning is essential if organizations such as the World Bank are to truly adopt sustainable "people first" participative approaches. One must therefore question whether the organizational imperatives of the development industry will create a space for implementing true participative methodologies in the design and realization of poverty reduction strategies.

Conclusion

The Poverty Reduction Strategy Papers have the potential of facilitating a more balanced relationship between donors and recipient countries. However, the development industry's new rhetoric raises several contradictions. First of all,

policy dialogue between donors and recipient countries is not devoid of conditionalities. On the contrary, conditionalities are still present in the PRSP framework. Today, they concern above all, the outcomes of poverty reduction and not just measures to be adopted. Critics sustain that poverty is being used as an alibi with the objective of ensuring the reproduction of neo-liberal economic model in low income countries. The influence that the IFI's have in the definition national poverty reduction strategies policies is exercised through their attempts to improve aid efficiency. This overarching objective represents *de facto* new ways for imposing economic conditionalities.

Most PRSPs present a policy framework very similar to the one prescribed during the structural adjustment era. The influential players of the development industry continue to believe that growth is the panacea to poverty and that macroeconomic stability, financial regulation, and trade liberalization are its prerequisites (Vandemoortele 2004). Poverty reduction continues to be perceived as "an automatic by-product" of economic growth (Vandemoortele 2004, 18). Hence, not much has changed in practice, and on the industry's views on development. We are witness to an evolutionary rather than a revolutionary process which involves participation and dialogue with national actors and stakeholders, at least in rhetoric (Booth, Mosely 2003).

Donors assume that since PRSPs are meant to enforce the principle of shared ownership among different national stakeholders, pro-poor commitments will necessarily be addressed. Nevertheless, low-income countries face numerous institutional constraints which limit the quality and success of this instrument. Furthermore, the ambiguity concerning the arbitration of conflicts of interest, the confusion surrounding the new role of the state, the lack of attention paid to inequalities and redistribution, together with the capacity gaps in monitoring, reflect the weaknesses of PRSPs and their uncertain future. Consequently, the PRSP's emphasis on poverty reduction and participatory processes risks being of a marginal influence in future development programs.

Through the PRSPs, one can once again witness the World Bank's capacity to mobilize the development community around the frameworks that it designs. Not

much has changed in the modus operandi of the Bretton Woods Institutions, despite their newfound commitment to poverty reduction. Unfortunately more than fifty years of practice makes it difficult for an organization or an industry to change their behavioral patterns, despite all good intentions. However, not all is negative; some winds of change are blowing. Today, the development industry's discourse acknowledges that if aid is to be more effective, it is important that recipient countries possess ownership over their policies and poverty reduction strategies etc. However, there is a long distance from rhetoric to practice.

Conclusion

Past failures in the development endeavor and the aid fatigue that they produced have consequently led to the adoption of a new set of normative and alternative concepts (partnership, ownership, accountability etc.) but have not translated into a change in the underlying ideology and practice. The new rhetoric surrounding development assistance suggests a profound shift in aid relationships and the distribution of power among actors. Nevertheless, it falls short of producing real change, rather it reveals a process whereby alternative development concepts have been conceived and incorporated into the mainstream in a process of hybridization between alternative and orthodox discourse (Pieterse 1998).

In 2001, Brock, Cornwall and Gaventa stated:

“This process, whereby dominant narratives are constantly reshaped by their absorption of elements of counter-narratives, has given rise to the articulation of new variants that appear to offer a convergence of competing agendas, recasting elements of older approaches in an evocative new story-line that appears to have appeal across the board. Orthodox approaches have continued to propound a foundational narrative in which economic growth is the solution to development reducing poverty through trickle-down of the benefits of growth (Brock and al., 2001).

At the end of this analysis, we are led to the conclusion that there has not been significant change in terms of practice as a result of the implementation of the NPA. The New Poverty Agenda and all its instruments appear to be an attempt to diffuse criticism and attack by appropriating its opponent's main tenets and terminology. The present discourse is repackaged and reinvented to such a degree that it is able to appease actors and numerous critics with different ideological, and political backgrounds, thereby reducing pressure for fundamental change and at the same time, guaranteeing the survival and reproduction of old orthodoxies and ideologies.

Hence, even with the appropriation of alternative and normative concepts, development practice is still dominated by the quest for growth through macro-economic stability, liberalization and privatization. It has adopted this rhetoric in view of assuming the legitimacy to intervene in “developing” countries.

