DEVELOPMENTALITY: CDF AND PRSP AS GOVERNANCE MECHANISMS[1]

By Jon Harald Sande Lie

Department for Social Anthropology, University of Bergen, Norway.
e-mail: jon.lie@sosantr.uib.no

Introduction

The World Bank is close to hegemonic in delivering development problems and solutions, and it is an institution that is instrumental in defining and reshaping the international aid apparatus. The World Bank has during the last decade made substantial changes to the aid architecture to which just about all actors engaged in development activities relate; notably the Comprehensive Development Framework (CDF) and the concept of Poverty Reduction Strategy Paper (PRSP) as the guiding document for a nation's overall aid portfolio. CDF and PRSP were introduced by Wolfensohn during his World Bank presidency (1999). Coupled they indicate an intention to substantially alter aid relationships by putting the recipient government in the driver' seat of Bank-funded activities – it became paramount to foster ownership and participation among recipients. Under the participation umbrella, lending governments were now to be in charge of their own aid portfolio, indicating a seeming consignment of power and influence from the Bank to its recipients. However, aid conditions still remain part everyday aid relations, but now conditionality takes a more subtle and indirect modality as a government's poverty reduction strategy needs World Bank approval in order to be accepted as official document qualifying the government for the Bank's lending programme. The World Bank driven CDF and PRSP might thus indicate a shift from direct to indirect conditionality, but these conditionality modalities deviate in that whereas direct conditionality aligned to the Structural Adjustment Programmes (SAP) was an explicit *intention* from the donor side, the aid conditions implicit in CDF and PRSP are more an *effect* of how the aid apparatus has been rearranged.

The CDF and PRSP reveal an apparent paradox internal to the development sector that concerns mechanisms of governance and relations of power between donor and recipient in aid relations, i.e. the conditionality-participation nexus. Both conditionality and participation are seen as gate keeping principles in the current arrangement of aid relations between donor and recipient institutions. Conditionality is a means applied by the donor to maintain control and influence over whatever it is funding by imposing its policy, guidelines and monitoring procedures. Participation draws attention to the intended beneficiaries' role in planning,

implementing and managing donor funded development initiatives. Whereas conditionality indicates a donor-driven and top-down approach to aid relations, participation signals a consignment of power from donor to recipient in a bottom-up approach. Despite the incommensurability of these two guiding principles both are highly present in the current configuration of the aid architecture, and both have been introduced by the donor-side under the rationale of increasing aid effectiveness. The conditionality-participation nexus is most conspicuous with regards to the good governance agenda – being the current prevailing paradigm of development (Orlandini 2003) comprised of democracy, human rights, transparency and political decentralisation – as its principles simultaneously imply ownership and conditionality (cf. Eyben and León 2005). Good governance policy and donor's explicit intention of building capacity among aid recipients serve to infuse self-governmental disciplinarian techniques on the recipient side. This is reminiscent on Foucault's notion of governmentality, being a particular modality of power operating as 'the conduct of conduct' (1991), but as donors' good governance agenda is explicit intentional having the objective of enabling the recipient institution to govern itself according to donor's objectives, I coin the term *developmentality*.

I argue that despite there are several elements that indicate a donor driven consignment of power to the advance of recipient governments, donor's control, surveillance and trusteeship attached to what is perceived as correct development knowledge have the effect of reproducing donor's power over recipient institutions. Despite critical changes have been made to the aid architecture that profoundly seek to empower and emancipate recipient institutions to take control over their own projects and development in general, this has had the effect of reproducing donors influence in a subtle way through new forms of partnership, the pro-poor agenda, and the idea of ownership and participatory approaches. Gould argues:

> Few would claim that "partnership" is an aid conditionality, but most of the things that donor–state partnerships seem to imply are. The rhetoric of partnership thus signals a strategic shift in the management of North–South relations away from the carrot and stick of credits and conditionalities to a subtler dynamic of alleged mutual complicity. (Gould 2005: 63).

The power relation between donor and recipient thus takes on a new form, from a direct relation of dominance to a more indirect one, which parallels the very changes internal to the

development sector from a direct relation of external power and control of conditionality to internal mechanisms of self-governance and discipline, particularly in relation to good governance which indicates a shift from hard and direct to soft and indirect conditionality (cf. Anders 2005; Gould 2005). This shift illustrates a function of processes in the wider social field which both indicate a move towards – while simultaneously representing an effect of – neo-liberal ideas (cf. Kapferer 2005). Recipient institutions are subject to an imposed self-governance, which reflects an indirect power relation in the sense that recipient institutions shall do as donor tells them, but they should do so voluntarily through abiding to and adopting the wider mindset and mentality of the donor, which consequently has the effect of reproducing the already established and prevailing development discourse. Altering people's mentalities are integral to development aid. This thus comprises a form of governance and calls forth power/knowledge formations as illuminated by Foucault in his concept of governmentality. As I assert, the current conditionality-participation nexus and good governance policy direct attention to donor's intention of inscribing the recipient into a particular discourse of self-governance; hence developmentality.

