

Between Cant and Corporatism

*Creating an Enabling
Political
Environment for the
Poor*

**Mick Moore and
Anuradha Joshi**

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1 Preface

The political science that Gordon grew into in the 1960s was full-bodied: it dealt above all with *contentious politics* as a means of *societal transformation*. If the prospects for radical change from the left had continued to look bright after the mid-1970s, he no doubt would have hung on in there. He never became conservative by instinct. But the world did become a more conservative place. Gordon's attention shifted to more routinised forms of politics. His interest in social transformation was re-focused first on the (capitalist) developmental state and then, more latterly, on civil society. He adapted, but refused to move down either of two roads on which many of his contemporaries embarked. First, he had neither political nor professional sympathy with neo-liberalism. He would tolerate colleagues dabbling on the fringes of neo-liberal political economy (e.g. public choice), but would neither encourage nor indulge in it himself. Second, he could rarely bring himself to respect or engage with the vapidities that pass for theory or grand ideas in the formal policy statements of aid and development agencies. A rapid steer in another direction, toward real politics, awaited any student indicating an interest in writing a term-paper on, for example, 'institution building and aid' – or 'governance', 'empowerment', 'participation' and any of the other jargon terms into which development agencies continually tried to breathe life. Cant was not a word that Gordon often used. He preferred more earthy terms. He would approve of our using it here to describe the insincerity, hypocrisy and emptiness that characterises so much aid-speak. He would be less enthusiastic about the *volte face* that follows immediately: our attempt seriously to address the concerns of aid agencies and to suggest how they might think about putting their money where their mouths are.

2 Introduction

There is a substantial disjuncture between what international aid and development agencies say they want to do and what they actually do. Most have for many years accepted the principle that effective poverty alleviation should have significant *collective* and *mobilising* dimensions: they talk in terms of 'empowerment', 'participation', and framing programmes that are responsive to the demands of poor communities. In practice, they do little to advance these goals. Indeed, in some

respects they have regressed: in recent years, large amounts of money have gone to *new* programmes that may undermine the scope for collective action on the part of the poor – while proclaiming such action to be the goal (see Section 5). That is the cant to which the title refers. Aid and development agencies are probably forced into hypocrisy mainly because of the structural contradictions they face, notably the pressures to continue to disperse money and to find ways of legitimating their activities that appeal to very diverse constituencies. But genuine inability to see through the fog of fashionable jargon and to think clearly about the political and institutional issues may be part of the problem. The purpose of this article is to develop a set of concepts and a language that help us better to understand how ‘external agencies’ could contribute to the (collective) empowerment of poor people through the ways in which they design, organise, and implement anti-poverty programmes in poor countries.

This definition of the problem raises several questions about the meanings of the terms we use. For present purposes, some of them can be left fairly open. ‘External agencies’ refers essentially to government and to other organisations, mainly NGOs, that are involved in development activities. ‘Anti-poverty programmes’ covers any programmes that are directed mainly or solely at poor people, whether or not ‘poverty’ is formally part of their brief. Primary education in rural areas of most poor countries would therefore be included. ‘Mobilisation’, which we use as a synonym for collective empowerment, connotes both action (i.e. people being involved in doing things) and organisation. Forms of mobilisation vary widely.

How might ‘friends of the poor’ in government or other external agencies help increase the effectiveness of anti-poverty programmes by designing, organising, or implementing them so as to stimulate the mobilisation of the poor? They cannot provide, *qua* bureaucrats, the full range of resources that contribute to creating mobilising structures. In particular, they are poorly placed to provide ideological resources: the ideas and values around which collective action can be built. They are, however, potentially better placed to provide certain kinds of

organisational resources and *political opportunities*.¹ In principle, one can distinguish four different mechanisms (or strategies) that external agencies can use to encourage the mobilisation of the poor. Two or more may be combined in practice, but they are best treated separately for purposes of exposition.

2.1 Provocation

This may in reality be the most widespread mechanism through which governments in particular succeed in mobilising the poor – angering them by treating them badly in some way: failing to truck in emergency drinking water supplies during drought; forcibly displacing people to build highways, dams or shopping malls; compulsorily acquiring food-grains from producers at low prices, etc. Provocation is potentially a powerful instrument, but one that rarely can be wielded with finesse or precision – and that anyway involves first hurting the poor. It does not merit further discussion.

