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The New Biopower: Poverty Reduction Strategy Papers and the Obfuscation of International Collective Responsibility¹

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Abstract

As successors to structural adjustment programmes, Poverty Reduction Strategy Papers (PRSPs) were introduced in 1999 as preconditions for World Bank and International Monetary Fund (IMF) concessional financing and for debt relief. PRSPs now serve as the basis of negotiations for a variety of development financing and have influenced the design of other aid instruments. This paper considers the impact of the PRSP framework on the constitution of global economic governance, in particular its effect in foreclosing possibilities for a radical revision of the rules and institutions of international economic law. The paper argues that the PRSP project not only reframes fundamental tenets of international cooperation and global communal responsibility but also establishes a new disciplinary framework for third world state engagement with the global economy and the international law which sustains it. Consequently, the danger of the PRSP project is that the discourse and methods of resistance against the injustices of the international order have been appropriated to distil such dissent through qualified operationalising of contestable notions of ‘participation’, ‘ownership’, ‘partnership’ and ‘poverty reduction’, disabling the resurgence of any form of emancipatory politics in the international economic order, whether through a state-led NIEO-style revival or cosmopolitan social movement.

INTRODUCTION

Poverty Reduction Strategy Papers (PRSPs) were introduced in 1999 as preconditions for World Bank and International Monetary Fund (IMF) concessional financing and for debt relief. The official premise of the PRSP framework seeks to redress the economic relativism of structural adjustment programmes (SAPs) by framing a conceptual approach to development financing that goes beyond the fiscal and monetary straightjacket of SAPs and, at the same time, redressing the democratic deficits inherent in the process of accessing such financing by enabling a more inclusive framework to social and economic policymaking.

The PRSP framework operationalises such concepts as ‘poverty reduction’, ‘participation’ and ‘country ownership’ of economic adjustment and stabilisation programmes through instituting procedural and substantive prerequisites for access to debt relief and concessional financing from the Bretton Woods institutions, most notably through the institution of the participatory policymaking process in PRSP countries and the prioritisation of social sector expenditure in national economic planning.

This paper considers the impact of the PRSP framework on the constitution of global economic governance, in particular its effect in foreclosing possibilities for a radical revision of the rules and institutions of international economic law. It does so, firstly, through a historical reading of the PRSP narrative, exploring the context in which the PRSP is conceived and implemented and secondly, through an exploration of the conceptual and operational premise of the PRSP approach.

The paper argues that the PRSP project reframes fundamental tenets of international cooperation and global communal responsibility by a) problematising the state in the context of economic and social development; and b) constituting the nation state as primary sites for the fulfilment of economic and social rights ascribed collectively. In the PRSP discourse, the challenges of meeting developmental objectives and overcoming socio-economic exclusion – both of nation states and communities within them – in the globalised, interdependent era reside in the reconstitution of the state apparatus at the domestic level and not in the stemming of the currents of neoliberal globalisation

through international mechanisms and resolution of structural iniquities at the global level.

Thus, it is argued here that the PRSP framework represents a continuation, if not an exacerbation of the asymmetrical sovereignty that characterises postcolonial ‘international’ law and the imperial nature of the ‘development project’ which has sustained the logic of this asymmetrical ‘multilateral’ relationship². Further, the new regulatory framework emerging from this restructuring of fundamental relationships between actors, states and institutions party to the PRSPs is one that is reflective of the shifting modalities of power at the global level, marking the transition from a what Foucault terms a ‘disciplinary society’ to that of a ‘society of control’,³ with ramifications for third world engagement with international law.

PRSPS AND THE NEW ‘SOCIAL CONTRACT’

SUCCESSORS TO STRUCTURAL ADJUSTMENT

PRSPs have become the focus for much of the policy dialogue and negotiations for official development financing between low-income countries⁴, international financial institutions (IFIs) and bilateral and multilateral financiers in recent years. PRSPs have been described as the greatest the change in development financing since the introduction of structural adjustment lending in the early 1980s,⁵ reflecting not only a shift in the institutional structure of development financing but also in the discourse of development and the nature of these financing relationships. PRSPs are now established in a large share of low-income countries – as of July 2010, over 98 full PRSPs and over 50 interim PRSPs have been presented to the IMF and World Bank Executive Boards, with a number of countries submitting their second PRSP and a couple, their third⁶.

The PRSP is primarily a document outlining a country’s national economic policy with a focus with a focus on a programme of poverty reduction and participatory policymaking. Aside from identifying the nature, sources and incidences of poverty in the country, a PRSP must also detail how the country will generate resources for poverty reduction, including plans to restructure the economy accordingly, as well as how the resources

generated, including those from concessional financing and debt relief, will be utilised to ameliorate poverty and achieve other developmental objectives established in the PRSP.⁷

Support from official financiers subscribing to the PRSP approach will be contingent upon the production of a PRSP, or at the very least, an interim-PRSP (I-PRSP).

Evaluation of countries' compliance with the PRSP criteria is conducted primarily by the Bank and the Fund through the Joint Staff Advisory Note (JSAN) process which will assess the PRS in relation to its suitability to form the basis of financial support from the Bank, Fund and other financiers.⁸

PRSPs serve as preconditions for debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) initiative and the Multilateral Debt Relief Initiative (MDRI). These documents also replaced the Policy Framework Papers (PFPs) as pre-requisites for grant financing and lending from the World Bank's concessional lending arm, the International Development Association (IDA) and for concessional lending from the IMF⁹.

Each PRSP is required to be: (1) *nationally owned*, meaning the strategies outlined in the PRSP is generated by the constituencies it purports to serve and by the government of the country involved in the process; and (2) formulated in a *participatory* manner, involving a wide range of government and civil society actors, including representatives of 'the poor' to whom these policies are directed. This is institutionalised in a participatory Poverty Reduction Strategy (PRS) process, a mechanism through which intra-governmental, inter-governmental and non-governmental dialogue is established with a range of stakeholders and policy formulated via a process of representation, consultation and engagement between all parties.