Participation and Good Governance Conditionality

The concept of development is understood different from an outsider's analytical perspective than from an internal perspective on the development apparatus.[2] From an analytical perspective, the concept of development can be conceived of in two ways, as either reflecting immanent or intentional change (Cowen and Shenton 1996). Whereas the former directs attention to the natural change and advancement of society over time, i.e. '…the transformation that moves towards an ever more perfect form' (Esteva 1992: 8)[3], the latter denotes that this transformation, or development, necessarily needs to be directed and guided by someone who already knows this perfect form through active interference in society; hence development agents and institutions. An active intervention in society (intentional change) is illustrated by the use of development projects, while development as a process that inevitably unfolds over time (immanent) is illustrated by e.g. 'the development of capitalism' (Nustad 2004). Nustad argues that '[i]t was when development in the immanent sense was seen as creating problems that could be solved by active intervention, that intentional development was created' (ibid.: 14). However, it was not until the end of the Second World War and the establishment of the Bretton Woods Institutions in 1944, i.e. the World Bank and International Monetary Fund, that we saw the uprising of an international development

apparatus designated to solve what was conceived of as problems with immanent development (cf. Anders 2005; Bøås and McNeill 2004b).

There are numerous conceptions of development internal to the development apparatus which I do not intend to present. However, common to these conceptions is that they all reflect the particular ideological, temporal and spatial context in which they are generated and that they emphasis an applicability and instrumental value. They also tend to succeed one another in order to either legitimise a particular technical approach or ideology, or because of previous theories' 'failure' of achieving stipulated contextual objectives when seeking to materialise a certain conception of development. The latter point illustrates the continuous process of finding more durable, holistic and not least effective modalities of development – as effectiveness (or lack of it) generally constitutes the impetus of reconfiguring the architecture and content of development aid. Participation and conditionality are among the gate keeping principles of contemporary aid discourse, and the latter has become increasingly important as the state apparatus has regained its position as both a deliverer and receiver of aid, putting the public sector in centre of development assistance, despite it might undermine the civil society from where the notion of participatory approach emanated in the 1980s.

Participation

Participation is an important aspect, at least on the rhetorical level, of the formal arrangement of development and hardly anybody questions the importance of it. Participation is about involving the stakeholders at all levels of the development process – from planning and implementation to management follow-up reporting – under the auspice that the intended beneficiaries, be it government officials or pastoral people, know their needs best and how to address these. Participation as a modality of aid relation fostering reciprocity, mutuality and partnership rose in the early 1980s as a response to the many documented failures of development projects. These failures were explained with recourse to development work's lack of responsiveness to cultural dimensions (usually fronted by anthropologists)[4], too top-heavy planning, that the desired aid effect was lost in vast bureaucracies or corruption and thus did not trickle down, and a general lack of involving the beneficiaries and the grass roots in the process. Hence, there was a wide call to alter development practice and counter what were seen as the major obstacles, to strive towards smaller and more inclusive development projects. This must, however, not be seen isolated from larger political trends in the same historical context: Reagan and Thatcher's neo-liberal agenda and the general dismantling of

the state apparatus among donors also had effect for state institutions on the recipient side. The state apparatus, both as a donor and recipient, was now conceived of as being an obstacle to development that had to be minimised and preferable bypassed. Simultaneously the political right celebrated *private* organisations, i.e. the very same organisations as the political left cherished as civil society representatives, as vehicle to development. Hence, one saw the mushrooming of non-governmental organisations (NGO) during the 1980s, which later has been labelled the NGO decade. Being smaller agencies, NGOs were celebrated as more effective and flexible, less bureaucratic and more suitable to engage the rural poor in participatory approaches, which was hard when channelling aid via a state apparatus. NGOs were conceived of as being a result, reproducer and result of participatory approaches.

Within academic circles Robert Chambers, one of the main theoretical protagonists of participation, championed the values of participation and argued for a fundamental shift in aid relationships by turning top-down approaches into bottom-up. In making a call to 'put the last first' Chambers wanted to reverse the power relations between donors and recipients, which he saw as the key to more efficient development (1983). Chambers conception of participation refers to a process of empowerment that enables local people to make their own analysis, to take command, to gain in confidence and to implement their own choices and decisions, which means that 'we', the developers, participate in 'their' projects, which is understood to stimulate local ownership and thus increase the effectiveness of aid input.

