Institute of Development Studies (IDS), University of Sussex, & Society for International Development (SID), Eastern Africa

DEVELOPMENT ROUNDTABLE REPORT ON

STATE, MARKET, AND CIVIL SOCIETY: REVISITING THE AGENCY DEBATE IN DEVELOPMENT

SERENA HOTEL, NAIROBI, 9th February 2009.
1.0 INTRODUCTION

1.1 Duncan Okello, Regional Director, SID, Eastern Africa Regional Office.

The idea of focusing on the question of agency in development is important, particularly now when the world is facing a crisis of capitalism. We need to examine the role that various agencies in development like the State, the Market and the Civil Society have played and ask why it is increasingly difficult to realize development despite heavy investment by these agencies. The question being posed is: “When development fails, who should take responsibility?” Are the development agencies accountable for the success or failure of development? Now that all the pure paradigms of development don’t seem to be delivering, what options are left for us?

There is need to find the right agency that should guide us in the development process and which should be held accountable for failure of the same. We also need to find out how we can make the agency work for us. It was noted that, in Kenya, as in other parts of the world, there is already emerging partnership arrangements between the Public sector and the Private sector in development. However, whether this partnership is the model that will ultimately deliver development remains a big question. This roundtable was thus conceived to grapple with these issues.

1.2 Nick Perkins, IDS, Sussex

It was noted that there was urgent need to share reflections on some of the past activities in development. There is need to challenge some of the big ideas on development and for far much more debate on development perspectives. The roundtable is intended to identify alternative paradigms on development and to answer the following questions:

- Is development usually practiced the same universally?
- Does development still need good ideas?

It was noted that income inequality and poverty continue to undermine development as the flows of finance for development continue to be meager. We need to prove further the other drivers of social change.

The Globalising Development Studies project is led by the Communications Team of the Institute of Development Studies at the University of Sussex. Questions have arisen as to what the contestable ideas in the area of development are and how these can be reconciled. There was agreement that there is need for pluralizing the policy debate on development and especially how policy influences development with regard to:

- Informatics;
• Evidenced-based policy;
• Value-led knowledge systems; and
• Dialogue and Sustainability.

The roundtable also sought to establish what some of the social innovations were and how these were meeting the social needs of the societies in terms of scalability and sustainability. There is need to find the absorptive capacity of the developmental interventions and the complimentary assets available for the same.

What is the level of involvement of the users in shaping policies? Through social networks, it is necessary to find out whether the users are connected enough to be able to influence policy. Through the same social networks, it is possible to globalize development studies by replicating successful study findings.

The roundtable was able to share the experience of a successful study in Bangladesh which identified six key issues relevant to the study of perspectives on development namely:

1. The need to reconcile the ‘awkward’ phenomenon which was identified as the role of religion in driving social change and complimenting the role of the state in providing public goods;
2. Challenging the model of State-Civil society partnership in developmental interventions;
3. The need for diversification of funding models;
4. Avoiding creating North-South hierarchies in research consortia;
5. Creating space for the alternative voices in all arenas; and
6. The need to move beyond the state in development provision.

The need for the search for authenticity was stressed especially the difference between authentic and local knowledge. A study in the differences show that there are some areas that are not being covered in development studies and these need to be included particularly if we would wish to get them in the global profile.

2.0 PERSPECTIVES OF THE DEVELOPMENT AGENTS

2.1 International Development Agencies
Rasna Warah – UN Habitat

Rasna took a cynical view of the very notion of ‘development’ itself especially given the fact that the ordinary people, who are ideally supposed to be the beneficiaries of development, do question the very notion. She approvingly cited works by critics who have referred to development as ‘planned poverty’. We need to understand the motive of development if it is to be relevant to us. She argued that there is need for objectification of the development conditions in the slum areas. She noted that failures and crimes prevalent in the slum areas are all associated with lack of development.
Development in the developing world is seen as a fantasy that unleashes passion among the people especially because:

- Development is concerned with domination of the Third World by the developed countries;
- The World Bank and the International Monetary Fund policies impoverish the Third World countries; and
- Development is usually associated with modernization.

It was noted that the world bank ranks development based on income of the people – the economic measurement of development without due consideration for the human and social development. It is disheartening to know that despite the fact that Tanzania and Ethiopia are some of the biggest recipients of foreign aid, they remain relatively poor. For development to have an impact on the target groups especially in the Third World countries:
- There is need for more aid for sustained development;
- There is need for good governance structures; and
- There is need for active civil society organisations.

