

EXCHANGE TO CHANGE

ECHANGER POUR CHANGER

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ARE ROADS THE PATHS TO DEVELOPMENT?

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**STEEFAAN MARYSSE
ON RETIREMENT**



University
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INSTITUTE OF DEVELOPMENT
POLICY AND MANAGEMENT

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Revolution

Ten years ago I was a student in the IOB Master programme 'Governance and Development'. I can still remember Professor Filip Reyntjens' classes on political transition and democratisation. 'Democratisation', Professor Reyntjens said, 'is in the first place a process of securing increased opportunities for political competition.' He explained how the type of regime affected both the likelihood of whether an opposition challenge would arise and the degree of flexibility with which incumbents would be able to respond. I studied the cases that we were given and listened eagerly to the exchanges between my fellow students. For me this was merely theory but for many of them it was a reality which they had experienced.

Now - ten years later and having spent almost half of that time in Egypt - I truly understand for the first time what "political transition" means. Yes, Belgium too is undergoing political transition - or is it? It too has not as yet shown itself to be fully democratic but at least there was and is challenging political competition. In Egypt this was not the case. When considering the previous regime type in Egypt one could say that there was no meaningful opposition challenge. There was no basis for the process of democratisation. However, over the last few weeks the nature of the relations between societal entities, public institutions and officials has been substantially reshaped. For the first time the concept of 'power of the people' has become real to me.

A first step in the democratisation process has now been taken in Egypt. The Egyptian people realise that societal pressure has to be kept up in order to increase the opportunities for true political competition. But apart from political effects, this revolution has also had enormous societal and psychological effects. Egypt has awakened from a national state of depression. The Egyptian and Tunisian revolutions have created hope, not only for the Egyptians and Arabs in general but also for other oppressed peoples all over the world.

Eva Vergaelen, editor 

Dear Alumni

In a fast-changing world it is good to pause once in a while and reflect on the direction we want to take. What will be the role of development institutes in the northern hemisphere in the coming years? What are the new challenges and what is the comparative advantage of northern institutes in general and of IOB in particular in examining these challenges? Who will constitute our main audience and what will be the focus of our teaching and research? This is the message from an external audit commission that assessed IOB on behalf of our major funder, the Flemish Department of Education, in May 2010. Overall, the audit commission's report was positive and recommended that our five-year financing agreement be renewed. However, reviewing some of our own internal discussions the audit commission felt that IOB was facing an 'identity transition' and that we should take sufficient time to consider this and to address the issue. The past is not necessarily the best guide to the future and IOB must think about how to position itself as a policy-oriented research and training institute in a changing environment. This exercise in forward thinking has already resulted in a proposal to reform the research groups, or thematic groups as we call them at IOB. Somewhat further down the line the future repositioning of our Master programmes will also be inspired by these reflections. "Look far enough into the future when considering such reforms", the audit commission advised us, "so as not to be too preoccupied with short-term and small-scale issues". The commission's advice did not fall on deaf ears. In November 2010 we held a two-day seminar at a resort not far from Brussels in which all IOB staff took part. Further in this issue you will find an interview with a well-known expert in our field whom we hired to facilitate our seminar. It will take some time for this process of internal reflection to yield visible results but the seminar was certainly a most useful exercise. One audience we will definitely invest more in is you, our alumni. In the past few issues of this Newsletter we repeatedly drew your

attention to the survey that we were conducting and for which we needed your input. In the meantime the survey has been completed and the results analysed, as a result of which a series of recommendations have been made for a more pro-active and ambitious alumni policy. The IOB Council has now decided to hire Sara Dewachter, a former research assistant, to help us kick-start the new alumni initiatives. She will be working with us during the spring and summer of 2011. You will be able to find out more about this when you visit the pages on the IOB website which are devoted to our alumni

Robrecht Renard, Chairman





Are Roads the Paths to Development?

A well-known Chinese proverb states that the construction of a road is the first step towards prosperity (Yào zhìfù, xiān xiū lù). With China's ever-growing involvement in Africa's infrastructure development this piece of ancient wisdom seems to have become one of the defining features of its Africa policy. From the heart of the Congo forest, the deserts of Algeria or the oilfields of Angola, recently labelled 'Africa's biggest construction site', Chinese construction companies are moving ahead with each new project and are leaving marks that are often far more visible than those left by traditional donor assistance.



Bert Jacobs is a researcher at the theme group Aid Policy. His PhD is on Chinese development aid to Africa.

Their claim that infrastructure is the key to development is more than just a rhetorical device to conceal their growing participation in Africa's natural resources. It is actually deeply rooted in China's own development experience. Deng Xiaoping's early Special Economic Zones (SEZs) were hives of infrastructure development and the expansion of investment and continued growth along the coastline occurred in parallel with that of the country's infrastructure. The 'Go West' strategy that the Chinese government has been promoting since the start of this millennium is in essence one giant infrastructure development programme aimed at incorporating its rural Western regions into modern China. It is therefore not surprising that this view on infrastructure construction also fuels the country's policy with regard to its involvement in Africa. Nowhere was this ideology more obvious than during the latest China-DAC summit held in Beijing in the autumn of 2010. It was the third time that the old and established donor community was facing this rising star on the development scene and Africa's infrastructure development was the only item on the agenda. As was to be expected there was no rhetoric about civil society, accountability or democratisation.

The funding of these Chinese infrastructure projects has changed over time. In the 1990s China slowly moved away from its one-way aid instruments, such as grants and zero-interest loans, in favour of mutually beneficial instruments such as concessional loans and preferential buyer and seller credit which boosted the chances of Chinese construction firms to gain contracts overseas. Zero-interest loans only remained in place for projects which carried considerable political prestige. However, the most recent

controversy concerns China's commodity-backed infrastructure loans, which require African countries to leverage the resources they have, such as oil, copper or cotton, and obtain a prearranged amount of infrastructure in return. This model can be traced back to the early days of China's opening up (1977) when the Chinese government brokered a deal with Japan to acquire modern technology and infrastructure in return for oil and coal. Originally it was called the Goa Model, but after a number of major Chinese commodity-backed infrastructure loans with Luanda it is now better known as the Angola Model. What makes this model unique is not that the deals are backed by resources - Western banks use this technique too - but the fact that infrastructure and not money is provided in return. The companies that execute the projects are Chinese and they employ a significant number of Chinese workers, often citing efficiency concerns. However, as a result the transfer of technology and skills remains limited.

China's rising involvement occurs at a time of renewed global interest in infrastructure. Western assistance still focuses strongly on the 'software' side, stressing the need for transformation of the political and social fabric of African states towards more accountable and pro-poor governance but the increasing amount of funding and the recent establishment of new initiatives and organisations, such as the World Bank's African Infrastructure Country Diagnostic (AICD), the EU-Africa Partnership on Infrastructure and the Infrastructure Consortium for Africa all point to the fact that in the donor community 'hardware' has become 'cool' again and that, in the AICD's words, the time has come for an African transformation.