Dominating IFIs continue adopting processes like the PRSPs that are IMF/Bank-owned and operate with minimal inputs from recipient governments and even less from civil society. Despite the evolutions in development discourse, the same model and paradigm is being promoted and the MDGs and PRSPs are being supported because they do not fundamentally go against this model.

Technocratic and apolitical agenda

Moreover, the development industry's new discourse on poverty reduction is based on a fictional, apolitical environment where all stakeholders have the same capacity and influence in decision-making. This conceals the imposing power asymmetries present in today's aid regime. In the past, but increasingly within the last two decades, poverty reduction has been transformed from a political endeavor, relying on structural change and redistribution, to a question of global management techniques. The MDGs and the PRSPs demonstrate the manner in which poverty reduction has become a depoliticized management project, void of important issues such as power, equality and redistribution. This new agenda transforms poverty, a political problem, into a technical one by associating it with scientific knowledge and management and therefore legitimizing political action in the process (Storey and al. 2005).

Nevertheless, we have observed that poverty reduction is a highly political affair. It involves shifting relations of power, providing access to state resources and altering legislative frameworks in order to ensure greater opportunities for the poor. Poverty alleviation will necessarily create winners and losers in the process and numerous conflicts of interests to be dealt with. Current policy instruments and frameworks have treated this issue as a triviality, contributing to the ineffectiveness of numerous initiatives.

Development practitioners need to address the implications of power in their work and relations within their own organizations and their partners. It is essential to understand how power is exercised when shaping the discourse behind policy processes. Today development discourse and practice continues to be molded by powerful actors in the "developed" world. Since most donors and development

agencies follow World Bank guidelines, hegemony over discourse limits alternative debates and perspectives²⁷. Intermediary organizations such as NGOs can also address the ways in which power influences their work and partnerships and therefore learn to negotiate and refuse aid conditions that undermine their autonomy (Hinton and Groves 2004, 140). Civil society and community based organizations can study these power structures and use this knowledge to build alternative sources of power (Chambers and Pettit 2004, 141).

Organizational imperatives and learning

Unfortunately, the organizational imperatives of development agencies (the primary one being survival) go against the mission of developing autonomous local processes. These organizational imperatives are strongly woven into the power dynamics that exist within the donor-recipient relationship.

Despite the strong external consensus on the importance of organizational change within organizations such as the Bank and the UN, diverging demands among the multiple actors and stakeholders hinder the possibility of achieving a coherent reform strategy, produced from the outside (Leiteritz and al. 2005). The organizational requirements and overall culture of institutions such as the World Bank and the UN, characterized by “approval culture” and “disbursement imperatives”, have prevented the development industry from responding efficiently to evolving demands and priorities. Furthermore, they have created a dependency on universal, technocratic blue-print models that are unsustainable and have failed to achieve significant advances in poverty reduction. This organizational culture limits the extent to which reform efforts within the organization translate into deep behavioral shifts and fundamental changes in the underlying ideologies, norms and values that dictate its practices.

An organization’s ability to change and evolve depends upon the capacity of its staff to learn and envision change. Katherine Pasteur and Patta Scott-Villiers (2004) argue that the gaps between language and practice can be closed through developing new forms of learning. The objective of organizational learning is to

²⁷ In order for a discourse to possess a hegemonic quality in Gramsci’s terms (1971), it must move beyond contests over meaning to unquestioned acceptance (Cornwall and Brock, 2005).

create the environment for rethinking basic organizational principles and values (Chambers and al. 2004). The problem is that generally, most aid organizations do not have the incentives to implement such internal learning processes. Most businesses possess far greater incentives to satisfy their immediate customers than development agencies possess to meet the needs of the poor (Chambers and al. 2004, 151). For example, NGOs are often far more accountable to their donors than to their clients, the people they aim to help. Furthermore, aid organizations, unlike businesses, usually survive despite the impact, consequences and results of their initiatives. Hence, there is little encouragement for development agencies to facilitate learning from below, since upward accountability²⁸ has assured organizational survival and perpetually reproduces the status quo or organizational adaptation.

Closing thoughts

Up until now, the New Poverty Agenda and the adoption of MDGs and PRSPs constitutes an adaptation strategy implemented by the leading players in the development industry in order to ensure the reproduction of a development model that has not worked to the advantage of “developing” countries. Donors continue blaming their unsatisfactory performance on inefficient management practices rather than looking to the inherent flaws in their strategies and approaches.

