

SSR Project R8248 FINAL REPORT

GUESS WHO IS COMING TO DINNER

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BACKGROUND AND OBJECTIVES

Although there have been numerous studies on the state of aid relations, so far little research has been undertaken to explore the issue sociologically through the everyday encounters and social settings in which such relations are played out in developing countries. The motivation for looking at the aid relationship in this way comes from the recognition that the staff of donor organisations are political and social actors in the countries in which they live, work and disburse their aid. Many of these countries are characterised by socio-political systems based on the unequal exchange of gifts and services. While it is common wisdom in donor circles that these patterns of unequal gift relationships or patronage constitute one of the principal limitations to the realisation of poor people's human rights and to the reduction of inequality so far there has been little serious investigation of how donors may be reproducing these very same relationships. The challenge for donors and recipients is to manage the transfer of resources so that it is not one of the principle engines of patronage in recipient societies.

The aim of the research covered by this present report was to undertake initial exploratory work in three countries, Bangladesh, Bolivia and Burkina Faso. The intention was to design a programme of longer term action research involving groups of staff from donor and recipient organisations. Such groups, through a process of 'co-operative inquiry' and facilitated by a researcher from the country concerned, would explore their own day to day practice and discover the extent to which this could be changed through reflective learning and action.

However, even during this exploratory round of our research project – with its seemingly frivolous title - had practical as well as academic aims. It aimed to raise questions and stimulate discussion about aid and its practitioners, primarily about the following: how do the social relations and behaviour of donor staff contribute to the achievement of their organisations' goals. Whom the powerful invite to speak, to join, to hear, be heard and seen – is always likely to be a highly political matter that will influence the capacity of international aid to support global poverty reduction.

In this preparatory phase, we were also exploring how to establish a consortium between researchers from the South with the capacity to manage a research grant from the North. Through our own self-management, we wanted to avoid the usual pattern of a research organisation in the North being the manager of a grant and sub-contracting researchers from the South. We saw the way we practised our own relationship as an integral part of learning about donors, recipients and the play of power and patronage.

METHODS

We found that our work was constrained by a number of contingencies. The first was the growing difficulties since 9/11 for people from the South to travel easily to the North and the second was the political upheaval taking place in one of the project countries, Bolivia that culminated in the mass uprising in October 2003. León's activities in Bolivia were also affected by a third contingency resulting from the internal change management process in DFID that constrained capacity to support a Southern research organisation struggling to cope with unfamiliar procedures and requirements. We return to the last of these in the third part of the next section, 'Findings'.

The methods used for this preparatory project were discussed at an initial three day workshop at IDS in February 2003. These included reviews of locally available literature, focus groups and workshops, and one to one interviews, combined with some participant observation.¹

During the following months, Hossain, León and Dabire started to undertake the agreed in-country activities, namely a literature review of the history of aid relations in each of the countries concerned, combined with interviews with staff from donor agencies, the recipient government and civil society. It was planned that Eyben and León would support this through visits to Bangladesh and Burkina Faso in the period July-August. Meanwhile, Eyben undertook a literature review of foreign aid conceived as a gift relationship (appendix 4). In early August, León and Eyben visited Dhaka and participated in workshops organised by Hossain involving potential volunteers for co-operative inquiry groups from international development organisations and Bangladeshi NGOs. León subsequently conducted a similar workshop for donor staff in La Paz but the one planned for staff from government agencies was cancelled because of the social upheaval and subsequent change of government that took place in Bolivia at that time.

By July Bernard Dabire acknowledged that although he had made some initial contacts and conducted a number of interviews, he was finding it difficult to undertake the preparatory work required prior to the planned visit from Eyben and León. He proposed that Armande Sawadogo, a social anthropologist, replace him on the research team. Sawadogo would travel to IDS, meet Cornwall, Eyben and León and work with them in developing the conceptual approach and preparing a revised timetable for the preparatory

¹ This involved all five researchers although Bernard Dabire only arrived half way through the second day because of problems in securing an entry visa to the UK and that detained him in Paris when in transit from Ouagadougou.

investigations in Burkina Faso. While we had planned for Sawadogo to stay over night in Paris to secure her entry visa, we found that at the height of the summer season, this proved not to be possible. Despite sleeping outside the British Consulate in Paris two nights in succession to be at the head of the queue when the visa office opened in the morning, Ms Sawadogo was unable to get into the office to make an application. Each time the large numbers of people seeking visas led to disturbances in the streets and the Consulate shutting its doors. There was no option but for her to return to Ouagadougou. We subsequently agreed with Dabire and Sawadogo that in these circumstances it would be difficult for Burkina Faso to catch up with the other two countries and should drop out from the preparatory work.

