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More Than Growth: The Shift from Performance Legitimacy to Moral Legitimacy in Structural Adjustment and Poverty Reduction

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Introduction

During the heyday of the Washington Consensus and the widespread implementation of Structural Adjustment Policies (SAPs) in developing countries, the World Bank and the IMF sought legitimacy via their role in creating economic growth. SAPs were radical austerity policies meant to privatize government departments and liberalize markets and to boost GDP in debtor nations dramatically. However, when that growth failed to appear, and the most vulnerable people in those nations were faced with the negative externalities of SAPs, the Bank and the Fund were faced with a crisis of legitimacy. Therefore, rather than continuing to use the goal of GDP growth as a source of legitimacy, the Bank and the Fund began to frame their policies in terms of poverty eradication: a normative value which was not tied to a final result the way promoting GDP growth had been. In this paper, I will argue that, because of the problems IFIs faced legitimizing their policies following SAPs, there was a switch within these institutions from legitimation based on results to legitimation based on norms.

In order to show that this shift in legitimation strategy occurred, I will highlight the gap in the literature that exists between studies of legitimacy of global governance institutions like the Bretton Woods institutions, and studies of gendered, or feminist, International Political Economy (IPE). Literature on legitimacy to date has addressed international financial institutions in various contexts, but has never directly addressed the other power systems or dynamics that operate at the same time as global policy, including patriarchy, neocolonialism-neoimperialism, and racism. In contrast, Gendered IPE is centrally concerned with critical analysis of power structures. International Financial Institutions have been the topic of Gendered IPE to the extent that certain policies have furthered the manifestation of oppressive power structures, but there has been no writing from Gendered IPE that takes on IFIs from the point of view of legitimacy theory.

In this chapter, I will begin with an introduction to legitimacy theory scholarship in the context of global governance and go on to establish the problem of legitimacy that the Bretton Woods institutions faced following the implementation of SAPs. I will then focus on Gendered IPE: first on the previous Gendered IPE scholarship on international financial institutions, then on the relationship of Gendered IPE to legitimacy theory, including the some of the methodology that Gendered IPE uses to highlight different conceptions of power. Finally, I will introduce the two case studies I will examine as examples of this shift in legitimation strategy.

Bringing together these two bodies of literature, although they should be complementary, shows that there is both a conceptual gap: the problem of legitimacy is not fully understood, and an empirical gap: the change from SAPs to PRSPs needs to be more fully investigated as a change in legitimation strategies by the Bretton Woods institutions. By combining previous studies of legitimacy of international financial institutions with awareness of critical power structures like gender, the legitimacy question can be much better understood.

Legitimacy theory as a framework for analysis

How to define legitimacy?

Legitimacy is a perennial question in politics at every level, from the local to the international. Because of the universality of the question, legitimacy literature exists on every level: from local politics to global governance. For this argument, I will generally focus on definitions of legitimacy that have already been applied in the context of global governance.

There are two main issues to keep in mind while negotiating literature on legitimacy theory. The first is that legitimacy is defined in myriad different ways, sometimes by the same author. The second issue is the main concern of this paper: that legitimacy theory, to date, has not included enough awareness of ‘unspoken’ power structures such as gender, race, or postcolonialism in order to conduct a thorough analysis. In this chapter, I’ll be placing some key works from gendered IPE in dialog with legitimacy theory in order to show how fruitful the combination of the two can be.

Returning to definitions: there is significant variation in how legitimacy is defined throughout the literature on the subject. Some of the most authoritative writing on legitimacy in global governance comes from Jens Steffek (2003), who describes legitimacy in international governance organizations such as the World Trade Organization (WTO).

For the purpose of this paper, I’ll be using the definition of legitimacy that Steffek (2003) quotes from David Beetham (1991: Ch 1) of ‘Descriptive Legitimacy’ (5). Descriptive legitimacy “tells us why the subjects to that governance accept and support it in reality” (Steffek, 253). This definition is useful for this analysis because it still allows for further discussion of mechanisms of legitimation: how institutions make themselves legitimate.

Other definitions of legitimacy, like prescriptive legitimacy (also cited by Steffek: 2003, 253) cannot be used for this analysis because prescriptive legitimacy is inherently concerned with whether an organization has met the theoretical conditions that *should* allow it to be described as legitimate. Descriptive legitimacy exists when the actions of an international organization are accepted as legitimate *in reality*. Descriptive legitimacy, therefore, tells us much more about the strategies being employed by the governance institution, and whether or not those strategies are successful in practice.

Mechanisms of legitimation

Underneath the question of 'what is legitimacy' is 'what makes a policy or institution legitimate?' An analysis of the legitimation strategy of international financial institutions has to be cognizant of both what legitimacy is, but also what practices work to make that legitimacy happen. These are 'mechanisms of legitimation' and different conceptions of legitimacy feature different visions of legitimation mechanisms and strategies.

The mechanism that Steffek (2003) says is responsible for achieving legitimacy is the *discourse approach to legitimacy,* defined as the legitimation of governance as a result of rational deliberation and discussion (263).

Steffek's ideas on legitimacy are similar to those of Williams (2006), who distinguishes between *moral* and *performance legitimacy* rather than *prescriptive* and *descriptive*. The difference between the two can be broken down into means versus ends, or intentions versus results. Performance legitimacy is the idea that governance is legitimated by its success; the ends it achieves; the results that it can register. Moral legitimacy looks to legitimate organizations by considering their normative commitments, the means they use, and their intentions.

Williams' definitions of legitimacies, although not originally applied to global governance, capture two important, and different, outlooks for international financial institutions. Performance legitimacy represents the Washington Consensus-era idea that GDP growth alone in developing countries made IMF and the Bank legitimate. Moral legitimacy captures the more recent shift from the primacy of the Washington Consensus to the era of Poverty Alleviation—

the idea that IFIs could be legitimated solely by their normative or moral commitments, as opposed to how successfully they achieved their goals.

This idea brings Williams into agreement with Steffek, who writes that international legitimacy is also defined by the scope and limits of international governance. "International governance can only be perceived as legitimate if states agree that certain values should, or can only, be realized on an international level." (266). Therefore, if the values that IFIs were pursuing in austerity-based plans (SAPs, PRSPs) were not agreed-upon international norms, IFIs may have been going beyond their international mandate in implementing those policies.

Alison Van Rooy (2004) offers a set of rules by which civil society organizations (CSOs) can gain legitimacy in the international sphere, and refers to these rules or standards as parts of a "legitimacy game." IFIs are also, unquestionably, participants in a global legitimacy game: continuously attempting to validate their own operations. Using some of the metrics Van Rooy uses to measure the legitimacy of civil society organizations can also be helpful in examining IFIs.

With that said, Van Rooy specifies theses metrics for organizations that are acting in protest of a system put in place, in part, by IFIs, so the rules that contribute to the legitimacy of CSOs do not map onto international governance institutions or international financial institutions directly. However, some of the ways that Van Rooy describes CSOs playing the legitimacy game also apply to IFIs. Like CSOs, IFIs are also complex organizations with a policy agenda, and that means many of the 'rules' Van Rooy describes carry over.

Van Rooy writes that organizations can gain legitimacy through factors including their internal democracy, specifically the membership's choice of leadership (70), the membership's democratic control over their leadership (71), the accountability that leaders have to their constituents (72), and the relative transparency of the organizations (74).

Van Rooy also acknowledges that CSOs can gain legitimacy by working as experts within their field: supplying rare, reliable information (81), acting as credible sources (88), working as disciplinarians within their field (83), and providers of balanced, reasonable information (91). This can be benign, such as the World Bank providing data on development to national governments who otherwise might not have the means to conduct large-scale studies. Alternatively, the idea of International Financial Institutions acting as disciplinarians within the field of international regulation can be linked to Stephen Gill's idea of *disciplinary neoliberalism*: the idea that, in a neoliberal economy, those institutions willing to impose austerity measures gain a legitimacy of fearlessness: right or wrong in their policy, they will take strong actions.

Like Steffek and Williams, Van Rooy argues that institutions can also be legitimated by their moral authority: if they are seen to be acting in the public interest (95), promoting a common standard of behavior (97), and presenting moral views in line with other international actors (98). Van Rooy offers a handful of ways for organizations to bolster their legitimacy: some clearly 'performative' (acting as experts, providing information), and some 'moral' (acting in the public interest, reinforcing international norms). Both moral and performance legitimacies have important roles in the history of international financial institutions. However, the mechanisms of legitimation presented by Steffek, Williams, and Van Rooy all overlook considerations such as gender and race, which play a significant role in how the legitimation strategy of these organizations plays out in reality.

Significance of performance legitimacy

Performance legitimacy is closely correlated with the set of ideologies that dominated the Bretton Woods institutions, particularly the IMF, during the 1980s. Williams' ideas of *performance legitimacy*, the idea that organizations are made legitimate by the achievement of their goals, closely mirrors the actions of the World Bank and the IMF in implementing SAPs: SAPs were deemed legitimate because they were able to produce GDP growth. When they failed to produce the growth they promised, their legitimacy fell into question.

The link between performance legitimacy and neo-liberalism holds up on closer examination of the theory. Although Rachel Turner (2008), in her study of neo-liberal ideology, notes that there are multiple different varieties of 'neo-liberalisms' at play at any given time, Turner concedes that study of the World Bank and the IMF reveals a significant neo-liberal ideological foundation. Specifically, Turner points to two important guiding institutional principles: deferring to the market order, and minimizing regulation or bureaucracy that might interfere with the free market (116). The rhetoric of 'the free market knows best' ties directly into results-driven, performance legitimacy. The assumption of neo-liberal philosophy is that the value of policy will be shown by a positive response from the markets.

With that said, Turner notes that much of the top-down policy planning that is inherent in IFIs would actually be antithetical to pure neo-liberals, who would prefer true laissez-faire (135). Turner writes that a neo-liberal purist would immediately notice a divergence between IFIs free-market rhetoric and their policy (135). The importance of rhetoric to legitimate action is then important: why would these institutions employ free-market rhetoric if it did not help legitimate their policy? Therefore, when the free-market rhetoric failed to align with the market growth it promised (performance legitimacy), the institutional language changed to use normative justifications.

After SAPs failed to produce the GDP growth they were expected to and IFIs legitimacy suffered for it, the World Bank and IMF did not try to make PRSPs legitimate the same way. PRSPs would not be legitimate because they were producing GDP growth, they would be legitimate because they were reducing poverty: because they were *doing good.* This shift in legitimation represents a shift from the brand of performance legitimacy that Williams described to a moral legitimacy. PRSPs were not to be seen as legitimate because of their ends, but because of their moral intent. Essentially, when performance legitimacy failed to materialize for SAPs, IFIs changed the "legitimacy game" (Van Rooy, 103) that they were playing, and switched the focus to a broader poverty-reduction agenda.

Significance of moral legitimacy

The Bretton Woods institutions' shift to PRSPs indicates a shift to moral legitimacy: letting policies be legitimated by international norms rather than their performance. Aside from possibly representing a change in economic strategy for IFIs, moral legitimacy has significant context outside development policy. The World Bank and the IMF can be seen as late adopters of moral legitimacy, which has historically been used in the context of international law and human rights, where quantifiable results are hard to achieve.

