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Promoting Donor Policies in Aid:

Ownership and Conditionality in Quang Tri Rural Development
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KOSKENRANTA, REETTA: Promoting Donor Policies in Aid: Ownership and

Conditionality in Quang Tri Rural Development Programme

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This thesis delves into the principles of ownership and conditionality in development cooperation. Since the 1990s, ownership has become a central tenet in aid. The idea is that in order to avoid the mistakes of the past decades of failed development interventions, recipients must be empowered to take the lead in development planning and implementation. At the same time, though, the number of aid conditionalities that donors adhere to keeps rising. Also Finnish aid interventions must support not only ownership but also e.g. poverty reduction, democratisation, decentralisation, gender equality, environmental protection and good governance, values that do not always sit together easily with strong recipient ownership. The donor is faced with contradictory incentives, on the one hand to let go and on the other to keep control.

The empirical focus is on Quang Tri Rural Development Programme (QTRDP), a bilateral development cooperation project in Central Vietnam funded by Finland. The research task is to assess the success of donor policies in the project as understood by donor side actors: how were donor policies, both ownership and conditionality, reflected in project practice, and conversely, how was project practice interpreted in the light of donor policies? The primary research material consists of interviews with fifteen people involved in QTRDP either through the Ministry for Foreign Affairs of Finland (MFA, the donor agency) or the consultancy company contracted to support programme implementation. The research method was empirical and quite simple: interview texts, thematised and coded, formed the basis for analysis. My methodological approach was loosely based on Olivier de Sardan's entangled social logic approach, combining both realist/factual and constructionist perspectives to analysis.

The research is set in the framework of 'inside' and 'outside' perspectives to the aid relationship. The former sees aid as a rationalist activity based on planning and shared goals, the problems of which have been a consequence on ill-conceived donor policies. In this view, the ownership agenda is a much needed initiative to transfer power to the recipient. In the latter view, aid inevitably leads to donor domination, and any new policy rhetoric will not make a difference.

In aid literature ownership is primarily understood as power and control over aid processes. Seen in this light, it is obvious that in QTRDP the recipient (primarily the provincial authorities) held exceptionally strong ownership over programme activities: in most central disagreements with the donor they got their way. This was enabled by the internal workings

of the ownership policy. Disciplined by the discourse and the history of accusations of donor intrusion it carries with it, the donor was unwilling to use open imposition based on its financial muscle. But it was at least to an equal measure due to the exceptional strength of the recipient and his/her insistence on taking that ownership.

But giving away total control (total ownership) was not an acceptable option to the interviewees: the donor also had her/his share of the right to control. Justification for the few instances of donor domination apparent in the project, as well as the general justification for donor interference in the use of aid funds, was found in the defects of the recipient, the Other, in opposition to whom the image of Self was constructed. The Other was corrupt and did not care for the hardship of vulnerable groups, qualities quite incongruent with Finnish aid policies and values in general. Therefore, the donor and the consultant were morally obliged to control the way aid funds were used.

All in all the interviewees found the balance between ownership and conditionality in the programme quite good: recipient ownership had dominated over Finnish aid conditions to some degree, but still something was achieved on all fronts. Vietnamese predomination was presented as ownership, and cases of donor imposition as essential promotion of other donor goals. This way both actions congruent with ownership and actions congruent with 'donorship' were presented as successful instances of authorised policy.

This study questions the inevitability of donor dominance in the aid relationship assumed by outside critics. It also questions the assumption of much inside literature that the key to ownership lies in dialogue based on trust and openness. In QTRDP there was not much trust or openness between the recipient and the donor side, but compromises acceptable to all parties could always be negotiated. This study suggests that instead of assuming either dominance or mutuality of goals, development studies and aid practice would benefit from further study into the field realities of *how* development cooperation actually happens: how different actors in development strategize in their dealings with other agents, how they are constrained yet able to subvert the objectives of others, and how policies influence aid interventions and are influenced by them.

Tampereen yliopisto

Yhdyskuntatieteiden laitos

KOSKENRANTA, REETTA: Avunantajan politiikkatavoitteiden edistäminen

kehitysyhteistyossä: Omistajuus ja ehdollisuus Quang Trin maaseutukehitysohjelmassa

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Tämä tutkimus paneutuu omistajuuden ja ehdollisuuden käsitteisiin kehitysyhteistyössä. 90-luvulta alkaen omistajuudesta on tullut keskeinen opinkappale avussa. Ideana on, että epäonnistuneiden apuinterventioiden historiasta irti pääsemiseksi avunsaajien täytyy voimallistua ottamaan avun suunnittelu ja toteutus omiin käsiinsä. Samalla kuitenkin erilaisten avun ehtojen määrä jatkaa nousuaan. Myös Suomen kehityshankkeiden täytyy tukea paitsi omistajuutta, myös esimerkiksi köyhyyden vähentämistä, demokratisaatiota, desentralisaatiota, sukupuolten välistä tasa-arvoa, ympäristönsuojelua ja hyvää hallintoa, arvoja jotka eivät välttämättä saumattomasti istu vahvaan avunsaajamaan omistajuuteen. Avunantaja on ristiriitaisessa tilanteessa, jossa toisaalta tulisi luopua kontrollista, toisaalta pitää siitä kiinni.

Empiirisesti tutkielma keskittyy Quang Trin maaseutukehitysohjelmaan (QTRDP), Suomen rahoittamaan kahdenväliseen kehitysyhteistyöhankkeeseen Keski-Vietnamissa. Tutkimustehtävänä on arvioida Suomen kehityspolitiikan toteutumista hankkeessa rahoittajaosapuolen näkökulmasta. Miten omistajuuden periaate ja toisaalta avun ehdot heijastuivat projektin käytäntöihin, ja toisaalta miten käytäntöjä tulkittiin politiikkatavoitteiden valossa? Ensisijainen tutkimusmateriaali koostuu 15 projektin kanssa joko ulkoasiainministeriön (rahoittaja) tai projektin toteutusta tukemaan palkatun konsulttifirman kautta työskennelleen ihmisen haastatteluista. Metodi oli empiirisen yksinkertainen: teemoitellut ja koodatut haastattelutekstit muodostivat analyysin pohjan. Tutkimukseen on löysästi sovellettu Olivier de Sardanin 'sotkuisen sosiaalisen logiikan' (entangled social logic) menetelmää, joka yhdistelee faktuaalista ja konstruktionistista näkökulmaa analyysiin.

Tutkimus asettuu apusuhteen 'idealistisen' ja 'kriittisen' tutkimusperinteen luomaan kehikkoon. Ensimmäisen mukaan apu on jaetuille tavoitteille perustuvaa suunniteltua ja rationaalista toimintaa, jossa koetut ongelmat selitetään virheellisillä apuparadigmoilla. Tästä näkökulmasta omistajuus-agenda näyttäytyy hyödyllisenä aloitteena vallan siirtämiseksi avunsaajan suuntaan. Jälkimmäisen koulukunnan mukaan apu johtaa väistämättä avunantajan dominointiin eikä mikään poliittinen tai periaatteellinen retoriikka muuta tätä perustotuutta.

Apukirjallisuudessa omistajuus ymmärretään ensisijaisesti valtana ja apuprosessien hallintana. Tässä valossa vaikuttaa ilmeiseltä että QTRDP:ssa avunsaajan (ensisijaisesti provinssitason viranomaiset) omistajuus oli harvinaisen voimakas: useimmissa kiistoissa rahoittajan kanssa he vetivät pitemmän korren. Tätä edesauttoi omistajuus-politiikan luoma

sisäinen kuri. Omistajuus-diskurssi ja sen keskeisenä osana avunantajan toimiin kohdituva kritiikki tekivät rahoittajan haluttomaksi avoimesti käyttämään rahan tuomaa valtaa. Mutta vähintään yhtä tärkeää oli avunsaajan poikkeuksellinen vahvuus ja heidän voimakas omistajuus-vaatimuksensa.

Haastateltavien mukaan täyden hallinnan (täyden omistajuuden) antaminen avunsaajalle ei kuitenkaan ollut mahdollista: myös avunantajalla nähtiin olevan oikeus jonkinasteiseen hallintaan. Oikeutus muutamille selville rahoittajan painostuksesta syntyneille päätöksille kuten myös yleinen oikeutus projektin toteutukseen puuttumiselle löydettiin avunsaajan puutteista. Kuva itsestä rakennettiin vastakkaissuhteessa avunsaajaan, joka kuvattin korruptoituneena ja välinpitämättömänä ihmisten kärsimyksiä kohtaan – varsin sopimattomia ominaisuuksia Suomen kehityspolitiikan näkökulmasta. Rahoittajalla ja konsultilla oli siis suorastaan moraalinen velvollisuus puuttua apuvarojen käyttöön.

Omistajuuden ja ehdollisuuden välinen tasapaino nähtiin hankkeessa kaiken kaikkiaan melko hyvänä. Avunsaajan omistajuus oli ollut jonkin verran Suomen avun ehtoihin paneutumista vahvempaa, mutta kaikissa asioissa koettiin kuitenkin edistytyn. Vietnamilainen hallinta esitettiin omistajuutena ja avunantajapuolen painostustoimet Suomen avun tavoitteiden välttämättömänä ajamisena. Sillä tavoin molemmat, sekä omistajuutta että ehdollisuutta tukevat toimet, pystyttiin esittämään menestyksekkäänä Suomen apupolitiikan toteuttamisena.

Tutkielma kyseenalaistaa apukriittisen koulukunnan oletuksen avunantajan väistämättömästä dominoinnista apusuhteessa. Se kyseenalaistaa myös instrumentaalisen koulukunnan oletuksen, jonka mukaan omistajuuteen päästään luottamukseen ja avoimuuteen perustuvan dialogin kautta. QTRDP:ssa avunantajapuolen ja avunsaajapuolen väliltä ei juuri löytynyt avoimuutta tai luottamusta, mutta siitä huolimatta osapuolia tyydyttäviä kompromisseja pystyttiin aina löytämään. Tulokset viittaavat siihen, että dominoinnin tai vaihtoehtoisesti yhtenevien tavoitteiden olettamisen sijaan kehitysyhteistyön tutkimisessa olisi syytä paneutua syvällisemmin apusuhteiden kenttätodellisuuteen: eri toimijoiden taktiikoihin sekä siihen, miten omat ja muiden tavoitteet rajoittavat (ja mahdollistavat) toimintaa ja miten niiden toteutumista toisaalta rajoitetaan.

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List of abbreviations

BWIs	Bretton Woods Institutions
CBA	Capacity Building Advisor
CDF	Comprehensive Development Framework
CTA	Chief Technical Advisor
DARD	Department of Agriculture and Rural Development (provincial leg of MARD)
DIDC	Department for International Development Cooperation of the MFA (this unit no longer exists)
DIU	District Implementation Unit
DMU	District Management Unit
doi moi	Vietnamese policy of political and administrative 'renovation'
DPI	Department of Planning and Implementation (provincial leg of MPI)
FIM	Finnish marks
GDP	Gross Domestic Product
GOF	Government of Finland
GOV	Government of Vietnam
IFIs	International Financial Institutions
IMF	International Monetary Fund
IPM	Integrated Pest Management
Kinh	People of Vietnamese ethnicity
MARD	Ministry of Agriculture and Rural Development of Vietnam
MFA	Ministry for Foreign Affairs of Finland
Montagnards	Ethnic groups living in the mountainous border region between Vietnam, Laos and Cambodia
MPI	Ministry of Planning and Implementation of Vietnam (later renamed Ministry of Planning and Investment)
MTR	Mid-Term Review
NEX	National Execution (a UNDP policy)
NGO	Non-Governmental Organisation

OECD/DAC	Organisation for Economic Co-operation and Development/Development Assistance Committee
PAR	Public Administration Reform
Party	The Communist Party of Vietnam
PC	People's Committee
PCHL	People's Committee of Hai Lang
PCQT	People's Committee of Quang Tri
PIU	Project Implementation Unit
PMU	Project Management Unit
PRA	Participatory Rural Appraisal
PRSP	Poverty Reduction Strategy Paper
PSMO	Public Sector Management Officer
QTRDP	Quang Tri Rural Development Programme
SB	Supervisory Board
SC	Steering Committee
Sida	Swedish International Development Cooperation Agency
TA	Technical Assistance
TTH	Thue Thien Hue (province neighbouring Quang Tri to the South)
TTHRDP	Thua Thien Hue Rural Development Programme
UNDP	United Nations Development Programme
USD	US dollar
VBA	Vietnam Bank of Agriculture
VND	Vietnamese dong
WU	Women's Union

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Appendix 1   Interview frame

Appendix 2   Administrative framework of QTRDP

Appendix 3   Description of the project area

1 Introduction

1.1 Background: Ownership as a new theme in development cooperation

The aid relationship is embedded in inequalities between the donor and the recipient – inequalities of financial resources as well as inequalities of knowledge. This has led to much of the history of aid being one-way traffic from donor to recipient, which is seen as the reason for many failures of the past: inappropriate solutions have been offered to misconceived problems. The 1990s witnessed a gradual formation of a new aid architecture, aimed at overcoming these difficulties. The efforts are founded on the idea of ownership. The logic is that in order for development interventions to have sustainable impacts, recipients have to be empowered to take control of planning and implementation. It is only through such ownership that local knowledge can be efficiently utilised in identification of problems and finding sustainable solutions to them. Also, if the structures built or processes facilitated through outside help are to be sustained past the project or programme period, it is essential that local actors 'own' them. Without such ownership, recipients are unlikely to make the kind of commitments needed to ensure the realization of the intended long-term results of donor assistance.

At the same time, though, the number of all kinds of 'fundamental preconditions' to development that donor agencies adhere to keeps growing. Aid only works with the right kind of economic policies; good governance and transparent financial management are essential for economic growth; environmental protection, democracy, human rights and equality are what sustainable well-being must be based on. Ownership is a central tenet also in Finnish aid policies, but so are e.g. decentralisation, support to the most vulnerable groups and promotion of gender equality, values that do not always sit easily together with strong recipient ownership. Every aid intervention carries with it a heavy policy baggage full of internal contradictions. The donor is faced by contradictory incentives, on the one hand to let go and on the other to keep control. (E.g. Ostrom et al. 2002; Mosse 2003.)

Also the concept of ownership itself is ridden with ambiguity. What is the object of ownership, what is it that is owned? Is it the money? Or is it the outcomes of an aid intervention (structures, knowledge, skills)? Many emphasise power and control over the processes of planning,

implementation and monitoring as the essence of ownership. Others suggest that true ownership refers to the objectives of an aid intervention. Some discard the idea of ownership as the right to control altogether and turn ownership into internalisation of donor objectives instead. Another ownership-related contradiction arises when one begins to look closer at the question 'whose ownership'. In policy papers ownership is seen as a smooth continuum from the national level through regional and local governments to the beneficiary. But when brought to the local context the continuum breaks. Inequalities of power do not only exist between the donor and the recipient, but are apparent also between different levels of government, different organisations, and between the governing structures and the 'poor' within the recipient country. These stakeholders are not necessarily happy to share ownership with one another. In such a situation then, what (if any) are the implications of the idea of ownership for empowerment of the aid recipients? Does the idea exert any positive influence on actual working practices?

