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Continuity and Change in World Bank Development Discourses and the Rhetoric Role of Accounting

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**Continuity and Change in World Bank Development Discourses and the Rhetoric Role
of Accounting**

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Abstract

Purpose – The paper traces how the World Bank has utilised accounting rhetoric/languages in articulating development discourses at different stages of global capitalism through the case study of development projects in Sri Lanka and published development reports.

Design/methodology/approach – Multiple methods are employed including archival research and interviews. In-depth interviews were organised with village level development project participants. Development reports published by the World Bank (1978-2006) are closely examined.

Findings – Development projects in Sri Lanka and development reports show that ideological shifts brought about the changes in accounting rhetoric in development discourses. The paper further shows that the articulations and re-articulations of development discourse have yet to grasp the real complexity of the local problems in those villages in Sri Lanka. The mere focus on management styles (albeit important) driven by the ideology of the aid agencies seems to bring little reward to villagers and, indeed, the policy makers.

Research limitations/implications – This study focuses on the effectiveness of development projects and shows how culture and values in a traditional local setting are in conflict with rational ideas imported from a different setting. This finding has policy implications for the economic development programmes often prescribed by the aid agencies without considering the local context.

Originality/value – The paper adds to the literature on the use of accounting languages in development discourses, especially in the context of Less Developed Countries (LDCs). It will be of great value to researchers and practitioners seeking to gain a better understanding of reforms driven by a particular set of accounting technology in distant places.

Keywords: Accounting languages, aid agencies, development policy, World Bank and Sri Lanka

Paper type: Research paper

Introduction

The origins of this paper stem from an interest in accounting and development discourses. Critical accounting researchers albeit very few, have studied the role of accounting in development discourses (Neu *et al*, 2002, 2006; Craig and Amernic, 2004; Neu and Ocampo, 2007). Previous studies showed how development discourses such as market-based reforms advanced by the donor agencies are constructed and rationalised by accounting languages (Craig and Amernic, 2004, Uddin and Hopper, 2003). However, accounting researchers rarely studied the ‘continued struggle’ between the changing development discourses and the local habitus ‘over time’ and different ‘phases of capitalism’ and the implications for accounting languages/rhetoric. Drawing on the World Bank’s policy documents, the case study evidence and relevant literature, the paper intends to understand the role of accounting in the shift of development discourses in less developed counties such as Sri Lanka. The paper tracks the history of development projects implemented from 1970-2006 in Rakawa and Kalametiya in Hambantota district of Sri Lanka and questions their effectiveness on local habitus.

The paper is structured as follows. Firstly, accounting and development literature on development discourses are briefly reviewed. In the next two sections, the context and research methods of the study are briefly presented. It then examines the continuity and changes of World Bank development discourses. This section, in particular, presents how World Bank used accounting rhetoric in their World Development Reports (WDR), policy documents and strategy papers to organise LDC economy and society to their satisfaction. The third section investigates the implications of changing accounting rhetoric and development discourses in development projects implemented in two villages in Hambantota district – especially to see how have the beneficiaries of the development projects

responded/resisted to each of those reforms brought about by the donor agencies. The paper concludes by reflecting on the changing nature of development discourses and the application of accounting rhetoric in rationalising development discourses in Sri Lanka and elsewhere.

Development and Accounting Studies

Previous research within development studies has studied how development discourses were constructed and contested within the World Bank and how such discourses are communicated to various actors and institutions in the development field (e.g. Castells, 1996; Stiglitz, 1998, 2000; Standing, 2000; Hudson, 2001; Keck and Sikkink, 2002; Henry *et al.*, 2004; Bebbington *et al.*, 2004). Standing (2000) argues that the World Bank's self constructed image of being the 'Knowledge Bank' of development, along with the role of defining and proposing the models and ideologies of 'development best practice' to borrower countries, has created a knowledge hegemony in Less Developed Countries (LDCs). These studies have also revealed how World Bank has established trans-national development networks such as a network of national and international non-governmental organisations (donor agencies), GROs (grass-root organisations) and civil society organisations, a network of development policy makers, and a network of Diaspora groups in order to disseminate the constructed knowledge and enhance the participants' resource base and political status in the borrower countries (e.g. Castells, 1996; Hudson, 2001; Keck and Sikkink, 2002; Henry *et al.*, 2004; Cleaver, 2005). Some studies focused on how the hegemonic relationship that the WB, Trans National organisations, and the intellectual community maintain with the LDC governments is implicated in the transfer of World Bank's ideologies and discourses into the national and local government and community level (e.g. Bebbington *et al.*, 2004; Stiglitz, 1998). This is also linked with the theoretical debate and critique developed on underlined Keynesian and

neo-Keynesian conceptions of post world-war development discourses, during the period from the 1950s to the 1990s. The researchers have argued for alternatives based on post-structuralist and political economy frameworks to understand their critical impact on LDCs (e.g. Fine, 1999; Pieterse, 2000, 2002; Jenkins, 2003; Tamas, 2004). Similarly, some development studies, recently, examine the World Bank's discourses, especially poverty alleviation strategies such as modernisation or building social capital at the indigenous community level, to discover the implications of World Bank ideologies and discourses in LDC communities (e.g. Gibbon, 2001; Jenkins, 2003; Cleaver, 2005; Bahiigwa and Woodhouse, 2005; Jayasinghe, 2009). These studies report how the World Bank's development programmes and the projects designed according to their timely ideologies and discourses have been caught structurally reproducing the social exclusion of the poor, rather than drawing on social capital or framed market embeddedness to overcome the rural poverty. These findings, although significant, have been analysed only from the "development economic" perspective. Development studies, despite being critical of changing development discourses, displayed little interest in studying intensive case studies to understand the implications of changing development discourses and accounting languages (in terms of accountability, budgetary control and performance criteria) on communities and social lives in LDCs such as Sri Lanka (Uddin and Hopper, 2003).

Accounting researchers have attempted to study the critical role of accounting rhetoric and techniques play in the discourse construction process of the World Bank and International Monetary Fund (IMF). For instance, Neu *et al.* (2002) reports on how the World Bank has substantial influence over the activities of nation states (of LDCs) through the provision of loans with specific accounting conditions, as well as technical assistance and report-writing activities. Craig and Amernic (2004) study the potential for accounting rhetoric to be

implicated in constructing a privatization mentality and in persuading employees to accept a change in organizational orientation and culture. They report how the accounting language and its technical features were used to rationalise the World Bank's intentions of privatization. Neu *et al.* (2006) explore how accounting is used as an 'informing technology' to various economic entities and, in particular, how accounting practices embedded within lending agreements of World Bank enable, translate and regulate the behaviour of its recipients in LDCs. Focusing on the World Bank funded education projects in Latin America between 1990 and 2000, they explore how the World Bank increases its legitimacy within its potential borrower countries and ensures its continuing influence. Neu and Ocampo (2007) highlight how World Bank lending practices attempted to implant accounting practices and discourses into distant fields of LDCs in order change their prevailing habitus. Neu *et al.* (2009) examine the IMF's role of accounting technologies and agents within the structural adjustment programme and how accounting numbers and signs are confronted with contextual challenges when remaking economic lives in LDCs.