2.2 Conscientisation

This is the practice of despatching ‘social mobilisers’ to mobilise the poor by encouraging them to examine their situation (usually collectively) and, hopefully, to decide collectively to do something to change it. This technique is most commonly adopted by non-state organisations: political parties, religious organisations, and other NGOs of various kinds. Agencies that employ social mobilisers to work with the poor in relation to their own programmes – and there are plenty of such cases in the development field, including government agencies – are vulnerable to two kinds of moral hazard. First, they have every incentive to discourage mobilisation once it becomes uncomfortable for them, and thus to keep it closely under control. Second, as we illustrate in Section 3 below, the agencies and their field staff easily slip into the role of salespersons, trying to ‘sell’ to their clients (the poor) the products that the agency has available, even if they are inappropriate. Casual evidence suggests that conscientisation initiatives rarely result in much authentic mobilisation. There is little scope for agencies that are themselves running development programmes to employ conscientisation effectively in relation to their own programmes. Conscientisation is

¹ For a useful discussion of the types of resources needed and used by social movements, see McAdam *et al.* (1997).

far more likely to be effective if employed by one external agency to mobilise the poor in relation to the activities of other agencies or parties.

2.3 Organisational preference

Government agencies, in particular, are well placed to mobilise the poor by giving preferential treatment to particular grassroots organisations that (claim to) represent the poor. This preference can have two main components that tend to go together: recognition and licensing of certain categories of organisations (and not others); and channelling resources to the poor through those organisations to encourage the poor to become involved. These kinds of arrangements are generally labelled 'corporatist'. But corporatism has a bad reputation. Whose interests might be served? Are we not just opening the door to co-optation: institutional arrangements through which the state mobilises and organises socio-economic groups in its own interests, and in ways that closely circumscribe the autonomy of the organisations and their capacity genuinely to represent societal interests? The ambiguities in the corporatist relationship are captured in Philip Selznik's description of participation as 'a technique for turning an unorganized citizenry into a reliable instrument for the achievement of administrative goals'. Co-optation is a potential threat whenever a grassroots organisation enters into any relationship with a powerful external agency;² this is especially true within corporatist structures. But co-optation and demobilisation of the grassroots organisation is not the only potential 'unbalanced' outcome of corporatism.

There is an equally well established tradition of political analysis that focuses on the opposite process: the 'capture' of state agencies by the societal interests that they are attempting to organise. True, the poor have limited resources through which to effect such capture. But they do have some room to manoeuvre. Grassroots organisations may be exploited by external agencies, but at the same time exploit those relationships for their own purposes. In particular, they can enjoy leverage and bargaining

power if the external agencies (a) are disunited, with elements seeking support and allies from elsewhere; (b) focus their attention and energies elsewhere, leaving grassroots organisations with considerable local autonomy by default;³ or (c) are dependent in some way on a level of performance from grassroots organisations that can only be achieved through permitting them autonomy and initiative. Even explicitly corporatist systems can generate organisations that bring to the poor both resources and some degree of, often heavily contested, organisational autonomy. For grassroots political entrepreneurs have incentives to move into these organisations and to try to expand their scope and autonomy.

For example, the corporatist rural workers unions that were established in rural Brazil by military regimes in the 1960s provided both (a) 'cover' behind which local politicians, trades unionists and social activists could operate and (b) legitimacy for parallel organising activities conducted by the Catholic Church. They helped to lay the basis for the rich network of social movements for the rural poor that are found in present-day Brazil (Houtzager 1998). The very existence of privileged corporatist unions encouraged opposition trades unionists to enter them and compete for power. In some cases this has generated levels of union activism and responsiveness to members well in excess of the standard expectations of corporatist arrangements (Pinhanez, 1997). Similarly, the corporatism practised by Mexico's dominant ruling party (the PRI) has provided the means for the development of partly autonomous local movements of the poor by opening up competition for control of public resources at local level. For example, locally-organised Food Councils were given control of food stores, supplies of subsidised basic foods and means of transport. Not all Food Councils were dominated by the local elites or by the local representatives of the PRI. There was continual struggle, which partly reflected divisions within the PRI itself. Jonathan Fox views the struggles around these programmes as an important part of the story of the gradual widening of the scope for

² It was an acute awareness of this possibility that led Piven and Cloward (1971), for example, to argue that 'poor people's movements' could be effective only if they totally rejected cooperation of any kind with state agencies, and pursued the strategy of making a nuisance of themselves.

