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Rights, claims and capture:
Understanding the politics of pro-poor policy

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Summary

Scholars and practitioners of development have become increasingly interested in the ways in which politics and power affect pro-poor policy. An important point of departure in this literature, is the assertion that poor people are generally disadvantaged when it comes to influencing policy and are therefore poorly placed to influence the ways in which states allocate rights and resources within society. This paper considers this dilemma by addressing three interrelated features of pro-poor policy: (1) the role that states play in promoting and implementing redistributive policies; (2) the ways in which social actors affect these actions; and (3) competing ideas about the role states *should* play in encouraging *particular forms of development*. In so doing, it examines the challenge of implementing coherent policy, exploring problems of coordination, influence and capture. It also considers the ways in which mainstream thinking about rights, governance and development has transformed the conditions under which governments and other agents of development design and implement pro-poor policy.

1. Introduction

> The rebels against power are those denied any connection with money, and so every call to poverty provokes great tension and argument, and the whole city, from bishop to magistrate, considers a personal enemy the one who preaches poverty too much (William of Baskerville in *The Name of the Rose* by Umberto Eco, p.127).

Scholars and practitioners of development have become increasingly interested in the ways in which politics and power affect pro-poor policy.[1] As a field of study, the politics of poverty has emerged as a serious research agenda, emphasising the ways in which institutions and power affect poverty, inequality and 'good governance' (Moore and Putzel, 2000; Manor, 1999; Sen, 1999).

A general point of departure in this literature, is the assertion that poor people are often disadvantaged when it comes to influencing policy, and are therefore poorly placed to influence the ways in which states allocate rights and resources within society. Indeed, some would argue that this is a defining feature of poverty (Chambers, 1983).[2]

Potentially, pro-poor policies provide a means of redressing these imbalances by mobilising resources from one part of society (national or international) to another for the purposes of planned and strategic development (the nature of which, can of course, vary). This in turn may entail the establishment of rights that guarantee the ability to obtain such resources.

Inherent in this however, are three particular types of dilemma. First, effective policies require that the agents – governments, non-governmental organisations (NGOs) and so on – that deliver these resources, are able to allocate them effectively. Second, and related to this, they require an ability to ensure that resources are in fact reaching their intended beneficiaries. When such transfers challenge the existing distribution of rights and resources, redistribution policies entail a **third type of political dilemma**: the challenge of confronting vested interests within society.

For such policies to work, effective redistributive programmes require an actor (or set of actors) with the **organisational ability** to allocate resources effectively and **the political ability** to overcome the actors and historical processes that would undermine this type of activity. Historically, the most ambitious forms of redistribution have entailed a state that is both ideologically and financially committed to the goal of political reform. Good examples of this would include the Left Front government's redistributive agenda in West Bengal (Kohli, 1987) and land reform in Northeast Asia (Putzel, 1992).[3]

In theory, states have a number of 'comparative advantages', which allow them to undertake this type of role. Principal among these are the ability to collect and synthesise complex information, a 'monopoly' on the use of force, a relative wealth of fiscal resources and a normative expectation that they maintain, and ideally improve, the well-being of their people.

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[1] See, for instance, Moore and Putzel, 2000; Keeley and Scoones, 1999; World Bank, 1997; Department for International Development (DFID), 2000.

[2] For an important critique of this definition, see Sen (1981).

[3] Of course, the Northeast Asian example is somewhat unique in the sense that government commitment in Japan, Taiwan and South Korea was reinforced by American aid and influence (see Putzel, 1992).

In practice however, Third World governments often lack the resources to compile and analyse policy-relevant information (Grindle and Thomas, 1991; Keeley and Scoones, 1999). Moreover, their 'monopoly' on the use of force is rarely unchallenged (Kohli, 1987; Migdal et al., 1994). Finally, and related to this, important actors – at national and international levels – have come to question the legitimacy of state-led development.

In this paper, three interrelated features of pro-poor policy are considered:

1. the role that states play in promoting and implementing re-distributive policies;
2. the ways in which social actors affect these actions; and
3. competing ideas about the role states *should* play in encouraging *particular forms of development*.[4]

In so doing, the following aspects of states, politics and pro-poor policy are considered. Firstly, the institutional elements that often prevent governments from implementing coherent policy are addressed. Central to this are problems of targeting, communication and incentives within the public sector. Second, the issue of interest group capture is considered. Here, particularly interest is focused on the ways in which dominant groups reinforce poverty and inequality, either by structuring policies, programmes and institutions in their favour or by skimming the benefits that are intended for the poor.

Third, it is argued that mainstream thinking about development has created an ideological environment in which the ability to fund and support redistributive policies has diminished considerably. In its place, governments have been encouraged to create 'market rights', rights that provide the poor with an opportunity to engage in market relations, but not necessarily the benefits that markets would provide.

Finally, the ways in which these transformations have affected mainstream thinking about poverty, development and public policy are considered. In particular, the now popular challenge of 'narrowing the gap' between the actors that decide and implement pro-poor policy and the poor themselves are considered.

This paper is structured as follows. In Section 2, the nature and meaning of public policy is considered, offering a conceptual framework for understanding the 'policy process' and a theoretical discussion of the ways in which state and non-state actors are thought to affect public policy. Section 3 considers the institutional constraints that can affect the determination and implementation of pro-poor policy. These include the challenge of targeting, coordination and interface. In Section 4, the problem of capture is explored by examining the ways in which power and inequality can bias the distribution of state resources. Section 5 theorises the conditions under which poor people can influence pro-poor policy. Mainstream thinking about rights, governance and development is addressed in Section 6. In Section 7, the ways in which these transformations have affected new thinking about accountability, civil society and the 'new' public management are explored. Section 8 offers conclusions and questions for future research about rights, states and pro-poor policy.

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[4] Our emphasis on the state should not imply that 'non-state actors' (such as NGOs, firms, 'communities', labour, capital and so on) are unimportant, for as we shall make clear, they undoubtedly are. Rather, we emphasise the state both because it represents a fundamental actor in development (which often decides the terms on which non-state actors operate in society) and because it has received minimal attention in recent debates surrounding 'sustainable livelihoods' and development in general (cf. Fine, 1999; Keeley and Scoones, 1999).

2. States, politics and 'pro-poor policy'

At the heart of any kind of policy are two core components:

(i) planning, which involves information gathering, analysis and decision-making; and
(ii) implementation, in which individuals and organisations act on these variables to achieve a particular set of goals.

Equally important are the ways in which knowledge and knowledge systems (research programmes, dissemination and so on) influence (and legitimate) particular forms of policy (Keeley and Scoones, 1999; Gore, 2000).

As Ham and Hill citing Easton (1953) have argued, public policy can be understood as 'a web of decisions and actions' that guide and constrain government action (1984: 11). This, they argue, may entail 'decisions taking place over a long period of time and extending far beyond the initial policy-making process' (ibid.: 12). The *policy process* is thus highly dynamic in the sense that it 'involves a course of action or a web of decisions rather than one decision' (ibid.: 12). It may also involve a network of decision-makers that goes well beyond the state (although this of course can vary – see below).

Assuming that public resources are scarce (and are therefore subject to rivalry), **pro-poor policies** are fundamentally political in the sense that they **aim to** transfer rights and resources to individuals, organisations and regions that are traditionally under-represented in market and state (Moore and Putzel, 2000). Historically, policies aimed at restructuring land rights, private property and so on have been relatively rare occurrences, and somewhat difficult to pursue in the short to medium term (Kohli, 1987; Putzel, 1992). By comparison, policies aimed at regulating the transfer of resources within society represent a relatively common form of state intervention, and one that can have a profound effect on the poor during times of hardship and need (Dreze and Sen, 1989).

Here, the ability to design and implement effective policy is dependent upon a number of interrelated factors:

(i) the ability to organise, finance and implement such a policy; and
(ii) the strength of social actors vis-à-vis the state (Kohli, 1987; Migdal, 1988; Migdal et al., 1994).

2.1 Theories of politics and the state

Traditionally, sociologists, historians and political scientists have had difficulty reconciling the autonomy that states are at times able to achieve with the ways in which societal actors affect or undermine this autonomy. At one end of the spectrum are elite or 'state-centred' (Grindle and Thomas, 1991: 27) theories, in which the allocation of authority and resources within society is determined primarily by the preferences and resources of civil servants, political representatives and the like (as well as the bureaucratic politics that this may entail) (Grindle and Thomas, 1991; Dunleavy, 1991; Riggs, 1966). At the other end are more rigid theories (such as 'instrumentalist' Marxist or dependency models), in which the state is understood as little more than a handmaiden to the interests of domestic and/or international capital (Grindle and Thomas, 1991; Dunleavy, 1991).

