



Report of Activities 2002



The World Bank's Annual Bank Conference on Development Economics in Europe was held in Norway for the first time in June 2002. CMI researchers contributed to workshops on public management, accountability, corruption control, and gender-based discrimination and poverty, and edited the conference proceedings. The conference attracted significant but peaceful demonstrations against the World Bank. (Scanpix)

Questioning the Consensus

The phrase "Washington Consensus" has become a familiar term in development policy circles in recent years. At its core has been advocacy of a small set of instruments to achieve a relatively narrow goal: economic growth. The Washington Consensus is based on a rejection of the state's activist role. The unspoken premise, as Joseph Stiglitz has put it, is that governments are worse than markets. Therefore, the smaller the state, the better the state.

As in much of the discourse on development, the success of the Washington Consensus as an intellectual doctrine has rested on its simplicity. Its policy recommendations could be administered by economists using little more than accounting frameworks. A few economic indicators - inflation, money supply growth, interest rates, and budget and trade deficits - could serve as a basis for creating a set of policy recommendations. Simple benchmarks were used to judge success or failure.

Success or failure in the development field, however, are contested terms. Our goals arguably are much broader than economic growth. We seek improved health and education and not just increases in measured GDP. We seek sustainable development, which includes preserving natural resources and maintaining a healthy environment. We seek equitable development, which ensures that all groups in society, not just those at the top, enjoy the fruits of development. And we seek democratic development, in which citizens participate in a variety of ways in making the decisions that affect their lives. To achieve these goals, the policy tools of the Washington Consensus are inadequate.

Another "consensus" has therefore emerged, centred on concepts of sustainability and local ownership. This consensus has problematic aspects as well. The local "owners" of development policies may subscribe not to broader concepts of development, but to narrow goals of self-enrichment and self-preservation. Development aid is often combined with efforts that seem to undermine ownership, such as conditionality and donor-driven activities. Moreover, a steadily increasing share of aid funds is being channelled to countries in conflict (at the moment, Afghanistan tops the list of recipients of Norwegian aid, followed by the Palestinian Area and Serbia/Montenegro), where issues of "ownership" compete with other considerations, such as aid as an expression of political support or as a tool to achieve short-term stability.

It must again be pointed out that ready-made formulas or lessons cannot easily be transferred from one situation to another. Continued research and discussion is essential if we are to better understand how to achieve our many goals. As part of this activity, the research community must question the assumptions on which the Washington and other kinds of "consensus" are based. At CMI we will continue to work with agencies like NORAD and the World Bank to improve the knowledge base for decision-making. But in a world where we continually seem to face new sets of complex issues that defy simple analysis, one of our most important contributions as a research institute will also be to tell alternative, coherent and credible "stories", describing different paths that lead to alternative futures in those parts of the world in which we work.


Gunnar M. Sørbo
Director



CMI is an applied
research and policy
institution which works
on a broad range of
development issues.

The Global Economy and Development

Research on the uneven integration of developing countries into the international economy has always been one of the focal areas for CMI. This includes studies of trade, international investment, transfers of aid, global inequalities and economic cooperation.

In 2002, the research programme "WTO/GATS and Economic Development" focused on the role of information and communications technology for the provision of social services (health, education and entertainment) in developing countries and the location of designer services in a centre-periphery context. One of the projects reviewed the tourist industry in Namibia and its adoption of new information technology (Research Council of Norway).

Other projects focused on:

- the relationship between social development and foreign direct investment in developing countries (World Bank)
- partnerships between Norwegian NGOs and business enterprises working in the South (NORAD)
- how donors may improve the export capabilities of poor countries through efficient technical assistance to developing sanitary and phytosanitary standards (NORAD)
- imports into Norway from its developing partners (NORAD)
- whether Norway should provide balance of payments support to Bangladesh (NORAD)

CMI researchers were involved in the Annual Bank Conference on Development Economics - Europe and were commissioned to edit the conference proceedings (World Bank).

Human Rights and Democratisation

Human rights and democratisation have comprised one of CMI's core research activities since the early 1980s. Activities during 2002 covered peace and reconciliation, democratisation, institution building and human rights promotion.

The programme on political institutions in Africa finalised a project on political processes in the context of multi-party politics in Zambia and organised a conference. Two graduate courses at the University of Bergen were taught (CMI).

Activities in the programme "Accommodating difference" consisted in 2002 of individual projects related to Bosnia and other parts of the former Yugoslavia.