An important milestone in the evolution of norms around poverty is the increased understanding that living in poverty alone can constitute a violation of human rights (NcNeill and St. Clair, 50). Changing norms that understand poverty not just as a lack of capital, but as an inability to fulfill the entirety of one's human potential ("capacity poverty") did not exist in isolation from the increasing incorporation of poverty alleviation into the agenda of IFIs. The shift from legitimation-by-performance in SAPs to legitimation-by-morals is also important from a normative standpoint. Primarily, it indicates that norms may be more powerful than originally expected in international political economy.

A problem of legitimacy: The Bretton Woods institutions post-SAPs

Let's return to the specific case at the center of this argument—Bretton Woods institutions in between the introduction of SAPs and PRSPs—in order to test those definitions. In order to show that there was a change in legitimation strategy in response to a problem of legitimacy, it is first necessary to show that there was a problem of legitimacy. After SAPs were implemented and failed to meet expectations for GDP growth, they failed the test of *performance legitimacy*. Their legitimacy was expected to come from their results, but those results never materialized. When GDPs of developing nations failed to grow, the Bretton Woods institutions were faced with the start of a legitimacy crisis. This was not a case of *normative/moral legitimacy* because, although the virtues of market liberalization and privatization (part of the set of norms that falls broadly under laissez-faire individualism) were definitely extolled in the rhetoric surrounding SAPs, they were not the central justification for the policy: just like SAPs, market liberalization and privatization were only good because they led to growth.

To describe the actors involved in the legitimacy crisis more thoroughly: there were two major detractors of these international organizations who can loosely be sorted into insiders and outsiders. Insiders being economists, those in business, those controlling the inner workings of global trade. Outsiders were those in civil society organizations, particularly those affiliated with feminist causes: those on the opposite end of the power dynamic. The first truly resonant critique of the Washington Consensus—in particular, of Structural Adjustment—came from Richard Jolly, in "Adjustment with a Human Face," a work in which he managed to take "outsider" criticisms and relay them in "insider" language. Jolly's main argument—the one for which the book is still known today—is that the *human cost* of Structural Adjustment was too high. Those who were forced to make sacrifices when governments underwent those sharp cuts and austerity policies were often women and children, vulnerable to begin with, not advantaged persons in society who could ‘afford’ to make sacrifices for the greater good.

In many ways, “Adjustment with a Human Face” sets the scene—better than any other scholarly work might—for the remediation of legitimacy theory and gendered IPE. Jolly was writing his critique of Structural Adjustment in the language of Bretton Woods economists at the time (in the words of Gendered IPE, *in the language/discourse of power)* but was bringing in arguments that would have fit into Gendered IPE scholarship.

Understanding power differently: Linking legitimacy theory and gendered international political economy

Gendered IPE and International Financial Institutions

Although Gendered IPE has never been put into direct conversation with legitimacy theory of the type Steffek and Williams describe, scholars of Gendered IPE have not hesitated to publish on the subject of Bretton Woods institutions; primarily focusing on the negative externalities of Structural Adjustment. Woods (2012), Benería (2003), and Barker and Feiner (2004) all discuss how race, gender, economic, and geographic inequality have compounded to contest the legitimacy of IFIs during the SAP-PRSP years. However, no studies exist that compare IFI’s strategies to promote their own legitimacy during the implementation of SAPs with their legitimation strategy during PRSPs. The shift that happened between the two, from performance legitimacy to moral legitimacy, is significant, and whether the shift was accepted by the countries the Bank and the IMF were working with is also important and unstudied.

IFIs became a target for critique by scholars of Gendered IPE after the inequality with which SAPs affected women in the developing world. In order to understand the differential effect of adjustment on women, it's important to understand SAPs as originally constructed as gender-blind, and the models designed to understand them also having been constructed as gender-blind (Elson, 1992). However, "structural adjustment required government spending cutbacks on health, education, and other social services. As public provisioning was reduced, families had to provide these services themselves or go without them altogether. Costs were shifted from the monetized public sector to the nonmonetized household sector. Policymakers assumed that there was an unlimited supply of women's labor available to compensate for the reduction in public social services. Since the value of household labor is not officially counted, these costs were hidden" (Barker and Feiner, 2007, 107).

Lourdes Benería (2004), in her work on gender and development, makes three conclusions based on a feminist reading of macroeconomic policy (50). Like Barker and Feiner, Benería notes that that SAPs assume that there is infinite capacity in the nonmonetized household sector that can absorb any public sector losses. In that line, Benería notes that SAPs ignore—do not mention—unpaid, reproductive, social and emotional labor, because that labor is traditionally not monetized. This household labor is traditionally 'women's work,' and decisions to shift the burden to that sector place a burden disproportionately on women. Because of this, Benería makes the third conclusion, that SAPs are not gender-neutral. Rather, they put the burden of development, growth, or—in the case of PRSPs—poverty alleviation—squarely on women.

Khadjia Ali observed this gendered impact in the shift from SAPs to PRSPs. In her multi-country survey of the transition from SAPs to PRSPs, Ali notes that "the social impacts of the policy measures have rarely been taken into account" and that "hardly any attempt has been made to link micro units of the economies, particularly households, with their macro framework" (672). Rather, the policy focus in both SAPs and PRSPs, Ali notes, has been on a "pure macroeconomic agenda" (672). Ali observes this doctrinal adherence to neoclassical economics is a missed opportunity: PRSPs, given their more collaborative structure, might have been an opportunity to integrate ethics of care into development policy.

Fiona Robinson, in her essay "Feminist Ethics and Global Security Governance," incorporates ethics of care in global governance context. Ethics of care is a critical analysis of power that focuses on a re-incorporation of the idea of "care—as a social and moral practice—[as] fundamental part of human life." (Robinson, 107). This reincorporation compensates for the fact that care work—"women's work'—has traditionally been ignored by cohorts of male economists and policymakers. When household labor, or care work, is not monetized in SAPs, it is not valued. This is fundamentally related to one of the original assumptions of neoliberalism: that if the market does not naturally allocate value to a good or service, that it is valueless. SAPs—and PRSPs—failed to integrate or recognize care work almost entirely. Incorporating that failure into an analysis of their legitimacy is essential to better understanding the response these policies actually received.

Additionally, Robinson describes feminist ethics as a search for a *critical conception of power*, which "eschews the tendency of traditional moral theory to shunt to the bottom of the agenda relationships between those who are clearly unequal in power—including parents and children, and large states and small states" (106). When could it be better to conceive power critically than in a study of legitimacy? The main body of scholarship on legitimacy theory has adopted traditional conceptions of power. However, when considering the legitimacy of IFIs implementing development policies in two postcolonial nations, a critical conception of power offers a lens with which to view issues of gender, race, and postcolonial inequality.

Robinson also describes the role of human security in the context of feminist ethics; another component that traditional writing on legitimacy theory misses. Human security has traditionally been read as a gender-blind concern with "human life and dignity." In order to add a gendered nature to our idea of human security, a critical step is considering human security *in context.* This could include, for example, the context that exists before, during, and after the intervention of an IFI. Robinson notes that inability to observe these relationships over time is one of the main problems with 'government by crisis' that has taken place beginning in the 1980s.

When an IFI intervenes to implement a gender-blind SAP or a flawed PRSP, they are only intervening in response to the *crisis*, and ignore the context: "This background exists before, during, and after the conflict, and is played out not by isolated individuals seeking to claim their rights, but in relationships of responsibility—in households, refugee camps, factories, hospitals, chronic care facilities, community meetings, schools, and daycares" (105). When IFIs only intervene in crisis situations, they adopt a license to focus 'only on economic ills' and relegate interpersonal relationships—care relationships—to the status of addenda. This outlook is linked to a central component of growth-oriented development strategy that allows for the cuts in public services: Robinson describes an "ontology of individualism" that ignores the reality that nonmonetized care labor will take the place of state welfare in an austerity situation. This unquestionably affects how the people most affected by a SAP or PRSP perceive its legitimacy. Using a gendered IPE lens that includes insights from feminist ethics and ethics of care offers views on legitimacy that are left out of an analysis that fails to problematize the idea of 'power.'

Legitimacy under alternative power structures

Previous studies of legitimacy of international financial institutions, like those by Steffek, or other works using legitimacy frameworks, like Williams, have not taken into account critical power structures like gender. There is no tradition of linking either the concept of legitimacy to critical power structures, or an empirical body of scholarship investigating the change in legitimation strategy by the Bretton Woods institutions.

Gendered International Political Economy, like what is written about by Benería, Barker and Feiner, is centrally focused on illuminating the operative power dynamics that motivate policy decisions. These power dynamics can come from structures of patriarchy, or from race, post-colonial tension, or economic disparity. Regardless, the critical interrogation of the operative power structures at work in the adjustment process is necessary in order to properly contextualize these policies.

It is important to bring a gender lens to understanding legitimacy theory, first and foremost, because descriptive legitimacy is closely linked to domination, an idea Steffek traces from its original definition in Weber (251). Gendered international political economy is focused on identifying systems of power (and domination) and understanding the role they play in policy outcomes like legitimation.

Weber, cited by Steffek, defines domination— "herrschaft"—as "the probability that a command with a given specific content will be obeyed by a given group of persons." The idea of "domination" can quickly become complicated when one imagines a nation where the ruling elite (a nation with any degree of oligarchic rule) assents to rules set by international governance organizations, regardless of the dissent of a marginalized underclass or civil society. Domination, then, exists, but can the consent of the few in power be read as descriptive legitimacy? This related to the problem Steffek raises of compliance versus acceptance in legitimacy literature: just because a state complies with the regulations set by an IFI (perhaps out of economic necessity, or to protect themselves from a greater threat), does not mean that they accept that organization, or even the entirety of the regulation in question.

A gender lens is not only useful in considering the problems inherent in SAPs, but is also useful in understanding the legitimacy problems of IFIs related to SAPs. In returning to Steffek's idea of descriptive legitimacy, which comes from Weber's idea of "domination" or "herrschaft," it's easier to see some of the immediate connotations of ideas of legitimacy. There's a natural connection between Weber's herrschaft domination and gender analysis: "herrschaft" comes from Middle-High German, originally from the word "herr" (meaning, Mister), meaning legal purview or property of a gentleman. The word domination, for Weber, has built into it ideas of who domination is meant involve or apply to. Although the analysis of the word "herrschaft" may seem abstruse, considering its origin is part of the critical reading of power necessitated by feminist ethics of global governance. If the only legitimate structures of international or global governance come from a patriarchal lineage, that power dynamic merits scrutiny—does that history affect its legitimacy?

Benería also raises the "TINA problem" that comes up when discussing the legitimacy of n solutions like SAPs: narrowly considered economic decision-making perpetuates the idea that there is no alternative (T-I-N-A) to neoliberal choices. Even though issues like gender have confronted the policymakers designing SAPs/PRSPs, Benería writes that this dissent—along with the dissolution of the Washington Consensus— "has led to the search for alternatives, so far not necessarily representing a radical shift but rather a higher degree of attention paid to poverty alleviation (rather than eradication) and to social policies" (53).