Previous studies mainly focussed on how World Bank (and IMF) uses accounting rhetoric within a specific strategy and a discourse (e.g. privatisation) implemented at a particular time except the Alawattage and Wickramasinghe (2008)'s work. They examined the changing regimes of governance from pre-colonial, colonial, post-colonial to neo-liberal eras and the roles of accounting therein in a less developed country. However, none of these studies specifically discusses the 'continued struggle' between the World Bank's changing discourses, manifested in micro-level accounting-related rhetoric, and the local habitus 'over time' and different 'phases of capitalism'. There are even fewer accounting studies on the effectiveness of development models implemented in LDCs, with some exceptions (Jayasinghe and Thomas, 2009; Uddin and Hopper, 2003; Wallace, 1988). Jayasinghe and

Thomas (2009) reveal how and why the subaltern communities in LDCs preserve and sustain their indigenous social accounting practices despite improved literacy levels and continue World Bank pressures for change supported by rational accounting rhetoric. Uddin and Hopper (2003) show how the market based regime, advocated and often financed by the World Bank, has failed to deliver intended profitability levels in public enterprises or increased returns to society. Wallace's (1988) work finds non-compliance problems were even compounded by the structural adjustment programmes in Nigeria. The recurrent theme of the above research is that development discourses such as structural adjustments, globalisation and the internationalisation of accounting practices, may not necessarily improve the accountability and transparency of companies in LDCs. Thus, the paper wishes to extend this debate by evaluating the impact of development projects on communities in Sri Lanka.

Context

Sri Lanka (then Ceylon) was under the British colonial rule from 1815 to 1948. Despite the fact that it gained independence in 1948, the Sri Lankan state still continues the colonial legacy and reproduces most of the colonial administrative structures and institutions within the modern state (De Silva, 1995). Historically, the colonial rulers paid attention only to the geographical regions suitable for large scale plantation, naval transport, colonial administration, and metropolitan settlements (Russell and Savada, 1988). This has created large economic disparities and some regions have become largely underprivileged and economically underdeveloped with high poverty rates.

The post-colonial state of Sri Lanka sought foreign aid to overcome their poverty. Foreign aids came with conditions in the form of adopting particular reform strategies/projects,

appointment of consultants approved by the donor agencies etc (Wickarasinghe, 2000). Financial assistance not only provided to the Sri Lankan State directly but also to national and donor agencies for development initiatives (World Bank 1981: 107; World Bank, 1994). For instance, in the 1990s there were about 50 donor agencies [Initiative in Research and Education for Development in Asia (IRED), 1991a] and 293 national NGOS [Initiative in Research and Education for Development in Asia (IRED), 1991b] formally operating in Sri Lanka with diverse purposes ranging from humanitarian activities to poverty alleviation programmes (Presidential Commission, 1993). Their efforts have been supported by 25,000-30,000 locally established Grass Root Organisations, e.g. Fisheries Cooperative Society. Development projects such as the Coast Conservation Projects, case study for this paper, are one of those initiatives. The main purpose of these projects are to provide alternative livelihood development activities to underprivileged and poor people who were involved with activities that degraded natural resources such as coral mining as their traditional means of livelihood development.

Rakawa and Kalametiya, the two villages in which the Coast Conservation Projects, in different forms and shapes, have been introduced, are located in Hambantota (a district in the Southern Province). The district is a focal area attended by international donors and NGOs for poverty alleviation and coast conservation (Ceylon Chamber of Commerce & Swede-group Consultants, 2000). Hambantota was one of the highly marginalized districts (Chandraprema, 1989) and recent poverty indicators placed the district above the national average of poverty¹ (Census and Statistics Department, 1999). This may have persuaded the international financial institutions and their allied NGOs to implement a vast number of poverty alleviation and coast

¹ According to the statistical abstracts of the Census and Statistics Department of Sri Lanka (1999), 44% of the local population are involved in agriculture and agro-based enterprises (above the national average of 36.2%), while 14.5% are unemployed and 34.8% of households are below the poverty line.

conservation programmes via a network of relations boiled down to grassroots levels during last three decades, e.g. education on alternative livelihood activities, provision of credit facilities and technical training.

Both these villages share similar cultural and economic characteristics (Abey Suriya and Jayasinghe, 2000; Jayasinghe, 2009). A household with an extended family and a Kinship structure is the main socio-economic unit. The eldest male is the economic decision maker. The family unit promotes social unity and individual esteem such as social status that is largely derived from one's caste identity. Both villages are relatively rich in natural resources: lagoons with birds and mangroves, saltern, shellfish treasure (e.g. coral), land suitable for fruit crops, animal husbandry, coir, and ocean land. Historically, coral mining, lagoon or sea fishing, and labouring are their main economic activities, but the coral mining has declined recently due to the coast conservation initiatives. For their small scale fishing, the village fishermen use outboard motor craft, non-mechanised traditional craft and traditional stationary fishing gear. A few fish-merchants known as *mudalalis* are the controller of village economy in both villages. They use modern fishing craft and equipment, hire poor villagers as labour and monopolise the distribution network to city markets, while buying the entire fish-production of small fishermen at the lowest possible prices.

Research Methods

The study employed multiple methods of data collection. Firstly, the documents (e.g. World Development Reports (WDR), Poverty Reduction Strategy Sourcebooks (PRSS), and Press Releases by the World Bank between 1970 and 2006) were reviewed. From these reviews, three main discourses of development were recognised: nationalisation and state led

development, structural adjustment and market directed development, and globalisation and localisation. An attempt was made to analyse how the WDRs continually promote these pre-framed positions and agendas within LDCs (Mawdsley and Rigg, 2002, 2003). The main part of the analysis focused on the explicit and implicit presence of accounting and control rhetoric within the World Development Reports (WDR) and specific accounting practices. Secondly, an archival search related to the Coast Conservation Project implemented in the Hambantota district of Sri Lanka was performed in order to analyse its historical impact and the transformations made within the local context. Various documentation and reports were available for validation ranging from legislative documents (e.g. Coast Conservation Act, No.57 of 1981) and project reports including Coastal Zone Management Plan and Coastal Resource Management Project to research papers (Amarasinghe, 2001, 2006). Finally, a few in-depth interviews were conducted with key stakeholders in two selected villages (e.g. small fishermen, office bearers of local organisations such as Fisheries Cooperative Society) and a few professionals from rural development agencies during a period of six months. Each subject was interviewed individually at least once, some several times, in order to tap the emerging issues. Informal conversations and discussions at fishermen's cooperative meetings and village tea-shops are used as supplementary research evidence.

