

**Routledge/GARNET series: Europe in the World**

Edited by Mary Farrell and Karoline Postel-Vinay  
*Centre for International Studies and Research (CERI), France*

Editorial Board: Dr Mary Farrell, Sciences Po, Paris; Dr Karoline Postel-Vinay, CERI, France; Professor Richard Higgott, University of Warwick, UK; Dr Christian Lequesne, CERI, France and Professor Thomas Risse, Free University Berlin, Germany.

International Advisory Committee: Dr Salma Bava, Jawaharlal Nehru University, New Delhi, India; Dr Knud Erik Jørgensen, University of Aarhus, Denmark; Professor Sunil Khilnani, SAIS, John Hopkins University, USA; Dr Anne-Marie Legloannec, CERI, France; Dr Xiaobo Lu, SIPA, Columbia University; Professor James Mittelman, University of Washington, USA; Dr Karen Smith, London School of Economics, United Kingdom; Professor Elzbieta Stadtmuller, University of Wroclaw, Poland.

The Routledge GARNET series, *Europe in the World*, provides a forum for innovative research and current debates emanating from the research community within the GARNET Network of Excellence. GARNET is a Europe-wide network of 43 research institutions and scholars working collectively on questions around the theme of 'Global Governance, Regionalisation and Regulation: The Role of the EU', and funded by the European Commission under the 6th Framework Programme for Research.

**1. EU Foreign Policy in a Globalized World**

Normative power and social preferences  
*Edited by Zaki Laïdi*

**2. The Search for a European Identity**

Values, policies and legitimacy of the European Union  
*Edited by Furio Cerutti and Sonia Lucarelli*

**3. The European Union and the Social Dimension of Globalization**

How the EU influences the world  
*Edited by Jan Orbie and Lisa Tortell*

**4. Governance and the Depoliticisation of Development**

*Edited by Wil Hout and Richard Robison*

# Governance and the Depoliticisation of Development

**Edited by  
Wil Hout and Richard Robison**

 **Routledge**  
Taylor & Francis Group  
LONDON AND NEW YORK

# Contents

First published 2009 by Routledge  
2 Park Square, Milton Park, Abingdon, Oxon, OX14 4RN

Simultaneously published in the USA and Canada  
by Routledge  
270 Madison Avenue, New York, NY 10016

*Routledge is an imprint of the Taylor & Francis Group, an informa business*

© 2009 Wil Hout and Richard Robison selection and editorial  
matter; individual contributors, their contributions

Typeset in Times New Roman by  
Bookcraft Ltd, Stroud, Gloucestershire

Printed and bound in Great Britain by  
MPG Biddles Ltd., King's Lynn, Norfolk

All rights reserved. No part of this book may be reprinted  
or reproduced or utilised in any form or by any electronic,  
mechanical, or other means, now known or hereafter  
invented, including photocopying and recording, or in any  
information storage or retrieval system, without permission in  
writing from the publishers.

*British Library Cataloguing in Publication Data*  
A catalogue record for this book is available from the British  
Library

*Library of Congress Cataloging in Publication Data*  
Governance and the depoliticisation of development / [edited  
by] Wil Hout and Richard Robison.

p. cm. — (Routledge/GARNET series—Europe in the  
world ; 4)

Includes bibliographical references and index.

1. Developing countries—Economic policy. 2. Economic  
development—Political aspects—Developing countries.

I. Hout, Wil, 1961— II. Robison, Richard, 1943— III. Title:  
Governance and the depoliticization of development.

HC59.7.G686 2008

338.90091724—dc22 2008024832

ISBN10: 0-415-46567-2 (hbk)

ISBN10: 0-203-88695-X (ebk)

ISBN13: 978-0-415-46567-0 (hbk)

ISBN13: 978-0-203-88695-3 (ebk)

<i>List of illustrations</i>	viii
<i>Notes on contributors</i>	ix
<i>Preface</i>	xii

1 Development and the politics of governance: framework for analysis	1
WIL HOUT AND RICHARD ROBISON	

## PART 1

<b>From 'development as markets' to 'development as governance'</b>	<b>13</b>
---	-----------

2 Strange bedfellows: political alliances in the making of neo-liberal governance	15
RICHARD ROBISON	

3 Development and governance: an uneasy relationship	29
WIL HOUT	

## PART 2

<b>Behind the scenes at the global level: global public goods or the globalisation of interests?</b>	<b>45</b>
--	-----------

4 Global governance, global public goods and the WTO: contradictions between trade liberalisation and development	47
RICHARD HIGGOTT	

5 Global public policy, transnational policy communities and the shaping of governance	63
DIANE STONE	

## 9 The politics of entrapment

### Parliaments, governance and Poverty Reduction Strategies

*Pascale Hatcher*

#### **Introduction**

This chapter is about the politics of the World Bank's recent interest in mainstreaming parliaments in the Poverty Reduction Strategy (PRS) process. Emphasising participation and ownership, the introduction of PRSs has offered new opportunities for different actors to participate in their country's strategies, most notably Civil Society Organisations (CSOs). While debates have been raging on the quality of CSO participation in PRS, there has curiously been very little discussion over the significant absence of Members of Parliament (MPs) from the process. Until recently, the Bank has been keen to justify such absence by emphasising MPs' long-lasting record of predatory behaviour as well as their lack of capacity. And there is no doubt such behaviour has been endemic in the parliaments of many countries under reform. However, after years of excluding parliamentarians from the PRS process, the Bank has recently developed an interest in them.