³ The general argument that the inferior party in an unequal relationship may be able to benefit from the limited attention paid to the relationship by the superior party is presented in Hirschman (1981).

autonomous associational activity in Mexico (Fox 1994).

Depending very much on the political context, corporatist arrangements for giving organisational preference can encourage the poor to organise on their own behalf. We should not dismiss them as irrelevant to our concerns. They are, however, less than ideal. There are three significant characteristic problems:

- Any degree of local organisational autonomy that is achieved is constantly under threat, and has continually to be reasserted.
- Insofar as the organisations receive and redistribute public money, they may become a major charge on the government budget, with much of the benefit going to the non-poor (e.g. the Mexican case above).
- Granting permanent organisational preference may result in local organisational monopoly, and then in lack of accountability and misuse of resources and power. This was often the case, for example, with the corporatist rural workers' unions in Brazil, with their guaranteed income from the state and monopoly control over pension funds (Houtzager, 1998).

Corporatist sponsorship of poor people's organisations is potentially a useful means through which 'friends of the poor' within state agencies can help empower the poor. But there are further options.

2.4 Creating an enabling institutional environment

The *conscientisation* and *organisational preference* strategies are *activist*: they involve external agencies and agencies directly doing things on behalf of the poor – and that activism itself leads to moral hazard. The main argument of this article is that there are considerable opportunities to stimulate the effective, autonomous organisation of the poor by adopting what Gordon White would have called a more *parametric* strategy: establishing and maintaining a framework that would encourage poor people themselves to take a more active role. This is now orthodoxy in the context of government policy toward the private sector: do less directly, and concentrate more on creating an enabling environment. We suggest that the same argument applies to public action and the political organisation of the poor. The environment in which poor people and external

organisations interact is frequently inimical to collective action by the poor. It is characterised by so much uncertainty, arbitrariness and inequality that investment in collective action is not worthwhile. External agencies should focus more on creating incentives to collective action, above all by removing the obstacles that they themselves create. Four dimensions of the 'performance' of external agencies are of special interest to us:

- *Tolerance* We take it as given that collective action on the part of the poor is more likely where the political environment is not hostile and punitive. The fact that no more is said on this reflects our belief that the point is obvious, not that it is unimportant.
- *Credibility* This is essentially a behavioural concept: the extent to which, in their relations with the poor, public officials can be relied on to behave like good partners, i.e. to do their job correctly and to be reliable.
- *Predictability* This refers to the form of external programmes: the extent to which they are stable over time in content, form, and procedural requirements.
- *Rights* The extent to which (a) the benefits received under external programmes are recognised as moral or, better, legal entitlements and (b) there are recognised (preferably legal) mechanisms that the beneficiaries can access to ensure that these entitlements are actually realised.

This looks like a wish list. The key point, illustrated by the case studies in the next two sections, is that it is not a list of preconditions for the creation of an *enabling institutional environment*. A relationship can be highly enabling in one or two of these dimensions even when the general environment appears quite bleak. External agencies do not have to perform well on every dimension in order to generate positive results. Context is all. The relationship between poor people and external agents may be *enabling*, in the sense in which we have defined it, both when it appears *concordant*, i.e. cooperative and harmonious, and when it is *discordant*.

3 Water in Nepal: Credibility and Concordant Collective Action

The first case is a rural-drinking water supply programme in Nepal that was funded by the Finnish aid agency, FINNIDA, and implemented by a Finnish

consultancy company with expatriate and local staff.⁴ The programme design was relatively orthodox. Most costs were met by FINNIDA. Communities that chose to participate were required to organise themselves to make inputs into planning, construction, fee collection and maintenance. Although they contributed only a fraction of construction costs, their total commitments, in terms of cash, labour and self-organisation, were significant to them. Nepali government agencies undertook the investigation and design work and much of the construction, under the eye of the aid project staff. The programme had been in operation for six years – long enough for us to judge it a success in terms of both process and outcome. A large number of water supply schemes had been built, without glaring design or construction failures. As far as we could judge, villagers had made a substantial input in most cases and exhibited a degree of ownership.

