

Commentary by Deepa Narayan

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Session on Implications for Bank Policy
Transcription from Audio Recording

Chair: Jozef Ritzen

Next speaker is Deepa Narayan. I'd like to introduce her as the person who is very well known in the Bank for two things. One is "Voices of the Poor" and the other is the work she has done on Social Capital. When the Bank is viewed as an organization which has really brought the area of social capital forward, that was Deepa Narayan's work which contributed to that. Deepa the floor is yours.

Discussant: Deepa Narayan

Thank you Jo. There were many people involved in the social capital work and I will come back to that. I think looking back at the two days it's obviously been a very rich discussion. But it would probably be fair to say that if everything was going well in development and poverty was being reduced around the world according to predictions, we probably would not have this workshop. The central problem that I see is the disconnect between governments and the poor. What this workshop adds is that this disconnect is not a simple disconnect, but that the disconnect is framed in terms of engagement. That is, by and large, poor people define the terms of engagement as unfair and that violates their sense of dignity. We also know from a lot of research that increased public expenditures by itself don't make a difference and does not often lead to better outcomes for the poor. So what is the problem? Before I address policy issues, let me specify what I have learned so far about culture and development. I want to summarize some of the tensions that have been touched upon. One central concept is to locate what Arjun calls "the capacity to aspire" and "the terms of recognition". I think Isabel's presentation grounds us in some of the Bank financed project work. One of the things that came out very strongly from Voices of the Poor is that poor people, irrespective of the country, said "the authorities don't see us. We are invisible". So I really appreciate the focus on talking about the politics of recognition and the terms of recognition. The whole issue of identity and dignity has been totally overlooked in our very instrumental focus on development. I think what the culture discussion reminds us is that there is complexity and we, as an institution, have great difficulty in dealing with complexities. I will also go in my comments from the general to the specific because I think the microcosm of one example helps us see, I think, the world. In India there is a wonderful saying which goes "you can see the world in a grain of sand". I think one of the great contributions of anthropologists is not only the ethnographies but the challenges to connect from the specific to the general in terms of policies.

Useful Concepts and Issues: Cultures of Inequality

Four concepts or issues have come up. First, in terms of culture. Are we talking about culture as a world view or culture in a much narrower sense? I think the main message from this workshop is that we have to look at culture in its broadest context, which is a world view, rather than culture in its very narrow meaning. Let me just explain

what I mean by this. On the one hand, Sandy talked about peasant movements and social movements which really are the coming together of a world view and multidimensional aspects of deprivation, things that people value. On the other hand, sometimes in the Bank we isolate one feature which can have some value but can also become very problematic. Let me take the case of user groups. In India, for example, we have calculated that about 43% of projects, this is across forestry, land, etc, will not succeed without the creation of user groups. But another study in the same country showed that 67% of the poor did not even know that there were user groups or when the meetings were being held. The point being, that if you take the concept of user group and don't unpack it and understand the context in which it has to be embedded it is not going to function. You can create user groups but it will not lead to better outcomes.

The second issue, that has been touched upon is that it is not culture or economics but about culture and economics and how they are embedded in each other. Now if we accept this view, it has important implications for research methodologies. It is very difficult to disentangle the culture and economics part of it. I will come back to an example of this.

The third is one of the central messages, I think, and that is to locate culture in inequality.

The fourth is culture and governance. If there wasn't such mis-governance or poor governance, the importance of this culture debate would be different. I think it is precisely because there is such a problem in governance that we are looking for what else is needed to make the system work. So to me, I think, the most important concepts that emerge from this workshop is the term "cultures" of inequality. I think this can be an important or central organizing framework as we move forward. It is cultures, not singular but plural. Culture, as several people have reminded us, is changing, its dynamic, it's organizing, it's breaking down, it's building up. This concept of cultures of inequality extends across countries, across societies but institutions within societies are organized precisely to try and take into account this inequality through processes of checks and balances. This deeply embedded cultures of inequality leads to this widespread phenomena of elite capture. You see this in country after country. One of the things that was striking in "Voices of the Poor", and the reason we presented the global findings the way we did, was not because we don't care about the local specificity. That, as an anthropologist, is a starting point. What was overwhelming was the commonality across cultures and across societies. What poor people said was that it was the voices of the rich that were heard, not the voices of the poor. When the rich and poor compete for resources it is always the rich who will win. It comes back to this deeply embedded notion of cultures of inequality that I feel we have to unpackage. This inequality, by the way, is replicated at all levels of society. As Jean-Philippe said, if states aren't functioning why do you turn to societies when societies are a reflection of state and vice-versa? But these cultures of inequality are reflected in all institutions from the household to the national and even at the global level. I think it is very important, when we talk of inequality, to unpackage that because there are very important gender inequalities. This is true within households but also across countries and societies. One indicator of that is the high prevalence of violence against women. Violence, I'm not thinking of psychological violence, but just physical violence against women. In many countries where there are increasing economic pressures this is actually increasing rather than decreasing. In the