The participatory process is reinforced by a series of strategic interventions into client countries' domestic governance apparatuses through the framing of universal development goals and targets (linked primarily to the Millennium Development Goals – MDGs¹⁰); the coupling of such targets and indicators to actionable programmes and policies, including appropriate macroeconomic and structural reforms; the linking of these prioritised public actions to government budgets and public financial management (PFM) or public expenditure management (PEM) systems; and the establishment of

monitoring systems to oversee implementation and ‘facilitate adjustments in policies and programs’.¹¹

MUTUAL ACCOUNTABILITY’ THROUGH ASYMMETRIC INTERVENTIONS

From the point of view of PRSP proponents, the PRSP process rebalances the power asymmetries inherent in international development financing and injects a measure of agency and accountability into a process hitherto fraught with opaque and hierarchical decision-making. Cash-strapped countries now possess the operational framework through which social and economic priorities may be developed in a consultative manner with all segments of society and government and subsequently presented to the official financing community as a prescription for effective utilisation of concessional financial assistance. The implementation of the agreed economic reforms (exchanged in return for external resources) and the appropriate disbursement of resources is subsequently policed through greater oversight of government resource generation and public expenditure management.

Accordingly, the Bank and Fund view the PRS approach as one of ‘balancing mutual accountabilities’ – of governments to domestic constituents and official financiers and of official financiers to governments of client countries – over the use of state economic resources.¹² The key to utilising the PRSP approach as such a platform for ‘mutual accountability’ is the establishment of ‘specific operational plans that support PRS implementation and donor alignment’,¹³ along the lines of an established universal normative framework.

This universal framework is derived from a set of prescriptive but not mandatory templates for strategic policymaking outlined in the *PRSP Sourcebook*¹⁴ with normative indicators – targets for ‘developmental objectives’ – derived from largely from the MDGs.¹⁵ Conformity with these norms are evaluated by Bank and Fund staff via a series of questions in the JSAN, including, *inter alia*, evaluations of the adequacy of the country’s poverty diagnosis; appropriateness of medium and long-term poverty reduction and other developmental targets; establishment and viability of priority public actions; and the adequacy of governance and public sector management reforms.¹⁶ The gatekeeping function of the Bretton Woods institutions to other sources of development

financing¹⁷ and the logic of their adjustment economics are thus sustained through this PRS evaluation process.

Yet, herein lays the fundamental premise – and the fundamental problem – of the PRSP framework – that is, the framework serves to a large extent, as a regulatory restraint for the states subject to its discipline. It follows, from the conceptual principles and operational directives underpinning the PRSP approach, that the PRSP state as recipient of concessional financing and debt relief, must demonstrate its desire to be disciplined by a set of rules constituting the values which represent the universal normative framework for all state resource extraction, allocation and administration.

The PRSP framework involves a substantial reorganisation of state apparatuses in PRSP countries, facilitating not only the universalisation of national economic planning – the setting of uniform ‘development’ targets and common prioritisation of public policy – but also a globalisation of bureaucratic and political structures – the establishment of a template for public participatory policymaking and inter-governmental policy dialogue. These extensive interventions belie the PRSP project’s rhetoric of ‘country ownership’ inasmuch as it serves to establish comity with the neoliberal norms of the current international economic order. Conformity with the status quo is assured by excluding those states who fail to play by the rules, not through force but through the evaluation of their willingness to be subjected to ‘universally’ recognised policy objectives and the corresponding logic of adjustment norms to secure these objectives.

PRSPS AS A RESPONSE TO CRISIS IN THE INTERNATIONAL ORDER

REINVENTING THE WHEEL

The paradoxical straightjacketing of PRSP countries in the face of official rhetoric of ‘ownership’, ‘partnership’ and ‘participation’ is by no means a happy accident of circumstance. Conventional narratives of the PRSP framework, both in policy circles and academic scholarship, often fail to locate the genesis of the PRSP project within a specific temporal and geo-political space, the contextulisation of which will serve to further elucidate the function of the PRSP framework as a mechanism for reshaping

third world state engagement with international law, in particular international economic law.

PRSPs can be foregrounded in the evolution of development financing over the mid-and late-1990s and, more importantly, in the aftermath of a crisis of legitimacy in the international economic order in the late 1990s. The operationalising of a framework, such as the PRSP, linking a political and social governance agenda to disbursement of financial resources, was catalysed largely by an imperative to restore relevance to existing structures of multilateral trade and finance, notably to third world states and to mitigate the groundswell of public dissent to the free-wheeling policies of the globalised Washington Consensus¹⁸, which were, in many cases, bankrolled by the IFIs, during the same period.

The temporal convergence between the shifting institutional agendas of the Bretton Woods institutions and the geo-strategic need on the part of the northern countries – the ‘rule-makers’¹⁹ of the international economy and underwriters of concessional finance – to quell disquiet in the international economic order resulted in widespread support for PRSP and its attendant financing instruments.

The World Bank, notably, is famous for its periodic reinvention and many view the PRSP approach as the consolidation of the changes in the organisational practice of the Bank over the past three decades. The mandatory participatory PRS process creates a binding requirement out of what was previously a ‘best practice’ guideline under what Miller-Adams terms as the World Bank’s ‘participation agenda’ involving the inclusion of non-governmental organisations (NGOs) and other civil society actors in the design and policy dialogue of Bank operations.²⁰

This deliberate policy of inclusion – which started gaining ground in the early 1990s with the development of participatory poverty assessments (PPAs) and peaking with the Bank’s involvement in (and subsequent disengagement from) the Structural Adjustment Participatory Review Initiative (SAPRI) in 1996 – reflects what organisational theorists term as ‘cooptation’ – a ‘strategy through which institutions buffer themselves from pressures arising in the environment’ by ‘incorporating alien and sometimes hostile

elements into their decision-making structure ... to defuse external opposition to their activities'.²¹

Consequently, as some observers have suggested, this incorporation 'reflects a conscious political containment strategy' with the Bank responding to its own crisis of credibility 'from member countries, pressure groups and business interests' by attempting to 'accommodate these demands through ever more inclusive and wide-ranging consultation mechanisms'.²²

CRISIS OF LEGITIMACY

The PRSP framework can thus be regarded as the operational manifestation of what Higgott describes as a 'mood swing' in the global political economy 'from the Washington Consensus to the Post Washington Consensus', driven by the recognition, in policy and academic circles, 'that globalization has to be *politically* legitimized, democratized and socialized if the gains of the *economic* liberalization process are not to be lost to its major beneficiaries'.²³

This, in turn, was driven largely by the urgency to reassert the dominance of northern financier countries over peripheral nations in the south in the face of dissonance within the international political economy in the late 1990s and the threat of mass third world revolt to the rapaciousness of neoliberal measures pushed through a raft of regulatory regimes at the time – from the aborted Multilateral Agreement on Investment (MAI), the recently established and potentially omniscient World Trade Organisation (WTO) and the North American Free Trade Agreement (NAFTA), heightened by the decade-old conditionalities of debt restructuring and structural adjustment.