This chapter investigates the political ramifications of the Bank's sudden eagerness to mainstream parliamentarians in the PRS process. The analysis suggests that the Bank's enthusiasm does not represent a conversion to a greater participatory model. In fact, while MPs are indeed being mainstreamed into the PRS process, the role they are assigned is overwhelmingly restricted to the narrow window of governance oversight, leaving little opportunity to influence the content of the strategies. This translates into the Bank's decision that it may be more effective to co-opt parliaments and MPs within a functional, techno-managerial system, than excluding them from the entire process and thus risking future interference with PRSs.

Such dichotomy between the participatory narrative and the depoliticised role assigned to MPs points to the greater debate linking PRS to the Bank's attempt to shape new modes of governance in countries under reform. Indeed, the case of parliamentarians and the PRS process contributes to illustrate the broad themes of this book which, as explained by Hout and Robison (this volume, p. 5), analyses the attempt to insulate from political competition a highly political and normative agenda for the reordering of social and political power.

Beyond the clear attempt to infuse legitimacy within the reform process, it is argued that PRSs are mechanisms by which the Bank strives to influence the political fabric of reforming countries. This is to say that in engaging strictly with stake-

holders who have been stripped of their political role, the Bank clearly attempts to construct a new mode of authority. This is a form of neo-populism that bypasses existing political arrangements and substitutes new forms of social contract with newly depoliticised stakeholders. Crucially, PRSs establish technocratic precedents which free the state from what is perceived as the debilitating effects of political bargaining (Jayasuriya 2001: 1). Such a clear anti-political framework brings forth serious concerns in relation to the Bank's failure to acknowledge the benefits of politics as a mechanism for societal deliberation. With this overall political project in mind, the Bank's recent enthusiasm to mainstream MPs within a depoliticised PRS process not only jeopardises the already fragile legitimacy of parliaments as democratic institutions but also raises concerns about the Bank's influence in the very fabric of the democratic process.

The thesis is argued in three sections. First is an analysis of the World Bank's historical stance on parliaments. While the Bank's narrative emphasises countries' ownership and participation in the PRS process, in this chapter the obvious dichotomy between the Bank's official stance and the actual experience of participation in PRS is explored. It is argued that there has been a shift in the Bank's take on parliamentarians' involvement from one in which parliaments are defined as problematic and unmanageable, to one in which MPs are viewed as new allies against corruption and a source of legitimacy for the reforms. The last section investigates this Bank's new stance on parliaments by placing it in the greater debate over the political ramifications of the new aid architecture. It is proposed that the Bank's attempt to substitute the conditionality model for an internalised governance framework clearly seeks to neutralise the political dynamics inherent within the structure of states.

### **The ambiguity of ownership: parliaments and the PRS process**

International aid programmes specifically dedicated to parliaments have historically been designed to fit within the larger umbrella of 'democracy assistance' (Carothers 1999). Prompted by the fear of a communist spread, this type of aid steadily increased from the 1960s onward under the uncontested leadership of the United States Agency for International Development. Today, most of the major bilateral and multilateral donors are involved in the sector at one level or another.

The World Bank, however, has traditionally shied away from direct engagement in democracy promotion and legislative attention. The obvious reason for such choice is rooted in Article IV of the Articles of Agreement of the International Bank for Reconstruction and Development, which clearly emphasises the apolitical nature of the Institution:

The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations

shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the purposes stated in Article I.

(World Bank 1989a: Article IV, section 10)

Shifting toward 'a new development paradigm' in 1999 (see World Bank 1999b; Wolfensohn 1999), the Bank's narrative became highly focused on 'country ownership' and 'participation' and as such, national parliaments gradually received more attention. In fact, while the World Bank has done some capacity building work related to parliaments since 1995, it is the Comprehensive Development Framework (CDF) and the following PRS that prompted the institution to give greater attention to parliaments:

Since the late eighties, a wave of democratization has swept the world ... With that dramatic rise [of elected democracies] comes a marked increase in the number of elected officials ... It's an impact that has not been overlooked by the World Bank. 'Development clearly works best when the process is country-led and based on partnerships', says World Bank president James D. Wolfensohn. The World Bank strongly encourages parliamentary involvement in the development process ... In keeping with this global expansion of parliamentarians, the World Bank has stepped up the ways in which the members of parliament and Bank staff can exchange information and gain greater understanding of the impact of development – both at a local and global level.

(World Bank 2006d)

Today, the World Bank's programmes toward parliaments are initiated via three central sources: the *Development Policy Dialogue Team*, the *World Bank Institute* (WBI) and the capacity building programmes, country offices and country teams. They are also reflected in the Bank's support for partnerships and programmes more generally.<sup>1</sup> These initiatives support the official attempt by the Bank to open up a debate with broader constituencies.