The aid industry has continuously searched for the “right” formula or method for achieving development. Nevertheless, this attachment to blueprint thinking and an engineering model has kept it from producing any long-term advances. After five decades of efforts, it has become crystal clear how complex development is. Nevertheless, practice continues to entail the process of systematically engineering change by controlling variables and incentives, removing constraints and setting timeframes in hopes that through these actions countries will climb out of poverty traps and achieve modernization. Even though experience has taught

²⁸ Upward accountability or accountability upwards usually refers to recipient governments, CSOs being accountable to donors, IFIs etc. It can also refer to NGOs being accountable to their donors. On the other hand, downward accountability usually refers to donors being accountable to their clients or beneficiaries.

us that development is not easily measurable or quantifiable in any reasonable timeframe, development agencies continue applying these methods in practice.

The arrival of the MDGs and PRSPs at the top of the New Poverty Agenda demonstrates once again that procedures and models for change continue to be based on reductionist paradigms that fail to view development as a complex system (Hinton 2004, 210). Furthermore, we can observe that planning continues to be viewed as a predictable process where certain inputs produce results in specific time-frames. The PRSP is another example of how the industry's technical agenda dominates and overshadows the important political issues surrounding poverty reduction and leaves them unaddressed.

The past development agenda in which structural adjustment dominated discourse and practice has mutated into the New Poverty Agenda's PRSP. The poverty analysis presented in PRSPs is not of a structural nature, the issues concerning redistribution, of resources, income, human capital and power are not addressed by this policy instrument (Cornwall and Brock 2005). Furthermore, methodological innovations such as donor coordination and participation have been added to achieve legitimacy; however the underlying neo-liberal agenda still remains unchanged. Andrea Cornwall and Karen Brock affirm that:

“They focus the gaze of development's civic audience on the centre of the state, where the PRSP consultation circus is being enacted in the services of a benign set of goals, firmly framed in an assimilated, yet foreign, language of moral imperative. Watching this show-speculating on what PRSPs might offer development via their intended and unintended consequences-helps us forget the street outside the theatre, the world outside, and the action backstage. (Cornwall and al. 2005, 13)

Participation has legitimized the PRSPs rather than challenge this new development project. We are witness to participation without change, consequently reinforcing power relations by failing to address its politics. PRSPS exemplify a continuous, technical and depoliticized agenda, valued for being unthreatening to deeply entrenched interests. It renders poverty reduction, a highly political issue, into a low-risk technical endeavor. Instead of building new partnerships and realizing genuine participation at all levels, the implementation of PRSPs adds yet another conditionality on recipient countries without increasing their capacity to change the global context that is highly influential to their ability

to reduce poverty. Moreover, the totalizing nature of the PRSP policy model has become deeply rooted, consequently creating a “there is no alternative” mentality and limiting the capability of imagining other kinds of policy approaches. We are in need of an alternative analysis of poverty, one which addresses its political nature and focuses on inequality, redistribution and political and social exclusion.

This thesis concludes that on its present path and form, the NPA risks becoming a missed opportunity in terms of realizing real change and achieving progress in poverty alleviation. The NPA fails in terms of genuine change because it does not contain a critique of the predominant ideologies, such as structural adjustment, globalization, and the neo-liberal economic model, which remain intact despite this new focus on poverty (Storey, Bulloch and Overton 2005, 31). Economic growth through liberalization remains the key medium for poverty reduction and emphasis still lies on stabilization. The NPA instruments (MDGs and PRSPs) have failed to address the exogenous factors such as trade, finance and donor responsibility. Responsibility for poverty continues to be placed on governments and societies of the South (Storey and al. 2005, 35).

Nevertheless, a new focus on poverty represents an opportunity for change if donors are willing to move away from simplistic time-bound targets and closed consensus which impede a plurality of alternatives, and have the will to implement policies that reflect the needs and voices of the poor. The MDGs have offered a space for civil society to lift its voice and express other highly important development concerns. Furthermore, the MDGs have already demonstrated their potential in mobilizing resources for poverty reduction. The New Poverty Agenda can also provide the leverage that civil society needs for pressuring development organizations and Northern government to move past rhetoric and adopt their principles in practice. One must acknowledge that the MDGs have succeeded in bringing the international community and the development industry together to focus on the challenges of poverty reduction and the resources needed for overcoming them.