Between these two extremes is a wide range of ideas and theories about states and society. Pluralist models, for instance, argue that ‘public policy results from conflict, bargaining, and coalition formation among a potentially large number of societal groups organised to protect or advance particular interests common to their members’ (Grindle and Thomas, 1991: 22–3). Framed in this way, the state is ‘more or less a neutral arena for conflicting and competing interests to shape policy output, and no groups are systematically discriminated against in their access to policy makers’ (Grindle and Thomas, 1991: 23).

Somewhat less neutral, are corporatist models in which states play a more active role in defining the terms on which particular groups obtain access to policy makers, and excluding certain actors from the policy process. As Dunleavy (1991) has argued, questions of access can depend on a number of factors, including class affiliation, control over resources that are vital to the well-being of an economy, ideological distinctiveness and ‘solidaristic group loyalties’. All of these can affect the degree to which interest groups obtain *privileged* access to the policy-making process.

Along slightly different lines, a ‘structuralist’ Marxist approach (Grindle and Thomas, 1991) would argue that states *can* exercise autonomy from dominant class interests, but they are still largely responsive to the ‘needs’ of the capitalist system. Framed in this way, ‘the state is instrumental for capitalism as a system and thus acts periodically to ensure the persistence of the system, even if the interests of specific fractions of the capitalist class or the class as a whole are constrained by such actions’ (Poulantzas cited in Grindle and Thomas, 1991: 21).

In short, ideas about states, politics and policy are divided over some very fundamental issues, including the resources, powers and preferences states are believed to possess; the ways in which social interests affect or undermine these factors; the relationship between broad systemic features (such as an economy’s ‘level’ of development), and the terms on which states intervene in society. For students of the state (and of development in general) this presents a number of methodological problems, not least the challenge of selecting an appropriate unit of analysis.

Reflecting some of these concerns, more recent studies of governance and development have tended to reject cruder models (such as pluralism or instrumentalist Marxism) in favour of a less rigid understanding of state-society interaction (Evans, 1995; Grindle and Thomas, 1991; Kohli, 1987; Migdal, 1988; Putnam, 1993; Tendler, 1997; Jenkins, 1999). Typically, this has involved a more rigorous treatment of the decision-making process (Grindle and Thomas, 1991; Riggs, 1966), the interface between government officials and recipients of government aid (Evans, 1995; Putnam, 1993; Tendler, 1997) and the ways in which coalitions (both within and beyond the public sector) affect public policy (Evans, 1995; Grindle and Thomas, 1991; Kohli, 1987; Tendler, 1997; Jenkins, 1999).

There has also been a growing recognition that state autonomy can vary with the level of commitment within government, the particular issue at hand (i.e. societal groups may organise more effectively on particular issues, as may public officials) and the wider ideological environment, which may improve or undermine particular policy interventions. Grindle and Thomas (1991) for instance, argue that policy elites can establish ‘room for manoeuvre’ when pursuing policy reforms. In a similar vein, Tendler (1997) makes the case that centralised governments can motivate field extension workers to implement pro-poor policy by restructuring incentives at the local level.

3. Planning, co-ordination and capacity

Assuming that governments are willing to pursue pro-poor policy (a large assumption indeed), they face three particular challenges:

(i) identifying the activities (e.g. credit, extension, employment, etc.) that the project will entail, as well as the intended (or 'targeted') beneficiaries;
(ii) communicating the needs and priorities of these activities within the public sector, and ensuring that these needs and priorities are met; and
(iii) creating an effective interface between the officials who provide government services and the individuals, communities who are expected to benefit as a result.

3.1 Targeting

Central to the challenge of administering any type of redistributive policy is the process of targeting beneficiaries. This in turn requires a set of criteria on which governments, NGOs, etc. can allocate scarce resources. Depending on the overall objective that the programme seeks to achieve (e.g. employment generation for poor farmers, credit for women, nutritional improvements for children), this will also entail a verifiable means of determining eligibility.

For certain types of programme (e.g. old-age benefits, inoculation for new-borns, etc.), the challenge of identifying and verifying eligible beneficiaries is relatively minor. For others however, (e.g. subsidies for families below the poverty line, land redistribution) the task is more daunting.

First, the ability to quantify complex phenomena such as poverty poses a number of methodological problems. Primarily it runs the risk of excluding other important variables (such as empowerment, happiness, independence, etc.) which are very much a part of a person's well-being but extremely difficult to measure numerically (for a good review of debates surrounding the measurement of poverty, see Sen, 1981). More practically, it requires a data retrieval system that exceeds the capabilities of most Third World (and 'First World') governments.

Second, and related to this, targeted poverty reduction programmes are often highly susceptible to fraud. The reasons for this are twofold. Primarily, the lack of reliable data makes it difficult to ensure that public resources are in fact going to their intended beneficiaries. Additionally, and because of this, people have strong incentives to take advantage of the system (see below). Both of these factors make it very difficult to design and implement policies that actually reach the poor. A second and vital factor is internal communication and incentives.

3.2 Internal communication and incentives

Constraints on the ability of public officials to implement and sustain policy directives may include the availability of funds, human resources, skills in particular areas, and appropriate knowledge and information (Grindle and Thomas, 1991). Further limits may include the ways in which the public sector is organised and how it interacts with local and regional systems of administration (Manor, 1999).

Underlying the foregoing critique of government is an overriding belief that the state would function more effectively, efficiently and reliably, if it were to institute rules governing recruitment, promotion and other codes of conduct. The assumption here is that a meritocratic order would discourage the type of interpersonal relations that promote corruption and other forms of rent-seeking behaviour (Giddens, 1971). Such incentives can take the form of clear career trajectories, good pay and status in society. Another perspective argues that public administration can be enhanced through informal networks that uphold performance values and corporate identity (Evans, 1995; Tendler, 1997; Tendler and Freedheim, 1994).

History suggests that the challenge of implementing an arrangement of this nature is large (Krueger, 1974; Ostrom et al., 1993). First, the costs of ensuring that public officials undertake their duties often far exceeds the ability of any single government agency (raising the importance of public accountability – see below). Second, and because of this, the ability to enforce gives the enforcer a powerful incentive to extract rent from individuals caught breaking the rules (see below). Third, there are always parties (both within and beyond the public sector) who benefit from this state of affairs (Krueger, 1974; Ostrom et al., 1994; Wade, 1985).

How can such behaviour be minimised for the sake of the public good? One popular view is that governments will operate more effectively if there are (formal and informal) mechanisms of accountability to keep them in check. However, such assertions are problematic and are explored in Section 5. For now, let us address the other elements that can potentially undermine effective implementation.

One (vital) factor is bureaucratic politics. Reflecting the resources (income, power, prestige) that governments can procure, officials frequently have strong incentives to expand or maintain their sphere of influence within the public sector. When such incentives encourage unhealthy competition or ‘turf battles’, public policy can become highly ineffective (Johnson, 2000; Moore, 2000).

A second and related element, is the effect that bureaucratic secrecy and control have on a government’s ability to manage and respond to highly complex societal needs. Reflecting their need to maintain order, bureaucracies (particularly those in which the costs of error or indecision are great) are frequently structured in a way that limits the flow of information, both within and beyond the public sector. This can have two negative effects. First, it can impede communication (both among different agencies and between superiors and subordinates) that would inform a more effective and timely policy response (Riggs, 1966). Second, it widens (or maintains) the gap between the officials who implement public policy and those who are intended to benefit as a result. (Both of these problems, it has been argued, were at the heart of the British government’s mishandling of the BSE crisis in the late 1990s).

A final factor is the ‘culture’ of bureaucratic targeting and administration. Frequently, state bureaucracies encourage public officials to work towards a particular set of (financial and thematic) objectives, which may or may not reflect local needs and priorities. Beyond the gap that exists between central state planning and local priorities (see below), a fundamental problem with this is that it tends to constrain the ways in which public officials understand and address development problems. In particular, it creates an incentive structure whereby officials are rewarded as long as they demonstrate the achievement of a set of objectively verifiable indicators (OVIs), which may or may not address the broader and more enduring issues that the programme or policy is intended to address.