We asked villagers why and how they became involved in this programme. The lessons we learned are encapsulated in two responses:

Village A: 'We had wanted water for a long time. We heard that the Fanta Company had done a good job in Villages V and W, so we talked to them about their experience and then approached the company.'⁵

Village B: 'Where we asked why it had taken the villagers three years from the time the water project was first mooted until they began to make serious progress to get themselves organised and raise resources: "We have had at least four different survey teams here from the Local Government Department over the past fifteen years, promising us water. They come when there is an election. We don't really trust people who come and talk about bringing us water. It took us a long time to learn to trust these Fanta people. We discovered that they had done good work elsewhere and seemed reliable.'

The reliability of which the villagers talked is what we have termed *credibility*. It refers to both technical competence and dependability when interacting with others. The perceived credibility of the external agent is central to the willingness of communities to mobilise their own contributions. These

conversations heightened our awareness that much of the interaction between poor people and external agencies is shaped by rational lack of trust on the part of poor people. Increasingly, they are bombarded by visitors from outside who ask for something from them (even if only their time in meetings) and often promise or imply some reward for cooperation. It is difficult for villagers to get any accurate sense of what the agenda of these outsiders actually is, or to get any kind of binding commitment in return for cooperating with them. External agencies that have established a reputation for reliability on the basis of their performance are at least serious candidates for trust.

People who know the rural water sector in Nepal might be tempted to read this case as an illustration of the badness of the government sector and the virtues of NGOs. For, while formally in the public sector, the 'Fanta Company' in practice enjoyed the operational and budgetary autonomy of an NGO. There is, however, a clear and important contrast between the strategies employed by the 'Fanta Company' on the one hand, and most NGOs on the other, to tackle the problem of villagers' rational suspicion of outsiders. The staff of Nepali NGOs working in the sector presented an image of their relative strengths that could have been obtained in almost any developing country. Government agencies were inefficient and corrupt, and only delivered standard designs, completely disregarding the specific needs, preferences and capacities of different groups of clients. By contrast, we were told, NGOs could find out what people wanted, work with local communities, ensure that appropriate low-cost designs were used, and generally get a good job done cheaply. The government water agencies were equally critical of the NGOs, claiming that the NGOs were working with shoddy designs that of course could be constructed cheaply and quickly, but soon fell apart; and that government agencies were left with an almighty mess when asked to maintain and rehabilitate the water facilities that NGOs had constructed in ones and twos all over the country.

It was no surprise to us that spokesmen of government agencies made little reference to what we

⁴ We undertook some research on this programme in 1996. See Moore *et al.* (1996).

⁵ In many places, the term FINNIDA had been transmuted into 'Fanta Company'. Fanta is a popular soft-drink in South Asia.

have termed *credibility* issues. Such concerns rarely feature in the public discourse of government officials in South Asia. That the NGOs were aware of these issues is implicit in the procedure they typically adopted: sending social mobilisers into villages for weeks or months to gain the trust and cooperation of the population before initiating construction work. This is a variant of the *conscientisation* strategy mentioned in Section 2. One might usefully term it an ‘active marketing’ strategy, for it involves taking the initiative to persuade villagers to cooperate through establishing new and positive social relations with them. Note that there was a clear affinity between this ‘active marketing’ strategy and the fact that many NGOs were working on a very small scale, often spreading their resources widely over more than one locality – a village here and a village there. This wide scattering of activities provides little scope for building up local reputations for credibility. The more sceptical view is that it protected NGOs against performance scrutiny and helped maintain their dominance in their relationships with the communities where they were working.

But was this the best solution to the distrust problem? The ‘passive marketing’ strategy employed by the ‘Fanta Company’ – i.e. set some good examples of reliability and then rely on reputation to interest other villagers and elicit requests for assistance – appears superior. It assumes a high and often justified faith in the capacity of communities to organise themselves once they are confident that they have reliable external partners. This obviates the need for external social mobilisers and provides a more valid test of community engagement and sense of ownership than do commitments made in response to ‘active marketing’ strategies employed by influential outsiders.