True participation, ownership and empowerment should not be viewed as a means to economic growth but an end in itself. Hence, this alleged new consensus must

be challenged and debate must be fostered in order for this rhetoric to translate into effective development practice. Furthermore, a critique and alternative to the present functioning of development industry must be conceived, not just by development practitioners themselves but also by the “poor” which are the beneficiaries of this endeavor.

Bibliography

- Aid Harmonization and Alignment. 2005. "The Paris Declaration on Aid Effectiveness". The Paris High-Level Forum. Available online. www.aidharmonization.org (Consulted July 15, 2005).
- Ayres, Robert C. 1983. *Banking on the Poor: The World Bank and Rural Poverty*. Cambridge: MIT Press.
- Banuri, Tariq. 1990. «Modernization and its Discontents: a Critical Perspective on the Theories of Development ». In Frederique Apffel-Marglin & Stephen A. Marglin, eds, *Decolonizing Knowledge - From Development to Dialogue*. Oxford: Clarendon Press. 73-101.
- Berg, Elliot. 1993. *Rethinking Technical Cooperation, Reforms for Capacity Building in Africa*. New York: UNDP.
- Black, Richard and Howard White. 2003. *Targeting Development: Critical Perspectives on the Millennium Development Goals*. London: Routledge.
- Bourguignon, François with C. Morrison. 2002. « Inequality among World Citizens: 1820-1992 ». *The American Economic Review*, volume 92, no.4, (September):727-744
- Brigg, Morgan. 2002. « Post-development, Foucault and the Colonization Metaphor ». *Third World Quarterly*, vol.23, (no.3):421-426
- Brock, Karen, Andrea Cornwall and John Gaventa. 2001. « Power, Knowledge and Political Spaces in the Framing of Poverty Policy ». IDS Working Paper 143. Brighton: Institute of Development Studies. Online. <http://www.ids.ac.uk/ids/> (page consulted on November 5, 2005)
- Cassen, Robert. 1986. *Does aid work? : Report to an Intergovernmental Task Force*. New York: Oxford University Press.
- Chambers, Robert and Jethro Pettit. 2004. « Shifting Power to Make a Difference ». In Leslie Groves and Rachel Hinton, ed., *Inclusive Aid: Changing Power and Relationships in International Development*. London: Earthscan, 137-162.
- Chavez Malaluan, Jenina Joy and Shalmali Guttal. 2003. "Poverty Reduction Strategy Papers: A Poor Package for Poverty Reduction" Focus on the Global South. Available online. <http://www.focusweb.org> (consulted May 3, 2005).
- Focus on the Global South. 2004. "Anti Poverty or Anti Poor: The Millennium Development Goals and the Eradication of Extreme Poverty and Hunger". Available online. <http://www.focusweb.org> (consulted March 25, 2005).

- Clark, Robert. 2005. *Victory Deferred: the War on Global Poverty (1945-2003)*. Lanham, Md.: University Press of America.
- Cling, Jean Pierre, Mireille Razafindrakoto and François Roubaud. 2003. *New International Poverty Reduction Strategies*. London: Routledge Taylor & Francis Group.
- Comprehensive Development Framework Secretariat. 2003. "Getting Serious about Meeting the Millennium Development Goals". World Bank. Available online. www.worldbank.org (consulted December 15, 2004).
- Cornwall, Andrea, and Karen Brock. 2005. "Beyond Buzzwords: Poverty Reduction, Participation and Empowerment in Development Policy". UNRISD: Overarching Concerns Program Paper Number 10, November 2005. Available online. www.unrisd.org (page consulted December 3, 2005).
- Cox, Aidan and John Healey. 2003. « The Poverty Reduction Strategies of the Development Cooperation Agencies in the 1990s: Their Record and What They Need to Do ». In Anne Booth and Paul Mosley, Ed., *The New Poverty Strategies*. New York: Palgrave Macmillan. 21-43.
- Dante, Idrissa. 2002. "Aid Coordination and Donor Reform". Global Finance Governance Initiative: Nairobi. Available online. www.nsi-ins.ca/english/pdf/dante.pdf (page consulted on January 15, 2005).
- De Barra, Caoimhe. 2005. "Addressing Aid. Effectiveness: A Key. Challenge in Meeting the MDGs". Trocaire Development Review. Available online. www.trocaire.org (paper consulted on November 4, 2005).
- De Paladella Salord, Miquel. 2005. "MDGs as Friends or Foes for Human and Child's Rights", Palgrave Macmillan. Available online. <http://www.palgrave-journals.com> (page consulted November 15, 2005).
- Dichter, Thomas. 2003. *Despite Good Intentions*. Boston: University of Massachusetts Press.
- Dillon, Elish. 2003. "Accountabilities and Power in Development Relationships". Trocaire Development Review. Available online. www.trocaire.org (paper consulted on November 4, 2005).
- Dollar, David and Lant Pritchett. 1998. "Assessing Aid: What Works, What Doesn't and Why". World Bank Policy Research Report. Available online. www.worldbank.org (consulted December 15, 2004).
- Driscoll, Ruth and Alison Evans. 2005. "Second-Generation Poverty Reduction Strategies: New Opportunities and Emerging Issues". *Development Policy Review*, vol. 23, no. 1, pp. 5-25. Available online. www.odi.org.uk (Consulted December 6 2005).