A decade will soon have passed since the introduction of PRSs, which are described as the fundamental mechanism to implement the new aid architecture now promoted by the World Bank. Initiated in 1999, PRSs are a new form of conditionality and a precondition for most of the concessional loans directed to the world's 70 poorest countries (World Bank 2004d). The strategies proposed by countries in partnership with the Bank are required to be summarised in a Poverty Reduction Strategy Paper (PRSP), which covers a three-year period, and agreed by all partners.

Experiences so far, however, have shown little participation of parliamentarians in the process. Eberlei and Henn's (2003: 27) analysis of the PRS experience in Sub-Saharan Africa concludes that: 'little attention was given – in either theory or practice – to the people's representatives, the parliaments'. While some parliamentarians have been said to contribute to the PRS process, the World Development Movement (2005: 18) suggests that the participation of MPs has been limited in more than 26 countries. It appears that in the majority of the PRS cases where



parliaments were indeed involved, the participation was limited to a few MPs participating in workshops, without a link to the institution of parliament itself (Youash 2003; World Development Movement 2005; Eberlei and Henn 2003). Other organisations such as the Overseas Development Institute and the European Commission have also expressed concern regarding the relative failure to involve parliaments in the PRS process (Leautier 2002: 180).

This lack of attention towards the legislative branch is to a certain extent explained by the fact that the democratisation process of many countries, notably on the African continent, is fairly recent. Furthermore, parliaments often face fundamental constraints of all sorts that hamper their representative, legislative and oversight functions. According to the Swedish International Development Cooperation Agency (2002: 24), these failures are often linked to the 'lack of technical expertise, the lack of funds, and the lack of access to information' and 'last, but hardly least, whether parliamentarians have the political will to use their oversight functions'. It is indeed undeniable that parliaments' institutional weaknesses are often linked to the scarcity of resources and lack of institutional infrastructures, such as electoral commissions, an ombudsman, parliamentary oversight committees, highly trained civil servants in both central and local government, police forces, schools and accessible, impartial judicial systems (Commonwealth Secretariat 2003: 12). One might observe however that some of these deficiencies have been directly weakened by more than 20 years of structural adjustment programmes in many African countries.

Crucially, donors' disinterest in parliaments in the last decade is undeniably linked to 'neopatrimonial' tendencies of many parliamentarians, a fact that may shed some doubts on the representative qualities of MPs. In fact, politics is often linked to patronage by which well-connected individual voters expect a direct form of assistance from their MP, which translates into a patron-client form of politics (UNDP n.d.). Eberlei and Henn (2003: 21–4) argue that Africa is plagued by 'neo-patrimonialism', the symptoms of which are 'presidentialism, clientism and the use of state resources for the purposes of political legitimation. In many African countries, members of parliament in particular are still tainted as being part of the system of organised political patronage'.

Beyond such institutional and political weaknesses, however, the poor scorecard of many parliaments does not justify their exclusion from PRSs precisely because their weaknesses are probably no worse than that of other stakeholders that have indeed been mainstreamed in the PRS process. If parliaments are so delinquent, how does one explain the Bank's sudden interest in mainstreaming parliaments in the process?

PRSs have acknowledged the importance of participation by a great variety of stakeholders'. Participation is defined by the Bank as '[...] the process by which stakeholders influence and share control over priority setting, policymaking, resource allocations, and/or program implementation' (World Bank 2006e: 237). A review of the list of such stakeholders suggests however that while the Bank's outreach to non-traditional actors should be recognised as a positive attempt to open up the participatory process, parliament and MPs are simply added to all these other actors – i.e., the general public, the poor and vulnerable groups,

organised civil society,<sup>2</sup> the private sector, the government and the donor community. Indeed such a list of participants might give the impression that the Bank views MPs as just another actor within an undifferentiated pool of stakeholders. As underlined by Youash (2003: 6), parliamentarians' involvement is limited to being part of a checklist with other government stakeholders that are consulted along with line-agency departments (e.g., health, education, social welfare, roads and works), the necessary local governments and state/provincial governments.

The *Sourcebook for Poverty Reduction Strategies*, a compilation of chapters that details the Bank and the IMF views on the PRS and aims to assist countries in developing and strengthening their strategies, does acknowledge that participation on the part of MPs brings forth particular advantages – most notably their distinct ability to bring the input of local constituencies to the national level (World Bank 2006e: 244). However, the Sourcebook rather fails to distinguish between the political particularities of parliament as an official democratic institution and those of other stakeholders such as CSOs. This observation is by no means intended to downplay the importance of civil society as a key stakeholder in the PRS process. The argument rather resides in two distinct facts. On the one hand, 'civil society' is in itself a very elusive concept (Van Rooy 1997; Biekart 1999; Edwards 2004). Defining it is therefore rarely a politically neutral exercise, as argued incisively by Carroll (this volume, p. 138 ff.). Crucially, it has been the 'private' side of civil society – perceived as more efficient than the state – that has traditionally attracted the Bank to the concept. In such framework, CSOs are seen as having a comparative advantage over the state and the private sector. This highlights the ongoing debate over the 'quality' of the participation process of PRS, most notably which CSOs get to participate and on what subject.

