Culture Poverty, and External Intervention

Sabina Alkire

Historically growth has expanded choice only in some dimensions while constricting choice in others. Not only can’t you go home again, but you can’t figure out whether or not you want to until it’s too late to change your mind.¹

The pointer to any real conflict between the preservation of tradition and the advantages of modernity calls for a participatory resolution, not for a unilateral rejection of modernity in favor of tradition by political rulers, or religious authorities, or anthropological admirers of the legacy of the past.²

If economic policies designed by economists affect, which they do, the whole of society, economists can no longer claim that they are solely concerned with the economic field. Such a stance would be unethical since it would mean avoiding the moral responsibility for the consequences of an action.³

1. PROBLEMATIC ___________________________________________________________ 3
   1.1 CULTURE AND POVERTY: ALWAYS INTERMINGLED ________________________________ 4
   1.2 DIMENSIONS PEOPLE VALUE: MULTIPLE AND DIVERSE _____________________________ 5
   1.3. IDENTIFYING TRADE-OFFS __________________________________________________ 6

2. INFORMED PARTICIPATION ________________________________________________ 7
   2.1 EXPLICIT VALUATION OF TRADE-OFFS ____________________________ 8
   2.2 ONGOING AND PUBLIC DEBATE _____________________________________________ 8
   2.3 INFORMATION ON UNINTENDED CONSEQUENCES _____________________________ 9
   2.4 INFORMATION ON THE PROBABILITY OF SUCCESS _____________________________ 10
   2.5 SUSTAINABLE PLURALISM ____________________________ 11

3. THE WORLD BANK ______________________________________________________ 11
   3.1 STRATEGY _____________________________________________________________ 12
   3.2 SUPPORT ONGOING PUBLIC DEBATE __________________________________________ 13
      3.2.1 Comprehensive Development Framework ___________________________________ 14
      3.2.2 Informed Participation and Indigenous People ______________________________ 14
   3.3 INFORMATION ON CULTURAL TRADE-OFFS ________________________________ 16
   3.4 INFORMATION ON THE PROBABILITY OF SUCCESS _____________________________ 16
   3.5 AUTHORITY AND CULTURE OF THE WORLD BANK ____________________________ 17

4. CONCLUSION ___________________________________________________________ 18

¹ Apffel-Marglin 1990:4 -5.
² Sen 1999:32
³ Manfred Max-Neef 1993:15-16.
A Buddhist monk once told a visiting Dutch priest this story:

There was a man on a horse galloping swiftly along the road. An old farmer standing in the fields, seeing him pass by, called out, ‘Hey rider, where are you going?’ The rider turned around and shouted back, ‘Don’t ask me, just ask my horse!’

The monk looked at the priest from the West and said: “That is your condition. You are no longer master over your own destiny. You have lost control over the great powers that pull you forward toward an unknown direction. You have become a passive victim of an ongoing movement which you do not understand.”

It would be an oversimplification to imply that economic progress is like a lunging horse topped by a feeble rider, who is powerless to direct the muscular economic horse according to the rider’s aspirations rather than the other way around. Yet this might be an oversimplification worth pondering. For some impetus to direct “the great powers that pull you forward” – to transform the passive rider into a reflective and effective agent – appears to motivate many who challenge or block externally-supported poverty reduction initiatives on cultural grounds in particular.

This chapter addresses a normative question, and the normative question is this: if we understand culture in the ways that various contributions in this volume have sketched it; if we see cultures sometimes as a source of meaning, identity and aspiration, sometimes as a source of oppression and inertia, always as a dynamic, permeable, heterogeneous, incomplete, and contested set of interrelated social structures, practices, assets and beliefs, and if we understand cultures to be at times generative of and at times gouged by ‘poverty reduction’ processes, then what, practically, should an international development agency such as the World Bank do with this knowledge? In other words, how does the rich and complex analyses others have put forward help poverty-focused World Bank projects and policies and people to “address” culture?

Lest this be unclear, in terms of the foregoing image, the question is not how should the rider undertake a flying exit from the horse, falling and rolling so minimum harm ensues. Rather, the question is whether external agencies have a role in enabling the rider to direct the powerful horse – poverty-reduction – to goals of the riders’ choosing.

This question is far from academic. The World Bank is a prime example of this controversy. Our question arises from those who complain about the World Bank (henceforth the ‘Bank’) because of its cultural clumsiness and those who write that it has no comparative advantage to engage in culture and should not try to build such an advantage. It festers in the gap between the Bank’s ambitions to empower partner institutions and government, and the sure swift recommendations of its ‘technically correct’ policies. It lurks beneath analyses in this book, which fail to address the motivation and personalities of the external actors – be they Bank staff or elite – who have the power expertly to fashion poverty initiatives to their own whims.

The chapter proceeds as follows. First, the focal problem for this chapter is identified. Then, building on the work of Amartya Sen, the chapter sketches desirable characteristics of externally-assisted development processes – public debate, decisions that remain open to ongoing public scrutiny, information on risks, trade-offs and “unintended” yet foreseeable outcomes.

---

4 Henri Nouwen, Creative Ministry, p 1.
5 In the process of identifying culture-related information that is in Bank records, a delightful piece of Bank trivia emerged: of the 51 Bank documents published between 1969 and 1979 having the key word “culture”, 46 of these referred to “fish culture” and only five, to our cultures. The percentage increased somewhat in the next decade, in which only 35 of the 53 ‘culture’ documents referred to fish. By the 1990s, humanity had finally taken the lead, with 82 of the 103 ‘culture’ documents referring to human beings; fish netted a mere 21.
6 On this see particularly Stiglitz 2001 (Presentation to IADB Ethics conference).
consequences; and value judgments. Third, the chapter works back into the World Bank as an institution. It assesses the “level” at which an institution like the World Bank can realistically address culture, then proposes that external actors pursue a two-pronged approach of informed participation, and information provision. It sketches how this approach to some extent coincides with certain Bank processes, for example with indigenous persons, and in recent rhetoric related to resettlement, grass-roots development (“community-driven development” in Bank parlance), and national planning processes. Fourth and finally, the chapter observes that the proposed two-pronged approach, were efforts made to implement it, is quite certain to fail unless the culture of the World Bank changes, both structurally and in terms of staff dispositions.