3.3 Interface

A final factor touches upon the ways in which front line officials relate to the individuals and communities that public policy is meant to assist. As Lipsky (1980) cited in Ham and Hill (1984: 136–37) has argued, there are circumstances in which

> . . . the decisions of street level bureaucrats, the routines they establish, and the devices they invent to cope with uncertainties and work pressures, effectively *become* the public policies they carry out. [emphasis in the original]

Part of this reflects the relatively rigid structure in which public officials are often required to work. One of the defining characteristics of any bureaucracy is the existence of a formalised set of rules and codes that define the ways in which individuals are supposed to act within (and often beyond) the organisation.[5] In theory, these are designed to create an institutional environment that maximises organisational consistency and control. In practice, however, they can encourage a 'culture' of rent-seeking and corruption. As Ostrom et al. (1994: 326) have argued:

> The imposition of uniform rules can lead to dramatic differences in outcomes or to extreme discretion on the part of officials who adjust the uniform rules to fit local circumstances. Such discretion opens the door to corruption.

Bureaucratic rules can also be used as a 'survival mechanism' (Ham and Hill, 1984) by which officials protect themselves from having to take difficult or unpopular decisions. Here rule conformity or 'non-decisions' can provide an effective means of legitimating or reproducing the status quo (Ham and Hill, 1984; Mosse, 1997).

Alongside the financial and organisational power of the bureaucratic state, the ability to make decisions about eligibility and distribution represents a substantial amount of economic and political power. [Indeed, this is why government jobs are often so highly valued in poor countries (Berry, 1993; Lerche and Jeffrey, 2000; Wade, 1985)].

Reinforcing this, is a development process that encourages villages, communities, regions, etc. to compete for finite government funds. As Hirsch (1990) has argued, the ability to decide the allocation of budgetary resources allows public officials to pick and choose the individuals, families and communities that undergo 'development'. This, in turn, provides a powerful set of incentives that officials can use to organise and control the recipients of government aide (Hirsch, 1990; Ham and Hill, 1984).

In short, governments are often structured in a way that undermines or perverts the explicit intentions of public policy. This can reflect a wide range of factors, including the challenge of targeting, internal communication and incentives and the interface between officials and beneficiaries.

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[5] Note that this need not necessarily apply to government organisations. Indeed, many large firms and NGOs exhibit characteristics of a state bureaucracy.

4. The problem of capture

Beyond the organisational constraints that exist *within* the public sector, a challenge of encouraging coherent and effective policy is the problem of capture. This can take at least two forms. First, resources intended for particular groups or regions may be intercepted by powerful and/or well-placed actors. Second, policies and rights may be structured in a way that contradicts the interests of poor and underprivileged groups in society.

Such 'leakages' can occur at a number of levels and in a number of ways. Here we are particularly interested in four: (1) household; (2) region; (3) class; and (4) sector.[6]

4.1 Household

As the literature on gender and development has shown (e.g. Kabeer, 1994; Goetz, 1996; Kabeer and Murthy, 1996), power inequalities – both within and between households – can have a deeply negative effect on the distribution and reach of targeted poverty programmes. Credit intended for women for instance, is often misappropriated by male family members (Goetz and Gupta, 1996; Kabeer and Murthy, 1996).

Underlying such problems are a number of features which bear careful scrutiny. One is the effect that power and inequality can have on redistributive programmes at the local level. A second relates to the organisational challenge of ensuring that development programmes are in fact reaching their intended beneficiaries.

Both of these issues we consider more fully in due course. For the time being however, let us stress the notion that inequality – both within and between families – can have a discouraging effect on redistributive programmes and policies. [Note that problems of this nature are not necessarily limited to small and intimate rural communities. Here, the effect that President Suharto's extended family network had on Indonesia's economy provides a compelling case in point.]

4.2 Region

Development funding and programmes are also often highly subject to 'regional bias'. This can take numerous forms, including bias in favour of relatively affluent and well-developed areas (Chambers, 1983; Harriss et al., 1992; Harriss, 2000; Vaidyanathan, 1992), urban bias (Lipton, 1977) and political bias for regions in which local actors are exceptionally important and/or influential (Pasuk and Baker, 1996).

Perhaps the most compelling illustration of the ways in which regional biases can affect the distribution of public resources was the green revolution. Here, there is ample evidence to suggest that agricultural policies in many developing countries were structured in a way that emphasised regions with good infrastructure (roads, canals, railways) and favourable agro-climatic conditions. In India, for instance,

6 This list, of course, is not meant to be exhaustive; other important sites of bias and exclusion would include race, religion and ethnicity

the introduction of high-yielding varieties of rice and soya was initially limited to areas in which roads, irrigation and other remnants of the pre-existing colonial regime were strong (Harriss, 2000; Vaidyanathan, 1992).

In a slightly different vein, Lipton (1977) has argued that public finance is biased in favour of the political, economic and cultural elites who reside in metropolitan areas. This, he argues, produces a self-perpetuating cycle of underdevelopment, in which rural areas are consistently deprived of public resources, economic surplus and frequently, their own educated elites.[7]

4.3 Class

Equally important are the ways in which institutions and class affect the distribution and reach of public resources. As Boyce's study of the Philippines (1993) has shown, the distribution of green revolution technologies was in effect highly skewed in favour of large landholding elites. This in turn, reflected the unequal pattern of landholdings which preceded the introduction of green revolution and mechanised technology. It also reflected the ways in which large landholders were able to influence state policy. As Boyce (1993) argues, large and influential farmers were favoured, not only in terms of obtaining the best and most productive varieties of rice. Equally significant, they were able to obtain access to mechanised technology, which both increased rural unemployment and created a downward pressure on rural wages. The result, Boyce (1993) argues, was an overall increase in rural poverty.

Such developments illustrate the politics of policy in a number of ways. First, and most explicitly, they illustrate the ways in which powerful classes can affect agricultural policy and agrarian change. Second, they illustrate the importance of what students of public policy like to call 'non-decisions'. Here, the Philippines example demonstrates the ways in which the class biases within the Marcos regime prevented government from legislating against what was effectively an anti-poor policy.

Outside of agriculture, class politics can shape other aspects of industrial policy, such as labour relations, working conditions and industrial action. Economic growth in the North and Southeast Asian economies for instance, has been explained at least partly in terms of the ways in which national governments have organised and suppressed industrial labour (Deyo, 1987; Pasuk and Baker, 1996). Beyond the more visible politics of industrial action, such policies can manifest themselves most substantially in the poor and unsafe working conditions under which many men and (more commonly) women are forced to work in the industrial processing zones of Southeast Asia (Pasuk and Baker, 1996; Burch et al., 1996).

Again, it is important to stress that such conditions are very much the product of state policy and in many instances, the 'non-decisions' or 'stealth' of public officials (Jenkins, 1999). Legislation stipulating the protection of agricultural and industrial labour, for instance, is commonplace (Pasuk and Baker, 1996). However, the enforcement of such ideals often lacks the financial and political resources to have a substantial effect (Deyo, 1987).

[7] Note that Lipton's ideas are not without their critics. For a critical review of urban bias see Byres (1979).

4.4 Sector

Questions of class, power and regional bias raise further questions about sectoral bias. In many developing countries, issues of redistribution and industrial policy are often centrally concerned with wider questions of agriculture and food security. Here, the conflict between poverty and sectoral interest can be highly acute. In India for instance, national governments have attempted to reduce poverty by subsidising the price of essential grains, such as rice (Harriss et al., 1992; Varshney, 1998). As Varshney (1998) has argued however, such policies demonstrate the challenge of encouraging redistributive policies and programmes. By driving down the price of rice, Indian governments have encountered substantial (and, according to Varshney, growing) resistance from large and more affluent farmers.

More broadly, governments are often under great pressure to structure rules (governing exchange rate policy, tariffs, etc.) in favour of particular sectors and industries. The conflict between actors who export, versus those whose interests are met by high tariffs, is well documented (e.g. Jenkins, 1999; Pasuk and Baker, 1996) and is particularly germane to the current shift towards trade liberalisation (see below). More explicitly though, the allocation of licenses, contracts and the like underline the highly political ways in which government officials can bias particular firms and sectors within an economy.[8]

Finally, governments are often required to rule on conflicts that arise between competing firms and sectors. A compelling illustration of this was the protracted dispute between rice and shrimp farmers in Thailand (Flaherty et al., 2000).