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Great, but why did these infrastructure projects become 'uncool' in the first place? The logic of the Chinese proverb seems sound: implementing projects that invest in the infrastructure of a country seems to be the most natural path to development. Yet the history of Western development assistance paints a very different picture. For over twenty years, from the late 1950s until the late 1970s, Western donors too mainly focused on infrastructure projects. Roads, railways, power stations, irrigation systems, hospitals and schools, all were built because there was a strong belief that these would soon prove to be the basis for Africa's modernisation process. Like the projects set up by the Chinese nowadays many were backed by concessional loans. But the system did not work. Building infrastructure was one thing but sustaining that infrastructure proved to be a far greater challenge. In fact, it turned out to be a typical horse and cart problem: who is pulling whom? Continuing failures and rising debt problems led donors to conclude that Africa's problems went far beyond the lack of crucial infrastructure and are actually located at the political and institutional levels

of the various countries. Eventually this realisation caused a fracture line in the aid debate, resulting in a shift away from relatively unconditional project aid towards conditional programme aid which would push for political and economic changes in the developing countries in question. Structural Adjustment Programmes, the New Aid Approach and everything that lies in between are all the direct descendants of this paradigm shift.

The principles of the Paris declaration and the Accra Agenda for Action are today regarded as the guiding principles of effective aid delivery. Often Budget Support or other mixes of programme-based approaches are thought to constitute the best ways to tackle the challenges that these two declarations pose. But can this view be reconciled with the growing global interest in infrastructure projects and, more specifically, with China's policy regarding infrastructure projects? What emerges is a test case for many of the Western donor theories which form the foundation of current donor discourse. Will these Chinese infrastructure projects run up against the same problems as many of the Western projects that preceded them did? Or will the Chinese be able to rely on their domestic and regional experience to avoid some of these difficulties? Can the new Western infrastructure initiatives reconcile the tensions between projects and the New Aid Approach and can they guide Chinese interventions? Is a division of labour possible whereby the 'software' is provided by Western assistance and the 'hardware' by emerging economies? These are all questions about the ultimate sustainability of these Chinese infrastructure projects because only sustainable road systems can be paths to development.





Constraining Factors of Women's Agency in Microcredit Operations:

The Case of BRAC's Project in Bangladesh

By Belayeth Hussain*



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HIGHLIGHTS

Microfinance, the 'successful' poverty-alleviating instrument, is at the very heart of the large-scale NGO programmes in Bangladesh. In recent years there have been significant developments in the perception of poverty-reduction policies and programmes although poverty reduction is not a simple concept; rather, it is intertwined with other complex socio-cultural and institutional issues. It is therefore essential to discover the relations between structural constraints and enablement and the ability of recipients of credit to exercise agency. This article will present some core findings from fieldwork. The main question that is addressed is how the agency of the clients shapes, and is shaped by, social relationships and local institutions. In her research into human agency Frances Cleaver (2007) discusses six enabling/constraining factors, namely *local moral world views (cosmologies), complex individual identities, unequal interdependence of livelihood, structure and voice, embodiment and emotionality*. However, in the present article I shall focus on two of these factors, *embodiment* and *emotionality* while also taking into account the work of two influential theorists, Pierre Bourdieu and Anthony Giddens. The Bangladesh Rural Advancement Committee (BRAC), the largest NGO and the initiator of the microcredit project, has been selected for the study. It focuses on four villages in the Sunamganj district of Bangladesh where BRAC's project was set up in the then newly independent country.

CONCEPTS

Able-bodied and disabled individuals may have different capabilities with regard to exercising agency in terms of participating in a public event, accessing resources and interacting with other members of society. Agents' physical condition influenced by, for instance, hunger, fatigue, temperature and

humidity can have detrimental effects on agency (Cleaver, 2007). *Habitus* and *body hexis* are incorporated here in order to understand culturally inculcated and hence reproduced embodied world views that may hinder people's capability to exert agency in their social environment. As explained by Bourdieu, *habitus* is the universalising mediation that generates an agent's actions without either explicit reason or signifying intent (Bourdieu, 1977). On the other hand, the term *body hexis* is used by Bourdieu to indicate a variety of socially repeated ways in which an individual moves, holds and positions his or her body in the real world (Throop and Murphy, 2002). Bourdieu states that *body hexis* is the performing aspect of *habitus* as a durable organisation of one's body that is charged with a host of social meanings and values. Giddens (1979) emphasises agency as reflexive action. He perceives three types of consciousness - *discursive, practical* and *unconscious*. *Discursive consciousness* relates to the actions and beliefs that agents are able to generate on the basis of reasoned scrutiny; *practical consciousness* refers to everyday practices which are taken for granted and which are part and parcel of routine habit; these are rarely subjected to scrutiny. Giddens also states that structures are unintended consequences of our daily practices which also feed back into our everyday practices as unacknowledged conditions of subsequent actions (Baert, 1998).

CARING FOR THE SICK

Embodiment and *emotionality* related constraints were explored through in-depth informal interviews during fieldwork. It was found that loan repayment is the first and foremost indicator of clients' human capability since other daily activities depend on the promptness of credit repayment. However, this capability was found to be constrained by disease and caring for sick family members because women are the borrowers and their capable male family mem-



A lady is assisting her son in running a small enterprise in their homestead.
Picture by Belayeth Hussain

bers are the users of these credits. Consequently the illness of family members may affect able-bodied clients' agency. Moreover, women clients are sometimes unable to attend their VO (Village Organisation) meetings due to these difficulties and thus cannot share their experience and problems in the meetings. Moreover, there are very few clients who can work during their pregnancies or when they have small children. One client was found to be able to cope with her difficulties through reflexive consciousness. In her opinion, 'there is no problem if one wants to work'. In other words this woman maintained her capability to work even though she had small children and her husband was ill. Consequently it can be argued that this woman can exercise at least part of the emotional aspect of agency. Some former BRAC clients say that they were let down by the failing health of their male family members, which in turn forced them to borrow credit from another NGO in order to repay the *kisti* (loan repayment premium/instalments) to BRAC. Sometimes they raise money by borrowing from the *ma-*

hajan (informal money-lender) in their village to pay back the *kisti*, which in fact adds to their tally of outstanding loans. This strategy can in a sense be perceived as *discursive consciousness* but it adds further constraints for them in that they have to repay more loans than before, which can be seen as unintended consequences of that conscious action.

HEALTH PRACTICE

When clients or their nearest family members are ill, visiting doctors/hospitals/healthcare centres, etc. is a form of exercising agency. However, the traditional and routine beliefs/attitudes of the clients can cause difficulties here. During the fieldwork it was observed that clients appear to be affected by a variety of diseases. When they feel ill they often take recourse to traditional treatments. Although these may sometimes work, in most cases they have been shown to result in prolonged illness which may actually increase the constraints on conscious treatments. This is an important factor in

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understanding clients' agency because the illness of family members prevents women from exercising agency in other economic and non-economic areas. In addition, erroneous knowledge about disease (as a result of everyday practice) also encourages people to turn to traditional treatments. Seeking help from a doctor in case of illness is hampered by these traditional and routine beliefs regarding treatment. Such faith in traditional practices is in fact tacitly acquired, habituated and then accepted as the norm without any conscious scrutiny. Sometimes the habitual views regarding the causes of disease restrict the somatic movement of female clients. Consequently the relation between 'body-space' and disease is culturally constructed. In addition to *purdah* women are not allowed to go to 'unacceptable' places at particular times in the day in order to avoid the risk of *upri roog* (unknown diseases inflicted by an invisible spirit). In conclusion, it is fair to say that the knowledge regarding a particular disease is acquired and transmitted by means of everyday social life without any reflection on meaning and values.