Bringing in a gender lens is in many ways a solution to the TINA problem: Gendered IPE is quick to also bring back politics of care and introduce different values into macroeconomic decision-making (Robinson 106). Although Van Rooy discusses how the dynamics of legitimacy affect CSOs, there are many other dynamics operating underneath the overarching frameworks of "legitimacy" that are not problematized in writing like Steffek's.

The social investment perspective

The change in legitimation strategy, rather than a change in policy, is particularly observable through the use of the "social investment perspective" in PRSPs. Rather than that movement towards gender equality, an increased integration of politics of care, or even a holistic view of human development, development under PRSPs co-opted the language of poverty eradication to accomplish market liberalization and development of capital. Reducing poverty and allocating money towards health, education, or gender empowerment is done exclusively through the language of "investment" and "return on investment." Both Megan MacKenzie and Jane Jenson write about how language from development policy or poverty eradication gets re-used in order to talk about people in the language of money. Yes, approaching poverty reduction from the point of view of social investment does make some absolute gains in terms of reducing poverty, but does so in a way that still sees economic growth as the sole means of empowering the poor.

Jane Jenson describes how the "social investment" perspective is "replacing" the language of previous growth-oriented development policies, in a turn of phrase that views human capital development as an investment, as opposed to seeing economic growth as impersonal. The social investment perspective takes the focus off adult women and places it on young girls (the better *investment*)—in food subsidies, or early education, which will have a longer-term payoff than on their mothers. Although the social investment perspective seems more outwardly benign than an impersonal approach, Jenson warns that monetizing issues blinds us to the underlying problems. In particular, the social investment perspective misses “the structural factors that cause women, their work, and their achievements to be devalued and undervalued with respect to men’s” in the first place (466).

MacKenzie centers her analysis on the term “empowerment,” noting that the post-conflict empowerment initiatives she observes are only ways to draw women back into the formal economy. Women are not “empowered” unless they have taken a traditionally female-gendered job—often gara tie-dying, soap-making, tailoring, catering, hairdressing, or weaving. These occupations were chosen to be offered to female ex-combatants as part of a UN disarmament, demobilization, and reintegration (DDR) program despite the fact that there was already a surplus of people in these occupations already, and these occupations were not highly lucrative. Similarly, empowerment “micro-credit” regimes were explicitly intended to help women support families, “in order to reduce such pressures on male combatants” (212).

Observing legitimation strategy in flux: Case Studies

Introduction

I plan to take a historical approach to my analysis of the shift in how IFIs legitimate themselves. In order to see these mechanisms of legitimation clearly, I will investigate two cases where both SAPs and PRSPs were put in place by the IMF and World Bank. This will allow me to see the change in legitimation strategy over time. Exploratory case studies are the best way to proceed in conducting research on this change in legitimacy: there are few case studies in the literature now, particularly those that concentrate on critical power structures like gender.

The two cases I intend to focus on are Bolivia and Zambia. The process of choosing these cases is as follows. First, I had to select countries that had been through both an SAP and a

PRSP. I wanted to select one case from Africa and one from Latin America in order to look at legitimacy at the two major sites of IFI intervention. I wanted to choose countries that had roughly similar experiences during the SAP and PRSP process, particularly regarding changes in their GDP. If one country had experienced extreme growth and the other had not, it would have been more difficult to compare the legitimation strategies—it would have been possible that the change in GDP could have been the variable responsible for a divergent legitimation strategy, or there may not have been an observable change in legitimation at all.

I used data from the World Bank's DataBank in order to compare the GDPs of possible case studies. Figures 1.1 to 1.5 demonstrate that the trends in GDP per capita (1.1), overall GDP (1.2), GDP per capita growth (1.3), GDP growth by % (1.4), and natural resources rents (1.5) are similar enough to be able to compare in a case study. Further, both countries are developing countries in the global South. Both countries are primarily commodity exporters (Bolivia: coca and minerals, Zambia, copper). The trends in the GDPs of Bolivia and Zambia are similar enough to make them useful to compare. There are both important similarities and differences between the two cases that make them useful for understanding this historical problem.

There are some observable, but not significant differences between the case studies. Figure 1.6 shows the trend in inflation, with a large spike in Bolivia's inflation. This reflects a period of hyperinflation in Bolivia between 1978 and 1982 due to both the collapse of mineral export prices and to the external debt crisis and political instability…when a series of coups and presidential elections occurred (Wanderley, 2009, 255). Although the experience of hyperinflation is unique to Bolivia rather than shared between both Bolivia and Zambia. However, Zambia also experienced inflation in 1991: the problem of inflation, experienced generally, is common to both cases, rather than unique. Finally, Figure 1.7 shows a comparative

Graph of the GDPs of Bolivia, Zambia, and Honduras. Honduras was another candidate for the Latin American case study. However, because Zambia's experience with both SAPs and PRSPs is better documented in the literature, it was easier to study the changing legitimation strategy.

Bolivia

Bolivia, having been through both a SAP and a PRSP, has been used as a proving ground for development policy since 1985, with Bolivia's first SAP. Benjamin Kohl describes how this pattern continued throughout the 1990s, with Bolivia's 1993 *Plan de Todos* later being adapted for use in Central America, Eastern Europe, Asia, and Africa (451). Therefore, while policy written in Bolivia has a specific context, it also has global implications: as a first adopter, Bolivia was often the first to experience the consequences of a neoliberal wave of policy. Furthermore, Kohl writes, while the policies of pushing for growth and privatizing state institutions adopted in Bolivia were adopted in context, "the push to provide stable environments for international firms while concurrently decentralizing governmental powers is in vogue around the globe" (452). The incentive to create a business-friendly environment that also minimizes the power of the national government and welfare state is near-universal in development policy, and thus worth examining.

Furthermore, Bolivia has a telling history of popular participation in development policy, with a strong culture of community organization at the local and national level. Miguel Urioste Fernandez de Cordova describes the relationship between civil society and government, which was solidified by Bolivia's Popular Participation Act, aimed at institutionalizing citizens' rights at the local level (1). Organizations have emerged in Bolivia along axes of economic class, indigenous identity, as well as cause and protest (11). Local NGOs have also taken on a significant share of the work of public institutions, and employ thousands of middle class professionals (13).

Zambia

Neo Simutanyi writes that Zambia adopted a structural adjustment program in 1983, which was a significant shift from previous attempts at market reforms, and was done primarily so that Zambia could receive external financing from the IMF and the World Bank (826).

Zambia is also particularly notable as a mineral exporting economy that is highly subject to booms and busts as demand for mined goods, in this case, copper, fluctuate. Philip Daniel writes on the impact of adjustment on the Zambian economy and notes that the significant “downward spiral” that the Zambian economy suffered during the period before the institution of the SAP. The vulnerability of the mineral exporting economy, combined with the effects of oil price increases and the consequences of the Zimbabwean conflict (1965-1979) left the Zambian economy in poor shape. This created an environment that was more politically vulnerable to accepting particularly harsh adjustment conditions when it came to sign onto their SAP in 1983.

Sumutanyi describes the civil society response to these harsh adjustment policies: they were generally unpopular, and discontent with an economic agenda that did not value social services became closely linked to a push for greater democratization in government (829). However, the Zambian business class became newly politically active during the 1970s and 1980s and became significant proponents of adjustment: they saw their enterprises succeed as their private enterprises began to draw contracts away from the state (830).

Chapter 2: Case Study—Bolivia

Structural Adjustment

During the New Economic Policy (NEP) (1985), Bolivia's adoption of Structural Adjustment, state capitalism was abandoned, and the private sector was given primary responsibility for economic growth (Wanderley, 2009, 256). The NEP was the first major international economic reform in Latin America in 1980 (Van Dijk, 1999, 1). The NEP, Bolivia's iteration of Structural Adjustment, was its attempt to restate the Washington Consensus for its own use. However, the Washington Consensus "ignore[s] the broader social and political context" in which its policies are implemented (Kohl, 2002, 455). Still more importantly, the philosophy that motivates structural adjustment and Washington-Consensus-style economic policy is not always right for countries trying to meet the basic needs of their population. As Benería and Feldman (1992) write, "the assumption that getting prices right is of greater concern than considerations of social justice results in policies that have been shown to have a negative impact upon the poorest sectors of society" (cited in Kohl, 2002, 456).

The New Economic Policy featured five primary tenets:

> "1. Stable unified exchange rate backed by tight fiscal and monetary policies;
> 2. Increased public-sector revenues, via tax reform and improved public sector prices;
> 3. A reduced public sector wage bill, through reductions of employment in state enterprises…and reduced rates of real compensation;
> 4. An effective elimination of debt servicing, through a combination of rescheduling with official creditors, and a unilateral suspension of payments to private creditors until a more fundamental debt settlement could be arranged;
> 5. A resumption of concessional foreign financial assistance, from foreign governments and the multilateral institutions" (Sachs & Morales, 1989, 74).

After 1985, the economy stabilized significantly, which was most observable in the fact that hyperinflation stopped after implementation of the NEP (Van Dijk, 1999, 3). Although the economy was stabilized, domestic savings and investment remained low. In order to further stimulate the economy, the government chose to privatize the largest nationalized companies (Law of Capitalization) simultaneously with beginning a program of decentralized decision-making (Law of Popular Participation) and social expenditures (Emergency Social Fund, Social Investment Fund) (Van Dijk, 1999, 3). This stabilization eliminated the panic conditions surrounding the hyperinflation in 1984 and 1985 (Sachs & Morales, 1989, 78).

However, Morales (1989) notes that structural adjustment in Bolivia left several significant obstacles to long-term economic development (78). First, he observes that income inequality is significant, and that the resulting economic rift has led to political conflict. Morales notes that “the key political problem is to moderate the newly continuous confrontation between powerful social groups, such as organized labor and private capital” However, he concedes that this a political stopgap, and not “effective for a long term development strategy” (78).

Morales cites the need to “promote a more equal distribution of income [with] greater public spending on education in the rural sector, where most of Bolivia’s poorest citizens live. Investment in the human capital of the rural peasantry is a key factor in long-term economic development” (78). Rural poverty was not a problem that was easily remedied through structural adjustment, although policy designers had hoped that the SAP would help economic biases that traditionally favored industry over agriculture.

However, “farmers have not become the winners of adjustment” (Van Dijk, 1999, 9). The policy regarding the rural and agricultural sector of Bolivia’s economy was poorly defined from the start, and—following the nature of SAPs to curtail social programs as wasteful government spending—support services for the agricultural sector were cut during this time. Notably, the Andean peasant sector was the target of social, rather than economic, programs. Peasants, members of non-majority ethnic groups, and agricultural producers were social dependents but not productive members of the state economy, and thus were not built into the state's economic planning (Van Dijk, 1999, 10).

Although the closure of the state mining corporation, which resulted in massive unemployment, has been studied at length, the government's decision to liberalize the import of agricultural and livestock products has been less scrutinized. This is significant given that the liberalization of these imports primarily affected weakened the Bolivian peasant economy—already the site of poverty—and further reduced rural employment (Wanderley, 2009, 257).

