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Development Effectiveness and the Politics of Commitment

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Development Effectiveness and the Politics of Commitment

Abstract:
International aid agencies have experienced a ‘political turn’ over the past decade, with political economy analyses becoming increasingly numerous as a means to drive development effectiveness. Yet aid agencies have so far failed to shift their aid modalities in response. The problem lies in an inadequate conceptualisation of ‘politics’. Most donors continue to see development as a public good, rather than as the focus of contestation in a context of societal struggle, and consequently fail to take oppositional forces sufficiently seriously. This facilitates the misapplication of terms such as ‘partnership’ and ‘ownership’, contributing to failures in efforts to promote reform. A more truly political analysis of aid intervention entails two innovations: the use of structural analysis to distinguish between interests in reform; and the use of this distinction, in turn, to inform the practice of taking sides in political struggles. Case studies of international aid programs in Cambodia and the Philippines illustrate how the failure of donors to take sides with particular reformers resulted in lost opportunities to achieve concrete outcomes from development projects.

The development effectiveness agenda has prompted a refocusing of aid agendas onto political dimensions of change and hence onto political economy as an analytical tool. The World Bank’s study of governance reform ‘under real world conditions’ and the UK Department for International Development’s (DFID)‘drivers of change’ approach exemplify this. However,
political economy insights have proved difficult for donors to operationalise and are yet to feed into substantial new departures in donor practice.¹ We explain this failure as resulting from a depoliticisation of political economy by the aid industry. Specifically, donor models treat development as a public good, essentially uncontested and objectively known, and opposition as temporary, compensatable and open to ‘partnerships’.

Taking political economy seriously requires a different understanding of development. Liberal conceptions of development portray it as a process by which poverty reduces as market access expands. Although the transition may be painful, especially to ‘vested interests’ whose traditional sources of power are eroded in the process, over the long term everyone benefits. Structuralist conceptions, by contrast, regard capitalist development as constituting the perpetual reconstruction of society through struggles between coalitions with different material and ideological interests and resources of power. Donors’ poverty alleviation projects intervene in this process, and are interpreted by recipients in terms of how they relate to ongoing struggles.

Reconceptualising development as an arena of struggle entails recognizing the need to take sides politically in order to build alliances with reformers.² This conclusion has been resisted thus far by donor agencies. Yet understanding the politics of development in this way allows donors to better understand, first, how to forge alliances that will promote the success of their project, and second, how to respond to the wider effects of their alliances on overall development trajectories. Our analysis of the politics of development implies that donors should shift from attempting to find or build dedicated drivers of change and instead work more
realistically with a range of participants. This entails tactically engaging opportunists whilst also not abandoning more idealistic drivers, such as mass movements with links to the poor.

*Development Effectiveness and the Turn to Political Economy*

The 2005 Paris Declaration on Development Effectiveness asserted the centrality of such terms as ‘ownership’ and ‘partnership’ in developmental discourses. Political analysts have debated the utility and appropriateness of these terms. One debate focuses on whether concern for ‘ownership’ and ‘partnership’ in donors’ relations with recipient government implies new relations of equality or simply a new form of donor control. Supporters of the ownership agenda see it as securing recipients’ commitment to, and responsibility for, the goals of programs. Critics see this instead as donors wanting more control over the agenda and limiting policy choices on the part of recipient governments. For Whitfield and Fraser, who has control is more critical than the agenda’s content because they consider ‘the question of whether a society can minimise foreign influence over its policymaking is logically and politically prior to questions about the quality of internal democracy and about the content of policies themselves’. Such critics rule out the possibility of donors serving as allies of the poor against predatory elites.

Further, the ‘new conditionality’ critique has spawned a large literature on the politics of development practices which principally seeks to analyse technical processes as a form of coercive ‘biopower’. Drawing on the writings of Foucault, this literature regards aid practices as comprised of myriad micro-technologies of discipline, which aim to reshape recipient
agencies in accordance with donor rationalities. Where this succeeds, it is argued, the result is to effect a depoliticisation of development by virtue of removing the bases for resistance within recipient states.