Conditionality

Conditionality is the means applied by a donor to enforce the adoption and implementation of its policy. Stokke argues that conditionality is nothing new; aid-tying set by the donor has always been part of everyday life in aid relations (1995a). Further, Stokke maintains that '…conditionality is not an aim in itself but an instrument by which other objectives are pursued' (1995b: 3). The '…key element is the use of pressure by the donor, in terms of threatening to terminate aid, or actually terminating or reducing it, if conditions are not met by the recipient' (ibid.: 11-12) in order to '… to promote what the donor perceives to be in its own interests' (ibid.: 3). Donors' interests have changed over time, and on an overall level Stokke makes a useful distinction between first and second generation conditionality: first generation conditionality grew from the late 1970s and comprises economic policy reforms and infrastructure investments reflecting neo-liberal economic perspectives, and was thus explicit political. This form is highly associated with International Monetary Fund (IMF) and

World Bank initiated structural adjustment programmes (SAP). Second generation conditionality, which grew from the early 1990, concerns systemic and political reform (ibid.), or good governance. The shift from first to second generation conditionality illustrates the shift from hard to more soft policies. Despite these changes the Bretton Woods institutions still posed 'sustainable economic and social development' (World Bank 1992: 5) and 'macroeconomic stability external viability, and orderly economic growth' (IMF 1997: 1; cf. Anders 2005: 43) as overarching objectives despite regular discursive and rhetorical changes.

Development has passed through various discursive phases regarding policies, methods and theories to assist societies perceived as underdeveloped. The latest paradigmatic shift to post-Second World War development policy is donors' embracement and promotion of good governance policy (Orlandini 2003) consisting in a 'cluster of policy ideas' (Archer 1994) imposed on recipients through aid conditionality. The emergence of good governance coincides with the resurgence of seeing the state as an important player in development assistance on both the donor and recipient side of development assistance in the early 1990s. Whereas the state had previously been bypassed, strengthening state institutions in accordance with democratic ideals became the mantra alongside the emerging good governance agenda.

As a concept, good governance made its first appearance in a few World Bank documents in 1989, but it was during the 1990s it emerged as a central concept in development assistance to which just about all development actors relate. 'In a nutshell, good governance means three things to most donors: increased government transparency and accountability, with checks on corruption and human rights abuses; political decentralisation … [and] multiparty democracy' (Pomerantz 2004: 41). Hence, it raises explicit political issues about a sovereign state's internal affairs and its public sector despite the World Bank's mandate prohibit it from political governance – '…but as a public institution we are still allowed to conduct public governance' as a Bank employee in Uganda put it.

The rapid spread of the good governance agenda illustrates some interesting features about development discourse and its global reach. First, it shows World Bank's role in framing the world (cf. Bøås and McNeill 2004a) and its hegemonic position in delivering both development problems and solutions to these, leading to a general standardisation of development thinking (cf. Green 2003). The emergence of good governance in the early 1990s was premised on seeing the state as the problem, solution and objective (Orlandini

2003). Second, it shows how that just about all actors engaged in development work directly or indirectly necessarily need to relate to World Bank paradigms. At the turn of the millennium I was engaged by a Norwegian NGO and was asked to contact all its partners about what they were doing on good governance issues. Signals from the Norwegian Agency for Development Cooperation (Norad), a governmental institution and the NGO's back donor, indicated that it was to put more emphasis on good governance issues in its development assistance. When I in 2002 conducted fieldwork in Afar in Ethiopia, the good governance agenda had become part of the small project funded by the NGO for which I used to work. World Bank policy had, via policy guidelines (or conditionality) adopted and promoted by DAC of the OECD and Norad, filtered down to a remote area largely neglected by the central Ethiopian government, making pastoral nomads part of World Bank's good governance agenda (Lie 2004). Third, the good governance paradigm shows the revival of the state as a privileged actor, means and objective in development assistance, which leads to the fourth; an increasing politicisation of development assistance. World Bank has managed to influence other donors, i.e. bilateral agencies, to become concerned with the nature and performance of recipient government but still under the banner of economic growth by building causality between what they see as good governance and the prospects for economic development (Pomerantz 2004).

Furthermore, the emergence of the good governance agenda illustrates two important changes to the discourse of development. First, the transition from first to second generation conditionality represents a major change in the content of development policies towards the advance of what might be perceived as more soft and small issues as opposed to the hard and embracive aspects of infrastructure investments and macro economic stability. Second, and more important, this transition parallels a critical change in the modality of conditionality as an exercise of power and moreover a crucial shift in the general architecture of aid and donor-recipient relationships. The following section concerns this change in modality of power attached to the new form of conditionality. It relates to various aspects of the conditionality-participation nexus and macro level alterations deriving from the World Bank affecting general donor-recipient relationships, which also underlines World Bank's leading role in devising and reconstructing the aid architecture and international development architecture.