Box 1 Sectoral conflicts: Shrimp versus paddy in Thailand's central plains

Booming prices and an increasing scarcity of productive coastal land in the late 1990s encouraged a substantial transformation in Thailand's shrimp industry. During this period, shrimp farm developers started using water-harvesting technology to sink ponds in Thailand's central plains. Conflicts arose quickly however, as shrimp and rice farmers started competing for water and effluents from shrimp ponds started contaminating surrounding paddy. In response, rice farmers (by far, one of the strongest agricultural interests in Thailand) started lobbying the government to ban all inland shrimp farming. For policy-makers the decision was a difficult one, reflecting the growing strength and organisation of the shrimp farm lobby, the high price and potential export earnings of farmed shrimp and powerful downstream interests (one of Thailand's largest corporations – *Charoen Pokphand* – has large interests in the shrimp industry). In spite of this, the Thai government instituted the ban in 1998, illustrating the economic and symbolic importance of rice in Thailand.

Source: Flaherty et al. (2000); Goss et al. (2000).

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[8] For a fascinating account of the ways in which government officials can influence the distribution of public resources, see Jenkins (1999).

Such issues raise important questions about the instruments governments can use to stimulate growth and redistribution within an economy. Potentially, such instruments would include tariffs, exchange rates and subsidies. More broadly, they raise fundamental questions about the type of development they want to pursue. Whether governments support or squeeze the rural economy (for instance, providing cheap wage goods for urban labour) is very much a political question, whose determination depends in no small way on the debates that occur within government, as well as the means by which powerful interests within society (e.g. farmers' groups, urban labour, exporters, etc.) influence public policy.

All of this underlines the crucial ways in which social actors (both within and outside the state) influence the distribution and redistribution of resources within society.

5. Poverty, politics and influence

It remains something of a dilemma, that despite their numerical supremacy, poor people (particularly those living in rural areas) are often unable to have a strong or lasting effect on public policy (Varshney, 1998; Moore and Putzel, 2000). That this is known to occur in democracies (such as Thailand or India) in which the rural poor possess an electoral majority underlines a number of enduring elements, many of which prevent poor people from engaging in sustained and effective political action.

First, formal and informal institutions may be structured in a way that prevents poor people from engaging in direct political action (Moore and Putzel, 2000). Second, the costs of political action (e.g. costs of travel, communication and/or potential backlash) may deter them from pursuing or sustaining coherent political movements (Scott, 1985). Third, multiple and potentially contradictory loyalties may undermine political solidarity around class-based identities, such as 'small farmers, landless, wage workers, tenants, recipients of food subsidies, squatters' and the like (Moore and Putzel, 2000: 10; cf. Byres, 1991; and Marx cited in Roxborough, 1979).

In spite of these constraints, it is important to stress the fact that poverty-based movements *do occur*, and – more importantly – they can affect government action. Three dramatic examples of this would include the peasant uprisings that preceded India's independence (Moore Jr., 1966), the taxation riots that took place in colonial Indochina (Scott, 1976) and, more recently, Thailand's 'Assembly of the Poor' (Baker, 2000).

There are at least three conditions under which poverty-based movements can affect policy. First, poor people may overcome the challenges of limited solidarity to organise large and/or unusually threatening political movements. Second, powerful groups – both within and outside government – may assist the poor in this process. Finally, governments may believe that their authority to govern is dependent upon the political loyalties that arise from the redistribution of public resources. Each of these are considered in more detail.

5.1 'Mass politics'

As Varshney (1999: 223) has argued:

> Mass politics takes place primarily on the streets. Touched off by issues that unleash citizen passions and emotions, the characteristic forms of mass politics include large-scale agitations, demonstrations and civil disobedience: riots and assassinations are also not excluded.

When such movements threaten powerful interests, profound structural transformations can occur. However, whether such politics can influence public policy and whether they will in fact represent the interests of 'the poor' depends on a number of factors. First, they must be able to generate a movement or event that is sufficiently threatening to *push* the state (and other powerful interests) into action.

Second, and related to this, they must be able to overcome the problem of competing solidarities. Here the notion that 'poor people' will organise to pursue or defend a common interest is somewhat dubious. This in turn illustrates the limitations of understanding poverty (and the politics of pro-poor policy) without addressing the ways in which class and other related factors (e.g. gender, race, religion) affect both the accumulation of wealth *and our understanding of poverty*.

5.2 Coalitions

Such constraints raise the importance of coalitions, both within and outside government. Here, it is worth noting the role that the Communists played in the Indian uprisings of 1940 (Moore Jr., 1966) and that NGOs played in mobilising and sustaining Thailand's Assembly of the Poor in the late 1990s (Baker, 2000).

NGOs and other 'altruistic' actors are believed to empower the poor in a number of ways (Bratton, 1990; Clark, 1991; White and Runge, 1995). First, they can connect poor and marginal people with a wider circle of allies, with whom they can mount a more effective political lobby. Second, and related to this, they can absorb some of the costs of engaging in political action (e.g. transportation, communication and so forth). Third, and somewhat less tangibly, they can encourage what Samuel Popkin (1979: 243) has described as 'new conceptions of identity and self-worth'. This they can do by encouraging poor people to engage in collective action (White and Runge, 1995) or by transmitting information about constitutional rights, potential allies and other political opportunities.

Of course, such allies need not necessarily be limited to the 'voluntary' sector (Korten, 1990). As Tendler's (1997) study of healthcare in Brazil has shown, sympathetic and/or enterprising officials can play an equally important role in creating or widening the scope for pro-poor policy.

5.3 Political legitimacy

Closely related to issues of political action and agency is the question of political legitimacy. An important point to consider here is that at least part of the legitimacy on which political leaders derive their authority is dependent upon the ability to improve, or at least maintain, a minimal standard of well-being for their people (Alagappa, 1995).[9]

Historically (and particularly since World War II), governments have been looked upon as an important source of security and progress within society. This reflects a number of contextual factors, including the ways in which civil servants (perhaps the most enduring aspect of any state) perceive their role in society, the means by which different interests and actors (such as political parties, trade unions etc.) affect this orientation and the underlying norms and ideas that define legitimate rule (Alagappa, 1995). During times of crisis and change (e.g. famines, cyclones, war and so on) for instance, it is the state that is most commonly called upon to intervene. (Whether and to what extent it can actually deliver on this is another matter, which will be addressed in due course.)

Political authorities are frequently engaged in discourse that identifies or defines the general path that societies should pursue, and the best means of achieving this (Kohli, 1987; Keeley and Scoones, 1999; Gore, 2000). In the context of poverty and development, this often entails the justification and

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[9] For authoritarian regimes, this impulse is probably less compelling than it is in democracies, but its importance is substantial nonetheless (as Indonesia's instability in the wake of the 1997 currency crisis makes clear).

implementation of measures designed to bring about progress, well-being and other forms of modernisation. As Gore (2000: 789) has argued:

> The essence of this practice is the mobilisation and allocation of resources, and the design of institutions, to transform national economies and societies, in an orderly way, from a state and status of being less developed to one of being more developed.

In a similar vein, states are frequently called upon to encourage productive investment and change. This reflects both the normative idea that governments maintain and improve the well-being of their people *and* the historical ways in which states in Third World societies have defined their role in an era of planned development. As Kohli (1987: 25) has argued:

> Third World political authorities view their society as in need of basic change. Their society is deemed to be inadequate and as a consequence must be altered and 'developed'… Empirically, therefore, the role of state intervention in Third World societies tends to be rather large, and normatively, this is often viewed as legitimate . . .

Considerations of this nature help to explain the conditions under which governments direct substantial amounts of investment towards groups and regions that are traditionally underprivileged, particularly following periods of political unrest (Pasuk and Baker, 1996).

5.4 Political regimes

Of course, whether, and to what extent, social actors (the poor included) can affect government policy, depends in no small way on the type of political regime. Broadly speaking, political regime refers to the rules, norms and patterns of behaviour that define the overarching relationship between the state and society. Regimes therefore, can be (loosely) described as democratic, authoritarian, socialist, capitalist, developmental, predatory and the like. The principal defining feature is the 'political space' that exists between the formal (written) institutions that states use to organise and manage civil society (defined in due course) and the informal ways in which non-state actors actually behave (Harriss, 2000).