Yet the empirical record of good governance reform efforts suggests that international donors are frequently in less control of the development agenda than these authors imply. While donors do not disdain control, they achieve it less often than is supposed, leaving open political spaces for contestation over development agendas. The extent of this depends upon the way that aid money and policies function in the context of the local political economy. Different local political economies of aid elicit various, context-specific strategies of co-optation, negotiation, manipulation and outright resistance. In our case studies – the World Bank’s social accountability programs in Cambodia and the Asian Development Bank’s (ADB) slum eradication program in Metro Manila, The Philippines – we found that international donors are powerful, but not hegemonic: strategies of political resistance to donor intrusions are conceivable and frequently successfully enacted. Furthermore, the outcome of donor intrusions is not always necessarily anti-poor and retrogressive, as the Foucaultian approach suggests. Sometimes the poor can benefit from donor-sponsored poverty alleviations programs. Political economy analysis can explain the politics of resistance to donor projects.

The political economy turn has prompted the emergence of a literature on the subject, produced not only by donors themselves, but also by research institutes and think-tanks with policy and research links to donor agencies. Some individual analysts cross over between these institutions, and a number of these are critical observers of the turn, reflecting on what is
occurring. Below we discuss the applications for political economy put forward by this varied literature. Whilst Unsworth rightly indicates that there are important intellectual and institutional barriers preventing donors from acting more politically, we argue that options for political action nevertheless remain open for donors: however, they require a more adequate conception of politics itself.

Operationalising political economy

It is widely accepted that international donors have had difficulty translating political economy research insights into actionable strategies. As Unsworth makes clear, donors’ approaches have remained largely technocratic and ‘there is little evidence that it is prompting them to question their (mostly implicit) assumptions about how development happens’. These assumptions can be summarized as follows: that development is a public good, to be created by policy, rather than a politically contested process of accumulation and distribution; that development policies are objectively known by technical experts and adopted through the advocacy of enlightened actors; and that failure to recognise such policies results from information failures or from temporary perversities of incentives. Six operational outcomes of political economy analysis can be identified in the literature, which emerge from the assumptions above.

First, political economy analyses are said to enable donors to trim their ambitions for reform, to better align them with what is ‘feasible’ and ‘realistic’ in different contexts. As Unsworth observes, ‘a common experience is that political analysis can prompt country programme
managers to adjust their expectations, review overall priorities, and make changes in project
design and aid modalities’. 13 Political economy analyses are considered to equip donors to
better understand the risks of failure they face, and to cut their cloth accordingly. The World
Bank comments: ‘Because feasible solutions are sensitive to the political economy context,
they should in principle be more compatible with country ownership, a key principle of the
development effectiveness agenda’. 14 According to this account, although ‘vested interests’
may block reform in certain areas, there are also areas of consensus over the public good to be
derived from donor programs, opening opportunities for successful implementation. Donors
should confine themselves to these areas.

Two alternative approaches are based upon finding local reformers who, although working in a
suboptimal environment, recognize the public good inherent in donor programs and can push
them through, over the objections of ‘vested interests’. In DFID’s pioneering drivers of change
approach, political economy analyses are seen as equipping donors to identify others –
‘champions’ – as the owners and drivers of change. Williams et al. describe these as individuals
within political and bureaucratic elites who are ‘motivated by considerations of the greater
public good’ to ‘play a pivotal role in promoting change’. 15 Such individuals are not
necessarily powerful: they may be committed but ineffective. Also, the World Bank comments,
they may ‘have multiple agendas and issues’ and so ‘their needs, incentives, and constraints’
need to be fully understood. 16 In this approach, reform is regarded as a function of (contingent)
enlightenment by actors in key positions: once such actors become aware that development is
in the public interest, they will move to implement it. AusAID’s Developmental Leadership
Program similarly focuses on the role of ‘leaders’ in mobilizing resources and people and
forging networks and coalitions to achieve effective states, institutions and governance. There is greater attention here to the role of networks and coalitions (see below), but the dynamic is still one of aligning private interests with the public good.

The use of political economy analysis to inform effective manipulation of political incentive structures to achieve reform is the most widespread response to political economy analysis. This approach shares with the drivers of change approach the belief that reform is achieved by enlightened technocrats, given adequate resources. Whereas ‘champions’ are already committed to reform, here donors intervene to make and shape new reformers. However there has been little actual analysis ‘of how incentives and political processes operate in practice’.

Incentivisation approaches underestimate the extent to which donors’ incentives represent a relatively weak element in the high-stakes political struggles in which targeted recipients are embroiled. Moreover, as the case study of slum eradication in Metro Manila illustrates (below), donor programs are often designed to link with – and promote – the very capitalist development processes that can provide other, ‘perverse’ incentives not to participate or comply (by, for example, providing alternative revenue sources).