CLIENTS' DISABILITY

In the villages where the fieldwork was carried out no client was found to be mentally handicapped, widowed, aged or pregnant. Officially BRAC states that it provides credit to all women who appear to be capable. In the area under investigation a number of women had been pregnant before and had experience of using during their pregnancies the loans which they had been granted. Some clients feel that women are not capable during pregnancy whereas others consider it unfair that BRAC does not grant credit to pregnant women. BRAC may not trust women's ability to run a business successfully and may thus prefer to deliver the credit to the capable male members of society. Thanks to this strategy BRAC reduces its transaction costs for recovering credit instalments. This point was made by Rahman (1999), who examined Grameen Bank's strategies of loan repayment and targeting women as 'hidden transcript'.

CLIENTS' PHYSICAL CONDITION

When attempting to understand human agency it is also important to pay attention to the physical condition and freedom of movement of clients because these may make it difficult for them to be present at weekly group meetings and other social events. In fact clients do not have any trouble attending such meetings since all VOs are located within the villages. However, in practice they think that they might have problems if VOs were located far away from their homes. Mutual trust among the clients plays an important role if a woman cannot attend a VO meeting due to her physical condition. In such cases other members take care of her *kisti* and she herself will pay later. On the other hand, a woman who is pregnant cannot participate in the meetings and hence may lose her agency in shaping the social relationships. In the villages under investigation women clients do not attend social events even within the territory of their village. It is not customary to invite women to social events. However, they do not feel unhappy when they receive an invitation in their husband's name as they regard this as a regular and routine phenomenon. Clients thus accept this routine phenomenon as part of the hegemonic norms ('male orientations') of society. What is quite interesting though is that some of them appear to be optimistic as regards obtaining greater freedom of movement for the next generations. Finally, it needs to be pointed out that women cannot interact with other villagers except with some authorised individuals. As a result, even though weekly meetings give women a chance to acquire an identity outside the family they can at present not yet participate in other social events.

GENDER AND TYPE OF WORK

Almost all of the women clients interviewed say that women's work is different from that of men, which means that they appear to agree with the traditional views regarding the type of work carried out by the two sexes. It was observed during

“... microfinance institutions should make sure that the local social context is taken into consideration when designing programmes and assessing performance. The leading institutions in the field need to consider the local institutional complexities before launching any development intervention.”

the fieldwork that women who had been widowed were allowed to work outside the home, as were the poorest women. It was found that women clients run their enterprise if it is close to their homestead and help their husbands or other male members of the family. The social construction of ‘public’ and ‘private’ spaces for women clients is a kind of *body hexis* because clients pattern their behaviour through culturally constructed and informed spatial configurations expressing social meanings and values. They interiorise themselves in accordance with the prevailing norms and do not think that microcredit is positive for them. On the basis of testimonies of women clients Kabeer (2001) concludes that women are happy to adhere to the custom of *pardah*. However, Kabeer prefers to call it *doxa* because of the systematic difference between ‘male’ and ‘female’ occupations and the resulting confinement of the women to the home. They are guided by the everyday conventional definitions of ‘male’ and ‘female’ work and ‘acceptable’ and ‘unacceptable’ spaces. Clients assist their active credit users on the basis of the same distinction between the two spaces. Thus, the distinction between *centrifugal* (male orientation or public space) and *centripetal* (female orientation or private/domestic space) is habitually applied to clients’ everyday somatic movement.

REPAYMENT PRESSURE

Emotionality is the subjective state of agents. It was observed that women clients show their emotions in many different ways. The major emotional issues are related to clients’ many-faceted difficulties in everyday life. Regarding credit repayment pressure most of the clients show their practical consciousness. Some clients overwhelmingly rely on the grace of the god rather than on their *imagined autonomy*. People’s understanding of their own efficiency is undermined by their non-reflexive actions and beliefs. As Cleaver (2007) argued, both conscious and unconscious emotions are decisive in shaping people’s own agencies. In the present study the most common way of coping was found to be praying for a life free of strife and sorrow. Some clients also disciplined themselves by going without food, others worked even harder in the hope of being able to overcome hardship.

CONCLUSIONS

There are a number of ways in which microcredit projects are implemented around the world. The social embeddedness of any particular society has its own specific characteristics. As a result microfinance institutions should make sure that the local social context is taken into consideration when designing programmes and assessing performance. The leading institutions in the field need to consider the local institutional complexities before launching any development intervention. It is claimed that the ‘credit plus’ approach might be a successful model for microcredit institutions. The findings of our fieldwork show that it is essential for BRAC, which delivers credit plus products, to reconsider carefully the effects on the poor and to assess their opportunities to exercise agency. Hence, the ‘one formula fits all’ approach may not provide the magical solution to the question of how to eradicate poverty.





Gender, wages and the globalisation of production in developing countries

By Ana Rivas*

New systems of trade and production have come into existence as part of the process of globalisation. In this regard the fragmentation of production, the phenomenon in which countries participate in the production of a good but at different stages, has attracted special attention over the last few years. This has resulted in a growing body of literature applying new trade models in which the state of affairs is characterised by imperfectly competitive market structures and the existence of backward and forward links. In this context elements such as trade patterns, trade costs and market size are considered crucial since they impact on, for example, wages and employment. Moreover, since the growth of export-led industries in developing countries has been accompanied by the increasing participation of women in the labour market the relevance of gender has become a crucial factor when assessing the effects of trade on wage differentials.



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Understanding the effects of trade is of the utmost importance for governments concerned about employment, working conditions and the reduction of inequality. My research focuses on the relation between trade, wages and gender. Specifically, it examines the impact of trade on wage disparities and its implications in terms of gender, focusing exclusively on the experience of developing economies. The research is divided into four self-contained studies. Three of these concern country-based cases, the countries in question being Peru, Guatemala and Indonesia. These countries were chosen with a view to not only illustrating the degree of diversity as regards experience in different parts of the developing world with growing participation in the global economy but also to highlighting the relevance of the institutional framework in mitigating or jeopardising the impact of trade on wages. Likewise, in an attempt to contribute to a better understanding of fragmentation from the perspective of developing countries a cross-country study examines to what extent four Latin American economies are involved in the global chain of production.

PERU: TRADE AND WAGE INEQUALITY

There are a number of reasons why Peru is an interesting case to focus on. The country has undertaken not only one of the swiftest liberalisation processes but also some of the most extensive labour market reforms in Latin America. However, although a number of scholars have investigated the effects of trade on wage disparities in Peru their analyses have mostly concentrated on the manufacturing sector in the metropolitan capital city of Lima. In addition, these studies do not take small firms into account. In an attempt to redress this imbalance the role of trade on income inequality in Peru is examined here taking the regional dimension into consideration.