The water projects we have discussed here work better if local people engage in collective action and invest substantial resources in collaboration with external agencies to ensure that collaboration takes place on equal terms. If they are to make substantial investments in planning and construction, communities need a *concordant* relationship – both generalised trust and extensive cooperation in implementation. The *credibility* of the external agency, and the reputation it thereby acquired, were central to project success. Programme *predictability*

was a secondary factor, of some significance. Communities needed some assurance that their external partner would be around long enough to ensure completion of individual projects. Although the programme that we studied was aid-funded and very likely to come to an end within a few years, it had been operating for six years and worked through the permanent Nepali government agencies. *Rights* played no significant role. There was no legal recourse for villagers if things went wrong and very little political recourse: the programme was relatively insulated from Nepali politics, and project mistakes and failures are easily concealed from external evaluators.

4 Public Works in India: Programme Predictability, Rights and Discordant Collective Action

Our second example deals with a different type of anti-poverty intervention, and a relationship between the poor and external agencies that has frequently been *discordant*. The core of the story is the way in which *programme stability* and, more especially, an ingenious set of *rights* mechanisms, have provided significant opportunities and incentives for local politicians and social activists to intermediate between organised groups of poor people and the public bureaucracy.

In the mid-1970s, the Indian state of Maharashtra introduced an Employment Guarantee Scheme (EGS) for its rural population – assured unskilled manual employment on local public works on request. When the scheme was formalised in the mid-1970s, all rural adults over the age of eighteen were offered a guarantee of employment within fifteen days of the demand being made, provided that (a) jobseekers registered with the local administration, and (b) there were at least 50 jobseekers in one locality. In principle, although almost never in practice, government was obliged to pay an unemployment benefit if it were unable to provide suitable work for registered jobseekers. Over the 23 years from 1975–76 to 1998–99, the scheme has provided an annual average of 132 million work days, on 341,661 separate work sites. Despite many problems, EGS continues to provide relatively cost effective and reliable income support for significant sections of the rural poor of Maharashtra. We have recently conducted field and documentary research

on EGS, focusing on the 'guarantee' and the role of client mobilisation in making the scheme work.⁶ The conclusions are encouraging.

What makes EGS distinctive is the fact that it is enshrined in law. The implementation details can be changed by the executive authority of the state government, but the Maharashtra Employment Guarantee Act of 1977 obliges the state government to operate the scheme. Equally important, there is a dedicated financing mechanism devoted only to EGS. This consists of five specific taxes, of which the most important is the 'professional tax' that is borne mainly by registered professionals and formal sector employees in the urban sector. The state government is obliged to make a contribution to the Employment Guarantee Fund that matches the yield from these dedicated taxes.

How did such progressive ideas get onto the statute books? One part of the story is the pioneering role played by a group of progressive politicians and social activists. A more structural factor was the major drought that affected large areas of Western Maharashtra in 1970–74. The massive public works programme mounted to deal with the consequences of drought provided the basis on which EGS became a state-wide programme. The state government responded effectively to the drought in part because the Communist and left political parties and trades unions rooted in Mumbai (Bombay), the state capital, had established bases in the drought areas. They organised 'agitations' and sparked a fear of more general unrest.

The more important question for us is why EGS has continued to be implemented relatively effectively in a country where there often appear to be several public programmes for every conceivable development problem, many of them quickly mired in clientelist politics and/or corruption? The major reason is that *EGS jobseekers, via political representatives of various kinds, have continuously been mobilised to demand their rights*. That mobilisation is far from predictable. For this is in no sense a variant of a standard story about public sector trades unions. Few EGS workers belong to a union. The scheme is far from the labour organiser's dream. The work

force is casual and fluctuating, and work sites dispersed and temporary. There is no basis for solidarity around a common, long-term employment relation or permanent work place. There is no scope to use the strike weapon: if eligible jobseekers strike, government simply saves money. Because implementation is shared locally between several government agencies, it is difficult to find one clear target against which to mobilise. Yet there is a great deal of mobilisation. There have been *morchas* (marches) *dharmas* (sit-ins) and *gheraos* (sieges of government offices) at many levels. The Government of Maharashtra has several times been taken to court by trades unions and social activists over EGS issues. This level of mobilisation, and the consequent relative success of EGS as a social insurance scheme for the rural poor, result from the interaction of several factors. They are listed here in ascending order of importance:

(i) Incentives to collective action are built into the scheme: a minimum number of people need to be in search of employment before work sites can be opened.