The fourth and fifth approaches evident in the literature see donors acting to facilitate links between interested groups to create a critical mass of reformers who can press for change. One mechanism for this is through fostering better communication between actors facilitating ‘voice’, consensus, deliberative dialogue and coalition building. In World Bank terms, information campaigns, in which donors act as ‘honest brokers’, and intensified dialogue with
key stakeholders can ‘deepen the understanding of reform issues and/or … win support’. Reform is conceptualized as a process of enlightenmen...tions are cleared away and a majority come to realize that donor programs are in the public interest and become committed to reform. Again, this approach is incompatible with our conception of donor programs as interventions in immanent class struggles over power and resources.

Another mechanism for creating a critical mass of reformers is through coalition building. Here, donors work to develop links between different pro-reform actors to support and embolden the drivers of change. For example, Booth and Golooba-Mutebi speak of ‘another kind of facilitation, namely the brokering or negotiation of difficult change processes, turning potential realignments of interest into actual realignments’. This approach depends upon the existence of ‘conditions in which an intelligent third party can expect to play a useful role, as an enabler of constructive realignments’ between actors. Once again, the idea that interests can be brought into line with donor policies through ‘constructive realignment’ suggests that such interests are malleable, and that a common interest in development can be found between groups that were previously at odds.

The closest thing to political action we find in this literature is in strategies which use political economy insights to ‘build demand’ for change among citizens. This is conceptualised as working ‘outside the state to build progressive change coalitions across civil society, the private sector and the media’. Recently, AusAID has acknowledged that its programs focus on
partner governments rather than on in-country non-state actors and has declared an intention to see how ‘engaging with civil society can help extend “ownership” beyond central government’. In this formulation, political incentives are created by citizens wielding the weapon of accountability to demand good development from politicians who want to be re-elected.

The idea that donor programs can use accountability to empowered citizens to force states to change their ways starts to resemble political action. However, as the case study of the Demand for Good Governance program in Cambodia clearly shows, donors have avoided taking sides with citizens, preferring instead to articulate their role as developing the capacity of citizens to engage constructively with government in a partnership arrangement, while skirting around issues of overt contention. Thus, the political potential of this kind of approach is supplanted by technical arrangements and partnership rhetoric to the detriment, we argue, of concrete outcomes to assist the poor.

Politics without Opposition

In bringing politics back into development then, international donors have not radically transformed their notion of development, but have rather employed a limited conception of politics. Donor discourse retains the idea that development ‘is a public good’, a set of policies that, although varied in its impact, will ultimately benefit everyone over the long-term. As Hyden notes, international donors have ‘tended to take authority, consensus and the pursuit of collective goals as givens. … The alternative that collective goals may be the negotiated
outcome of conflicts between parties with different degrees of power is never considered’. 30

From the perspective of development as a public good, the political problem is one of ensuring commitment, from target states and other ‘stakeholders’, to donors’ development agendas.

This view of development affects the conceptualisation of opposition and how it is to be handled. AusAID, for example, concedes that local priorities ‘may not match’ those of donors.31 However, like other donors, AusAID considers this disjuncture to be temporary and compensatable rather than structurally and ideologically determined. Opponents are framed as pursuing regressive self-interest at the expense of progress in the public interest. The idea that capitalist development itself attacks the material interests of certain classes in society in order to benefit others, and that therefore those classes under attack have a powerful structural interest in resistance, is never taken seriously. The possibility of structurally disadvantaged groups existing in persistent relations of subordination vis-a-vis elite actors – whether state, non-state, or community elites – is precluded. Consequently, opposition is reduced to coordination and collective action problems associated with the difficulties of transition and complexity, rather than structurally determined conflict.32

This explains the abiding influence of rational choice political economy in the donor literature. Once development is conceptualized as a public good, then politics is reduced to ‘principal-agent’ relations – the problem of getting agents (local actors) to obey the principal who knows best (the donor).33 In this framing, difficulties securing commitment emerge when individuals calculate their utility is best served by hijacking development to serve sectional interests, for example through corrupt practices. Such practices deviate from the liberal model of rational
markets, assumed to be in the public interest. The incentivisation and coalition building approaches described above advocate manipulation of actors’ utility calculations through offering direct incentives or building coalitions that can exert pressure or sanctions over particular issues. This approach ties donors to an understanding of politics as transitory conflicts between private and public interests, rather than deeply rooted conflicts produced by the emergence of structural inequalities in the process of capitalist development.34