Altering the Development Architecture

Among the prominent issues during my fieldwork in the Bank – being the 'local' name of the World Bank, to the bitterness of employees at other development banks as e.g. the Inter-American Development Bank which headquarter is also placed in Washington D.C. – was who to succeed James Wolfensohn bank-president. In late January 2005, three editorials[5] – in The Washington Post, Financial Times, and The Guardian – all addressed the issue of whom to succeed Wolfensohn after his resignation taking effect 1 June 2005. The Washington Post wrote that:

> It matters who takes over the World Bank, because the institution if both powerful and fragile. It is powerful because it pumps out around $20 billion in commercial loans, subsidized credits and grants each year and because its *10,000-strong staff represents the strongest concentration of development expertise anywhere.* This combination of financial and technical muscles has given the bank a lead role in many ventures that affect American interests, from reconstruction in the Balkans and Afghanistan to the campaign against AIDS to the *refining of development theory.*
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> (The Washington Post 23 January 2005; emphasis added).

January 26 James Wolfensohn addressed his staff in one of the Bank's larger conference halls. The objective of the meeting was to thank his staff for their efforts in collecting money after the Tsunami, which had affected many of the Bank staff. As Wolfensohn was to travel extensively the coming months he also took the opportunity to thank his staff for its cooperation during his tenure and thus to make a provisional farewell due to his upcoming retirement. Wolfensohn did not comment on his successor – which probably was the reason to the high attendance according to people present as well as Wolfensohn himself. In celebrating his staff, Wolfensohn quoted The Washington Post editorial, giving emphasis to the part where his staff's development expertise is highlighted. Wolfensohn added that among his main achievements during his decade-long tenure was that he and his 'development experts' had substantially changed the way of doing development and that he had manage to put up front and centre the idea that the Bank should 'listen to our clients – not as policemen or professors – but as partners'. How does a partnership work when one side of the partner comprising a donor-recipient relationship is addressed as client – a term indicating a patron and thus a relationship between a patron and a client? What does it say about partnership and the conditionality-participation nexus, and about the Bank which holds the position as the leading global development agency?

It matters who governs the Bank. Under Wolfensohn's rule the Bank changed dramatically into becoming a development agency, and not mere a bank run by economists and engineers (Rich 2002). As a previous investment banker, Wolfensohn made at least two paramount contributions to the rearrangement of the international development apparatus through his quest to 'reinvent' the Bank to make it more effective and relevant (cf. Pincus and Winters 2002). Wolfensohn's main contributions, that is, anticorruption work and the introduction of the Comprehensive Development Framework (CDF) serve as intake to illustrate recent structural changes made to the development sector.

Corruption as Cancer

The first change came during Wolfensohn's first year as Bank president in 1996 through his 'cancer of corruption' speech, which followed two of his main instincts on development, i.e. the need to listen to the Bank's clients and that development is depended upon other factors such as corruption – despite these two some ways tension each other (cf. Mallabye 2004: 180). The speech recognised the problems attached with corruption and opened up the possibility to address the issue despite it in many ways infringes upon the Bank mandate which prohibit political action and conditions. Recognising corruption as a problem to development was not new – the Bank had for a long time worked on 'rent seeking', which denotes the same phenomenon but in a less political manner. By making corruption an explicit problem and connecting it to policy conditions and aid disbursement Wolfensohn expanded the mandate and scope to the plaudits of Bank staff and the international development establishment. The reinterpretation and widening of the mandate was a tricky task, but was made possible, Mallabye asserts (ibid.: 174-206), via the ideas of Scott Guggenheim (an anthropologist working in World Bank's Jakarta office) who had grappled with the problem of the Bank's dual intention, that is, to cede 'ownership' on the one side while urging for a less corrupt government. The reinterpretation of the mandate was enabled by a simple premise: 'The client need not be the government. The Bank's real clients are the poor people of a country' (ibid.: 202). This re-conceptualisation enables the Bank to respond to governmental malpractice as the Bank is to be responsible and accountable to the poor, and not the government. In fact, as the government derives – at least ideally and in accordance with the good governance agenda – its legitimacy from the people, the Bank has a responsibility towards these people to respond to bad governance, which is seen as a symptom of corruption. By opening up the policy space to work with issues related to corruption, there

was a major shift in Bank mentality turning it into a more political agency both directly explicit and implicit and indirect through reconfiguring the means and methods applied when giving aid. This interlinks with the second major change in the aid architecture following Wolfensohn's launch of the Comprehensive Development Framework (CDF) which sought to alter aid relations and compile actors, policies and objectives.