In the data analysis phase, the contents of the narratives were initially analysed in order to understand the meanings given by the respective subjects. Then, narrative account meanings were compared with the archived documentation and reports for validation (e.g. Coast Conservation Department, 1997; Abeysuriya and Jayasinghe, 2000). A variety of occasional or informal documents were also reviewed such as memos, reports, minutes of fishermen's cooperative society meetings, and project files. Moreover, some non-participative observations were also made with respect to the overall coast conservation issues and

alternative livelihood project activities. The presentation and analysis of the evidence from two different villages have provided the opportunity to compare and contrast the findings and construct valid empirical explanations for the complex role of accounting rhetoric in development discourses.

World Bank's development discourses

This section intends to summarise the World Bank development discourses and accounting rhetoric used during the period of 1970-2006. Having examined the archives of World Bank reports published between the 1970s and 2006 (also see Mawdsley and Rigg, 2002, 2003), three distinctive development discourses were identified, namely nationalisation and state-led development, market-directed development, and the globalisation and localisation programme. Table One traces the changes of accounting languages and development discourses used by the World Bank and its associated partners during the last three periods mentioned above. The paper does not seek to claim that the categorisation is set in stone, but is nevertheless informed by the development literature and case study evidence (Mawdsley and Rigg, 2002, 2003).

[Insert Table One]

Nationalisation and State Led Development period

Table one shows, during this nationalisation and state led development stage, the World Bank's development ideology was supportive of creating economic development through industrialisation/modernisation and also through the development of a state led public welfare structure (investment in physical capital and infrastructure (WDR, 1978, 1979). They

promoted the import substitution industries and selective and redistributive investment of surpluses by the state. As World Bank's former Vice President for Development Policy Hollis B. Chenery, stated: *"The main thrust of the book is the need for fundamental reorientation of development strategies so that the benefits of economic growth can reach a wider range of the population of developing countries..."* (World Bank Press Release, September 30, 1974). During this period, the state was seen as the centre of development. Both developed and developing economies were heavily involved in financing large commercial and industrial enterprises and managing macro economic planning to co-ordinate and maximise development.

The welfare driven development discourses were facilitated and reinforced by centralised accounting framework. For example, legally binded centralised budgetary frameworks were set to control public finances and to steer national economic plans for economic development in many developed and developing economies during the post-world war two period (Adam and Bevan, 2005). As reported by World Bank Independent Evaluation Group (IEG) (2008) on World Bank's involvement in the Public Sector Management during 1946-1982: *"The Bank's initial involvement with Public Sector Management took the form of an insistence on national planning mechanisms in borrower countries."* (p. 12). For the nation state and donor agencies, economic and financial discipline via centralised budgetary mechanisms were seen effective and justified. In addition, in the policy documents issues such as public sector governance through timely and accurate fiscal reporting; reporting clear and balanced assignment of expenditures and revenues to the parliament; government ownership and control embedding a philosophy of legal-rational principles; and bureaucracy through cabinet and parliament approval are reflected as further rhetoric (Adam and Bevan, 2005). It was also expected that rationality and accountability of public corporations, departments and ministries

to parliaments would be maintained. This was being achieved with public-resource control, program budgeting system and government retained influence over development planning and programmes (World Bank, 1998). Referring the Public Sector Reforms taken place in Sri Lanka during early 1970s, World Bank's Public Expenditure Management Handbook (PEMH) (1998) stated: *"Sri Lanka engaged in budget reform in earnest beginning in 1969. This ultimately led to the widespread adoption of a system that closely paralleled program budgeting. By 1974, virtually the entire government was presenting the budget in a program budget format..... the program budgeting reform was spearheaded by a program budget unit, which was established in the Ministry of Finance in 1971. This unit issued guidelines on budget preparation, designed the required documentation, advised departments on the development of performance measures and objectives, and reviewed department performance against budgeted targets"* (p. 13-14). In addition, integrated control was formed with corporations, mainly through corporate planning, from national planning agencies and ministries. Finally, corporate governance was as expected through maintaining operational efficiency, administration on merit and ethics, and adequate management of the wage bill.

The above development discourses and accounting rhetoric had, as we will see in the development projects, intended to create some specific accounting demands. Firstly, the process of reorienting LDC organisations expected public sector accounts and financial reporting to maintain efficient public sector planning and control systems. Secondly, budgeting and resource allocation to ministries, departments/corporations through the public treasury intended to be a vital mechanism to control public sector financial management. Thirdly, public sector auditing and accountability through financial reporting expected to become the explicit corporate governance system. Finally, the performance evaluation and control of state companies and ministries through their financial results anticipated to be the

main labour control system. The study examines the implications of the above development discourses and accounting rhetoric and tools on development projects in the case studies.

Market Directed Development Period

Table one traces the World Bank's alternative expectations, strategies and economic growth through trade liberalisation as their main route for development in LDCs (WDR, 1981, 1983, 1985, 1986, 1990, 1991) during the market development stage. Economic growth through economic openness and foreign investment were mentioned as specific objectives. More importantly, the World Bank advocated privatised public enterprise management that prompted reduced subsidies and closed down state enterprises. Changes to the labour institutions and regulation were suggested. Improved performances were expected through private ownership and commercial planning and control. World Bank Independent Evaluation Group (2008) made the following comment on public sector reform strategies implemented during 1980-1989: *"The growth of structural adjustment and sector adjustment lending throughout this period became a vehicle for an expansion and broadening of the scope of institutional development operations. Adjustment lending could accommodate a variety of concerns and targets, creating space for reform in core administration, especially in civil service and financial management, and for across the board reform in the management of state owned enterprises"* (Ch. 2, p. 13). Another significant development was the encouragement of resource allocation through institutional reforms that included returning to market prices in agricultural, commodity, goods and financial markets, removing import restrictions, promoting private sector operations, and contracting out government functions to private sector institutions. It was expected that weakened political intervention and patronage

through private ownership and diffused market exchanges would facilitate economic development in the LDCs.

Implications for accounting to bring forward new development ideology were substantial. For instance, the WB's narratives for reforms were densely populated by accounting rhetoric such as profitability, economic pricing etc. For instance, they argued for imposing economic prices based on profitability targets for agricultural products opposing the subsidies to the farmers (see for details, World Bank, 1994; Raharam and Krishnamurthi, 2001). Furthermore, the WB aggressively advocated private accounting rhetoric for public sectors such as applying capital budgetary controls and modernisation of public enterprises; introducing independent market based pricing; encouraging changing organisational structures; focusing on production engineering and managerial technologies, especially strategy and controls and flexible demand-led budgeting coupled with economic incentives (Rajaram and Krishnamurthi, 2001). All these were suggested in order to orientate LDCs economies to their market directed ideology. The World Bank, (1994) summarised on what should be done to change the existing public sector management in Sri Lanka: *'changing the organizational structure of a sector agency to reflect new objectives and to retrain staff making budgets work better through better integration of capital and recurrent components; sharpening civil service incentives through new pay and grading structures, or placing public enterprise managers under performance contracts'* (p. viii).