Aid literature is often divided into critical and idealistic views about the nature of the aid relationship. In the critical view aid is seen as fundamentally dominated by the donor. It is no surprise, then, that much of the history of aid is 'tribute to failure' to induce positive change in recipient localities. Aid helps the helpers to help themselves. Such 'outside critics' dismiss ownerships as little more than rhetoric or a disguise for the continued domination of the South by the North. In more idealistic literature failures of aid are put down to flawed donor practices and policies, and the ensuing inability of the donor to listen to the recipient. Also in this view power historically resides with the donor, but through ownership policies and the right kind of methods it can be transferred to the recipient in good understanding. According to critics, both views are desperately reductive of the rich patterns of interaction, bargaining and negotiation that emerge in every aid encounter. While the fact that one party holds financial assets that the other party really wants *does* make the relationship skewed to begin with, it does not determine the outcome of interactions between the parties. Even the weakest actor can exercises influence on more powerful ones. On the other hand, donor's commitment to listening to the recipient does not remove the problems created by the stakes and contradictory goals that all actors have in the aid game.

1.2 The research task

The empirical focus of my thesis is on the Quang Tri Rural Development Programme (QTRDP)[1], a development cooperation project in Central Vietnam funded by Finland, during its first years of operation from 1997 to 2004. My research material consists primarily of interviews with the 'donor-side actors' (donor agency staff and consultants working with the programme), which limits the nature of questions it can answer. I study how these actors saw the aid relationship and the ownership/power configuration that emerged in the programme. The focus is on their views about the relations between the donor, the consultant, and the national and provincial legs of the recipient organisation (the Ministry of Planning and Implementation, MPI). QTRDP is a particularly interesting subject for study of ownership and aid relations for two reasons. The first is that Vietnam is generally assessed an exceptionally strong recipient. Unlike most aid recipients, the Vietnamese are known to genuinely behave like 'the boss' and to insist on keeping control. They are also not terribly aid dependant and can afford to say no to the donor. (E.g. Moore et al. 1996, 61; Ostrom et al . 2002, 167-168; Forsberg 2004, 65.) The second is that the Vietnamese authorities have always assessed the programme very successful, and have promoted it as a model of rural development to be followed by other donors. What did the donor-side actors think about this?

My research task is to:

Assess the success of donor policies in QTRDP, as understood by the donor-side representatives.

How were donor policies reflected in project practice? And conversely, how was project practice interpreted in light of donor policies? To what extent did the project reflect the ideology of ownership? What about the other objectives of aid, i.e. Finnish aid conditionality?

To answer these questions I study the interviewees' perceptions about the power configuration between different actors that emerged in the programme: what kind of ownership came true? I first study their interpretations of conflicts, then proceed to roles of different actors, the quality of cooperation, and the power strategies of both the donor and the recipient as presented by the interviewees.

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[1] While the name contains the word programme, QTRDP's modality is really that of a project. The words programme and project will be used interchangeably to refer to it.

The interviewees' understanding of success of ownership policies critically hinges on their perception of the meaning of the concept. Therefore I also study their utilisation of the term. What was meant by ownership? What was its relationship to conditionality? I also look into how the need for conditionality and keeping control was justified. What were the reasons offered for keeping control? How did the actors see their own role in implementing conditions of aid on the one hand and ownership policy on the other? How did they understand the role of the development worker in the age of ownership?

In chapter 2 I introduce the data collected and the analytical methods used, and describe the conceptual strategy of my work. To make theoretical sense of the emphasis on ownership, I make a conceptual excursus to the theme in Chapter 3. Chapter 4 shortly presents the operational context of QTRDP and the history of the project, and then begins to map out the answer to the research problem. I start with the interviewees' perceptions about contentious issues: what were the central conflicts in the project and what was their relevance to Finnish aid policies? I then study the roles and relative power positions of different actor groups as depicted by the donor-side, and the power strategies adhered to and pinned on the others. I then look into the interviewees' ideas about the nature of ownership and its relationship to other aid policies, as well as the major reasons offered for the need to keep control. Chapter 5 concludes, first giving an overall assessment of the success of implementation of donor policies in the programme, then offering some preliminary insights into power in the aid relationship, and finally outlining a few implications of the results for studying aid and for development policies.

2 Research strategy

2.1 Materials and methods

This thesis is a case study of a limited part of a diversified industry - the development apparatus is fragmented and contains a great variety of actors and action situations. Apart from concentrating on only one development project in a specific locality, the research material almost exclusively consists of written and oral texts produced by the representatives on the 'donor side': diplomats and employees of the then Department for International Development Cooperation[2] (DIDC) of the Ministry for Foreign Affairs of Finland, and Finnish (and a few foreign) consultants hired in different capacities to advise on the implementation of the programme. The study concentrates on the lower part of Ostrom's international development cooperation octangle below: the triangle between the aid agency (DIDC), the contractor (Scanagri, the consultancy company contracted to support project implementation), and the national and provincial legs of the recipient organisation (MPI, DPI), the last of which are present only through the parlance of the first two categories.[3]
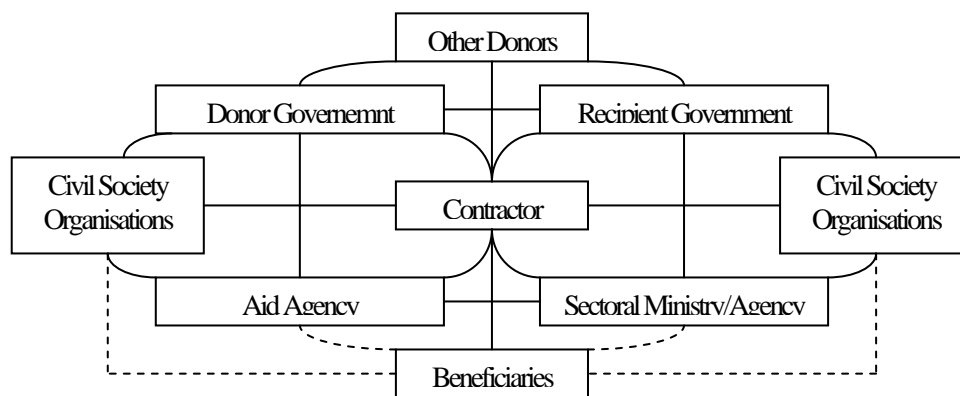
Figure 1. The international development cooperation octangle (Ostrom et al. 2002, 63).

My research material consists of interviews and of the archival material available at the Ministry for Foreign Affairs. The archival material was used as a kind of pre-analysis: I learned to know the project by thoroughly going through the archives. The material consists of correspondence between

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[2] This unit no longer exists.
[3] The central position of the contractor, most often a consultancy company hired to implement or advise on the implementation of a project, is a specific feature common to Swedish and Finnish bilateral aid. The fact that management of Finnish projects has been outsourced to various organizations generates much diversity with regard to ownership processes (Moore et al. 1996, 49).

the ministry, the embassy and the project consultants, minutes of project meetings, comments on plans and suggestions from different parties, and reports produced by and about the programme. It covers the time from the first plans to start rural cooperation in Vietnam in 1994 to the beginning of 2004 when I collected my research material. From this material I documented a thorough history of the programme, with particular reference to the depictions of contentious issues.

Equipped with this understanding, I set about to interview people involved with the programme. The interviewees were selected with the help of the Vietnam desk at the ministry, based mainly on their country of residence – the body of possible informants was not overly large. The interviews were conducted in Finland and Sweden between March 11th and April 13th 2004. I interviewed six people from the ministry and nine consultants. The ministry people consisted of two Vietnam desks, one person responsible for the programme in the embassy in Hanoi, and three advisors. The consultants included five who had worked in the programme on long-term basis, one home-office coordinator, one with several short-term assignments in the programme, and two evaluators. Interviewees' involvement with the programme spread out quite evenly through the years 1997 to 2004. Thirteen interviews were conducted on personal basis, two interviewees I met together. All but one (the interviewee felt uncomfortable with the recorder) were recorded and later transliterated. Being semi-structured thematic interviews, their lengths varied greatly (from about one hour to three hours) as did the content of each. All, however, covered at least the following themes: personal involvement with the project, roles of self and others, conflicts, the concept of ownership, implementation of ownership and conditionality in the project, power relations, and the possible reasons to limit recipient ownership. The interview frame is presented in Appendix 1. Two interviews were conducted in English, the rest in Finnish. I have made the translations, and some of the interview quotations have been slightly rewritten in order to enhance comprehension and readability. The interviewees have been randomly coded from I 1 to I 15.

The interviews were my primary research material. My research method was very empirical and simple. As a first step, I started looking for themes emerging from the texts without trying to make them answer any specific questions. I then returned to the research task I had set to myself and started making connections and reducing the number of findings in that light of the research question. After a few rounds, I coded the interview texts according to the following classification: conflicts; realised ownership and conditionality; power strategies; atmosphere of cooperation; concepts (meaning of ownership, relation to other aid objectives); Other (depictions of the qualities of the recipient); and Self (depictions of the qualities of the donor actors). These coded texts have

formed the basis of interpretation and analysis. The notes based on the archival material also played an important role in the analysis of conflicts in the project, giving a more temporally and substantively accurate picture than people's oral reminiscences and providing also some first-hand information about the views of the recipient organisation through their comments on proposals and plans.

Why did I not include the recipient and the beneficiaries in my study? The answer is simple: the project, at the time, was not willing to receive and commit resources to an outside researcher. As a consequence, my research is limited to how the donor side actors understood conflict, power relations and project success. I cannot compare their notions to those of the recipients or to my own observations of project practice for a more balanced view. Thus, my results are not intended as 'the definitive truth' of the reality of ownership and conditionality in QTRDP; they are simply a depiction of the donor side's take on them. The absence of the recipient voice also risks creating a one-sided picture of the recipient as merely an object of donor interventions, but it does not imply a total silence (see Eriksson Baaz 2002, 41); and in this particular case, the recipient and instances of his/her activities, strategies and resistance are abundantly displayed in the texts analysed.[4]

Studying practice solely at the level of text risks getting access only to an accommodated version of events – people's identities and rationalizations shift according to whom they are presenting themselves. This is unavoidable, but as the project in question was regarded exceptional in the positive sense of deviation where ownership was concerned, I believe the interviewees should not have felt too much of a need to be defensive. Another reason for the open and honest atmosphere I believe predominated in the interviews was the fact that only four of the interviewees were still actively involved with the project. As for the archival material, the reports produced by the project to the ministry must be understood for what they are: as presentations to the financier, they do not display uncertainty. The minutes of meetings suffer from the same to some extent. Evaluations give out a bit more, especially when accompanied by commentary on them by different parties. The correspondence between the ministry and the embassy is quite informative. It is written from one professional to another working in the same organisation, asking for opinion and advice and giving them, and as such most likely is not overly concerned about presenting a smooth exterior[5].

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[4] In hindsight, I believe it would have been very difficult to induce the Vietnamese to talk about conflict and relations of power in any case, given the reported cultural propensity to hide conflict and the difficulties experienced by the expatriate development workers stationed in Quang Tri for years to fathom where and how decisions were made.
[5] Though the knowledge about the correspondence being archived may have an effect.

Comparing all these different sources with each other gave a relatively good idea about what went on in the project in the view of the donor side actors.

2.2 Methodological approach

My work is much informed by anthropology of development (e.g. Olivier de Sardan) and sociology of development (e.g. Mosse). While this study can by no means be considered anthropology, I loosely apply Olivier de Sardan's (2005) 'entangled social logic approach' to studying development encounters[6]. I see development intervention not as a harmonic relationship based on mutual goals, nor as one-sided domination, but as an intercultural confrontation in which all actors involved have stakes and struggle for gain. I also adhere to several other central tenets of Olivier de Sardan's approach: those of eclecticism, faithfulness to the research material and interest in conflict.

My approach is impenitently eclectic. While I do subscribe to a kind of constructionist epistemology in the sense of understanding the connection between actors and structures as a two-way road (see Kontinen 2004, 1), I combine both realist/factual and constructionist perspectives to analysis. I analyse both 'reality' as people understand it and how they construct that reality. I shrug off the division as merely different ways of looking at the research material that tell different stories about it, not as something mutually exclusive. I ask my material how the interviewees saw the ownership relations and power strategies in the project (factual treatment), but on a more constructivist front I also look into how they used culturally available resources in constructing images of the recipient and roles for themselves. I treat my data as reporting on both the 'how' and the 'what' –questions. I bring forward Olivier de Sardan in my defence. He distrusts ideologies and favours an eclectic epistemological attitude: "Nothing, it seems to me, prevents a combination of points of view: in fact, everything seems to point in that direction" (Olivier de Sardan 2005, 103-104). He also encourages empirical quest after complex issue, and sees case studies as productive pathways into social reality – a means of deciphering concrete social situations, both in terms of actors' strategies and contextual constraints. A case study strongly leaning on empirical findings is likely to evoke, even when focusing on clear research questions, findings calling for various explanatory frameworks. (Olivier de Sardan 2005, 12-14.)

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[6] Olivier de Sardan is considered an anthropologist of development. His definition of anthropology, however, is very open-ended: "What I mean by anthropology is the empirical, multidimensional study of contemporary social groups and their interactions, and combining the analysis of practices and of conceptions." Bridging the gap between sociology and anthropology, he claims his approach could just as well be termed "qualitative sociology" or "socio-anthropology". (Olivier de Sardan 2005, 27.)

My analysis starts from conflict. I ask my material (both archival and interviews, produced by donor side actors) what kind of disagreements arose, what they were about, who disagreed, what arguments were used and how the disagreements were resolved – if resolved. My explicit interest in strife, while I believe is suitable for bringing out donor perspectives on power relations and the workings of donor policies[7], risks showing the project in an exaggeratedly confrontational light. This I can only lament, and emphasize that while disagreements were many, much of the work was still done in a cooperative spirit according to many interviewees (I 5, 1 7; I 12; I 3). According to Olivier de Sardan (2005, 189) approaching a case from the angle of conflicts should not be construed as a hunt for conflicts *per se*. The identification of conflict provides the means for going beyond the consensual façade; it is simply a methodological hypothesis which postulates that the identification and analysis of conflicts as an entry point constitutes fruitful avenues of research.