Attention to ‘partnerships’ reflects this conception of politics without opposition. AusAID defines partnerships as ‘strategies that increase links between local communities, local government and civil society in the planning, delivery and performance assessment of local services, or plans to meet other local development challenges’.35 Such partnerships, properly organized, are portrayed as rendering political struggle both unnecessary and illegitimate. The strategies that promote partnership, AusAID contends, can be used to ‘develop collaborative rather than oppositional relationships with government on various issues’.36 The result is partnerships that are based upon ‘mutual respect, transparency, shared planning and decision-making, co-ordination and support’.37 Yet AusAID’s partnership model risks imposing forms of collaboration that disguise and marginalise conflict, rather than allowing it political expression. Indeed, AusAID makes the ability to ‘have a respected and credible voice’ contingent upon the ability to engage in approved forms of partnerships, rather than taking a ‘blunt oppositional approach’.38 Critically, this favours those who have a lesser stake in significant reform.
DFID has been the most willing of the bilateral donor agencies to countenance a politics of development with ideas about structurally produced inequality and collective struggle. A key recent focus of its work has been on the way that ‘political settlements’ embed structural inequalities into political institutions that maintain the dominance of elites at the expense of subordinate groups. Consequently, DFID’s agenda for rethinking development allows much more emphasis on struggles for power among unequal contenders. In regarding contentious ‘broad coalitions’ as drivers of change, DFID explicitly challenges ‘approaches to participation and civic engagement, which reduce such processes to technical solutions, or to notions of and processes of ‘national ownership’, achieved through non-contentious consultation and dialogue – but which veil vast chasms of differences in power and interest’. Thus DFID regards the mere provision of state-sponsored space for participation as insufficient to challenge such inequalities: the mobilization of ‘broad-based coalitions’ on their own terms is required, and this should apply to ex-ante contention over policy as well as ex-post contention over the quality of services delivered.

However, even in DFID’s relatively radical formulations we see certain restrictions imposed. First, DFID persists in viewing collective struggles as something that needs to be understood in order for donors to achieve donor goals in promoting change. Collective action is seen as a means for ‘institutional fixing’ rather than as a way to challenge the unequal power relations DFID describes. Indeed, as the term ‘political settlement’ implies, power relations are regarded as having been settled, for example through a negotiated transition from authoritarianism or civil war. Thus, ‘development’ is a project to be ‘delivered’ within settled political frameworks.
rather than constructed through further political struggle. Consequently DFID’s model remains within the ‘coalition building’ category of operations described above.

DFID fails to see the achievement of policies as an expression of ongoing struggles over the distribution of power. This is evident in DFID’s discussions of social exclusion. Rather than using the language of exclusion to challenge structurally unequal access to resources in the context of capitalist development, DFID limits its discussion of these issues to sections on ethnicity and gender. Particular and salutary attention is paid to expanding access for women, indigenous groups, ethnic minorities, dalits and so on to institutional processes.43 Far less attention is paid to a broader understanding of class-based structures of domination, and associated patterns of resource and power distribution, which would make the politics of struggle a more central and challenging problem for donors. These elisions allow a conception of the politics of development which requires a redistribution of power at the margins, to be sure; but in the interests of legitimising elite settlements at the centre. The focus is on the securing of development policy rather than embracing development politics.

Taking the insights of political economy seriously entails reconceptualising politics as a struggle between coalitions, not merely at the margins or over policy questions, but as the central dynamic in social, political and economic life, with the terms of the political settlement itself always at stake. Political economy analysis thus needs to frame development and reform as ideological constructs emerging from struggles between coalitions with different, and structurally determined, material interests and resources of power.
In the remainder of this article we suggest how this might be done via a more differentiated picture of the kinds of coalitions or alliances donors might engage in to maximize the chances of having a positive effect on the lives of poor people. Our approach is based upon two assumptions. First, it emphasizes the contingent nature of political coalitions which we regard as reflecting the interplay of structurally determined interests, distributions of resources and ideological positions, as these emerge in unfolding processes of capitalist development. We use the term ‘alliances’ rather than ‘partnerships’ to emphasise the extent to which donor relations are determined by larger struggles, rather than determining them. Second, our model regards donor actions to reduce poverty – for example, by providing services, loans or grants to the needy – as intervening in this unfolding process, rather than as constituting it. Development, in our model, is much bigger than donors and much rougher than donors care to get; but donor interventions can sometimes produce concrete outcomes which help the poor. Donor aspirations for reform, then, require intervention in ongoing struggles to promote particular outcomes, and this involves not waiting for all sides to recognise the inherent benefits in what donors propose, but taking sides with those that stand to benefit. Our case studies illustrate the problems, but also the possibilities, inherent in this approach.

