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New development alternatives or business as usual with a new face? The transformative potential of new actors and alliances in development

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The state, market and civil society constitute the three main institutional domains of the ‘development’ landscape. Perceptions of these three actors have evolved over time alongside conceptualisations of what constitutes and best promotes ‘development’. The array of contributions in this special issue points towards a worrying implication for the transformative potential of development activities and interventions. While the new diversity in actors and alliances brings new opportunities for development, we see the majority placing the responsibility for development in the hands of the state and market. Furthermore, the hollowing out of civil society – apparent from the lack of priority given to it in the Global South and the promotion of development as ‘responsible consumerism’ in the North – represents a missed opportunity for consolidating the progress made in the commitment to poverty reduction since the UN Millennium Declaration. Reaching greater transformative potential would require focusing as much on inclusive social development as on inclusive economic development. Doing so would tackle the big questions of power and inequality that remain among the root causes of poverty today.

Keywords: development theory; institutions; developmental states; private sector; civil society; philanthropy

Introduction

Richey and Ponte started off this special issue highlighting the fact that the new development actors and alliances are not so much ‘new’ as ‘newly studied’ by international development scholars. They highlighted several themes emerging from the presence of these diverse actors, including their creation of a new role for business in development; the constitution of consumers as development actors; the changing roles of state actors, elites and transnational networks; the role of celebrities as mediators of development; and debates around

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communication, images and representations in international development. Our aim here is to consolidate these foundations and reflections, and to draw upon the empirical case studies presented to reflect further on what these new actors and alliances mean for the conceptualisation of 'development' and the transformational potential of their development activities and interventions. In doing so, we consider the context in which these actors and alliances are emerging and evolving, and the scale and additionality of their activities in the broader 'development' sector.

The institutional landscape of development can be crudely characterised along the three pillars of state, market and civil society. Conceptualisations of what constitutes and best promotes 'development' have evolved and continue to evolve alongside changing perceptions of the relative roles of these three pillars. We situate our overview and synthesis of the new actors and alliances presented in this issue within these three institutional dimensions, which increasingly function at the global as well as national levels. Throughout our analysis we place an explicit focus on poverty reduction as a development outcome, reflecting not only our interests and expertise, but also the emerging centrality of poverty in contemporary conceptualisations of 'development'.

The rise of poverty in development thought

Concepts and priorities encompassed in 'development' evolve over time, shaped both by increasing knowledge and theorisation across disciplines and by how these theories are picked up by key stakeholders that drive the development agenda.¹ Poverty may have been a major factor driving the international development agenda since the 1950s but, with early development models focusing on the causes of underdevelopment and the need for economic growth, poverty reduction as the leading development objective is a relatively recent phenomenon.² By shining the development spotlight on economic growth, modernisation and, later, neoliberal thinking placed poverty in a subsidiary position, on the premise that subsequent reforms and changes would trickle down into broader goals of poverty reduction: a strategy since widely criticised for its neglect of poverty and human development.³ The late 1990s and the UN Millennium Declaration marked a turning point for poverty, feeding into the subsequent adoption of the Millennium Development Goals (MDGs), which brought poverty to the forefront of international development.⁴ While representing a global consensus on development policies and targets – even in the absence of a common understanding of what constitutes development or on the strategies necessary for achieving it – the MDGs are not radical, nor overly ambitious, having set aside contested concepts in favour of reaching agreement on shared goals and milestones.⁵

Tensions underlying the two main contemporary schools of development thought remain. From a neoliberal growth perspective the MDGs have shifted attention to social policy and may slow down the growth on which poverty reduction depends. From this perspective unleashing growth through markets must remain the top priority.⁶ Meanwhile, structuralists on the far left maintain that progress made in prioritising poverty in the MDGs has been insufficient, given its conceptualisation of poverty as a lack of goods and services, its failure to recognise the need for the redistributive agendas necessary for tackling

inequality, and its acceptance that global capitalism must remain the engine of growth and poverty reduction.⁷

With discussions on a post-2015 agenda underway, this special issue is a timely contribution to take stock of emerging actors and alliances and what these entail for poverty and human development in the future development agenda. To what extent can these actors and alliances be seen as a return to neoliberal ideas promoting economic growth (and thereby a *reversal* of advances made in bringing poverty to the forefront of the development agenda)? To what extent can they *advance* the poverty agenda by offering a transformative potential, focusing not only on material improvements but also social and political ones? These are some of the questions we seek to answer in the following sections. We discuss contributions to this issue by sector, judging how their emergence is changing or consolidating, and strengthening or weakening the perceived importance of the roles of the state, market and civil society in development. In doing so, we hope to see whether the evidence points to any convergence of the two main intellectual sides – neoliberal and structuralist – on the goals of development, and what this means for poverty.