2.3 Perspective on power and policies in aid

Aid literature is often divided into two opposing viewpoints about the nature of the aid relationship, variously called the inside, instrumental, idealist or mainstream view and the outside, critical, post-development or deconstructionist view (Sharma & Koponen 2004, 33; Mosse 2003, 2005; Tisch & Wallace 1994, 5; Olivier de Sardan 2005, 1-17). In the inside view the idea of development is basically accepted as sound and the goals of aid attainable through rational planning. In this view, power in aid historically resides with the donor, but with the right methods it can be transferred to the recipient. The key to unravelling the structural inequalities in aid is to be found in better communication and understanding of the 'local culture' (e.g. Crewe & Harrison 1998, 15, 161): donors have to learn to listen to the recipients, participation is needed, a new atmosphere of trust through open dialogue has to be created, and the top-down logic of planning has to be replaced with a bottom-up approach. Chambers (e.g. 1997) is perhaps the most noted proponent of this position.

The outside view defines itself in opposition to the mainstream paradigm and takes the failure of development interventions as self-evident – the assumptions on which the aid industry is based are themselves inherently problematic. A relic from the colonial period, aid has no respect for indigenous concepts and destroys ideas that bind societies together. Aid is westernization, imbued

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[7] Power, in the pluralist view, is the ability to initiate alternatives that actually get to be adopted or to veto alternatives that are initiated by others (Scott 2001, 53).

with culturally imperialist assumptions, which perpetuates relations of subordination. Inevitably leading to donor domination, aid has come to the end of its tether and should be undone. (See e.g. Olivier de Sardan 2005, 4-8.) Post-development writers are divided in their views about the intentionality of such effects of aid between those who view them as an intentional conspiracy and those how understand them as unintentional 'instrument effects'. In the first view, aid is seen as a tool for advancing the goals of the aid industry, hiding true political intent behind a cloak of rational planning (e.g. Hancock 1989; Randel et al. 2002). The latter group sees aid and its ill-effects more as anonymous automaticity of a machine. As Ferguson (1994, 18) writes, development effects occur "behind the backs or against the wills of even the most powerful actors". Such writers as Sachs (1999), Escobar (e.g. 1995), Ferguson (1994) and Stokke (1996) are among the best-known outside critics of aid.[8]

Mosse (2003; 2005) looks at these groups particularly from the point of view of policy and practice. From the instrumental perspective, getting theory (i.e. policy) right is the key to addressing the failures and disappointments of development. Policy is viewed as rational problem solving, directly shaping the way in which development is done. To change the trend of failure in development cooperation, we have to get policy right. The ownership agenda, then, is critical in increasing recipients' leadership in the design and implementation of development strategies. Implementation of policy is viewed as a managerial question: how to implement policy and how to realise programme designs in practice. (Mosse 2003, 1-2; Abrahamsen 2004, 1455-1456.) The critical position dismisses the ownership agenda at best as little more than rhetoric, and at worst as a disguise for the continued or intensified domination of the South by the North, concealing the agency of outsiders behind the beguiling rhetoric. Development and its various discourses (understood and policies and practices) have both institutional effects (maintaining relations of power) and ideological effects (depoliticisation). (Abrahamsen 2004, 1456; Eriksson Baaz 2002, 7; Mosse 2003, 5.)

According to critics, neither of the views does justice to the complexity of social reality, the patterns of interaction, bargaining and negotiation that emerge in every aid encounter. Both are guilty of non-valid generalisations and simplifications, as well as polarized, dichotomous views of the world. Despite their differences, both build on the assumption that power resides with the donor

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[8] According to Crewe & Harrison (1998, 90), analysis of the relations between aid givers and receivers is surprisingly rare in academic literature: instead of actually studying the relationship, one of either domination (the outside view) or mutuality of goals (the inside view) is assumed.

side: for the 'insiders', it is possible to change this configuration by changing the way the donor works, for the 'outsiders' there is no changing the fact. They share an understanding of power as domination, the capacity of certain actors (donor) to control the actions of others (recipient). The existing literature tends to perceive ownership and partnership policies either as a way of abolishing, reducing or taming power by subjugating it to contract, or as a continuation of domination. (Abrahamsen 2004, 1454, 1463; Crewe & Harrison 1998, 18.)

Also their conceptualisations of the relationship between donor policy and practice are reductive. Instrumental views are only too obviously naïve in relation to the institutional politics of development. Commitment to ownership agenda does not simply do away with the structurally unequal relationship in aid or the existence of other donor policies. It does not remove the stakes the donor as well as other actors have in the game, nor the problems created by contradictory goals. The donor and the contractor still face the need to retain control over how aid funds are used in order to satisfy *their* financiers, and the recipient continues to benefit from hiding goals that contradict donor policies. (Mosse 2003, 5; Ostrom et al. 2002; Crewe & Harrison 1998, 162; Eriksson Baaz 2002, 85.) Also presuming that policy discourse is nothing more than a move to restore legitimacy is too simple and rests on unsubstantiated assumptions about development practitioners and how they achieve their goals, as well as the relationship between intentions / policy descriptions and outcomes[9] (Eriksson Baaz 2002, 8, 211-212; Crewe & Harrison 1998, 176). Neither of these views does justice to the complexity of development policy making and its relationship to project practice, nor to the creativity and skill applied by different actors as they appropriate and reinterpret policies and concepts (i.e. the processes of translation and hybridization) in negotiating development (Mosse 2003, 3-6; Eriksson Baaz 2002, 8; Crewe & Harrison 1998, 18).

The reality of aid relations thus stands somewhere between the inside and outside views. While some actors clearly hold more leverage than others, all actors involved have the potential to fundamentally influence the outcomes of an intervention. (Ostrom et al. 2002, 60-63; Bryant & Bailey 1997, 37, 173, 189-191). People and groups are constrained by, yet able to subvert the objectives of others. Recipients feign compliance, consenting to donors' discourses and policy models while making something quite different of them. Their capacity to ignore conditions after agreeing to them and still continue receiving aid gives them power to defy the donor. Actors

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[9] There is no objective reason for assuming that because something happens, someone necessarily intended it. The donors may appear to be in control, but they do not determine the course events take during projects as they might wish. 'Planned' development rarely occurs as planned. (Crewe & Harrison 1998, 88-89.)

exercise selective presentation, diplomacy and deceit. They appropriate the aid intervention through selection and sidetracking: the packages of coordinated measures offered by aid projects are never completely adopted but picked upon, and resources are used for other purposes than proposed. The operational control that development bureaucracies have over events and practices is always constrained and often quite limited. (Mosse 2003, 7, 239; Ostrom et al 2002, 66, 83; Crewe & Harrison 1998, 89; Chambers 1997, 84-87; Oliver de Sardan 2005, 144, 151.) Moreover, people are not fixed in one position but create different power dynamics within each relationship over time. Power is not fixed but always in flux, and the relative position of actors in a development intervention can never be deduced exclusively from material or structural considerations. While structures constrain, they do not define: there is always room for agency. Even the most powerful donor agency does not bestow power upon its members at all times. Power relations in aid result from the complex interplay of specific actors' strategies, objectives, resource endowments, discourses and meanings. (Crewe & Harrison 1998, 4-5, 88, 175; Oliver de Sardan 2005, 61, 101; Long 2004, 15.)

Development practice is influenced by ideas and assumptions about what development is or should be, but this does not take place in a predetermined way (Crewe & Harrison 1998, 4). According to Mosse (2003, 1-30; 2005, 10-11, 20 46, 103, 157-204, 230-233), development interventions are driven not by policy but rather by a complex of relationships and the cultures of organisations. The work of organisations is more immediately shaped by their own 'system goals', those of organisational maintenance and survival, than any formal policy goals. Nevertheless, policy is more, not less, important than we imagine, and in more ways than we realise. It functions to mobilise and maintain political support, i.e. to legitimize rather than to orientate. Policy ideas are important less for what they say than who they bring together; what alliances, coalition and consensuses they allow. Policy may not generate events, but it helps stabilise the interpretations of events, thus determining (more than actual impacts) the success or failure of projects: projects are successful not because they turn designs into reality but because they sustain policy models offering a significant interpretation of events. The success of policy ideas or project designs is created and stabilized through constant enrolment of supporters and translation of policy goals into practical interest, and practical interests back into policy goals. Development actors, therefore, will always work hard to maintain coherent representations of their actions as instances of authorised policy. Policy change ruptures relationships and disturbs the informal systems of support and brokerage that makes a project function and secures its reputation, forcing project agencies into a

reactive mode. Policy discourse acts internally and has internal effects: it is donors who are disciplined by their own discourses.

Ownership policies also feed into the idea of the role of the development worker: in a world of ownership and partnership paternalism no longer has a place in development cooperation. Thus, development worker role is that of a facilitator, *if* there is a role for her/him at all. But as Olivier de Sardan (2005, 4) notes, there is often a wide gap between discourses and practices in the aid universe. According to Eriksson Baaz, there are clear contradictions between the message of ownership/partnership and development worker images of Self and Other, which still articulate images of a superior, active and reliable Self in opposition to an backward, passive and unreliable Other. These images feed into practices of taking over: the backward and inferior Other cannot manage by itself, the passive Other does not take the responsibility or initiative for development, and the unreliable Other has to be controlled to avoid misuse of funds. This image of superiority is informed by the discourse of evolutionary development[10], where underdevelopment not only entails poverty and absence of resources but a general backwardness manifested in lack of knowledge, malign cultural practices and degenerated morals. (Eriksson Baaz 2002, 130-147, 151-168, 172-186; Crewe & Harrison 1998, 27-30, 76.)

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[10] Development discourses tend to be characterized by a tension between the idea of development as an 'immanent process' and as an 'intentional practice'. Development aid, by necessity, is based on the latter idea, but development worker identities are also shaped by the discourse of evolutionary development. (Eriksson Baaz 2002, 209.)

3 Ownership, conditionality and partnership: an excursus

3.1 Introduction

The 1990s witnessed the gradual formation of a new aid architecture, born of crisis of aid. Disillusionment with the perceived failure of forty decades of development cooperation, together with a heavy insurgence of aid critique, fuelled the search for a new paradigm. The economic take-off philosophy of gap-filling of the 60s and 70s had proved largely inefficient, as had the donor-lead structural adjustment era of liberal economic policy reforms of the 80s. Whereas the earlier decades were characterized by development discourses strongly emphasizing economic considerations, in the 1990s the aid community turned towards a greater emphasis on human and social development. Institutional and capacity development, good governance, poverty orientation, and such ideas as quality of life and substantive freedoms rose to the fore of contemporary development discourse. The Millennium Development Goals, the agenda for development for the twenty-first century, clearly reflect these changes in development thinking. (E.g. Higgins & Rwanyange 2005, 7; Sobhan 2002, 540-543.)

These substantive changes were paralleled by a deeper scrutiny of the aid relationship between donors and recipients. Donor-lead development planning and implementation was blamed for many development failures: donors did not understand the local context, and locals did not commit to donor initiatives. The new wisdom concludes that aid interventions have to be rooted in the recipient country. Donors' efforts should be guided by nationally created development strategies, strong 'ownership' by the recipient and the beneficiaries should be evident in all aid interventions, and all activities should be characterized by 'partnership' relations between different actors. Donors should lower their flags and limit their enthusiasm to initiate and control, and recipients should take more responsibility for their own development.[11] The promotion of Comprehensive Development Frameworks (CDF) by the World Bank in the late 1990s was an indication of the change in thinking, closely followed by the Poverty Reduction Strategy Papers (PRSPs) initiative by the Bank and the IMF[12]. A closely related process is the ongoing effort, e.g. through the OECD/DAC, to

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[11] Both 'ownership' and 'partnership' were, despite their allusions to a relationship between equals, introduced from the donors side (Odén 2003, 129).

[12] Whether these initiatives really represented a change in thinking or were merely ways of legitimizing continued interference of the IFIs in the national policy formulation processes of the recipients is open to heated debate (see e.g.

harmonize donor procedures and thus reduce the burden on the recipient governments of receiving aid. (E.g. Farrington 2001, 2; Jerve 2002, 4, 7-10; OECD/DAC 2003a.)

Meanwhile, however, it seems that the aid community has not been able to develop any consensus on the question of aid conditionality – i.e. the donor practice of setting conditions for receiving aid. While many maintain conditionality has failed and cannot survive in the world of ownership, others argue for ever stricter or new kinds of conditions. Interestingly, all three concepts are rooted in the aid effectiveness debate, deriving at least part of their justification from assumed improvements in effectiveness through their application.

Reading through aid literature on ownership, partnership and conditionality makes one thing very clear: there are no authoritative definitions of their meaning. Open-ended and flexible concepts, they allow various uses and evade specification. As Jerve (2002, 2) puts it, they are not analytical but political and normative statements, signalling certain qualities in relations between organisations involved in aid. To complicate things further, they are hardly ever vigorously analysed in relation to each other, or even studied by the same people. Much more has been written on partnership than on ownership, particularly in relation to NGO cooperation. Ownership, again, more frequently figures in studies on bilateral governmental cooperation, particularly Nordic, while conditionality is often examined in the context of the international financial institutions and the structural adjustment programmes.

The concept of ownership is the focus of this study. But, as I hope to show below, one cannot be addressed in separation from the other two. These terms are relational, defined largely by their dialogue with each other, while at the same time the ownership, conditionality and partnership discourses are overlapping in ways that make it difficult to separate them. This chapter delves deeper into the meanings, uses and relationships of these concepts.

Crawford 2003, 142). Be that as it may, they nevertheless exemplify the change in development discourse towards emphasis on country ownership and partnership.

3.2 Ownership

3.2.1 Definition, or the lack of it

Whereas in the fields of law and economics 'ownership' is a descriptive notion, in development cooperation the term is normally used in a more prescriptive way. Like Moore et al (1996, 9) put it, ownership is a shining beacon that beckons from a distance: we are sure we want get closer to it, but we cannot clearly see the road ahead. Thus, ownership is essentially a metaphor, referring to a wide (and varying) range of desirable qualities in the aid relationship (see e.g. Edgren 2003a). Moore et al (1996, 8) compare it with feminism: both are sets of critical ideas about how certain kinds of inequalities shape social relations. Like feminism, the ownership agenda serves to draw attention to a problem and invites means of alleviating it, all the while accepting that solutions to one dimension of the problem may not help with other dimensions, and may indeed in some circumstances worsen them.

The need for ownership is often justified on the basis of both practice and ethics. According to a wide body of international opinion[13], increased partner country ownership is one of the main prerequisites of more effective development cooperation. This holds true particularly with regard to sustainability. If the structures built or processes facilitated through outside help are to be sustained past the project or programme period, it is essential that local actors 'own' them. Without such ownership, recipients are unlikely to make the kind of commitments needed to ensure the realization of the intended long-term results of donor assistance. Also, if those with extensive local knowledge are truly able to use their knowledge in design and implementation of an intervention, the likelihood of suitable and thus sustainable outcomes is increased. (E.g. Ostrom et al 2002, 34; Molund 2000, 12-13.) Increased ownership can also be regarded as a development goal in itself, and for example Sida sees it as an ethical value it is committed to promote. It is a good in its own right as an expression of equality in the aid relationship. (Guimarães et al. 2003, 2, 23.)