The analysis is carried out in three phases. First, measures for market access and supply access are implemented so as to enable us to assess the effect that geographical location (distance) and regional infrastructure have on trade patterns and on the labour market. Second, estimations of individual earnings equations in which these trade measures occur as explanatory variables are performed. Finally, a decomposition technique is applied to assess the contribution that each one of the covariates included in the regressions has had on changes

in income inequality at a given point in time as well as across time. The evidence suggests that trade liberalisation has had a modest effect on the increase of wage inequality across Peruvian regions whereas education and informality remain the major contributors. These findings can to some extent be explained by the simultaneous deregulation of labour legislation which accompanied Peru's trade liberalisation reform.

GUATEMALA: ARE MAQUILA WORKERS BETTER OFF?

The sector of garment assembly firms, better known as "maquilas", is regarded as the most dynamic export-oriented industry within Guatemala's economy. The sector comprises some 199 firms, the majority of which are Korean-owned. 90% of these firms are located in Guatemala City while the remaining 10% are situated in other departments. The garment sector is also a major source of employment. In 2003 about 140,000 people, 69% of whom were women, were working in this sector. Furthermore, figures based on the Guatemalan household survey of 2006 - ENCOVI (Spanish acronym) - show that about 27% of the female workforce employed in the garment sector is illiterate.

In an attempt to assess the impact that the growth of the garment sector has had on labour earnings and to some extent on working conditions and poverty, several techniques were used. Relying on the propensity-matching approach a counterfactual analysis was carried out to assess the impact that the growth of the garment sector has had on labour earnings. Basically this technique evaluates a particular factor (e.g. a policy or intervention) by comparing two groups, namely a group of individuals who were affected by it (called the affected group) and another group which was composed of unaffected individuals (control group). As the purpose in this specific case was to examine whether workers, women in particular, who had moved to the maquila sector were better off than if they had continued to work in their former sectors, the affected group was composed of individuals employed in the assembly garment sector. These individuals were matched

with individuals with similar characteristics who were working in the non-maquila garment and the "reserve" sectors**. Subsequently the average effect of maquilas on hourly earnings was computed. In addition, using information on whether a worker (a) held a permanent position, (b) received a productivity-related bonus, (c) was entitled to social security, (d) was able to recoup the cost of transport and (e) was issued with a free uniform, a job-benefit indicator was designed in order to examine the situation of workers in terms of working conditions.

The evidence for Guatemala suggests that workers employed in the sector earn hourly wages that are on average about 40 percent higher than those which they would have obtained if they had remained in their former jobs outside the sector. In terms of gender, however, it appears that men benefited more from the growth of the export-led garment assembly sector. In fact men in the sector earn hourly wages that are 42% higher than the hourly wages which they would have earned if they had remained in their former jobs outside the sector. For women, the figure appears to be smaller (38%). In terms of poverty, more than 60 per cent of households whose sole source of income is the garment assembly industry are ranked as non-poor. Nevertheless, poverty levels are higher for those households in which only the female members are employed in the industry. However, the low salaries earned by women in the industry also represent a low contribution to total household income. This outcome clearly illustrates that female members contribute significantly less to the total household income than their male counterparts, particularly in those households which were ranked as extremely poor.

The gender gap also persists in terms of working conditions. About 85% of the female workforce employed in the garment assembly sector in Guatemala is not entitled to job benefits, such as social security, a productivity bonus and so forth. The extremely weak labour market legislation and the unwillingness of the authorities to enforce the law have resulted in the prevalence of this pattern.

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** The reserve sector is regarded as a sector whose workers can easily move to the maquila industry.

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EXPORT-LED GROWTH AND THE GENDER WAGE GAP IN INDONESIA

Indonesia's integration into the world economy is more diversified. Its participation in fragmented chains of production occurs via three main industries, namely the automotive, chemical and garment industries. Although the Indonesian garment industry is characterised by more mature development compared to Guatemala's, the sector still remains labour-intensive. Likewise, women continue to dominate the workforce in this industry.

Contrary to Guatemala, the Indonesian government guarantees a number of rights to women employed in the formal labour market. The ILO (1993) has documented 36 Indonesian laws which specifically protect female workers. Major forms of protection include the legal requirement that women only work a 40-hour week, minimum wages as well as menstruation, pregnancy and breastfeeding leave, to name only a few. Furthermore, over time several steps have been taken by the various Indonesian administrations to improve women's basic education. As a result the majority of women entering the labour market have a certain level of education. The low percentage (3%) of illiterate women working in the garment sector confirms this.

A first step to be taken before assessing the effects that fragmentation has had on labour earnings consists of exploring its trade structure to determine to what extent Indonesia is involved in the process of fragmentation.

The availability of comprehensive industrial and labour data for this country study make it feasible to explore the links between fragmentation and wages from two perspectives: across industries and within a specific manufacturing sector.

Income differentials across industries

To investigate the effects that trade in the form of fragmentation has had on wage differentials across industries a wage premium decomposition approach by skill group is employed. The evidence suggests that wage differentials attributable to gender grow smaller for skilled groups. Moreover, to some extent fragmentation has contributed to reducing the significant gender wage gap that still exists in the low-skill group.

INCOME DIFFERENTIALS WITHIN THE INDO-NESEAN GARMENT ASSEMBLY SECTOR

Using the "difference in differences" approach (DID) the changes with regard to wages within the garment assembly sector are examined. The DID approach basically compares the difference in average hourly wages before and after the move to a new job in the sector (affected group) with the hourly wages paid before and after the move to those individuals who continued to work outside the sector (control group). The evidence suggests that the growth of the export-oriented garment sector has had a positive effect on wages. In fact the difference in the average hourly wages of individuals who had moved to the garment sector was about 21% greater than the difference in average hourly wages of those individuals who had remained in their jobs in other sectors.

WHAT CONCLUSIONS CAN BE DRAWN?

The case studies examined in this investigation highlight several major concerns from a policy point of view:

The case of Peru shows that a very substantial number of workers have been unable to enjoy the benefits generated by the openness of Peru's economy as they do not belong to the required labour force. On the other hand, the drastic labour reform has excluded them from the formal sector resulting in unemployment and informality. This suggests that drastic labour reforms need to be accompanied

“Governments and policy-makers should concentrate on implementing policy measures that will ensure a sustainable position in the global economy. Designing an education policy aimed at increasing opportunities for the workforce is a prime example of a measure that will have far-reaching positive effects.”

by an education policy in order to facilitate the re-integration of the marginalised workforce into the labour market and minimise the risk of increased unemployment and informality rates.

The country-based cases of Guatemala and Indonesia illustrate that trade in the form of fragmentation may impact differently depending on the institutional framework. This aspect seems to be even more crucial when the effects of fragmentation have a gender aspect. In fact the evidence in both countries lends support to those advocating that the growth of export-oriented industries benefits workers as they earn higher wages. These findings are encouraging although there is no guarantee that the welfare of workers has improved overall. As the case of Guatemala shows, the existence of a weak institutional framework has resulted in the perpetuation of the gender wage gap and in deteriorating working conditions. The existence of an adequate

institutional framework, as in the case of Indonesia, provides the preconditions (e.g. enforcing the law, promoting education) for a marked reduction in the gender wage gap.