- Easterly, William. 2003. "Can Foreign Aid Buy Growth?" *Journal of Economic Perspective*, vol.17, No. 3. Available online. www.nyu.edu/fas/institute/dri/Easterly/File/EasterlyJEP03.pdf (Consulted May 10 2005).
- Emmerij, Louis, Richard Jolly, Thomas Weiss. 2001. *Ahead of the Curve? UN Ideas and Global Challenge*. Bloomington: Indiana University Press.
- Erixon, Fredrik. 2005. "Aid and Development: Will it Work this Time?" International Policy Network. Available online. www.policynetwork.net (Consulted July 27, 2005).
- Escobar, Arturo. (1995). *Encountering Development: The Making and Unmaking of the Third World*. New Jersey: Princeton University Press.
- Esteva, Gustavo. (1987). « Regenerating people's spaces ». *Alternatives*, 12(1), 125-152.
- Ferguson, James. 1994. *The Anti-politics Machine: Development, Depoliticization and Bureaucratic Power in Lesotho*. New York: Cambridge University Press.
- Finnemore, Martha. 1997. « Redefining Development at the World Bank ». Chapter 7 in Fred Cooper and Randal Packard, ed., *International Development and Social Sciences*. Berkley: University of California Press.
- Foucault, Michel. 1979. *Discipline and Punish*. New York: Vintage.
- Fukuda Parr, Sakiko. 2004. "Millennium Development Goals: Why they Matter". *Global Governance*, vol. 10. University of Debrecen. Available online. www.econ.klte.hu (Consulted January 23, 2005).
- Fukuda Parr, Sakiko. 2003. « Human Development Paradigm: Operationalizing Sen's Ideas on Capabilities » *Feminist Economics* 9 (2-3), 301-317.
- Gardner, Katy and David Lewis. 2000. « Dominant Paradigms Overturned or Business as Usual? Development Discourse and the UK White Paper on International Development ». *Critique of Anthropology* 20, no. 1: 15-29.
- German Development Institute. 2004. "Donor Coordination: Basic Requirement for more Efficient and Effective Development Coordination". German Development Institute Briefing Paper. Available online. <http://www.die-gdi.de> (Consulted August 10, 2005).
- Haas, Ernest B. 1990. *When Knowledge is Power: Three Models of Change in International Organizations*. Berkeley: University of California Press.
- Haas, Peter M. 1997. *Knowledge, Power, and International Policy Coordination*. Columbia: University of South Carolina Press.
- Handy, Charles. 1988. *Understanding Voluntary Organizations*. Harmondsworth:

Penguin.