Additionally, the growth that had been promised in the SAP did not materialize: average annual per capita GDP growth was only 1.6 percent in the period 1990-99, and 0.6 percent in 2000-05 (Wanderley, 2009, 256). Unemployment following the implementation of structural adjustment was particularly severe for women, particularly from 1997 onwards (Wanderley, 2009, 257). In 1999, 8.5 percent of economically active women were unemployed (Wanderley, 2009, 258). The economic condition of Bolivia's women following structural adjustment is particularly important considering that formal employment has never been the norm: in 1992, 61% of working women were not in formal employment, making their means of support even more tenuous (Wanderley, 2009, 258).

In order to explore the policies that evolved from the NEP, I will look at *El Plan de Todos*, "The Plan for All," and several of its constituent parts: (1) the Law of Capitalization (privatization of five main state industries), (2) The Law of Popular Participation (administrative and fiscal decentralization) as well as (3) the Emergency Social Fund and the Social Investment Fund, two compensatory social investment mechanisms that were instituted contemporaneously in order to mitigate the effects of adjustment.

Kohl (2002) describes the purpose of the NEP, particularly of the Law of Capitalization, as not “to replace an oppressive government with an enlightened one but rather to replace a corporate state that limits private economic activity with a neoliberal one that promotes it.” The Law of Capitalization featured three distinct stages: “capitalization, distribution of ownership, and reform of the social security system” (Van Dijk, 1999, 6). However, “the process of capitalization is particularly concentrated in sectors with oligopolistic and monopolistic characteristics” and thus faced obstacles from its inception (Van Dijk, 1999, 6).

In particular, the new pension scheme had a particular conception of who it would benefit: the new social security plan would provide citizens over age 65 with an annual retirement bonus (Van Dijk, 1999, 7). However, because the average life expectancy in Bolivia at the time the plan was designed was 59, the plan would almost exclusively benefit the better off, who also had a longer life expectancy. The shift of Bolivia’s social security benefits from the general population to the wealthy (via the more germane proxy of age) is an excellent example of the effects of structural adjustment via privatization on the poor.

Although many people of Bolivia lost social security benefits upon the implementation of the Law of Capitalization, the law was successful at attracting foreign investment to the country. Although foreign investment as a boost to the national economy may seem like a general good, in reality, the effects are less evenly distributed (Van Dijk, 1999, 7). The Law of Capitalization did little to bolster the domestic entrepreneurial sector, which would have been the major source of domestic private savings.

The effect of the Law of Capitalization was experienced daily. The cost of energy and basic services dramatically increased following the privatization of oil and gas production (Kohl, 2002, 456). The public discontent with the economic reorganization was visible: although the

SAP was supposed to have improved the economic welfare of Bolivia as a whole, the response showed otherwise. Cycles of protest increased in frequency and severity after the implementation of the NEP. The country shut down three times between February 2000 and April 2001. Although the NEP had promised a slew of new jobs, employment grew at the 2.8%, the same rate as before the implementation of the Law of Capitalization (Kohl, 2002, 456). Although not all economic troubles could be linked to economic restructuring, “almost every protest included demands to end neoliberal economic policies” (Kohl, 2002, 456).

The Law of Popular Participation (LPP) (1994) made three significant changes to domestic politics in Bolivia. First, the share of the national budget directed towards municipal governments was doubled, from 10% to 20%. Second, neighborhood and indigenous organizations gained legal status through Grassroots Territorial Organizations (GTOs), which allowed them to become involved in planning at the municipal level. Finally, Oversight Committees were formed, made up of representatives of these GTOs, to disperse municipal budgets (Kohl, 2003b, 343).

Decentralization as a function of pro-growth reforms is not a policy move unique to Bolivia: it has been part of Washington-Consensus style policies globally. Unsurprising, then, is the link between decentralization policies and inequality. Decentralization is likely to increase inequality within states as national governments are typically those responsible for taking on the task of redistributive funding. Additionally, decentralization is likely to leave gaps in critical public services like health and education (Kohl, 2003b 154).

Additionally, decentralization is often characterized in policy rhetoric as a shift in the state budget (and thus, state priorities) from the elites in the state capital to the everyman in the provinces. However, decentralization in practice has historically offered local elites more opportunities to capture benefits more effectively than if those benefits are administered by the federal government (Kohl, 2003b, 154).

The LPP also contained problematic ambiguities regarding which local organizations it would accept as legal entities. The ongoing issues in recognition led to awareness of other issues, most crucially that although the LPP had committed itself "to promote equal access of women and men to positions within the GTOs" (Ley 1551, art. 8), it contained a "structural bias against women" (Kohl, 2003b, 157). The historical function of campesina unions in Bolivia had historically been to support men's unions on sectoral issues such as receiving food aid and income-generating projects. Because of their historical role as subordinate to men's unions, campesina unions were systematically excluded from legal recognition under the LPP (Kohl, 2003b, 157).

Another stumbling block for the LPP was its inability to make legal space for indigenous organizations that had also been subordinated to the campesino unions. *Ayllus,* a pre-Colombian form of social organizing, overlapped in purpose with the campesino unions. However, as the unions had taken responsibility for relations with the Bolivian government, the *ayllus* were not legally recognized by the LPP. In the case of categorical exclusion of women's organization, as in the case of the *ayllus*, the LPP was operating without regard to Bolivia's historical and social context.

Jørgensen and Van Domelen (1999) describe the need for social funds in the era of Washington-Consensus economics as a byproduct of three economic factors that have the capacity to dramatically increase wealth, but also dramatically increase inequality and social risk: globalization, technology, and open political systems (2). However, Jørgensen and Van

Domelen (1999) also observe that “there is no certainty that any improvements will be widely shared across individuals, households, ethnic groups, communities, and countries,” (2).

The first iteration of a compensatory social fund, constructed to provide temporary employment to those who had lost their jobs in an adjustment economy, was the Emergency Social Fund (1986), later replaced by the Social Investment Fund (1990). Graham (1992) notes that the Emergency Social Fund (ESF) (implemented in 1986 alongside the NEP) is demand driven, responding to applications for projects, and is therefore efficient and transparent. However, that structure means that it does not target the poorest population in Bolivia: the population least likely to be able to submit a viable proposal (Graham, 1992, 1233). Because of its transparent nature, the Emergency Social Fund was said to have avoided politicization.

However, the choice to create a social fund that did not serve the poorest—already the most disadvantaged by the stoppage of social services during structural adjustment—can be read as a political choice. Additionally, the Emergency Social Fund was instituted as a temporary measure, primarily to compensate for the job losses experienced during the adjustment process. The choice to build in a safety net for the expected job losses was prudent, but should not be mistaken for a long-term solution to persistent poverty.

Additionally, like the Law of Popular Participation, the Emergency Social Fund faced structural limitations in its outreach. Per capita expenditures by the ESF were the lowest in poorest regions, and outreach to poor communities was unsuccessful even after hiring a targeted outreach coordinator (Graham, 1992, 1235). Additionally, the poorest households in Bolivia were those headed by women. However, women constituted only 1 percent of those hired by the Emergency Social Fund (Graham, 1992, 1235). Further, the nature of ESF employment worked against worker empowerment. Workers were prevented from organizing because (1) ESF labor was temporary, and, due to the economic adjustment, workers had to (2) relocate or (3) switch occupations (Graham, 1992, 1236).

However, the ESF was the component of the Plan de Todos that was most effectively channeled into support for regional and national governments in Bolivia. Citizens saw their families employed and their children fed by these compensatory programs, even if they were only stopgap measures. Specifically, the ESF was used as political propaganda during the 1989 electoral campaign, when featured TV ads showed candidate Gonzalo Sanchez de Lozada distributing milk and bread at an ESF breakfast project for schoolchildren (Graham, 1992, 1239). Here, the gendered imagery of the ESF stands out: the ESF serving as a mother figure in a struggling economy, making sure the nation's children are fed.

Although the ESF was a propaganda tool that received a positive response, there was no correlation between the location of ESF infrastructure projects and votes. Graham (1992) observes "what may be most beneficial at the community level, such as sewage systems or roads may be less popular at the individual level than football fields and school desks [that individual politicians contributed]" (1242). However, the general attitude towards these compensatory social programs remained positive, and—unlike the various reforms in the Plan de Todos—"it is plausible to assume that [the ESF] played a role in strengthening support for the Paz Estenssoro government, if not directly for economic adjustment" (Graham, 1992, 1244). This was particularly true in small and/or remote communities that had traditionally been neglected by the Bolivian government (Graham, 1992, 1245). Although compensatory social programs helped ease some of the pain of adjustment, they were unlikely to have ever reached the citizens most in need of services, to whom performance legitimacy was least likely to be convincing in the first place.

Although the compensatory social programs partially filled a needed role, they were created in order to make up for the economic turndown produced by the implematation of Structural Adjustment in Bolivia. While these reforms were intended to create growth that would improve Bolivia's economy, "economic growth was weak, especially in comparison with demographic growth" (Wanderley, 2009, 256). Further, as labor became less regulated—in an attempt to create economic growth—temporary and fixed term labor contracts became more common, and wages for both skilled and unskilled workers decreased (Wanderley, 2009, 259). Compensatory programs that offered short term employment were necessary because workers who lost their jobs in government industries, particularly the Bolivian petroleum and railroad industries, were unable to find comparable private-sector employment (Kohl, 2002, 460). Even though production in Bolivian industries like oil and natural gas has risen, the decreased government revenue from these industries after structural adjustment is expected to cost four billion dollars between 1997-2017 (Kohl, 2002, 460). Structural adjustment policies, largely aligned around the belief that any economic growth, regardless of direction, allocation, or means, largely failed Bolivia.

Poverty Reduction Strategy Paper: Bolivian Poverty Reduction Strategy (BPRS)

Although Poverty Reduction is, in name, the focus of the Bolivian PRSP, known as the Bolivian Poverty Reduction Strategy (BPRS), the text reveals a fundamental understanding on the part of the policy architects that sees poverty only as a byproduct of economic growth. This growth-centric view of poverty reduction helped perpetuate SAPs policies that favored free markets over people: seeing it reappear in the BPRS calls into question whether it marks a significant departure from SAPs (BPRS, 2001, 22). However, the BPRS (2001) does note the detrimental impact of poorly distributed economic growth—income inequality—and the importance of growth in labor-intensive sectors (22). This acknowledgment of a need for growth at the populous 'base' of the economy, rather than in foreign direct investment (FDI) where Bolivia had previously seen significant growth, is notable.

We can read this as a document as a fundamentally growth-oriented policy from its outset. Although the BPRS promises to reduce poverty, the preface is upfront about the supposed importance of individual responsibility for poverty: "there is no suggestion in the BPRS that the State along should be responsible for fighting poverty, for if [*sic*] does not pretend to encourage a return to State paternalism: rather, the fight against poverty calls for joint responsibility to be shouldered by the various members of society and State" (BPRS, 11). Additionally, any poverty reduction promised in the BPRS is fundamentally contingent upon economic growth, alongside a few strategic pro-poor interventions: "the economic growth anticipated in the BPRS is an essential factor in reducing poverty. Greater economic activity will make it possible to expand employment levels of both skilled and unskilled labor" (BPRS, 2001, 197).