Third world state resistance to the international economic order and the patterns of unequal economic globalisation during this period was bolstered by the aforementioned rising tide of citizenry dissent and global mass mobilisations against domestic structural adjustment and debt overhang and structural economic iniquity at the global level, and compelled by mounting evidence against the policies of the Washington Consensus and neoliberal globalisation. The social and economic dislocations of the Asian financial crises of 1997 and the Latin American and Russian contagion of 1998 and the fiscal

austerity that accompanied the ensuing IMF adjustment programmes in affected countries heightened the global loss of faith in international economy, precipitating, in many respects, a series of third world rebellions in the global governance arena, from the collective ministerial walk-out of the Seattle WTO summit to the unilateral dismissal of IMF intervention in Mahathir-era Malaysia.

The impetus to control potentially insurgent nation states in the south represented a very real geo-political motivation in the drive to institutionalise the post-Washington Consensus in these countries, particularly when such resistance posed a real danger to the functioning of the existing international economy and the global juridical order which sustains it. Pahuja, in reference to the IMF surveillance function in the post-Asian Financial Crisis era, refers to the twin motivations of postcolonial governance of international economic law – the ‘fear of exit’ and the paradoxical ‘fear of entry’ of third world states which continue to haunt the participation of such states in the international economic order:

The effect of the eternal presence of the spectre of the Third World primordialism means that implicit in the articulation of the *fear of entry* and the risk of systemic breakdown immanent in that entry, is the *fear of exit*, or the desire to prevent nations in financial difficulties from dropping out of the international system altogether.²⁴

The PRSP framework, as a subset of the larger post-Washington Consensus, may be viewed as a means of quelling this potential danger of ‘exit’ of third world states in the face of, to borrow a phrase from Stiglitz, ‘globalization and its discontents’,²⁵ particularly of low-income countries for whom the benefits of global economic integration had yielded little reward. While the PRSP only extends to the peripheral nations of the global economy, mostly located in sub-Saharan Africa– as opposed to the politically powerful Asian and Latin American middle-income countries – the importance of maintaining this bloc of countries within the global capitalist system is as much an exercise of discourse as one of utility, the offsetting of the loss of faith in the policies of globalisation.

At the same time, the PRSP framework tackles the danger of ‘primordialism’ that accompany these countries’ insertion into the system – the potentially disruptive force of

an inclusion into the international economic order of countries whose domestic regulatory apparatuses lack the maturity and sophistication to perform the disciplinary and redistributive functions of a state that is imperative to govern and mitigate the effects of an integrated market economy. The conceptual and operational emphasis of ‘country ownership’, ‘partnership’, ‘participation’ and ‘poverty reduction’ of the PRSP framework serves a dual purpose in providing the incentive for southern states to remain in the international system and instituting the requisite discipline to regulate this continued participation by providing the framework for states to diffuse internal opposition and alleviate the social and economic dislocations of economic globalisation.

This ‘crisis of legitimacy’ in global politics and in the governance of the international economic order is absent from conventional narratives of PRSP historiography and consequently, masks the genesis of the PRSP as a response to this crisis. Critically, this absence prevents comprehensive analysis of the role of the PRSP project in reframing fundamental tenets of global collective responsibility and obscuring the need for revising the rules of international economic law in the face of the social, economic and political marginalisation of third world states and communities from the integrated global market.

REINSCRIBING DISCIPLINE AND ORDER VIA THE AEGIS OF THE STATE

The conceptual and operational premise of the PRSP framework not only reflects the imperative to discipline errant states in the global economy but also that of maintaining the asymmetries in the international economic order and therefore, the hegemony of the northern states who underwrite the rules of multilateral engagement. The response to the aforementioned ‘crisis of legitimacy’ is therefore not one predicated upon the revision of international economic law but one that revises *state engagement* with the law and the political economy which sustains it.

Correspondingly, the response of the PRSP framework to the social and economic marginalisation of states and communities resultant from the neoliberal globalisation underwritten by the rules of international trade and finance is not one of international redistributive justice nor one of reparational justice but one of bilateral and multilateral financial mediation *on the terms established by the hegemon states*. The pivoting of all discourse of social and economic exclusion on the issue of ‘aid’ and the merit of countries to

receive 'aid' subverts the real and persistent causes of such marginalisation in the global economy.

In the monograph from which this paper is drawn, I argue that the current drive to rehabilitate the state apparatus in developing countries through the PRSP framework stem not from the desire to transfer genuine policy autonomy to these economically and politically marginalised states but from the need to: 1) co-opt recalcitrant states into submitting to the necessary regulatory and policy reforms for the conducive operation of transnational capital, *or*, in the case of 'failed states' or post-conflict states, to restore the basic institutional frameworks to pursue such reforms; and 2) mitigate the dislocations associated with the pursuit of such reforms through the rehabilitation of the state's regulatory and economic oversight function, and to a lesser extent, its function as an overseer of citizenry welfare.²⁶

PROBLEMATISING THE STATE

The mode of engagement forwarded by the PRSP framework is one that transfers to the affected state *autonomy* over, but correspondingly, *responsibility* for state interaction with and commitment to the norms, legal or otherwise, of the international economy. The effects of the state's wilful entry into the international market and the rules which govern it are correspondingly borne by the state with assistance from the 'international' community to mitigate the dislocations of adjustment. Correspondingly, redistributive justice under the PRSP framework takes place in the domestic sphere, not the international, if at all.