‘Bringing the state back in’? Increasing state sovereignty in developmental policies

Neoliberal growth models categorised the state as part of the problem of underdevelopment, arguing for a reduction in its size, influence and ‘interference’ as a precondition for growth take-off and acceleration. The state-led rapid growth successes of the Asian Tigers brought the state’s role back into the spotlight, with these ‘developmental states’ seen to achieve broad-based legitimacy as a result of the broader societal impacts that growth created.⁸ Regardless of an increasingly significant role for non-state and private actors in development, the state remains a key actor for its role in mobilising the resources necessary for the discharge of its public functions,⁹ and in shaping social, economic and political processes and institutions.¹⁰ This has led to calls that any post-MDG agenda should emphasise the importance and role of a capacitated state as the main driver of development.¹¹

However, the scope for national governments to influence their development agenda has been limited by a lack of resources and the side-lining of national ownership that has occurred through an over-emphasis on the role of foreign aid in strategies and processes for poverty reduction. Donor–state ‘partnerships’ mask power relationships that remain balanced away from recipient governments. Furthermore, the aid which they receive is tied to certain conditionalities that seek to address externally identified governance problems such as unstable and undemocratic political systems, pervasive corruption, human and civil rights abuses, and state breakdowns or failures.¹²

Three papers in this collection address the role of new development actors and alliances in expanding the space and capacity of states to determine development outcomes. As we engage with here, Kragelund explores the space for increased state sovereignty through the increased influence of non-traditional donors such as China, India and Brazil, while Whitfield and Buur, and McGoey (as we discuss in the next section), explore the expansion of the developmental

roles and capacities of states through partnerships with ruling elites and philanthrocapitalists, respectively.

In his paper Kragelund explores how new sources of development finance may be expanding sovereignty and national control over the development process in the context of Zambia. Africa houses more countries that rely on foreign aid for a significant share of income than any other continent, with aid conditional on recipient countries pursuing policies and governance reforms that donors identify as necessary for promoting growth and reducing poverty.¹³ Given the difficulties this dependency creates for recipient governments to secure control over negotiations and outcomes of conditionalities, states pursue different strategies to enhance their sovereign rights, including, as Kragelund shows, searching for unconditional assistance from non-traditional donors.

While the majority of discussions on emerging powers focus on China, India and Brazil, a much broader range of countries has growing influence on the world economy and politics. The N-11 countries of Egypt, Bangladesh, Indonesia, Iran, South Korea, Mexico, Nigeria, Pakistan, Philippines, Turkey and Vietnam have potential agenda-setting power for the future, alongside no intention of conforming to or subordinating themselves to the current 'Concert of Great Powers' agreed between a small number of countries.¹⁴ More than 30 donor countries operate outside the Development Assistance Committee (DAC), but there is not yet sufficient evidence to decisively tell us whether the increasing emergence of non-DAC donors does and will offer alternative forms of development finance that means conditionalities can be avoided.¹⁵ Kragelund's evidence emphasises that it is not only increased resources, but also the perceived importance of additional finance flows that generates greater state sovereignty. Non-financial resources also play a role, as in the ability of countries like Brazil to showcase an alternative pathway to development that achieves growth and poverty reduction while shunning neoliberal models.

While the increasing emergence of these non-traditional donors is commonly discussed as *the* factor that will trigger a change in power relations between African states and 'traditional' donors, Kragelund argues that it is difficult to see these resources as substitutes, both in the scale and forms of assistance. Whether measured as grants, loans or technical cooperation, the activities of non-traditional donors remain small relative to traditional donors, and the nature of finance flows themselves means that they are inherently different offerings from traditional aid, rather than a replacement.¹⁶ As Kragelund highlights, these differences mean that these new forms of assistance do not follow guidelines regarding definitions and disclosures of aid volumes and engage directly with State House (rather than being processed through the Ministry of Finance), which is not obliged to disclose information on the scope and magnitude of grants to ministries. Bypassing ministries and the civil service weakens the development of institutions that have been identified as key to successful state-donor negotiations, including professional civil services, capable state and planning institutions, and centralised aid management systems.¹⁷ It is unsurprising that these new forms of development assistance create tension between traditional and non-traditional development partners, with traditional donors seeing these changes as 'propping up' the institutional weaknesses and distortions they seek to challenge, or as 'undoing' the changes they are trying to