The social investment programs that had originated during Bolivia's SAP made a resurgence during the BPRS, when a new version of the Social Investment Fund (FIS) made a significant investment in a rural sanitation program, leading to a significant increase in availability of clean water (BPRS, 2001, 27). Although the PRS was expected to be more attentive to the unmet basic needs that define poverty, the stop-gap programs that characterized adjustment were still necessary.

These stop-gap funds come up again in a discussion to "increase safety and protection for the poor" (BPRS, 2001, 58). Emergency employment programs like the *Fundo Emergencia Social* (FES) were the only method cited to provide additional protection to "children, the elderly, victims of violence, and those facing high economic risks" (BPRS, 58).

Much has been made of the interactive/collaborative process that went into creating the BPRS. A cornerstone of the PRSP process is meant to be “country ownership,” and, to fit into Bolivia’s push for Popular Participation (with the Ley de Participation Popular, along with various decentralization initiatives that pushed governance into the municipalities), there were three key stakeholder meetings that contributed to the formation of the BPRS, including the National Dialogue 2000. However, none of these meetings resulted in a meaningful effort by the government to elicit new information from civil society.

The Dialogue 2000 featured three organizing themes: “Social, Economic, and Political.” The Social agenda included many of the provisions of ‘basic needs’ related to poverty: “road infrastructure, production support, education, health, basic sanitation, and land” (BPRS, 44). Although all the issues on the ‘Social’ agenda have a gendered nature, none of the topics included a discussion of gender.

The final paragraph of the preface singles out for praise a seminar called “The Government Listens” that included the participation of civil society, but does not mention whether this was a productive or particularly inclusive forum. Rather, what is shown to be important is the Government’s demonstration of listening (BPRS, 2001, 15). The outcomes of this listening process remain ambiguous.

The second workshop as part of “The Government Listens” focused on “issues of Capacities” including gender (BPRS, 2001, 53). However, the outcomes of this seminar included discussions of “education; health; basic sanitation; and participation” that did not consider the importance of gender (BPRS, 2001, 54). There was a short discussion section on gender, which reads “the importance of developing an information system that emphasizes gender issues was mentioned” (BPRS, 2001, 54), a statement which seems to neglect that each of the issues mentioned immediately prior has a significant gender dimension. Finally, throughout the discussion of “The Government Listens,” there is no mention of who the delegates to this seminar were; essentially *who was being listened to*.

The way these stakeholder meetings are described as part of the PRSP process is important given the fact that Bolivian women had attempted to take part in these dialogues, with a highly critical position on the policy that was being adopted, particularly that it seemed to be so concerned with ‘growth’ in the abstract with little regard for the possible consequences. Women in civil society organized themselves in a ‘women’s coordinating committee,’ which produced several documents and reports that were meant to guide the PRSP process (Van Staveren, 2008, 298). However, these reports went unutilized. Although the government made some information available on gender issues in Bolivian society, those reports, too, “were hardly used in the PRSP process” (Van Staveren, 2008, 298).

These missed opportunities for considering the role of gender become obvious when the BPRS considers “Strategic Actions” (BPRS, 2001, 66). Issues like land ownership, which are tied in very significant ways to patriarchal systems of power relations, are never related to gender. A second discussion of the legal security of land ownership, again, fails to mention any relationship between land titles and gender (BPRS, 110). The issues in accessing and regularizing land titles for the rural poor is a significant issue, but when compounded with the fact that women—a backbone of agricultural labor—are often prevented from holding land at all, become still more complex. This question does come up in the specific discussion on gender, but is appears divorced from context, apart from anywhere it might have been useful (BPRS, 2001, 127).

Similarly, the BPRS discussion of potential improvements to education includes a token of mention of gender, but no gender-disaggregated data (BPRS, 2001, 85). For example, statistics such as “78 percent of poor rural households do not have access to drinkable water and 72 percent lack basic sanitation service” should be disaggregated (BPRS, 35). These are statistics that need to be disaggregated by gender. Female-headed households in poor communities in Bolivia are statistically more likely to be worse off that male-headed households, a fact that even makes it into the BPRS later (BPRS, 2001, 45; 126). The one gendered point cited is that “disparities in enrollment patterns by gender have fallen, although disparities remain between urban and rural areas” (BPRS, 2001, 85).

Here, again, there is none of the gender-focused analysis that was intended to help differentiate PRSPs from SAPs. Rather, by including issues like education, the PRSP’s adoption of a normative legitimacy based on ideas of social investment helped change its marketing, if not its substance. Failure to use gender-disaggregated data, or to replace it with a qualitative survey of women’s experiences in poverty, shows a lack of knowledge in how poverty was experienced by women. The most common language used around gender issues is “cross-cutting,” as in, “the BPRS incorporates a cross cutting treatment of gender, environmental, and ethnic issues.” Although the BPRS analysis of gender is meant to be cross-cutting, the only substantive discussion of gender in the multivolume policy is cordoned off in its own section.

Most notably, even the discussion of “improving comprehensive child care” is not gendered: it does not mention women other than by implication (BPRS, 2001, 107). It is, again, written from a social investment perspective: “investment in the childhood care and development will increase the capacities and living conditions of the poorest population (107), and “investment in comprehensive childcare programs is justified given the high social return that economic development ensures" (BPRS, 2001, 108). When gender equality *is* mentioned in the BRPS, it is included alongside various unrelated issues: "the Strategy also includes actions targeting the sustainable optimization of the environment, gender equality, and equality among ethnic groups, and institution building." (BPRS, 2001, 17)

The BPRS grapples with the idea of "social exclusion" as a negative consequence or corollary of poverty. Originally mentioned at the Dialogue 2000, social exclusion was understood as "a problem related with gender and ethnic discrimination, with limitations on the exercise of citizens' rights." Although mentions of social exclusion are included in the preface and conclusion of the BPRS, there is no substantive connection made between how gender and ethnic discrimination negatively influences Bolivian citizens' ability to exercise their rights.

Irene Van Staveren (2008) notes that the BPRS does not use any gender disaggregated data in its description of poverty in the country, nor does it mention the country's five-year plan (2003-2007) to improve women's position in terms of poverty reduction, access to land, credit, and the labor market. One of the most significant issues with the analysis of poverty in the BPRS is that it understands poverty at the household level (Iversen, 2003, 5; BPRS, 2001, 126). For example, the targets for increase in income are set by family (BPRS, 2001, 176). This does not show the breakdown of labor within the household, particularly of care labor, which is likely to fall disproportionately on the women. Additionally, it can create misconceptions about the held wealth in the household: although a family's income may be acceptable, the women in the household may not be financially independent.

However, the discussion of Strategic Actions around microfinance and banking in the BPRS are encouraging. The discussion of microfinance initially considers on the need to provide banking services to rural populations, including money transfers—rather than focusing exclusively on microcredit (BPRS, 2001, 73). The discussion pays particular attention to "promoting financial services, particularly for low-income women."

This encouragement fades when women are encouraged to contribute to Bolivia's economic revival through "a renewal of the traditional capabilities of women (handcrafts, small manufacturing, medicinal plants)" (BPRS, 2001, 128). Restrictive views of women in solely feminized labor is not useful for economic revival or women's empowerment. Megan MacKenzie (2009) describes the same phenomenon in a Sierra Leonean context: "In fact, [through the program] so many females were trained in these few trades, some communities had an overabundance of gara tie-dyers or soap-makers, rendering the skills nearly useless. These options were highly gendered and were ineffectual because they were not chosen in consultation with communities or female beneficiaries" (209).

There are myriad references to "human capital" and "social investment" throughout the BPRS, which translate the experience of unmet needs in poverty to the language of markets. "To this end, the State should guarantee the provision of social services with the greatest social return," reads one section on "developing the productive capabilities of the poor" (BPRS, 2001, 82). The few gender policies, especially those related to "maternal and child health" in the BPRS are heavily entrenched in the language of "human capital" (BPRS, 2001, 24). Here, women are brought into the discussion on poverty reduction in the context of their role in social reproduction. A program of National Maternity and Child Insurance (*Seguro Nacional de Maternidad y Niñez—SNMN)* was established, and the health priority in the 1980s was mother and child health with a focus on child immunization (BPRS, 2001, 26).

Adult women, other than as pregnant mothers, receive no other mentions in the context of social policy in the BPRS. They are mentioned in economic sections as possible holders of businesses eligible for microfinance, but this designation excludes the poorest and most marginalized women, who are unlikely to be in this situation or financially autonomous. Additionally, the fact that Bolivian women would have been eligible for prenatal and maternity care did not meant they received it. Particularly in rural areas, the locations most likely to have poor indigenous women, temporary health staff were given one-year assignments, which led to high turnover rates that compounded an additional staff shortage (BPRS, 2001, 26). Although the BPRS includes a discussion of poverty and gender, the PRSP fails to address the structural causes of poverty in a way that would have made it a distinct document from the SAPs that had preceded it. Rather, the PRSP's reliance on economic growth and social investment show that changing rhetoric does not constitute a significant change in policy.

Chapter 3: Case Study—Zambia

Structural Adjustment

Early Structural Adjustment and the Kaunda Government

Zambia's economy, backed by plentiful copper resources, thrived briefly after gaining independence from Britain in 1964. However, the country has experienced economic tumult ever since the decline in copper prices in 1974. Between 1974 and 1985, GDP growth remained at an average of 1 percent per year, significantly below the level of population growth, which was closer to 3.3 percent per year. The decline in copper revenue, followed by heavy government control of the economy, led Zambia to begin borrowing heavily from other countries to maintain its level of imports (Saasa, 1996, 4). Due to this prolonged pattern of heavy borrowing, Zambia quickly became the most heavily indebted country in the world relative to its GDP (Saasa, 1996, 4). This financially vulnerable position first brought Zambia into negotiations with the World Bank and the IMF in 1983.

The 1983 agreement represented Zambia's first step into austerity from a heavily controlled economy. It included terms that devalued Zambia's currency, the kwacha, limited wage increases to 5 percent, decontrolled the prices of essential commodities, and removed the subsidies on agricultural staples like maize and fertilizers (Simultanyi, 1996, 826). However, the most comprehensive—and most controversial—package of adjustment policies were installed in 1985. The 1985 program of liberalization continued in the vein of the 1983 policies, but went farther, including liberalization of agricultural marketing, public sector reform, and significant reductions in the civil service. The most controversial aspect was the foreign exchange auction program, designed to eliminate the import licensing system (Simultanyi, 1996, 826).

As in Bolivia, upon the introduction of privatization of state industries and the closure of state welfare systems, the government was forced to introduce compensatory social policies. One such policy was a food-coupon system, put in place after the removal of subsidies on maize, a Zambian staple crop, led to food riots (Saasa, 2002, 41; Noyoo, 2010, 88). The food riots that erupted when the costs of maize became out of reach of Zambian families were an early sign that the legitimation strategy of promised GDP growth was inadequate in practice. The coupon system, introduced in 1989, was intended to be a short-term "palliative" to ward off political objections to structural adjustment that might suggest that its human costs were too high (Noyoo, 2010, 89). The removal of the maize subsidies and the resulting riots highlighted the early shortcomings of an economic improvement policy that promised growth but failed to distribute its gains evenly and let people go hungry.