The Politics of Alliances

Our analysis proceeds from the assertion that development actors differ in their conceptualisation of, and commitment to, particular reform goals – principally according to their class position in the course of capitalist development in particular contexts. We assume that, whilst capitalist development produces antagonistic classes which struggle for control of resources and power,
that struggle is also mediated by modes of governance, ideologies of legitimacy, and the policies that emanate from these. Importantly, we assume that existing modes of governance, operating through networks of state and non-state agencies, operate in the interests of the dominant class, and to the detriment of opportunities for subordinate classes to gain control. Thus, our starting point for understanding the interests of reformers is to differentiate between those actors who are served by the status quo and those who are disempowered by it. For the former, interest in reform is likely to be limited in most normal situations. For the latter, at least part of any observable interest in reform is likely to emerge from concrete experience of material hardship.

The utility of political economy analysis is that it can identify such dedicated interests as emerging from the structural position of actors within the political economy. Chiefly, it allows the differentiation of dedicated reformers, from either the dominant or the subordinate classes, into those with real interests in reform from others who have only tangential, tactical interests in reform. The latter group, whom we term ‘opportunists’, we regard as particularly significant for donor programming. We make a further distinction in the dedicated reform group between idealists and pragmatists. Idealists, by our definition, are actors with long-term aims of fundamental social transformation. They are uninterested in compromise or accommodation with actors who do not share those goals. Pragmatists have similar long-term aims of substantive change, but they are prepared to compromise on these in the interests of short-term outcomes. Consequently, they will come to accommodations with actors who do not share their long-term goals. Opportunists may have long-term goals but they are unrelated to the issue at stake. However, their short-term goals – in eliciting funding, information, votes – are served by the alliance with donors.
The table below shows how distinguishing between different reform interests helps our analysis of the different kinds of alliances that can form around particular reform policies. On this basis, idealists and pragmatists can form dedicated alliances, while pragmatists and opportunists can form tactical alliances. Alliances between idealists and opportunists only occur where the former is misinformed about the intentions of the latter.

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<tr>
<th>Types of Reformers</th>
<th>Types of Alliances</th>
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<tr>
<td><strong>Idealists</strong>: interested in reform in so far as it advances long-term goals of structural transformation.</td>
<td>Form dedicated alliances only with ideologically likeminded actors; likely to reject tactical alliances.</td>
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<tr>
<td><strong>Pragmatists</strong>: have long-term goals of social transformation but also consider short-term gains significant.</td>
<td>Form both dedicated alliances and tactical alliances</td>
</tr>
<tr>
<td><strong>Opportunists</strong>: have short-term goals of self-interest; long-term goals unrelated to reform agenda. Hence commitment is contingent and tactical.</td>
<td>Form tactical alliances.</td>
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This understanding of structural interests tells us something about how actors are likely to behave. Opportunists are unlikely to be ‘converted’ to the cause of reform through engagement
in a program: they are more likely to defect from the alliance once it has outlived its utility for them. Thus, tactical alliances with opportunists are risky and unstable, in comparison with dedicated alliances with idealists, which more resemble the kinds of ‘partnership’ donors envisage. However, structural imperatives dictate that idealists, in normal times, are likely to comprise a marginal and uninfluential group. Except during times of political upheaval, the most powerful actors are likely to have gained their power by virtue of existing conditions, and therefore are unlikely to share long-term goals of social transformation. Tactical alliances with powerful opportunists offer opportunities to implement measures which, even if limited or short-lived, can produce concrete improvements in the lives of the poor.

This analysis draws attention to shifts in distributions of power among and within alliances, and the effect of this on the ideological framing of reform agendas. Analysis of the relationships between class structure, power, and ideology in the context of alliances of reform allows for richer appreciation of the way that strategies of contention are both constrained by context and continually evolving. As such, this approach allows a more truly political analysis of the ways in which reform coalitions emerge and subside, and, finally, a properly political analysis of the support role that donors can play in that process.