institutionalise in terms of discipline in financial management and accountability. The influence of these new actors on the broader development agenda, including poverty, is also unclear. While development assistance from DAC countries has focused increasingly on poverty since the 1990s, development assistance from non-DAC donors is not influenced by recipient country poverty levels (as measured by GDP per capita), but more on the preferences of national leaders.¹⁸

Positive developmental outcomes may not be assured under financing arrangements from non-traditional donors, but this is by no means an argument against greater state autonomy and national ownership in development policies. Instead, it highlights the need to advocate that greater state autonomy be met with institutions and processes that ensure good governance. While traditional donors have pursued this by encouraging discipline in financial management, accountability and other aspects of governance, missing from this perspective is the role and importance of a vibrant civil society in holding government to account and legitimising their choice of developmental strategies, as we will return to in our concluding section.

New alliances for enhancing developmental states

Recent work has demonstrated not only that ‘institutions matter’, but that institutions are absolutely fundamental to successful social and economic development outcomes.¹⁹ The state, its politics and national political systems play an important role in shaping the institutions that drive economic growth, acting as a tool for highlighting their credible commitment to engage in production without expropriating rents.²⁰ Whitfield and Buur’s and McGoey’s articles present analyses of two alliances that influence these processes, namely alliances between ruling elites and domestic productive sectors, and between governments and philanthrocapitalists. Again, these alliances are not ‘new’ in absolute terms. State–business relations and industrial policy have long been recognised as a key component of the developmental state story,²¹ and while we have witnessed a major scale-up and diversification in global giving, foundations such as Rockefeller and Ford have been operating for nearly a century to promote human development and social well-being across the globe. Their contributions, however, bring insight into the new configurations that these alliances are taking, and their potential to enhance the developmental roles of states.

Whitfield and Buur analyse the cocoa and sugar industries in Ghana and Mozambique to explore the conditions under which alliances between ruling elites and domestic productive sectors can be ‘developmental’. Such analysis is an important step forward in understanding the political determinants of economic growth. This is crucial in overcoming the ongoing emphasis on the determinants of long-run average economic growth rates, which comes at a cost of overlooking the political dynamics of economic growth and a limited understanding of within-country growth patterns.²² As Whitfield and Buur explain, political survival is the main motivation for ruling elites, underlining the policies they choose to implement, the alliances they choose to enter, the sectors and industries they choose to support, and their interactions with productive capitalists and state bureaucrats. Crucially Whitfield and Buur show that close relationships can, under certain conditions, lead to positive outcomes in

terms of economic growth. They show that alliances between strong ruling elites and domestic productive sectors were able to drive the rehabilitation of the declining sugar industry in Mozambique and have been central to the success of Ghana's cocoa sector. This happened through taking advantage of mutual interests within these alliances, bureaucratic 'pockets of efficiency' arising from well managed factional interests, and state-capitalist relationships that offered productive incentives.

Those alliances which focus on economic growth and sectoral invigoration actually signal a shift away from pro-poor growth towards another version of 'trickle-down' economics that justifies inequalities on the basis of growth. While the case studies in Whitfield and Buur illustrate how alliances can shape government policy and actions for the developmental 'good', there is no assurance that all alliances will share these common characteristics and outcomes. Indeed, these same characteristics could be used for the 'bad' by a predatory interest group. Close ties between business and government are often exclusionary and discriminatory and, most commonly, it is labour and civil society that are weak and excluded in the process.²³ There is little discussion in Whitfield and Buur's article of whether and how the benefits to growth will be distributed to low-income groups. Yet, as decades of experience have shown, growth is not automatically or necessarily inclusive,²⁴ necessitating the redistribution of its benefits for pro-poor growth to occur and for development to be inclusive. Moving forward would require not only identifying groups that can promote and advance economic development, but also identifying the processes and groups that are likely to facilitate more inclusive political and social institutions and backing the processes that embrace these.