Very few direct definitions of the term 'ownership' are available in the development literature. According to Odén (2003, 130), ownership is "the level of control that the receiving government or other stakeholders in development co-operation have over the content, conditions, planning and implementation of a specific activity undertaken in development co-operation", and in the terms of

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[13] This understanding is also strongly verified by a number of studies, particularly by the World Bank. For an account of the findings of some of these studies, see Molund 2000, 13-16, or Killick et al 1998, 88-91.

reference of a Sida evaluation study (Weeks et al. 2002) ownership is defined as "the exercise of control and command over development activities". But most writers confine themselves to talking about what "ownership is about", what the "ownership agenda covers", what undermines ownership etc. According to Moore et al (1996, 8-9), the ownership agenda is about *power*, *influence* and *control* over development projects. As Jerve (2002, 5-6) puts it, it is about *who decides what* in the course of an aid intervention. Batley (2005, 419), like many others, frames the question in a less actor-oriented and confrontational way: ownership of development cooperation means that aid interventions are "based on domestically developed policies and rooted in national systems and procedures". Many (f. ex. *Sida at work*, Sida's operational manual; Keane 2005, 251; Jerve 2002, 5) emphasize the *responsibility* that comes with power and control. Ownership is about the recipient assuming responsibility over its own development, something the recipient is often accused of averting. Two views on ownership thus emerge: ownership as responsibility for sustainability, and ownership as right to power.

Both subjective and objective criteria are frequently used in defining ownership, corresponding respectively to understanding ownership as a *feeling* (how stakeholders feel about an activity) or as *action* (objectively measurable activities). According to the former view, the willingness to commit resources to an activity flows form a sense of ownership, while the latter measures ownership by what the stakeholders actually do or fail to do - real ownership does not exist until relevant convictions and preferences have been translated into action and gained practical recognition. Ownership existing only in the mind or on paper is no real ownership.[14] (Molund 2000, 10-11.)

In an evaluation of ownership in the Finnish aid programme made for the Finnish Ministry for Foreign Affairs, Moore et al (1996, 3-4, 9, 72) conclude that ownership refers to the relationships among the stakeholders in a development project. In their view, the term incorporates two sets of unequal relationships: those between the donor and recipient institutions, and those between the government bureaucracies and the people in the recipient countries. Ownership is high when 1) the intended beneficiaries substantially influence the planning, implementation, operation and maintenance processes of the development intervention, 2) the implementing agencies are rooted in the recipient countries and represent the interest of ordinary citizens, and 3) there is transparency and mutual accountability among the various stakeholders. Guimaraes et al (2003, 58) divide

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[14] Ownership in the more subjective sense was previously often discussed under the heading of 'commitment'. In fact, in publications from e.g. the World Bank, 'commitment' and 'ownership' are often used synonymously. (Molund 2000, 11.)

ownership into three components: ownership of outputs (knowledge, structures), ownership of objectives, and ownership of processes (planning, implementation, evaluation). They equate ownership of outputs with project success, and on the basis of an extensive empirical study[15] conclude that to achieve success (local ownership of outputs), ownership of objectives is needed, but not necessarily ownership of processes. This contradicts strongly with the very definition of ownership as control over the development process held by many (see above).

Ostrom et al (2002, 15) have identified four dimensions to ownership: 1) enunciating *demand*, 2) making a tangible *contribution*, 3) obtaining *benefits*, and 4) sharing responsibility for long-term *continuation or non-continuation* of a project. They correspond to participation in *provision*, *production*, *consumption* and decisions related to the *alienation* of the rights to a project. Often only one or some of these aspects are stressed in official documents – attention particularly to the last one, that of participation in the decision to withdraw support from a project or programme, is marginal.

Both Ostrom et al. (2002, 14-15) and Molund (2000, 3) compare the way 'ownership' is used in development cooperation to its use in economics and law. There ownership generally refers to the rights that individuals possess in relationship to one another with regard to an asset. These include the rights to access and use, the right to make management decision, the right to determine who else can become a joint owner, and the right to give up or transfer all these rights. When one is dealing with a strictly private asset, these decisions can be made by a single individual, family, or firm. In development cooperation, however, all of the above processes are typically collective in nature, and shared between different stakeholders in the recipient and donor countries. Molund, commenting on Sida's view on ownership, notes that legal ownership does not seem to be a precondition for ownership in development cooperation. Apparently, there can be ownership in development even if the owners do not have the legal rights of use, control and transfer. Secondly, whereas in civil law context no attention is paid to the owner's attitude, a prudent and responsible attitude toward that which is owned seems to be a core meaning of ownership in the development cooperation sense.

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[15] Guimarães et al. (2003) base their conclusions on an extensive empirical study of Swedish contract financed technical cooperation, a specific aid modality characterized by small, demand-driven capacity building projects with little material input, where a Swedish consultant is contracted to a local partner organization for a short period of time. Their strikingly deviating results, apparent below, can be partly explained by the specificity of the modality under study.

Many critics also claim that 'ownership' is only a new piece of development jargon devoid of any real meaning at best, and manipulation at worst. Apart from keeping development professionals in business and providing them with an aura of professional expertise, such jargon can be used in sustaining inequitable and unjustifiable structures of power and domination through giving the dominated the impression that their problems are genuinely being addressed. (See e.g. Moore et al. 1996, 72-73; Crawford 2003, 142-143.) Some donors seem to believe that ownership exists when "recipients do what we want them to do but they do it voluntarily". In some circles the rhetoric of local ownership may also be understood as shorthand for increasing self-financing of aid and thus reducing aid flows. (Helleiner 2002, 255, see also Higgins & Rwanyange 2005, 11.)

3.2.2 Whose ownership?

Molund (2000, 1-2, 8-12) compares the uses the term ownership has been put to in *Sida at work*, the above mentioned evaluation for the Finnish Ministry for Foreign Affairs by Moore et al., and an evaluation of UNDP's so-called NEX system (national execution). His main findings concern differences regarding the question 'whose ownership'. In Sida's use of the term the donor and other external stakeholders (e.g. consultant) are by definition excluded from ownership. While it is acknowledged that much power by nature resides at the donor end in the aid relationship, this influence cannot fall under the name 'ownership'. In the UNDP study, again, the NEX is described as a system of *shared ownership* between the donor and the recipient. While the recipient country should have decisive responsibility for the activity at hand, the donor also holds a legitimate share of ownership. Guimarães et al. (2003) propose a very similar concept, that of *co-ownership.* In their study the donor, consultants and the recipient are not set against one another but work together for mutual benefit.

In the NEX study ownership refers to strategic management and control of the kind exercised by the board of directors of a business enterprise or the directorate of a national authority, and accordingly ownership of aid in recipient countries is practiced primarily at the boardroom level. Popular participation is understood as a separate issue. *Sida at work*, again, decrees that ownership of projects supported by Sida should be brought as close to the target group as possible. But as suggested by the use of a special term *'popular ownership'* to describe the influence of the beneficiaries, the target groups are not quite at the centre of Sida's conceptualisation of

ownership[16]. The discussion in *Sida at work* concentrates on the relationship between Sida and Sida's cooperation partner in the recipient country. The Finnish evaluation by Moore et al. takes quite a different approach, placing the beneficiaries at the foreground of the discussion about ownership: popular influence and participation are the first and most basic tests of partner country ownership. The position of local implementing agencies in relation to donors is clearly a secondary concern. The authors argue that many of the ownership problems in development cooperation are generated by conflicts of interest between the target groups, on the one hand, and the authorities and other organisations tasked with the administration of projects and programmes, on the other. Understood this way, the problem of ownership becomes to a considerable extent a problem of *democracy.* Strengthening partner country ownership is much the same thing as strengthening democratic institutions and helping to build a system of development cooperation where affected citizens can supervise local authorities and other implementers and call them to account. (Molund 2000, 9-10.)

While Moore et al. contrast 'the people' and 'the state', the reality is always much more complex. In a real aid encounter, there are conflicts of interest within the state (e.g. between different administrative levels and different ministries and other agencies), as well as among 'the people'. Higgins & Rwanyange's (2005, 15-16) study on ownership in the education reform process in Uganda reports typical examples: District level officials were dissatisfied with the degree of autonomy they had in using district funds in accordance with the new policies, and complained about processes being biased towards the needs of the central government and the donors. At the school level, most head teachers had deliberately avoided disclosing vital information on the roles and powers of School Management Committees and communities. Weeks et al. (2002, 4, 118) found that in Kenya ownership was strongest among local government and civil society and weakest at the national level, while in Uganda ownership of development assistance as well as key policies was often stronger at the national level and especially in the ministries, and less in the districts.

So what is the meaning of terms like "country ownership", "national ownership", "local ownership" and "popular ownership"? The answer is that they are used in a rather opaque way in much of the aid literature. At the level of a crude generalisation, the first two often refer to ownership at the

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[16] In fact, according to Ostorm et al (2002, 14), the very fundamentals of the definition of ownership in *Sida at work* seem to exclude 'popular ownership', which in the Sida context appears far closer to 'participation' than ownership per se. *Sida at work* suggests that participation can be developed into "popular ownership", but it remains unclear how this is different from, or stronger than, participation (Edgren 2003a, 19).

highest level, e.g. the responsible ministry, while the other two imply lower levels of ownership, from districts to the very grassroots. The meaning normally attached to popular ownership is probably the clearest; it is closely linked to democracy and implies broad-based participation of the grassroots in the right to own. Local ownership is sometimes used synonymously with popular ownership (see e.g. Weeks et al 2002, 117) and sometimes to refer to local or district level state apparatus, but can also mean the central government level in texts where ownership is opposed to donor influence. Country ownership and national ownership are mostly used in a coterminous way. Jerve (2002, 5-6, see also Sida 2003, 2) suggests that national ownership should not be equated with government ownership, but should be something more. He understands national ownership as ownership by the people through their government, and proposes that it is determined by the legitimacy of the government and its institutions. Nickson (2005, 399, 407) draws attention to the contested meaning of national ownership in Bolivia, a country with deep ethnic and social divisions. Weeks et al. (2002, 4, 60, 62, 118) use the term in a mixed way, on the one hand contrasting it with local ownership, but later urging broad-based consultation with stakeholders at all levels. Even the meaning of "government ownership" is far from clear: Does it mean the executive or the legislative arm of government? Is it politicians or officials? Central or local government? The planning ministry[17] or the sector ministries? (Batley 2005, 419.)

Sida at work gives the impression that every stakeholder whose cooperation is needed should be regarded an owner. Often there is a hierarchy of ownership with groups at different levels owning different components or aspects of a project. (Molund 2000, 2, 23.) Also many scholars promote extensive stakeholder consultation and thus "broader" ownership (see e.g. Helleiner 2002, 254; Sida 2003, 2; Moore et al. 1996, 103; Weeks et al. 2002, 4, 204). According to Weeks et al. (2002, 192) multiple ownership is the norm. Jerve (2002, 5-6), on the other hand, expresses doubt about the practicability of such a distribution of ownership. According to him sharing ownership is not a win-win situation where several actors can gain strong influence over the activity at the same time. Some of the East African case studies by Weeks et al. (2002) also warn against fragmentation of ownership, when the configuration becomes too complicated by conflicting interests. Ostrom et al. (2002, 116) caution that while a single owner may face incentives to take up ownership of a funded activity when the rewards of such ownership are expected to accrue to that owner, dispersed multiple ownership can compromise such incentive effects. In actual development cooperation

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[17] Batley writes on ownership of aid in Mozambique where the Ministry for Planning and Finance is the central unit for aid coordination. Vietnam echoes a similar structure, with the all-powerful Ministry of Planning and Implementation taking the lead in dealing with the donors.

relationships the large number of actors involved gives rise to information and motivation problems which obscure the development goals to many of them, and the responsibility and accountability that would normally be vested in an owner is transformed to nearly unrecognisable forms by the system of development cooperation. The large number of actors allows each actor with partial ownership to deny full accountability. (Ibid. 244-255.)

For the donor, then, the question becomes whose is the 'right' ownership. In a situation of multiple groups of competing stakeholders, the beneficiaries are often the weakest (Edgren 2003a, 20), and donors and consultants see themselves as their defenders. E.g. Sida staff is advised to proactively work to strengthen ownership by target groups even when the initiative comes from the partner country government (Molund 2000, 4). Many analysts think along the same lines. Ostrom et al. (2002, 57, 107, 244) recommend "putting the beneficiaries first" by helping users rather then recipient agents take ownership. Decentralisation to local administrative levels is often mentioned as a step that will enhance ownership by bringing decision-making closer to the beneficiaries (Edgren 2003a, 14). But there is also a ready body of criticism. Avoidance of the central government may allow for effective delivery and less room for corruption, but it does little to foster project sustainability (e.g. Moore et al. 1996, 7, Weeks et al. 2002, 60, 205). Also, the closer ownership is to the target group, the less likely it is that the owners will have the finances or the organisation to implement the activity (Ostrom et al. 2002, 14).[18]

3.2.3 How ownership?

Unsurprisingly, agreement on the causes of ownership problems has not been reached either. Some believe weak partner country ownership is generally to be explained by lack of commitment among partner country stakeholders, others argue it is better accounted for by lack of capacity or lack of opportunity etc. (Molund 2000, 23). In aid literature on ownership in development cooperation, the following drivers of weak ownership are among the most frequently cited[19]:

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[18] According to Ohno & Ohno (2003, 61), especially the European development agencies hold a broad view of ownership that embraces local government and key elements of civil society. In Japan (and in Asia more generally), many adhere instead to a hypothesis that narrower and less complicated governance conditions should be applied in developing countries, and therefore concentrate at the government level economic and administrative authorities in their analysis of ownership.

[19] This list is based on the following works: Nickson 2005, Hubbard 2005, Helleiner 2002, Sida 2003, Batley 2005, Higgins and Rwanyange 2005, Jerve 2002, Sobhan 2002, OECD/DAC 2005, Ellerman 2001, Molund 2000, Edgren 2003a, Weeks et al. 2002, Guimarães 2003, Moore et al. 1996 and Randel et al. 2002. The entries are not presented in any order of importance, and some are clearly overlapping.

- Lack of donor coordination: proliferation of donors and donor-supported projects has lead to a disparate structure of foreign aid and duplication of efforts by donors. Supporting the numerous donor missions and responding to the reporting needs of each donor within externally set timeframes takes most of the time of recipient ministry staff and diverts attention from the 'real job'. At worst, this accountability to the donors leads to de-legitimization of the state.

- By-passing of national administrative systems and procedures: donors tend to adhere to their own procedures in e.g. reporting, auditing, recruitment, procurement and disbursement of funds.
    - A large proportion of donor funding is off-budget, bypassing national budget processes. There is a systematic failure by most donors to pass information on their aid expenditure, leading to lack of budget authority by the recipient.
    - Project management / implementation / support units outside the government structure are still very common. Apart from coordination difficulties, this non-integration leads to differences in salary levels between the PIUs and government posts, and results in brain drain from government agencies. This is an impediment for raising capacity in government departments.