A further, critical, implication of this approach, however, is that if development is envisaged politically, then donors’ interventions necessarily involve taking sides in political struggles. The analysis we have put forward suggests that in normal times, the most likely hope for reform is either through efforts to put considerable new resources of power behind subordinate actors in a dedicated alliance; or to make tactical alliances with opportunists in the hope of achieving short-
term gains. Donors have long tried to avoid this implication: the former choice opens up prospects of a return to Cold War arming of insurgents; the latter puts donors in the invidious position of collaborating with abhorrent regimes. However, the two case studies we explore suggest that in attempting to duck the issue, donors end up failing to produce any concrete gains for the poor at all.

The cases below comprise two reform programs implemented by two development banks – the World Bank and the Asian Development Bank – in Cambodia and the Philippines, respectively. The programs in question reflect two of the most important approaches associated with the political turn: the demand for good governance approach and the incentivisation of public officials approach. The World Bank’s Demand for Good Governance (DFGG) program in Cambodia was launched in 2008 in an attempt to promote social accountability partnerships between institutions of state and non-governmental organizations to tackle corruption, and falls into the sixth category identified above. The ADB’s Metro Manila Urban Services for the Poor (MMUSP) ‘slum-eradication’ program, planned for 2009, attempted to ‘incentivise’ mayors to meet their legal responsibilities for social housing.44 As such, both programs suggest some attempt by the respective banks to act politically in building local alliances for change. In the case of the World Bank’s DFGG program, an accurate reading of the tactical interests of the Cambodian government facilitated establishment of the program, but the Bank itself failed to grasp the political opportunities the program offered. Consequently, the program had little impact. The ADB’s program has struggled to get off the ground at all: it failed to appreciate the range of conflicting incentives Manila mayors face and did not link up with the activism of the poor in order to make the program’s incentives loom larger in mayoral calculations.
Social Accountability in Cambodia

The DFGG program in Cambodia was established to fund new mechanisms for holding state actors accountable to society. Most of the funding was directed at existing state initiatives of this kind, such as the national state radio’s talkback show. The rest was allocated to social accountability projects launched by NGOs in partnership with Cambodian government agencies. NGOs could submit bids for these funds to a grant-awarding committee overseen, not by the World Bank itself, but by a project implementation unit within the Cambodia Ministry of Interior.

Central to the program was the view that Cambodian civil society was relatively ineffective as a force for reform. A 2007 World Bank study of Cambodian civil society concluded that Cambodian NGOs were polarized into two groups: a strident and confrontational ‘advocacy’ wing protesting ineffectually over hot political issues such as land conflict; and quiescent service-delivery NGOs working closely with government to fill gaps in service provision. Neither group was effectively pressing for governance reform.45

The civil society assessment focused on institutional and cultural issues, rather than political economy. A political economy approach would have paid greater attention to the way that the respective areas of focus of the two wings of the NGO movement relate to the political economy of rule. The ruling Cambodian People’s Party has dominated Cambodian politics over the past decade by using the profits from predatory land and natural resource management regimes on the
periphery of the country to pay for improved services and rural development projects across the
electoral heartland of the central rice plains. Service delivery NGOs assist the Party in achieving
positive rural development outcomes in the plains; while advocacy NGOs working on land and
natural resources contend for control of the Party’s resource base in the periphery. This,
arguably, explains the relatively close and uncritical relationship between government and
service-delivery NGOs, as opposed to the tense and confrontational relationship between
government and advocacy NGOs.

The World Bank did conduct what it called an ‘informal political economy assessment,’
incorporating the findings into its risk analysis of the project, and found little evident opposition
within government to the DFGG plan. In fact, there was much to interest the Government in the
plan, provided the ambition of ‘good governance’ was constrained and kept distinct from the/issues of natural resource management and land conflict. Indeed, in its translation of the plan’s
title into Khmer, the Government dropped the term ‘demand’ altogether, calling the plan the
‘Local Good Governance Project’:

There was some complaint about the title. The word demand means demanding,
imposing forcefully. This is not really good… So when the World Bank brought this
project we changed the title in Khmer to Local Good Governance Project. In Khmer
we would not accept this kind of demand.46