Whitfield and Buur outline a theory for how alliances can contribute to the creation of inclusive economic institutions, but we also need to recognise that, without additional inclusive *social* institutions that allow broader citizen participation and greater accountability and responsiveness of elected officials, improved economic outcomes are not likely to be joined with improved social outcomes.²⁵ Understanding the political, institutional and political economy conditions that lead to developmental states and elite commitment to *inclusive* growth and development is an important gap in our existing knowledge.²⁶

In her analysis of the 'philanthrocapitalist turn', McGoey argues that changes in scale and modus operandi in the field of philanthropy offer an additional alliance through which governments can expand their developmental role. She demonstrates that, contrary to the decline of the state's role in development that some infer from the rise of philanthrocapitalism, state support is integral to this process, both as a key source of funding for fledgling and established businesses and, somewhat ironically, as a justification for philanthropic movements on the basis of inept and waning government policies. This latter justification, of course, allows little scope for any form of partnership in such 'alliances', and would instead seem some confirmation of beliefs that philanthropy plays an important role in making up for state and market failure. The case studies of increased financial support that she highlights – namely the UK's Department for International Development's (DFID) financial support to Vodafone's M-Pesa scheme in Kenya – are from developed countries, illustrating new forms of development assistance from the North made possible by the philanthropic turn,

rather than any increased power, commitment or developmental capacity of the state in recipient countries.

More worrying for the developmental capacity of states, perhaps, are the dangers posed to accountability in national and global arenas by the excessive voice and political influence of unelected and unaccountable stakeholders in national and international development agendas. As McGoey highlights, the Gates Foundation has reshaped the global health research and agenda-setting landscape, and it is these policy-making and agenda-setting powers that constitute the most controversial aspect of philanthrocapitalism.²⁷ We must try to understand the repercussions of a situation in which charitable foundations have a greater sway in health policy than health ministries in some developing countries, setting agendas by their global priorities and values rather than in-country needs, and thereby displacing the roles of state and civil society in designing, implementing and contesting policies and programmes. With global foundations lacking accountability and responsiveness to stakeholders in recipient countries, this also leaves no role for civil society to hold them to account for their developmental policies and outcomes.

A role for civil society would require greater representation and participation of those whom agendas, policies and programmes seek to benefit, whether implemented by the state, NGOs, or philanthrocapitalist foundations. A role for civil society would also encourage and enforce greater accountability in their implementation. However, this form of downward accountability is weak amongst philanthrocapitalists and public–private partnerships, particularly when international in scope.²⁸ Philanthropists, and especially philanthrocapitalists, favour upwards accountability to themselves. McGoey's paper also highlights another way in which the philanthrocapitalist turn is changing the development landscape, through the rise of business-oriented philanthropy and the use of the market to tackle social problems, as we discuss in the next section.

Markets for development?

Major global development institutions such as the UN have endorsed a policy of proactively engaging business in development since the 1990s.²⁹ Papers by McGoey and by Blowfield and Dolan both discuss actors and alliances that are promoting development through market-based solutions. McGoey explores how public–private partnerships allow philanthrocapitalists to champion market-based solutions to health and development in order to remedy market failures in the provision of basic services or treatments. Blowfield and Dolan explore possibilities and probabilities of different forms of business as a development agent.

In the early twenty-first century the field of philanthropy changed dramatically in scale and *modus operandi*. A new generation of philanthrocapitalists has opened charitable foundations underpinned by business management and organisational techniques that have transformed philanthropy into a lucrative industry in itself and brought 'for-profit' management techniques into the 'not-for-profit' sector. Both these channels aim to find solutions to social problems through business and the market via 'creative capitalism', which encompasses, among others, corporate social responsibility, triple bottom line accounting, and 'bottom of the pyramid' interventions, arguing that their solutions will be more sustainable because the market is a superior mechanism

for generating and sustaining large-scale social and economic change.³⁰ This has led to a large increase in the engagement of the private sector in development programmes through public–private partnerships (PPPs) and new financing mechanisms.

While, theoretically, the diverse initiatives encompassed within ‘bottom billion capitalism’ put poverty at the forefront of objectives, capitalist structures, processes and beliefs remain at the core of these development ‘solutions’, so it is difficult to view them as a genuine development alternative. What is different about these approaches, Blowfield and Dowlan explain, is that, while based on the foundations of neoliberal values of competition, efficiency and self-governance, they are also premised on an ideology of inclusion, seeking to democratise access to markets and to extend opportunities for finance capital, income and affordable goods and services to those who have been excluded from these or included on unfavourable terms.

