

Looking at Development and Donors: Essays from Nepal

Devendra Raj Pandey (edited by Seira Tamang)

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Foreign aid has been the subject of a great deal of development rhetoric in Nepal. Although its objectives have rarely been met, foreign aid continues to shape Nepal's development's priorities, modalities and outcomes. Currently, around 70 percent of the country's development expenditure is financed by external aid and this has remained more or less constant for the last four decades. Clearly, foreign aid has been a key part of Nepal's development experience, and of its successes and failures. Pandey's book documents and examines the 'symmetrical relationship' between the history of 'failed' development and foreign aid in Nepal and is concerned with fundamental questions: Why has there been very little development despite six decades of foreign aid? Is foreign aid part of the solution or part of the problem? Pandey's intellectual position is rooted in his premise that 'failed' development is manifested as rampant poverty, widespread corruption and violent conflict. The book offers a sad and ironic picture of development efforts and foreign aid in Nepal. The author demands accountability from donors:

Much of the malaise is the result of ineffectual Nepali institutions and actors ... However, given the symmetrical relationship between foreign aid and development in Nepal and the embedded unequal donor-recipient relationship, foreign aid cannot escape scrutiny and responsibility for what has and has not happened. (p.11)

Unlike his previous book, provocatively entitled *Nepal's Failed Development*, the current volume is a collection of 24 discrete essays on the broadly defined theme of development and donors. Except for Chapter 1, which was written specifically for this book as a way of providing an overall framework for the collection, these essays have been published separately over the last three decades as newspaper articles, official presentations and academic writings. The chapters are arranged chronologically under

three headings ('Panchayat Period', '1990 Democratic Era' and 'The Year 2000 and Beyond') with a very short six-page introduction by Seira Tamang. The chronological organisation of the book not only reflects the distinct political environments of each period but also global trends in regimes of foreign aid.

Pandey's writings are not just informative but also highly analytical, with conceptual clarity on a range of topics. The key merit of the book lies in Pandey's rich historical and reflective analysis, thanks to his background as head of the foreign aid division in 1970s, finance minister in the first 1990 democratic cabinet, leading specialist of development and leading civil society activist in the last decade or so. As Tamang asserts in her introduction, 'Despite, or perhaps because of, the many avatars that the author has taken over this period, the essays display a remarkable consistency' (p.1).

Pandey's essays offer critiques of development and donors on several fronts and possess a rich potential for further analysis and research for readers interested not only in the history of foreign aid in Nepal, but also for those interested in the theoretical scrutiny of development and foreign aid more widely.

Pandey writes, 'the development partners were able to promote 'the demand side' of the right-based approach to democracy, development and development cooperation' (p.402). He adds, 'however, when the "supply side" is weak, the process creates a room for conflict' (p.402). This raises an important point: Was the Maoist insurgency, which took hold, spread and was ultimately successful, somehow linked to the nature of the aid policies that foreign donors and agencies implemented in the country over the last few decades? More broadly, should we conceptualise the conflict as a consequence of a perceived 'development failure' in Nepal? The case that Peter Uvin argued with respect to the development enterprise in Rwanda (Uvin 1998) may well also be applicable to Nepal. In developing countries such as Nepal, where foreign aid provides such a large share of the financial, technical, ideological and human resources of government and civil society, development aid cannot but have played a crucial role in shaping the processes that contributed to the emergence of the conflict.

Pandey raises the issue of the 'depoliticization' of development policy making and thus the issue of sovereignty in the context of foreign aid and associated 'political' intentions, demands and conditionalities. He takes

issue with donors' concern with governance, which has expanded the domain of policy making to civil society and NGOs. Throughout his writings, Pandey asserts that development is not a technical but rather a political process, and emphasises the importance of ownership and accountability in policy making. He writes,

The corruption-afflicted, misgoverned countries generally need, and the donors can always provide, suggestions and advice on what might be done as remedies ... But the donors must be cautious that they do not design policies and programs in such a way that they end up owning them, releasing the recipient from the much needed accountability. This requires that the advice and suggestions do not 'graduate' to *command* and *conditionalities* that become counterproductive. (p.238)

Pandey's writings remind us that an intricate relationship exists between donors and the regime in Nepal. Not only have foreign donors been a key tool of political legitimacy for all kinds of regimes and governments in the past, but as Shah (2008) has argued, they have also played an important role in regime change and state reconstruction in Nepal through their funding and influence.

Overall, despite the richness of the information and analysis presented in the book, we are not in a position to answer the question of why foreign aid continues to be poured into Nepal when it has not produced the desired development outcomes. As post-structuralist scholars of development have reminded us, rather than taking development failure as self-evident, we need to ask what purpose foreign aid has served if not the stated objectives of development. For those interested in the state, has foreign aid with its discourses on governance and corruption had a profound, negative impact on the capacity of the Nepali state and its legitimacy to govern? Let us hope that Pandey or another scholar will interrogate these questions in the future.

References

- Shah, S. 2008. *Civil Society in Uncivil Places: Soft state & regime change in Nepal*. Washington DC: East West Center, Policy Paper 48.
- Uvin, P. 1998. *Aiding Violence. The development enterprise in Rwanda*. West Hartford: Kumarian Press.