A 'democratic regime' then, would grant a relatively wide degree of political space measured in terms of *inter alia* rights, providing the ability to organise, express one's ideas and, critically, elect representatives in and out of office (more on elections and accountability below). An authoritarian regime on the other hand, would confine rights of organisation and expression to a very narrow political space (examples here would include the Stalinist regimes in the former Soviet Union and the current Taleban regime in Afghanistan).

Ideas about regime and political space become important when we consider the ways in which development scholars and practitioners have studied and interpreted the relationship between political regime and economic performance. Responding to neoliberal thinking about markets and state (see below), 'developmental state' theorists (such as Amsden, 1989; Lall, 1995; and Wade, 1990) have argued that the neoliberal challenge to the nation state fails to account for the ways in which state interventions and 'market failures' actually promote economic growth. Reflecting primarily on the East Asian experience, they argue that strong economic performance was in fact highly dependent on governments that intervened in key export industries. In Northeast Asia for instance, economic growth was at least partly dependent on a situation in which governments intentionally distorted markets (providing subsidies, tax credits and so on) to encourage the growth and development of ‘infant industries’, (particularly those engaged in export production) (Wade, 1990).

Whereas active state intervention appears to have contributed to the substantial rates of growth found in countries like Taiwan and South Korea, the relationship between regime type and poverty reduction appears somewhat less clear. In particular, two issues arise:

First, the effect that democracy has on economic performance in general and poverty reduction in particular is not entirely clear. Indeed, Wade’s conclusions about economic growth in Northeast Asia appears to suggest the opposite: i.e. that high growth rates and macro-economic stability required a regime that was decidedly authoritarian in nature (cf. Moore and Putzel, 2000).

Second, the relationship between regime type and poverty reduction is not well-established (Moore and Putzel, 2000). Despite a wealth of documentation and debate about the role that state planning and political regimes play in the overall wealth of an economy (e.g. neoliberal critiques on state planning; Marxian assertions about the role the state plays in capital accumulation; urban bias over exchange rate policy [Lipton, 1977]; ‘rural bias’ about the same [Byres, 1979]), our understanding of the ways in which these variables affect local economic opportunity (particularly for the poor) is somewhat less clear.

6. Rights, governance and development

Reflecting their aversion to big government, critics of central state planning argue that states (and central planning in general) represent an inefficient and potentially destructive means of allocating resources (and generating wealth) within society (Hayek, [1944] 1994; Lal, 2000). Three assertions are used to substantiate this claim.

One argues that because they are so (physically and institutionally) removed from their intended beneficiaries, central state agencies lack the 'time and place knowledge' (Hayek cited in Ostrom et al., 1993: 51) to implement policies and programmes that reflect people's 'real' needs and preferences (Ostrom et al., 1993; Hayek, [1944] 1994. More efficient it is argued, are markets based on price mechanisms, private property and (relatively) unfettered trade (Hayek, [1944] 1994; Lal, 2000).

A second view asserts that states (based on principles of command and control) are qualitatively different from markets (based on competition and exchange) and voluntary organisations (based on some measure of altruistic motivation) (see Robinson et al., 2000). Viewed in this way, states lack the flexibility and reach to provide certain types of goods and services, particularly ones with large information requirements.

A third and related view, argues that unchecked authority and inadequate incentives (reflected in salaries, rules of promotion and so on) encourage 'rent-seeking behaviour' among government officials (Greenaway, 1998; Krueger, 1998). In one form or another, all of these assertions have been used to justify a diminished role for government, and a more direct and accountable relationship between the agents that design and implement poverty reduction strategies and the poor (see below).

To counter the expense and perceived inefficiency of central state planning, neoliberals have promoted a reformulation of the ways in which governments allocate rights in society. Beyond the more general case against central state planning, two arguments have been used to justify the removal of more traditional forms of state welfare. One, is that the provision of subsidised goods and services is simply too expensive. In India and elsewhere, efforts to reduce government spending have been justified principally on these grounds (Byres, 1998; The Economist, 2000).

A second and related argument, is that subsidies, employment guarantees and the like encourage dependence and free-riding (Ostrom et al., 1993). When governments assume the costs of economic production (and the risks that this entails), it is argued they remove the incentive to economise, which in turn discourages entrepreneurial spirit (Hayek, [1944] 1994. In terms of policy, the logical outcome of this is that people will be more productive when the allocation of economic resources is left to market forces.

Such assertions are not unproblematic. First, they look at subsidies and policies in isolation (as does the Economist, 2000), without considering the ways in which states underwrite and support other actors (such as commercial interests, urban populations and so on) within an economy. Second, they emphasise fiscal austerity as a goal that transcends other policy concerns, including the needs of the poor. Finally, and most crucially, they underplay the 'moral economies' (Thompson, 1971) that underlie historical patterns of state policy. In particular, they ignore the political interests (both within and beyond the public sector) that have come to depend on the active intervention of a modern bureaucratic state.

For these and other reasons, attempts to streamline the public sector (and the benefits it provides) are often met with active political resistance. (Demonstrations in France [1998-99] and South Korea [1997-98] illustrate the extent to which civilians and civil servants will resist political reform aimed at reducing the public sector).

In the following section, it is argued that mainstream thinking about poverty and development has created an ideological environment in which the ability to fund and support redistributive policies has diminished considerably. In its place, governments have been encouraged to create 'market rights' – rights that provide the poor with an opportunity to engage in market relations, but not necessarily the benefits that markets would provide.[10]

6.1 Welfare rights

The 1980s marked a fundamental shift in the ways in which scholars and practitioners of development understood the role of the state in national economic development (Gore, 2000; Grindle and Thomas, 1991). Prior to this, mainstream thinking about the state still adhered to the notion that governments could *and should* provide a fundamental source of employment (and therefore economic demand) within society. In developing countries, the general 'surplus' of labour relative to land and capital meant that Keynesian measures were principally aimed at increasing the supply of productive resources within an economy (as opposed to achieving full employment) (Lal, 2000).

Nevertheless, the impact of Keynes and, specifically, the notion that governments should play a principal role in economic development remained strong. This in part reflected the political dynamics that followed the independence movements of the 1950s and 1960s (and the promises these entailed). More generally, it reflected a conviction that governments represented a fundamental source of security and progress within society.

As Gore (2000) has argued, mainstream thinking about the state's role in national development underwent a 'paradigmatic' shift in the early 1980s. Immediately prior to this, economic crises in Asia, Africa and Latin America led development scholars and practitioners to question the merit of employing Keynesian principles (in general), and policies of subsidisation and import substitution (in particular) to achieve economic growth. The result of this was the 'Washington consensus', a set of policies (pursued and implemented largely by the World Bank and the IMF) that aimed *inter alia* to reduce fiscal deficits, liberalise trade and national capital accounts and deregulate domestic markets (Gore, 2000; World Bank, 1993; 1994).

For the poor, the effects of this shift in thinking were multiple and relatively well documented. First, and most directly, the emphasis on fiscal order meant massive cuts in state spending, which reduced or removed entirely a major source of employment (for good examples of this see Berry, 1993 and Jenkins, 1999 on sub-Saharan Africa; Kabeer and Subrahmaniam, 2000 on South Asia).

[10] This, of course, is very simplistic. In reality, both 'types' of intervention have been used to address poverty. Moreover, the notion that governments and international agencies (such as the World Bank and the IMF) have pursued a consistent and coherent policy aimed at 'rolling back the state' would underplay the various interests that support and oppose liberalisation at international and national levels. Nevertheless, the Washington consensus has come to dominate mainstream thinking about development, and this has affected national policy throughout much of the developing world (Byres, 1998; Gore, 2000; Grindle and Thomas, 1991; Jenkins, 1999).

Second, the opening of trade and capital accounts created a situation in which national economies were more than ever before, exposed to the preferences and power of foreign capital. For developing countries, this produced two types of risk: (1) the (relatively traditional) risk of producing and selling commodities on an international market; and (2) the (more recent) risk of dealing with rapid capital investment and flight.

Finally, and perhaps more importantly, the Washington consensus marked a profound shift in thinking about the means by which practitioners of development (states, NGOs, firms) should understand and address the needs of the poor. Beyond the assumption that the benefits of liberalised trade (and the economic growth this would produce) would eventually ‘trickle-down’ to the poor (e.g. Krueger, 1998; Greenaway, 1998) was a more important and far-reaching assertion that the best way of reducing poverty was to structure institutions in such a way that individuals had the strongest incentives possible to economise, and engage in, ‘market behaviour’.[11]

To counter the expense and perceived unsustainability of direct state transfers, scholars and practitioners of development have promoted an alternative form of intervention, in which the costs of participating in a market economy are borne more extensively by the poor themselves. These we can conceptualise broadly as market rights.