(ii) The funding mechanism for EGS is near-automatic and funds have not generally been scarce at the aggregate level. Consequently, there have been limited incentives for politicians to undermine the scheme by concentrating allocations on their own supporters.

(iii) While there are recurrent problems with the execution of the scheme, the public agencies involved enjoy a degree of *credibility*. One reason is that there is a balance of power between two distinct sections of the state apparatus: the 'line departments' that directly manage EGS projects (Irrigation, Agriculture, Forestry, Highways); and the Revenue Department that controls the finances and constitutes the channel through which demands for work are expressed and, more generally, political concerns and pressures are treated. Neither part of the state apparatus can abuse EGS too far without risking complaints and exposure from the other. In response to past revelations of corruption, the mechanisms for checking and approving EGS expenditures have become relatively demanding and transparent.

⁶ There is a large literature on EGS, most of it published in India. The more internationally accessible sources are Acharya (1990), Dev (1996), Echeverri-Gent (1993),

Gaiha (1996 and 1997), and Herring and Edwards (1983). For more details on the arguments put forward in this article, see Joshi (1998).

(iv) EGS is characterised by a high degree of programme *predictability*, in three important respects. The first is longevity: the scheme has been in place in much the same form for twenty years, is well institutionalised, and operates throughout the state. The second is security: because EGS is legislated, it is worthwhile for politicians and social activists to invest in developing their knowledge of the scheme because they have a high degree of confidence in its continuation. The third dimension of *predictability* is continuity. EGS work is always in process, with projects always being prepared and implemented. This permanency contrasts with the more typical scheme, where large-scale public employment is offered on an *ad hoc* basis whenever drought strikes. Without programme continuity, public servants have to re-learn how to do the job each time, and politicians and social activists representing the poor also have to re-learn the rules. From the perspective of providing incentives to activists to invest in pro-poor mobilisation, the permanency and continuity of EGS provide a functional substitute for the absence of strong workforce solidarity around the work-place (see above). It is the character of the public programme, rather than workforce and workplace conditions, that makes feasible the mobilisation of EGS jobseekers.

(v) Above all, the legal *rights* enshrined in EGS create incentives for jobseekers and their (potential) political representatives to engage in political mobilisation of various kinds at both local and state levels. Action at these two levels is mutually reinforcing. EGS legislation in principle guarantees a range of *rights* in addition to the core entitlement to employment under the conditions set out above. These rights include: payment if workers use their own tools; plastic spectacles for people employed in stone-breaking; provision of on-site drinking water, first-aid and child-care; compensation payments ('unemployment pay') in the case of failure of government to provide work; and, for work sites more than eight kilometres from employees homes, camping facilities and access to fair-price shops. Except for drinking-water provision, few of these additional formal entitlements have been realised regularly. They have however provided the focus for mobilisation, along with grievances typically found on all public works sites, and have led to a wide range of local level political activities, including filing cases against the state government in district courts. Some of these issues have also been taken up by organisations campaigning at state level.

The EGS is far from perfect. It is unlikely to be directly replicable elsewhere. But it provides a great deal of inspiration, and illustrates clearly how clever political and institutional design can encourage the mobilisation of the poor around public programmes in a non-corporatist fashion, while helping to make those programmes more effective.

5 Enabling Institutional Environments and Contemporary Development Policy

How relevant are our concerns about *enabling institutional environments* to the shape of contemporary anti-poverty interventions in poor countries? Although contemporary anti-poverty policies tend formally to be justified in terms like 'participation' and responsiveness to client needs, there appears in practice to be little concern for the issues and relationships we have discussed here. There is a problem of *disabling institutional environments*. Two widespread development policy trends which we will briefly mention give grounds for concern.