Participating in the Framework

The Comprehensive Development Framework (CDF) is a framework for development concerned less about *what* countries should invest their aid in, but rather *how* aid should be spent (Wolfensohn 1999). CDF seeks to include economic and non-economic aspects of development in a mutual and ample approach combining the structural and social challenges of development through elevating three major aspects: governance issues and the need for a clean government; an effective justice system to fight corruption; a properly supervised financial system. Moreover CDF illustrates the pro-poor and poverty alleviation agenda the Bank embarked on (cf. Mosse 2005a). Wolfensohn insisted on participation on the recipient side as both a means to and objective of development, while maintain transparency and accountability regarding all levels and actors engaged in development planning. CDF seeks to both view and plan Bank activity '…within a long-term, holistic and strategic approach where all the component parts are brought together … [in] a participatory process, as transparent and accountable as possible' (ibid.: 30). Wolfensohn feels it necessary to underline that CDF is '…not a return to central planning. It is a holistic and strategic approach to development based on country ownership and partnership' (ibid.: 31). Via the CDF, Wolfensohn had an intention to turn development practice upside down. To encourage '…countries to take charge of their own development implied a break with the donor-imposed conditions of structural adjustment… [while CDF also] deepened Wolfensohn's break with the Bank's apolitical traditions' (Mallabye 2004: 233). Lending government were themselves to devise their own strategies and put it into a matrix, accompanying Wolfensohn's CDF, which compiles premises for growth and poverty alleviation, activities and policy measures to be undertaken and a distribution of work between all government's branches, multilateral and bilateral agencies, civil society and private sector (Wolfensohn 1999). Wolfensohn maintains

> '…there is no way World Bank should be seen as assuming the role of the coordinator of all programs in the matrix… The existence of a matrix is not a clandestine attempt on the part of the Bank to dominate the international development arena, or the donor

> dialogue in a given country. Quite the contrary. It is a tool to have greater cooperation, transparency and partnership'.
>
> (Wolfensohn 1999: 22-23).

The CDF was manifested in 1999 when the Poverty Reduction Strategy Paper (PRSP), which seek to make CDF operational, was introduced by World Bank as the guiding principle for giving development loans and credits. As a product of the lending government, the PRSP functions to define, establish and guide the entire set of development activities of and internal to a particular country. Hence all external actors and their activities also need to relate to the country's PRSP, which is prepared by the government through a participatory process involving actors from civil society and donor institutions, but the final product belongs to the government for which it is solely responsible. As e.g. the Ethiopian PRSP reads, it is not a blueprint on neither how to do development nor how to become developed, rather it is a policy statement stipulating the issues to be addressed by formulating '…policies and strategies to guide over all development'.[6] As stated in the introduction to the Ethiopian PRSP, which accords to World Bank's intentions with CDF and PRSP, it is a genuine and independent product of the Ethiopian government, but the multitude of actors engaged in the processes leading up to the finalisation of the PRSP in July 2004 also made the document represent the cacophonic interests of the various actors involved (Lie 2004: chapter five). In order to be operational as an overarching policy document and national strategy a PRSP needs the approval of the joint board of IMF and World Bank. To the government this approval is of utmost importance, as the approval is a prerequisite for the release of financial support from IMF and the Bank while it also qualifies the government for debt relief under the Heavily Indebted Poor Country (HIPC) initiative. The approval of a PRSP does not only concern the particular government's relation towards World Bank and IMF, but affects the total aid portfolio in that country as all other donor and development institutions need to subscribe to the government's development strategy. Consequently, the PRSP – whether accepted or not – has paramount impact and effect for a government's budget and a nation's overall economy. Hence, it becomes paramount for a government to have its poverty alleviation strategy accepted when it is dependent upon donor funding, as e.g. in Uganda where around 50 per cent of the national budget derives from donors.

The PRSP is the practical manifestation of the Comprehensive Development Framework, through which the government were supposed to take control over their own development

under the rational that this would engender 'ownership' and consequently promote commitment leading to an enhancement of development effectiveness. PRSP represented a shift where the state was reintroduced as a key player of aid and the trend in the modality of donor funding altered from projects and programs, via sector approaches to budget support. Moreover it sat out to counter the top-down approach and conditionality of structural adjustment programmes where the Bank attached strict conditions to its aid to a situation where recipients are to define their own strategy, thus shifting responsibility of Bank-programmes from the Bank itself to its recipients. Addressing corruption more explicit and giving emphasis on how development should be spent represented a critical break with the Bank's apolitical mandate and rhetoric.

Indirect Conditionality

The structural changes of the aid architecture, I argue, have not produced the intended and desired effects of substantially altering the power relation between donor and recipient institution. Rather it has dramatically given impetus to new forms of power modalities internal to the development sector while simultaneously enhancing the legitimacy of conditionality by making the recipient institution responsible for ideas deriving from the donor side. While the distinction between first and second generation conditionality (cf. Stokke 1995a) is interesting enough to distinguish between various policy packages disseminated by donors, it does, however, conceal critical alterations in the modality of power closely related to donor-recipient relationships and the reconfiguration of development assistance.