The second issue is linked to the perception of CSOs as legitimate conduit of the voice of the poor they are said to represent. One might recall that donors' interest in civil society emerged out of the troubled waters of the early 1990s, when donors finally addressed the governance predicament of the states under reform. CSOs then became a way to channel donors' moneys away from corrupt bureaucrats and failed institutions. In such a context, CSOs are often perceived as grass-roots organisations benefiting from direct support since their membership participates directly in the projects. In so doing, these organisations are seen as directly accountable to the poor whom they represent through this 'bottom-up' approach. However, CSOs are extremely diversified and they also face accountability problems and legitimacy crises. Yet recently, as underlined by Kamat, there has been a precarious shift in who between the state and civil society bears the legitimate responsibility in promoting the public good:

In a curious flip-flop of what served as a universal conceptual frame for development planning, the state, today, is represented as fragmented by private interests (otherwise referred to as corruption), and hence inept at representing the will of the people, whereas civil society is seen as the honest broker of 'the people's interests'.

(Kamat 2004: 160)

The World Bank's take on civil society brings us back to the contemporary actor's triangle – state, civil society, private sector – but modifies civil society's legitimate sphere of intervention by narrowing, on the one hand, its legitimate composition – only the poor are legitimate interlocutors, non-poor voices are disregarded – and, on the other hand, by restricting civil society's participation to very specific areas of debate (Lafortune 2003). Crucially, this trend raises questions in relation to the PRS's conceptual absentees: citizens and parliaments.

Parliaments as institutions have been systematically bypassed as possible channels for the participatory process. This highlights the fundamental issue linked to representation and legitimacy at the core of a democratic process. The absence of parliamentarians is rather alarming considering that PRSPs are meant to direct a country's policies for three years. Two issues are at stake here: the legitimacy of a participatory process that neglects the democratic channels already in place, and the erosion of the legitimacy of the already fragile legislature in countries under reform.

### **Acknowledging parliaments: the quest for legitimacy**

The World Bank has increasingly acknowledged its failure to emphasise the important role parliaments could play in the PRS process. Crucially, PRSPs were indeed facing an immediate legitimacy predicament which emerged from the obvious failure to involve the representative of the people within the so-called participatory process. For Leautier (2002: 179), the Vice President of the World Bank Institute, the ownership imperative does serve to: 'avoid potential criticisms that policies and priorities are being imposed by the Washington-based institutions'. Furthermore, as CSOs and international advocacy groups are closely monitoring the PRSP progresses, parliaments in all logic must be included in the participation process if the initiatives are to be promoted as being 'owned' by the country. This has been reflected in the PRSP Progress Reports (IDA and IMF 2003; World Bank and IMF 2004), as well as in a report for parliamentarians:

Overall, though, the role of Parliaments in the PRS process has been limited. This has proved to be a cause for concern for many development partners. Several World Bank reports have raised the issue along with a number of development partners such as the Utstein Group of bilateral donors (the United Kingdom, Netherlands, Germany, and Norway) and the European Union. Individual parliamentarians also have raised this issue.

(World Bank 2005a: 43)

This section looks at the Bank's recent initiatives to mainstream parliamentary involvement in the PRS process. Crucially, it provides an analysis of the specific role it now envisions for the formerly neglected actor.

This recent interest in parliaments has notably been translated into the addition of an annex to the *Sourcebook for Poverty Reduction Strategies* (World Bank 2004d). Although the Bank asserts that the Sourcebook is intended to be only

suggestive, it also states that it reflects the 'thinking and practices associated with the Comprehensive Development Framework, the *World Development Report 2000/2001*, good international practices related to poverty reduction and emerging experience about the effective design and implementation of PRSPs (World Bank n.d. f: vii). In this respect, the addition of an annex in the *Sourcebook* specifically dedicated to parliaments should leave no doubt about the Bank's attempts to amend its former minimalist view of legislatures in the PRS process. The annex indeed recognises the pivotal role they should play:

Under most constitutions, legislatures are the most representative element of a country's national government. Although in some cases this representative potential has been latent or underutilized due to political conditions or lack of resources, parliaments remain an obvious mechanism for encouraging poor people's input into national poverty reduction policies and ensuring cooperation from a variety of political actors. The representative responsibilities of parliament, as assigned by each country's constitution, provide a greater level of ownership and legitimacy than other participatory methods, such as stakeholder workshops.

(World Bank 2004c: 13)

The annex strives for greater involvement of parliaments in all four components of the PRSP cycle – i.e., poverty diagnosis, development, implementation process and finally, monitoring and evaluation of the PRSP. In terms of poverty diagnosis, the *Sourcebook* focuses on parliamentarians' capacity to 'provide the only political representation for large numbers of citizens from specific geographic or demographic constituencies' (World Bank 2004c: 7). Under the rubric of contribution to development of the PRSP, the *Sourcebook* states that a greater involvement of MPs could lead to greater consensus on PRSPs and thus 'pave the way for smoother implementation over time'. According to the *Sourcebook*, such involvement would not only result in a greater national ownership of the PRS process but would also provide the PRSPs with an existing body of politically active national leaders and staff of varying skill levels and interests (World Bank 2004c: 8). As for the PRSP implementation level, the *Sourcebook* calls for parliamentary involvement at three levels: budget allocations, legislation and educating the public about PRS processes, programmes and impact. It is stated that parliamentarians' main task should be to align national legislation with PRSP priorities, approve PRSP-compatible budgets and pass PRSP-relevant legislation (World Bank 2004c: 12). The fourth and final component of the PRSP cycle – monitoring and evaluation – emphasises the role of Committee hearings on the impact of PRSPs, an annual review of the PRSP Progress Reports.