'Poverty' in PRSP countries is less rooted in the 'international' than in the 'national', caused primarily not from the lack of financial resources caused by the iniquities of current rules of global trade and finance but by a) states' incapacity to generate or absorb financial resources due to inappropriate fiscal, monetary or structural economic policy choices; and b) states' inability or disinclination to utilise resources generated in a productive and redistributive manner. The failure of structural adjustment policies in these countries, leading to social and economic dislocations, have more to do with 'policy slippages' and not 'policy design'.²⁷

The state is thus problematised in the context of ‘poverty reduction’ and ‘development’ – the inability to reap the benefits of globalisation or to effectively utilise ‘aid’ allocated is attributed to the ‘inefficient’ and ‘predatory’ state and the incapacity of the state to organise domestic economic functions and enrol sufficient domestic political support to legitimise its strategic role in the economy.

The function of the PRS process is thus to rehabilitate the state prescriptive and regulative capacity to enable better organised strategic development planning and to institutionalise non-state, read: civil society, oversight capacity to enable greater state transparency and accountability for resources generated, accumulated and distributed. Accordingly, the World Bank and the IMF argue that:

The PRS approach provides the operational framework for governments to set their development priorities and to specify policies, programs and resources needed to achieve results. This process helps to crystallise political commitment and accountability – both for countries themselves and for their development partners – for accelerating progress towards the MDGs.²⁸

In framing the PRSP approach as one of ‘balancing mutual accountabilities’, the Bretton Woods institutions make no reference to the accountability of the international community to structurally adjusted states or the redistribution of unevenly acquired global wealth. Instead, the process is designed to procure accountability of the state to its citizens (downward accountability) and of the state to its external financiers (upward accountability).

And where the institutions call for more action from ‘donors and countries alike to make the PRS the framework for scaling up country-level efforts to reach the MDGs’,²⁹ there is an asymmetry in the obligations undertaken by the ‘donor’ community and those of individual countries. Where financier states play a peripheral role by undertaking to ensure that development assistance meets with minimum procedural standards, such as alignment with national budget and parliamentary cycles, the obligations undertaken by PRSP states, on the other hand, are much more onerous.

The focus of the PRSP framework has consistently centred upon the necessity of PRSP countries to develop a coherent programme of social sector expenditures to meet its international development targets without corresponding considerations to the underlying policy design of national economic strategies and the interaction between these strategies and the global economy. The onus is therefore on specific countries to prove their capacity to absorb the financing bequeathed to them by the northern states and demonstrate the institutional discipline necessary to utilise the resources.

The overarching emphasis of the PRSP on domestic institutional and policy reform has come at the expense of tackling external pressures on countries' capacity to deliver development and economic growth. As with the other components of the post-Washington Consensus economic model, the PRSP framework does not see the rolling-back of policies of liberalisation, deregulation and privatisation which underpinned the modalities of globalisation in the 1980s and 1990s but rather to 'develop a political institutional framework to embed the structural adjustment policies of the Washington Consensus'.³⁰

THE NATION AS A SITE OF POLITICAL STRUGGLE AND ECONOMIC REDISTRIBUTION

It follows from the problematising of the state in economic development under the PRSP approach that the national sphere has also been constituted as the primary site for any contestation over the resource allocation and redistribution and the state correspondingly ascribed with the primary duty to discharge the social and economic challenges ascribed collectively, such as the MDGs.

The institution of a mandatory participatory policymaking process under the PRSP framework, while enabling a degree of domestic political franchise by opening up hitherto inaccessible spaces for citizenry engagement in national decision-making processes, diverts collective struggle away from the international towards the national. Discontent resulting from the social and economic dislocations of structural adjustment and integration into an uneven international trade and finance playing field by individual countries is now refocused on the state and not the community of states.

The emphasis in the PRSP framework of ‘priority public actions’ and the linking of state economic resources to clear, targeted and accountable public expenditure in social sectors such as health and education may result in more transparent resource allocation but it also places the responsibility of providing public goods onto national governments. This diffuses dissent to the inequality of current global economic structures and the injustices of global policy decisions by refocusing the debate away from the resource constraints third world states face as a result of external pressures towards one centred around how best states can allocate limited resources to meet developmental challenges.

Furthermore, the access to political structures and limited possibilities for engagement in national strategic planning via participatory processes in individual countries have the effect of fracturing globalised resistance, either in the form of mass citizenry mobilisations or global civil society cooperation. Within the PRSP framework, struggles over resource allocation and modes of economic governance affecting individuals and communities are directed at the state apparatus through the reorganisation of political representative structures mediated by the IFIs and other external financiers.

The reconstruction of the state in PRSP countries through the participatory process, therefore aids the rehabilitation of the regulative capacity of the state at the same time as it constrains the state by subjecting it to an internal process of accountability and external scrutiny of these accountability mechanisms. This reconfiguration of the political space in PRSP countries legitimises the *process* of the PRSP framework, through the restructuring of social relations between state and non-state actors and external financiers, as well as conferring credibility on the substantive content of the resultant social and economic policies, even as it fails to reform the existing policy and practice of development financing.

Confinement of emancipatory politics within the territorial boundaries of a nation state, and within it, the geographical boundaries of the district and the villages, not only problematises the state – the ‘inefficient’, ‘predatory’ state – but also creates a cartography of impoverishment which localises poverty to create a disempowering counter-discourse. Reducing economic marginalisation and social inequity to the lowest territorial denominator not only distorts the magnitude of the problem, it localises the

politics of poverty by suggesting that this is where the dislocations are most acute and where interventions should be targeted.

At the same time, the process legitimises these policy interventions inasmuch as they legitimise the institutional presence of the World Bank, the IMF and bilateral financiers in third world states. The PRSP process subjects the state to greater external scrutiny, not only just of its economic policies but of its practice of governance itself, hence increasing its exposure to greater external remedial action, through interventions of the ‘donor’ states seeking to mediate in the development of domestic political franchise. This has created a culture of upward rather than downward accountability, contrary to the stated objectives of the PRSP project itself. Recipient states remain highly accountable to the international financial institutions and donors but rarely vice-versa, and donors, not domestic constituents, remain the primary consumers of financial information and government performance review under this new regime³¹. This increases external oversight of government policies and expenditures but does not necessarily improve accountability for public decisions.