1. Problematic

On first glance, the intersection between culture and externally-assisted poverty reduction appears to be treacherous and already strewn with mishaps. Taking a broad view we can identify four distinct criticisms that are commonly raised against the World Bank and similar institutions on the grounds of their alleged (and often documented) neglect of culture:

a) **Inefficient or failed projects.** Bank activities have failed or not realized potential gains because staff did not accurately understand cultural influences and made inaccurate assumptions about behaviors or values. Because of these assumptions or other miscommunications, Bank counterparts (be they policy-makers or poor communities) behaved differently than anticipated. In retrospect, if staff had responded to culture, the projects would not have failed or the outcomes would have been better.\(^7\)

b) **Unrealised Resources.** Bank activities have not realized the potential pro-poor economic gains from cultural industries and culture-based skills and knowledge, be it performance or handicrafts or tourism industries in niche markets. Not only might these activities be lucrative and labor-intensive; they may also have an aspect of ‘meaning’ and history that some jobs lack.\(^8\)

c) **Imposition of Values.** Bank activities have deliberately tried to change cultural norms or practices that staff considered negative (nomadic lifestyles, gender discrimination, non-market worldviews, caste barriers) to those it supports (markets, individualism, materialism). Even when many agree that certain traditional practices are oppressive, the staff’s unilateral authority to judge and impose measures to change those practices is disputed. The justification and limits of such authority bears examination, as does the process by which behavioural changes are pursued.\(^9\)

d) **Valuable Cultural Aspects Undermined.** Bank activities – at both the project and policy level – have had unintended and unanticipated cultural impacts that are widely viewed to be negative. Some groups judge that the negative cultural impacts outweigh or deeply

---

\(^7\) Elements of this view are argued in Anderson 1988, Bergersen and Lund 1999, Blackburn and Holland 1998, Caufield 1996, Danahar 2001, Price 1989. See Weiss in Kirkpatrick and Weiss 1996:172ff, where he substantiates and discusses the stylized fact that 25% of projects fail. Even the World Bank’s Strategic Compact issued in 1997 contains, as one of its four key elements, ‘attention to issues of social and environmental sustainability,’ point 15, p iii. See also p 9, and North 1993, Cassen 1986.


compromise the positive outcomes of certain activities. This criticism is common among those who oppose globalization or westernisation or materialism on cultural grounds.

This chapter confines itself to the last two criticisms and in particular the last. This is not to imply that the first two issues are not important. Rather, they are too important to be treated only in passing and the constraints of this chapter do not permit a satisfactory discussion. Of course the four issues are not neatly divisible in practice; they overlap and several may be present at the same time. Nonetheless, the paper concentrates on the fourth problem and the third insofar as they overlap.

1.1 Culture and Poverty: always intermingled

One way of identifying “cultural impacts” is to focus not on the particular cultural practices that slip in and out of focus, but on general categories of values (which are constituted by many influences including culture, gender, faith, family, education, experience, and personal choice). These categories might include life itself, relationships, meaningful work, and so on.10

Consider a community in Pari Hari in the Thar desert in Pakistan. Pari Hari did not have electricity or sanitation; the women in the women’s organization there had not been to Diplo, the nearest market town, nor did they know the name of their country’s prime minister. In Pari Hari, an NGO had recently supported the formation of male and female organizations. These groups were visited on a monthly basis by a male and female social organizer, who discussed issues such as savings, health, hygiene, and education. With the assistance of the NGO, the community had bored a sweet water well that saved hours each day from women’s workload, and decreased out-migration in the dry season. They had also started a girls’ school.

The men’s and women’s groups were asked to consider what changes – beneficial or harmful – had ensued from the NGO’s activity in Pari Hari. The women identified six categories of beneficial impact (the order following is that in which the women identified the impacts chronologically): their daughters were going to school and becoming educated; savings had increased bringing security and longer term planning; their health and knowledge of healthcare had improved from the water and training; women had not met together previously, and so after the formation of the women’s organization, their unity with each other increased (before they had bickered often); when they met together, they learned the needs of others in the village – which family did not have enough money to buy a schoolbook for their daughter, who was ill, in which household someone had died – so were able to help each other; finally, their daughters and they themselves learned more about their religious faith – and in particular how women can pray (this was not known before) – from each other and from the school.

The women then compared the six different impacts they had identified, and discussed how important the impacts were relative to each other. They decided on the following ranking (impacts on the same horizontal level were roughly comparable in importance):

<table>
<thead>
<tr>
<th>Most Important Impacts:</th>
<th>Health</th>
<th>Prayer instruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Important Impacts:</td>
<td>Helping others</td>
<td>Savings</td>
</tr>
<tr>
<td>Less Important Impacts:</td>
<td>Girls’ Education</td>
<td></td>
</tr>
</tbody>
</table>

---

10 I have tried to discuss the basis and usefulness of such categories in Alkire 2002a,b.
While this example has many facets, one observation that is relevant to our problem is that in Pari Hari, which by all accounts is very deprived, the women valued social and cultural impacts (unity, helping others, religious instruction) as well as impacts that affected their material well-being (health, savings, education). Furthermore, as girls’ education had not yet had a visible beneficial impact, it was valued mostly because of unintended side-effects (in this case the teachings on courtesy and cleanliness, and the training on ‘how women pray’ that the girls brought home). But what is even more interesting is that the ‘poverty’ changes did not categorically outrank the ‘cultural’ changes as more valuable nor vice versa; both were interspersed (I put both ‘poverty’ and ‘cultural’ in quotations because obviously culture influences both to some degree).

Now as an isolated example, this pattern could be due to any number of factors: poor quality of education, a charismatic religious social organizer, a ranking in which the facilitator made leading suggestions, domination by one woman, and so on. And it is likely that the rankings would evolve considerably over time. Yet when this exercise was repeated in a number of different communities in Pakistan, by a number of different facilitators, in initiatives that ranged from agricultural to income generation to literacy to health clinics, using different ranking techniques and different ways of asking questions, a similar result emerged: respondents (men and women, urban and rural, young and old, poor and lower middle class) identified and valued both poverty-related and socio-cultural impacts of development initiatives (the particular valued impacts varied tremendously), both impacts that directly affected their standard of living and ones that had no effect whatsoever on material well-being, but rather affected their relationships or frameworks of meaning. I will discuss how ‘culture’ fits into this picture in a moment, but first pause one more moment on the issue of value diversity.

1.2 Dimensions people value: Multiple and Diverse

The observation that communities value many different dimensions of well-being has become quite familiar (although its relevance to our focal problem is not often traced). A team including Deepa Narayan led a pioneering study of the values of poor persons, entitled *Voices of the Poor*. The study gathered and analyzed subjective data and quotations of the poor, regarding what ‘the poor’ – people who were identified as poor by other members of the community and by themselves – considered to be dimensions of poverty and dimensions of well-being. It is pioneering because it is the only cross-cultural study of this magnitude (about 60,000 respondents) which includes primarily poor respondents.