Geisler (1992) writes that "it is doubtful if the poor really benefited from this supposedly targeted scheme." There were numerous barriers preventing this superficially compensatory program from reaching the people it promised to target. One of the most significant of these barriers was that the people eligible for the coupons were the least likely to be able to afford time or the transportation to receive the coupons. These problems were compounded by problems of implementation: the coupons and the bags of meal they could be redeemed for were both issued irregularly, and were only available in sites miles away from rural poor homes (Geisler, 1992, 124).

A second compensatory program adopted by the Zambian government to make up for the painful effects of Structural Adjustment was the Social Action Program. Launched in 1993, the program had multiple foci: health, education, training, gender initiatives and transportation. At its core, the Social Action Program was intended to improve access to social services and create employment opportunities for the poor (Noyoo, 2010, 90). However, in the ten years since Zambia's SAP had been in place, the government's ability to provide even these compensatory services had been undermined significantly. Austerity-related cuts had decreased the government's ability to provide social services, particularly as compared to what that capacity had been in the early days of the Zambian republic. The function of policies like the coupon system for staple crops and the Social Action program, then, was as a political reinforcement for an economic policy that was not serving the people.

Although the Social Action Program was intended to target many of the disadvantaged groups that the coupon system was unable to reach—particularly women and children—only 2.7 percent of its budget was allocated under the subheading "Women in Development" (Geisler, 1992, 125). Households headed by women have been consistently recognized as being at greater risk of poverty, and made up between one-third and one-half of all households in Zambia in 1992. The fact that women were not targeted in a meaningful way in either of the compensatory programs is significant because it assumes that the effects of structural adjustment would have been gender-neutral, a now well-disproven theory.

Another downfall of performance legitimacy and structural adjustment was the replacement of the existing exchange rate system with an auction system. The auction system led to a rapid devaluation of the kwacha, an escalation in the urban cost of living, and a deterioration in workers living conditions (Simultanyi, 1996, 827). The revolt against adjustment was immediate—in 1987, Zambia's President Kaunda canceled the IMF agreement. International financial institutions and donor countries responded by denying the country resources (Saasa, 1996, 13; Simultanyi, 1996, 827).

The primary leader of the opposition to the auction system, and opposition to economic liberalization in general, was organized labor leader Frederick Titus Jacob Chiluba. Chiluba's Republican Party formed a coalition of pressure from civil society, organized labor, and groups within the state system to pressure the Kaunda government to cancel the liberalization regime (Saasa, 2002, 42).

Following this successful mobilization of civil society and anti-neoliberal pressure groups, the Kaunda government replaced the Structural Adjustment Program with its own New Economic Recovery Program (NERP), which ran from July 1987 to December 1988 (Saasa, 2002, 42). Importantly, NERP was introduced with the slogan 'growth from our own resources' (Saasa, 2002, 43). The desire for economic growth from "our own resources," free from the constraints and conditionalities that accompanied loans and policy advisories from the IMF/World Bank showed that policy legitimacy premised solely on economic growth was not enough for the public. In attempts to correct this sense of illegitimacy, PRSPs were introduced later with "country ownership" provisions. Clearly, the *results* were not the only unsatisfactory experience of economic liberalization: rather, the design and advertisement of the NERP reflected a clear desire to create development policy that moved beyond the dictates of SAPs.

The NERP functioned like a homegrown SAP, but reinstated popular policies such as agricultural subsidies and price controls for staples like maize. However, this program failed to attract the support from international donors that would have kept it solvent, which left Zambia running up debt trying to maintain the subsidies on which people depended. Maize subsidies constituted 17 percent of Zambia's budget in 1988 and 16 percent in 1989. During the NERP, inflation in Zambia increased by 60 percent, and its external debt increased to 159 percent of its GNP ($6,874 million) (Geisler, 1992, 114).

Later Structural Adjustment and the Chiluba Government

Although the Kaunda government attempted to respond to critiques of the SAP and the NERP, widespread dissatisfaction with the country's perceived economic mismanagement eventually led to Zambia's first multiparty election. Frederick Chiluba's successful leadership of the opposition to the auction system swept him into the presidency in 1991. He ran on the slogan "The Hour Has Come," referring to the impending end of the Kaunda government's mismanagement of the Zambian economy. Chiluba, a former union leader, won 80% majority in both urban and rural areas in what was largely a referendum on the recent experience of structural adjustment in Zambia (Geisler, 1992, 113).

The election of the very labor leader who had made himself the face of the opposition of the 1983 and 1985 liberalization policies further speaks to the people's discomfort with the imposition of Structural Adjustment. However, upon his election, Chiluba reintroduced liberalization policies altogether similar to the ones he had fought previously.

The reintroduction of economic liberalization did not occur without a struggle: "in June 1991, the government requested the IMF allow it to postpone a scheduled round of maize meal subsidies for fear that it might provoke rioting before elections. The IMF refused and instead suspended all financial disbursements to Zambia" (Simultanyi, 828). Structural Adjustment continually found itself at odds with the Zambian local interests and the poor, as characterized by both the 1987 and the 1987 clashes over the importance of liberalization. As in Bolivia, economic liberalization accompanied governmental decentralization. Implementation of the Public Service Reform Program in November 1993 restructured public services—preparing many for privatization—and increased the strength of local governments (Noyoo, 2010, 65). Combining privatization and decentralization worked particularly well because, rather than better-regulated parastatal organizations, once both economic resources and governing power were dispersed, there was very little responsibility for oversight on the part of the government.

The reintroduction of the SAP under the newly elected Chiluba government experienced the same legitimacy issues of the early incarnations of adjustment. As Ndangwa Noyoo (2010) writes "as in the past, the implementation of the SAP by the Zambian government, in collusion with its donor 'masters,' was shrouded in secrecy and was neither transparent nor consultative in approach (65)."

The people of Zambia felt the effects of the SAP immediately, and the results were not confined to the GDP or the country's net production. Rather than liberalization producing the economic growth that it had promised, which would have reinforced the policy's legitimacy the economy contracted and Zambians saw their standard of living decline. Over the course of Zambia's privatization regime, 19 state companies were sold and 70,000 public sector workers lost their jobs. Malnutrition affected 50 percent of children under 15, and at least 30 per cent of adults. (Noyoo, 2010, 65). Through the work of Vergard Iversen, Naila Kabeer and others, we know that women are the first to experience malnutrition due to unequal intra-household power dynamics: women surrender their access to food or other resources to feed the male breadwinner or the children (Iversen, 2003, 5; Geisler, 1992, 124).

The dispute over agriculture occurring contemporaneously with the debates over structural adjustment highlights several issues with legitimacy. Although decisions over whether to subsidize maize production were a constant discussion in Zambia, economically meaningful investments in Zambia's agricultural sector had been neglected for years. Agriculture had been identified as a growth sector in various development plans, and was targeted for privatization as a potential opportunity to increase profits.

Agricultural production, then, would shift from parastatals to comparatively poor producers, despite little existing infrastructure supporting these new farmers. Gisela Geisler (1992) writes: "support for agriculture had mainly favored large commercial farmers, for without extensive improvements win the whole marketing system—far better roads, good credit facilities, efficient marketing agencies, etcetera—poor and middle peasants cannot begin to take advantage of higher producer prices" (116). The government's decision to privatize agricultural production, which had, until the early 1990s, been run by agricultural cooperatives and parastatals—even though the country did not have the necessary agricultural infrastructure to make such a transition—shows a focus on abstract 'growth' objectives and little attention to the realities of Zambians, especially poor agricultural producers.

The narratives that surrounded the decision to privatize, including to privatize agriculture in the SAP and from the governing UNIP (United National Independence Party), suggested that privatization create a more profitable Zambian agricultural sector that would, in turn, benefit the nation. However, the rhetoric of economic growth and development not only ignored the existing paucity of infrastructure for privatization, it ignored the timetable for agricultural production in Zambia. The liberalization of maize farming was announced in September 1990, only one month before the end of the agricultural season (Geisler, 1992, 118). Likely taking advantage of small farmers' unpreparedness, distributors set the price for maize very low. Farmers attempted to resist, hoping for an increase in the price or another market for their crops. Eventually, much of the maize harvest for that year ended up wasted or smuggled into Malawi or The Democratic Republic of Congo (then Zaire) as farmers attempted to earn a livelihood in the newly privatized industry.

This shift was, unsurprisingly, not a success: waves of local protests sprang up in the agricultural sector that marked another challenge to this legitimacy narrative.

> "In September 1991, 27,000 bags of maize were set on fire in Mumbwa, having stayed uncollected for three years, allegedly because of transport problems, although the depot was only 100km west of Lusaka on the main rod to Mongu." (Geisler, 1992, 116).

The gender dimension to these shifts in agricultural production is particularly significant. Particularly in peasant families, where women already performed the majority of informal labor in both agriculture and care work, pressures to produce more in order to sustain an economic livelihood often leads to an increase in that unpaid, informal labor (Geisler, 1992, 126). Despite the major role that women play in agricultural production and in maintenance of the home, they are the least likely to have a say in the proceeds of what they produce. The idea of the benefits of economic growth being self-evidencing must have seemed particularly distant to the Zambian women who were left to absorb the extra labor costs during the process of structural adjustment.

As in Bolivia, although compensatory programs were implemented in the wake of Structural Adjustment, it is important to see that those programs were only responding to problems that Structural Adjustment had created. The government's creation of temporary subsidies for maize was a necessary step in order to allow people to be able to feed themselves. When the government, following the adjustment policies of deregulation and privatization, removed price control from maize meal, the price increased over 100% (Simultanyi, 1996, 827). In 1991, the government found itself unable to pay the salaries for civil servants. They printed money in order to pay their employees, which resulted in an annual rate of inflation that year of 129% (Simultanyi, 1996, 828). The way Structural Adjustment was marketed, the policies deregulation, and privatization were supposed to lead to development and economic stability. Rather, pursuit of growth without concern for consequences led to the creation of even more problems.

Poverty Reduction Strategy Paper

The Zambian PRSP process began in December 2000, with the final PRSP completed in May 2002 and approved by IFIs in the same month (Bwalya et al., 2004, 17). The timing and implementation of the PRSP were closely tied to the country's negotiations over debt relief and Zambia's status as a HIPC. The PRSP negotiation process also coincided with the electoral process in Zambia, which affected the participation of various groups (Bwalya et al., 2004, 17).

Unlike the SAP, the PRSP—as policy to that promised benefit the poor—was intended to be closely tied to the "grassroots" and to civil society in general: "country ownership" had been promised in the World Bank guidelines for PRSPs. However, what the role of civil society in the PRSP process would be ambiguous at the outset: did the 'country ownership' that the PRSP guidelines called for mean participation by the government or did it require civil society involvement as well? During the preparation of the Interim PRSP, the several actors in civil society contacted the Zambian Ministry of Finance to be included.