We believe, the above accounting rhetoric intended to promote specific accounting practices be they are private, public and NGOs or even development projects. Firstly, quantification of

activities (programme outcomes²) using accounting information and adoption of financial measures such as the profitability analysis, cost benefit analysis and resource allocation decisions in order to support the decision making process. Secondly, the external reporting practice to external constituencies of enterprises including minority shareholders, creditors, lenders, state planning and taxation agencies. Finally, increasing reliance on internal accounting control systems to enhance the corporate governance in organisations³. This paper examines the implications of these development discourses and accounting languages in development projects in Kalametiya and Rakhwa.

'Globalisation and Localisation' period

In recent years, the World Bank aimed to re-orientate LDC economies to conform to their new vision. Their ideology tilted to economic growth mainly through opportunity, empowerment and security by developing micro-enterprises and poverty alleviation projects (WDR, 1996, 1997, 1998, 1999/2000, WDR, 2000/2001, 2003, 2004, 2006). Rural economic development through the transfer of knowledge to the poor, investment in unskilled labour and also the creation of economic opportunities and power through equitable growth, better access to markets, and expanded assets were the main aims included in this new discourse on LDC development (WDR, 2000/2001). In addition, the World Bank expected to enhance security

² For example, in a project appraisal document on a proposed credit to Sri Lankan government by the World Bank (2002) stated: *"The financial manager will be responsible for managing the flow of resources to the project components, preparing detailed statements of expenditure based on information received and approved consulting expenditures incurred against which the Bank would release funds. This individual would also be responsible for producing timely progress reports"* (P. 17). It further stated: *"However, Financial Monitoring Reports (FMRs), according to formats to be agreed at negotiations, will be produced on a quarterly basis from the inception of the project"* (p. 24).

³ For instance, the Interim Fund Development Credit Agreement (1997) stated: *"(iii) enable the Administrator's representatives to examine records; and (iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals"* (Article IV, Financial Covenants, Section 4.1).

by preventing and managing economy-wide shocks and providing mechanisms to reduce the sources of vulnerability, building social capital and removing social barriers that excluded women, ethnic and racial groups and the socially disadvantaged and also achieving both human and sustainable economic development (WDR, 1998/99, 2003). World Bank Poverty Reduction Strategy Paper (PRSP) Sourcebook (2003) reported: *“Targeted community-driven approaches devolve control and decision making to poor women and men, which empowers them immediately and directly. While clear rules, transparency and accountability are important safeguards to prevent corruption or the capture of community resources by elites, the speed and directness with which Community Driven Development (CDD) empowers poor people is rarely matched by other institutional frameworks for poverty reduction”* (Ch. 9, pp. 8). The World Bank and its associated agencies found the new role for the state such as increased accountability, responsibility and responsiveness to all citizens by strengthening the participation of poor people in the political processes, local decision making and global forums.

Changes to accounting rhetoric in World Bank and other donor agencies' reports are quite significant in justifying the new policy reforms. Although market based accounting rhetoric is still not abandoned but the World Bank and associated agencies seem to draw more on participation and empowerment rhetoric. The extensive reference of decentralised and participatory budgeting and decision making process based on accounting information in World Bank's reports and studies is one of many examples [Poverty Reduction Strategy Paper (PRSP), 2003]. The World Bank seems to emphasise accounting and control tools and languages to maintain transparency and good governance through everyone's (all interested) participatory and democratic decision making when resolving public issues. These initiatives supported their broader control measures such as the encouragement of legal systems that

maintain legal equality accessible to poor people and Community Based Organisations and reduce discriminatory norms and practices [Poverty Reduction Strategy Paper (PRSP), 2003].

The above developments tended to inspire specific accounting practices. Firstly, the efficiency and project evaluation criterion is to include non-financial measures such as quality of participatory processes and wider economic impact within local level institutions. For instance, Poverty Reduction Strategy Paper (PRSP) Sourcebook (2003) stated: *“Programs should not just monitor for physical and financial progress, but also consider quality of participatory processes and indicators of effectiveness of local institutions and economic impact of activities”* (Ch. 9, pp. 27).

Secondly, changes to project performance reports and accounting system are to ensure accountability to wider stakeholders especially to encourage downward accountability. Thirdly, the performance analysis of single and comparative projects, periods and regions and performance targets/parameters are set for the operational level institutions such as state, NGOs and Grass Root Organisations at the local level. As mentioned in Poverty Reduction Strategy Paper (PRSP) Sourcebook (2003): *“Key actors at all levels should be rewarded for performance through objective evaluation based on clear criteria. For example, payments to intermediaries – and the level of funding of intermediaries – could be tied to their performance against indicators of access to service and of Community Based Organisations’ institutional sustainability”* (Ch. 9, pp. 27). Finally, World Bank macro and micro conditions expedited the communication and networking process between state, international and civil society institutions through accounting information and language (e.g. accounting reports in the form of annual accounts). For example Poverty Reduction Strategy Paper (PRSP) Sourcebook (2003) used the case evidence from a Northeast Brazil Rural Development

program to illustrate the importance of accounting reporting systems. The next section presents the Coastal Resource Management and Alternative Livelihood Development Project implemented at Rakawa and Kalametiya (during the 1970s to 2006). This provides us the opportunity to investigate the changes to develop discourses and accounting rhetoric in development projects at the different phases of global capitalism.

The Coastal Resource Management and Alternative Livelihood Project at Rakawa and Kalametiya

Since the 1970s, a number of World Bank and State funded development projects have been undertaken to guide the economic activities of Rakawa and Kalametiya people from traditional livelihoods such as coral mining and fishing to specific ‘development’ projects. The rural communities in these two villages wanted to tap such development assistance to improve their life choices. Generally, poverty was considered to be a chronic problem in rural, coastal communities in Sri Lanka. The majority of coastal households, including those of Rakawa and Kalametiya, were among the poorest in the country (Fuenfgeld, 2003). In order to rationalise the project implementation at Rakawa and Kalametiya, the state and foreign experts representing World Bank ideologies cited a lack of ‘development’ coupled with limited knowledge on natural resource management among the villagers as the main reasons for the degradation of natural resources. In fact, they pointed out that coral mining and the destroying of mangroves is the main cause of coastal erosion, while highlighting four key problems: poverty in the community, over-fishing in the lagoons, a reduced flow of fresh and sea water in the lagoon and coral mining, lime production and sand mining. So, by implementing the Coast Conservation Project, they imposed a ‘scientific’ rationality into the natural resource management and economic survival of the villagers. Whatever, the next

section seeks to analyse how accounting rhetoric and development discourses have influenced and transformed the development projects during the last three decades in two Sri Lankan villages. The section also evaluates the effectiveness of those development projects .