The government has become the main recipient institution of development assistance from both the multilateral and the bilateral institutions simultaneously as the state has become the main means and objective of development assistance, which is reflected in the parallel and interrelated processes of alterations in the aid architecture and the introduction of the good governance paradigm. CDF and the participation agenda was based on the idea that recipient countries should be '…in the driver's seat and set the course. They must determine goals and the phasing, timing and sequencing of programs' (Wolfensohn 1999: 9). However, critics argue that it does not matter who's in the driver's seat as long as the roadmap and course already are set (cf. Chang 2002; Pomerantz 2004; Perkins 2005). Governments are perfectly aware on their dependency of foreign aid, and they know that in order to release support from the International Financial Institutions (IFIs; as e.g. IMF and the Bank) and other bilateral

agencies they need to have their PRSP document accepted and acceptance is granted if the poverty alleviation strategy abides to prevailing policy trends of the IFIs. Government are told that they are to be in charge of the policy process in order to have ownership to the final document, but the same governments also know that in order to have the document approved it needs to stick to external actors' policies. Hence, we observe a consignment of responsibility and accountability, but not of power. Whereas governments previously were told what to spend donor money on, they are now supposed to tell this themselves in order to get funding. This parallels an interesting donor statement cited in the *The Reality of Aid* (2002) regarding the concept of ownership and how recipient ownership is perceived among donors: 'ownership exists when they do as we want them to do but they do so voluntarily' (Randel, German and Ewing 2002: 8). Ownership and participatory approaches seem to have become the main conditions of aid, but what governments own and participate in need to abide to donors' intentions and wishes. This is illustrated by the intentional shift internal to the Bank from being a conditionality bank into becoming a knowledge bank (cf. Rich 2002) meaning that it was now to provide governments undertaking the PRSC process with input, knowledge and technical assistance to the process rather than directly dictating policy measures. Conditionality changed from *ex post* as in the old form meaning that donor's potential reaction came after programme implementation to *ex ante*, as implied by the new participation and ownership agenda meaning that potential reactions come prior to the actual implementation of a programme (cf. Pincus and Winters 2002).

The practical alterations made to the aid architecture over the last decade largely stems from the World Bank and its president's desire to reinvent the development sector have been highly intentional (cf. Pincus and Winters 2002; Rich 2002; Mallabye 2004). These changes, which profoundly sought to alter power aspects in between donor and recipient, have had the effect of reproducing donor power – which now operates in a more subtle way. This advance matches Foucault's writing on power as operating through various historical contingent forms. In his later works, Foucault operated with three various modalities of power, i.e. dominance, strategy and governmentality (Foucault 1980; 1991; see Neumann 2002 and 2003; both refer to Foucault 1994; Dean 1999). Dominance is a direct power relation leaving no doubt regarding who governs who, akin to the Weberian notion of power. Strategy is a game between wills where there is not determined *a priori* who's will that prevails, i.e. it becomes an empirical question. Governmentality is a modality of power attached to reflexivity and how the subject governs itself – i.e. the conduct of conduct. Governmentality

is attached to modern regimes and is a privileged point of departure to grasp recent alterations to the international development apparatus.

Governmentality and Aid

Governmentality is comprised of two terms- government and mentality – and points out that governance is related to the mentality of the governor and those who are governed. By governmentality Foucault introduced a new conception of power as productive and relational, that is, the conduct of conduct, which draws on the idea of collective mentalities as used by e.g. Durkheim and Mauss (cf. Dean 1999: 16) rather than a disciplining and prohibiting power concept, indicating that individuals govern themselves because they have internalised the governor's mentality. Furthermore it draws on the practical tasks of government and focuses on the *how* of governance as opposed to *what* and *why* – being alike to the intentional good governance agenda.

Governmentality entails four important aspects. First, it does not only address how the government governs the state, but also that individuals are supposed to govern themselves. Thus and second, the governor's direct rule is complemented with an indirect rule enabled by issues detailed instructions regarding human agency. Third, it covers this indirect rule as liberal individualism – that humans get to feel a sense of freedom in governing themselves. Fourth, governmentality depends upon a multitude of knowledge producers that define and monitor individuals' agency through establishing a programme of normalisation, as Foucault's notion of discursive formation. While Foucault saw the rising of governmentality as an effect of the combination of liberalism and the state's wish to govern its population in addition to its territory (Foucault 1991), current governmentality scholars see it as a form of power exercise aimed at individuals rather than the population (see Hindess 2002; Rojas 2004) arguing on the close connection between the undermining of direct rule and the growth of indirect techniques power exercise (Hindess 2004a). Governmentality is not coercive and repressive as direct rule but rather productive as a conduct of individual conduct. It comprises relations of power where the governor seeks to let individuals govern themselves after they have internalised the mentality dispersed by the governor, aiming to guide and shape actions of others or oneself (cf. Cruikshank 1999). As a consequence individualisation becomes imperative so that the individual can be free to fill his/her societal obligations: individual shall govern themselves and are simultaneously forced to this freedom. The governor – previously

designated to the responsibility of direct rule and control – now takes on the role to facilitate and monitor, thus being ascribed with the task of surveillance and indirect rule.