The caveats placed by the government around the DFGG program suggest that, while the
Ministry of Interior was happy to form an opportunistic partnership, it never came to ‘own’ the
reformist and, particularly, the anti-corruption spirit of the program. Rather, the Ministry
engaged tactically for its own purposes. The title ‘Local Good Governance Project’ accurately reflected the government’s interest in using the program: namely, to elicit information about the activities of newly established subnational councils, to whom central government powers are currently in the process of being devolved under an ambitious Deconcentration and Decentralisation scheme. Provided the plan did not lead to the empowerment of the political opposition or the ‘advocacy’ NGOs, the government was keen to hear what the Cambodian electorate had to say about lower level service delivery. Since the government could vet all proposals through the partnership provision, it had nothing to lose since, from their point of view: ‘it is very clear: no one who is against the government will get funding’.47

World Bank advocates of the scheme saw the program as promoting citizens’ skills – for example, in participatory budgeting – to improve accountability without straying into controversial terrain: ‘We are trying to close the gap between what is theoretically possible and what is actually happening. Without pushing the frontier, we can do a lot that isn’t being done’.48 However, in taking this approach, the Bank negated the political aspirations of the DFGG program, and resorted once again to technical language, casting the program as a means of improving performance within existing political space.

In so doing, the Bank attempted to duck the issue of taking sides. Consequently, they lost two opportunities. The first opportunity was to promote social accountability as a means to assist the poor in their struggles over issues central to the political economy of dispossession and exploitation, such as land and natural resource governance. This would have involved using the program to forge a dedicated alliance with land and forestry activists and opposing the
government. This would certainly have caused the government to suspend cooperation.

However, there was an alternative: the Bank could have engaged with the government’s own opportunistic interest in information about sub-national service delivery, promoting more widespread and consistent application of social accountability mechanisms in areas where the government was keen to experiment, namely the ongoing and far-reaching program of decentralization. Instead, the World Bank avoided linking the program to any political strategy at all, and was left with a half-hearted alliance in which none of these interests ended up being particularly well served. The individual projects funded through the program had little coherence politically, and thus little chance of producing a cumulative effect on the quality of governance.

*Slum eradication in Metro Manila*

The ADB program aims to directly deliver ‘decent and affordable housing, basic infrastructure and urban services, including secure tenure’ to approximately a quarter of Metro Manila’s informal settler/urban poor families. Critically, it also proposes to strengthen the institutional capacities of existing shelter agencies to meet the additional need for social housing. Through the national government’s land privatization agenda, local governments can acquire new land as their ‘share in the “proceeds from development and utilization of the national wealth”’. The program sought to provide loans to local governments for the ‘integrated development’ of these lands, to subsidise social housing through the proximate location of commercial investments so urban poor families can be retained in the city. The case study researched the response to the ADB program from four local governments slated for early inclusion: Taguig, Muntinlupa, Quezon City and Marikina.
The findings were that, in principle, local officials were generally well-disposed to receiving financial and technical assistance from the ADB, but that they also had little real need for financial loans. If they considered borrowing for urban development, it was ‘not to be on behalf of the poor’ as this was unanimously considered ‘an expense, not an investment’ (which brings returns).\textsuperscript{51} To quote the (then) mayor of Quezon City:

Loans are easier to rationalize if they are for projects that result in income streams that will generate payback mechanism for the loan, or those that are used for projects that represent social investments … to generate steadily increasing magnitude of public services to our constituents.\textsuperscript{52}

Whilst mayors are prepared to borrow for social services, urban poor households are not among their intended beneficiaries. Where local governments do have ‘social housing’ programs, they are directed overwhelmingly at their own low-wage employees.\textsuperscript{53} Local officials consider that the shelter needs of this group are more affordable than those of the urban poor/informal settlers. Furthermore, local government employees are a clearly preferred constituency, and thus better positioned politically to receive housing subsidies.

This is reinforced by the development discourses of Metro Manila local officials. In their lexicon, ‘slum eradication’ consistently refers to the process of removing ‘urban blight’ through the demolition of existing physical structures and associated relocation of inhabitants to peri-urban sites. This reframing of the ADB ‘cities without slums’ agenda draws directly on broader
middle and upper-class portrayals of urban poor or informal settlers and their dwelling places as dirty and offensive to *urbanidad*, a Tagalog word for good manners or civility. From this perspective, development is a process that links wealth creation to personal discipline, social order and physical cleanliness, as manifested most obviously in mayoral attachments to ‘beautification’ projects. For local governments, removal of the poor is part of a wider strategy to attract new investment.\(^{54}\)

Under the 1991 Local Government Code, local governments were given primary responsibility for urban development and local service delivery and granted revenue raising powers via property and business taxes. Consequently they have institutional interests in local land markets and property development. In addition, class alignments exist between officials and business ‘both because influential businesspeople make powerful political allies, and because officials themselves often come from families with real estate interests’.\(^{55}\) Against these structural interests in maximising commercial returns from land, the incentives from the ADB program to integrate the poor are no match.