The case of Guatemala illustrates that when a country's participation in fragmented chains of production relies on the availability of cheap unskilled labour the government is encouraged to perpetuate a weak labour framework to keep wages low in order to maintain its competitiveness. To some extent this also negatively affects the government's eagerness to provide better education for the workforce. The high numbers of illiterate workers illustrate very clearly that very few efforts have been made to invest in the education of Guatemala's workforce. Furthermore, this might also give rise to other adverse effects on the development of the country in the long run. In fact attempts to keep workers unskilled are a hindrance to both the transmission of knowledge and industrial development. In addition, from an industry-development perspective attempts to boost the number of skilled workers raise a country's opportunities to advance towards mature stages of export-oriented manufacturing.

Finally, countries such as Guatemala focused on low value-added, unskilled and labour-intensive stages of global chains of production are in a hazardous position as there is greater competitiveness with regard to cheap, low-skilled labour. All of this should encourage governments to consider redirecting their efforts towards implementing a sustainable development strategy. Governments and policy-makers should thus concentrate on implementing policy measures that will ensure a sustainable position in the global economy. Designing an education policy aimed at increasing opportunities for the workforce is a prime example of a measure that will have far-reaching positive effects in this regard.

une contribution au développement à travers à la coopération interuniversitaire

Par Adamon Ndungu Mukasa*
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CONTEXTE DE LA COOPERATION UCB-IOB

La République Démocratique du Congo (RDC) renaît lentement et péniblement de ses cendres après des décennies d'instabilité politique généralisée. Les premières élections du pays tenues en 2006, jugées libres, transparentes et démocratiques par la plupart des observateurs tant nationaux qu'internationaux, ont donné une lueur d'espoir à un peuple longtemps meurtri par les guerres, la famine, la perte du pouvoir d'achat. La situation est particulièrement dramatique dans la province du Sud-Kivu qui figure parmi les provinces les plus violemment touchées par les viols des femmes, les pillages et l'insécurité.

L'accalmie enregistrée depuis près de cinq ans déjà autorise donc à penser à l'avenir du pays, à sa reconstruction et son développement. Cette tâche paraît titanique au regard de l'état de destruction qu'a connu la RDC et aux défis auxquels elle doit faire face : paupérisation de la majorité de la population, délabrement avancé des infrastructures routières, hospitalières et publiques, institutionnalisation de la corruption et autres antivaleurs (non respect des biens publics, fraude et évasion fiscales, etc.), baisse de la qualité de l'enseignement tant primaire, secondaire qu'universitaire, etc. Devant l'ampleur de la tâche de reconstruction, les Congolais ont généralement l'habitude de dire : « Tout est à reconstruire et à refaire », ce qui nécessite non seulement la participation de tout un chacun mais également des contributions expertes venues de l'extérieur du pays.

Le projet Recherches et formation en développement post-conflits et gouvernance locale/régionale^[1], une collaboration entre l'IOB et l'Université Catholique de Bukavu (UCB), cherche à apporter sa pierre à l'édifice en se focalisant sur l'un des aspects importants du développement, le capital humain. Actuellement, le projet est déjà en pleine phase de concrétisation avec l'ouverture d'un centre de langues (depuis janvier 2010) dans la ville de Bukavu pour professeurs, assistants de l'UCB et toute autre personne intéressée par l'apprentissage de l'anglais. Le centre est animé par des enseignants de l'UCB et de l'ISP/Bukavu (Institut Supérieur pédagogique) qui ont reçu une formation de trois mois

environ dispensée par Linguapolis (à Anvers) et financée par l'IOB.

De plus, deux assistants de l'UCB (en l'occurrence Adamon Ndungu et Janvier Kilosho) sont entrain de suivre, depuis septembre 2010, un master en Gouvernance et développement, l'objectif étant de créer à l'UCB d'ici la fin de cette année un master similaire mais adapté à l'environnement et au contexte locaux. Comment sommes-nous arrivés à être embarqués dans ce projet et à se retrouver à Anvers ? Petit retour en arrière.

NOTRE IMPLICATION DANS LE PROJET

Février 2008. Nous venons de soutenir publiquement notre mémoire de licence (l'équivalent de master) en sciences économiques et de gestion de l'Université Catholique de Bukavu. Directement retenus comme assistants chargés d'assurer des travaux pratiques (microéconomie, macroéconomie, comptabilité nationale, économie politique, économétrie, comptabilité, mathématiques financières, méthodes quantitatives en économie, etc), nous étions de jeunes garçons pleins de vigueur et décidés à accomplir convenablement leur tâche. Et les récompenses ne se sont pas fait attendre. A peine un mois après, nous avons été retenus comme chercheurs juniors dans le cadre du mini-projet de VLIR (appelé Micro-Projet RDC) sur 2 ans initié par le prof. Stefaan Marysse. Sur les trois axes retenus dans ce projet^[2], nous nous sommes focalisés sur les filières minières, particulièrement les filières stannifères (coltan et cassitérite).

Nous avons ainsi entamé nos recherches dans le Laboratoire d'Economie appliquée au développement (LEAD), un centre de recherche de l'UCB impliquant les professeurs et assistants des facultés d'économie, de droit et d'agronomie.

Notre premier papier (La filière stannifère artisanale au Sud-Kivu : cas du coltan et de la cassitérite) a été publié dans l'Annuaire de Grands-lacs 2008-2009 et ses résultats ont été exposés au colloque organisé à Bukavu en septembre 2009. Un second papier, toujours sur le secteur minier, se penche actuellement sur les problèmes et les mécanismes de traçabilité et transparence dans les filières stan-

[1] Pour de plus amples informations en rapport avec l'historique, les formations et les recherches prévues dans le cadre de ce projet, se référer à la contribution de Sara Geneen parure dans Echanger pour Changer en septembre 2010.

[2] Les autres axes sont l'analyse de la pauvreté et les conflits fonciers

nifères du Sud-Kivu en vue d'accroître la contribution des ressources minières dans le développement socio-économique de la province et arrêter le commerce des minerais de conflit ou de sang.

C'est donc dans ce contexte que nous avons été logiquement désignés pour participer également dans le projet Recherches et formation en développement post-conflits et gouvernance locale/régionale en vue de suivre un master avancé en gouvernance et développement. Dès janvier 2010, nous étions parmi les premiers à suivre une formation accélérée d'anglais organisée dans le centre de langues nouvellement créé. Après 4 mois de cours (quatre séances par semaine de 2 heures chacune), nous avons moyennement réussi au test d'anglais organisé (un mini-TOEFL) mais notre niveau d'anglais était encore à désirer et donc constituait un obstacle de taille pour suivre sans difficulté les cours à l'IOB.