A major finding of the study was that poor persons have a complex notion of well-being, with plural constituents, ranging from the tangible (food, health) to the intangible (a lack of security, a lack of self-respect, an inability to bring up children, a lack of peace of mind, a lack of happiness, and a lack of harmony or spirituality).

How does culture relate to these different definitions? First, culture affects to some extent the “instantiation” or local expressions of dimensions (the way in which food is cooked or marriage is undertaken or disputes are settled). Second, it affects the relative importance of different dimensions (for example security vs. freedom of choice). Thirdly, certain aspects of culture are valued for their own sake (aesthetics of hairstyle or clothing, relational traditions of honor and duty, spiritual practices).

---

11 Impact diagrams and rankings have been documented by The Asia Foundation and also in case studies of 24 Oxfam projects. It is diverting to record that the men of Pari Hari identified the most valuable impact to be the decrease in bickering among women! They also liked the fact that their daughters were taught cleanliness and courtesy.
As Sen points out, a person’s culture is not the sole influence guiding that person’s perspectives and values. Rather, cultural aspects are contributing factors alongside a capacious list of other affiliations ranging from the athletic to the political to the ethical to the musical.\(^\text{12}\) Thus not only is it the case as all authors have argued, that one cultural view does not have an “absolute priority” over other considerations; but also cultural priorities can usefully be assessed in and among other priorities ranging from physical needs to freedom to peace to family relationships. In particular, it is helpful to return to what Appadurai refers to as the “cultural map” – the configuration of aspirations that describe the good life in relation both to “a larger map of local ideas and beliefs” and to “more densely local ideas about marriage, work, leisure, convenience, respectability, friendship, health and virtue.” While there may be some confusion because there are plural definitions of culture at different levels of specificity, the point to be made is clear: culture is not a decisive domain of life whose relationship to poverty reduction can be worked out in isolation from other influences. This point will color the entire analysis which follows.

1.3. Identifying Trade-offs

The story of Pari Hari, in which socio-cultural and poverty-reducing capabilities are mingled in importance, and the analyses of Voices of the Poor,\(^\text{13}\) in which the values of poor persons are demonstrably wider than material poverty alone, clarifies our question. Our problem is this: how can the World Bank whose primary aim is to support material and bodily well-being, and which does not know the precise configuration of local cultural values (which are plural, permeable, dynamic, contested etc), address poverty in a way that allows cultural aspirations to be among the guiding forces? The first step is to identify what is at stake in a decision.

It will prove useful to re-state this problem in the language of capabilities. As is well known, Sen argues that the objective of development, (and by implication of poverty reduction activities) should be to expand people’s freedom or capabilities. The capability of a person “represents the various combinations of functionings (beings and doings) that the person can achieve.” The capability set reflects “the person’s freedom to lead one type of life or another...to choose from possible livings.”\(^\text{14}\) The capability set may well include nutrition, basic education, and physical security as well as the freedom to speak one’s mind, or to go about without shame, or to attend a dancing festival, or to live an unbothered life. In other words, the capability set reflects both poverty-related freedoms as well as the wider freedoms jointly.

The Pari Hari example is felicitous, because the capability set expanded more than in simple material capabilities. The problem arises when basic capabilities improve but socio-cultural capabilities are eroded – when there is a significant trade-off. For example a large and vibrant literature opposes development and globalisation. The critique is typically not directed against the impetus to reduce poverty. As authors wrote in the introduction to one such a book: “The chapters that follow have nothing to say against longer life-spans, healthier children, more and better-quality food and clothing, sturdier and more ample shelter, better amenities. Nor is any criticism leveled against the luxuries that people buy when their incomes grow enough to permit discretionary purchases, such as the radios and television sets that one sees even in very poor Third World villages.”\(^\text{15}\) Rather, the major problem addressed by that book (and a great

\(^{12}\) Sen 1998b.

\(^{13}\) Alkire 2002a surveys some of the literature that tracks the range of human values in cross-cultural psychology, social indicators, and philosophy.

\(^{14}\) Sen, 1992: 40, see 1999.

\(^{15}\) Apffel-Marglin and Marglin 1990:1
many others) is that development initiatives, even if they try to reduce poverty, defined as exogenous (out of their field of concern) other capabilities *that people really valued* and allowed them to be nonchalantly undermined.

Examples abound (although they are likely to be contentious) – complaints that the social fabric of mutual caring is destroyed and filial duties are disregarded because of individualism; complaints that local histories are forgotten or devalued; complaints that traditional art forms are lost; complaints that the indigenous institutions of dispute resolution, or traditional medicinal practices are undermined without a trace. This ‘contraction’ of freedoms that people value (and which are often identified with culture) seems to account for much dissatisfaction with externally-assisted poverty reduction. Others may protest the accuracy of the criticisms, or may be of the view that what is being protected is precisely what must be dismantled. But it is on this disputed terrain of cultural practices that are displaced by poverty reduction activities (or globalization, or…) that much more attention and largeness of mind could fruitfully be focused.

In sum, external poverty reduction activities that try to ‘take culture into account’ have the following features:

a) the subset of **poverty-reducing capabilities** are positively valued by persons they will affect (“nothing against longer life-spans, healthier children…”);

b) the **cultural aspirations** of the community(ies) in question, include the poverty-reducing capabilities but also contain other capabilities that are more or less important;

c) the **decision-making authority** as regards the poverty-reduction activity is usually partly or purely held by an external institution or individual.

The situation is a trade-off between two options, neither of which have all of what the other one has.

2. **Informed Participation**

But how *can* externally assisted poverty reduction activities focus more attention on these trade-offs? This section argues that external actors should support informed participation and decision-making. External agents can facilitate informed participation in several ways. They can convene or support participatory processes; they can provide information on unintended but foreseeable consequences of a proposed project; they can use their power to counter local domination and support pluralism; they can relinquish the final decision-making authority, because certain indeterminate value judgements *should* be made by the communities involved.

Setting up the problem as we have in the first section – as a trade-off between sets of capabilities that include poverty-related capabilities and impacts on other [culturally] valued capabilities – is clearly an oversimplification. There are issues of dissensus because people value different capabilities differently. There are issues of morality and oppression since some of what a vocal or powerful group values deeply may oppress others. There are issues of justice and distribution, and many other complicating factors. These issues are common to *all* participatory decision-making, whether it is related to culture or to decentralization or to the identification of community priorities. And these issues of power and voice and oppression *must* be treated. I will leave aside *how* they can be treated for the moment but return to this key question in the last section.