In 2002, CMI researchers looked at:

- how different societies have dealt with a repressive past characterised by gross human rights violations at the conference *Ørøds to Reconciliation* (Norwegian Ministry of Foreign Affairs, SpareBank1 Vst, CMI)
- the democratic transition in Ethiopia, which resulted in two books published by Zed Books (Norwegian Centre for Human Rights/University of Oslo) and by the Nordic Africa Institute (Norwegian Ministry of Foreign Affairs)
- human rights in Nepal (NORAD)
- the Irish human rights and democratisation scheme and how policy-makers can best promote human rights (Ireland Aid)
- the role of the courts in the consolidation of democracy and social transformation in South Africa (Research Council of Norway)
- judicial independence in Latin America in the 1990s, through the completion of a PhD dissertation (Research Council of Norway, CMI)



Angolans celebrate the historic cease fire deal signed in April 2002 after 27 years of civil war. CMI has been engaged in discussions on human rights and reconstruction in the country. (Corbis)

Post-Conflict Reconstruction

The changed international situation after 11 September 2001 continued to influence the course of conflict and resolution in many parts of the world. Assistance in "post-conflict" situations became a more established area of expertise, drawing on theoretically grounded knowledge from the social sciences regarding the dynamics of state formation, democratisation and economic reconstruction. The role of the UN was of particular interest, both as a manager of the post-conflict peace process in areas like Kosovo, East Timor, Afghanistan and Angola, and as a channel for humanitarian assistance alongside the NGO system. CMI researchers expanded their work in this area in the past year.

Highlights of the year were:

- a major comparative study on the role of the UN in peacekeeping and peace-building activities, of which CMI's contribution was a study of the UN mission in Afghanistan (DFID)
- two reports on peace-building in Afghanistan and a conference on Afghanistan in a regional context (Norwegian Ministry of Foreign Affairs)
- the seminar "Preparing for peace. Future Swedish and Norwegian development co-operation with Angola", which addressed questions concerning reconstruction, institutional capacity and civil society (NORAD)
- a collaboration agreement with an independent Angolan research institution, focusing on the Angolan justice system and parliament (NORAD)
- a book on international humanitarian action in Africa, published by the Nordic Africa Institute (NORAD)

Public Sector Reform

The focus of this research area is on public administration, economic policy, taxation and corruption. The role of institutions and processes of institutionalisation has been at the centre of attention for several of the research projects.



The most important activities in 2002 were:

- the launch of the web-based Utstein Anti-Corruption Resource Centre, U4, following an agreement with the international development ministries of the Utstein group (UK, Germany, the Netherlands, Norway) (DFID)
- the finalisation of a book manuscript on rent-seeking and state formation in the Palestinian Area (NORAD)
- a new research project on the outcome and effects of the local government reform programme in Tanzania (NORAD)
- the finalisation of a research project on taxation, aid and democracy that studied the evolution of tax systems in Namibia, Tanzania and Uganda and included a conference (Research Council of Norway, Danish Ministry of Foreign Affairs, African Capacity Building Foundation)

Poverty and Social Transformation

The call for effective reduction of global poverty, as formulated in the UN's Millennium Development Goals and in a growing number of national strategies and donor programmes, challenges the research community to move its discourse beyond definitions and measurements to an understanding of poverty generating processes and what pro-poor policies entail.

The programme on Urbanisation and Development in Africa continued with different studies on contemporary urban realities: rural-urban migration in Kenya, urban poverty in Namibia, women in the informal economy of African cities and popular drama in urban Tanzania (CMI). The latter was defended for a PhD degree at the University of Bergen (Research Council of Norway).

Other work in 2002 included:

- the study of PRSP processes in Zambia and Malawi (NORAD)
- a study of the socio-economic effects of HIV/AIDS in African countries (NORAD)
- a workshop on responsiveness to and accountability for poverty reduction (UNDP Oslo Governance Centre)
- CMI researchers' active participation role in the Norwegian conference on "Poverty and the Environment" organised by the Research Council of Norway, including editing of the conference report



Creating security for reconstruction: Afghan men ride their bikes alongside British paratroopers, part of the international peace-keeping force, in Kabul. CMI researchers continue to work on Afghanistan. (Corbis)

THIS IS CMI CMI is an independent, non-profit research institution working on issues of development and human rights in the South. The geographical focus is on Sub-Saharan Africa, Asia, the Middle East and the Balkans. With a staff of approximately 40 researchers, the Institute is the largest centre for development studies in Norway. CMI aims at providing high quality research drawing on social science, assisting policy formulation and promoting public debate on international development issues. CMI staff have wide experience in evaluating aid projects, programmes, organisations and strategies, and have led numerous international studies. The Institute houses a specialised library.

Aid Policy and Impact

CMI has long-standing experience in studies and evaluation of aid policy and programmes in developing countries. Over the past decade, aid policy has become increasingly politicised and oriented towards influencing reform processes in developing countries. Several activities have addressed issues pertaining to the emerging new aid architecture of country ownership and development partnership.