6.2 Market rights

Market rights can be distinguished from welfare rights in the sense that they allow **the opportunity** to participate in market exchange, not necessarily **the commodities** (e.g. food, water, education, healthcare, etc.) that different types of market would provide. In its most extreme form, this would involve an institutional arrangement in which the allocation of economic resources (such as land, food, capital and so on) would be determined by market forces (i.e. price mechanisms, private property and [relatively] unfettered trade), as opposed to a plan or a planning agency (Lal, 2000; Hayek, [1944] 1994.

The role of the state would thus be reduced to that of a guarantor or referee, whose primary responsibility would be to set and maintain the rules that allow for the efficient functioning of market forces (e.g. rules governing property, currency, macro-economic stability and so on). In a rural economy, such rules would conceivably include the right to own or control land, the right to manage and exploit common pool resources and/or the right to obtain credit for the purposes of productive investment (as opposed to grants).

[11] Mainstream thinking about the state and the Washington Consensus, it has been argued, underwent a further transformation in the 1990s. Reformulating the idea that good governance was essentially a matter of ‘getting the prices right’, scholars and practitioners of development (the World Bank in particular) began to embrace the idea that institutions were also important (see DiJohn and Putzel, 2000; WDR, 1990; 1997). In spite of these reformulations, the impact of the 1980s and structural adjustment endures. Primarily, cuts in state spending are believed to have had a serious long-term impact on state capacity in the developing world (Berry, 1993; Kabeer and Subrahmanian, 2000). Second, the ideas that were most central to the Washington Consensus (market principles, fiscal austerity, economic sustainability) have had a lasting effect on the ways in which scholars and practitioners of development now formulate and justify public policy. Finally, the notion that mainstream thinking (both within and beyond the World Bank) has reached a consensus on the need to ‘get institutions right’ is difficult to sustain, particularly if this entails a rejection of market principles and economic growth (Gore, 2000).

Reflecting the impact of neoliberal theory, it is not altogether unreasonable to suggest that policies of this nature have come to dominate mainstream thinking about development (Gore, 2000). The most obvious examples of this are countries like Chile, in which governments have ‘created’ markets for previously open-access resources such as water (Bauer, 1997), and privatised large elements of the national economy. Similar policies have been promoted in Thailand to address chronic shortages in water (TDRI, 1994) and in India, where the World Bank and IMF have encouraged privatisation of key industries, such as energy and agriculture (The Economist, 2000; Byres, 1998).

In short, mainstream thinking about the state and its role in national economic development has made it increasingly difficult to implement policies based on the traditional model of direct state transfer (Giddens, 1998; Gore, 2000). This helps to explain the political conditions under which governments around the world (particularly those dependent on aid and assistance from the World Bank and the IMF) are now addressing the problem of poverty alleviation.

It also helps to explain the new (or renewed) emphasis among development scholars on the question of governance. Ideas of this nature advocate the creation *or rehabilitation* of institutions that allow poor people the opportunity to voice their needs and preferences in the planning, implementation and evaluation of public policy (see for instance, Ostrom, 1990; Ghai and Vivian, 1992; Fisher, 1994; Manor, 1999). Principal among these, are policies that encourage and institutionalise public participation, democratisation and other forms of collective action.

A central assertion here is that the neoliberal challenge to the traditional nation state has inspired new thinking about the ways in which governments, NGOs and other potential actors can narrow the gap between development priorities and local realities. Indeed, some (such as Giddens, 1998) would argue, globalisation and the neoliberal challenge have in fact weakened the nation state, thereby creating the opportunity for regional and politically decentralised identities to emerge.

In the following section, these transformations are considered by addressing three broad ideas about governance and development: decentralisation, civil society and new public management.

7. Narrowing the gap: accountability, voice and choice

7.1 Democracy, decentralisation, and accountability

One of the more influential ideas about the relationship between government effectiveness and public accountability, is the notion that the devolution of formal political authority can enhance the transparency, responsiveness and accountability of government for people at the local level (Manor, 1999). Two arguments are used to substantiate this claim: first, local empowered authorities will have a better understanding of the views and needs of local people; and second, periodic elections (and the threat of the vote) will ensure that they are both responsive and accountable.

Underlying this shift in thinking is an idea that accountability mechanisms will create policies, schemes and programmes that are more effective and more responsive to the needs and preferences of their intended beneficiaries. As Brett (2000: 41) has argued, 'accountability works best when rewards (for good performance) depend directly on the quality of service provided – failures occur when there is no direct relationship between the two.'

Drawing on research from more than 60 countries, Manor (1999: 55) argues that decentralisation can improve effectiveness and accountability if it incorporates three essential features:

(i) elected bodies at local levels must have adequate funds;
(ii) they must have adequate powers; and
(iii) reliable mechanisms must exist to ensure two kinds of accountability: the accountability of elected representatives to citizens, and the accountability of bureaucrats at local levels to elected representatives.

Such findings underline the critical distinction between 'deconcentration', in which local administrative bodies are asked (or, more appropriately, instructed) to assume responsibilities that have traditionally been carried out by central line agencies, and 'devolution', in which local bodies are granted the political and financial authority to undertake these duties.

In theory, local democratic governance and the threat of the vote strengthen the relationship (and thus the accountability) between representatives and voters. In practice, however, arrangements of this nature entail a number of challenges. Here we are particularly interested in two:

(i) the challenge of devolving political power; and
(ii) the challenge of encouraging democracy in poor and unequal societies.

7.1.1 Challenge number one: Devolving political power

Underlying the most successful models of democratic decentralisation are political systems in which central state agencies have been willing and able to relinquish and/or create new powers governing legislation, administration and taxation at the local level (Manor, 1999; Tendler, 1997). Achieving this, however, can entail a number of political dilemmas.

First, it involves the problem of raising public revenue in areas in which economic surplus (and therefore taxable revenue) is poor. As Manor (1999) has argued, the central dilemma here is not necessarily the lack of taxable surplus (although this too is a problem), but the political and administrative costs of collecting public resources, the reluctance among many central governments to grant the authority that activities of this nature would require, and the (somewhat ubiquitous) reluctance among residents to in fact pay their taxes.

Second, real decentralisation tends to challenge the power of the central state (Manor, 1999). Assuming that governments are serious about eliminating bureaucratic overlap and devolving power to local bodies, policies of this nature can be deeply threatening to central political elites (Moore and Putzel, 2000). Even when central governments allow the creation of autonomous local authorities, they can still exercise substantial control by stipulating performance targets, reporting mechanisms and the like (Manor, 1999; Moore and Putzel, 2000).

Third, and related to this, is the challenge of coordinating the work of local government authorities and higher-level officials. This touches upon the ways in which elected representatives relate to both non-elected line ministry officials and their constituents (see below). It also raises important questions about local expertise and capacity. As Manor (1999) has argued, policies aimed at devolving power to local authorities may in fact undermine local administration by overwhelming officials with tasks, duties and responsibilities that are beyond their capabilities.

Fourth, and most germane to the issue of poverty and development, is the question of whether and how democratic decentralisation would affect the quality and availability of local economic opportunity. Despite a wealth of documentation and debate about the role that states and political regimes play in the overall wealth of an economy, our understanding of the ways in which decentralised and democratic arrangements affect local economic opportunity (particularly for the poor) is somewhat less clear.

Reflecting on the experience of countries in which efforts to devolve and democratise local authority have been most ambitious (e.g. Bolivia, Bangladesh, India), Manor (1999) identifies a number of ways in which democratic decentralisation can promote rural development. Most promising, he argues, is the impact it can have on local participation, government transparency and public accountability. Slightly less promising is the notion that decentralised and democratic arrangements can encourage more flexible government programmes and policies (in particular, ones that move away from agricultural productivity) and enhance government commitment to rural development and reduce economic disparities within regions.[12] Least promising, he argues, is the notion that democratic decentralisation can counter local and enduring patterns of inequality.

The last of these is possibly the most troubling, not least because it suggests an underlying tension between inequality and democracy.

[12] The latter of these, Manor (1999) argues, would entail at least some measure of central state transfer, which would counter the lack of public resources in poor and underprivileged areas.