First, there has been a significant expansion in the use of NGOs as agents for the delivery of public services to the poor. Some rural activists blamed the slackening of political activity around the EGS, and related issues in the late 1980s and early 1990s on the growth of (foreign-funded) NGOs. These NGOs are said to be attractive employers, and to have 'seduced' the rural activists who had previously helped mobilise the poor around issues of a broadly 'class' nature (Joshi 1998). Whatever the truth of that charge, it is clear that the development activities of NGOs do not elicit the same kind of countervailing popular organisation that the EGS has generated. This is especially true of NGOs that (a) are not strongly rooted in the populations they serve; (b) are oriented mainly to obtaining external financial resources; and (c) are engaged more in service delivery than advocacy. These types of NGOs in particular provide pure 'benefits', not *rights* in either the moral or legal sense of the term. Equally important, NGO activities are invariably small-scale and dispersed, and frequently experimental, temporary and unstable. To the NGO staffers and their funders, flexibility and experimentation are positive values that constitute 'learning experiences'. To potential social activists these same values are disabling, for the central role of NGOs undermines the scope for mobilisation of

the poor around programme implementation. The wider use of NGOs for service delivery is sometimes defended or justified on the grounds that NGOs are better able to mobilise the poor. Some element of mobilisation is often built into the programmes they implement. To that degree, there is a potential counter-argument to the one we have advanced. We are however sceptical of the capacity or willingness of any but the most exceptional organisations to encourage or even tolerate the autonomous and potentially antagonistic mobilisation of their own client groups.

Second, and despite the rhetorical and substantive shift to the NGO sector, over the past decade there has been a massive expansion of one particular type of public anti-poverty programme: the so-called 'Social Funds'.⁷ Originally justified mainly in terms of coping with the social costs of economic adjustment, they have become a dominant anti-poverty instrument of the international financial institutions and banks. A core component of Social Funds, both substantively and ideologically, is the idea of response to 'community demand'. Much Social Fund expenditure is committed by asking poor, territorially-defined 'communities' to decide how they would like to spend an external cash injection for community purposes. Social Funds are often managed by a special bureaucratic agency, with private firms and NGOs frequently contracted to undertake preparation, design and construction work. The rhetoric is of decentralisation, moving away from the monolithic state and its 'old-fashioned', unresponsive specialist departments; tapping the strengths of the private sector and NGOs; and shifting from 'supply-driven' to 'demand-driven' service delivery. From our particular perspective on anti-poverty programmes then, Social Funds may be expected to encourage the mobilisation of beneficiaries.

The reality is not only more complex but substantially different. To a large degree, the real choices are made somewhere up the line: by politicians, by bureaucrats, or by the private companies and NGOs who are formally supposed to elicit community desires. There are a number of interacting reasons for this situation. But the dominant factor is that Social Funds programmes are neither designed nor implemented to produce what we have labelled an *enabling institutional environment* for the mobilisation of the poor. While characterised by tolerance, they are deficient in respect of *credibility*, *programme predictability* and *rights*.

The Social Funds' case is very similar to that of NGOs: a new set of institutional arrangements for delivering public services to the poor are justified through the rhetoric of 'community', 'client demand', 'localism' and 'decentralisation', while little real attention is paid to creating an organisational context that will enable the poor actually to organise to help ensure that programmes work in their favour.

6 Concluding Comment

Gordon White would not have been shocked by this story of Social Funds. The mean-spiritedness of public life over the past two decades has made most of us a little cynical. But Gordon tragically died just before the intellectual anchor of this mean-spiritedness, the doctrine of neo-liberalism, began clearly to lose its holding power.⁸ What chance that we will be able to say, in ten years time, that he died just before international aid and development agencies began to take seriously their own rhetoric about empowering the poor, and that they approached this as a substantial problem of political and institutional design, rather than a matter for feel-good sloganeering?

⁷ This section is based heavily on Judith Tandler's recent thorough review of the Social Funds (Tandler 1999). More corroborating analyses from the agencies financing Social Funds, see for example, Inter-American Development Bank, (1998) and Cornia (1999).

⁸ See especially the damning and authoritative critiques of the appropriateness of neo-liberal economic policy for developing countries by Stiglitz (1998) and Rodrik (1999).

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