- Low capacity of the recipient: Capacity, informational and power imbalances between the donor and the recipient are very often cited as the main reason for weak ownership.

- Unpredictability of aid flows: A big challenge to recipient ownership lies in the ability of the donor to use its financial muscle. Short-term commitments, the risk of non-continuation of financing, and donor's ability to change allocations at will all contribute to uncertainty, inability to plan, and self-inflicted conformity with donor agendas.[20]

- Presence of donor objectives: differences between donor and recipient regarding the choice of development strategies can lead to a lack of fit of aid interventions with national priorities. Inclusion of 'unimportant' aspects of the donor's agenda may lead to non-commitment by the recipient.

- Non-commitment by the recipient: sometimes the proposed owners are not willing to shoulder the responsibility of ownership. Apart from the inclusion of another actor's agenda (the perceived illegitimacy of the intervention), non-commitment can also arise from lack of rewards from the proposed activity, lack of faith in the effects of one's own actions, as well as lack of capacity and resources. Plain poverty can be an impediment to commitment by the beneficiaries.

- Institutional pressures: Pressure to move money, show results and meet organisational deadlines creates haste and impatience and frequently overrides ownership considerations in both ends of the aid relationship. These pressures tip the balance towards concentration on extent (not manner), quantities (not qualities), and products (not processes).

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[20] Guimarães et al (2003) stand out as a notable exception to this line of thought. According to them, limited time-frames and the possibility of withdrawal *facilitates* recipient ownership, by giving them incentives to "do well". The writers here seem to equate, without justification in my view, achievement of the stated goals of an aid intervention (project success) with high levels of ownership.

- Mistrust: Corruption, or suspicion thereof, weak public sector planning and budget management, insufficient laws and practices on auditing, procurement, banking etc. lead to inability to establish credibility in the eyes of the donors. These, together with the above mentioned institutional pressures, lead to donor reluctance to give away control.[21]

- Use of expatriate technical assistance (TA) personnel who take over the running of the intervention. TA is a form of tied aid: it denies the recipient the right to decision making, it diverts money to companies abroad, and runs the risk of reducing competitive pressure in procurement. It displaces local experts and ultimately weakens capacity in the host country.[22]

- Insufficient attention to local circumstances: One size fits all –approaches, standardized project cycles, and the rush to move on with universal "best practices".

- High level of aid dependence. High budget dependence on aid has a passivating effect on the recipient.

Weakness of the partner in relation to other actors in the partner country is another interesting insight offered (Edgren 2003a, 14). According to Weeks et al. (2002, 196, see also Guimarães et al. 2003), strong personalities within the owner organisations have a very important effect on the formation of ownership, either for good or for bad.

How can ownership be achieved, then? According to Molund (2000, 16), the strength of ownership depends on two types of circumstances: what the actors *want* and what they *can do* or *believe they can do* - their desires, preferences or priorities on the one hand, and their actual or presumed capabilities on the other. Changes in any of these lead to changes in ownership. On a more practical level, most answers concentrate on neutralizing the negative drivers in the above list: donor coordination[23], integration of aid into local administrative structures, decentralization of decision making within the donor agency, adhering to local procedures, capacity building, longer-term commitment and openness about funding, down-scaling of donor requirements, recipients taking

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[21] Again, Guimarães et al. (2003) hold out for an alternative perspective. While these kinds of incentives of the donor and the consultants are normally understood as impediments to ownership as they prompt external agents to keep control in order to guarantee efficient use of donor funds and adherence to donor agendas, Guimarães et al. somehow see them as positive factors supporting ownership.

[22] Some blame TA for much: "This insistence on technical assistance explains the failure of many development programmes [in Africa] and adds to the vicious cycles of economic and technological dependence." (AFRODAD 2002, 25.)

[23] There are differing views about the effects of donor coordination on recipient ownership. Some see competition between donors as a factor weakening the efforts of the recipient to achieve sustainable outcomes as it can rely on continued support from another donor. Donor coordination reduces this risk and adds to ownership. The opposite view, held by many developing country governments, contends that donor coordination increases the collective negotiating strength of the donors, thus reducing the ability of the recipient to pursue his own development priorities. Donor coordination is seen as 'ganging up' in opposition to the recipient. (See e.g. Edgren 2003a, 23-24.)

the lead, removal of institutional barriers, flexibility and sensitivity to local context, minimizing the use of foreign TA, creation of trust, promoting participation and allowing sufficient time for local processes, etc. (see e.g. OECD/DAC 2005).

The recommendations given by Moore et al. (1996, 50-53) to the Finnish Department for International Development Cooperation (DIDC) on how to improve their ownership record are quite typical:

1) Integration: Finnish projects should be integrated as far as possible into local institutions in recipient countries.

2) Sharing resource contributions: All project beneficiaries should be required to demonstrate their commitment by making some contribution of resources that are scarce and valuable to them.

3) Stakeholder involvement: All potential stakeholders should be involved as far as possible in the design and implementation of projects.

4) Transparency and accountability: Project procedures and finances should be transparent, and the various stakeholders accountable to one another.

5) Process-sensitive aid management: The management of aid should be sensitive to complex social and natural processes that cannot easily be fitted into formal bureaucratic timetables.

6) Sustaining credibility: It is important that the DIDC maintains its own credibility by pursuing clear and consistent policies.

In keeping with point 2 above, it is widely acknowledged among aid professionals that resource contributions are a necessary, if not sufficient, condition to ownership. The recipients, from ministry to local government to beneficiaries, are expected to cover a 'significant' proportion of project costs, relative to their resource endowments. The underlying theory is that ownership is strengthened by sacrifice: nothing becomes truly one's own expect on the basis of some genuine effort. The aim is to guarantee that only projects that are a real priority among the recipients, and to which their commitment is likely to be high, will be implemented. Another reason is to initiate a mechanism to generate the resources needed for operation and maintenance later. (See e.g. Moore et al. 1996, 51; Ellerman 2001, 49; Molund 2000, 20.) Contradicting the theory, Guimarães et al (2003, 39, 63) found that considerable variation in cost-sharing could be found in the projects they studied with no corresponding variation in ownership.

Another solution paraded by some is contractuality: a written contract between the parties of cooperation, clearly spelling out the roles of each party and containing stringent procedures for redress in case of default. Such a contract can help clarify the muddy waters of rights and responsibilities and empower the recipients against donor arbitrariness. The ideal, however, is difficult to put to practice, and can easily slide back into one-sided donor control. (See e.g. Batley 2005, 422; Maxwell & Riddel 1998, 258.)

Capacity of the recipient is maybe the most often cited driver of strong ownership. Guimarães et al. (2003, 42) state that selection of a genuinely interested, capable and competent partner organisation is the way to achieve ownership. Technical competence is necessary for ownership of knowledge outputs, and organisational capacity for ownership of processes. Capacity for strategic management and control is described as the main precondition to ownership in the UNDP-NEX evaluation (Molund 2000, 8). Hubbard (2005, 409-414), analysing ownership of aid in Cambodia, starts from resources: better resourced government departments tend to have a higher level of skills retention, capacity and hence ownership. Interestingly, a highly centralised and powerful partner organisation often seems to correlate with strong ownership of development interventions (see e.g. Nickson 2005, 402; Delay 2005, several authors on Vietnam)[24]. The inference from this could be, and sometimes indeed is, that aid should be channelled only through agencies with high capacity, but for most donors this is not a justifiable course of action. More often capacity building if offered as a solution to ownership problems with weaker institutions. But a contradiction lies herein: capacity building as a means of strengthening partner ownership requires partner ownership in order to succeed (Molund 2000, 17).

The nature of the relationship between the donor and the recipient, as well as that between the external consultant and the recipient, is though to be of utmost importance for the development of ownership. Most of all, ownership requires trust: the donor has to trust the recipient in order to give space for ownership, and the recipient has to trust the donor enough to commit the necessary resources to the aid intervention. The critical instrument in creating trust is often understood to be dialogue. Prolonged dialogue between all parties, openly acknowledging also the institutional pressures faced by the donor and consultant agencies and allowing sufficient time for everybody to form their opinions, is the way forward. (See e.g. Edgren 2003a, 4; Weeks et al. 2002, 62, 190-

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[24] This is somewhat inconvenient for the donors who, on top of ownership, often support other ends, such as decentralization, and are more often than not uncomfortable with powerful central planning units. A strong central level actor may also reduce the possibilities of ownership at lower levels.

Dialogue in pursuit of development

While dialogue is often considered the hub of international relations, it is extremely difficult to achieve true dialogue between partners in development. Its efficiency is severely constrained by financial, human resource and knowledge asymmetries that put the donors and recipients on an unequal setting.

Definitions of dialogue emphasise reciprocity. It cannot occur between one who imposes his/her own ideas upon another who does not wish this imposition (Suzuki 2003, 190). According to Ringström (2003, 152), "dialogue means to bring about an *exchange of views*. It is not to inform about views, but exchange views, which needs mutuality and sharing." Lysén (2003, 97) understands dialogue as "an interpersonal exchange with the aim of increasing understanding, learning and exchanging of ideas through communication."

The following have been identified among the factors influencing the quality of dialogue:
1) Who listens? A dialogue requires all parties to talk but also to be prepared to listen (Escallón Emiliani 2003, 75).
2) Asymmetric relationships. The dialogue between the donor and the recipient, as well as that between the government and poor, suffers from enormous inequalities (Edgren 2003b, 31-32; Winblad 2003, 308). In the end, the donor decides whether it wishes to give support or not and the recipient has very little to add (Tham in Wohlgemut 2003, 67).
3) Asymmetric knowledge. Whose knowledge really counts in a dialogue? It takes tremendous courage to stick to your collective local knowledge doubts when the opposing arguments are packaged in several million dollars of front loaded program support expressed in a power point presentation (Spink 2003, 177).
4) Dialogue capacity. Capacity for dialogue is a rare asset in the most needy countries, but is also a problem for many donors (see e.g. Riddell 2003, 145-149).
5) Women's participation (see e.g. Swantz 2003, 214-216).
6) Sensitivity and secrecy. When touching on sensitive issues such as human rights and democracy, particular care to listen to the other party is needed (Lindholt 2003; Molutsi & Ängeby 2003; Hammarberg 2003).
7) Ethical consideration and coherence. Dialogue requires not only good orators and listeners, but their way of acting and living influences the message (see e.g. Mysliwiec 2003).
8) Conditionality. Much of aid dialogue concentrates on the conditionality arising from the so called 'shared values', e.g. poverty focus or human rights (see e.g. Sirleaf 2003; Lopes 2003).
9) Continuity. For example delegation of decision making to embassies in recipient countries is seen as contributing to continuous dialogue, but may infringe on ownership (Odén 2003; Morapaya 2003, 262).
10) Trust. Trust is central to dialogue, and is often person-specific. Change of personnel or change of government, as well as change of policies, can quickly ruin it (Odén 2003).
11) Time. "It is always time-consuming to reach the level of a 'true dialogue' and I am convinced that most of the situations we would label 'dialogue' situations never reach that stage. They are rather monologues." (Ringström 2003, 152.)
12) Language. Use of foreign languages in the dialogue excludes most people from it and creates misunderstandings (see e.g. Winblad 2003).
13) Donor coordination – harmonization. If harmonization of donor procedures could be agreed on, it would drastically reduce the transaction costs for the recipient government. This is, however, far from being reached. (E.g. Riddel 2003.)

These very much overlap with the drivers of ownership identified above and below.

191.) The longevity of the donor's engagement in some sectors and with specific organisations is also important in fostering trust and ownership, while transparency, accountability and anxiety regarding corruption are important issues affecting donor attitudes (Weeks et al. 2002, 205). [25]

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[25] Killick et al. (1998, 97-98, 116-118), however, present evidence that calls into question many of the above assumptions. Studying World Bank's structural adjustment programmes, they note that only in a few cases did the existence of a long-term relationship appear to be associated with improved execution, evidence of the contrary being more abundant. They note that sometimes familiarity breeds contempt, or a greater expertise in deception. Also, a long-

Dialogue, or course, cannot work miracles: if differences are too big between donor and recipient regarding the choice of development strategies, the outcomes will be better for both if they refrain from engaging in a joint undertaking (Edgren 2003a, 11).

The ownership agenda also sets new challenges to the development workers. Projects should not be run by foreigners, who are now expected to take the role of advisors instead of managers and gap-fillers. Development workers should instil commitment and ownership by 'not taking over'. A different set of skills and communication processes is called for. The donor is no longer simply a source of funds or directives, but has to become a facilitator of interaction and vision development. (Aslop 1998, 119; Eriksson Baaz 2002, 13-14, 162.) Lesser control does not, however, necessarily mean less involvement for the donor and its contractor: development workers can play a crucial facilitative role in promoting the "right" kind of ownership (e.g. beneficiary ownership) in the recipient country (Nørlund 2003, 39-40; Ostrom et al. 2002, xx).

Most advice on how to achieve ownership is directed at the donor – an endemic bias in development cooperation literature, mostly written by people from donor countries. But the recipient's attitude and actions are at least as important. Unless someone or some group in a developing country becomes a project or programme "champion" and serves as a leader for change, efforts are likely to fail (Killick et al. 1998, 90-91). According to Edgren (2003a, 12) it seems to be less important who originally comes up with an idea than who takes an interest in it and what forces support it on either side of the aid relationship.

The question of how to achieve ownership is related to the basic dilemma of development cooperation as stated by Ellerman (2001, 7-8, 30): How can people be helped to help themselves? How can an outside party assist people undertaking autonomous activities without overriding or undercutting their autonomy? Ellerman's description of "autonomy-compatible help" could easily be renamed "ownership-compatible help". His advice, deriving from helping theory, includes the following:
1) Starting where the doers are. Help must start from the present situation of the doers and build on what already exists, not from an assumed *tabula rasa* state of affairs. The local context matters.

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lasting record of dealings with a country may not betoken very much under the conditions of political instability and changing governments.

2) Seeing through the doers' eyes. The aid strategy has to be based on the knowledge, conceptual frameworks, values and worldviews of the doers, not the helpers.

3) Helpers cannot impose change on doers. Real transformative change always starts from internal motivation. Carrots and sticks (e.g. aid conditionalities) can only buy conforming surface behaviour. In a cognitive sense, the helper needs to refrain from trying to teach, and help build learning capacity instead.

4) Help as benevolence is ineffective. Benevolent charity helps people, but it does not help people help themselves; it promotes dependence, not autonomy.

Ellerman's (2001, 20) recommendations also emphasise the necessity of making knowledge locally applicable, and that the adaptation should be done by the local people themselves. This, according to him, is not a question of being open or closed to outside knowledge, but about being open to outside knowledge in a way that reaffirms one's autonomy[26].