7.1.2 Challenge number two: Encouraging local democracy

Implicit in the case for democratic decentralisation, is the notion that periodic elections will provide a means of keeping local officials ‘in check’. This, however, assumes that the individuals and agencies that decide and implement policies, schemes and programmes, are responsive and accountable to the voting public, and/or to their representatives.

It also raises questions about the need to maintain at least some measure of autonomy from local elites and interests (Evans, 1995). Underlying such questions is an important tension between the autonomy that governments require to plan and implement coherent policy and the need to ensure that programmes are (1) meeting their stated objectives; (2) improving the lives and livelihood opportunities of the rural poor; and (3) reflecting the needs and preferences of their intended beneficiaries.

In theory, democratic institutions (e.g. competitive elections, freedom of speech, majority rule) provide strong conditions for accountable and effective government. Underlying this is the assumption that voters will cast their ballots ‘programmatically’, supporting politicians and parties that best suit their particular interests (Mayo, 1960).[13]

However, the notion that democratic institutions (governing access to information, freedom of association and speech) and the democratic process (the act of voting) would encourage a system of governance that promotes the interests of the rural poor is highly questionable and, given the rate at which Third World governments have introduced policies of democratic decentralisation, somewhat poorly understood (Manor, 1999; Tendler, 1997).

On the one hand, this reflects the (highly ambitious) standards on which democracy is encouraged and assessed in mainstream development. On the other, it reflects the challenge of encouraging democracy in societies in which large numbers of people are dependent upon small numbers of local, powerful elites. Here, poverty and inequality can undermine democracy in three important ways.

First, the notion that poor and economically-dependent people will vote along ‘programmatic’ lines is somewhat difficult to sustain. This reflects two important variables: (1) the quality of information voters have at their disposal; and (2) the degree to which parties and politicians campaign on substantive policy issues, as opposed to populism or, worse, clientelism and vote buying (Moore and Putzel, 2000).

When voters are ill-informed about party platforms, government policies and the rights that these may provide, their ability to influence the democratic process can be limited. Here, it is not altogether unreasonable to propose that the costs of obtaining information of this nature will be disproportionately high for the poor (Brett, 1996).

Likewise, when politicians and parties campaign on the basis of (relatively) short-term pay-offs (e.g. promises of subsidies, infrastructure, employment and other development ‘gifts’) the relationship

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[13] Of course, theories and critiques of democracy differ widely, particularly on the question of how and to whom the benefits of democratic institutions are distributed.

between compromises of this nature and democratic accountability can be very thin indeed (Moore and Putzel, 2000).[14]

Second, and related to this, is the dilemma of encouraging poor people to assume the costs of engaging in direct political action. Underlying democratic theories of participation and development is the notion that 'ordinary people' will be willing and able to voice their concerns (Brett, 2000) and that local representatives and officials will heed these concerns. This, however, raises important questions about the means by which poor people are represented in democratic institutions (e.g. through political parties, bloc voting, lobbying and so on) and the extent to which they have the 'political tools' (e.g. money, power, information) to influence the democratic process.[15]

A third and pervasive problem is elite or interest group capture. Lacking the requisite power and authority (i.e. the rule of law, access to the police and judiciary), local officials may be placed in a highly vulnerable (and potentially powerless) position. For proponents of democratic decentralisation (e.g. Manor, 1999), preventing powerful elites from establishing direct or indirect control over local democratic institutions remains a nagging problem. In this respect, the central state may have a larger role to play in local development than more idealistic theories of democratic decentralisation and public participation would lead us to believe (cf. Tendler and Freedheim, 1994; Tendler, 1997; Moore and Putzel, 2000; Manor, 1999).

In sum, ideas about democratic decentralisation embody a number of challenges and opportunities which may improve the political prospects for sustainable rural development. Most optimistically, they encourage systems of governance that are more transparent, accountable and relevant to local needs and conditions. Supporting this is a large and well-substantiated body of empirical evidence (Manor, 1999). However, the act of devolving and democratising authority can entail a number of challenges that may prevent or undermine attempts at local democratic reform. Principal among these are the **administrative challenges** of raising local revenue, challenging central state elites, and coordinating the work of central and local bodies, and the **political challenges** of programmatic voting, encouraging direct political action (particularly among the rural poor) and challenging local elites.

Such challenges raise important questions about the ways in which poor people obtain information about the quality of government service, about the rights and obligations that these entail and how notions of performance and accountability emerge and evolve within the public sector.

7.2 Civil Society: The role of voice

Underlying many theories of governance and democratic development is an assertion that effective and responsive governments require strong and vibrant civil societies to keep them in check (e.g. Ostrom, 1990; Putnam, 1993). Perhaps the most recent and influential manifestation of this is Robert Putnam's assertion (1993) that societies with high levels of social capital (defined in terms of norms of reciprocity and networks of engagement) will organise to demand better government. Underlying this

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[14] Responding to criticisms of this nature, Manor argues that political parties still have a role to play in local democratic systems. Central to this is the idea that multi-party democracies help to organise 'opposing forces' (1999: 75) into clearly recognisable groups, stimulating public criticism and debate. The nature and quality of such criticism and debate, of course, are of equal importance (Putzel, 1997).

[15] See Golooba-Mutebi (2000) for a fascinating account of the ways in which problems of this kind undermined participation in two of Uganda's 'best performing districts'.

proposition is the notion that 'civic engagement' – participation in a wide range of political and non-political organisations – correlates strongly with effective and responsive government.[16]

Such assertions are not unproblematic. Specifically, the idea of social capital is defined in a way that leaves considerable room for interpretation. At best, this leads to confusion (Levi, 1996; Harriss and de Renzio, 1997). At worst, it produces a tautology in which 'civic engagement breeds civic engagement' (Harriss and de Renzio, 1997: 922–24).[17]

Equally elusive is the idea of civil society. Problematic in its own right (on this, see Chandhoke, 1995), civil society can be taken to include the organisations and institutions that sit between the family and the state. Included here would be 'third-party' organisations (such as domestic and international NGOs), membership organisations (such as trade unions, farmers' associations, credit groups, water-user associations, etc.), political parties, Mafia arrangements, religious affiliations (formal and informal) and firms (i.e. organisations that engage in competitive economic exchange).

The value of defining civil society in this way, is that it attempts to differentiate between groups and relations that are organised on principles of hierarchy and control and ones that are based on the *relatively* altruistic motivations of the nuclear and extended family unit. Somewhere between these two extremes we can imagine a more competitive or market-inspired form of motivation. (Robinson, Hewitt and Harriss [2000] conceptualise all three of these 'ideal types' of organisation as coordination, cooperation and competition.)

In the context of this paper, we are principally interested in two questions about civil society and poverty reduction: first, how do civil associations affect the effectiveness and responsiveness of government programmes, schemes and policies? and second, are there alternative ways of reducing or relieving poverty?

The first question raises subsidiary questions about the *informal* means by which social actors can keep public officials in check. Evans (1995) considers this question when he explores the issue of state autonomy and industrial policy in Brazil. His principal assertion is that effective state intervention requires a 'concrete set of social ties that binds the state to society and provides institutionalised channels for the continual negotiation and re-negotiation of goals and policies' (Evans, 1995: 12). At the same time, he asserts that government officials require sufficient institutional autonomy to withstand the influence of powerful actors and interests.

This raises a number of important questions. First, how can the balance of 'embeddedness' and autonomy best be achieved? Second, how much is too much? Clearly, too much interaction could lead to the type of rent-seeking behaviour that perpetuates poverty and poor productivity. On the other hand, too much autonomy could simply produce or further empower unresponsive and unaccountable governments.

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[16] Note that there is considerable debate about this: Migdal (1988) for instance, has argued that countries with relatively 'strong' and well-organised societies tend to produce relatively weak states.

[17] A central challenge of measuring social capital is it is difficult to ascertain the conditions under which people are actually acting on trust. As Levi (1996) has argued, trust implies an ability to enter potentially risky relations without investing in measures that ensure cooperation and compliance (cf. Coleman, 1990: 95-99). However, knowing when individuals are acting out of trust, as opposed to acting out of compulsion, can present some serious methodological challenges (cf. Granovetter, 1992).

Third, how can this type of interaction improve the lives of the poor? On this question, Tendler and Freedheim (1994) argue that extended interaction between government health workers and client communities in north eastern Brazil improved the quality of healthcare delivery in rural areas. This, they argue, was due to a number of factors:

- government officials spent extended periods of time with beneficiaries;
- this, in turn, created a situation in which officials were affected by ('embedded in') the opinions and sanctions of community members;
- good performance carried high prestige, both within the community and within the civil service.