The World Bank's renewed attention for parliaments – however commendable – warrants some caution. In a thorough analysis of the *Sourcebook's* annex, Youash (2003: 13) observes that the suggested take on legislature has thrown the Bank's position from one extreme to the other: from a 'Rubber stamp legislature' to a 'Transformative legislature'. The key point to note is that if the Bank's



previous framework gave few possibilities for legislatures to influence or debate the issues at hand, the annex propels legislatures – at least theoretically – towards its rarest type: one where bodies are capable of both representing and shaping societal demands (Youash 2003: 13). However, as stated by Johnson and Nakamura (1999), this type of legislature is rather uncommon as it aims not only to represent but also to lead. This requires a specific structure not only capable of dealing with differences, but that is equipped with information capacities permitting the initialisation of policies as well. Johnson and Nakamura (1999) cleverly observe: ‘Not surprisingly, there are not many examples of such legislatures, and those that do exist do not always live up to the requirements’.

While the *PRS Sourcebook*’s new annex on parliaments does contradict such an interpretation, Youash further observes that the document mentions no implementation processes, an omission that clashes with the surgical attention the executive branch receives in the area of public expenditure in the PRS Sourcebook:

The difficulty with this leap [of the World Bank] is that no detailed road map is provided for such a transition and more importantly, no guiding logic is provided for making such a shift ... What is generated by such an approach is a rather hobbled together set of prescriptions with little substantive reasoning behind them and a seemingly naïve hope that demanding such a role of parliament will immediately necessitate its capacitation for fulfilling the proposed functions.

(Youash 2003: 14)

The Bank’s initiative toward parliaments may be analysed through the narrow window of governance oversight in which parliamentarians are indeed invited to play a greater role. However, beyond the Bank’s enthusiastic narrative, this is a technical and depoliticised role that narrowly fits governance and anti-corruption objectives.

According to Jean Christophe Bas, Manager of the Development Policy Dialogue at the World Bank, MPs do represent a growing force in many reforming countries. He further observes that: ‘some parliamentarians have to approve the Bank’s loans which means that if a country director is confronted by a parliament that is reluctant to the reform, he is in a bad shape’ (interview, 17 November 2006).<sup>3</sup> PRSPs indeed often require that secondary legislation be passed. A greater involvement of parliamentarians throughout the PRS process thus increases the chances for parliamentarians’ endorsement if and when PRSPs are submitted to legislatures. As observed in the *PRS Sourcebook*: ‘A parliament that has already played an active role in the diagnosis and development of its PRSP will be better able to coordinate such legislation’ (World Bank 2004c: 14).

An analysis of the *PRS Sourcebook*’s take on parliament’s involvement in the budget cycle is here quite revealing. The *Sourcebook*’s chapter on ‘Public Spending’ outlines the Bank’s given ‘good practices in budgeting and public financial management in the context of implementing affordable pro-poor policies’ (World Bank n.d. f: 189). It identifies eleven steps in an ‘idealised’ budget cycle.<sup>4</sup>

As pointed out by Youash, out of these eleven steps, eight require solely the executive to act in policy formulation, one allows for the Auditor-General to review the government’s accounts, while the parliament’s role in the budget cycle is relegated to the two remaining stages – i.e. steps 7 and 11 (2003: 4). While these given functions are indeed important, they are however quite reductionist: ‘With parliament cast in the role of a minor watch-dog [and] by relegating parliament to “inputs-oriented” oversight, any chance of parliament meaningfully contributing to PRSP formulation is confounded’ (Youash 2003: 6).

While the Bank’s recent discursive shift toward a greater legislature involvement in the PRS process is undoubtedly a reassessment of the scope of ‘ownership’, it also raises some problems in regard to feasibility. This in turn highlights the implicit duality within the Bank’s new aid paradigm, between its discursive stance and the reality of its implementation measures.

### No way out! Parliaments as non-political actors

In this final section the opportunities for stakeholders to not only participate in the PRS process but to actually influence the content of the paper are investigated. In turn, such analysis will lead to the conclusion that the Bank’s eagerness to mainstream MPs should be viewed as part of the greater attempt to shape new modes of governance in countries under reform. Crucially, this is a form of neo-populism which seeks to bypass existing political arrangements and to introduce new forms of social contract to stakeholders deprived of any political role.

While PRS experiences have varied across countries, the issue of the genuine opportunity for external actors to influence the content of a strategy has repeatedly been questioned. Beyond the fact that the International Financial Institutions (IFI) used to have the last word on the content of the PRSP – through the Joint Staff Assessment— analysis of experience suggests that input has not necessarily been welcomed on all issues. The World Development Movement (2005: 7) concludes that: ‘despite the fine words surrounding participation and “country-ownership”, the evidence demonstrates that PRSPs have become a rubber-stamping exercise for conventional Bank and Fund policies’. In its study of 42 PRSPs, the organisation observes that the policies contained within PRSPs: ‘bear striking similarity both to each other and to the standard prescriptions of the supposedly defunct Washington Consensus’ (World Development Movement 2005: 10). The report finds that on average, a PRSP contains six out of nine standard IMF and World Bank policies.<sup>5</sup> The main findings are summarised as follows:

- Trade liberalisation: there are further trade liberalisation measures in 30 of the 42 PRSPs on top of the significant trade liberalisation that has already happened in many of these countries;
- Privatisation: 38 of the 42 PRSPs include privatisation, and 27 of these specifically include water privatisation or greater private-sector involvement in water-supply services;
- Deregulation: 26 PRSPs include investment deregulation;

- Fiscal stringency: 40 out of 42 PRSPs include fiscal stringency (World Development Movement 2005: 10–11).