We have argued elsewhere about the difficulties even NGOs face in prioritising downwards accountability to beneficiaries and recipients.³¹ If NGOs have battled with accountability to the poor, can we expect these other actors, whose interests and priorities are less naturally aligned with excluded groups, to have greater success? Similarly to problems of accountability in the philanthocapitalist turn, developmental accountability is rare in business initiatives for development. Blowfield and Dolan advocate an alternative model that is built around and judged upon what it achieves for its primary beneficiaries – the poor – who to date have been forced to conform to the requirements of business and have been incidental to acting out the role of development agent. Another concern they illustrate is that it is hard to measure the social benefits and limitations of these projects until well after investment. Microfinance now offers profitable returns to investors after years of funding and subsidies, but this is accompanied by the growing realisation of the social problems that accompany microfinance as a for-profit service and the fact that there is limited evidence to identify its positive impact on poverty reduction.³²

The creativity that capitalism encourages has meant that the unleashing of market forces has led different actors to evolve in new ways, extending their roles to become legitimate development actors. A level of pragmatism has also been reached in this broad acceptance of their role as new development actors: they have huge voice, lobbying power and political influence, and developing countries have no alternative but to work with them, and certainly not against them. We would argue that one inherent paradigm shift is that these actors and alliances have all emerged in opposition to the broad acceptance that inequality is a good – or at least justifiable – thing. There is growing recognition, amid an unprecedented concentration of incomes in the hands of the rich across the globe, that inequality can be ‘inefficient’ for growth – particularly in the most unequal countries – and reflects market and government failures (such as cronyism and corruption) that also reduce growth.³³ The concept of poverty, however, is hushed in papers discussing the roles of the state, the market and state–market alliances as development actors, relegating, in line with neoliberal theories and models, poverty reduction to a secondary outcome that occurs after initial objectives of economic growth and wealth creation are met.

For ‘development’ to generate successful economic *and* social outcomes requires a paradigm shift away from ‘development’ as an economic process that extends access to goods and services to otherwise marginalised groups, and towards an economic *and* social process that also facilitates redistributions of power, representation and accountability, and more inclusive social, economic and political institutions. This highlights the importance of a vibrant civil society with the capacity to contest neoliberal dominance and push for a stronger structuralist development agenda that seeks to transform societal relations and address issues of power and inequality. The evidence on emerging development actors and alliances in the civil society domain presented here, however, does not offer significant hope that such change is taking place. As the next section discusses, there is evidence neither of efforts to strengthen civil society at the local or national level in developing countries, nor of a strengthened global civil society that engages with these core issues. Instead, the articles presented in this collection suggest that global civic action is becoming increasingly based around charity and socially responsible consumption.

The hollowing out of local and global civil society?

Outside the market and the state, civil society is the arena in which people and associations mobilise around common concerns, to challenge and uphold ideological hegemony and the existing social order. It is not the participating civil society organisations (CSOs) themselves, but the space in which they are formed and participate in dialogue and negotiations to advance their interests, that constitutes ‘civil society’.³⁴ Following the state-driven and market-led ideologies of earlier times, ‘strengthening civil society’ became an explicit policy objective in the ‘good governance’-focused development agenda of the 1990s. While civil society actors are incredibly diverse – ranging from community or grassroots associations, to volunteer movements, social movements, cooperatives, labour unions, professional groups, religious organisations, advocacy and development NGOs, formal non-profits, social enterprises, foundations, church groups and think-tanks, among others – the new development actors we see emerging here within civil society are restricted to the global, not local or national, realm. Earlier we discussed the increased scale and influence of philanthropists as they become major players on the development scene. The other roles allocated to civil society by the development actors presented here are also at the global level, including global citizens as ‘concerned consumers’ (see articles by Ponte and Richey; Kothari) or global advocates for justice and poverty reduction in the developing world (see papers by Brockington; Budabin). We ask what this implies for civil society in terms of loss of diversity and transformative potential, when civic action and engagement with real world issues becomes charity-based around socially responsible consumption.