3.2.4 Promoting ownership?

Whether it is possible to promote ownership or not is a contentious issue. Many writers emphasise the process nature of ownership: it changes over time. Its development depends on the developments in the project environment, at the macro-economic or policy level as well as at the personal level (e.g. personnel changes). Initial support from local stakeholders may easily disappear and, conversely, a high level or ownership at the beginning need not be a necessity for high levels of ownership at the end. Ownership can grow and move both in the government-to-government dimension as well as through involving domestic stakeholders; ownership may shift from one actor to another, it may be held jointly in one phase and be shifted to somebody else in the next. Ownership is never simply granted or created instantly, but typically evolves through a lengthy process of adaptation. This process tends to feature conflict and struggles over degrees and types of ownership. (Molund 2000, 12; Edgren 2003a, 4, 25; Weeks et al. 2002, 194.)

In this sense it is possible to see scope for the donor to promote ownership. Guimarães et al. (2003, 58, 72) see ownership as a learning process where ownership increases when recipient's capacity increases in the course of cooperation. Also Sida clearly states that it wishes to engage in projects and programmes that strengthen partner country ownership. It hopes to foster activities that will

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[26] Like Gandhi put it, speaking of intellectual self-rule: "I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all lands to be blown about my house as freely as possible. But I refuse to be blown off my feet." (Quoted in Ellerman 2001, 20.)

build recipient's administrative and operational capacity, thus enhancing the potential for meaningful ownership of the development process (Weeks et al. 2002, 4). Also e.g. Keane (2005, 247) and Hubbard (2005) seem to believe in the possibility of ownership promoting activities. But Sobhan (2002, 546) strongly contradicts this belief: "Donors should not make the mistake of *promoting* ownership, which would itself be a contradiction in terms."

Even more contentious is what Ellerman (2001, 13) calls the "bait and switch theory". According to it, a client coerced or induced to adopt new ideas or procedures will 'see the light' during application and continue along the reformed path without further externally applied carrots or sticks. External incentives will lead to a transformation and switch-over to something akin to intrinsic incentives that will thereafter suffice. This, in effect, equals to understanding ownership as internalisation of donor objectives: the recipient learns to desire what the donor proposes. According to Edgren (2003a, 12), donors' insistent belief in such "ownership later" is a symptom of the donorship syndrome[27]: while it seems to have been fulfilled sometimes, more often it is not. Guimarães et al. (2003, 51-62) and Killick et al. (1998, 189), however, present several seemingly successful examples of this theory at work. Guimarães et al. go as far as to suggest that the donor should take special measures to provide for such elements of its own agenda as it sees important to *become demand-driven* as the project develops, an interesting contradiction in terms. Their recommendation is for the donor to rely on the consultant to sell their ideas to the client. Ellerman (2001, 13), however, warns that development agencies have a short time horizon so they tend to interpret the purchased outward performance as evidence of sustainable change and long-term transformation. Thus the bait and switch theory is constantly pseudo-verified.

Ellerman bases his opposition on the impossibility of imposing real change: authorities who try to compel belief can only secure external conformity.[28] According to Ellerman (2001, 16, 32), donors would do best in supporting processes that are already there, or for which the motivation already exists. "Find out what the people are doing and help them do it better", or "only jump on board a moving train." If no trains are moving, then motion induced by 'bribes' is unlikely to transform the underlying institutions. Autonomy-

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[27] Edgren (2003a, 4) defines the donorship syndrome as follows: all initiative emanates from the donor side and donors determine which values and objectives are good for the beneficiaries of aid.
[28] Ellerman draws a parallel between Martin Luther's text on imposing religious discipline and development agencies 'buying' policy changes: "Besides, the blind, wretched folk do not see how utterly hopeless and impossible a thing they are attempting. For no matter how much they fret ad fume, they cannot do more than make people obey them by word or deed; the heart they cannot constrain, though they wear themselves out trying." (Martin Luther, cited in Ellerman 2001, 12.)

compatible aid removes impediments and thus enables 'virtuous action' where the internal motive is already present. The donor has the task of rewarding virtue where virtue appears on its own accord. In the same vein, Doornbos (2001, 106) envisions ownership through picturing international development assistance in terms of recipient-donor rather than donor-recipient relations. Such a reversal would mean that donors would be available 'on demand'. In such a situation, 'demanding' countries (instead of 'recipient' countries) would take the initiative by saying, for example, 'this is our programme for reconstruction, would you be willing to help?' 'Supplying' countries would respond by donating what they could afford and what they believe constitutes a reasonable contribution.

3.2.5 Programme aid

Another solution to ownership problems, very much on the foreground of international development discourse at the moment, is programme aid. Much of the blame for past failures to give away control has been laid on the project modality: in many countries the sheer number and fragmentation of projects has become an ownership problem. According to the critics, projects bypass national priorities, provide little information to government and require numerous reports to several donors. Each has its own routines and time schedules, and project administration eats disproportionate amounts of partners' time and resources. Projects fragment ministries, undermine authority, and create unhealthy wage differentials. Projects duplicate development activities and only build the capacity of a few individuals. That is, the transaction costs of receiving project aid are unbearable. (Batley 2005, 419-420; Molund 2000, 4-5, 17; Sida 2003, 1; Weeks et al. 2002, 112-113.) Some even claim that the concepts of partner country ownership and project support are antithetical: talking about project ownership is simply confusing (see Molund 2000, 12).

The 'new' programme aid modalities are supposed to do away with these problems trough harmonising the practices of donors with each other and with recipient governments. Batley (2005, 419) lays out the spectrum of such arrangements in three broad groups: general budget support where donor funding contributes to the overall national budget, sector budget support where donor funds are made available through the national budget but are earmarked for specific sectors, and 'basket funding', where donor funds are pooled and held in a special bank account outside the national budget and under ultimate control of donors. Budget support is seen as the highest form of harmonisation between donors and alignment with the government and the only way of truly

working through core government processes (ibid. 421), but all these arrangements should at the least remove the duplication problem and thus reduce the costs of receiving aid.[29]

While the idea of programme aid is quickly gaining ground in the donor circles, strong differences of opinion on its impacts still prevail. Proponents are confident that programme aid is more conducive to ownership than project aid because it entails giving the money to the government and using its institutions for managing it (see e.g. Weeks et al. 2002). Much of the opposition seems to be based on a deviating view about whose ownership is at focus. Many favour the project modality because programme aid tends to centralise control at the supply end (the ministry) at the expense of the demand end (districts and users). The move from project to programme support may achieve only narrow ownership and make it impossible to foster the direct participation of grassroots beneficiaries. It is also conditioned by macro policies outside the control of the intended owners. (Edgren 2003a, 17; Ostrom et al. 2002, 105-107; Seppälä 2000, 171, 186; Weeks et al. 2002, 114, 118.)

At another front, the critics also complain that many current sector programmes seem to operate as donor dominated "shadow sectoral ministries" (Ostrom et al. 2002, 105-107). Most donors feel that programme modalities can only be applied where financial systems and management structures can sustain accountability and transparency, which has led donors to make increased demands on recipient governments for consultation in policy-making, reform of financial management systems, and improvements in government reporting and monitoring (Batley 2005, 420). Evidence also indicates that a series of informal arrangements through which the donors are keeping a close check on where their money goes have been put in place (Edgren 2003a, 27). Additional burdens are brought forth by the cumbersome process of negotiating programme aid: budget support and sector support often take years to develop[30]. While proponents see donor coordination as an advantage for the recipient through diminished transaction costs, many also view it as a risk to recipient

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[29] In fact programme support is not a new idea. Not unlike now, also in the 1960s many argued that budget support was the optimal form of aid, and in fact budget aid was quite common at the time. But in the 70s reports of non-maintenance of investments, irrational bureaucratic decisions and red-tape, nepotism, professional ineptitude and corruption started flowing in, corroding donor faith in recipient governments, which led to increasing projectisation of aid and direct donor involvement in project management through establishment of independent PIUs outside government structures. (Jerve 2002, 7-10; Nørlund 2003, 13; Killick et al 1998, 1.) Acknowledgement of problems with these structures has now led back to demands for programme aid, and the circle is closing.

[30] E.g. Green & Curtis (2005, 391) claim that although these new aid management strategies all aim at simplification, they are actually responsible for a substantial increase in transaction costs in Bangladesh. This is due, precisely, to making negotiation and agreement a more protracted process.

ownership: donors' common voice can become a common front in an unbalanced power relationship[31] (Batley 2005, 422).

The arguments for and against programme aid are still rather conjectural since the empirical base for a comparison between projects and programmes with respect to ownership is weak and muddled (Edgren 2003a, 17): it cannot be concluded that budget support or sector wide approaches necessarily favour ownership more than traditional project approaches (Weeks et al. 2002, 189). Killick (2004, 18-25) draws attention to the fact that rather large changes in the modalities of aid delivery are being justified by the assumed reductions of transaction costs of receiving aid. But our understanding of the transaction costs is far from perfect, and the assumption that programme aid will reduce them is more imagined than based on evidence. According to him, at present our ignorance on the issue is such that a statement like 'programme aid is preferable because it reduces transaction costs' is not much better than saying 'I like programme aid'. Programme aid modalities are still trying to find their form and are not always as supportive of national ownership as they could be. It seems that the shift towards programmes can fulfil the objective of transferring ownership, or it can bog down in donorship, depending on how it is managed (Sida 2003, 1).

3.3 The donorship syndrome: conditionality, control and donor objectives

3.3.1 Why control?

Another central reason for weak ownership is the intrusiveness of donors: their tendency to take over the management of aid interventions and their conditions for aid. The wish to establish recipient ownership collides with donors' need to control the use of aid money. This need arises, first and foremost, from donor agencies' accountability to *their* 'donors': their boards in the case of international organisations, and the governments, parliaments and the tax-paying public in the case of bilateral donors (see e.g. Weeks et al. 2002, 190; Molund 2000, 4; Crewe & Harrison 1998, 180.). Donor agencies have to make sure that tax-payers' money is not wasted on corruption, red

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[31] This is well demonstrated by the experiences of the Cambodian Mine Action Centre which, after suffering a collective suspension of aid by all its donors, prefers maintaining multiple, individual channels of donor assistance rather than putting it all through a single collective channel as previously. It prefers the extra administrative costs as insurance against disruption. This view is also held by many developing country policy makers: dealing with only few donors makes them too powerful. (Hubbard 2005, 410-411.)

tape or maladministration, and therefore are reluctant to hand over financial control (e.g. Moore et al. 1996, 5). Donors also want to see the funds contributing to goals cherished in their respective electorates, e.g. poverty reduction, human rights, democratic governance, equality, decentralisation, environmental protection or market liberalisation, which often collide with the goals of the recipient – as well as each other or vested interests in the donor country. It can also be difficult to combine high quality and technical excellence with partner country ownership. (Molund 2000, 10, 22; Stokke 1996, 88.)

Also institutional pressures play against ownership. It is often claimed that ownership is negatively correlated with efficiency and speed of implementation. This contradicts basic donor incentives: aid bureaucrats must spend their annual budgets and achieve the set objectives to justify appropriations in future years. (Molund 2000, 13; Helleiner 2002, 256; Hubbard 2005, 412-413.) Thus, a prime motivation for keeping control can be seen in institutional self-preservation: future financing must be guaranteed, and public support for development cooperation maintained. Similar logic applies to consultants hired to support the implementation of development interventions: in order to satisfy the client, i.e. the donor agency, it is rational for the consultant to keep control to ensure results that correspond to donor values. Passing along control to the intended beneficiaries might be risky – they may not perform in ways preferred by the donor. (See e.g. Ostrom et al. 2002, 160-166.)

Donors' insistence on 'good' economic policies, human rights, democracy and other such goals reflects also more philanthropic (and arguably, more arrogant) motivations. They reflect honest belief in, for example, that 'bad' policies in developing countries prevent growth and poverty reduction (see e.g. Morrissey 2002, 2). Conditions are symptomatic of the assumption that donors have a better understanding of a country's needs than its own government. They also reflect donor belief in certain universal values, for example that democratic pluralism is the most appropriate and just method of social organisation (Crewe & Harrison 1998, 69). [32] Inherent in the idea is that donor priorities differ from recipient priorities – why would control otherwise be needed? For example, an underlying tension between the goal of poverty reduction and recipient ownership is commonly presumed (Action Aid UK 2002, 140). Another explanation given for the increasing number of

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[32] Particularly Nordic development cooperation rises from so called humane internationalism, a system of values based on the principle that citizens of industrial nations have moral obligations towards peoples and events beyond their borders. Humane internationalism implies a sensitivity to e.g. the word of the various human rights conventions, which are considered to be universal. Such common goods as increased equity and justice, stability and peace are believed to be in the best long-term interest of both Northern and Southern countries. (Stokke 1996, 22-23.)

conditions attached to giving aid is that aid contributes to the survival of repressive regimes (Hoebink 2006, 148).

The aid industry continues to rest on assumptions of inadequacy on the part of the institutional recipients. *They are not ready to take charge yet, they always take project funds, they could not manage without us* are all frequently heart complaints. (Crewe & Harrison 1998, 76.) These assumptions are fed by latent understanding of development as evolution and of culture as barrier: Evolutionism has justified intervention in 'backward' countries since European colonization through the presupposition that the influence of more 'advanced' outsiders will enable traditional societies to catch up. Traditions are viewed as holding people back and as preventing them from embracing modernity. (Ibid. 27-28, 43; see also Eriksson Baaz 2002). In the light of such portrayals, the donor just cannot avoid setting limits to the influence exercised by recipient organisations (see e.g. Tomlinson 2002, 116-117; Jerve 2002, 3; Molund 2000, 10). The same reasons can be applied to the presence of expatriate TA personnel: someone is needed to keep control, to ensure sensible usage of money, to 'sell' the donor objectives to the recipients, to defend the weak against the powerful, to prevent the recipient from reinventing the wheel. The openly articulated arguments, however, normally concentrate on either the objectivity or the specialist knowledge of the expatriates. (Crewe & Harrison 1998, 95, 97, 109.)[33]

3.3.2 Conditionality not working

While international expectations regarding the potential of political conditionality[34] were originally quite high (see Doornbos 2001, 101), it is nowadays widely acknowledged that conditionality does not work in enforcing change on reluctant recipients. While recipient governments and organisations may agree to the conditions set by the donor and even integrate them into their

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[33] Donor vehemence on supporting the poor in developing countries is also reflected on their insistence on participation. As Rew & Brustinow (1998, 189) put it: "If there is any area in which to level aid conditionality it is here – in a guarantee that, either directly or indirectly … the poorest and most vulnerable stakeholders can make their views known." Participation has become another form of conditionality, a new tyranny as claimed e.g. by Cooke & Kothari (2001). On the other hand, the locals are not good enough either: the delivery of programmes is most times far too important for both the consultant and the donor agency to be left to e.g. farmer management (see e.g. Mosse 2003, 17-18).