NOTRE SEJOUR A L'IOB

Nous sommes arrivés en Belgique le 13 août 2010 en provenance de Bukavu, via Kigali. Comme pour nous deux ce n'était pas la fois de retrouver le sol belge^[3], la surprise a été quelque peu modérée. Après une semaine d'installation et de recherche de repères, nous avons entamé une nouvelle formation accélérée pour améliorer et mettre à niveau notre niveau d'anglais. Organisée par Linguapolis, la formation consistait en des exercices approfondis de grammaire, de structure linguistique, des exposés journaliers et des tests réguliers. Basée sur une approche interactive, la formation a été réellement d'un apport inestimable en insistant sur quatre axes : speaking, listening, reading, writing.

Les cours proprement dits ont commencé fin septembre/début octobre avec des modules introductifs : Theories of development (Economic and institutional development, poverty and inequality, Politics of development), Research methods (descriptive statistics, inference, econometrics, etc). D'octobre à décembre 2010, le rythme de travail a été très soutenu avec des cours presque tous les jours et des essais réguliers à remettre.

A mi-chemin de notre formation en Belgique, c'est un sentiment de satisfaction qui nous amène en raison non seulement des connaissances que nous ne cessons d'accumuler et de perfectionner du jour au jour dans une ambiance de convivialité et de sérénité mais également de ce que nous allons apporter comme contribution pour la reconstruction de notre pays. En effet, nos dissertations seront orientées vers l'analyse de la chaîne de valeur dans les filières minières et vers les liens entre pauvreté et le déve-

loppement socio-économique de la province du Sud-Kivu, une province riche en ressources minières (coltan, cassitérite, gold, etc) mais paradoxalement pauvre comme le reste du pays.

UNE FOIS DE RETOUR A BUKAVU

La fin de ce programme de master est prévue pour le mois de septembre de cette année. Les étudiants venus de pays en voie de développement sont alors appelés à faire bénéficier leur pays de connaissances acquises durant plus ou moins une année passée en Belgique. Nous n'allons pas déroger à cette règle.

Ainsi, dès notre retour au pays, une conférence est prévue pour exposer les résultats de notre dissertation devant les autres chercheurs de l'UCB, les membres de la société civile de la ville de Bukavu et tous ceux qui sont intéressés par les questions minières. Cette vulgarisation s'inscrit dans le cadre du centre de gestion minière du Sud-Kivu prévue pour devenir le fer de lance des recherches avancées dans le secteur minier de la province : son organisation, ses connections avec les autres secteurs clé de l'économie, les relations de pouvoir entre les différents acteurs et la répartition des gains entre eux, ses défis et challenges, les pistes de sa redynamisation et de son modernisation,...

Notre retour ne sera donc pas de tout un repos dans la mesure où le début du master en Gouvernance et développement est également prévu vers la fin de l'année. Ce sera une expérience enrichissante et émouvante que de faire partager aux autres compatriotes les fruits de notre formation à l'IOB.

Après deux ans d'implémentation de ce master, il est prévu des formations doctorales dans le cadre du projet Recherches et formation en développement post-conflits et gouvernance locale/régionale. Nous espérons vivement que nous ferons parti des heureux élus et retrouverons de nouveau l'IOB qui est devenu notre second alma mater.

Nous sommes confiants que notre pays n'est pas condamné à rester dans le sous-développement endémique dans lequel il se trouve actuellement. Ses potentialités peuvent être valorisées et permettent ainsi un décollage économique attendu par tout Congolais. Pour cela, des préalables sont nécessaires, parmi lesquels le soutien et le renforcement de la formation et de la recherche. Le projet actuel est donc à encourager et nous espérons la collaboration entre l'UCB et l'IOB a encore de longs et beaux jours devant elle.

[3] Adamon Mukasa avait séjourné en Belgique en novembre 2007 pour suivre une formation en gestion des projets organisée par l'ICHEC-PME.

Janvier Kilosho était en Italie à l'Université de Pavie entre septembre et décembre (2009) dans le cadre du projet EDULIN (ACP-EU Cooperation programme in higher Education) où l'UCB est le partenaire représentant la République Démocratique du Congo.



Stefaan Marysse on retirement

Stefaan Marysse is known to most IOB alumni as the director of the Master programme 'Governance and Development'. By those who attended his classes he was also referred to as the professor of dialogue for two reasons, firstly, because he encouraged students to share their own views and experience, secondly, because he managed to bridge the authority gap between student and professor by making his students feel at ease. After 25 years as a professor in the development field Stefaan Marysse has now officially retired although he still teaches a number of courses to current IOB students and he is still engaged in research activities. IOB wishes to take this opportunity to thank him warmly for his invaluable contribution to the Institute and to wish him many more fruitful years in the development field. We managed to catch up with him between a meeting with the university board and a lecture and were able to ask him some questions about IOB and about his views on development.

What has been your academic career and how did you become involved in IOB?

After having graduated in Economics I enrolled as a PhD student in International Economics at the Sorbonne in Paris and decided to study Economic and Social Development simultaneously (IEDES-Paris). I started working as an assistant at what was then UFSIA (now part of the University of Antwerp) and became a professor at the age of 30. In those days universities were still understaffed and we were multitasking in order to combine research, teaching, administration and societal involvement. That experience has made it easier for me to understand the context of our partner universities in the South which are also understaffed, have a small budget and have far more students than we now have in the North. I have seen the University of Antwerp change into a well-organised entity with extensive financial and human resources. Before IOB came into being there existed a Centre of Development Studies, integrated as a department in the Faculty of Economics at one Antwerp university campus. At another campus there existed a College for Developing Countries. Both institutes already cooperated in research but all of us also wanted to work together structurally. We merged and founded IOB even before the University of Antwerp had actually become a fact."

Could you briefly describe the major changes that IOB has undergone?

At the beginning we had three Master programmes at IOB. An audit commission advised us to make the programmes more research-driven, so now we work within the context of four thematic groups. This has made the system more complicated and leaves us a little less time for teaching and societal involvement. Structures are sticky. They reduce the amount of flexibility we used to have to react to what was happening in society. The positive side is that there is more time for research. What I find worrying though is that academic research has become a kind of business. There are more quantifying regulations, for example, the number of publications is now used as a way to measure output. The pressure to produce has increased dramatically at the cost of our role in the larger public debate. Personally I miss the level of involvement in society of which we used to be so proud.

In your opinion, how will IOB evolve?

I think that we as a development institute have to take up that societal role again, also in the context of our changing position in the world. The West is losing its economic as well as its intellectual predominance. The whole idea of development has to be redefined and globalised: we need more research focusing on topics such as climate change and im-



A researcher can be an activist?

Definitely. As a researcher you do not have to be an activist, but as an activist you do need proper research. Again, I think the academic world should contribute more to society. We all work from within the framework of humanitarian values, which play a motivational role in the choices that we make. As human beings and academics we have to assume our role in society.

And that is what you will continue to do, even after retirement?