FINDINGS

This section is in three parts. The first summarises and compares the findings from the two national reports from Bangladesh and Bolivia (appendices 1 and 2). The second summarises the findings concerning our conceptual and methodological inquiries (appendices 3, 4 and 5) and explains why we decided not to prepare a second phase major research proposal as originally conceived. The third section summarises our findings in relation to the challenge of managing a research project from the South with funding from the North (appendix 6)

Donor-recipient relations: a two country comparison

The context: how important is aid?

Bolivia has been receiving aid for fifty years with it rising to 12% of its GNP after the re-establishment of democracy and the first structural adjustment programmes of the mid-80's. Today it is at 6%. Bangladesh has come a long way since the early 1970's when it was referred to as the 'basket case' among developing countries. By 1975 the country's situation led the government to submit to donor pressure and to implement some key reforms in return for more aid. However, even then, aid as a percentage of GNP reached only 7%. In the last fifteen years, that percentage has dropped to just below 3%. Unlike in Bolivia, improvements in health and education were joined by some economic growth and reduction in poverty. An increasing amount of aid started to go to very large NGOs that donors found to be easier partners than the government for achieving poverty reduction objectives. In real terms aid flows to both countries declined in the 1990's (as they did generally) but dropped faster in Bangladesh because of perceived problems with 'governance'. By contrast, as late as 1999, Bolivia was being praised by the World Bank as exemplary and aid in real terms has only dropped slightly since its peak in the early '90s.

Despite a turbulent political history, today Bangladesh enjoys greater social stability and economic growth than does Bolivia. Unlike Bolivia, Bangladesh can be characterised as a country moving towards being 'heavily aided but not aid dependent'. Bolivia's aid dependency combined with its growing problems has led to Bolivians seeing donors, and

their influence on economic policy, as being seen as one of the contributing elements to the country's current crisis.

The lack of progress by the 1980's in reducing poverty by state institutions in Bangladesh led donors to provide grants directly to indigenous NGOs in an experiment unique to that country. Bangladesh became a site for innovative approaches to development problems and foreign donors gained experience there that they transferred to other countries. In both countries the focus on 'the field' has only begun to shift in the last few years as donors became increasingly concerned with the need to influence state institutions in a context of perceived bad governance which acts a constraint on sustainable growth. For donor staff this means more time spent in the capital city, a trend already under way with the increasing tendency of donors in all recipient countries to make their assistance more co-ordinated and policy-based. The emphasis on donor coordination and policy-based aid has been even stronger in Bolivia, a pilot country for the Comprehensive Development Framework and one of the first to have a PRSP.

The pattern of social relations in the recipient countries

This section sketches and compares the societal characteristics of Bangladesh and Bolivia before the discussion of the place of donor staff in these countries that follows.

Bolivia has been characterised as a country that it is not only multi-cultural but multi-societal. Over and above the initial division between the indigenous population and the colonising Europeans, there are other divisions of the population based on regional, class and occupational interests while a small political elite established in the middle of the last century seeks to rule the country through an elaborate system of patronage that it is legitimised as State action. With revenues from the national and international private sector, the social, cultural and political codes of this elite exclude other groups, such as the rising middle class of indigenous origin, from access to positions of power in the State. Particularly noted is the pattern of consumption of this elite that lives in certain areas of Bolivia's principal cities, particularly in the seat of government. Their expensive life style, their patronage of international schools and sports clubs and their frequent social gatherings in restaurants and their homes all result in an exclusionary behaviour where economic and political decisions are made among a small group of people.

There is a professional class that to some extent shares this life-style while earning its living by providing services to the elite, including an economic and political diagnosis of Bolivia's situation that ignores the situation of the majority of the population that thus excluded gives voice to its concerns through social movements. This class also plays an important role in the allocation of international aid from whom it earns a living as consultants.

The one thousand or so NGOs (in a country of 8 million people) are generally run by middle class people who have failed to break into the more elitist circles of the professionals although the more successful of the NGOs become part of that elite through their capacity to access donor funds. Many NGOs find themselves in an ambivalent position between on the one hand seeking to articulate the voice and needs of the

excluded and, on the other hand, using donor money to confirm the authority of the State through the provision of services. This is particularly so when the NGO is managed by a political party.

Traditionally the various political parties have belonged to the ruling elite that has used them as an instrument for maintaining their rule through the practice of patronage, including the cooptation of the leaders of sectional, ethnic or regional interests. It has been suggested that the current political crisis in Bolivia is due to the economic situation whereby the elite finds it difficult to continue to provide sufficient private or state-owned resources to maintain a network of compliant clients.