SUBVERTING THE ‘RIGHT TO DEVELOPMENT’

The assignment of responsibility for addressing developmental challenges to individual nation states is not exclusive to the PRSP framework. It reflects the conceptual framework that has consistently guided official aid flows from northern to southern states in the postcolonial period which have sought to resist the incorporation of any language of redistribution or universal collective responsibility in the area of social and economic cooperation in bilateral and multilateral financing relationships.

The circumscription of the role of the international community, particularly that of the northern states and northern capital which represent the principal beneficiaries of the current international economic order, in any normative framework for international development has been a significant feature of all international negotiations in the area of trade, finance and development cooperation since the collapse of the third world movement for a New International Economic Order (NIEO)³² in the 1970s and 1980s and the gradual erosion of the UNCTAD mandate in the structural adjustment era.

The refusal of western states to acknowledge collective responsibility for the condition of third world states and to accept complicity in their social and economic marginalisation from the international economic order was evidenced by the north-south split³³ in the voting patterns for the UN Declaration on the Right to Development in 1986. The Declaration, championed by the Group of 77 developing states stressed ‘the collective obligation of all states to create a just and equitable international environment for the realisation of the right to development’ and emphasised ‘a collective duty of all states to eliminate barriers, such as unfair trade rules and the debt burden’.³⁴

The most heavily contested elements of the declaration involved questions on the nature of the right to development, specifically the assignment of rights and duties, and the balance between the national and international characteristics of these rights and duties.

For southern governments, the ‘right to development’ is international in character and the responsibility for realising such a right ‘cannot remain at the national level’ as ‘globalisation, international trade, foreign domestic economic policies, foreign debt and intellectual property rights constrain national development efforts’. The ‘right to development’ therefore encompasses a revision of the rules of international trade and finance to enable greater participation and control of developing countries in the global economy, including but not exclusive to the establishment of international mechanisms to implement the principles of the 1986 Declaration. Specifically, the southern states have argued that this right ‘cannot be reduced to international development assistance, nor to national eradication programmes’.³⁵

In contrast, contemporary interpretations of the ‘right to development’ by northern states are based on the ‘partnership’ model which underpins the PRSP framework – ‘one based on shared responsibilities and mutual commitments between developed and developing countries and international organisations’.³⁶ In particular, northern governments do not recognise the provisions of the 1986 Declaration as forming part of customary human rights law nor forming a normative basis for their aid financing, external trade and foreign policies vis-à-vis developing states.

Instead, these governments have generally interpreted the ‘right to development’ as a right of individuals against states, notably the right of citizens in developing countries

against their own states, and not a right exercised by states against other states. While recognising the international dimension of the 'right to development', northern governments have argued that it is states which 'have primary responsibility for the realising of the [right to development]³⁷ and that such 'assistance is based on a moral – not legal – obligation to alleviate poverty'.³⁸

Consequently, all subsequent international negotiations on social and economic cooperation have been couched along the lines of the new language of 'partnership' and 'poverty reduction' in contrast to the call for international cooperation and redistributive justice that underpinned southern calls for a NIEO. The Monterrey Consensus, adopted at the 2002 UN Financing for Development (FFD) Conference, for example declared that achieving such targets 'demands a new *partnership* between developed and developing countries' including the commitment to 'sound policies, good governance at all levels and the rule of law'.³⁹

The PRSP framework not only provides the operational mechanism for such a partnership but it also ensures that discussions for external resources and redressing social and economic exclusion of countries remain at the level of the state and at the level of individual financing arrangements with official creditors, whether on a bilateral or multilateral basis. By establishing the parameters for negotiation within a small cartel of donors and creditors, the discourse created by the PRSP approach limits the capacity for PRSP countries' to form collective demands for equity at the international level.

Moreover, the emphasis on 'poverty reduction' as priority governmental action subverts the principle of 'development' encompassing calls for fairer rules in the international economic order to facilitate such growth. It does not address the asymmetries which prevent countries' attainment of fuller economic and social objectives, for example, the redress of declining terms of trade for commodity-dependent states in the south as a result of continuing depreciation of prices for primary commodities, the tariff escalation rules in multilateral trade law and the intransigence of northern policies on agricultural subsidies⁴⁰. The core of the PRSP framework thus reflects an effort to 'manage' world poverty rather than to resolve it.

A NEW REGULATORY FRAMEWORK

The PRSP framework signals a larger paradigmatic shift in the cartography of aid and, consequently, in the constitution of north-south relations. However, the operational efficacy of this wholesale revision of the modalities of countries' engagement with the international community exemplifies the current international legal order in which third world states remain *objects* of international law rather than its *subjects*.

The characterisation of PRSP countries as legitimate sites for remedial interventions – social, economic and political – not only resonates with the aforementioned 'civilising mission' and technologies of colonial management but also demonstrates the way in which the 'colonial encounter' continues to shape third world engagement with international law. The extensive intrusions of the PRSP framework into the body politic of the structurally adjusted state could only be made possible where the initial sovereignty of states were circumscribed by their entry into the postcolonial international legal order and where such political sovereignty and state autonomy over natural resources and over external state relations and state access to global institutions of governance have been progressively eroded by interventions of the postcolonial global regulatory instruments.

Thus, this paper argues, in a similar vein to Anghie's analysis of the 'good governance' project which preceded the PRSP framework, that the insertion of the PRSP framework into sovereign lending operations masks 'the imperial character' of international law 'even when it is being reproduced in a way that powerfully shapes contemporary international relations'.⁴¹ The recognition of third world states and the legitimacy of third world claims under international law thus becomes premised on: a) their capacity to demonstrate adherence to norms established by the 'international' legal order; and b) in their failure to demonstrate the former, their willingness to be rehabilitated and acceptance of interventions for reform so that they may be restructured into compliance.

At the heart of the PRSP reforms is therefore the validation of clientelist relationship between the north and the south and the logic of dependence and universalisation which underpin these relationships. For Badie, this relationship of dependence necessitates the constitutional and juridical imitation of the patron state by the client state for continued access by the dependent client state to external resource mobilisation.⁴² In the case of PRSP states, the mimicry assumes the form of adopting public expenditure management

systems, national strategic planning and political orders of the west. This, in turn, mirrors the reforms that third world states have had to adopt in other areas of international economic law, such as trade, intellectual property rights, finance and investment, which have necessitated the embedding of imported legal rules and institutions for the purpose of attracting foreign capital and facilitating external trade.