The elite of in the Third World are the greatest contributors to underdevelopment. Despite the continued input in terms of Official Development Assistance, growth rates have not been able to significantly improve the development conditions in the developing countries. The continued spread of slums as a result of rapid urbanization is a reflection of the governments’ failure in terms of development planning. There is need for slum upgrading so that they are able to provide efficient and effective social services to the people.

The role of Official Development Assistance was questioned and there was need to find out how this helps in the development process. Finally, it was agreed that for development to take place, there is need for capacity building especially in developing human resources and constituting effective and efficient institutions. The greatest bottleneck to development was singled out as corruption and it is the duty of the governments to take this head-on if at all we expect to have development assistance having any meaning to the target groups.

2.2 International Non Governmental Organisations

Eve Odete, Oxfam, GB.

In this presentation, it was noted that it is the failure of the state and the nature of poverty that determines why the NGOs engage in development. There is lack of freedom; there is lack of voice or representation for the poor and; there is lack of wealth. The local people are detached from development and policy issues. There’s rampant inequality: in as much as there is increased growth, this is not equitably distributed. Consequently, development agencies come in to address some of these issues. The NGOs have a role of empowering the citizens and their operations should be guaranteed by the state.
Power politics determines who controls resources – who gets what, when, and how and therefore the developmental outcomes that we see. There are responsibilities both for the rulers and the ruled. There is a social contract in leadership and this relationship between the state and the citizens should give direction to development. For effective development to be realized there is need for an effective state and an active citizenry that demands for their rights and service provision.

The markets exist for the consumers who are citizens. The interactions determine the development trend. Development agencies are seen as catalysts in the development process; however, the central role of the state in development cannot be substituted:

- The state should regulate the market;
- The state should interface between the market and the consumers;
- The state should engage the citizens in a meaningful manner;
- Citizens should realize that they have a right to development;
- Citizens should be free to exercise their freedoms.

Development is seen as a disruptive process and the most successful states are the ones that are able to effectively and efficiently manage the development process. Benefits that accrue from the development process should benefit the majority of the citizens. The role of the NGOs then is to move in to monitor the distribution process of the benefits of development. Privatization of public services should only be undertaken if it meets the objective of enhanced efficiency in service delivery at an affordable rate. The market distribution should protect the poor and the vulnerable and the state should also ensure the social protection of the poor and marginalized.

The NGOs were initially involved in the direct provision of services. However, with the changing perspectives on development, it has become incumbent upon the NGOs to empower the people to make them be able to demand for their rights. This is usually done by the NGOs at three levels namely: a) advocacy; b) policy influence; and c) humanitarian support.

Some agencies work on very small and localized issues that make it extremely difficult to scale up their activities to the national level. The most challenging problems with regard to operations of NGOs were identified as levels and sources of funding and also legitimacy. Most have been found to operate as brief-case organisations and it has been very difficult for the National Council of the NGOs to monitor their operations and ascertain their legitimacy. Coupled with this, there appears to be clash of responsibilities between the National Council of NGOs and the NGOs Coordinating Council. Most NGOs were found not to have even physical addresses, which undermines the legitimacy of NGOs that do pretty good work.
2.3 Private Sector Philanthropy in Development
Gerald Macharia, CEO, Clinton Foundation.

Development is seen both a business and a foreign policy tool. The citizens don’t usually count unless they threaten the equilibrium. *It was noted that there has been mistrust between the State and the Market and that the State sees development as its inalienable and exclusive right.* There has been too much foreign policy control especially by the North on the local level development. The Civil Society has been known to survive on the Market and at the behest of the State. The CSOs sometimes take minimalist and exclusivist approach to development.

A case study was given about the success of a government maize subsidy programme in Malawi which has made the country leap from a net food importer to a net food exporter. In direct contravention of the provisions of the Structural Adjustment Programmes (SAPs), the government of Malawi was able to provide subsidies to its farmers and the success of this has proved that state intervention need not necessarily lead to failure.