Bangladesh, on the other hand, is characterised by the absence of significant social divides, resulting from ethnic and cultural homogeneity, moderate social mobility due to the absence of strict social hierarchies such as caste and to relatively equitable income distribution although the gap is rapidly increasing between rich and poor. These differences between rich and poor are visibly striking because a tiny highly visible group enjoys the luxuries of the global rich and because of behaviour strictly coded into deference and command. This behaviour is a product of the patronage system that shapes the life of every Bangladeshi. Patron-client relations are the template for much social interaction at the micro level as well as in macro-level economic and political institutions. Compared with the crisis in Bolivia, the patronage system appears to be functioning well, although criticised because of its connection with the personalised exercise of political power strongly associated with bad governance and because of the adverse terms of incorporation into the system by those at the lower end of the hierarchy of patron-client relations.

Expatriate donors and the recipient society

One of the hypotheses of our research project was derived from the experiences of León and Eyben as aid recipient and donor respectively in Bolivia, in particular, the perception that the relationship between expatriate donor agency staff in La Paz and the Bolivian elite was highly sociable and very visible. The findings from this project have confirmed that perception. In Bolivia, the giving and receiving of gifts and the festivities and religious ceremonies associated with this are important symbolic statements of patron-client relations based on reciprocity and mutual obligation. Donor staff are involuntary actors in this system. To promote their aid objectives through dialogue with the political elite they have no choice but to become engaged in the ritual of reciprocity. At the same time, they find themselves choosing to associate with those with whom they share a common language, life style, educational background and code of behaviour.

Aspiring recipients have much less room for manoeuvre in choosing donor counterparts and develop strategies for seduction in which social events play an important part. The stronger the links they establish with the donor community the greater their cultural and social prestige in the chain of patronage within Bolivian society. The fact that today most donor staff live in the elitist enclaves of the capital city, and no longer in the countryside running projects, confirmed for one peasant leader, interviewed for this research, the

significance of donor agencies in the political process: “They are our new patrons”. Whereas those interviewed from the donor community generally felt uncomfortable at exploring the relevance of their private, social life in relation to their professional responsibilities, Bolivians were intrigued and interested and keen to pursue the subject because of their feelings of being not only economically but also politically and culturally dependent on donors.

Interestingly this proved to be the reverse in Dhaka. Here it was the donor community that was more interested in the subject of our research. Resident expatriates appear to be particularly uncomfortable because they feel they are drawn into the local patronage system and the expectations placed on them by Bangladeshis seeking to become their clients. The linguistic and cultural differences may make the play of patronage more obvious in Dhaka than in La Paz where it is mediated by a westernised elite with whom the expatriate enjoys a common social life. In Dhaka, the interaction between the Bangladeshi elite and the donor community is limited to professional and formal encounters. If anything, the relationship is characterised by social separation and mutual indifference, at times shading into antipathy. The general absence of friendship between donor staff and members of the political and economic elite appear to make it easier for donors to blame Bangladeshi poverty on the behaviour and attitudes of that elite.

In Bangladeshi circles the donor-recipient relationship is characterised as ‘colonial’ That this view is compatible with day to day good working relations, particularly between NGO and donor staff may be due to the former feeling they have no choice but to work well within a wider system that they believe is unjust. Largely, the Bangladeshis and Bolivians engaged in donor-recipient relations shared similar sentiments concerning the wider political economy of aid. From the personal perspective, relations in Bangladesh appear to be more difficult. They are viewed by both sides as problematic. In their relations with recipients, perhaps particularly NGOs donors tend more often to behave as patrons rather than partners but if the aid relationship is one of patrons and clients, it is one from which the clients are preparing to exit as the country becomes less aid dependent and more prepared to challenge donor policy prescriptions. This may explain why it is the donor staff who are more interested in trying to improve the relationship as they observe they are less needed

Hossain concludes that donors in Bangladesh are already accommodating themselves to this weakened power of aid, and some seem to be adjusting their strategies and behaviour accordingly. It is in the increasing emphasis on the need for sweeping governance reforms, an agenda for which broad and powerful political alliances are needed, that donors begin to realise the need to influence the policy and civil society elites. It is here that the coldness of donors towards domestic elites may become significant, as a barrier to exercising influence for pro-poor policy change.

In Bolivia, as the country becomes more politically and economically troubled so recipients find themselves caught in a dilemma of recognising an aid dependency that they would like to reject but know they cannot. This may explain their interest in exploring further the relationship so they can learn to maintain or increase the flow of aid

while breaking the patron-client bond. León posits a chain of power and voice that runs from the 'constitutional space' where rich countries decide on the structural rules of the game of aid through to collective spaces such as international fora where donor and recipient governments agree the modalities, through to the country-level spaces where aid bureaucrats meet their counterparts to decide programmes and projects. She considers how the October 2003 uprising was a repudiation of this structure of relationships. People protested at government measures, interpreted as policies of the ruling elite, clients of the international donor community. León concludes that official aid agencies need to be less dependent on a small group of Bolivian 'client' consultants from this elite class, consultants who have adopted the language and mind-set of their international patrons and whose analysis is very distant from the reality of poor people's lives.