Such obvious similarities amongst PRSPs suggest that stakeholders' influence has been quite limited, a trend that might not change with an increased parliamentary involvement in the process. In fact, parliaments' participation has so far overwhelmingly been circumscribed to ratifying the PRSPs, as was the case in Senegal and in Mali (World Development Movement 2005: 17). Crucially, in some PRS countries, the failure to include parliaments in the PRS process has bluntly been anti-constitutional (World Development Movement 2005; McDonald 2005). Following an analysis investigating the role played by parliaments during the implementation of PRSPs in 28 African states, Eberlei and Henn (2003: 9) came to a similar conclusion, stating that the marginal role played by parliaments in Sub-Saharan Africa in PRSPs not only contradicted democratic principles, but had in some cases breached explicit constitutional rights.

Obviously, the very risk of funding cuts if conditionalities are not met remains a key incentive for MPs to refrain from challenging the content of a PRSP. Beyond such underlying rationale, experiences have revealed that even when MPs have indeed voiced their concerns regarding certain policy reform backed by the executive and the IFI, such concerns have rarely been taken into account. The World Development Movement (2005: 28) documented several examples of parliamentary opposition to IFI policies in Bangladesh, Cameroon, Georgia, Ghana, Honduras, Kenya, Kyrgyzstan, Malawi, Moldova, Mozambique, Tanzania, Uganda and Zambia.<sup>6</sup> It is quite revealing to note the existence of an international petition signed by 1,100 MPs which is calling for donors to acknowledge the importance of parliamentarians' involvement in the economic policies of their respective countries:<sup>7</sup>

We therefore call on the BWIs [Bretton Woods Institutions] and their principal shareholders to ensure that the democratically elected representatives of recipient nations are the final arbiters of all economic policies in their countries. It is vital that national parliaments in recipient nations have the right and obligation to be fully involved in the development and scrutiny of all measures associated with BWI activities within their borders, and hold the final power of ratification. Ensuring the primacy of sovereign national parliaments in this way will improve implementation of measures to reduce poverty, enhance good governance, and foster democracy.

(World Development Movement 2004)

Such trends suggest that there is an urgent need to question the very definition of the concept of 'ownership' promoted as being the force behind the PRS process. While the *Sourcebook* states that 'Preparing or strengthening a PRS is expected to be an interactive, iterative process' (World Bank n.d. f: viii), countries' experiences show that the concept would be better understood in terms of 'commitment' to the IFI-backed reforms. This suggests that the participatory process should by

no means be viewed as a stage for political debates that might lead to the adoption of alternative national initiatives to the orthodox policies promoted by the Bank. It is with the underlying understanding that a governance framework facilitating a market economy requires an effective legislative branch, that parliamentarians are invited to play a greater role in the PRS process.<sup>8</sup> Crucially, the key political and economic reforms remain the product of negotiations between the IFI, Finance Ministries and Central Banks, leaving little space for the function of political representation within the process.

This clash between the participatory narrative and the experiences of stakeholders in the process highlights the greater debate over the Bank's controversial attempt to create new forms of authority in countries under reform. It is vital to recall that the PRS process itself emerged out of the troubled waters of the structural-adjustment period and its failure to foster economic growth and tackle poverty. As bluntly stated by Khalifa Ababacar Sall, a Senegalese MP and member of the Parliamentary Network on the World Bank: 'PRSP is the result of the failure of 25 years of economic policies' (interview, 18 September 2006). The 1990s were harsh on the now defunct Washington Consensus. Beyond the end of the cold war, which led the former communist countries to experiment with new forms of states, the East Asian experience led to much soul-searching amongst those who had previously advocated the strict implementation of the Washington Consensus. Furthermore – and to the great dismay of the multilateral organisations – the former communist countries transitioning to market-oriented economies were accumulating failures. Adding fuel to the fire, an increasingly organised international civil society was succeeding in turning global public attention towards the environmental and social impacts of the structural-adjustment reforms. As summarised by Robison, by the end of the 1990s:

The task of unleashing the market had proven to be much easier than that of building the systems of social and political governance within which markets may be regulated and protected from what neo-liberals regard as the vagaries and uncertainties of politics.