Governmentality derives from studies of the modern state and its new technologies of governance, which resembles structural dimensions that underpins the current development apparatus (cf. Rose and Miller 1992). Recent changes in the aid architecture have produced new technologies of governance which give attention to '…how programmes enrol participants with the rhetoric of freedom, partnership, ownership or participation; how order or control is achieved through internalised disciplines of power' (Mosse 2005a: 2). World Bank's new management and planning regime under the umbrella of Comprehensive Development Framework makes government the responsible part of Bank-driven intentions as the government produced poverty reduction strategy (PRSP) makes government responsible for whatever proposed despite it – when following the policy trails and trajectories – is the Bank that indirectly defines policy and directly chooses which of the government proposed policies to support. Mosse (2005a: 6-9) proposes three critical observations that underpins the emerging governmentalisation of aid: first that international development policy is not a product of any global democratic process but derives from transnational epistemic communities, or discourses, translated and disseminated by various donors under strong influence of IMF and World Bank. Second is the 'universal' principles – being the common denominators for those internal to the transnational epistemic community – of a particular form of governance and marked based solutions to state affairs. Third concerns the unprecedented level of intentional social engineering in development countries and an emerging regime of surveillance and monitoring in private and public sector, that is, a '…shift from the external controls of conditionality … to the internal discipline of PRSPs and "good governance" …[which] has brought increased powers of surveillance and control over sovereign states, and more invasive monitoring of liberalisation be IFIs' (ibid.: 8).

The processes and structures that underpin the modern state form, being the empirical basis of governmentality, have many parallels to the development sector, which makes a governmentality perspective on aid worthwhile and interesting, as e.g. *The Aid Effect* shows. However, what separates the two empirical scopes of state governance and governance within the development sector, is that while governmentality is seen as an effect of how the modern capitalist state system is organised – being an immanent part of neo-liberal work routines – governmentality in the aid sector is *both* an effect of how aid relations are organised *and* an

explicit intention on donor part through disseminating the same system of governance through the good governance paradigm. Hence, developmentality.

Developmentality

Developmentality grasps the effect of the current aid configuration and the general intentions of aid, which get articulated in the conditionality-participation nexus. There are several reasons to apply the term developmentality: First of all, conditionality coupled with good governance policy is a means of governing recipients of development assistance and to inscribe them into a particular epistemic community whereupon internalisation of that particular discourse will enable self-governance in accordance to stipulated guidelines. Secondly, as the prevailing development paradigm implies participation, whatever proposed or imposed is legitimised with recourse to being the choice and interest of the beneficiaries and recipient. Participation becomes a means to advance top-down perspectives as it makes recipients responsible for policy measures that inevitably has to be approved by donor institution. Third, participation, as a condition itself, is imperative to make the recipients get a sense of ownership to the process so they get a sense of liberalism and freedom. What is seemingly liberal – empowerment and participatory approaches where the recipients make the decisions – is actually a means to inscribe recipients into a particular discourse, or mentality of development enabling them to control themselves – which from the donor's point of view can be seen, at least in effect, as an indirect mechanism of surveillance. This leads to the fourth point, viz. that developmentality is not only about governing others. It is also about empowering recipients to be able to develop, govern and control themselves. Developmentality thus is an instrument to emancipate poor people who to not possess the same capacities as the developed one for autonomous action (cf. Hindess 2002: 133), or in the words of Rojas: 'Aid to the poor is onw of liberalism's preferred instruments for governing those declared unfit for self-government' (2004: 2).

Besides conditionality, as an explicit mechanism of exercising power, the development apparatus holds various mechanisms of control and governance – all latent in the policy package of good governance – concerning recipient accountability regarding economy, planning, management and monitoring, and by adhering to democratic values and applying checks-and-balance systems. Audits, being an intrinsic part of development agents everyday life, could, Nustad asserts, be seen as '…instrument of power … closely related to what Foucault [2002] described as governmentality, the self-discipline achieved through creating