The new philanthrocapitalist turn has not only brought new resources to the international development arena. New actors have, armed with vast capital and networking capabilities, been able to bring new ways of thinking and disseminating information and ideas to a broad audience using heavy branding, new technologies and celebrity advocates.³⁵ Under a capitalist system marketing and advertising have become legitimate *and* essential activities. Kothari’s paper on the Empire Marketing Board illustrates an early example of how business

interests combined public needs, interests and values in order to sell more goods, raising consumer consciousness through the use of popular and visual representations of development issues in their branding and marketing strategy.

While development imagery has been a long – and sometimes controversial – means of generating charitable support, Ponte and Richey highlight the difference between selling ideas of development and using imaginaries of development to sell products to Northern consumers. In both papers the authors show the process through which marketing campaigns old and new place the role and responsibility for social and economic development in the hands of British or Western consumers. Kothari details the superiority of the British invoked by Empire Marketing Board advertisements. Likewise Ponte and Richey explore how companies can use development imagery and the commodification of development to cultivate a sentiment of ‘heroism’ in which consumers feel responsible for successful development outcomes in the global South. Also problematic in these strategies is the fact that development causes must be presented in compelling yet simple ways, which swallows the complexity of these issues. In doing this, Ponte and Richey argue, ‘development’ becomes a world in which buying shoes or collecting vouchers become ‘solutions’ to poverty and underdevelopment. Although initiatives that extend immunisations, distribute malaria bed nets or educate children in developing countries can unarguably be defined as ‘development goods’, these strategies and priorities still meet market-based ends. None of the causes marketed or the products sold seeks to address the complex structural difficulties of poverty and underdevelopment that a genuine development alternative would promote. Placing responsibility for solutions in the West, these campaigns take responsibility and capability away from the people and places that the campaigns seek to represent and, in doing so, undermine civil society. Furthermore, Kothari notes, these strategies do not just ‘sell’ the product, they also sell the *cause* and justify the need for ongoing interventions or charitable consumerism from the West. This goes some way to illustrating why civil society groups have always been suspicious of the role of business in development:³⁶ not only on the premise that businesses are ‘pushing in’ but because, in the process, civil society is being ‘pushed out’ of the development arena.

One popular strategy of such ‘Brand Aid’ initiatives is to consolidate these messages by using celebrities to provide compelling stories to capture public interest and to legitimise development ‘causes’. Brockington examines how, by using celebrities in their advocacy and activities, NGOs are changing the way that the public views development issues. He reveals the complex political economy that emerges from these relationships and some worrying trends that they threaten. Not only does this strategy further consolidate the trend of development through consumerism, more worryingly it also threatens a loss of diversity in the development causes promoted and the magnification of struggles faced by smaller or less powerful NGOs lacking the financial or organisational capacity to attract popular celebrity advocates, who are expensive in time and money and require a strong reputation to attract their interest. Brockington discusses the tendency for celebrity engagement in non-contentious issues and the oversimplification of the messages they convey, as well as the creation of a professional and competitive ‘celebrity industry’ within the development sector that requires

and consumes significant resources: most large charities have a dedicated celebrity liaison post and, while celebrities do not receive fees for their involvement, large resources are consumed in research and communication with them, in publicity and in travel costs.

In her case study of diasporas as a development partner Budabin highlights another danger of the development ‘package’ sold by NGOs to Western consumers of the humanitarian cause logic, namely its danger of displacing those at the heart of its intended advocacy and activities. Central to tensions in the USA between the South Sudanese diasporas and advocacy networks promoting the plight of Darfuri refugees were differences between the short-term strategies of the network – requiring clear, simple and compelling messages on *behalf of* those they represent – and the long-term development needs and priorities of the diaspora and their populations in their home countries, which are often subject to complex social, economic and political agendas. As she details, the Save Darfur Coalition (SDC) had humanitarian goals of preventing extreme violence against civilians, but stayed clear of the political complexities and antagonisms across different groups that were central to the conflict. This meant it engaged neither with the root causes of the conflict, nor with issues of post-conflict reconstruction and development. While the diaspora could provide the coalition with first-hand testimonies to substantiate its campaign, the political and social cleavages represented in the diaspora, as well as in Darfur, made their fuller inclusion and participation in SDC activities difficult. Again, one cannot argue against the ‘developmental good’ of SDC’s humanitarian aims, which even reached the White House. However, these tensions meant that, ultimately, SDC’s activities struggled to align with the needs and interests of the diaspora and displaced populations in Darfur. Requiring durable solutions for peace and development in their homeland, these groups face, above all, political and social issues of power imbalances and inequalities that require a non-violent civil society space in which they can be contested and negotiated at the local level.