(Robison 2006a: xii)

The tensions brought forth by the Washington Consensus indeed called for a major readjustment within the neo-liberal framework. If neo-liberals have been keen to transform power relations in order to embed the market since the counter-Keynesian revolution, the more recent institutional framework proposed by new institutional economists, Joseph Stiglitz and the World Bank, reflects the ongoing divisions within neo-liberalism on how to achieve such goals. While the proponents of the *laissez-faire* strand of neo-liberalism believe that the state's role should be limited to removing obstacles to market efficiency, it is the second strand, which suggests that the state should intervene in order to create the appropriate institutional settings for markets to function (Gamble 2006: 21), which now feeds the aid reform. The ensuing Post-Washington Consensus (PWC), while firmly entrenched in orthodox economics, represents an attempt to expand the neo-liberal frame-



work onto the political and social realm of countries under reform (cf. Fine *et al.* 2003; Robison 2006b). The momentum gained by the PWC thus represents a new stage of neo-liberalism: neo-liberal institutionalism (Robison 2006b: 5). As argued by Jayasuriya (2006: 237), the current shift is in fact a 'political and an economic project that aims to create new forms of statecraft', what he calls the 'new regulatory neo-liberalism'. Gill's (1995; 2000) extensive work on disciplinary neo-liberalism suggests that this rise of neo-liberalism represents a shift in the form of discipline being exercised, a shift in favour of the discipline of the market. Within such framework, institutions are seen as essential to protect the market order from political interference (Jayasuriya 2003: 3).

There is no denying the fact that the Bank – and the greater donor community – had to address the governance predicaments of countries under reform. Obviously there is a long-standing frustration in dealing with corrupt leaders. The key problem, however, as becomes clear in this volume, is raised by the Bank's attempt to substitute the conditionality model for an internalised governance framework, a framework that clearly seeks to neutralise the politics inherent in the state structure (Campbell 2005; Harrison 2004; Hatcher 2007). In other words, the new aid architecture attempts to neutralise the political forces that might veto the reforms – i.e. market-enabling policies, the primary aim of which is to liberalise and stabilise markets. This then becomes a *political project* with the objective of freeing the state from what is perceived as the 'debilitating effects of political bargaining' (Jayasuriya 2001: 1). Crucially, however, this fails to acknowledge the benefits of politics as a rationale for societal deliberation, a process that allows the social to influence the economic realm.

Such framework gave way to the PRSs, which are here viewed as the main vehicle by which the Bank is trying to implement its revised political project. This does explain the existing paradox at the heart of the PRS endeavour where on the one hand, great emphasis is given to ownership and participation principles, while on the other hand, macro-economic and other pivotal issues appear to remain well beyond the reach of stakeholders.

In engaging with parliamentarians via the PRS process, the Bank is undeniably on political ground, a fact that should already give rise to great prudence considering its founding Article which clearly states the institution's apolitical nature. Crucially, however, the techno-managerial task assigned to parliaments within PRSs sets alarming anti-democratic precedents. In bypassing the political role of parliaments, the PRS process represents a neo-populist form of governance which substitutes the representative model for a technocratic form of rule. It is a form of neo-populism that seeks to bypass existing political arrangements and to substitute new forms of social contract with individual stakeholders. It is revealing that to this date, in the majority of the PRS cases where parliaments were indeed involved, it was limited to a few individual members of parliament participating in workshops, without a link to the institution of parliament itself (Youash 2003; Eberlei and Henn 2003). Political parties are also strikingly almost completely absent from the Bank's literature on parliaments.

Crucially, the World Bank's techno-managerial take on parliaments bypasses the

political intricacies at the heart of the fundamental issue of a countries' resource allocation. The new agenda fails to acknowledge the political foundations of development economics and is thus blind to any political and economic alternatives to the technocratic framework it advocates. This is indeed quite revealing of the dichotomy between on the one hand, the ownership narrative which states that there should be no imposed blueprint in terms of reforms, and on the other hand, the fixed set of 'good' practices that should nevertheless be applied by governments. While this also echoes the dilemma faced by other stakeholders involved in the participatory process – such as the members of civil society – it is crucial to recognise that parliamentarians remain the sole official representatives of the people.

### Acknowledgements

I wish to thank Richard Robison for his comments on this chapter. I gratefully acknowledge the support received as part of a Garnet Network of Excellence mobility grant.

### Notes

1 *Development Policy Dialogue Team*: the Vice Presidency for Europe runs the Bank's Development Policy Dialogue Team, which is the principal point of contact for parliamentarians and parliamentary organisations at the Bank. Officially, 'it facilitates policy dialogue with elected officials worldwide and connects parliamentarians with relevant Bank units and Bank country offices and with other constituencies such as academics and youth' (see World Bank, available online at: <http://web.worldbank.org>).

*World Bank Institute*: the WBI is the capacity development arm of the Bank, which is presented as 'the world's largest source of development assistance' (World Bank 2006a). While historically it focused on individual MPs, it now focuses on 'enhancing the capacity of parliament as an institution of governance' (World Bank Institute, Parliamentary Strengthening Program Brochure, available online at: <http://www.worldbank.org/wbi/governance/parliament/index.html>). The WBI works with the Bank's country teams to integrate capacity development activities into Country Assistance Strategies. Through its capacity building courses, the WBI has trained over 4,000 MPs. The Parliamentary Strengthening Program of the WBI aims to 'assist parliaments in playing their constitutionally designated role in governance process'.

*Parliamentary Network on the World Bank*: created in 2000, the PNOWB is a network that mobilises parliamentarians to address global governance and poverty challenges, to promote transparency and accountability of international development and offers a unique platform of dialogue between parliamentarians and the World Bank. See Parliamentary Network on the World Bank, available online at: <http://www.pnowb.org/>.