- Haq, Mahbub ul. 1976. *The Poverty Curtain: Choices for the Third World*. New York: Columbia University Press.
- Hinton, Rachel and Leslie Groves. 2004. « The Complexity of Inclusive Aid ». In Leslie Groves and Rachel Hinton, ed., *Inclusive Aid: Changing Power Relations in International Development*. London: Earthscan, 3-17.
- Hunt, Janet. 2004. « Aid and Development ». In Damien Kingsbury, Joe Remenyi, John Mckay and Janet Hunt, ed., *Key Issues in Development*. New York: Palgrave Macmillan, 67-91.
- International Monetary Fund. 2001. "Guidelines for Joint Staff Assessment of Poverty Reduction Strategy Paper". IMF-World Bank. Available online. www.imf.org (consulted March 25, 2005).
- Jennings, Ray. 2000. "Participatory Development as New Paradigm: The Transition of Development Professionalism". USAID. Available online. www.usaid.gov (Consulted July 13, 2005).
- Jolly, Richard. 2003. "Global Goals-the U.N. experience". UNDP. Available online. www.undp.org (consulted April 19, 2005).
- Kanbur, Ravi and David Vines. 2000. « The World Bank and Poverty Reduction : Past, Present and Future ». In Christopher L. Gilbert and David Vines, eds., *The World Bank, Structure and Policies*, Cambridge: Cambridge University Press, 2000, 87-101
- Kapur, Devesh, John Lewis and Richard Webb. 1997. *The World Bank: Its First Half Century*. vol.1. Washington D.C.: Brookings Institution.
- Katsianouni, Olympios. 2005. "Partnerships and the Millennium Development Goals". UNDESA. Available online. www.unpan.org (consulted September 12, 2005).
- Kauffman, Daniel, Aart Kraay and Pablo Zoido-Lobaton. 1999. "Governance Matters". The World Bank, Policy Research Working Paper 2196. Available online. www.worldbank.org (Consulted on February 11, 2005).
- Khor, Martin. 2003. "Mainstreaming Development in Trade and Finance: A Key to Global Partnership". UNDP Policy Journal. Available online. www.undp.org (consulted February 4, 2005)
- Killick, Tony. 2000. "HIPC II and Conditionality: Business as Before or a New Beginning?" Commonwealth Secretariat for Policy Workshop on Debt, HIPC and Poverty Reduction. Available online. www.odi.org.uk (consulted April 15, 2005).
- King, Kenneth and Simon A. McGrath. 2004. *Knowledge for Development*. London: Zed Books.

- Klingebiel, Stephan. 1999. *Effectiveness and Reform of the United Nations Development Programme*. London: Frank Cass.
- Latouche, Serge. 1993. *In the Wake of the Affluent Society: An Exploration of Post-development*. London: Zed Books.
- Leiteritz, Ralph with Catherine Weaver. 2005. "Our Poverty is a World Full of Dreams. Reforming the World Bank". *Global Governance*. Available online. <http://people.ku.edu> (Consulted on October 3 2005).
- Levinsohn, John. 2002. "The World Bank's Poverty Reduction Strategy Papers: Good Marketing or Good Policy?" G-24 Discussion Papers Series. Available online. www.unctad.org (Consulted April 16, 2005).
- Lewis, David. 2003. « Organisational Culture in Multi-agency Development Projects: Lessons from a Bangladesh Case Study ». *Annals of the American Academy of Political and Social Science* 590: 212-226.
- Lewis, David, Anthony Bebbington, Simon Batterbury, Alpha Shah, Elizabeth Olson, Shameem Siddiqi and Sandra Duvall. 2003. « Practice Power and Meaning: Frameworks for Studying Organizational Culture in Multi-Agency Rural Development Projects ». *Journal of International Development*, vol. 15, no. 5: 541-558.
- Lewis, David. 2001. *The Management of Non-Governmental Development Organisations: An Introduction*. New York: Routledge.
- Maxwell, Simon « Heaven or Hubris ». 2004. In Richard Black and Howard White, ed., *Targeting Development: Critical Perspectives on the Millennium Development Goals*. London: Routledge Taylor and Francis Group, 25-46.
- McGillivray, Marc. 2004. "Is Aid Effective?" World Institute for Development Economic Research. Available online. www.oecd.org (consulted June 2005)
- Miller, Margaret, Shantayanan Devarajan and Eric Swanson. 2002. "Goals for Development: History, Prospects and Costs". World Bank Policy Paper 2819. Available Online. www.worldbank.org (paper consulted on December 18, 2004)
- Miller-Adams, Michelle. 1999. *The World Bank: New Agendas in a Changing World*. London: Routledge.