Meanwhile, in responding to these policy and legal mandates for social housing, the ADB program has avoided actually taking sides in ongoing conflicts over informal settlements. It has not sought to include committed reformers in the form of ‘pragmatic’ NGOs with a forty-year history of activism in this area in Metro Manila. From a political economy perspective, informal settlements are not a product of market or institutional failures: they are an outcome and embodiment of political conflicts over land. The legislation that helped to frame the design of the ADB program was a product of NGO activism in these conflicts in the early 1990s.\(^{56}\) Recently,
particularly in relation to the Pasig River Rehabilitation Program, these NGOs and their associated communities have sought to ally with the ADB and its supportive resettlement policies against more hostile actors. In the MMUSP program, non-involvement of activist NGOs removed an important source of additional potential pressure on mayors.

**Conclusion**

Donors have turned to political economy analysis to better explain the politics of development and to intervene more effectively. However, as we have shown, donors are unwilling to import an adequate conception of politics into their analyses, resulting in political economy approaches that fail to offer new aid modalities. In particular, there has been insufficient recognition that contention over development represents more than transitory conflict over temporary or compensatable costs attached to the process of change. The donor literature retains these weak conceptions of politics precisely because they permit avoidance of the full implications of political analysis: namely, the need to take sides politically in order to promote poverty reduction goals. Hence, at best, political issues are bolted on as an extra ‘factor’ in the existing tool bag of donor interventions. 57

Our approach offers a richer conception of politics as comprising entrenched struggles between groups, emerging as a result of structurally determined inequalities in the distribution of power and resources within society. We show further how structural political economy can be applied in practice to improve donors’ understanding of reformers and alliances in ways that deliver tangible outcomes for poor people. Central to our analysis is the distinction between actors who
have an interest in preserving the status quo and those with an interest in change. Whereas donors look for official ‘ownership’ of programs, our case studies illustrate the contention that support from existing elites is more likely to be opportunistic. This can, as in Cambodia, offer opportunities for action. Where opportunistic interests are too weak to produce action, siding with idealistic reformers is the only option for donors seeking to improve the living standards of the poor.

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8 Unsworth, ‘What’s Politics Got to Do With It?’, 889-890


10 Unsworth, ‘What’s Politics Got to Do With It?’, 884.


12 Unsworth, ‘What’s Politics Got to Do With It?’, 887.


14 World Bank, *Problem-Driven Governance*, p 12


16 World Bank, *Problem-Driven Governance*, p 47


Chhotray and Hulme ‘Contrasting Visions for Aid and Governance’, p 41; Williams et al., ‘Politics and Growth’.

19 Landell-Mills et al., *Tackling the Political Barriers to Development*, p 5; also de Haan and Everest-Phillips *Can New Aid Modalities Handle Politics?*, p 10.


21 World Bank, *Problem-Driven Governance*, p 20

22 World Bank, *Problem-Driven Governance*, p 20


36 ibid.

37 ibid., p 5.
38 ibid., p 2.

39 see for example, DFID *The Politics of Poverty*, p 52.

40 ibid., p 55.

41 ibid., p 64.

42 ibid., p 67

43 see, for example, DFID *The Politics of Poverty*, p 17; 34; 44.

44 Housing and Urban Development Coordinating Council (HUDCC), Interview with Jane Hutchison, Manila, August 2009.


46 Ngy Chanphal, Interview with Caroline Hughes, Phnom Penh, July 10, 2009.

47 ibid.

48 Bhargava, Vinay, Interview with Caroline Hughes, Phnom Penh, July 20, 2009.


51 UN-HABITAT, interview with Jane Hutchison, Manila, August 2009; Taguig City Administrator, interview with Jane Hutchison, Manila, January 2010.

52 Feliciano Belmonte, Jr, Mayor of Quezon City, personal correspondence with Jane Hutchison, February 2010.

53 HUDCC, interview with Jane Hutchison.

55 ibid., p 36.


57 Booth et al. *Drivers of Change and Development in Malawi*; V Chhotray and D Hulme, ‘Contrasting Visions for Aid and Governance in the 21st Century’, p 45.