After the Interim PRSP had been accepted and the process of writing the PRSP began, 90 organizations, led by the Jesuit Centre for Theological Reflection (JCTR) joined an umbrella group of NGOs which called itself Civil Society for Poverty Reduction (CSPR) (Bwalya et al., 2004, 20). Following the submission of the interim PRSP to the IFIs, the CSPR published its own report in July 2001, called "A PRSP for Zambia – A Civil Society Perspective" (Bwalya et at., 2004, 21).

The civil society response to the draft PRSP clarified CSOs priorities but also noted significant inadequacies with the PRSP as it was originally written. In response to the interim PRSP's language on gender, the CSO response stated, "the proposed budget for gender is not adequate particularly that gender is considered to be a cross-cutting issue" (CSPR, 2001).

The PRSP process was organized around eight thematic working groups, which were meant to yield a PRSP that addressed problems that had been ignored by SAPs. The topics for these focus groups—macro-economic issues, agriculture, tourism, mining, industry, education, health, and governance—were decided in a stakeholders' meeting.

The process of Structural Adjustment in Zambia has been fraught with clashes between IFIs and the Zambian government, and between the Zambian government, and the urban working class, including organized labor and the poor. One of the obvious flaws in the original adjustment approach taken in Zambia was a lack of country ownership, as evidenced by the constant disagreement between IFIs and the national government over policy. In contrast, the "defining feature" of PRSPs are a sense of 'country ownership' and popular participation (Imboela, 2005, 436). However, in Bruce Lubinda Imboela's critique of the PRSP process in Zambia, he acknowledges several points where PRSPs fail to make themselves distinct from SAPs. The three issues with PRSPs in the Zambian context—ways in which they reiterate the shortcomings of SAPs, are: that they fail to understand poverty structurally, that they do not describe poverty relationally, and that, most importantly, they do not actually encourage participation.

To Imboela's first point, that PRSPs fail to understand poverty structurally, meaning, because of policies or processes. PRSPs, like SAPs before them, understand poverty as a lack of resources. PRSPs are marginally better about making that list more comprehensive—including healthcare, education—rather than just a quantifiable sum of money. Rather, poverty needs to be understood as "a product of processes of power" (Imboela, 2005, 440). Otherwise, poverty is a descriptive term only, and not an analytical one. In Zambia, poor people observed that the adjustment and liberalization policies they had undergone were the major cause of poverty (Government of Zambia, 2002, as cited in Imboela, 2005, 440).

A more specific example of Imboela's critique: although one of the critical failures of the SAP was placing too much stock in developing Zambia's agricultural sector without the requisite infrastructure or planning, the PRSP is quick to pin the hopes of poverty reduction on a similar agricultural boom. In laying out priorities for development, the PRSP reads: On several grounds, agriculture in Zambia combines the virtues of growth and equity and it is in this regard that enhanced agricultural productivity is being given the highest priority" (PRSP, 2002, 11). The focus on agriculture is justified in several ways, but mostly through economic desperation as the country attempted to pivot away from its historical dependence on mining: "Efficiency and quick response of [large-scale commercial agriculture] is crucial as Zambia faces an uncertain economic future following the announcement by Anglo American Corporation to pull out of mining interests in Zambia" (PRSP, 2002, 12). Pinning Zambia's development hopes on an agricultural revival seems shortsighted given the problematics experienced during the SAP when the same strategy was employed.

Importantly, Zambia's PRSP clearly gives priority to large-scale agricultural producers. However, in a survey included in the PRSP document meant to communicate a better understanding of poverty by the writers, the majority of poor Zambians in Luapula Province believe the most important part of "a good life" is farming for food and a surplus to sell. Although there are poor farmers in Zambia, and the PRSP does focus on farming in Zambia, no connection is made between improving conditions (particularly for small producers) in the agricultural sector and the poverty of the people who work in it.

This reflects a more general trend in the PRSP: it includes various surveys that clearly reflect consultation and surveys of the poor, the proposed interventions for poverty reduction do not appear related to that research. While the surveys of the rural poor concluded that problems such as cattle disease and inconsistent access to government or private credit were the primary causes of their economic hardship, the anti-poverty interventions listed in the PRSP focused on, among other issues, security in the border regions near Angola and The Democratic Republic of Congo. This is particularly significant because one of the few means of protest that had been available to impoverished agricultural producers in the 1990s, when the government had offered an unfeasibly low price for maize, had been to sell the grain across borders on the black market. Rather than ensuring that farmers can sustain a livelihood in Zambia, one of the PRSP interventions—seemingly uncalled for by any form of "participation"—prevents access to alternative, protest markets.

Returning to Imboela's critique, the Zambian PRSP also does not consider poverty relationally: there is no connection made between the poor and the non-poor. Without considering the relationship of the poor to those who are better off in the Zambian economy, there is no possibility of addressing any of the broader social inequalities that accompany poverty. In Imboela's words, the Zambian PRSP falsely argues that "it is possible to empower the powerless without disempowering the powerful."

This can be observed in language such as "growth-stimulating interventions are being placed at the centre of the PRSP together with pro-poor interventions that have been carefully chosen" (PRSP, 2002, 17). The idea of the centrality of economic growth being a disparate economic objective from the empowerment of the poor is a false separation. In the case of SAPs, the austerity-oriented, radically ‘pro-growth’ policies were the same policies that did the most harm to the poor. Separating the potential effects of these pro-growth interventions from the PRSP agenda underscores the idea that the focus on poverty reduction is only nominal.

This shortsightedness is also apparent in the PRSP’s limited understanding of gender: without understanding the way that poverty and the burden of economic adjustment disproportionately affect women, there is no chance of formulating more gender-equal policy (Geisler, 1992, 124).

For example, Zambian women are often expected to make up, in unpaid, informal labor, for the care work or agricultural work that ceases to be subsidized under adjustment (Geisler, 1992, 126). Without understanding the relational dynamics of poverty—between the poor and non-poor, between men and women—PRSPs and SAPs miss large portions of the picture.

The PRSP does feature a section on gender as a “cross-cutting issue” which does show improvements over the SAP: the analysis of gender in the final version of the PRSP is relatively successful. Unlike Bolivia’s PRSP, Zambia’s considers the country’s existing gender policy. The PRSP also observes gender in some of the critical junctures where it had been ignored in the SAP, particularly in privatization of the agricultural economy:

> According to the CSO 1998 Living Conditions Survey, 83 percent of the people in rural areas were poor compared to 56 percent in urban areas. Additionally, the incidence of poverty by sex of household head showed that persons in female headed households (FHHs) were more likely to be extremely poor than those in male headed households (MHHs). 77 percent of all persons in FHHs were poor compared to 72 percent in MHHs. This situation has worsened from the mid-1980s due to the deteriorating economic

situation in the country. This is a confirmation that poverty affects women and men differently, hence the terminology 'feminization of poverty.'

In terms of food poverty, 61 percent of FHHs faced food shortage compared to 52 percent of MHHs. Moreover, FHHs more often have longer spells of food shortage. This has a differential impact on child malnutrition in FHHs compared to MHHs. The proportions of stunting and underweight are higher in FHHs (54 percent and 29 percent) than in MHHs (49 percent and 29 percent) (PRSP, 112).

However, despite the section title, gender is not brought to the fore as a meaningful cross-cutting issue. Rather, cross-cutting issues that are more easily framed according to a social investment perspective are highlighted in the introduction. For example, the HIV/AIDS epidemic is recognized with this language: "AIDS threatens the country's capacity building efforts because it strikes the educated and skilled as well as the uneducated. Consequently, it reverses and impedes the country's capacity by shortening human productivity and life expectancy" (PRSP, 119). AIDS is highlighted using the social investment terms of humanity-as-capital, a hallmark of neoliberal policy.

Finally, the lack of meaningful participation is likely the biggest flaw in the legitimacy of the Zambian PRSPs. Imboela (1996) writes that one must question "to what extent Zambia 'owns its poverty-reduction programs when it constantly must answer to IFIs," observing that "it should be recalled that poor countries have never successfully resisted IFIs' global development programs" (437). Because the policies are predetermined even before participation and "awareness workshops" like the ones that took place in Zambia, "participation simply becomes an exercise that lends legitimacy and credibility to the PRSP process without challenging the underlying structural causes of poverty" (Imboela, 1996, 441).

This is, again, most clearly evidenced in the reliance on the agricultural sector to compensate for the Anglo-American mining corporation ending its activity in Zambia. The decision to prioritize an agricultural economy perpetuates a longer trend of emphasis on African countries as centers of raw material export, rather than looking at the impending decrease in the mining sector as an opportunity for Zambia to develop an industrial economy. Thus, the PRSP process, despite having adopted a poverty reduction focus and 'increased participation measures,' represents very little progress when it comes to fighting poverty in Zambia.

Imboela also critiques the PRSP's false promise of 'participation,' which, like in the case of Bolivia, is largely premised on decentralization measures and vaguely articulated "good governance objectives" (PRSP, 32). However, it is unlikely that decentralization is the key to the kind of good governance that would reduce poverty. When governance is decentralized, resources are more likely to be funneled directly from the national center to local elites with little oversight by the central government, rather than distributed equitably with attention paid to inequalities and marginalized groups. The impulse for good governance in the PRSP appears to be a more appealing package for the what are fundamentally the same policies as SAPs, rather than a desire for substantive reform. Desire to decentralize and possibly decrease corruption seems most closely linked to a push for foreign investment: "investors, particularly foreigners, are averse to bad governance, perceived or real" (PRSP, 42).

Whereas the initial promises of the 1983 and 1985 agreements were predicated on economic growth (performance legitimacy), the 2002 PRSP was centrally concerned with increasing popular participation and country ownership of economic policy (moral legitimacy). This shift—and the two policy interruptions in 1987 and 1991—show that there were legitimacy issues with the top-down operation of the initial policy. Even though the policies themselves did not change significantly between 1985 and 2002, the way they were implemented—implying a higher level of concern for the average Zambian citizen and involvement in national concerns—changed. Advertising the policy tools of moral legitimacy (participation, poverty reduction), in this case, were more useful than promising performance legitimacy that could not deliver.

Chapter 4 : Conclusion

Legitimacy theory helps make sense of the policy transition from SAPs to PRSPs in both Zambia and Bolivia. However, as the literature on Gendered IPE shows, just using legitimacy theory to examine the shift in policy would fail to show the full picture. Rather, using frameworks from legitimacy theory together with insights from Gendered IPE gives a more complete history of the change in legitimation strategy. By understanding the operations of power in both the formal sphere: global governance, national policy, and the informal or unlabeled: gender, post-colonial, it becomes easier to understand the real consequences for legitimacy.

Williams' description of moral legitimacy and performance legitimacy offers a framework for understanding the transition from SAPs to PRSPs from the point of view of IFIs. When proving the legitimacy of IFI intervention with a growth-based, performance legitimacy failed, they switched to a moral legitimacy, norm-based, mode of legitimation for PRSPs.