- Minujin, Alberto and Enrique Delamonica. 2003. "Socio-economic Inequalities in Mortality and Health in the Developing World" *Demographic Research Journal*. Available online. <http://www.demographic-research.org> (consulted March 7, 2005)
- Mosley, Paul; Jane Harrigan and John Toye. 1991. *Aid and Power: the World Bank and Policy-based Lending*. London: Routledge.
- Mosley, Paul, John Hudson and Arjan Verschoor. 2004. « Aid, Poverty Reduction and the New Conditionality ». *The Economic Journal* 114, (496): 217-243.
- Naudet, Jean David. 2003. « Debt relief or aid reform? ». In Jean Pierre Cling, Mireille Razafindrakoto and François Roubaud, ed., *New International Poverty Reduction Strategies*. London: Routledge Taylor & Francis Group, 249-270.
- OECD. 2004. "International Development Statistics On-line". Available online. www.oecd.org (consulted on May 15, 2005).
- Overseas Development Institute. 2005. "Incentives for Harmonisation in Aid Agencies".. Available online. www.oecd.org. (consulted October 9, 2005).
- Pasteur, Katherine and Patta Scott Villiers. « Minding the Gap through Organizational Learning ». In Leslie Groves and Rachel Hinton, ed., *Inclusive Aid: Changing Power and Relationships in International Development*. London: Earthscan, 181-199.
- Peet, Richard. 1999. *Theories of Development*. New York: The Guilford Press.
- Pender, John. 2001. « From Structural Adjustment to Comprehensive Development Framework: Conditionality Transformed ». *Third World Quarterly* vol.22, (no.3): 397-411.
- Pieterse, Jan Nederveen. 1998. "My Paradigm or Yours? Alternative Development, Post-Development, Reflexive Development". *EconPapers*. Available online. <http://econpapers.repec.org> (consulted on July 18, 2005).
- Pieterse, Jan Nederveen. 2000. After Post-development. *Third World Quarterly*. 21 (2): 175-191.
- Pieterse, Jan Nederveen. 2001. *Development Theory: Deconstructions/Reconstructions*. London: Sage Publications.
- Piron, Laure-Hélène and Alison Evans. 2004. "Politics and the PRSP Approach: Synthesis Paper". Overseas Development Institute. Available online. www.odi.org.uk (Consulted October 25, 2005).

- Radelet, Steven. 2004. "Aid Effectiveness and the Millennium Development Goals". Center for Global Development, Working paper #39. Available online. www.eldis.org (consulted February 4, 2005).
- The Reality of Aid Project. 2004. "Reality of Aid Report 2004: Focus on Governance and Human Rights". Available online. www.realityofaid.org (consulted May 17, 2005).
- Remenyi, Joe. 2004. « What is development? ». Damien Kingsbury, Joe Remenyi, John Mckay and Janet Hunt, ed., *Key Issues in Development*. New York: Palgrave Macmillan, 22-44
- Remenyi, Joe. 2004. «Poverty and development: the struggle to empower the poor ». Damien Kingsbury, Joe Remenyi, John Mckay and Janet Hunt, ed., *Key Issues in Development*. New York: Palgrave Macmillan, 190-220.
- Remenyi, Joe. 2004. « The economics of development ». In Damien Kingsbury, Joe Remenyi, John Mckay and Janet Hunt, ed., *Key Issues in Development*. New York: Palgrave Macmillan, 115-141.
- Rist, Gilbert. 1997. *The History of Development: From Western Origins to Global Faith*. London: Zed Books.
- Robb, Caroline. 2003. « Changing Power Relations in the History of Aid ». In Leslie Groves and Rachel Hinton, ed., *Inclusive Aid: Changing Power Relations in International Development*. London: Earthscan, 21-42.
- Sachs, Jeffrey D. 2005. *The End of Poverty*. New York: The Penguin Press.
- Sandmo, Agnar. 2003. "Environmental Taxation and Revenue for Development". United Nations University. Available online. <http://www.wider.unu.edu> (Consulted August 2, 2005).
- Santiso, Carlos. 2001. "Good Governance and Aid Effectiveness: The World Bank and Conditionality". *The Georgetown Public Policy Review*, vol.7, no.1. Available online. www.eldis.org. (Consulted April 21, 2005).
- Satterthwaite, David. 2003. "The Millennium development Goals and Local Processes: Hitting the Target or Missing the Point?" International Institute for Environment and Development. Available online. www.iiied.org (Consulted February 5, 2005).
- Sen, Amartya. 1985. *Commodities and Capabilities*. New York. Oxford University Press.
- Siemiatycki, Elliot. 2005. Post-development at the Crossroads: Towards Real Development. Undercurrent. Available online. <http://www.undercurrentjournal.ca> (Consulted December 3, 2005).