Work in 2002 included:

- a multi-stakeholder evaluation of experiences with the Comprehensive Development Framework in which CMI headed the team responsible for the Vietnam country study (World Bank)
- a study of donor-government relations in Nepal looking at processes of national development policy-making (donor community in Nepal)
- a review of Norwegian-South African development co-operation from 1995 to 2001 (NORAD/Norwegian Embassy Pretoria, South African National Treasury)
- support to the formulation of Norway's development strategy towards Angola (NORAD)
- a study of how major aid agencies have organised themselves to best address social development issues (World Bank)
- an evaluation of the SAPRIN report focusing on the effects of the World Bank's structural adjustment lending (World Bank)



The Norwegian Minister of International Development, Hilde Frafjord Johnson, participated at the UN World Summit on Sustainable Development in Johannesburg in 2002. CMI is the only institute with a core grant from the Norwegian Ministry of Foreign Affairs. CMI is an important policy adviser, and frequently conducts evaluations on Norwegian development aid to the Norwegian aid agencies. (Scanpix)

Natural Resource Management

The twin challenge of trade liberalisation and poverty reduction exerts increasing pressure on renewable natural resources in developing countries - agricultural land, forest products and fisheries. Research contributes towards sustainable management by improving our understanding of linkages between social systems and access to these resources, economic systems and their market value, and biological systems and reproductivity.

With the completion of the programme on inland fisheries in Southern Africa, 2002 has been a transitional year for this kind of research at CMI.

The main activities included:

- the completion of a book manuscript on inland fisheries in Southern Africa for publication by FAO. The study demonstrates that climatic variability more than fishing determines the state of fish stocks, and underscores the importance of inland fishing as a buffer for large population groups in periods of economic stress (FAO, Research Council of Norway, NORAD)
- consolidating the consortium (NODE) with the Norwegian Institute for Nature Research and Noragric for joint work on environment and development
- international co-operation, such as with the Nepal-based International Centre for Integrated Mountain Development

The Annual Chr. Michelsen Memorial Lecture 2002

The President of Botswana, Festus Mogae:
The Role of Economic and Financial Governance in Development:
The Botswana Experience and Challenges

Financial Statement

The Institute's total turnover in 2002 amounted to NOK 42 m. CMI had 130 research projects and commissioned studies with external funding for a total value of NOK 27.5 m. Compared to 2001, the increase in project revenues was NOK 3 m. or nearly 20%.

Operating results ended at an encouraging NOK 1.8 m. However, the downturn in the financial markets caused a net loss of NOK 2.1 m.

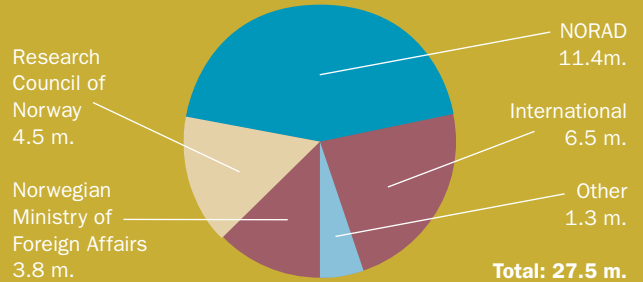
Through the Research Council of Norway, CMI receives a core grant of NOK 10 m. for development studies from the Norwegian Ministry of Foreign Affairs, and NOK 1.1 m. for human rights studies from the Norwegian Ministry of Education and Research. The allocation is crucial to maintain and update existing expertise in all areas of the Institute's work, including CMI-initiated research and library services.

Publications

During 2002, CMI researchers published 24 refereed articles in international journals, 3 books, 17 book chapters and conference proceedings, 16 reports in external report series and 9 unpublished commissioned studies. 21 CMI Reports and 7 CMI Working Papers were published in 2002. In addition, 41 newspaper feature articles and other popularised articles were published in Norwegian.



Project Revenues per Client



CMI Policy Brief

The *CMI Policy Brief* was launched in September 2002. This new publication aims at providing comments and analysis on current policy debates based on findings from recent studies produced at CMI. The *CMI Policy Brief* is written for policy makers and other interested readers, and is issued on a quarterly basis.

September 2002:
Funding Political Parties in Emerging African Democracies: What Role for Norway?

December 2002:
International Legislation and Conventions on Corruption



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Acronyms and abbreviations **DFID**: Department for International Development - **FAO**: Food and Agricultural Organisation of the United Nations
IDS: International Development Studies - **NODE**: Norwegian Consortium for Development and Environment - **NORAD**: Norwegian Agency for Development Co-operation
NORAGRIC: Centre for International Environment and Development Studies - **PRSP**: Poverty Reduction Strategy Paper