The approach of the Clinton Foundation as a philanthropic organisation has been to recognise the role of the State in development. It encourages the market to see the benefits of and from the State. The Clinton Foundation has been active in organizing the global Anti-Retro Viral drugs market where the real benefits of the health project is transferred to the patients. It makes the generic ARVs easily acceptable, accessible, available and affordable to the erstwhile poor suffering victims of the HIV/AIDS scourge thus saving lives.

The Clinton Foundation brings together the State and the Market to discuss and agree on program of action on various projects. *The market needs to see the State as key partner in development initiatives and part of its profit zone.* The State must also approach development from the demand and supply perspective which are the dynamics driving the market. The State should be involved in developmental innovation in just the same way the market is involved in entrepreneurial innovation. To this end, the State and the Market can work together.

Apart from entrepreneurial innovation, the market is also involved in risk taking and assessment and returns maximization; and comes up with workable models for the attainment of these goals. The State should therefore, understand the developmental demands using the market proven workable models. This harmonization could lead to a breakthrough in developmental solutions.

2.4 Private Sector: The Private-Public Sector Partnerships.
Moses Kiathumbi, Kenya Association of Manufacturers
It was noted that the Private Sector need to be facilitated by the government (State). In the Kenyan context, there is already an emerging partnership between the public and the private sector in service provision. This needs to be extended further to the initiation of development interventions. The State should improve infrastructure for effective and efficient service delivery in the partnership.

The synergy between the Private sector and the Civil Society could make the government work and deliver services better. The Private sector has been able to set the National Business Agenda which is a compilation of priority challenges facing the private sector and which the state needs to respond to. The Private sector has also provided suggestions for possible solutions to the problems.

The development of the National Business Agenda was a culmination of a roundtable organized by the Prime Minister’s Office. Each of the developmental issues addressed had an implementing agency and a definite timeframe. It was realized that the lack of appropriate coordination was responsible for the slow rate of action and the general slow pace of policy implementation.

The Private sector proposed that the role of the private sector should be enshrined in the constitution to safeguard them and give legality to their operations. They cited success stories of the Private – Public Sector Partnership in Botswana, Mozambique and Rwanda, where the operations of the Private Sector are legally protected and enshrined in the Constitutions of the countries. There is therefore need to replicate this in the Kenyan context. A controversial issue arose where the Private sector maintained that the market should be left to regulate itself while the State should be left to offer basic services.

2.5 The Media (ICT) and Development
Moses Kemibaro – Dotsavvy Ltd.

Service provision has overtaken agriculture in terms of contribution to the GDP. The role of ICT in development has been given prominence in the Kenya Vision 2030 where the government seeks to improve ICT infrastructure in order to bridge the digital divide and lower the cost of communications. There is a growing emphasis of the role of technology in development with internet gradually replacing traditional media. ICT has opened up opportunities for development especially through: massive mobile use; enhanced telecommunications infrastructure; growing local internet content; and emerging e-legislation.

The use of the internet for social networking has established close connections with users being able to create fast and effective development communications networks. There is need for the integration of technology into the mainstream development processes. The advantages of ICT over traditional media have been identified to include: easy access; instant publication of contents; enhances building of appropriate social-networks which can come in handy in business and development; places emphasis on the role of social journalism for development;
it can be used directly in mapping, collection and management of data for planning purposes; provides the use of GIS for mapping of resources for local level development

3.0 PLENARY DELIBERATIONS

The forum raised some crucial questions that need further probing. These were: a) what kind of interventions should we have to make a meaningful impact on the people’s development? b) How are our economies structured, and how does this affect developmental intervention and outcomes? C) How does the development process affect the local economy?

It was noted that the lack of innovative ideas has contributed greatly to the underdevelopment of the South. There is therefore need to empower the people to enable them to demand for their rights and also to be able to hold the government and the other development practitioners accountable for lack of development.

The similarities between development and modernization were stressed and it was agreed that development as responsibility meant the empowerment of the people, their maturity and participation which ensures that we are only able to bring about change through networking with others. The present level of underdevelopment in the South is greatly attributed to our own irresponsibility because a community is supposed to be responsible for its own development – the need to own the projects for them to be sustainable in the long run.

The effects of the Structural Adjustment Programmes were discussed as being pertinent to the levels of underdevelopment particularly in the African countries. SPAS key pillars such as cost sharing in schools; cost sharing in hospitals; retrenchment of Civil Service employees; privatisation of public services have helped deepen poverty and worsen human development generally. The tragedy is that nobody has been held accountable for these failures. Agencies don’t take responsibility; neither do governments, yet populations have been impoverished.