[34] Political conditionality here refers to the trend that began at the turn of the 1990s of setting so called *internally* directed political conditions on aid. Donors started meddling with 'good governance', i.e. policy processes, state and institutional structures, and the state-society relationship.

development discourses, implementation has generally remained low[35] (see e.g. Doornbos 2001, 101-102; Yen 2002, 64). It seems clear that socio-cultural and political contexts in the recipient countries have rather more to do with determining reform attempts than donor attempts at influence. Resistance of entrenched interests in a society can frustrate any donor efforts. (Morrissey 2002, 10; Killick 1997, 483; Killick 2004, 13; Nanda 2006, 274, Killick et al 1998, 69-70, 151-159.)

Also perverse incentives are at work here: Conditionality rests on the expectation of punishment in case of non-compliance. But the disbursement logic of donor agencies makes them reluctant to withdraw support from non-compliant recipients. Having an interest in demonstrating 'success', donors are usually willing to accept any sign of promise as compliance. In the end the donors usually reason that despite the compromises that must be made, it is better to continue and try to foster the desired changes through involvement than to abandon activities altogether in the face of government hostility. This practice and the ensuing ability to ensure continued support despite non-compliance have quickly eroded the credibility of conditions in the eyes of the recipients. Another factor eating on the credibility of conditionality is the fact that the approaches to policy of e.g. the World Bank have been notoriously subject to the vagaries of fashion. (See e.g. Weeks et al. 2002, 64; Ostrom et al. 2002, 85, 91; Killick et al. 1998, 94, 144-151; Killick 1997, 488.) The response has by and large been that of subtle resistance, accepting the conditions on paper but falling behind in implementation (Jerve 2002, 10).

A convincing case has thus been put against conditionality. It seems clear that conditionality is unable to affect policy reform. It does not meet its promise of greater aid effectiveness; it does not achieve reductions in demand for aid; it does not raise future debt-servicing capacities; and it distorts the nature of donor-recipient relations, putting dialogue on a less constructive setting (Killick 1997, 493). In face of research findings so obviously demonstrating the inability of conditionality to fulfil expectations, its continuing expansion seems all the more striking; the share of adjustment lending in the World Bank portfolio has grown to new record levels (Nanda 2006, 276; Killick 2004, 12-14).

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[35] Some instances of seemingly working conditionality are, naturally, reported. It is also clear that conditionality works better in e.g. inducing economic stabilization and liberalization measures than in promoting structural and institutional reform. (Nelson 1996, 1556; Killick 2004, 13; Killick et al. 1998, 40, 50.)

Non-compliance may not always be intentional, though: it depends also on the ability of government to implement agreed conditions, which in turn is determined by domestic political and administrative capacity. Compliance is often beyond the government's control, e.g. in case where approval of new legislation is needed. If a country could actually fulfil the typical list of conditions attached to e.g. multilateral lending, it would probably not be in the under-development trap in the first place. (Morrissey 2002, 1, 17; Nickson 2005, 406; Ellerman 2001, 34.) Also, even if every effort is made to implement reforms, many external and internal factors can prevent favourable results. Studies on conditionality often forget this and infer from observing a poor outcome that conditionality has failed in inducing change. (Morrissey 2002, 12.)

3.3.3 Donor objectives as conditionality

Many researchers emphasise that the apparent non-functionality of political conditionality does not imply that donor pressure has no effects, just that it cannot ensure rapid policy reform. Practitioners of conditionality seem to have forgotten that gradual implementation of reforms is the norm: reform is politically difficult, even if governments are convinced of the economic arguments. But aid can, and has, played an important role in encouraging gradual reform; donors can and do influence the policy choices of recipients. (Morrissey 2002, 3, 13.) For example Nickson (2005, 403) and Hubbard (2005, 410) report successful application of donor influence. Donors should recognize that their main contribution to policy reform in developing countries comes not from use of the financial muscle but through influence on the contemporary intellectual climate, and persuasion of governments through regular and long-standing contacts (Killick 1997, 483; Nelson 1996, 1557).

To many this kind of donor influence is not conditionality. The narrow interpretation of conditionality restricts the application of the term to processes similar to those of BWI structural lending: conditionality means the practice of requiring specific (policy) changes as conditions or preconditions for financial support (Nelson 1996, 1551; Killick et al 1998, 10). In such a definition, conditionality is something formally coercive, and opposed to other forms of aid leverage. Conditionality is negative, punishing non-compliance through the withholding of present or future support. (See e.g. Hewitt & Killick 1996, 131.) E.g. Guimarães et al (2003), Morrissey (2002) and Keane (2005) seem to adhere to the narrow definition of conditionality.

Bilateral donors generally resort to 'softer' forms of persuasion: policy dialogue, provision of information and technical assistance, influencing the policy agenda. Also at the project level, dialogue, negotiation and the presence of technical assistance personnel are the principal tools of 'selling' donor objectives to recipient organisations. (Morrissey 2002, 2-3, 15, 19.) A wider definition of conditionality that embraces these forms of persuasion is given by Randel et al. (2002, 8): "Aid conditions are donor-initiated policies or mechanisms intended to ensure that resources from donors, and related resources provided by developing country partners, are used like the donor intended." Hewit & Killick (1996, 130) define conditionality as the use of aid leverage to achieve various changes within developing countries. Valderrama (2002, 100-101) tags the thematic impositions of donors on e.g. democracy or environment as conditionality, and Hilditch (2002, 131) claims that while conditionality is more often associated with economic conditions imposed by the BWIs, if refers equally to more subtle and less direct forms of influence. According to Sundman & Waller (2002, 190), donor objectives in general are of conditional quality since they constitute a package of aims that, simply put, have to be accepted by the recipient to be eligible to aid.

In this view inclusion of unwanted aspects of donor's agenda (e.g. gender) into project documents is conditionality. So are the requirements that reports take explicitly into account donor agencies' overriding priorities; eligibility rules and guidelines; and the continuous lobbying of the long-term TA staff for e.g. merit based employment. (Guimarães et al 2003, 29, 33, 37, 62.) The need to conform to externally set time-frames and targets and to 'tick to a Western clock' can already be seen as conditionality, as well as the so called 'positive measures' in support of donor goals: when Norway supports elections, capacity building of parliaments or supports media and civil organisations (Hoebink 2006, 135), this selection of area of support entails conditionality. On an even more covert level, donor objectives assert influence through recipient internalisation of the donor agenda: on basis of recipient understanding of what is on offer from a donor, only certain kind of cooperation is proposed. Demand is developed within the larger context of supply. (Guimarães et al 2003, 39, 60.) Is this conditionality?

In this study, conditionality refers to this wider interpretation: any attempt to push donor objectives is thought of as conditionality, since resistance may always lead to sanctions. While the narrow kind of conditionality is generally not enforced, this softer kind, manifesting itself in continuous or repeated pressure, is widely applied.

3.3.4 Ownership versus donorship

According to Weeks et al. (2002) ownership and conditionality are incompatible - they should, in theory, be mutually exclusive concepts. Also Molund (2000, 18) emphasises the incompatibility of the two concepts: the need for conditions arises only where donors want to induce partner countries to adopt policies or programmes that they would not adopt of their own accord, i.e. in full ownership. Jerve (2002, 3) and Moore et al. (1996, 66), among others, also contemplate on the difficulty of balancing between the increasing number of donor objectives and the principle of ownership. But Weeks et al. (2002, 63-64, 121-123, 198) recognize the inevitability of aid remaining conditional: there will always be limits to full ownership (here conditionality is understood in the broad sense). Thus, where there is development assistance there cannot, by definition, be full ownership: there is a trade-off between the two. Conditionalities define what the recipient can or cannot do without arousing donor displeasure and need for corrective action. Donor flexibility determines the trade-off between ownership and conditionality.

Conditions of a kind are often interwoven even in the definition of ownership. In the Paris declaration on aid effectiveness, in order to achieve ownership, recipient countries commit to exercising leadership in "developing and implementing their national development strategies *through broad consultative processes*", and to taking the lead in "coordinating aid at all levels in conjunction with other development resources *in dialogue with donors and encouraging the participation of civil society and the private sector*" (OECD/DAC 2005). Also in Sida policies ownership, among other things, means a commitment to agreed project objectives and procedures. According to them, complete ownership requires that political bodies and target groups *support and participate in the decision-making processes*. (See Molund 2000, 3; Ostrom et al. 2002, 12-13.) This internalisation of donor objectives in the very definition of ownership, taken to its logical conclusion, leads to an alternative where there is no contradiction between ownership and donor goals: the greater the sense of ownership over a development programme and the accompanying donor objectives, the lesser the need for conditionality (see e.g. Yen 2002, 64).

3.4 Partnership

In the two previous chapters we saw that the wish to establish recipient ownership often collides with donor's need to control the use of aid money. Thus, conditionality can be understood as the

paired opposite of ownership. Where does partnership stand on this axis? In the aid literature two opposing views are apparent. One sees both ownership and partnership as expressions of the same concern over the unequal power relations in aid. Ownership can be achieved through partnership (e.g. Buhmann 2003, 91; Guimarães et al. 2003, 84; Keane 2005, 247), or partnership based on ownership (e.g. Winther 2003, 55; Helleiner 2002, 255; Molund 2000, 6). The other, again, interprets partnership as stepping away from the principle of ownership through inserting donor rights into the game. It is commonly understood that partnership is based on 'shared values', leading to common goals and objectives (see e.g. Molund 2000, 5-6; Seppälä 2003, 53). To be able to be accepted and to remain a 'partner', it is the responsibility of the recipient to 'share' such donor values as gender equality, democracy, human rights, good governance and environmental protection (e.g. Edgren 2003a, 10; Jerve 2002, 2; Maxwell & Riddell 1998, 262; Eriksson Baaz 2002, 84). According to critics this is nothing but political conditionality by another name, or a new form of conditionality (see e.g. Abrahamsen 2004, 1453; Maxwell & Riddell 1998, 264; Crawford 2003, 139-140). Thus for example Jerve (2002, 1-3) contends that partnership and ownership are not two sides of the same coin as claimed by some, but instead there is a trade-off between the two. More ownership means less partnership.

Partnership can also be understood as an attempt to reconcile between ownership and donorship, simultaneously incorporating elements of both. It can be seen as an attempt by the donors, teetering between the need to control and the wish to give away control, to combine the two. E.g. Sida staff is commissioned the task of finding a practical, feasible balance between promoting ownership and exercising control (Guimarães et al. 2003, 24). Molund (2000, 6) reminds us that even as the partner country occupies the driver's seat in a partnership as required by the ownership agenda, the donor wants to have a say. At the very least the donor needs to know that the partner is heading in the agreed direction and that agreed rules of conduct are not violated on the way. Or, as Randel et al. (2002, 4) put it: "Donors want [recipient] countries in the driver's seat, but they want to keep the road map."

Proponents of partnership point out that partnership means joint ownership, i.e. that the relationship is based on reciprocal rights and responsibilities. It implies a contractual relationship, with procedures for redress in case of default. (Maxwell & Riddell 1998, 257-258.) Therefore, partnership may entail conditionality, but it should be understood as reciprocal conditionality that both partners agree on (see e.g. Nørlund 2003, 13). But what, in practice, are the conditions that the recipient can set, let alone impose, on the donor? According to Maxwell & Riddell (1998, 257-

258), the bargain on offer for the developing countries means their commitment to the 'shared values' in exchange of the donor meeting its aid commitments and rewarding good performers e.g. through longer term financial commitments and more flexibility in using the funds – quite unambitious. In the commonsensical understanding of the word partnership, partners – be it in commerce, crime or marriage – agree to share the risks and benefits of a common enterprise in a way proportionate to their respective investments in the endeavour. Partners are not assumed to be equal or to have identical goals, nor should they blindly believe in one another's commitment and honesty. Instead, partnerships are normally born out of binding legal agreements stipulating the rights and responsibilities of collaborating partnership. But in development cooperation this understanding has been overthrown by a portrayal of a moral alliance grounded on trust, common purpose and mutuality of values. The legal caveats that were developed over time to protect the weaker party form the dictates of the strong have been set aside and are seldom set to paper. (Gould 1999, v.)

4 Quang Tri Rural Development Programme

4.1 Operational context

4.1.1 Finnish aid policies

Finnish development policies for the period under study are defined in five strategy documents: Finland's Development Cooperation in the 1990s (Ministry for Foreign Affairs 1993), Decision-in-Principle on Finland's Development Cooperation (Government of Finland 1996), Finland's Policy on Relations with Developing Countries (Government of Finland 1998), Operationalisation of Development Policy Objectives in Finland's International Development Cooperation (Government of Finland 2001) and Development Policy – Government Resolution (Government of Finland 2004). These set out the higher level policy framework. The Guidelines for Programme Design, Monitoring and Evaluation (Ministry for Foreign Affairs 2000) connect these to the project level, and Finland's Rural Development Strategy for International Development (Ministry for Foreign Affairs 2004) adapts them to the context of rural development.

The goals of Finnish aid have remained more of less the same throughout. With some variations in wording, they are 1) poverty reduction, 2) combating environmental threats and 3) promotion of equality, democracy and human rights. The third goal encompasses much: gender equality, empowerment of vulnerable and disadvantaged groups such as religious or ethnic minorities, empowerment of civil society, equal income distribution and 'broad-based' social development. Also decentralisation, while not specified as an objective in the policy papers, is in practice promoted in most recipient countries as an integral part of democracy (see e.g. OECD/DAC 2003b, 31). Additionally, good governance is adhered to, with rule of law, fight against corruption, transparency and accountability as central building blocks, and support to market economy as a basis for economic growth runs through all the documents. These objectives and their specifications spelled out in the policy papers, variously called 'conditions', 'prerequisites', 'criteria of aid', or 'common values and aims' constitute Finnish aid conditionality that the recipient has to accept in one form or another to be able to receive aid. Intergovernmental dialogue is identified as the primary channel of promoting these issues, but they are also the basis for choosing development partners and sectors of cooperation, and a partner's deviation from them can eventually lead to

suspension of aid (Government of Finland 2001, 3-4, 6; Ministry for Foreign Affairs 1993, 14; Government of Finland 1996, 4; Government of Finland 1998, 5, 20). They also discipline the donor side and project level actors: "These aims must be advanced and taken into account throughout the lifespan of each intervention, from identification through planning, implementation and monitoring to final evaluation (Ministry for Foreign Affairs 2000, 4)."

The word ownership is used sparingly, but the principle is clearly adhered to. Recipient commitment and responsibility for their own development is emphasised, and aid is described as something supportive of developing countries' own aspirations and strategies. The Guidelines makes an explicit commitment to the principle: "Better ownership means that decision and control are increasingly in the partner country, and transferred there from intermediary, implementing organisations to the beneficiaries (Ministry for Foreign Affairs 2000, 18)." The last part happens through participation. This emphasis on participation, or 'local ownership', or listening to the 'local voice', is apparent throughout the policy documents, and is, in fact, one of Finland's most important policy objectives (conditions) to be promoted in all aid.