Well, in practice I have not retired yet since I am still lecturing at IOB. But yes, I will try to combine some activities that are a continuation of what I have tried to be good at and I will also take up other challenges. I have been asked to act as director of an expertise centre for Central Africa. In this capacity I will continue to follow up on researchers working in the area of political economy and development. At the same time I will return to earlier interests such as the economy and society through membership of the editorial board of the journal *Streven*, which means striving in English. It is a periodical that focuses on cultural and societal topics from a rather academic point of view but makes a special effort to render the topics accessible for a diverse group of readers and thus contribute to the public debate. And, last but not least, I will enjoy spending time with my grandchildren and celebrating life!

migration policies on the one hand and increasing partnerships with institutions in the South on the other. In the future the academic world and most certainly development institutes will need to engage more on the societal level, just as they did in the sixties and seventies when development studies were in the vanguard of change and critical thought. I am not saying that we should be paternalistic but that we have to create opportunities for discussion. IOB is a place where its international students can exchange ideas but it needs to involve Belgian and European students more.

Is that not precisely what you tried to do by founding USOS (the University Association for Development Cooperation)?

Yes, it was from that point of view – the exchange between students of the North and the South – that I co-founded USOS. USOS facilitates direct contacts between Belgian and Southern students by means of exposure visits. Many people who are now working at IOB have experienced such exposure and it has had a major influence on their decision to pursue a career in the development field. That was precisely the purpose of USOS: not only to encourage people to think critically about development but also to act critically by combining research with teaching and networking and eventually even with activism.

Winnie is her name in Belgium because non-Chinese speakers find it hard to pronounce her real name, Qin Xiaojie. Some of her fellow students at IOB simply call her 'China'. Winnie has never felt more Chinese than now in the multicultural environment of IOB. "I feel like a representative of my country but at the same time looking at China from a distance makes me more critical of what it means to be Chinese and of China's position in the world."

Winnie Qin Xiaojie, China,
Development Evaluation and
Management

Winnie studied International Trade at a university in Beijing and worked for about three years in the programme department of Half the Sky Foundation, an American NGO dedicated to improving the life of orphans in China. The NGO was founded by American families which had adopted Chinese children and cared about those left behind in orphanages. These orphanages provide the basic needs for survival, such as food and medication, but not warmth, a loving upbringing and the small joys of everyday family life. That is precisely what Half the Sky hopes to provide. There are now more than 50 Half the Sky sites in China. The NGO also provides training and support for staff, teachers, local nannies and foster parents who offer a home to mainly disabled children. The considerable number of disabled children is due to several reasons, such as the one child policy, the lack of financial and medical support in rural areas and the sad fact that disabled children are unlikely to find adoptive parents either within China or abroad. Providing them with a foster home improves their chances of integration into society. The NGO is entirely funded by foreign donors, which is remarkable in the Chinese context as the Chinese government is sensitive to what it regards as interference by foreign NGOs. Half the Sky owes its success to two crucial facts, firstly, from the very beginning it has had good contacts with the Chinese



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Ministry of Internal Affairs and, secondly,, it makes a point of avoiding sensitive political issues. It also avoids involvement in China’s adoption policy. As a result Half the Sky was in 2008 officially recognised by the Chinese authorities as one of the very few registered foreign NGOs.

“Being part of a foreign NGO and living in Beijing triggered my interest in international relations and development on a global scale. I really felt the urge to learn from others and to think outside the box, which is why I applied for the Master’s Programme in Development Evaluation and Management. I needed a solid theoretical background and I really appreciate IOB’s approach, which combines theory with practical input. I also very much like the educational style although at first it was a real challenge. I was not used to a critical and interactive approach based on analysis and dialogue. However, dialogue is crucial in the kind of multicultural and multidisciplinary environment that characterises IOB. It is extremely interesting to learn from people who look at issues from different perspectives. We really perceive each other as equals. This is also the approach of the Chinese government in its dealings with its economic partners abroad, for example, in Africa. We are often criticised by the West for doing business without promoting development. That is one way of looking at the situation. We do not interfere

in local politics because we do not believe that it is our task to set an example. We are equals, all trying to find our own way towards development. In China we are facing the challenge of a growing poverty gap, yet we all believe that we have to go through this stage of government-controlled capitalism in order to arrive at a stage in communism where all citizens have equal rights and opportunities. My mother’s grandfather died of hunger and my mother was raised in a family which had no money. Nevertheless I have been able to study and travel. In less than 30 years we have become a prominent player on the world stage. People all around the world are learning Chinese. That really means something! By having a say we can change things, make international power structures better. China does not claim to know the true path towards development. We are trying and of course we occasionally make mistakes. I think our role is to share our experience with other developing countries. Our universities attract many students from African and Asian countries. We are creating networks. By being here I have obtained a better idea of China’s role in the world and what it means to be Chinese. And yes, I am proud to be called ‘China!’”



As the son of a farmer Balkishore has first-hand personal experience of development issues. Access to resources, climate change, equality - development in the broad sense - are not merely theoretical problems for him but have a direct impact on who he is and what he thinks.



Balkishore Deo, India,
Development Evaluation and
Management

As a teenager living in a small Indian village Balkishore got to know the NGO AMURT International. The mission of AMURT is to assist poor, marginalised and underprivileged communities in improving their quality of life. What attracted Balkishore to AMID is its belief in the competence of the local people themselves. All projects are community-based and their aim is to enhance the participation of local communities in determining their own future. “Often this is problem of access and unequal distribution of resources. It is the government’s role to facilitate access for all citizens but due to political instability, corruption, poor infrastructure or a lack of transparency governments often fail to achieve this. In my personal case, it was my family which enabled me to pursue higher studies. Many others in my village did not have access to further education and were hampered in their development.” After his graduation with a degree in commerce he joined AMURT as a volunteer. His only goal was to help his people. He was soon given the opportunity to join AMURT as a full-time member of staff. In 2003 he started as a project coordinator in Southern Sudan, managing and coordinating the educational, agricultural and micro finance projects. In 2005 AMURT sent him to Sri Lanka as a project officer. His task was to coordinate the relief and rehabilitation project in the aftermath of the devastating tsunami. In 2006 he became the finance manager of AMURT’s Niger Programme. His duties included supervising the finance and administration management as well as appraising staff performance.

“It is eye-opening to learn how the major players in the development field such as the UN and the World Bank work as institutions. Previously I mainly approached them as donors but now I see the politics behind it all and how they, as donors, dominate resources. Access to resources is the beginning of empowerment.”

“My experience at AMURT taught me to work under pressure and in harsh conditions. I learned to develop projects in the field rather than from behind a desk. Understanding the needs of the local community and actively engaging them in the projects were the key factors to success. Strong communication skills were also essential, not only externally but also internally, since our teams were multicultural. I think that was also our strength: we had input from different angles and were open to a variety of ideas and methods. We also had one important experience in common: we were all nomads who travelled a lot and were not restricted to a particular home base. We were able to think and work beyond borders, which greatly improved our creativity. However, I started to realise that experience and creativity were not enough to enable me to hone my skills in development work. I needed theoretic-

cal grounding, which is why I enrolled in the Master of Development Evaluation and Management at IOB and I am very grateful to IOB for accepting me. I started my career out of the need to do well, but in order to do well you need knowledge. In my view IOB provides the perfect mix between theoretical frameworks and practical input. I really appreciate the interdisciplinary approach and the exchange of ideas with other students and with members of staff. It is eye-opening to learn how the major players in the development field such as the UN and the World Bank work as institutions. Previously I mainly approached them as donors but now I see the politics behind it all and how they, as donors, dominate resources. Access to resources is the beginning of empowerment.”