The historical reading of the PRSP framework; its situation within a continuum of political events and policy narratives in the period preceding its inception and its contextualisation within the legacy of postcolonial economic relations enables us to ascribe the framework with a wider economic, geo-political and legal significance beyond its immediacy as an instrument for regulating aid disbursement. In this manner, the PRSP project establishes a new regulatory framework which restructures third world state engagement with the global economy and the international legal instruments which support it.

This new configuration of politics brought about by the principle of ‘ownership’ in conditionality has not extinguished the politics of adjustment nor the power relations inherent in conditions of donor dependency, but has rather resulted in a situation where external intervention is exercised not through coercive financing terms ‘but also to a significant degree through closer involvement in state institutions and the employment of incentive finance’, a situation Harrison terms as the ‘post-conditionality’ regime.⁴³

Again, in the monograph from which this paper is drawn, I argue that the PRSP framework constitutes a new form of discipline of third world states in the current postcolonial period, representing both a continuation and an extension of old mechanisms of imperial and neo-imperial control.⁴⁴ This transition may be framed as the beginnings of a transition from Foucault’s ‘disciplinary society’ to a ‘society of control’ vis-a-vis the governance of third world states. This new regulatory regime relies less on ‘disciplinary power’ and the ‘technologies of domination’ – the establishment of normative frameworks for behaviour and the exclusion and penalisation for departures from such norms – but on ‘bio-political power’ and the ‘technologies of self’ – in which objects of power reproduce the dominant norms and seek to insert themselves into the very relationships of power.⁴⁵ Thus, the agenda for norm brokerage and rule-making in the international political economy and the international economic law which supports it

depends less on the establishment of coercive rules and principles for engagement and more on the discretionary application of ‘voluntary’ accession to the discipline of the ‘development’ financiers.

At the same time, the concepts that are problematised by the PRSP project, namely *poverty reduction*, *participation* and *national ownership*, are constituted as new areas of regulation through dynamics of power and influence that underlie the formulation of this initiative. In this respect, the implications of the PRSP project reverberate beyond the policy and institutional incorporation of resistance to encompass a much wider range of cause and effect and include the production and dissemination of discourses on ‘development’ and constructions of ‘poverty’. The language of the PRSP framework has important resonance in movements for social and economic justice but equally, and somewhat conversely, it also shapes the debate about the nature of international economic relations and represents the narratives that have gained currency in the context of these relationships due to the hegemony of the actors who underwrite their emergence. This ancillary process of knowledge production has, once again, created a universal framework through which knowledge about heterogeneous cultures, and socio-political and economic organisation has been collected, filtered and disseminated, establishing a frame of reference which disciplines through marginalisation and exclusion of those which fall outside these received identities.

The implications of this on the wider global regulatory structures and networks are significant. As discussed previously, the emphasis on developing and fulfilling priorities established in conformity with the parameters set by the PRSP framework – and within the qualified notions of ‘poverty reduction’, ‘participation’ and ‘ownership’ – thus shifts the debate away from the international arena and places the burden of meeting the challenge of social and economic developmental objectives on national governments. It is the nation state – the structurally adjusted, indebted, aid dependant state – that now bears the primary responsibility for ensuring that the communally-ascribed Millennium Development Goals are met through a further programme of structural adjustment (now renamed ‘development policy’ operations), foreclosing debate on issues of international economic justice, redistribution and communal responsibility for the provision and protection of public goods.

CONCLUSION

In this paper, I have tried to situate the inception of PRSP project within a specific temporal and geo-political context in order to demonstrate the impact of the framework on current developments in the global economic arena, particularly in relation to the revision of existing rules of international economic law and/or the development of new international instruments to combat the excesses of neoliberal globalisation.

Specifically, this paper argues that the PRSP project's focus on individual state responsibility rather than a collective responsibility fractures resistance through forcing countries to compete with each other for economic resources disbursed on the terms established by the financier states rather than a focus on redistributive justice. This is achieved through: a) the discounting of the role of the 'international' in the resolution of social and economic exclusion within states, particularly developing states in the south subject to the torrents of globalised neoliberalism and b) rupturing communal struggles to the forces of international impoverishment calling for a revisiting and revisioning of the rules of the international economy through the incentive of individual engagement.

The nation state that is reconstituted under this framework is therefore one that is facilitative of the project of global neoliberalism and northern corporatism, rehabilitated through a series of institutional interventions of the PRSP framework. Such an assignment of responsibility, predicated upon the unquestioning acceptance of the status quo of economic globalisation processes, obfuscates the role of the international community in securing economic justice for economically marginalised nation states and their impoverished constituencies.

Conceptualising 'poverty reduction' as a priority policy intervention and 'ownership' as a political project forecloses negotiations for the reform of the rules of international trade and finance facilitating the exploitative relationships that underlie the impoverishment and suffering of communities in PRSP countries. While the PRSP framework infuses a purpose of political franchise - through participatory policymaking and notional conferment of policy ownership - into the dynamic of the financing relationships between countries and their external financiers and inscribes a social contractual relationship between governments and their citizens, the project does not address the

fundamental iniquities within the international order which necessitates the existence of such financing and debt relief.

Consequently, the danger of the PRSP project is that the discourse and methods of resistance against the injustices of the international order have been appropriated to distil such dissent through qualified operationalising of contestable notions of ‘participation’, ‘ownership’, ‘partnership’ and ‘poverty reduction’ and the translation of these notions into the norms and principles regulating third world engagement with the exterior. The PRSP framework thus serves a disciplinary and legitimising function vis-à-vis the asymmetries that continue to characterise the postcolonial economy and exemplifies the shifting nature of power at the international level necessary to maintain these asymmetries and manifested in the international legal order which sustains it.