There are also the unforeseen effects of the activities of the IDAs which lead to the distortions of the market as is evidenced in the rise in standards of living particularly in the locations of the IDAs e.g the high costs of housing around UN establishments which is completely out of the reach of the common man.

There was the issue of the impact of technology on development and a question was posed as to whether ICT offers real solutions to the immediate developmental problems or not. The role of ICT in development was stressed by giving an example of how technology has transformed the lives of the rural people living in the Millennium Village Project (MVP) at Dertu in the North-Eastern province of Kenya. Mobile telephony and internet has been extensively used for marketing purposes. However, the digital divide remains big.
To ensure the sustainability of our development projects, we need to move away from the obsessive reliance on donor funding for projects. There is need to address the constraints to the market forces and emphasize on public information to the consumers to strengthen choice. The private sector should not be overly concerned with profit, but should also be able to initiate development projects in the rural areas in the spirit of Corporate Social Responsibility to benefit the local people.

There is lack of policy framework for Public – Private sector Partnership and also the political will to ensure that this is a success. It has been proposed that the Constitution needs to guarantee the provision of certain services as entitlements. It was noted that development usually fails to take place because of distorted stimulus and failure to go by the law of comparative advantage.

There is need to give the poor opportunity to be part of the development process. If we keep the people poor and they are the consumers of our products, then we are in a way interfering with the market and this ultimately impacts negatively on general development. Public investment in social services is important in maintaining the market viability.

Some of the effects of heavy divestment in the public sector is more poverty. The broken down public education system, which has led to the intervention of the market through the establishment of private academies, has made quality education out of the reach the poor. The decline in the health sector has also seen the emergence of private clinics which are out of reach of the poor, who are then forced to resort to quacks in the slums. This poses a threat to their health and lowers the human development index.

4.0 SID/IDS ROUNDTABLE: SOME 10 NOTABLE POINTS

This roundtable generated a lot of ideas some of which are enumerated here below by way of summary:

1. That there is need for different perspectives on development. There is need for an element of trust between the State, Market and the Civil Society so that they are able to see each other as development partners and not antagonists. We need to bring a diversity of players for synergy in the development process. For effective development planning, there is need for partnership between the Community Based Organisations and the Civil Society Organisations. The CSOs should continually put the government on checks with regard to service delivery and it should also play a facilitating role by opening up space for the voices of the locals to be heard and also to be able to influence the policy agenda.

2. That the individual, the state, and development practitioners should all bear responsibility for failure of development.
3. That the market cannot operate without an effective state. The Civil Society Organisations should also appreciate the market forces of supply and demand; and the State should also be able to regulate the market.

4. That development is never a peaceful process. There is therefore, need to manage the conflicts that arise and this should form part of the development agenda.

5. That there is need to urgently address the issue of duplication of the roles of the state and the International Development Agencies. The CSO also should build a networking capacity to avoid duplication of service provisions.

6. That service delivery alone will not have an impact on the people unless the people are empowered. There is need to adopt the rights-based approach to development planning and enhanced participation of the people. The role of citizens’ participation is crucial in any development process and no change can happen without the involvement of the people.

7. That the state should not abdicate its role in development because the people pay taxes for service delivery. With regard to the concept of ‘development as freedom’ advanced by Nobel Laureate Amartya Sen, there is need for the enhancement of the people’s abilities and capabilities to hold the government accountable – they should be able to make claims to the government.

8. That the SAPs were noted to have been responsible for the lack of development particularly on people’s welfare. In direct contrast to the provisions of the SAPs, the subsidies model adopted by the Government of Malawi is a success story that needs to be emulated and replicated in the other SSA countries.

9. There is information asymmetry which affects the performance of the market and the ICT is trying to bridge this information divide. It was therefore appreciated that technology will play an important role in making the world a global village and ensuring that we are able to feel and globalize not only development studies but also development practice, to make globalization work for us.

10. Finally, there is need for responsiveness of the State. The State should be restored to its original role as the custodian of the last resort, should move in to cushion the citizens in the event of market failures, and also to be able to bail out the markets: An example was given of the Wallstreet crash that resulted in the global financial crisis and how the government of the USA moved in to both cushion the citizens and also bail out the market.