Invention of Coastal Resource Management at Rakawa and Kalametiya (during Nationalisation and State Lead Development Discourse)

The Coast Conservation Department (CCD), a government unit, being advised and financed by donor agencies⁴, introduced the Coastal Resource Management Projects in Rakawa and Kalametiya in 1979 for the first time. The people living in Rakawa and Kalametiya utilised coral mining and lagoon (and sea) fishing as their main economic activities to generate income and employment. Those who pursued the coral mining business used mangrove wood as fuel to burn coral for the production of lime, while lagoon fishermen used bottom set nets and moxy nets. However, the Coast Conservation Department sponsored by the donor agencies found coral mining and the destruction of mangroves are disastrous to the coastal environment of the area and also destroy the natural bio-diversity and birds' sanctuary in the village; hence, they decided that immediate measures should be taken to stop these activities. The Coast Conservation Act, No.57 of 1981, and the Amendment Act, No.64 of 1988, are the most important legal instruments in this regard⁵.

During this first-generation coastal resource management in Rakawa and Kalametiya, Coast Conservation Department, following the guidelines of the Coast Conservation Act in 1981,

⁴The main sponsors were: United States Agency for International Development (USAID), Asian Development Bank (ADB), Norwegian Agency for Development Cooperation (NORAD), and GTZ (German Technical Cooperation)

⁵According to the section 31 A (1) of the Amendment Act, “no person shall within the limits of the coastal zone engage in the mining, collecting, processing, storing, burning and transporting in any form whatsoever of coral”.

developed a Coastal Zone Management Plan to regulate and control the developmental activities, and to design and implement coastal conservation projects. The Coast Conservation Department relied heavily on Sri Lankan local government structure to carry out their activities. *Patabandi Arachchi* (Government Appointed Officer in Charge for Coastal Activities) and *Grama Niladari* (Village Officer) were the responsible officers appointed by the government for natural resource management issues in the village⁶. The performance of the local officers and the financial reports were periodically audited by the CCD and government's audit department.

The finances and budgets of the Coast Conservation Department's operations in Rakawa and Kalametiya were centrally controlled and funded out of Ministry of Fisheries' budget (donor agencies provided the budgetary support to the Ministry). As usual, the Government's budgeting policies were made from the centre (top-down) and budget management was exercised by the technocrats. It always maintained the highest compliance with budget limits and financial regulations, with limited flexibility in budget management. The budget reporting strictly focused on financial expenditure and cash-based reporting; thus, all the Coast Conservation Department's activities and expenses for erosion control, capacity building and other projects were always under the serious scrutiny of local government institutions.

However, Coast Conservation Department's projects in Rakawa and Kalametiya seemed to face some serious control problems. For instance, coral miners and kiln owners who did not require alternative livelihoods purposely misdirected the committee; the politicians deleted almost all the people who had not supported them from the final list of coral miners, who

⁶The resource management issues included beach seine registration, protecting coastal resources from sand and coral mining, resolving conflicts among various stakeholders, mediating between fishermen and state authorities, informing authorities of outsiders exploiting village resources, managing lagoon outfall (management of sand bar), and taking action to stop illegal activities onshore⁶ (Amarasinghe, 2006).

were then unable to pursue an alternative livelihood. Moreover, in Kalametiya, poverty forced its people to opportunistically search for employment, employ unsustainable methods of lagoon/sea fishing and resist management from fear of income loss. An elderly villager who experienced this alternative livelihood development project stated: *“During this period everything was politicised. So, first, we needed to be in the Patabendy Arachchi’s good-list. He was the representative of ruling party in the village. Otherwise, we had no chances of getting into the list of alternative livelihood or obtaining any external resources from Fisheries Cooperative Society or Coast Conservation Department. Often, we saw, the people who had nothing to do with coral mining were also included in the list, just because of their close relationships with the Patabendy Arachchi. Nobody in Coast Conservation Department questioned this practice as Patabendy Arachchi was their close contact.”*

Some interviewees recalled the non-participatory nature of Coast Conservation Department’s projects. The villagers in Rakawa (similar to people in many other villages) expressed negative feelings on the project outcomes. One elder person remarked: *“We did not get any feeling that the projects were brought for us. It was belonged to a few people (Patabendy Arachchi and his supporters) who enjoyed the benefits. It was something imposed to us by the local politicians against our wish. First, they decided our people were unlawful and then forced them to choose alternative livelihoods.”* Some of the issues highlighted by villagers were a lack of visibility on any immediate financial or social benefits of improved resource management, the negative impact of resources management on current livelihoods, a lack of proper communication from state officials, a lack of support among local communities themselves as beneficiaries and the fear of cultural pollution if tourism were to begin to be promoted in the area.

Thus, many families resisted pressures to change their coral mining and lagoon fishing businesses and had returned to their original areas and were once again engaged in coral mining and lagoon fishing. A senior government servant, who worked in this area for many years, mentioned: *“These people used to do coral mining and lagoon fishing for many years. It was their economic life for generations. To them, it was a natural treasure and easy money”*. In some instances, government officers assisted coral workers, e.g. by distributing boats to encourage villagers to leave the industry and diversify into sea fishing. However, in many cases the boats were used for more efficient coral mining rather than for sea fishing.

Market Directed Development Projects at Rakawa

In response to the structural adjustment and market directed development ideology of the World Bank and other donor agencies, during late 1980s, the University of Rhode Island/USAID and the Coast Conservation Department conducted a survey/review of Sri Lanka's coastal management implementation activities (Coast Conservation Department, 1990; Coast Conservation Department and University of Rhode Island, 1992). Inspired and financed by the international agencies, Coast Conservation Department then formulated the new national coastal zone management plan in 1990 which was later revised in 1997. The new plan recommended the Coast Conservation Department to devolve its resources management responsibilities to Local Government Authorities and NGOs. Local and provincial officials and coastal communities were included in the formulation of plans and strategies (Coast Conservation Department, 1997). Under the revised plan, the Sri Lankan government initiated two phases of Special Area Management (SAM) projects that included the Rakawa and Kalametiya lagoon areas.

The first phase was implemented in Rakawa. In order to guide the Special Area Management (SAM) projects, the Special Area Management (SAM) steering committee was initiated under the chairmanship of the Minister of Tourism and Rural Industrial Development. The Special Area Management (SAM) committee⁷ is supposed to coordinate all the development projects during this period. The Special Area Management (SAM) committee became a nerve centre and a connection point for the Coast Conservation Department and the donor agencies. Most of the Special Area Management (SAM) projects were sponsored by donor agencies but coordinated and implemented by the Special Area Management (SAM) committee⁸ relying on Sri Lankan local government structures. The Coast Conservation Department via the Special Area Management (SAM) steering committee continued to serve as the catalyst to the planning process. Monthly meetings of the Special Area Management (SAM) steering committee were held to discuss development issues in the village and their proposals were then sent to the implementing body. Deliberate efforts were made to encourage more community direction and participation in coastal resource management, to improve livelihoods and reduce activities that degrade or deplete coastal resources.