knowledge and subject positions in such a way as to ensure that the object of knowledge monitor themselves, without the state needing to keep an eye on day-to-day operations' (2003: 130; cf. Strathern 2000). Concerning similar issues but on a larger scale, Hindess (2004b) writes about Transparency International and its programme for the normalisation of recipient states' conduct as a form for governmentality. *Global Institutions and Development* (Bøås and McNeill 2004a) addresses the multilateral institutions' role in *framing the world*, which function is productive as governmentality, i.e. simultaneous as multilateral institutions disseminate certain policy they also '…limit the power of potentially radical ideas to achieve change … by drawing attention to a specific issue … [and] determining how such an issues is viewed' (Bøås and McNeill 2004b: 1). As both smaller donor agencies, including NGOs, and just about all recipient institutions need to relate to the multilateral organisations' policies and guidelines, the system in its totality and through its effects comprise a form of global governance (cf. Merlingen 2003). Mosse argues for partnership, which itself seeks to disband donor's control, for such a mechanism of control, as it and ownership '…becomes strategies to restructure incentives and overcome the "moral hazard" or "principal agent" problems inherent in aid processes' (2005a: 5). In a study of a development project that applied participatory planning tools, Mosse argues these '...were disciplinary exercises in right thinking; techniques through which outsiders controlled the knowledge that others possessed' (2005b: 96).[7] Participatory planning tools, as e.g. PRSP, becomes an instrument to make the recipients speak as donor wants them to speak, and subsequently recipients have become equipped to produce the knowledge donor desires and needs, because whatever the rhetoric the reality is that people participate in donor's participatory approaches and not the other way round (cf. Mosse 2005b: 98).

The Aid Effect (Mosse and Lewis 2005) deals with similar issues, i.e. the general governmentalisation of aid characterised by the congregation of ideas of neoliberalism, democracy and poverty reduction within the confines of global governance. This is made visible in the aid apparatus itself by the current and prevailing 'good governance' paradigm. According to Mosse the new aid architecture refers to three characteristics being theoretically underpinned by neoliberalism and institutionalism. First is the development apparatus' focus on public sector and policy reform as opposed to the previous conventional investment projects – '…reforms which is "neoliberal" in the sense of promoting economic liberalisation, privatisation and market mechanisms as the instruments of growth and efficiency' (2005a: 3) Second is donors' mutual commitment to poverty reduction and a pro-poor policy reform that

focuses on empowerment, which re-legitimises donor conditionalities, i.e. trade liberalisation, macro-economic stability and fiscal discipline. The third characteristic concerns the reform agenda's focus on governance issues, including public sector management, which illustrates the increasing concern with politics on the donor side. To Mosse's list one might add three crucial elements: aid harmonisation, budget support and participation. Aid harmonisation seeks to join various donors to mutually underpin a government's development strategy, hence in stead of having a fragmented and heterogeneous apparatus, government's now must relate to a monolithic and thus more hegemonic policy regime. Aid harmonisation relates to budget support.[8] Donors pool money directly into a government's national budget and thereby gain influence over political matters, in order to reduce the high transaction costs associated with project and programme support. Participation, which closely relates to Mosse's second characteristic, entails that recipient institutions are to devise their own policies to which donors select which policy to give support. Despite donors, operating as a group under the harmonisation agenda, choose which of government's policies to support, the government is itself made responsible for the policy. Together, these elements comprise an indirect use of force from donors towards recipients where the main objective is to empower, enable and mend recipient institutions to govern and run the whole development process themselves. By inscribing recipients into donors' discourse, donors are to have the role as managers and facilitators. Donors do not front direct policy demands as aid conditions, but rather seek to engender recipient ownership to these through participatory processes being under close donor surveillance. I agree with those arguing for the governmentalisation of aid as an inevitable effect of how the aid architecture recently has been restructures. Developmentality, however, seeks to grasp this phenomenon in addition to the intentional aspirations of prevailing development policies, viz. good governance and the emphasis given to general recipient responsibility.

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Notes

[1] This paper is a revised version of a presentation made at 'The Poverty Politics Conference' *The Public Reconfigured: The production of poverty in an age of advancing neoliberalism*, at The Rosendahl Barony, Norway 23-25 September 2005. An earlier version of this paper is under consideration for publication in an anthology that is to derive from the Poverty Politics workshop (http://www.uib.no/povertypolitics/).
[2] The term development apparatus comprises both an institutional and conceptual apparatus (Ferguson 1994) and relates to Foucault's notion of apparatus ('dispositif') as a heterogeneous constellation of discursive and material elements and the system of relations established between these elements leading to a maintenance of the apparatus.
[3] This view originates from biology and draws on Adam Smith's notion of 'the invisible hand' (Esteva 1992).
[4] See Melhus and Klausen (1983): This is a report from a seminar called 'the role of social anthropologists in development assistance'. This is the translation of the book's title which was unfortunately published in Norwegian.
[5] The Washington Post (23 January 2005): 'A Boss for the World Bank'; Financial Times (24 January 2005): 'After Wolfensohn'; The Guardian (25 January 2005): 'Wanted: Big Hitter'.
[6] The Ethiopian PRSP: *Sustainable Development and Poverty Reduction Programme* (SDPRP) page: i. July 2002. Accessible at http://www.imf.org/external/np/prsp/2002/eth/01/.
[7] Mosse refers to Friedrich (2002).
[8] Aid harmonisation emerged as among the most central issues after the Paris High-Level Forum, or Paris Declaration on Aid Harmonisation and Effectiveness, in 2003 (http://www.aidharmonization.org/) .