- Stiglitz, Joseph E. 2002. *Globalization and its Discontents*. New York: W.W. Norton and Company.
- Storey, Donovan, Hannah Bulloch, and John Overton. 2002. "The Poverty Consensus: Some Limitations of the Popular Agenda". Institute of Development Studies. Available online. www.devnet.org (Consulted October 3, 2005).
- Streeten, Paul with Shahid Burki, Mahbub ul Haq, Norman Hicks and Frances Stewart. 1981. *First Things First: Meeting Basic Human Needs in Developing Countries*. New York: Oxford University Press.
- Tikare, Seema, Deborah Youssef, Paula Donnelly-Roark and Parmesh Shah. 2001. "Organizing Participatory Processes in the PRSPs", in World Bank, "A Sourcebook for Poverty Reduction Strategies". Available online. www.worldbank.org/povert/strategies/chapters (Consulted March 22, 2005).
- United Nations. 1960. General Assembly Resolution 1710: United Nations Development Decade: A Program for International Cooperation. Available online. www.un.org (Consulted February 5, 2005).
- United Nations. 1970. General Assembly Resolution 2626: International Development Strategy for the Second United Nations Development Decade. Available online. www.un.org (Consulted February 5, 2005).
- United Nations. 1980. General Assembly Resolution: A/RES/35/36: International Development Strategy for the Third United Nations Development Decade. Available online. www.un.org (Consulted February 5, 2005).
- United Nations. 1990. General Assembly Resolution: A/RES/45/199: International Development Strategy for the Fourth United Nations Development Decade. Available online. www.un.org (Consulted February 5, 2005).
- United Nations. 2005. "International Conference for Financing Development". Available online. www.un.org (consulted October 23, 2005).
- UNDP Development Policy Journal. "Millennium Development Goals". UNDP. Available online. www.undp.org (consulted May 5, 2005).
- UNDP. 2003. "Evaluation of the UNDP's Role in the PRSP process". UNDP Evaluation Office. Available online. www.undp.org (consulted May 22, 2005).
- UNDP Human Development Report Office. 2003. *UNDP Human Development Report 2003: Millennium Development Goals: A Compact among Nations to End Human Poverty*. New York: UNDP Publications.
- Vandemoortele, Jan. and Rathin Roy. 2004. "Making Sense of MDG Costing".

- UNDP. Available online. www.undp.org (Consulted March 15, 2005).
- Vandemoortele, Jan. 2005. "Ambition is Golden: Meeting the MDGs". Available online. www.eldis.org (Consulted July 15, 2005).
- Vandemoortele, Jan. 2004. "Can the MDGs foster a new partnership for pro-poor policies?" Available online. www.undp.org (Consulted March 15, 2005).
- Van der Hoeven, Rolph. 2003. « Poverty and Structural Adjustment: Some Remarks on Tradeoffs between Equity and Growth ». In Anne Booth and Paul Mosley, *The New Poverty Strategies: What They Have Achieved and what Have We Learned*. New York: Palgrave Macmillan, 60-84.
- Watkins, Kevin and Juliana Amadi. 2004. « Aid Trade and Debt : How Equal is the Global Partnership ? » In Richard Black and Howard White, ed., *Targeting Development: Critical Perspectives on the Millennium Development Goals*. London: Routledge, 323-353.
- Wilks, Alex and Fabien Lefrancois. 2002. "Blinding with Science or Encouraging Debate? How World Bank Analysis Determines PRSP Policies". Available online. www.eldis.org. (Consulted March 15, 2002)
- Wolfensohn, James. 1998, "The Other Crisis: Address to the Board of Governors". Available online. www.worldbank.org (consulted on January 9, 2005).
- World Bank. 1988. World Bank Annual Report. Available online. www.worldbank.org (consulted March 4, 2005)
- World Bank. 2000. "World Development Report 1999/2000: Entering the 21st Century". Available online. www.worldbank.org. (consulted January 25, 2005).
- World Bank. 2001. World Development Report 2000/01: Attacking poverty. Available online. www.worldbank.org (consulted February 5, 2005).
- World Bank. 2005. "Global Monitoring Report 2005: Millennium Development Goals: From Consensus to Momentum". The International Bank for Reconstruction and Development. Available online. www.worldbank.org (consulted May 4, 2005)
- World Bank Operations Evaluation Department. 2003. "Annual Review of Development Effectiveness". World Bank. Available online. www.worldbank.org (consulted January 5, 2005).

Frequently visited websites:

www.iied.org

www.tandf.co.uk

www.un.org

www.un.org/millenniumgoals/

www.undg.org

www.undp.org

www.undp.org/mdg

www.unfpa.org

www.millenniumproject.org

www.millenniumcampaign.org

www.odi.org.uk

www.worldbank.org