The account of informed participation developed below may be stated succinctly as follows: the persons whose lives will be affected by a poverty reduction intervention should know, insofar as is possible, the alternative scenarios that are open to them, and the important trade-offs that are likely in each scenario with other capabilities they value very highly, and the
probability of success. Those whose lives will be affected should have a persuasive voice in how to proceed. The dynamics of power must be managed such that minority views are taken into consideration.

2.1 Explicit Valuation of Trade-offs

Informed participation entails explicit and widespread assessment of which capabilities will change, given that “the overall ethical objectives of a society can include concerns other than the elimination of economic deprivation.”\(^\text{16}\) Because capabilities are diverse, Sen commends the ‘valuation’, the process of prioritising a range of capabilities, as part of ongoing social and political processes. Which proposal is better for equity, which is better for the environment, and which will have an immediate impact then fizzle out? This enables communities to study the trade-offs and make value-judgements when there is no best alternative. Sen writes:

> In the case of functionings and capabilities, since there are no markets directly involved, the weighting exercise has to be done in terms of explicit valuations, drawing on the prevailing values in a given society…This explicitness is not, in itself, a bad thing, since it gives the public a clear opportunity to question the values and to debate the decisions.\(^\text{17}\)

It is not in every person or group’s style to undertake their value judgements in a detailed rationalist manner of course, and nor is this kind of discourse implied. Benjamin Disraeli may have stretched the term somewhat when he referred to being explicit as “the right line to take when you wish to conceal your own mind and to confuse the minds of others.”\(^\text{18}\) But the point is that if one option is better for certain dearly cherished cultural traditions, and another option is better for economic return, the case is indeterminate – neither option dominates the other. There is no first best scenario. Thus the decision of which option to adopt is a value judgment, the creation of an alternative future.\(^\text{19}\) Sen proposes that the decision be undertaken a value judgment, rather than hiding behind some other rationale such as maximization of some good or another. He further proposes that the decision be open to and responsive to public debate.

2.2 Ongoing and Public Debate

We may at this stage re-frame the central question as follows: How should economic institutions aim to expand a subset of valued capabilities (namely those related to poverty), if their efforts may have overwhelming negative impacts in other dimensions people treasure? Sen argues that in this case the decision of whether to proceed should not be left to the market or to the development specialist or to the elite; it requires public debate:

> There is an inescapable valutational problem involved in deciding what to choose if and when it turns out that some parts of tradition cannot be maintained along with economic or social changes that may be needed for other reasons. It is a choice that the people involved have to face and assess. The choice is neither closed (as many development apologists seem to suggest), nor is it one for the elite ‘guardians’ of tradition to settle (as many development skeptics seem to presume). If a traditional way of life has to be

---

\(^{16}\) Sen 1997:166.

\(^{17}\) Sen 1996: 58

\(^{18}\) Disraeli 1845, Bk 6 Ch 1

\(^{19}\) Of course there would also be tradeoffs between different ways of realizing each category. “Art” might be realized by a trip to a modern art museum in the capital city, by a folkloric festival, or by a classical dance. People may have equally strong views between these alternatives as they have between alternative dimensions. Each of these tradeoffs may at times be very important.
sacrificed to escape grinding poverty or minuscule longevity (as many traditional societies have had for thousands of years), then it is the people directly involved who must have the opportunity to participate in deciding what should be chosen.\footnote{Sen 1999:31}

Later in \textit{Development as Freedom}, when discussing ‘Globalization: economics, culture and rights’, Sen re-states the need for participation when a proposed project entails rather more painful cultural change. I include this lengthy quotation in order to underscore that it is not only discrete policies but also broader macro-economic policies that may be subject to scrutiny and public discussion.

In the case of culture … lost traditions may be greatly missed. The demise of old ways of living can cause anguish, and a deep sense of loss…This is an issue of some seriousness, but it is up to the society to determine what, if anything, it wants to do to preserve old forms of living, perhaps even at significant economic cost… There is, of course, no ready formula for this cost-benefit analysis, but what is crucial for a rational assessment of such choices is the ability of the people to participate in public discussions on the subject. We come back again to the perspective of capabilities: that different sections of the society (and not just the socially privileged) should be able to be active in the decisions regarding what to preserve and what to let go.\footnote{Sen 1999:241-2}

This point is also made by Appadurai in this book, where he writes that “all internal efforts to cultivate voice among the poor (rather than loyalty or exit) in the context of any debated policy or project should be encouraged rather than suppressed or ignored. It is through the exercise of voice that the sinews of aspiration as a cultural capacity are built and strengthened, and conversely it is through exercising the capacity to aspire that the exercise of voice by the poor will be extended."\footnote{Ref Editors please check quote against final and add page number.}

What this step requires is public discussion. This might take the form of a community meeting, or opinions on the newspaper and radio, or debates before elections, or large-scale consultations funded by a donor agency, or a dynamic relationship between social movements and elected officials, or something other place where people can form and improve their views.

These analyses seem to overlook the elements of power. What would be needed, one might ask, in order for heterogenous publics to deliberate and decide these trade-offs without resorting to an oppressive majoritarianism or elite domination? This question is valid; however let it not obscure the point of this section, which is to establish that the authority to judge trade-offs between alternative projects with complex implications should not reside with the external agent.\footnote{This does not mean that participation is always appropriate. For example in decisions as to which technical plan to pursue when the side-effects are limited, the technical experts should have a far greater say.}\footnote{Sen 1999:257f}

\section*{2.3 Information on Unintended Consequences}

Advocating explicit valuation and public debate takes for granted what cannot be taken for granted: that communities know the trade-offs they face. While some cultural impacts may be surprises and sheer accidents (for good or ill), many are foreseeable. Sen argues that when “causal analysis can make the unintended effects reasonably \textit{predictable}”\footnote{Sen 1999:257f} then these predicted
effects should be identified and considered explicitly. What is odd is not this requirement so much as the silence on this issue by development agencies. Every field worker knows the difference between the city and the countryside; most have heard stories of how villages or neighborhoods have been transformed within one generation. Many even write up and publicise their case studies in glossy print for fund-raising purposes. Some call themselves “changemakers”. And yet the communities are not themselves dignified with so much as a forthright discussion of what is coming so that they can address the changes reflectively and protect what is most treasured. They are left to their own resources – which can be rather spry even against all odds.