Conclusion: the transformative potential of new actors and alliances in development

While we have limited our exploration of the broad set of issues arising from the articles in this collection to the pillars of state, market and civil society, we see important implications emerging from our synthesis. Above all, we argue that the focus of new actors and alliances on strengthening state and market development forces risks the displacement of civil society, its role in holding the state to account and, ultimately, the transformative potential of development. In effect, we see the return to a neoliberal development approach that relegates poverty reduction to an indirect outcome of development activities rather than an explicit objective.

It would, of course, be simplistic to argue that any or all of these actors or alliances offer purely a developmental ‘good’ or ‘bad’. The new insights presented by this diverse collection of papers emphasises that new actors and alliances have the potential to strengthen, weaken or bring new roles to the state, the market and civil society. The articles show that our understanding of their roles and contributions must be deeper and more nuanced, allowing us to identify the factors and processes assisting these actors and alliances to

contribute or enhance the developmental good and, in doing so, to avoid their tendency to contribute to rising inequality by putting markets and states first. Finding ways to harness this new diversity so as to reduce, rather than exacerbate, inequalities is a key challenge for the future in a post-MDG world.³⁷

One of the limitations of the contributions to this collection is that they do not adequately reflect systematically upon the relative scale and influence of the new developmental actors. We see, for example, the potential of non-traditional donors, whose entrance is slowly and incrementally building state sovereignty in developmental policy – but, importantly, not state capacity or good governance alongside. We also see that philanthrocapitalists such as the Gates Foundation are increasingly shaping development priorities at the global and local levels. At the same time it is important not to overestimate the potential of both as a development alternative, given the scale of their funding *vis-à-vis* traditional donors. While the articles do not explore the additionality that these actors and their activities bring to ‘development’, or whether they can deliver and implement their development agendas more efficiently than traditional actors, they do give us new insight into their impact and influence on the global development agenda. Looking across these new actors and alliances along the three pillars, a shift away from civil society and back to the state and the market is visible, with private interests moving beyond business to capture space in the development process.

The philanthrocapitalist turn highlights starkly the fact that new actors and alliances in the development sector do not bring any deep structural transformations. Philanthrocapitalists exist only because of their (past and present) capacity to maximise profit in their other activities, regardless of their social, health or environmental impacts. With business viewing poverty as a product of market failure, in their role as potential development actors they recognise only those problems for which the market can produce a solution. This also means that discussions of ‘exclusion’ tend to be of services that can be extended to poor populations, not of the inequalities in power and voice that keep poor populations systematically socially and politically excluded. Whether the development system will be able to confront issues of poverty and inequality when it caters increasingly to the priorities set by the global elite – which for the large part coincide with the interests of business – remains questionable, despite significant progress made among the global power elite in commitment to poverty.³⁸

Crucially we see no new actors or alliances that seek to empower and expand space for domestic civil society or that seek to build or strengthen state–civil society relationships. The new actors’ transformative potential, therefore, is vastly limited, because they neither prioritise civil society, nor challenge existing systems, markets and power distributions. National civil society is being bypassed and replaced by a re-imagination of global civil society, in which the market has found ways to link compassion and consumerism, giving the impression that we, as consumers, can facilitate development and poverty reduction through purchasing power. The articles collected here also point towards a worrying trend in the conceptualisation of a polarised global civil society. At one end we have a small number of philanthrocapitalists, celebrities and elites

with power and influence but little accountability. At the other end we see a disconnection of a global civil society in the West in which repackaging, branding and marketing of development teaches us not that we have to be a global citizen, but that our priority must be to be a socially responsible consumer. This hollowing out of civil society means that our good deed becomes socially responsible purchasing, risking the elimination of the richness and exchange of ideas, and of volunteering and political engagement with global issues.