- 2 Civil society is defined on the World Bank's website as including: community groups, non-governmental organisations, labour unions, indigenous groups, charitable organisations, faith-based organisations, professional associations and foundations (World Bank at: <http://www.worldbank.org/civilsociety>).
- 3 Jean Christophe Bas has actively contributed to the creation and the design of the Parliamentary Network on the World Bank (PNOWB).
- 4 According to the *Sourcebook for Poverty Reduction Strategies* (World Bank n.d. f. 192), the eleven steps of the Budget Cycle are:

*Cabinet Supported by Ministry of Finance*: step 1 – projecting macroeconomic resources; and step 2 – setting of budgetary guidelines and expenditure ceilings.

*Sector Ministries:* step 3 – prepare line-agency expenditure proposals.

*Ministry of Finance:* step 4 – proposals appraised by Ministry of Finance and negotiated with line agencies to enable reconciliation of proposals; and step 5 – state budget prepared by Ministry of Finance.

*Cabinet:* step 6 – budget approved by Cabinet and submitted to Parliament.

*Parliament:* step 7 – budget appropriations debated and approved by Parliament.

*Ministry of Finance:* step 8 – funds released by Ministry of Finance and budget executed by line agencies.

*Sector Ministries:* step 9 – accounts submitted by line agencies and compiled by Ministry of Finance.

*Independent Auditor:* step 10 – government accounts audited.

*Parliament:* step 11 – approval of audited accounts by parliament.

- 5 Furthermore, the report cautions on the fact that most of the analysed countries have been under reform for the past 15 to 25 years. As such, reforms prior to the PRSP would not be mentioned in the document but would nonetheless continue to be implemented (World Development Movement 2005: 11).
- 6 Details on these cases can be found on the World Development Movement website, available at: <http://www.wdm.org.uk/democracy/parliament>.
- 7 According to the International Parliamentarians' Petition 2005 Annual Report, by the end of 2005, the petition had been signed by over 1,100 MPs in 55 countries. The World Development Movement states that it has been endorsed by the Parliamentary Network on the World Bank; UK All-Party Parliamentary Groups on Debt, Aid and Trade, World Government and Overseas Development; the Committee for a Democratic UN; the Committee of the Parliaments of the Americas (COPA); European Parliamentarians for Africa (AWEPA); and numerous civil-society organisations and networks. This is available online at: <http://www.wdm.org.uk/resources/reports/debt/IPAnnualreport01022006.pdf>.
- 8 Quoted both by the World Development Movement (2005) and Action Aid *et al.* (2005), the World Bank's 'toolkits' for parliamentarians are revealing in such respect. The Bank's privatisation toolkit establishes explicit strategies aimed to overcome MPs' opposition to privatisation. Its stated objectives of communications with parliamentarians are to: 1) Build understanding and support for privatisation; 2) Ensure the timely approval of privatisation transactions; 3) Solicit legislature's input, while managing expectations on the role they have to play (World Development Movement 2005: 27). More importantly, the toolkit would be successful if parliamentarians conclude the following: 'I will support the privatization program with my vote; privatization will benefit my constituents and happy constituents are likely to return me to office' (World Development Movement 2005: 27).

## 10 Attempting illiberalism

### The World Bank and the embedding of neo-liberal governance in the Philippines

*Toby Carroll*

#### Introduction

Over the last fifteen years or so neo-liberalism has undergone important changes, from a paradigm largely concerned with economic policy to one that now stipulates a more complex form of governance (see Hout and Robison, this volume, p. 2 ff.; cf. Jayasuriya 2005a). Nowhere has this been more evident than in the area of development. Problems associated with the application of the Washington Consensus (Williamson 1990) have been critical in giving rise to a new approach to the constitution of market society, which specifies the requisite institutional arrangements that liberal markets are now thought to require. Assuming that liberal markets and their complementary institutional matrices present a pathway to poverty reduction, this new neo-liberal development governance<sup>1</sup> builds in particular delivery devices and complementary political technologies that are tasked with achieving and maintaining reform.

Key among these delivery devices are instruments that attempt to deliver neo-liberal prescriptive content. They include development projects and programmes, the now-familiar Poverty Reduction Strategy Papers (PRSPs) and the increasingly 'participatory' Country Assistance Strategies (CASs) of the World Bank (the most significant multilateral innovator and promoter of the new neo-liberal development governance). Specific political technologies, which are intimately connected with the aforementioned delivery devices, are also drawn in to shape the political terrain towards reform delivery and guarantee 'lock in'. Prominent amongst these are a progressive-sounding language (the lexicon of which includes words like 'ownership', 'empowerment' and 'holism') and an emphasis upon policy focused stakeholder participation and partnership. These political technologies often operate in tandem with other well-established technologies such as conditionality.

The delivery devices and political technologies of this new neo-liberal development governance exhibit an antipathy towards representative politics, in favour of techno-managerialism (Robison 2006b: 3). They constitute an architecture to both co-opt those elements congenial to embedding and maintaining market reform and isolate those that pose impediments to the constitution of market society. In essence, the delivery devices and political technologies of the new development governance represent an approach to the transformation of both