A case in point: there was an unusually mobilized community in the Northern Areas of Pakistan well into the Himalayas. Tourist-hikers began to come and disrupt their way of life by their dress and habits. The community wished to welcome tourists, and wished the income they obtained from carrying their luggage up the mountains. So the elders identified and contacted the tour bus operators and informed them of a tourist dress code (no shorts or bare chests). They also came up with a local enforcement strategy: anyone who saw an underdressed tourist was not to confront them but rather to summon the English-speaking person in the community who would approach them respectfully, explain the situation, and lend them some clothes. Thus this community endeavoured to enjoy the tourist business while maintaining their sense of propriety.

The informed participation approach entails that communities should know the alternative scenario and be informed sufficiently that they are able to judge tradeoffs. They need this information in order to balance the different concerns they have and to maintain a local cohesion as necessary (it will not always be possible). There are a battery of participatory mechanisms for communicating these trade-offs at local and national levels. For example, Oxfam supports exchange visits between a community that is interested in a particular initiative (be it a breed of goat or a new crop) and a community that has recently adopted it. Field workers regularly tell stories late into the night of what happened in other communities (the good and the ill) or instigate role plays acting out what people most want their grandchildren to remember. Formal meetings employ case studies or a panel of speakers from different backgrounds analyzing a society’s future, or scenario-building or futures analysis presented by facilitators (hopefully in an accessible manner). Yet remarkably few of these participatory mechanisms have been employed deliberately for the purpose of identifying cultural consequences of poverty-reduction activities.

2.4 Information on the Probability of Success

Information on the likelihood that the proposed poverty-reduction activity will indeed realize the benefits it promises, is a second crucial kind of information for informed choice. “Probability of success” information can be precious if it is presented to decision-makers who are trying to undertake the “explicit valuation” described above – between a universal primary education product (that they now know has a 25-30% chance of being realized within three years in the province) and some other capability contraction. Similarly it could be helpful to know that a recommended policy regime has successfully controlled inflation in 35% of the cases in similar countries; and that at worst, and at best, these have been the actual outcomes.

Such information actually not only enables communities and societies to make more informed decisions; it also empowers them to understand more precisely the advice and authority of the technical advisors. Furthermore if an institution supports informed participation – a small
but important point – it is arguably necessary for its technical advisors to include in their briefing something about the limits of their expertise and of their product.

Some windows salesmen claim that their windows will cure everything from draughts to sneezes to the brooding unhappiness of the family pet, and bully one into buying. Others brief one on the benefits and strength of the company’s windows, but also on their weaknesses in comparison with others on the market. If the buyer wished a different variety, the second salesman would cheerily suggest a reliable dealer (the first would try to change one’s mind then express irritation as he packed up). In a similar fashion the acquisition and sharing of existing analyses on the past record of similar poverty-reduction projects and policies could actually build trust and rapport and a shared attitude for problem-solving and partnership.

2.5 Sustainable Pluralism

Finally, informed participation has its own set of pre-requisites. It can proceed only in certain social climates. When disagreements are more often resolved by violence than by vote; when dissensus is interpreted as disloyalty; when the majority will gladly dismantle minority cultures; when differences of opinion compete and plural views are not tolerated – then informed participation will not work, will do grievous harm, or will work only if carefully orchestrated with external support. As social situations are usually spiced with strong personalities and power interests, informed participation will rarely unfold neatly. Cultural disagreements may heighten the need for stable pluralism because they tend to fall along passionately defended ethnic or religious borders. Many have dealt at length with managing power and value conflicts in participatory settings, as these are basic and unavoidable in all participatory approaches and not simply those that concern cultural aspirations. But external actors can use their power actively to support power-sharing, and in some cases are already doing so.25

The requirements for pluralism may also at some times be diametrically opposed to informed participation. If a particular issue is too divisive, too volatile, too dogmatically held by one group of another, then the open-ended, multi-faceted discussion of many views that characterizes informed participation may alienate some participants, solidifying disagreements or provoking explosive conflict. Thus informed participation itself cannot be evenly recommended without regard to the parent situation. Similarly, sometimes conclusions are easier to come to on very concrete plans (roads rather than the value of the imported magazines roads bring in); sometimes conclusions are only possible if the propositions are vague.26

The first section of this chapter caricaturized the focal problem as a trade-off between a projected poverty-reducing capability, and changes in a cultural capability or set of capabilities. The second section argued that the appropriate response to this focal problem is a locally appropriate adaptation of informed participation by the persons concerned. While these two sections were rather broad-brush, this third section will argue that this broad-brush analysis is still sufficiently different from current Bank practice to identify needed changes: information provision and participation that evoke cultural aspirations.

3. The World Bank

The World Bank, whose mission is to “fight poverty” rages this struggle using a heterogenous arsenal of instruments that range from grant facilities and policy-based loans to

25 Refs.
26 On this see Sunstein 1996.
projects, technical support, knowledge-sharing, and training. Given the size of the institution, with over 10,000 workers, the size of the loans, which total $15B to $30B annually, the geographic spread of operations, the diversity of operations and research, the time, thoroughness, local knowledge, and rapport that is required to support culturally reflective decision-making processes such as informed participation seems distinctly out of reach. Furthermore, World Bank staff may be strongly involved with counterparts in project preparation and supervision but do not undertake day to day work with communities. This calls into question whether the development of such capacities would be an appropriate use of resources. But how should an actor of this scale address culture whilst supporting poverty reduction? Clearly no one approach will address all issues satisfactorily, and the heterogeneity of the Bank would make a precise answer irrelevant. But it might be possible to identify a general strategy for proceeding.

3.1 Strategy

Most critics appear to argue that the Bank would be more culturally adept if it issued 10,000 sandals to its staff and sent them out to attune themselves to local cultures. But is this the most effective strategy?

In a paper Sunstein and Margalit discuss how institutions address recurring problems and decisions. Some institutions set up rules presumptions, routines and standards. These procedures need a lot of planning and preparatory training in advance to set up, but then can be implemented in a relatively straightforward manner. They name these High-Low (high amounts of thinking in advance; lower amounts of thought at the moment of decision). Other procedures are easy to set up (for example delegating a decision to a trusted associate) but require considerable effort on the part of the associate to address the problem or decision. These are called Low-High. Finally, of course, Low-Low processes need little forethought, and little effort, but may be high in mistakes (always pick the first option someone mentions, proceed slowly). The authors suggest that institutions should choose the level of procedure that will minimize two costs: the cost of making the decision, and the cost of making wrong decisions.

**GOAL: MINIMIZE [(COSTS OF MAKING DECISIONS) + (COSTS OF ERRORS)]**

For example the Schumacher ‘small is beautiful’ approach is of the Low-High variety: development is delegated to committed agents who expend considerable time, energy, footleather and care in catalyzing positive changes in a local cultural environment. This is clearly the ideal, as is also articulated in various ways by other authors in this book. But would it be appropriate – or more to the point, feasible – for the World Bank?