ECA region, during training we asked researchers to probe this issue; they said this may be a problem in your countries in Africa and Asia, but it is not a problem in Europe. The reality turned out to be exactly the opposite. The most prevalent was in Eastern Europe rather than the other countries. In fact in Latin America in some communities physical violence against women was actually decreasing. When you talk about cultures of inequality, I think to simplify for a moment, there are really two sets of actors, although there are many intermediaries, as Isabel pointed out. These are the bureaucracies or the governments and poor people living in communities and so the context becomes very important to understand the political/social structures. Let me now turn to two examples. I want to turn to Arjun's example and then give one example from India.

Example 1: The Housing Alliance in Mumbai

The paper that Arjun has written is very eloquent and I think he is going to set a trend, I hope, toward a different engagement of anthropologists, particularly in academia, with development issues. But if you look from the Bank's perspective, some of this work was in the context of a large transport program and a railway program. The reason why the Bank ended up engaging with this group was in the context of resettlement. When the railway lines had to be put in, large numbers of poor people, who lived near the railway lines, had to be moved. It is not the rich who live near the railway lines so it is the poor who are affected. The Bank's rules and regulations came in the way of the engagement and the Bank's instruments also limited the efficiency and efficacy of the Bank's engagement with the Slum Dwellers Federation. Let me just give you two examples. The first was the whole way the problem was defined as one of resettlement, which immediately put poor people as the problem rather than the resource. So forget aspirations, the issue was how do you take care of this problem. Then the second was that these Slum Dweller Federations had demonstrated that they could successfully build toilets in large numbers and in ways that were economically viable. But there were no financial instruments. They could neither turn to IFC or the Bank or to the private sector to get the guarantee or bridge loans which they needed to leverage the money that the Bank could give as part of its resettlement strategy. I think there are limitations in the existing instruments that need to be addressed if the Bank is going to support poor peoples organizations on any large scale.

Example 2: Andhra Pradesh's District Poverty Initiative Project

The second example I want to give is from a recent trip to India. In Andhra Pradesh there is a district poverty initiative project. In listening to the comments yesterday, I realized that this is actually a very culturally appropriate and nuanced project. Let me give a couple of examples from this project. It is 100 million dollars which goes to women self-help groups. What is interesting is that it is targeted to the poorest of the poor, which in the Indian context means untouchables, the Harijans. When I went to visit it, I was very skeptical and I worried that they were doing too narrow targeting and that you need to deal with society at large. In the Indian context, given the deeply rooted unequal structures in terms of caste, I did not think that a narrow approach would work. What the project does is that in the first year there is no money going into the communities. Community facilitators are hired who are given many tests including psychological tests for their orientation towards working and helping those who are less

fortunate than themselves. They are sent to the villages and they live in these Harijan communities for a week to a month. The Harijan women give feedback to the project on how that person behaved. Initially the project pays these facilitators but it does not pay the facilitators after they are selected directly. They are paid by the community. Why? So the incentive for the community organizer is not to face up to the project directors but to face down so that they really are in service to the communities. That, to me, is a very powerful example of an institutional strategy, very nuanced, but based upon a cultural context and understanding. This is a quiet revolution and it is too early to say whether or not it will work but it is one example.

They always start by what the community recognizes as their need. Now this is easy to say, but difficult to do. because actually we hope they will ask for what we have already planned for them. In this particular context, and this is with women and the initial focus is on building "bonding social capital". The community facilitator ask individual women: "what do you want to do? Can you solve your problem alone?" They say no. "Can you solve it together? Do you want to work together?" They said no because there is no trust. Then they gradually come together and identify the most important issues. The most important issue they identified in this particular community was the issue of untouchability. They wanted to deal with the fact that their dignity had not only been violated for centuries but continued to be violated. This was in a very dry area. Even so lack of water did not show up as the number one problem. Nor did lack of education show up. Nor did many of the other things that we deliver. Now the project could have said "sorry that is not on our list" or "you deal with it". They actually did deal with it. What the women said was that even today the road that goes through their communities and connects them to the main road goes through the higher caste area. That is the only exit. And they say, "Even today we have to take off our slippers. We have to hold our heads down and we can not look anyone in the eye, particularly the high caste. The men have to take their hats off, we cannot have our heads covered." Now, that is deeply embedded in culture. It is very symbolic of inequality. I can't think of anything else that communicates the inequality in such visual ways. And the facilitators said actually said "all right, let's work on that." They asked the women how they will do it. And what the women said was that if one person does not do these things, does not obey, they were sure to be thrashed. Because these people are embedded in patron-client relationships, they depend on the large landholders for their livelihood, there was a lot at stake. So what they did was that they decided one day that they would walk as a group. All 20 women in this group, the men did not accompany them, but everyone was watching, walked very slowly through the village and through the higher caste area, and nothing happened. And when nothing happened they went to the next level and took other related issues on. Now they are dealing with water, with health, with education.