Methodological findings

Our main conceptual hypothesis concerned the explanatory power of gift theory for throwing light on certain aspects of donor-recipient relations. This has been explored in both national studies where the concept was shared and discussed with contacts from donor and recipient agencies. Eyben and León also used it as the conceptual framework for a joint paper concerning donor-recipient relations (appendix five).

Although contacts were interested in the theory and topic of the research, they were more doubtful about their own direct engagement in the investigation. Firstly, we were proposing to inquire into unexamined aspects of donor - recipient relations that people would generally prefer not to think about and they feared this might lead to their having to look at really difficult issues such as how much money they earned and the extent to which racial prejudice informed their relations. Secondly, we were proposed using an unorthodox methodology that contradicted the conventional meaning of 'objective research'.

Nevertheless, despite these doubts in both Bangladesh and Bolivia, there was sufficient interest for provisional co-operative inquiry groups to be identified. However, both Hossain and León have also become uncertain concerning the feasibility of this methodology. The proposed fusion of researcher and researched puts into question their own role of external researcher/facilitator and the management of the construction of knowledge. Furthermore they risk finding themselves in an ambiguous position, dependent on donor funds to pursue further research while themselves members of the recipient community they would be investigating. We have concluded that an approach based on more flexible and facilitated communities of practice, combined with further investigations using the more conventional methods already employed during this preparatory phase, appear to be more appropriate for subsequent research into this topic.

The experience gained in this project has established the methodological foundation for a continuing reflexive partnership between the two lead co-researchers in which they will undertake various associated activities through a looser connection in which each takes advantage of her global positionality to pursue participatory action research in donor-recipient relations.

Managing a donor-funded research project from the South: the devil's in the detail
(see appendix six)

From the experience of this preparatory phase we have found that it would be neither feasible nor appropriate to pursue our initial idea of developing a fully costed large proposal for collaborative, action research in three countries and managed from the South. The high transaction costs of managing such a process would outweigh any benefits of rigorous cross-country comparison. Although the untying of aid leads to the theoretical possibility of organisations from the South being able to access DFID grants directly without the mediation (and associated overheads) of a UK institution, the reality is that current procedural arrangements make this very difficult. We have found that the devil is in the detail of DFID procedures. This, combined with the current practice of the international banking system makes it likely that without changes to at least one of these two elements, it is likely that UK based research organisations will continue to play a patronage role through privileged access to funds.

DISSEMINATION

The two national reports have stimulated considerable interest in their respective countries and have been shared with all those who gave interviews and participated in workshops, as well as in three dinner parties given in Dhaka on the occasion of the visit of Eyben and León. The topic has touched on a subject which has so far rarely been analysed yet which from the response received clearly resonates with many involved in donor –recipient relations. León's interviews appear to have opened a flood gate among the professional class in Bolivia and have already led to one respondent publishing a highly controversial article in an intellectual weekly criticising the life style and practices of the donor community. Hossain has been invited to make a presentation at BRAC which has expressed interest in taking forward the research to a second phase. León is exploring publication of her national reports in Bolivia and Hossain is looking to convert hers into a journal article.

In Britain Eyben and León presented a paper on donor-recipient relations at a conference Order and Disjuncture: the Organization of Aid and Development at the School of Oriental and African Studies in September 2003 (appendix 5). The paper has been one of those selected from the conference to be included in a book, edited by David Lewis and David Mosse and to be published by Pluto Press.

Based on the methods annexe to this report, Eyben, León and Hossain are planning to submit an article to Action Research.

León in collaboration with the Participation Group in IDS is proposing to take the research to a second phase in Bolivia and then disseminate the findings more widely with the aim of the theme being taken up as a regional research topic by CLACSO.

With funding from the Sida/SDC/DFID programme Power, Participation and Change, Eyben is proposing to run a series of E-Forums for staff from donor and recipient agencies who wish to participate in a virtual research programme on this subject. She has also drawn on the experience with DFID's financial and administrative systems to develop a research proposal submitted to the Swedish Ministry of Foreign Affairs, entitled 'The Devil's in the Detail'. This proposes an ethnographic inquiry into the way that procedures can impede or support concepts of ownership and partnership.

APPENDICES

Appendix One: Bangladesh report

Appendix Two: Bolivia report

Appendix Three: Methodology

Appendix Four: Literature review: aid and gift theory

Appendix Five: Who owns the gift? Donor-recipient relations and the national elections in Bolivia

Appendix Six: Managing a multi-country research project from the South