Steffek's distinction between prescriptive and descriptive legitimacies, combined with Van Rooy's writing on the "legitimacy game," help understand how these policies played out in the countries where they were enacted, and whether this change in legitimacy model was successful. Considering how the shift from SAPs to PRSPs was received, in countries that experienced both, will reveal whether this new mode of legitimation was successful on a popular level.

Some of the most important and most resonant critiques that SAPs and PRSPs have faced, beginning with "Adjustment with a Human Face," have come from their failure to deal with gender. Feminist scholars like Elson (1994) and Benería (2003) have elaborated on and nuanced this criticism by considering the role PRSPs and SAPs have played in perpetuating existing oppressive power structures. When PRSPs have dealt with gender, it has been from Jenson's

(2009) “social investment perspective,” meaning that the importance of alleviating poverty is phrased in the language of capital, and humanness-as-dollars. In addition to the most obvious flaws with this approach, such as that it neglects the needs of older women to “invest” in girls, who provide a bigger “return on investment,” it perpetuates the idea that the problems poor people do not need to be confronted holistically. The social investment perspective is highly unlikely to be able to address structural inequalities, power imbalances, and prejudices that perpetuated poverty in the first place.

Critiquing how the legitimacy of structural adjustment and later, poverty reduction has operated is also, fundamentally, a critique of the idea that economic growth is inherently good. It is a critique of the idea of a growth-centric view of poverty reduction. IFIs shifting to PRSPs is not the same as alleviating poverty, or even as adopting policies that are actively engaged in ameliorating poverty. Programs like Conditional Cash Transfers, or programs geared toward social welfare more generally, would be more in line with alleviating capacity poverty: they would be more focused on improving both human capital and human security by helping people access the materials they need to achieve their potential. PRSPs are closer to SAPs in that they rely heavily on GDP growth to alleviate poverty—although there are more built-in social policy considerations, they are still premised on the idea that ‘a rising tide lifts all boats.’

The most significant takeaway from a close reading of both the Bolivian and Zambian PRSPs is that they are little different from the Structural Adjustment strategy they were expected to replace. The differences are that PRSPs use social investment language, rather than classical economic language, to describe economic growth initiatives; and that PRSPs include “boxes” carved out for individual interest groups. Although gender is described as a “cross-cutting issue,” the writing about gender inside a “gender box.” The writing about community development is in another box. Concerns about healthcare are in another box. Local unions or NGOs may get a box—or not.

Importantly, the compensatory programs enacted in both Bolivia and Zambia (the Fundo Emergencia Social, the Social Action Program, and others) perpetuated a growth-at-any-cost ideology of development, rather than challenged it. Although the programs were designed to provide services to the people who were suffering under the effects of structural adjustment, they represented an implicit acceptance that this kind of suffering was an inherent part of economic growth. The fact that the use of such compensatory programs persisted even after the implementation of PRSPs in both countries underscores the fact that PRSPs did not represent a significant shift in development policy. Even though PRSPs promised to reduce poverty, the continued use of compensatory employment and social programs showed that this rebranded economic policy was continuing to create a good deal of poverty.

With that said, If IFIs were able to shift successfully to a norm-based model of legitimation, there are significant consequences not only for the international financial sector, but also for the fields of human rights and international law. If norms can be just as important, if not more important than performance, these two sectors which rely primarily on moral legitimacy for their survival will have a lesson to learn from the IMF and the World Bank.

The PRSPs do represent some progress from the SAPs—but merely mentioning gender issues, issues of healthcare access, or education—that does not represent an integrated analysis of what affects people's lives when IFIs come in "reduce poverty." A more rigorously thoughtful development policy would not just include community concerns as add-ons, or mention that these groups had been "listened to." Rather, it would integrate an analysis of obstacles to gender equity, to healthcare access, to education into a development plan. Further, it would see development as more than just what can be monetized. Access to education and healthcare should not be described as investments or ways to develop human capital, but rather, ways to improve the lived experience of others. There is nothing inherently wrong with economic growth: but a development policy that makes a concerted effort not to refer to people as "capital," to spread the benefits of development evenly, to include even the poorest of the poor—that seems unlikely to be the development policy that privileges economic growth above all else.

Figures

All graphs are from the World Bank Data Bank at http://databank.worldbank.org

Figure 1.1

Figure 1.2

Figure 1.3

Figure 1.4

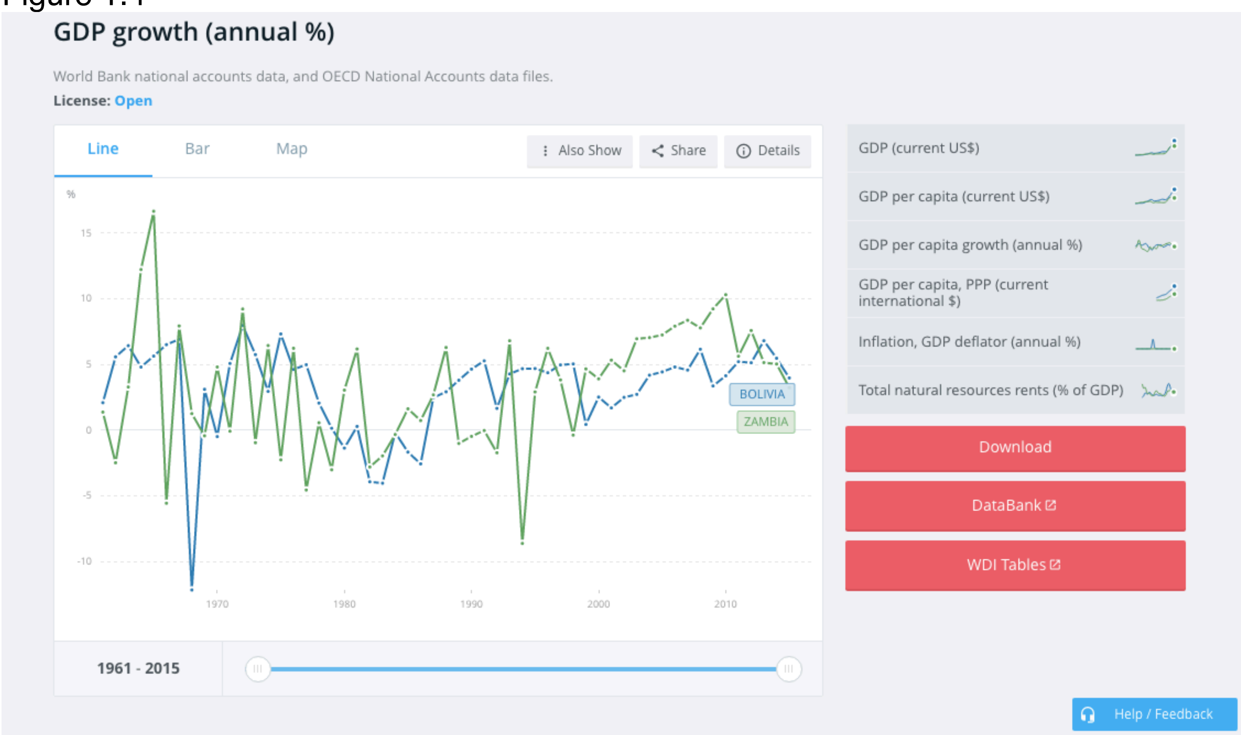
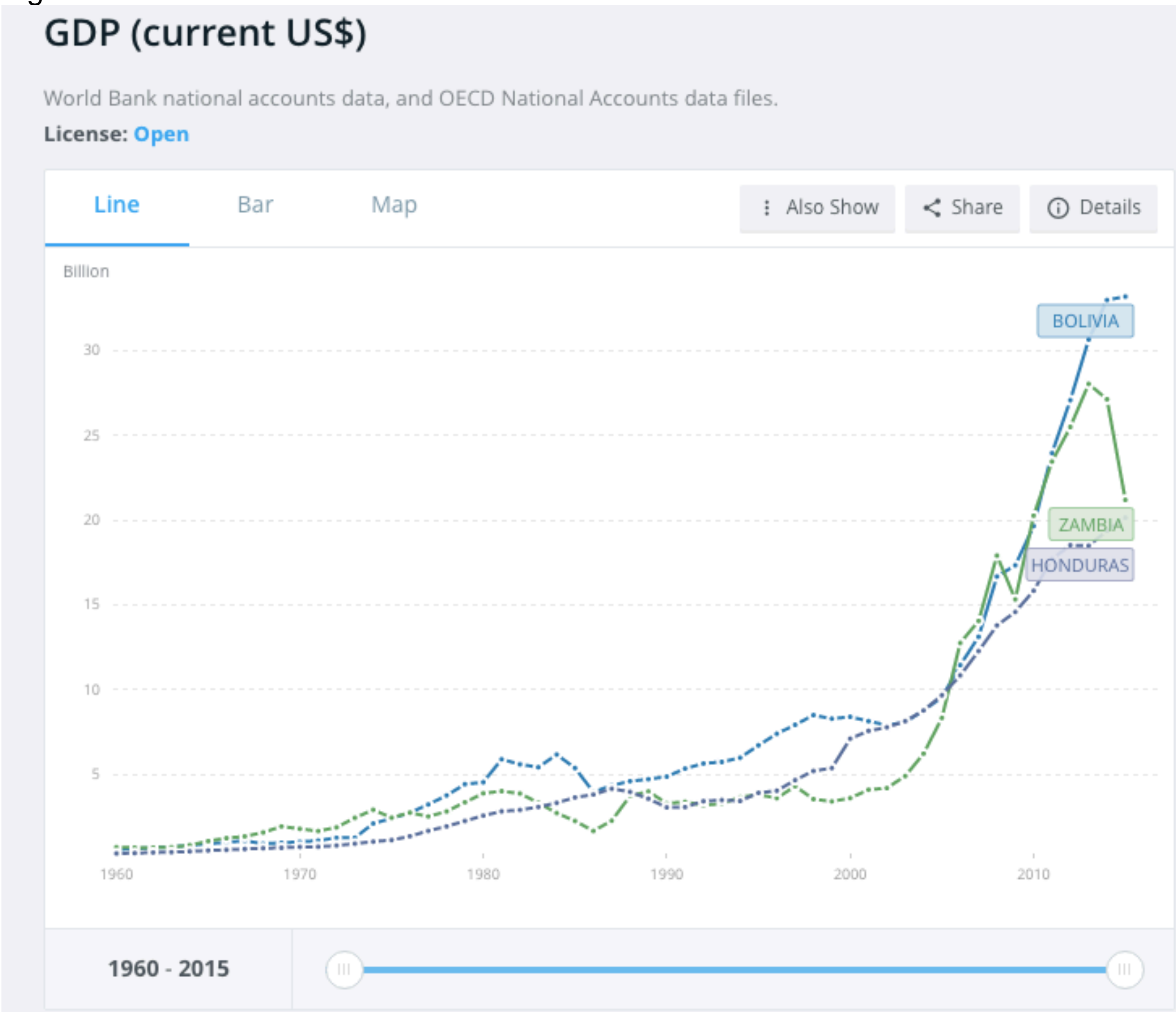


Figure 1.5

Figure 1.6

Figure 1.7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