Let me just give you one more example of a culturally appropriate initiative in education. In these poor households girls spend the day collecting firewood and water and doing whatever they can and they don't go to school. The project decided that if you are 8 or 10 or 12 you can never be put into the regular school. So they've created what they call "bridging schools" where these girls are put for 2 or 3 years and they catch up to the level of 6 standard and then they go into the public schools. The standard tests show that these girls are 80% of the selection for public privileged schools. Now I want to come back to the idea of aspiration. When I visited them I asked them "what do you want

to do when you grow up?" It's a goofy question but you end up sometimes asking stupid questions. They responded "I want to be a lawyer, doctors, engineers, district administrators". So in terms of aspirations, experiences shift very rapidly what people aspire to.

Policy Implications: How we do business and what we do?.

Now what does this have to do with us? I think in terms of policy implications there are two things I feel need to happen. One is what needs to change is how we do business, which is perhaps even more important than what we do. Second is what we do. To answer how, one can talk about all kinds of policies but I think the most important shift that needs to happen, and this comes up over and over again, is using poor peoples realities as the starting point and connecting it to policy formulation. So that the policies, whether they are about trade or decentralization or education or health, needs to be informed by poor people realities. These realities then locate policies within the broader cultural context of inequality. The second message is, I think, we really need to unpackage the formal and informal. One of the reasons we often get it wrong is that we think what is invisible is not important. What is invisible, the informal really dictates behavior. We see this over and over again. And unless we unpackage and understand this, we won't be able to come up with the right institutional strategies to make this work. If you talk about cultures of inequality, then you also have to think about strategies that empower poor people. We have just finished a paper on this which basically looks at four elements. Let me just say that the institutional strategies are culturally specific, are context specific, and there isn't a single institutional model. The four elements that I think are important are, first, access to information (but this has to be culturally relevant, topically relevant). The second is mechanism for inclusion and participation (there has been enough said on this but it looks different in different cultures) If we are really talking about empowerment we are talking about system of co-production where poor people and others who are working with them have the authority and control over resources and decisions that then changes the power relations.. The third is accountability, social accountability and downward accountability. And finally, as has been talked about, is this capacity to organize and mobilize.

Areas of Weakness in the Bank

Where are we not doing so well? Very broadly, there are four areas to which I think the cultural lens and the empowerment lens should be applied and where they would have high payoffs. The first is public sector reforms. The Bank is doing an amazing amount of work, this is core business--how do you get governments to work?--and yet they are totally devoid of any cultural understanding or of understanding and unpackageing of the informal institutions that make bureaucracies function the way they do. It is beginning to happen in terms of institutional and governance reviews, but I think that is an area with high pay-offs. The second area is in decentralization. I don't have time to go into the details, but formal rules and regulations aren't enough unless there is local capacity to take advantage of those rules. We have done studies in Bolivia that show that the culture matters a lot. The third area is in trade. We have just finished an international workshop with leaders of poor people's associations. There is now recognition of the inequalities at the global level, But what we also need to unpackage is inequalities at the

local level. Poor people are primarily in the informal economy and they have very unequal and unfair trading arrangements. We just finished a two day workshop where we had a wonderful example from Malawi as well as Mali where smallholder farmers organizations had been able to change the terms of the trade vis-à-vis the transport sector, etc. Finally, the area of civil society. Engagement with civil society, broadly defined including poor peoples organizations, is something that the Bank has not done well. And the issue of financing, whether this is appropriate or not, and whether the Bank can and should enter into this domain more systematically, is still an open question. I think more than policies, in the work that I've seen in the Bank, it is the Country Directors that make a difference. I think both Isabel and Andrew have been really leaders in taking the empowerment agenda on and turning it into action. So I think while we should worry about policies, I think we should worry more about getting the right people in the right positions. It is individuals that make a difference.

Chair: Jozef Ritzen

Thank you first of all for making the introductions to the next speaker, but very much also for your reflections. I do think you will provide a bridge between the two Country Directors. What I thought was very important and very interesting was to hear the way you make the connections between that element of empowerment, which was very strongly launched in the World Development Report 2000/2001, but which did really require further follow-up. In a way also, I think, you challenge the work of the Bank thoroughly by taking the further step from development effectiveness to not only what we do but how we do it. It's a bit frightening because that is not always what is in the minds of bankers, but I think it is the right question to ask. How do you come to development effectiveness taking into account, say, the software of societies?