Sunstein writes that a High–Low mechanism is “appropriate when an agent faces a large number of decisions with similar features and when advance planning is especially important …”27 The World Bank faces a “large number of decisions with similar features.” For example it tries to advance primary education programs among poor populations worldwide, and yet must do so in different languages, in collaboration with different existing educational institutions, with different cultural understandings of childhood, different traditions of school-attendance, different local histories. Advance planning is important to provide research findings on common issues (does education in local languages marginalize the poor or better equip them in later life), as well as to set up multi-year, multi-state programs. There may even be partially standardized ways of supporting culturally-appropriate curricula, or of varying school hours and architectural designs. Bank-supported participatory exercises such as the production of “Poverty Reduction Strategy Papers” exemplify the “high-low” approach by preparing toolkits, standard procedures, and some

27 1997: 4
standardized delegation to other agents. The World Bank’s characteristic strengths and method of approach would, I argue, augur for a High-Low approach.

This being said, as we will soon see, if the Bank’s way of supporting informed participation is to set up broadly consistent information provision and participatory processes for decision-making, this still implies that a) it must be flexible enough to respond to the demands that are identified by communities and b) the authority of local decision-makers should not be summarily usurped by higher level World Bank Staff as it so very often is.

Most advocates of culture argue that development institutions should become massive ‘Small is Beautiful’ institutions, investing staff time very heavily in the adaptation of projects to socio-cultural surrounds. While this would be appropriate were it realistic, and in practice multiple approaches coexist within any institution, an intermediate High-Low approach alone seems feasible for the World Bank.

3.2 Support Ongoing Public Debate

The Bank’s rhetoric already supports participation. In the course of the 1990s, participation came to be supported to varying degrees within projects and within policy exercises, from the planning stage through to ex post evaluation. Significant participation is now widely advocated, and some Bank projects achieve it. Many do not, as a recent internal evaluation of participatory processes showed.

However fewer, far fewer, participatory approaches explicitly scrutinize the overall “capability set” and raise issues of cultural aspirations, of longer term goals and of the relative importance of non-economic activities (that may be cultural) such as celebrations or faith traditions or family duties.

For example, one of the fastest growing strands of Bank project loans are Community-Driven Development projects. In these projects a large Bank loan is on-granted or on-loaned in very small sums to community groups. These groups identify their own requests, so long as they are not requests for liquor stores, firearms, religious objects, or a few other things. For example some groups may take loans/grants for livestock; others for irrigation systems; others for sewing machines; others for professional equipment like table saws or musical instruments. Periodically the community may gather to discuss longer term initiatives such as roads or cemeteries. This is called an “open-menu” approach, in which the agenda is set from below, and it frames one very hopeful ‘cutting edge’ of Bank work. Yet even this cutting edge does not provide space for communities to come together and talk about longer term cultural changes whether it be the excitement of travel and better communications, or dissatisfaction that a traditional craft is dying out. Such conversations happen, if they happen at all, on the margins.

Two High-Low processes partly move in this direction and could be strengthened: the Comprehensive Development Framework and the approach to Indigenous People.

---

28 Participation is not new to the Bank operations, but historically the participation of primary stakeholders – individuals and community-based organizations that are directly affected by Bank activities – has been quite limited. That began to change in the late 1980s with the creation of the Bank’s NGO team, which in December 1990 proposed creating the Participatory Development Learning Group (PDLG). The PDLG’s September 1994 final report, endorsed by the Board, is the closest document the Bank has to a participation policy or strategy. The report concluded that “There is significant evidence that participation can in many circumstances improve the quality, effectiveness and sustainability of projects, and strengthen ownership and commitment of government and stakeholders.” The World Bank, The World Bank and Participation (Washington, D.C.: September 1994), p.i.

29 For a summary see OED Participatory Process Review 2000
3.2.1 Comprehensive Development Framework

At the policy level the Bank does now require and directly support participatory discussions of coordinated long term goals in a process known as the Comprehensive Development Framework (CDF) and Poverty Reduction Strategies. I will focus here on the CDF, but the conclusions would be similar for the PRSPs, that have sought to codify some of the CDF principles and apply these to planning in low income countries.

Since 1999, the Bank has begun to encourage countries to implement a ‘Comprehensive Development Framework’ (CDF). The CDF was developed by the Bank’s president Mr. Wolfensohn, and is based on the principles of:

- A long-term holistic vision of needs and solutions
- Ownership by the country
- Country-led Partnership among internal and external actors
- A focus on Development Results

Having completed CDF pilots in twelve countries, the Bank published the following introduction to the approach and as it embodies so much of the informed participation model I will quote at length:

Fundamentally, the CDF is a means of achieving greater effectiveness in reducing poverty. It puts forward a holistic approach to development, which seeks a better balance in policymaking and implementation by highlighting the interdependence of all elements of development—social, structural, human, governance, environmental, macroeconomic, and financial. This approach requires a transition from donor-led development assistance strategies to the development of a country strategy led by a country itself, with vigorous participation of government at all levels, including representative institutions, civil society and the private sector, and with the support of multilateral and bilateral organizations.

While the CDF is a potential conceptual space for countries to address the multiple dimensions of poverty – and very importantly it raises issues of power and multidimensionality – it is unlikely to raise the cultural trade-offs we have discussed. For example, the CDF documents use a “matrix” to chart “each nation’s development essentials”. According to the CDF update “each country will have its own unique priorities that should be included and become the focus of the matrix, as it evolves over time.” But in this matrix culture is raised only in the context of physical heritage sites. The CDF matrix which is the basis of participatory discussions does not raise, for example, perceived problems or negative trends from globalization (for example) or cultural aspects such Klamer’s “capacity to be inspired” whether by one’s work or the architecture of a new school. Thus while the CDF has the potential to provoke discussion, it would require re-interpretation of the CDF process to institutionalize such a discussion and communicate the results in a way that they are considered seriously.

3.2.2 Informed Participation and Indigenous People

Within the World Bank, the Operational Directive (OD) on Indigenous Peoples already uses the language of informed participation. In 1982, the World Bank approved a policy for
indigenous or tribal peoples (a revised policy was issued in 1991). The *Operational Directive 4.20* (1991), relating to indigenous persons, contains guidelines that are applicable wherever cultural identity becomes important: (a) to avoid negative impacts, and (b) to ensure culturally compatible social and economic benefits. For example, the OD requires that:

- all Bank projects should respect persons’ “dignity, human rights, and cultural uniqueness.”
- participation is to be ‘informed’ – which means that particular kinds of knowledge must be gained and/or shared with project participants.
- particular attention to indigenous knowledge may increase project effectiveness.