Development policy – among development actors and alliances both old and new – must, therefore, differentiate between poverty and inequality and incorporate an understanding of power and discrimination into their understanding of poverty.³⁹ Only through this can the current emphasis on inclusive economic institutions be met with an equal focus on inclusive *social* institutions. Where institutions derive their legitimacy from is a critical determinant of behaviour, and their strategies and outcomes will vary hugely depending on whether their legitimacy is aligned with the needs and interests of business (as among the actors and alliances presented here) or of marginalised social groups.⁴⁰ This leaves us with the central questions of how existing institutions can become more socially inclusive, and of the role of new actors and alliances in strengthening this process. Social and economic institutions often represent opposing interests. While partnerships, self-regulation, voluntarism and welfarism are key to institutional approaches to business and development, societal approaches, for example, draw upon confrontation and resistance, societal control and regulation, the mobilisation of social power and collective agency and local autonomy.⁴¹ These two roads will not automatically align over time; redirecting them towards a greater social development agenda is impossible without creating and supporting space for domestic civil society actors to place checks, balances and demands on state and market forces. While no one mechanism can guarantee economic *and* social developmental outcomes, without a vibrant civil society there is no means through which groups can press for more equitable and inclusive distribution and redistributions.

We can argue, therefore, that the new development actors and alliances discussed in this special issue offer a ‘business as usual with a new face’ approach rather than a genuine development alternative. They are founded on neoliberal principles that overlook the crucial role of civil society in development. Viewing the problem of ‘development’ as one of state or market failure, the actors and alliances presented here seek to address and fix these failures. Both the market and the state, however, produce – and rely upon – severe structural inequalities in social relations, power and distribution. Their market-based solutions do not and will not address the root structural causes of poverty and inequality. While the state will remain central to economic growth and social outcomes, achievements in both realms require good governance and a more empowered and effective domestic civil society. With domestic civil society bypassed or ignored by these new actors and alliances, the question we are left with, therefore, is whether any of these new actors and alliances will take up this increasingly important challenge.

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Notes

1. Fakuda-Parr and Hulme, "International Norm Dynamics."
2. Hulme, "Poverty in Development Thought."
3. Hulme, *Global Poverty*; Fakuda-Parr and Hulme, "International Norm Dynamics"; and Hulme, "Poverty in Development Thought."
4. Hulme, "Poverty in Development Thought."
5. Thakur, "From the Millennium Development Goals"; and Hulme, "Poverty in Development Thought."
6. Fakuda-Parr and Hulme, "International Norm Dynamics."
7. Hulme, "Poverty in Development Thought."
8. Routley, "Developmental States."
9. Debiel et al., "Global Governance under Pressure."
10. Evans et al., *Bringing the State Back In*; and Leftwich, *States of Development*.
11. Thakur, "From the Millennium Development Goals."
12. Fraser and Whitfield, "The Politics of Aid"; and Hulme and Wilkinson, "Introduction."
13. Fraser and Whitfield, "The Politics of Aid"; and Dreher et al., "Are New Donors Different?"
14. Debiel et al., "Global Governance under Pressure."
15. Dreher et al., "Are New Donors Different?"
16. Bräutigam, "Aid 'with Chinese Characteristics'"; and Dreher et al., "Are New Donors Different?"
17. Fraser and Whitfield, "The Politics of Aid."
18. Dreher et al., "Are New Donors Different?"
19. Acemoglu and Robinson, *Why Nations Fail*.
20. Sen, "The Political Dynamics of Economic Growth."
21. Routley, "Developmental States."
22. Sen, "The Political Dynamics of Economic Growth."
23. Routley, "Developmental States."
24. Leftwich, *Developmental States, Effective States and Poverty Reduction*.
25. Acemoglu and Robinson, *Why Nations Fail*; and Sen, "The Political Dynamics of Economic Growth."
26. The 'Effective States for Inclusive Development' (ESID) research programme at the University of Manchester is seeking to generate knowledge to fill these information gaps.
27. Rogers, "Why Philanthro-policymaking Matters."
28. Bure and Walt, "Global Public-Private Partnerships"; and Edwards, "Gates, Google and the Ending of Global Poverty."
29. Mukherjee-Reed, "Business, Development and Inequality."
30. Edwards, "Gates, Google and the Ending of Global Poverty."
31. Banks and Hulme, "The Role of NGOs and Civil Society."
32. Roodman, *Due Diligence*.
33. Beddoes, "For Richer, For Poorer."
34. Banks and Hulme, "The Role of NGOs and Civil Society."
35. Rogers, "Why Philanthro-policymaking Matters."
36. Mukherjee-Reed, "Business, Development and Inequality."
37. Debiel et al., "Global Governance under Pressure."
38. Bull, "The Global Elite."
39. Dani and de Haan, "Social Policy in a Development Context."
40. Mukherjee-Reed, "Business, Development and Inequality."
41. Ibid.

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