Expectedly, changes to accounting languages and rhetoric were also visible in Special Area Management (SAM) projects. Contrary to the previous top-down regulatory approach, Special Area Management (SAM) plans were introduced as a bottom-up strategy for managing coastal resources (Alexander *et al.*, 2003; Amarasinghe, 2006). It was expected that the local communities or stakeholders would take up local level responsibilities on implementation and

⁷The Special Area Management (SAM) planning process in Rakawa is coordinated by the Rakawa Special Area Management Coordinating Committee. The committee includes representatives from the National Aquatic Resources Agency (NARA), Central Environmental Authority Representative, the Irrigation Department, the Divisional Secretary (DS)/Tangalle, Coast Conservation Department Project Officer/Rakawa, the Tangalle Pradeshiya Sabha (PS), Irrigation Engineer, the Hambantota Integrated Rural Development Program (HIRDP), the Department of Fisheries and Aquatic Resources Development and the Rakawa Lagoon and Sea Fishery Cooperative Societies

⁸ There were some projects that were directly implemented by Donor agencies via local organisations such as FCS but still coordinated by the Special Area Management (SAM) steering committee.

monitoring activities and actively participate in planning and management. However, the Coast Conservation Department and other local government structures were still expected to serve as facilitators and actively help communities to organize and engage in resource management activities. Local level organisations were also supposed to provide technical support and operate as mediators to help balance competing demands in resource management. Even though budget management was still led by state level technocrats, their work was indirectly observed and monitored by other stakeholders such as local level political leaders, officials and beneficiaries.

Generally, the local development workers of the Special Area Management (SAM) project at Rakawa was required to produce periodic performance and accountability reports to the Special Area Management (SAM) committee (when then reported to the Coast Conservation Department) and respective donor's head offices (e.g. GTZ, NORAD, ADB, DFID). They needed to give explanations and information on questions about "program outcomes", including unintended or social outcomes such as changes in biological productivity, changes in rates of resource degradation or depletion, changes in livelihood conditions, nutrition or health status of coastal residents or other indicators of coastal resource conditions and human health and welfare (Lowry *et al.*, 1999; Olsen, 2003; Whitel and Deheragoda, 2009).

Nevertheless, the fieldwork revealed that Rakawa community was not entirely convinced by the changes brought forward in the Special Area Management (SAM) projects. In fact, among the beneficiaries there was a feeling that the designing process of Rakawa Special Area Management (SAM) project was captured by regional and local elite and political leaders. They believe that the *fish-mudalalis* (merchant capitalists) and local politicians heavily influenced the decisions made by the Special Area Management (SAM) committee. A local

fisherman remarked: *“Lagoon and Fisheries Cooperative Societies are puppet organisations of Mudalalis. They control them and interfere with all the resource allocation decisions. Even, they represent and mislead Special Area Management (SAM) committee members. Patronage was the selection criteria for these projects. You must be allied with Mudalalis.”* Thus, the people seeking alternative livelihoods due to their displacement from coral mining and lagoon fishing activities often got marginalised through a particular pattern of owning and accessing new resources. When implementing Special Area Management (SAM) project in Rakawa, neither the Special Area Management (SAM) committee nor donor agencies managed to bypass the above elite and fish-merchants’ influence in the Special Area Management (SAM) activities. The elites and local organisations tend to be the gate-keepers for development projects. Donor agencies and the Special Area Management (SAM) committee valued such a mechanism when intervening in the village: they find the Local Leaders and organisations to be the best available option. As one villager remarked: *“Government and International NGO staff cannot enter to our village, without the assistance of Mudalalis and Corporative Societies. As they lacked prior knowledge or acknowledgment on our cultures these external people fell into this trap”*. Also, the inclusiveness idea became worsened as only the allies of local political leaders and government and NGO officials and *mudalalis* get to represent the Special Area Management (SAM) committee as the interviewees commented. There were also allegations of overlapping and duplication of activities by the donor agencies despite the coordinating/integrating mechanisms of the Special Area Management (SAM).

Coast Conservation at Kalametiya during ‘Globalisation and Localization’ period

While the Special Area Management (SAM) project in Rakawa still continues, as a “Second Generation” project it has expanded its operation into various new locations, of which

Kalametiya lagoon was one of the first (Alexander *et al.*, 2003; Amarasinghe, 2006). However, before implementing the Special Area Management (SAM) project activities in Kalametiya, the previous coastal zone management plans developed for Hambantota District (in particular for Rakawa) were extensively reviewed by the Coast Conservation Department and donor agencies (ADB, 1999; Aeron-Thomas, 2002). This second phase of the Special Area Management (SAM) project was fully funded by the donor agencies (e.g. Asian Development Bank (ADB) – a sister organisation of World Bank). In order to implement Special Area Management (SAM) activities, the Kalametiya Community Development Foundation was established to complement the Special Area Management (SAM) steering committee to ensure local participation. This foundation was represented by various governmental and community level stakeholders. The Kalametiya foundation was seen as new nerve centre and a connection point for the donor agencies and the Special Area Management (SAM) committee and Coast Conservation Department. For example, the donor agencies' funding to the local developmental projects will have to go through the foundation. This foundation was also seen a nerve centre for the grass root organisations.

The Special Area Management (SAM) projects in Kalametiya demonstrated a significant change in emphasis and ideology. For example, the alternative livelihood development under the Special Area Management (SAM) was shifted towards “social capital” and promotion of micro-enterprises from local resources which fit in with the localisation ideology of World Bank and associated agencies in recent years. Poverty alleviation through ‘micro-credit’ was introduced as a strategy for coastal resource management, and it was imagined that asset-less poor would borrow money and mutually achieve their own progressive empowerment towards independent survival and self-management without relying on these natural resources (Amarasinghe, 2006).

Also, the changes in accounting languages and rhetoric are visible. With the establishment of the Kalametiya Community Development Foundation, the Coast Conservation Department and donor agencies expected that transparency and good governance would be maintained through everyone's 'participation' in democratic decision-making on village issues and open public scrutiny. It was expected that downward accountability would be established. The change in policy also reflected in how the funds were allocated. The funds from the Sri Lankan government and Asian Development Bank (ADB) for the alternative livelihood development projects were allocated through Kalametiya Development Foundation. The local grass root organisations such as Kalametiya Fisheries Cooperative Society needed to have the foundation's approval to receive any funding from the donor agencies. Similarly, local government organisations also had the reporting responsibility. They needed to submit progress reports to the Special Area Management (SAM) Committee via the foundation. Additionally, the Special Area Management (SAM) committee and donor agencies were both supposed to produce accounting reports in the form of annual accounts with highlighted issues, internal and external scrutiny of financial transactions and overall performance evaluation of organisational activities for their donors.