The OD’s elaboration of informed participation is of particular interest: “The Bank’s policy is that the strategy for addressing the issues pertaining to indigenous peoples must be based on the *informed participation* of the indigenous people themselves.” The elements of informed participation are described in section 14 (on Indigenous People’s Development Plans), and include:

1. “full consideration of the options preferred by the indigenous people,”
2. “anticipate adverse trends,”
3. respect local forms of “organization, religious beliefs, and resource use,”
4. support “production systems that are well adapted to the needs and environment of indigenous people,”
5. “early handover of project management to local people,”
6. “long lead times,” and
7. “incremental funding” (possibly).

The concept of informed participation in the Bank’s Operational Directive on Indigenous persons is very similar to the one proposed in this chapter. While its implementation has been varied, it has had some remarkable successes. Indeed Bank critic Jonathan Fox writes that “Here the Bank’s paper policies become potential weapons for grassroots organizations. They …use the Bank’s commitment to public information access and informed participation by indigenous peoples in policies that affect them as levers to open up space in their 500 years of struggle with the state.”

Were the recommendations of this chapter to be undertaken, the ‘High-Low’ procedure at the project level would be an adaptation of this operational directive. But it should not be limited to indigenous peoples. People who are not indigenous also have culture and wider-than-economic values.

Thus both the approach to indigenous projects, and the CDF/PRSP processes could be developed to support ongoing and public debate. However, as was mentioned earlier, two additional kinds of information would be required.

---

33 OD 4.20, for which a revision was also prepared in 1998-1999. Other documents of note include *ILO Convention No 169, Concerning Indigenous and Tribal Peoples in Independent Countries* (1989), and the *UN Declaration on the Rights of Indigenous Peoples*.

34 The quote is at point 6. and reads, “The Bank’s broad objective towards indigenous people, as for all the people in its member countries, is to ensure that the development process fosters full respect for their dignity, human rights, and cultural uniqueness.”

35 At point 8.: See also Davis and Soestfstad, 1995.

36 At 15(e): “Plans that draw upon indigenous knowledge are often more successful than those introducing entirely new principles and institutions.”

37 2000:6
3.3 Information on Cultural Trade-offs

One is information on what ‘capabilities’ might contract. First, it would be necessary research, anticipate, and share information on foreseeable cultural trade-offs. The cultural reverberations of poverty reduction interventions are vastly under-researched. The World Bank does not regularly investigate what Sen referred to as foreseeable if unintentional cultural changes that accompany poverty reduction policies and projects, except for a small set of changes along gender lines, and changes affecting an erratic sample of indigenous groups. While the Bank invested a great deal of energy in producing a response to the anti-globalization groups’ complaints against increasing inequality, the complaints about perceived cultural changes that globalization has brought were mentioned only in passing.38

This might be considered a new competence, but similar activities have been underway for over twenty-five years, pioneered by Michael Cernea, the Bank’s first sociologist. He and other social scientists have developed World Bank procedures such as beneficiary assessments (developed by Larry Salmen),39 participatory poverty assessments,40 social assessments,41 and social impact assessments. These procedures are supposed to evaluate the negative as well as positive social impacts of a planned change and mitigate negative social impacts. Hence some attention is already being paid to these capability contractions.

Yet an unwillingness to share information is an issue that Bank critics still mention, despite the enormous progress that has been made. Cernea et al carefully documented the Bank’s inadequate ‘informing’ of populations to be displaced by Narmada dam. Within the last two years, ‘public information’ regarding a Bank project that were posted in Rajasthan in English. A prominent Bihari author wrote that, “‘Information control’ is the main weapon by which this development violence is perpetrated…. The fact is that the people whose lives and environment are to be affected have no clear prior information. Why is it treated as a military secret?”42 Michael Horowitz gives an example that any discussion of an ongoing practice of slavery in Mauritania was omitted from the Bank’s Poverty Assessment. When Horowitz commented on this omission, “I was told that such mention would be considered offensive by the Beydan elite that controls the Nauakchott regime, and the report would be rejected.” Horowitz had a similar experience in Pakistan, where Bank social scientists objected to an identification by ‘caste’ on the grounds that ‘its government might find this contentious’.43 David Ellerman within the World Bank argued without success that the World Bank could best foster informed participation by not taking an official position but rather airing the considerations for and against a range of defensible positions.44

Furthermore, the impacts identified by these social instruments do not necessarily pertain to the sphere of meaning and value that we have discussed. They tend to focus on very necessary but different issues of discrimination, displacement, and so on.45

3.4 Information on the Probability of Success

In addition to information on trade-offs, the Bank’s identity as a ‘Knowledge Bank’ should be strengthened by including information on the probability of success of policies or

39 Salmen 1995, 1999
40 Norton and Stephens 1995:1
41 World Bank 1996a
42 Carter 2000:60
43 Horowitz 1996:5-6
44 Ellerman 2000.
45 For a fuller discussion see Alkire 2002b, chapter 6
projects. The World Bank, although it is praised for its *ex post* self-criticism by many critics including Robert Chambers, does not regularly research or proactively communicate the probabilities of success (or failure) of poverty-reduction initiatives it supports *prior* to their implementation. This means that Bank clients are not able to judge how likely it is that a proposed policy or project will realize its goals exactly, and of the risks and error margins that surround estimations. Unlike the previous kind of information, the Bank *does* collect this information; it does not, however, disseminate it in a constructive fashion. If the Bank were to support informed participation, clients would receive this information.

For example in 1981 Jeremy Swift observed “A major World Bank livestock development project in Mali is based, for crucial calculations of sustainable grazing pressure, on the report of a highly competent ecologist in 1972; the calculations were redone in 1977/78 by a different, equally well-qualified ecologist, who halved the earlier carrying capacity. Nobody is to blame; the science is inexact. But the consequences could be disastrous for the project, and more so for the pastoralists involved.”\(^{46}\) On a larger scale, economists at the World Bank calculated the ‘Re-estimated Rates of Return’ or RERRs for over a thousand projects at the close of the project cycle, and observed considerable discrepancy between the planned and realized benefit streams.\(^{47}\) The critical literature on the World Bank as well as its own evaluations of closed projects provide a litany of such examples where the ‘optimistic’ projections of Bank staff bore little resemblance to what the projects or structural adjustment policies actually achieved.\(^{48}\) It would be helpful for communities to know how accurate benefit projections might be in their case.