“Although India is often referred to as an example of rapid economic growth its score with regard to development is very low and a huge number of Indians still lack access to basic facilities such as infrastructure, food, education, health care and the media. We are also faced with the problems created by the caste system, which excludes a whole section of society from development. It is, however, interesting to see how access to the media empowers marginalised people. Even in rural areas we now realise that decisions made in Washington affect the rainfall over our fields. We are not strong enough yet to unite and have our voices heard but I hope that day will come. In the meantime I have been able to offer my father his first mobile phone. It has enabled him better to coordinate local business transactions between farmers and the market and I can now also call my family whenever I need to hear their voices – whenever the nomad misses home.”



INTERNAL CONFERENCE ‘IOB 2020’

Last November IOB organised a two-day strategic retreat for its entire staff with a view to formulating its vision and goals for the future: what should IOB look like in 2020? The event was facilitated by Geert Laporte, the Deputy Director of the European Centre for Development Policy Management, an independent foundation which aims to improve international cooperation between Europe and countries in Africa, the Caribbean and the Pacific. Although an outsider, Geert has always closely followed the work carried out by IOB. We asked him some questions about the role of IOB, development institutes and development aid in a rapidly globalising world.



Geert Laporte, the Deputy Director of the European Centre for Development Policy Management

IOB in its present form has existed for almost ten years. As an ‘external insider’, what are in your opinion the main changes that IOB has undergone?

IOB is well established, certainly at the Flemish and Belgian levels. It is the leading development institute in Flanders and the expertise of its staff members is fully recognised, also at the federal level. In these ten years IOB has further internationalised its staff. It has also paid greater attention to reaching out to policy-makers. Whereas five years ago there was still intense discussion about whether IOB had to focus primarily on academic research or education or policy-relevant services it now appears to have integrated these three dimensions and to have them mutually enhance each other. Of course IOB still faces a number of problems. One of these is the fact that its performance is mainly assessed on the basis of academic criteria such as the number of publications. This has resulted in considerable pressure on all individual academic staff members but it has not been conducive to strengthening internal cooperation. It would be a good thing if IOB were to start an open dialogue with the University of Antwerp to discuss its specific position as a development institute within an academic environment.

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Secondly, IOB does not appear to have achieved full recognition on the European scene. It is still relatively unknown although several of its individual researchers are well-known and highly respected outside Belgium. IOB should work harder on strengthening its profile. A consolidated and recognisable “brand” or unique selling position in the development business with a clear value added would be a great asset in its efforts to position itself in an increasingly competitive sector. During the retreat the theme of fragile states was proposed as a potential overall focal point. This could indeed help to generate greater coherence between the four thematic groups which do not at present appear to be well connected.

Where is IOB heading?

All development institutes are facing the same challenges: they will have to adapt to the rapidly changing aid business. The importance of development aid will be reduced and replaced by an increasing emphasis on development effectiveness which will be achieved by the enhanced coherence of different policies that have an impact on development, such as peace and security, the global governance of climate change, migration, etc. There is also a growing competitiveness among European development institutes on the one hand and between European and Southern institutes on the other. The current trend among a number of aid donors is to put more money into institutions in the developing world rather than investing their resources in institutes in the North. As a result IOB will have to link up more with these Southern institutes, a policy that has already been initiated with the establishment of a number of partnerships with development institutes and universities, especially in Central Africa. It is likely that in the future these partnerships will become increasingly important as a way to build research capacity in Africa and also to improve the quality of research through increased cooperation.

What sort of shape could IOB's future role take?

IOB may have to engage more in international networks of knowledge and research. The complexity of the development business is increasing and various types of expertise will have to be united in networks so as to ensure the best results. IOB may also have to put more effort into enhancing its visibility in policy-relevant types of work, possibly also at the European level. Again, in order to be able to do so it will have to emphasise its value added in terms of content, roles and methods. If IOB succeeds in integrating its various roles better - research, education, networks and partnerships - it is likely to have greater impact and at the same time achieve greater credibility.

Will there still be a role for development institutes in the North and if so, what will its extent be?

Yes, I am sure that there will still be a need for development institutes in the North but we will have to abandon the idea that we can go to a developing country with expertise that can easily be found in the country itself. In my view the role of development institutes in the North will gradually become that of information sharer, networker, facilitator of interaction and “connector” between different worlds. We should first of all get to know and understand our own world better, for example, the priorities, policies, strategies, institutions and methods used by Northern key players including the EU. Once we know and understand our own context better we will be able to transmit this knowledge to the South and bring real value added. When in Africa I am often asked at the AU or in the regional economic communities how the EU implements regional integration processes, how it manages to integrate poor member states into the Union, how member states contribute to community institutions, etc. Transmitting this type of expertise with regard to other areas, such as decentralisation processes, without imposing or selling models, could be of great use.

I am sure that there will still be a need for development institutes in the North but we will have to abandon the idea that we can go to a developing country with expertise that can easily be found in the country itself. In my view the role of development institutes in the North will gradually become that of information sharer, networker, facilitator of interaction and “connector” between different worlds.

Is the North-South distinction still relevant?

No, I do not think so. Several countries in the South (the South East Asian countries, Brazil, etc.) are increasingly becoming part of the North. Moreover, the global institutions are undergoing rapid change. The over-representation of Western, mainly European, countries in the UN and the G-8, for example, will be addressed quite rapidly and a new world order will take shape. What looks likely, however, is that some countries may be marginalised in the course of these developments. While it is true that there has been significant growth in Africa in recent years, a large group of the least developed, fragile and vulnerable countries risk being left behind. This is also the case for a large group of small island states and small economies in the Caribbean, the Indian Ocean and the Pacific which have major problems of dependency on a very limited number of commodities and which are confronted with considerable capacity problems, partly as a result of massive emigration. These countries will need some kind of voice in the new world order as they seem to have been forgotten in newly established

global-level institutions such as the G-20. Obviously development research institutes can still play useful roles in these countries by undertaking practical research, strengthening local institutions through partnerships and creating room for dialogue.

Do you foresee an evolution in the concept of development aid? If so, what form could development aid take in 2020?

As already mentioned, traditional development aid (ODA) will become less important. With the newly emerging players the focus will move to other types of financial flows to developing countries, mainly investment. The provision of aid will also become less flexible once again, with more conditions attached. In a context of reduced aid budgets greater emphasis will be put on value for money and the responsibilities of the developing countries themselves, such as improved domestic resource mobilisation and domestic accountability. This is a positive development. It is also good news that the political economy factors are receiving greater attention in the aid business. Development institutes should also be doing their political homework better, not by intervening in party politics but by carefully analysing power relations as well as opportunities to stimulate change processes, for example, by investing in internal actors of change within civil society. Development institutes could also play a major role in stressing the need to improve policy coherence on the donor side, for example, by denouncing double standards in economic and trade policies and by questioning the support lent to political regimes which have systematically violated human rights and democratic principles, as we have recently observed in Tunisia and Egypt.



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