¹ This paper is drawn from the author’s monograph, *Governance through Development: Poverty Reduction Strategies, International Law and the Disciplining of Third World States*, London: Routledge, 2011. Versions of this paper were presented at originally presented at the Development Studies Association (DSA) Conference, 5 November 2010 and at the Birkbeck 3rd Workshop on Critical Approaches to International Law: The Force Of International Law, London, 15-17 May 2006. The author thanks Luke Price for his editorial assistance.

² The juxtapositioning of international law, its colonial legacy and the postcolonial ‘development’ project has been considered to varying depths by postcolonial legal scholars – see A Anghie, *Imperialism, Sovereignty and the Making of International Law*, Cambridge: Cambridge University Press, 2004; A. Anghie, ‘Time Present and Time Past: Globalization, International Financial Institutions and the Third World’, *New York University Journal of International Law and Politics*, 32 (Winter), 2000; U Baxi, ‘Global Development and Impoverishment’, in P Cane and M Tushnet (eds), *The Oxford Handbook of Legal Studies*, Oxford: Oxford University Press, 2003, pp 455-482; R Balakrishnan, *International Law from Below: Development, Social Movements and Third World Resistance*, Cambridge: Cambridge University Press, 2003; S Pahuja, ‘Global Formations: IMF Conditionality and the South as Legal Subject’, in P Fitzpatrick and P Tuitt (eds), *Critical Beings: Law, Nation and the Global Subject*, Aldershot: Ashgate, 2005; S. Pahuja, ‘Global Formation: IMF Conditionality and the South as a Legal subject’, in P. Fitzpatrick and P. Tuitt (eds), *Critical Beings: Law, Nation and the Global Subject*, Aldershot, Ashgate, 2004 – in recent years, drawing upon postcolonial scholarship on the discourse of development pioneered by Escobar (see A Escobar, *Encountering Development: The Making and Unmaking of the Third World*, Princeton, NJ: Princeton University Press, 1995, et al.

³ M Foucault, *The Foucault Reader: An Introduction to Foucault’s Thought*, Paul Rabinow (ed), London: Penguin, 1991: pp 261-262.

⁴ Low-income countries here defined as countries eligible to borrow from the World Bank’s concessional lending arm, the International Development Association (IDA), that is, countries with an annual per capita income of US\$1,165 in financial year 2011.

⁵ See C Gore, ‘The International Poverty Trap’, *Development Policy Journal*, 3, 2003, pp 107-126; R McGee, and K Brock, ‘From Poverty Assessment to Policy Change: Processes, Actors, Data’, Institute of Development Studies (IDS) Working Paper 133, July 2001; L H Piron and A Evans, ‘Politics and the PRSP Approach: Synthesis Paper’, Overseas Development Institute (ODI) Working Paper 237, March 2004.

⁶ IMF, ‘Factsheet on Poverty Reduction Strategy Papers (PRSP)’, Revised 22 September 2010, <http://www.imf.org/external/np/exr/facts/prsp.htm> (5 March 2011); also World Bank (2010), ‘Board Presentations of PRSP Documents (as of 2 June 2010), <http://siteresources.worldbank.org/INTPRS1/Resources/boardlist.pdf> (5 March 2011).

⁷ World Bank, *The Poverty Reduction Strategy Initiative: An Independent Evaluation of the World Bank's Support through 2003*, Washington DC: World Bank, 2004: pp 2-4.

⁸ World Bank and IMF, 'Guidelines for World Bank and IMF Staffs for Joint Staff Advisory Notes (JSAN) for Poverty Reduction Strategy Paper', 30 June 2005. The JSAN replaced the Joint Staff Assessment (JSA) in November 2004, primarily to dispense with the received notion that the JSA represented a 'Washington sign-off' of a country's strategy and to enable Bank and Fund staff to exercise greater frankness and candour in their evaluations of countries' PRSPs (World Bank and IMF, 2005: para 2). The JSAN eliminates the need for Bank and Fund staff to explicitly endorse a PRSP as 'a satisfactory basis for Fund (and Bank) concessional financial assistance' (IMF, 'Guidance Note for Fund Staff on the Modified Poverty Reduction Strategy Framework and the Implications for PRGF and HIPC Operations', 30 June 2005: para 3; World Bank and IMF, 2005: para 6) and instead, the link between the PRS and financial assistance is made in the individual Country Assistance Strategy (CAS), the blueprint for a country's engagement with the Bank, and project documentation and in individual Fund arrangements under the PRGF and other programmes (ibid: para 12).

⁹ The IMF's concessional lending facility, the Enhanced Structural Adjustment facility (ESAF) was replaced by the Poverty Reduction and Growth Facility (PRGF) when the PRSP was introduced in 1999. In 2009, the IMF further restructured their concessional lending architecture to create three distinct concessional facilities – the Extended Credit Facility (ECF), the Standby Credit Facility (SCF) and the rapid Credit Facility (RCF) – under a newly constituted Poverty Reduction and Growth Trust (PRGT) (IMF, 'A New Architecture of Facilities for Low-Income Countries', 26 June 2009: para 6). While PRSPs are not mandatory for access to all facilities, PRSP documentation and the overarching 'poverty reduction' approach remain the mainstay for the bulk of negotiations under the reformed framework (World Bank and IMF, 2005: para 12).

¹⁰ The MDGs refer to the eight development goals to be achieved by 2015 by state signatories to the Millennium Declaration (adopted in September 2000 by 189 nations and signed by 147 governments at the UN Millennium Summit). These goals include the eradication of poverty, the achievement of universal primary education, the reduction in child mortality and improvement in maternal health and the promotion of gender equity. See MDG website <http://www.un.org/millenniumgoals/> (5 March 2011).

¹¹ IMF and World Bank, *2005 Review of the Poverty Reduction Strategy Approach: Balancing Accountabilities and Scaling Up Results*, Washington DC: IMF and World Bank, 2005: para 25.

¹² Ibid: para 21.

¹³ Ibid: p 13.

¹⁴ See J Klugman (ed), *A Sourcebook for Poverty Reduction Strategies*, Washington DC: World Bank, 2002.

¹⁵ IMF and World Bank, 2005: pp 12- 13.

¹⁶ World Bank and IMF, 2005: Annex 1.