Following the donor agencies' wishes, the Special Area Management (SAM) committee and Coast Conservation Department delegated the full responsibility to local organisations such as the Kalametiya Fisheries Cooperative Society and Idiwara Bank to manage the micro-finance and alternative livelihood development project via the Kalametiya foundation. This new focus was to empower the locally operated institutions and, for example, the local branch of the Idiwara Bank was supposed to use managerial skills in the banking sector to strengthen the village community. Efficiency and project evaluation criterion was used to control and assess their performances. After some democratic consultations, targets were set for the local level

institutions (in particular, Idiwara Bank and the Fisheries Cooperative Society) in order to assess their performances, e.g. number of loans, number of projects etc. The selection of participants in the projects was performed by the Fisheries Cooperative Society with the assessment of the applicant's micro-business proposals and repayment abilities.

The micro-enterprise development project implemented in the village expected to develop 'self assessment' and 'coping/governing mechanisms' among the villagers by training and developing them to 'mitigate' their own risks. For instance, under the activities of this project, training programmes (with the assistance of donor agencies) were offered to the villagers, especially those engaged in environmentally harmful resource use practices, to take up alternative self-employment activities such as eco-tourism, agriculture, and animal husbandry, etc. The technical aspects of the project (e.g. business training and development, product testing, organising bio-diversity task forces) were still assisted by various donor agencies who were accountable to the Special Area Management (SAM) committee and their donors.

The new initiatives attempted to make people more entrepreneurial and helped them to self-manage their livelihoods, struggled to cope with many examples of despotism at the local level. Many fishermen were unable to secure loans they failed to offer any or appropriate collateral as demanded by these lenders. A young fisherman remarked: *"I failed to obtain any financial support from the Idiwara Bank. How I provide guarantors. Nobody volunteer to take that risk. Everyone in the village knows that we are inexperienced in running business."* Many potential entrepreneurs failed to obtain the necessary financial support for their alternative livelihood activities and even those who were lucky enough to gain much needed support failed to sustain their businesses. For example, almost all the micro-enterprises (40) that began with the loans granted by the Fisheries Cooperative Society and Idiwara Bank

collapsed after few months of operation. Also, high and subsidised costs, and high rates of default made this kind of lending schemes unsustainable. As a result, as the fieldwork revealed, the majority of them reversed back to traditional economic activities mainly related to sea-fishing (e.g. fish labour). Further evidence suggests that business training provided to those participants also failed to change these localised despots. For example a villager grocer told us: *“In Kalametiya, the people adapted to a spending culture. During peak fishing seasons they over spend their money. During off seasons they depend on informal credits from fish-mudalalis.”* An NGO official in the village stated: *“It’s not easy to change the fisher-folks’ life in Kalametiya. I have noticed that every village youth had undergone business or technical training at least once or more. But, you can see they still continuously engaged in fishing. None of the other businesses gives them similar-incomes to the fishing (in peak seasons). But, their free life styles do not encourage them for any savings. In fact, they are not future oriented.”*

Overall, the above case evidence representing the period from the 1970s to 2006, shows the difficulties the World Bank initiated Coastal Resource Management and Alternative Livelihood Development initiatives face in local contexts. Rather than changing the local people’s lives, these practices and their outcomes made the delivery of Coastal Resource Management and Alternative Livelihood Development untenable.

Discussions and Conclusions

The World Bank, since its establishment in July 1944, worked as the ‘think tank’ for development discourses. Its role included constructing specific language and vocabulary of development, creating legitimate ways of practicing development, and ordering and

constituting the global society in their image. The construction of its discourses and policy prescriptions were closely associated with the world view of Western leaders and Washington based elite policy thinkers and policy makers. It is embodied by the influential majority of academics and high level staff, the US treasury, and associated editorialists (Naim, 2000). In fact, the high level staff and influential economists such as Robert McNamara (President), Gary Baker (Economist), John Williamson (Economist), Joseph Stiglitz (Chief Economist and Vice President), and James Wolfensohn (Group President) all played visionary roles when forming the alternative discourses in the WB's history (e.g. Fine, 1999; Standing, 2000; Pender, 2001; Thomas, 2004).

However, the nature of its discourses were openly and widely contested in an internal battlefield among its own staff (e.g. self critique made by Stiglitz in 1990s), externally with non-bank actors such as academics (e.g. Chambers, 1995) and with those who were involved in implementing the projects in respective fields. Then, the global political economy, along with those wider debates, influenced the nature of discourse in the bank (Bebbington et al., 2004). The shift in discourses from market engendered order (market-directed development) to public sphere (social capital and localisation) in the 1990s is a clear outcome of those wider debates and criticisms in the development field between those actors.

The paper argues that the ideological shift in discourses are often rationalised via accounting languages. It is evident in the case studies that development discourses utilised various forms of accounting languages during different phases of capitalism in Sri Lanka. During the Nationalisation period, the development projects, being financed by aid agencies including the WB, were closely linked with the national plans and were rationalised by accounting discourses such as fair resource allocations via a centralised budgeting system. With the

guidance of foreign experts working on behalf of World Bank and other donors, the state-level bureaucracy formulated the policy, while local level and central government officers implemented these policies, often controlling marginalized communities and their resources. In this way, World Bank ideologies and discourses began to filter into the Rakawa and Kalametiya villages and then the development projects and programmes were operated as the means by which state, development experts and local communities are linked. A similar story was evident in Neu and Ocampo (2007)'s work which showed that the World Bank lending model attempted to implant certain accounting practices and discourses into distant fields of LDCs in order to change their prevailing habitus. The rational control framework in development projects, inspired by the then development discourses, based on the top-down approach, caused serious governance and implementation problems. Maintaining compliance with budget limits and financial regulations was the main and only concern rendering the budget ineffective in the changing nature of realities in coastal areas of Sri Lanka. Many villagers resisted the pressures to change their livelihoods, as prescribed by the then development projects, and went back to their original activities including coral mining and lagoon fishing rather than sea fishing. This is similar to Jayasinghe and Thomas (2009)'s findings, which showed the subaltern communities in LDCs preserve and sustain their indigenous practices while resisting the World Bank's ideologies supported by rational accounting rhetoric.