Information, including information on the probability of success, is crucial to making informed decisions; it is coherent with the Bank’s ongoing efforts to be a knowledge Bank, and its absence is certainly noticed.

### 3.5 Authority and Culture of the World Bank

Earlier I mentioned that the power issues of participatory discussions would not be treated in depth in this chapter because the way that power imbalances affect informed participation for culture and poverty does not significantly differ from how power imbalances affect a multitude of other development issues.

It cannot pass notice, however, that efforts to enlist the major development institutions and governments are stymied to the extent that they fall upon persons who are accustomed to deference, and who retain power for its own sake. Humility – which is essentially honesty about one’s strengths and limitations – is often regarded as a weakness not a strength. So staff of the World Bank (for example) at all levels are caught in the crosswinds of conflicting incentives. On the one hand, they are chosen because of their excellence, their intelligence, their ambition, their insightful commitment. On the other hand, they are not supposed to impose their good ideas, their energetic motivation, their own visions. Rather they are to defer and support and empower others (who may seem less capable) and help them walk by their own lights. These conflicting incentives are difficult to manage. People who do this the best use a very different method of operation from the “expert”.\(^{49}\) The dignity of such a supportive position might be more satisfactory if the alternative (providing acclamation and power to those with ambition who get things done their way) were not so thoroughly rewarded. But it is.

---

\(^{46}\) 1981:487  
\(^{47}\) Pohl and Mihaljek 1992  
\(^{48}\) Caufield 1996  
\(^{49}\) David Ellerman has identified this position with increasing clarity and acuity. See Ellerman 2002.
Because the tensions between the “expert” and “enabler” are so great, it may be worthwhile to signal that the Bank or any other institution’s support for informed participation assumes that the staff who facilitate such participation have the enabling approach. It assumes that they will communicate information in a way that does not impose their own views; it assumes that they will be astute enough to require a balanced group of “stakeholders” in a participatory discussion, that facilitators will not allow it to be subverted by an elite; it assumes that statisticians will have the honesty to present the limitations of projected benefits, and task managers will have the composure to let their project be rejected in favor of a more home-grown alternative that people decide to try. These assumptions are fragile and regularly inaccurate. But informed participation will not work well unless they are met.

I have elsewhere argued – and would have liked to do so here as well – that informed participation is incomplete if it does not clarify decision-making authority. At present the degree to which decisions reflect participatory processes rests very significantly upon the personality of the people involved. For example a handful of Bank staff and government counterparts still have the de facto authority to decide almost anything about “their” projects should they so choose – and use that authority. No decisive authority is accorded to priorities developed by participatory processes, even if these were widespread, democratic, and generated a clearly preferred course of action. This lack of authority is clearly visible in the Bank’s Empowerment Sourcebook, which hopes that “participation” will increase the “accountability” of decision-makers.

In view of the unfortunate wideness of that gap between those voicing their views, and the actual decision-makers, the World Commission on Dams required “free, prior, and informed consent” before the initiation of dams and other displacement-inducing development interventions. The term consent, in opposition to the more acceptable term participation, raises the key and topic of decision-making authority, which participatory processes should not avoid.

The Achilles heel of the “informed participation” paradigm as I have been able to sketch it is that many people could participate in discussions, could consider the tradeoffs, could independently consult, reflect, and come to a value judgment regarding what they would like to do. Yet the World Bank or government or other development institution has the power and authority to choose to ignore their discussions. By keeping the “authority” of participatory discussions utterly unclear, the higher level actors maintain the real power to impose whatever policies they wish. Hence informed participation is not an effective check on the power of development institutions and their government counterparts, unless the authority of these decisions is clarified.

4. Conclusion

We began with the image of a passive rider on a runaway horse, and drew the connection between the runaway horse and externally-assisted poverty reduction. For various reasons including the disinterest in predicting cultural externalities, the need for simplifying assumptions of human behavior, and the fact that rigorous treatment of cultural impacts does not often fall within the decision-makers’ professional competence, cultural impacts of externally supported poverty reduction initiatives are normally disregarded. The boundaries of the problem are drawn so as to exclude them; the question of who is responsible for such effects does not seriously arise. Furthermore, in comparison with the other ‘big’ issues of development – such as the impoverishment of certain population groups due to resettlement or development failures, or the

50 Alkire 2002b, Ch 4 section 4. A previous draft of this chapter developed the framework of informed consent.
51 The definition of participation in that sourcebook does include the term of “control”, but it is unclear how this control is to be exercised.
violation of human rights, or the decimation of valued environments – culture seems a rather minor issue, a luxury to be dealt with after the ‘big’ issues are worked out. So societies are assumed to be passive riders whose job is to hang on, not to guide poverty reduction energies to their preferred destination.

The sharp end of the question, to which this chapter has been directed, is not whether cultural changes have and will continue to arise and trouble communities deeply (a question which seems well enough answered in the positive) nor what erroneous assumptions in standard theory cause them to be excluded, but, prospectively and normatively, what role can external actors such as the World Bank have in reducing poverty while supporting cultural aspirations? One suggestion is that the Bank support for reflective participatory exercises (such as CDFs and Indigenous People’s projects) raise the . A second suggestion is that they provide information regarding the probability of success, and regarding foreseeable but unintended consequences on cultural practices. Finally, the authority of decisions that are made by informed participation should be binding, and the Bank should have a public procedure for dealing with situations in which these decisions are set aside or challenged.

The need for this information is not confined to cultural issues alone. Joseph Stiglitz, former Chief Economist at the World Bank, described these wider informational needs in a paper entitled “Ethics, Economic Advice, and Economic Policy,”

One of the main activities of the international financial institutions is giving advice. In assessing the way that international financial institutions dispense advice, I feel that all too often they fall short… They push a particular set of policies, as loan conditionalities, rather than outline the range of policies and trade-offs and encourage the countries themselves to take responsibility for choosing among alternative policies. They fail to clarify the uncertainties associated with the policies they promote, making assertions about the policies’ efficacy that cannot be supported by evidence. Most importantly, at least in the past, not only have they failed to pay due concern to the possible adverse effects of the policies on the poor, they have not even disclosed the likely risks.52

This chapter proposes that development institutions and the advisors within them undertake their role differently, both in relation to poverty-related capabilities in general, and to cultural trade-offs in particular.

52 Stiglitz 2001:4-5
Cited References
Ellerman, David. 2000. “Must the World Bank have Official Views?”
http://www.ellerman.org/Memos/Memos.htm#OffViews

Klamer, Arjo. 1996. *The Value of Culture: on the relationship between economics and the arts.* Amsterdam: Amsterdam University Press