¹⁷ The gatekeeping function of the World Bank and the IMF refers to their ability to 'signal' countries' creditworthiness to other creditors. This is particularly critical for low-income countries which do not have access to private capital markets and are reliant on official financing. Almost all official creditors insist on countries having an IMF programme in place as evidence of an 'appropriate macroeconomic framework'.

¹⁸ The 'Washington Consensus' is a term often misrepresented and misunderstood. The term was coined by US economist John Williamson to refer to a set of ten economic reforms that he considered were necessary in order to redress the economic problems faced by Latin America in the 1980s and which could be deployed with 'a reasonable degree of consensus' in the policy and political circles of Washington, (J Williamson, 'What Washington Means by Policy Reform', in J Williamson (ed), *Latin American Adjustment: How Much Has Happened?*, Washington DC: Institute for International Economics, 1990 (updated November 2002), <http://www.piie.com/publications/papers/paper.cfm?ResearchID=486> (5 March 2011)). The term has been used since as a catch-all phrase to encompass the policies espoused by Williamson, including fiscal austerity, trade and financial liberalisation, deregulation and privatisation.

¹⁹ As opposed to the 'rule-takers', states who do not have the power to underwrite the norms of the international political economy and the legal rules which bind them (see R. Higgott, 'Contested Globalization: The Changing Context and Normative Challenges', *Review of International Studies* 26(5), 2000, p. 142).

²⁰ M Miller-Adams, *The World Bank: New Agendas in a Changing World*, London and New York: Routledge, 1999: pp 74, 83-84.

²¹ Ibid: p 74.

²² J R Pincus and J A Winters, 'Reinventing the World Bank', in J R Pincus and J A Winters (eds), *Reinventing the World Bank*, New York: Cornell University Press, 2000: p 1.

²³ Higgott, 2000: p 134.

²⁴ S. Pahuja, 'Technologies of Empire: IMF Conditionality and the Reinscription of the North/South Divide', *Leiden Journal of International Law* 13(4), 2000, p. 797, emphasis added.

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- ²⁵ J Stiglitz, *Globalization and its Discontents*, London: Penguin Books, 2002.
- ²⁶ Tan, 2011.
- ²⁷ UNCTAD, *Economic Development in Africa: From Adjustment to PRSPs: What's New?*, UNCTAD: New York and Geneva, 2002: p 5.
- ²⁸ IMF and World Bank, 2005: para 27.
- ²⁹ Ibid: p 12.
- ³⁰ K Jayasuriya, 'Governance, Post Washington Consensus and the New Anti Politics', Southeast Asia Research Centre, Working Paper Series No 2, April 2001: p 1.
- ³¹ African Network on Debt and Development (Afrodad), 'A Critical Assessment of Aid Management and Donor Harmonisation: The Case of Mozambique', Harare: Afrodad, 2007, p. 21; N. Nkombo, 'Development Aid and National Ownership: A Review of Critical Experiences from Africa: Milestones, Good Practices, Failures and Future Research Options, Paper prepared for the 'Promoting Ownership and Reforming Conditionality: Strategic Planning Workshop, 18 – 20 February, Entebbe, Uganda, p. 5.
- ³² The NIEO represented a concerted effort by the newly-independent states to assert their rights for a more equitable and redistributive global economy which dispenses with the pre-existing framework of colonial extraction and exploitation of the developing world. The call for an NIEO was consolidated in the adoption by the UN General Assembly on the 'Declaration for the Establishment of a New International Economic Order' in 1974 and subsequently incorporated into the 1977 General Assembly Resolution on the 'Charter of Economic Rights and Duties of States'. Developing countries had called for, *inter alia*, the sovereign right to expropriation and nationalisation of national economic resources, concrete international agreements for the protection of primary commodities and remunerative prices for raw materials, the right to regulate multinational corporations, and a fair and equitable multilateral trading system (see R Biel, *The New Imperialism: Crisis and Contradictions in North/South Relations*, London and New York: Zed Books, 2000: p 124).
- ³³ While eight developed countries voted for the declaration with eight others abstaining (out of a combined total of 146 votes in favour), this number was almost reversed in the subsequent resolution for a plan of action calling for a binding resolution of the debt burden, the elimination of protectionist trade policies in the north and the increase in official development financing with 11 developed countries voting against the resolution (Biel, 2000: pp 8-9).
- ³⁴ C Nyamu-Musembi and A Cornwall, 'What is the 'Rights-Based Approach' All About? Perspectives from International Development Agencies', IDS Working Paper 234, November 2004: p 8.
- ³⁵ L-H Piron, 'The Right to Development: A Review of the Current State of the Debate for the Department for International Development', Overseas Development Institute, 2002: pp 18-19.
- ³⁶ Ibid.
- ³⁷ Ibid: p 18.
- ³⁸ Nyamu-Musembi and Cornwall, 2004: p 9; Piron, 2002: p 18. According to Nyamu-Musembi and Cornwall, the UK foreign office 'specifically advised proponents of a rights-based approach within the UK's Department for International Development (DFID) to exclude any reference to the [1986] declaration' (Nyamu-Musembi and Cornwall, 2004: p 9).
- ³⁹ United Nations, 'Report of the International Conference on Financing for Development', Monterrey, Mexico, 18-22 March 2002: para 4.
- ⁴⁰ Gore, for example, notes that '[t]he key missing link in the current international approach to poverty reduction is the absence of any kind of international commodity policy', a key international instrument for redressing the social and economic impoverishment of many low-income states and communities (Gore, 2003: p 125).
- ⁴¹ Anghie: 2004: pp 250.
- ⁴² B. Badie, *The Imported State: The Westernization of the Political Order*, trans. by C. Royal, Stanford, Stanford University Press, 2000: pp 14-15, 28.
- ⁴³ 'G. Harrison, 'Post-Conditionality Politics and Administrative Reform: Reflections on the Cases of Uganda and Tanzania', *Development and Change* 32(4), 2001, p 660.
- ⁴⁴ Tan, 2011.
- ⁴⁵ Foucault, 1991: pp 261-262; M Foucault, *Power: Essential Works of Foucault 1954-1984, Volume 3*, J D Faubion (ed), R Hurley and others (trans), London: Penguin, 1994: pp 339-345.