The aid agencies saw this failure as mere management problems and pointed out various control problems associated with centralised budget driven development projects. It is also argued that development agencies needed to re-articulate their development discourses along the lines of global capitalism. This was particularly evident, as many studies showed during the 1980s, as the UK and USA shifted their policy towards market economy based on Neo-

conservative ideology. Evidently, after the 1980's, the World Bank imposed strict economic conditions when granting their loans which included grand policy and institutional reforms in borrower countries to support the free play of market forces and global capital inflows. As the empirical section showed, the next generation of development projects, financed and advocated by the aid agencies, introduced decentralised management styles and a greater involvement of various stakeholders, especially the strong presence of donors. More questions were asked about the programmes' outcomes and information in order to establish accountability within the development programmes. Accounting notions such as efficiency, decentralisation and transparency were the underlying themes of new management styles of development projects in Rakawa. Similarly, Craig and Amernic (2004) report how the accounting language and its technical features were used to rationalise the WB's intentions of privatization.

Nevertheless, changes to management styles dominated by private sector accounting technologies failed to see any rate of success, as the villagers in Kalametiya and Rakawa continue to perform lagoon fishing and coral mining. Many complained of a lack of transparency and legitimacy in the project design process. More importantly, local elites and political leaders continue to play a bigger role in the decision making process. It is argued that market-based policies pay little attention to complex social relations in Sri Lanka or the tendency of the state to act in the interests of dominant elites. Previous studies have shown that control problems mostly emanated from political intervention and patronage in Sri Lanka. The above story of the failed development project is not a surprise to many (Uddin and Hopper, 2005; Hopper et al., 2009). Political and bureaucratic interests are aware of threats to their power and patronage posed by new initiatives (Cook, 1986; Cook and Kirkpatrick, 1988) and resist the changes. Relationships and motivations are more complicated than Neo-classical theories envisage and may be beyond its scope to model them.

Nevertheless, discourses of development projects recognised the failure with management styles and emphasised even more local participation and empowerment in the decision making process and resource allocations. The notion of social capital and development of micro-enterprises informed the new generations of development projects implemented in Kalametiya. The empirical evidence showed that the localisation ideas informed by the accounting rhetoric such as the bottom up approach seemed to play important roles in managing those projects. For example, the new strategy of Special Area Management (SAM) empowered the locally operated institutions e.g. the local branch of Idiwara bank was supposed to use managerial skills found in the banking sector to strengthen the village community. However, the findings show that projects, including micro-enterprises, failed to motivate the villagers to do something else! Donor agencies' field-staff and local participants tended to blame each other. The new Special Area Management (SAM) projects tend to be very much focused on socio-economic as well as legal, institutional accountability and governance mechanisms (Lowry *et al.*, 1999). For example, local organisations were formally required to submit accountability reports on their performances in the village. Nevertheless, downwards accountability does not seem to have any impact on real issues such as encouraging the villagers to engage in alternative livelihoods projects. Complaints on receiving no resources for their alternative livelihood projects were greater than before. In reality, patronage became the main mechanism of resource allocation (Jayasinghe and Wickramasinghe, 2006, 2007). It is further argued that the patronage resource allocation process in the Fisheries Cooperative Society and decision-making process of micro-entrepreneurs had slowed down the development of the alternative livelihood project (Jayasinghe, 2009).

We found, rather than tuning up the socio-economic, legal and institutional accountability form envisaged by the neo-liberal development paradigm of the World Bank, the accountability form in practice tends to reproduce patronage politics and social inequalities. Thus, the evidence shows that the ideological shifts, along with changes in accounting rhetoric, failed to grasp the real complexity of the local problems in those villages in Sri Lanka. The mere focus on management styles (albeit important) driven by the ideology of the aid agencies seems to bring little reward to villagers and indeed the policy makers.

Underlying the above debates is a more fundamental question over the effectiveness of interventions by external agencies politically and economically in poorer countries such as Sri Lanka. Drawing on the case study evidence, it is argued that the World Bank's neo-liberal policies managed only to widen domestic and international inequality, rather alleviating global poverty (Chambers, 1995, 1997). It is also found that the articulations and re-articulations of development ideas often rationalised by accounting rhetoric seem futile in constructing the daily lives of a population in distant places such as Kalametiya and Rakawa. In contrast to the ever optimistic claims of neo-classical development economists and proponents of market-based reforms, more radical political economists argue that they mark further subjugation of LDCs (see Burawoy, 1985). Uddin and Hopper (2001) find a similar story in Bangladesh where agents of international capital for market reforms caused new despotic regimes of control in LDCs based on the subjugation of workers. The stories of many unsuccessful interventions in many continents continue to grow, yet the interventions never stop (Martin, 1995; Catchpole and Copper, 1999). The continuous use of accounting rationalization further serves their existence and presence in all continents (Neu and Ocampo, 2007). We argue that this needs to be understood within the context of global capitalism and

further problematise the relationship between multinational capital and agencies such the World Bank and IMF (Burawoy, 1985).

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Table One: Changes to Key Development Discourses and Accounting Practices/Languages at different phases of global capitalism

<p>1950s-1980s Nationalisation and State Led Development</p>	<p>1980s-1990s Structural Adjustment and Market Directed Development</p>	<p>1990s- Globalisation and Localization</p>
<p>Development Discourse</p> <p>Economic growth through industrialisation/modernisation</p> <p>State becomes the agent of development relying on state capital</p> <p>Macro economic planning to coordinate and maximise development via state ownership</p>	<p>Development Discourse</p> <p>Economic growth and resource allocations through trade liberalisation and free markets</p> <p>Diminish the role of state in economy and weaken political interventions</p> <p>Maximise development via reforms and private ownership and improved performance through commercial planning and control.</p>	<p>Development Discourse</p> <p>Economic growth through opportunity, empowerment and security through micro-enterprise and poverty alleviation projects.</p> <p>Diminished role of state but building social capital, and removing social barriers that excluded women, ethnic and racial groups and social disadvantaged</p> <p>Create economic opportunities and power through equitable growth, better access to markets, and expanded assets.</p>
<p>Accounting Practices/Languages</p> <p>Public sector auditing and accountability through financial reporting to state bodies</p> <p>Centralised budgeting and equitable resource allocations to ministries, departments/corporations through public treasury.</p> <p>Performance evaluation and control relying on bureaucratic and hierarchical set of rules</p>	<p>Accounting Practices/Languages</p> <p>Auditing and accountability via external reporting to shareholders</p> <p>Emphasis on commercial budgeting and market based resource allocations even in public and NGOs</p> <p>Performance evaluation and control relying on financial criteria such as profitability targets, return on investment etc.</p>	<p>Accounting Practices/Languages</p> <p>Emphasis on wider accountability via reporting to various stakeholders such as donors, state and civil society.</p> <p>Received emphasis on delegated and participatory approach to budgeting and resource allocations in public sector and NGOs</p> <p>Financial criteria continued for performance evaluation and control but based on wider consultations. Performance analysis of single and comparative projects, periods and regions. Setting performance targets/parameters for operational level institutions such as state, NGOs and GROs.</p>