However, overcoming the historical and cultural differences that often separate government bureaucrats from rural people would present a considerable challenge, and is one worth documenting if successful experiences are found.

Closely related to this are the strategies that poor people – and social organisations that act on their behalf – use to influence public policy. Beyond the institutions and relations that affect public policy are the ways in which particular discourses help to shape and create conditions for political action and economic improvement.

This raises other issues about the ways in which identities based on class, caste, religion, ethnicity, gender and (more generally) livelihoods affect social mobilisation and political voice. It also poses the question of whether, and to what extent, political struggles among and between these and other social groupings lead to stronger forms of civil society and, by extension, better forms of governance.

7.3 New public management: The role of choice

Reflecting the influence of neoliberal thinking and the generally poor record of large bureaucratic agencies (Ostrom et al., 1993), critics of central state planning search for a middle ground or 'third way' (Giddens, 1998) that exploits both the flexibility of market forces and the administrative and financial resources that only states can provide (Ostrom et al., 1993). This has inspired new thinking about the range of state services and new ways of investigating and understanding poverty reduction (see, for instance, Robinson et al., 2000; Moore, 2000; Evans, 1996a; 1996b; Tendler and Freedheim, 1994; Tendler, 1997).

Proponents of NGO-managed development, for instance, assert that small size, flexibility and (relatively) altruistic motivations enable NGOs and other 'voluntary organisations' to meet and articulate the needs of individuals whose preferences are traditionally under-represented in market and state (Bebbington and Farrington, 1992; Edwards and Hulme, 1992; 1995; Pretty and Chambers, 1993; Carroll, 1992; Clark, 1991; Korten, 1990; Bratton, 1990; Farrington and Lewis, 1993; Fisher, 1994).

Likewise, proponents of privatisation propose the adoption of market principles that would enhance competition among different service providers (Moore, 2000). A central assertion here is that 'rationalisation' of service delivery (i.e. full cost accounting and recovery) will make service providers more effective, efficient and accountable to their intended beneficiaries or 'clientele'. As Moore (2000) has argued, however, competition both within and beyond the public sector can also lead to destructive forms of behaviour, reducing choices and quality of output for the poor.

A related theme touches upon the notion that governments, beneficiaries and other non-state actors (such as voluntary organisations and firms) can cooperate to provide or improve access to important public and collective goods, such as public infrastructure (Ostrom et al., 1994), healthcare (Tendler and Freedheim, 1994), education (Ostrom, 1996), accountable government (Fox, 1996; Heller, 1996; Evans, 1996a; 1996b; Putnam, 1993) and natural resource management (Baland and Platteau, 1996; Pomeroy and Berkes, 1997).

At the heart of this is the idea that beneficiaries can improve the quality and delivery of the goods they receive by assuming some, or all of the costs that this entails. Examples here can include sewerage networks in which local communities bear the costs of maintaining arterial pipes (Ostrom, 1996) and healthcare initiatives in which community members are appointed to manage project activities (Tendler and Freedheim, 1994; Tendler, 1997).

Although such lessons may point the way to new types of service delivery, they also raise a number of important concerns. First, the notion that poor rural communities will be willing and able to bear the costs of providing and/or maintaining goods which have been traditionally provided by the bureaucratic state is difficult to sustain, particularly when this entails the enforcement of rights and property (Johnson, 2000).

Second, and related to this is the problem of choice. Underlying many theories of new public management is the notion that poor people have a choice between one type of service delivery (e.g. government-provided credit schemes) and another (e.g. NGO-managed micro-finance programmes). Whether public, private and voluntary service providers would in fact reach poor people (particularly ones living in remote rural areas) and, in so doing, overcome the historical and political factors that often bias particular individuals, regions, classes and sectors (Section 2), is unclear. As is the problem of challenging the full and semi-monopolies that thrive on existing arrangements.

Finally, the provision of any exogenous good or service raises questions about the mechanisms by which individuals obtain access to the resources that such goods and services provide. Questions of access and distribution receive minimal scrutiny in this literature, raising the importance of considering these issues in future research.

In sum, the most compelling concerns about the new public management reiterate the concerns that have been raised throughout this paper. How will interventions of this nature affect poor people? And to what extent can they override the more enduring patterns of poverty and inequality?

8. Concluding remarks

A central aim of this paper was to consider the ways in which states pursue and implement pro-poor policies; the ways in which social actors affect such policies; and competing ideas about the role states *should* play in encouraging *particular forms of development*

A central assertion that we make throughout the paper is that poor people are generally disadvantaged when it comes to (1) influencing the terms on which governments decide and implement pro-poor policies; and (2) obtaining the benefits that policies of this nature would provide.

We also argue that mainstream thinking about poverty and development has created an ideological environment in which the ability to fund and support redistributive policies has diminished considerably. In its place, governments have been encouraged to create 'market rights', rights that provide the poor with an opportunity to engage in market relations, but not necessarily the benefits that markets would provide.

In terms of policy, the impact of this shift in thinking is not entirely clear. That the neoliberal agenda (and other manifestations of 'globalisation') has challenged the traditional nation state is relatively well established (Giddens, 1998). So too, is the notion that globalisation and structural adjustment have inspired new thinking and debate about the 'ideal type' (Robinson et al., 2000) of development management and social organisation. Whether, and to what extent these ideas can reduce or alleviate poverty however, is somewhat less clear.

At the heart of this paper is an assertion that governments (as well as other forms of organisational authority) can address poverty by challenging or re-balancing enduring patterns of power and inequality. (This, we would argue, is a defining feature of 'the politics of poverty'.) However, the means by which states and other actors can achieve these ends remains a nagging problem for scholars and practitioners alike.

8.1 Gaps, uncertainties and research needs

Central to the challenge of pursuing and implementing effective pro-poor policy are three interrelated factors: (1) co-ordination; (2) capture and (3) ideological conviction. All of these entail a state (or some other type of authority) with the capacity to develop, implement and maintain plans that reflect the needs of people whose voice and political power tend to be weak. That governments have trouble achieving this is well recognised, and has prompted new ways of thinking about governance and development.

In this paper, we have emphasised the role and importance of democratic decentralisation, civil society and the new public management. This is not to suggest that these are the only ways of thinking about accountability, voice and choice. Rather, they are meant to represent theories and ideas that have received a disproportionate amount of attention in the literature on governance and development. Here, we identify a number of issues on which further research is needed.

Perhaps the most general concern about democratic decentralisation is the notion that it will create or reinforce existing inequalities. Potentially, this can occur among individuals, classes, regions and sectors. In terms of research, a number of questions are particularly important. First, what has been the experience? Given the relative youth of what Judith Tendler (1997) has called ‘decentralisation fever’, it is important to document the ways in which ambitious forms of decentralisation have played out in countries such as Bangladesh, Uganda and India. If successful experiences are uncovered, these need to be studied in greater detail. Likewise for relative ‘failures’.

Second, what role do political parties and party politics play in local democratic processes? Under what conditions will parties pursue substantive programmatic issues? In many ways, such questions raise more general concerns about the nature of representation in large and unequal societies. In theory, democratic decentralisation would address problems of *indirect representation* by bringing representatives closer to the people. In practice however, such ideals are difficult to obtain, not least because of the ways in which political parties and politicians engage in electoral politics.

Third, and related to this, is the question of whether, and how, voting and other forms of democratic participation affect the quality, responsiveness and accountability of government. Here, it is very tempting to build upon the methodologies (if not the concepts and central assertions) of Putnam’s Italian study (1993), which developed a rigorous and useful means of measuring government effectiveness, public accountability and democratic participation.

Closely related to this is the question of collective action. For the poor, the costs of engaging in sustained political action (including and beyond the act of voting) are often disproportionately high. The notion that poor people will automatically engage in the opportunities that democracies provide understates the ways in which power and inequality can undermine public participation. Whether, and to what extent formal institutions (such as elections and rights providing for freedom of speech) will improve the quality of democratic participation is not entirely clear, and is therefore worthy of further study.

Fourth and finally is the notion that civil society (in general) and poor people (in particular) can improve the ways in which governments, NGOs and firms intervene on their behalf. Beyond the notion that the poor will in fact be willing and able to participate in activities of this nature, is the more enduring dilemma of encouraging capital into relatively poor and unproductive areas (i.e. areas in which poor people tend to live and work).

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