Finnish record on implementing the ownership agenda is patchy, with evidence of both ownership-friendly and ownership-hostile procedures and practices abundant (e.g. Moore et al. 1996, 49; Saasa et al. 2003, 16, 50-51). The same holds true with implementation of aid conditions (e.g. Eskola 2003, 83-85 on environment and gender). In general, Finland's approach to its policy goals is reported as one of dialogue instead of explicit conditions (e.g. Sundman & Waller 2002, 190-191). Finland is assessed a flexible donor who nevertheless keeps rather tighter budget control than many others. Finland is perceived less insistent on democracy and human rights at the implementation level than other Nordic countries. (Nørlund 2003, 39; Eskola 2003, 18.) Participation and enhancement of the right of the 'locals' to have their voices heard through such methods as PRAs (participatory rural appraisal) seems to be a theme quite consistently running through all Finnish aid[36] (OECD/DAC 2003b, 54; OECD/DAC 2003c, 62; Eskola 2003, 74). But on other fronts the practices seem to depend rather much on individuals involved as well as the environment in which the project works. The instructive power of Finnish aid principles on implementation of development cooperation is low; much is left to the discretion of the interpreter. It seems that Finland itself does not have an entirely clear picture of what kind of development it wants to

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[36] For a critical view see e.g. Saasa et al. (2003, 178).

support and what bargains it is ready to make when its objectives come to conflict with what is happening on the ground (see e.g. Rikkilä 2001, 4).

4.1.2 Vietnamese development policies

While poverty reduction is the overriding objective of Finnish aid, Vietnamese policies concentrate on economic growth; Vietnam is strongly committed to what looks like a conventional modernisation strategy. Poverty reduction, however, is a key social objective, and since poverty has increasingly become a rural phenomenon in Vietnam, rural development has been a priority area since 1997. Vietnamese rural policies traditionally centre on food security (rice) and rural infrastructure, when the donor community puts more emphasis on diversification of income sources. (Forsberg 2004, 65-67; Karttunen 2001, 63-65.) At least on paper Vietnam recognises all the values of Finnish aid. Grassroots democracy is promoted, decentralisation is embraced, environmental protection is a central theme, good governance is adhered to, corruption is eschewed, and even human rights are formally recognised and respected (e.g. Buhmann 2001, 432; Kerkvliet 1995, 8). Interpretations obviously differ, though; Vietnam's present policies and practices in e.g. democracy, human rights and environment do not exactly match with what Finland wants to support in its partner countries (Koponen 2001, 18). Human rights is the area where most blatant misconducts from the Western viewpoint take place, particularly in the ethnic minority areas in the mountains: in Vietnam the focus is on 'national security' instead on individual rights (see e.g. Human Rights Watch 2002). There has also been an official campaign against corruption since the 80s, but the results are not terribly impressive (Kerkvliet 1995, 8). Party and state have been separated since 1992, and the system is described as a democracy by the Vietnamese. The Communist Party leads in the spirit of such slogans as "the Party leads, the people control, the state manages" and "the people understand, the people discuss, the people implement, the people monitor". And indeed there is some room for debate and questioning, but the state system is still basically a top-down structure. (O'Rourke 2004, 94-95; Nørlund 2003, 44.)[37]

Since the beginning of 1980s, Vietnam is going through a period of fast transformation in economic, political and social fields. The 6th Party Congress in 1986 officially launched what is known as *doi moi,* or a process of economic and political renovation, the purpose of which has

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[37] For an extensive discussion on the meaning of good governance in Vietnam see Buhmann 2001

largely been economic growth.[38] On the economic front, reforms have included e.g. dismantling central state planning, market liberalisation (e.g. legalizing private enterprise), eliminating subsidies and decollectivisation of production and distribution. The so called land laws of 1988 and 1993 were of particular importance to the people as they redistributed land from cooperatives to households[39]. (Kerkvliet & Porter 1995, 3; Tønnesson 1993, 9-11; Vasavakul 1995, 276.) Food production quickly reacted to this change, transforming chronic food deficit into a large export surplus in a few years (Karttunen 2001, 65; Laaksonen 2001, 37). After the enterprise reform of 1999, thousands of new enterprises have been established (Nørlund et al. 2003, 40). In general, Vietnamese economy has responded with alacrity to liberalisation. For more than two decades Vietnam has managed to maintain such high growth rates, translating also into swift poverty reduction, that its experiences are regarded unique for any country in the present day world. Meanwhile, though, social inequality has grown, and particularly the mountainous ethnic minority areas are falling behind in economic and social indicators. (E.g. Ministry for Foreign Affairs 2001, 7, 11.)

Doi moi aims at change while preserving the one-party state, and political and administrative reforms have been designed with that in mind. They are intended to both make the system more efficient and to reaffirm the legitimacy and moral authority of the Party and the state. (E.g. Thayer 1995, 49.) Speed of reform has generally been slower than on the economic front, but there is still movement, increasingly so lately. Gradual political and administrative changes have brought about e.g. a freer intellectual atmosphere, empowerment of the National Assembly and the People's Councils vis-à-vis the Party, and some decentralisation of decision-making powers towards lower levels of administration. Public Administration Reform (PAR) embraces decentralisation and fights corruption, and the so called Grassroots Democracy Decree (decree 29) of 1998 and decree 62 of 1999 promote people's participation in decision making. (E.g. Nørlund et al. 2003, 44.) The Party has managed to maintain its legitimacy throughout the process, from state level to the village, particularly in the ethnically Vietnamese areas – in the mountainous areas the system was never securely established to start with.

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[38] Vietnam embarked on the reform process on its own – donors became an important force only in the 1990s. Doi moi was brought about primarily by internal pressure, driven by economic problems and social unrest. (Fforde & Sénèque 1995, 101; Selden 1993, 238-239; Wurfel 1993, 19; Ministry for Foreign Affairs 2001, 6; Nørlund et al. 2003, 39.)
[39] Land is still owned by the state, but people are given long-term land use rights that can also be traded and inherited (e.g. Karttunen 2001, 65; Thayer 1995, 41).

4.1.3 Finnish aid in Vietnam

Official Finnish-Vietnamese relations began in December 1972 when Finland, largely as a protest to US military tactics, recognised the government of the Democratic Republic of Vietnam. The first Finnish development cooperation project in Vietnam was the Pha Rung repair shipyard, started in 1978, followed by urban water supply projects in Hanoi and Haiphong. All three projects were characterised by heavy infrastructure investment and extensive use of Finnish companies both in design and in construction. The shipyard and the Hanoi water project were also two of the most expensive projects in the history of Finnish aid, due to their sizes but most particularly to heavy procurement from Finland. These projects were very well in line with Vietnam's state-led modernization drive, laying foundations for industrial and social infrastructure, but their orientation and size was also a function of the Finnish export interests involved. (Ministry for Foreign Affairs 2001, 15-16; Koponen 2001, 6, 8-15.) With the shift in Finnish aid policies in the beginning of 90s, Finnish aid in Vietnam was steered away from mega-infrastructure to smaller and softer projects more in line with international development thinking than with Vietnam's priorities. The first of these was a forest project in Bac Kan, followed by the Quang Tri Rural Development Programme. According to the assessment of the Advisory Board for Relations with Developing Countries of the MFA, however, also these projects have in practice been veered towards Vietnamese priorities in e.g. rural infrastructure, at some cost to Finnish principles of development cooperation. (Rikkilä & Nisula 2001, 90; Koponen 2001, 16-18.)

While Vietnam has been one of Finland's main recipients since the 80s, Finnish aid has never been financially important to Vietnam. In the 80s and the beginning of the 90s, however, it was so highly concentrated on a few flagship projects that it was very visible and made an important contribution where it materialised. More importantly, Finnish aid was politically very important during the 80s: apart from Sweden, Finland was the only non-socialist country that did not participate in the US-led embargo[40]. (15.3.1995, ToR for IM; Koponen 2001, 6, 10-11; Laaksonen 2001, 39; Moore et al. 1996, 77.) The turn in Finnish development thinking away from highly visible infrastructure coincided with Vietnamese entry back in favour with the West and the consequent influx of donors in the early 1990s. Both of these processes connived in reducing Finnish clout. (E.g. Koponen 2001, 6, 17.) But to some extent the long and friendly relationship still works in Finland's favour in

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[40] The reasons have been much debated, and can be traced back to the principle of not setting political conditions to aid but maybe even more convincingly to the national interests tied up with the ongoing projects (the shipyard for Finland, a paper mill for Sweden).

the sense that in the capital the Finns may be seen more trustworthy than many other donors. While the 'new' Finnish goals of democracy, human rights and poverty reduction have caused some distance of opinion, dialogue even in sensitive issues has been reported constructive. (E.g. Sundman & Waller 2002, 190-191; Nørlund 2003, 39; Rikkilä 2001, 4.)

Already with the Pha Rung project, the Finns quickly found out that Vietnam was no easy place for expatriate development workers. The culture highly hierarchical and opaque, locals remained distant. The Vietnamese were also highly independent and self-conscious in their dealings with foreigners, and proud of their local knowhow – foreign technical assistance was grudgingly accepted in the first place. They also took the idea of Vietnamese ownership seriously and genuinely behaved like the boss, insisting on being in charge. The trend has remained the same throughout the three decades of Finnish aid in Vietnam. (Koponen 2001, 11-13; Moore et al. 1996, 61.)

4.1.4 Local government in Vietnam

In Vietnam local governments are relatively strong and independent in relation to the centre (e.g. Nørlund et al. 2003, 44). At all administrative levels (provinces, districts and communes) they consist of an elected People's Council which serves as the legislative body and elects the People's Committee (PC), the local government and administrative authority of the state. PCs enjoy much power in a locality. They head local administration which is divided along sectoral lines to local branches of the sectoral ministries at the national level, called departments at the province and sections at the district level. These administrative agencies are subject both to a horizontal subordination under the PC at the same level and to a vertical subordination to the relevant ministry in professional matters. The Ministry of Planning and Implementation (MPI), under whose authority QTRDP falls, is a kind of 'super ministry', responsible for the implementation of economic growth policies in the country. It is by far the most powerful ministry and plays a central role in development planning and development cooperation. The programme worked under its provincial leg, the Department of Planning and Implementation (DPI). (E.g. Forsberg 2003, 65-67.) Also the Communist Party has its local Party Committees at all levels. They do not hold any official position in decision-making and administration, but any move must in practice be accepted by them. People are organised under political mass organisations (e.g. Women's Union, Farmer's Union) which supervise the activities of state organs while also mobilising people's support for

Party and state policies. (See e.g. Buhmann 2001, 432-434.) The state and the Party structures both generally enjoy high levels of legitimacy, not least because of their proven ability to reform and to respond to dissatisfaction (see e.g. Nørlund et al. 2003, 44-45).

QTRDP's administrative structure lies within these confines and is described in more detail in Appendix 2. The portrayal is based on the configuration in the first phase of the programme.

4.1.5 Project area

The province of Quang Tri is situated in the North Central Coast of Vietnam, one of the poorest areas in the country. The province was recommended by the Vietnamese as the venue of Finnish assistance: it was said to be the poorest in the country, and its relatively small size suited the modest development cooperation funds of Finland. (16.8.1995, UM HAN0142; 27.11.1995, Päätösehdotus.) In Quang Tri the province authorities selected the district of Hai Lang, a rice cultivation area prone to flooding in the south of the province, as the initial target area of Finnish aid. In the second phase the districts of Cam Lo (similar to Hai Lang) and Dakrong (a mountainous district) were added. Quang Tri was generally judged underdeveloped compared to most other parts of the country, as well as very traditional, only lightly touched by the reform winds sweeping the country elsewhere. The province was internally divided between the lowland rice cultivation areas populated by ethnic Vietnamese and the dry highlands inhabited by ethnic minorities. The project area is presented in more detail in Appendix 3. The conditions are described as they were found when the project started its operations in each area.

4.2 Programme history in a nutshell

Programme identification (1994-1996) The search for potential areas of cooperation in rural development between Finland and Vietnam started in 1994 after a decision in the annual negotiations between the two governments to expand to new areas of cooperation (26.10.1994, UM HAN0076/1). The initial idea of supporting rural health care capacity in Nghe An province gradually evolved into something akin to an integrated rural development programme with a heavy infrastructure emphasis in Quang Tri province (see map 1 in Appendix 3). Poverty in the area was to be addressed through four programme components: income generation, commune development (i.e. rural infrastructure), environmental rehabilitation and institution building (see table 1 for

component shares). (31.10.1994, UM HAN0076; 15.3.1995, ToR for IM; 12.10.1995, Project Report; 16.8.95, UM HAN0142; 27.11.95, Päätösehdotus; 8.11.1995, Inception Report.) A consortium led by Oy Finnagro Ab won the tendering for project facilitation in 1996. The two governments signed the Agreement on Assistance to the Quang Tri Rural Development Programme on 2 January 1997 (2.1.1997, Agreement). Finland's financial contribution for the pilot implementation period (1996-1999) was determined at 25,6 million FIM (7.6.1996, Muistio; 29.11.1996, Päätösehdotus), and Vietnam's at 14 billion VND, about 20% of the total costs, shared equally between the state and the province.

PROGRAMME COMPONENTS	PLANNED COST (VND billion)	% OF TOTAL
Income generating activities	15,0	25
Commune development	35,9	60
Environmental Rehabilitation	5,4	9
Institution building	3,6	6
Components, Total	**59,9**	**100**

Technical assistance	14,1	

Programme Total	**74**	

Table 1 Planned component shares and the cost share of technical assistance in phase I.

Basis for action: Programme document for 1996-1999 The programme document detailed the contents of the four components. Income generation was going to be the focal point of innovation through studies, testing, demonstration and trials. Profitable technology and production packages with training and credit lines would be developed. In commune development a participatory planning methodology would first be developed and projects identified by the beneficiaries would be implemented. Environmental rehabilitation was planned to address two major environmental problems of deforested barren hills and the unstable sand dunes on the coastal strip, and an institution building programme for both province and district levels was planned in the last component. Participation of people was the main implementation strategy of the programme. (PD 1996-1999.)

Phase I (1997-2000) The start of the programme was delayed to the beginning of 1997. Most of the first year was used in practical arrangements and planning. The foreign TA staff, the Programme Coordinator, the District Coordinator and the Junior Expert started work. Information was collected

through various studies, and the first round of Participatory Rural Appraisals (PRA, the project's tool for participation) was completed in project communes. The results showed a strong desire for infrastructure: water control structures (dikes, dams, embankments, sluices, flood gates, culverts, canals, pump stations) in the rice cultivation areas in the lowlands and for roads and electricity in the hills. (5.3.1997, MPR3; 29.6.1997, PRA results; 29.3.1997, MPR4.) Practical implementation was started with credit provision and training courses in animal husbandry, fish farming and integrated pest management (IPM)[41]; also some early construction projects were started to meet the expectations of the villagers. The first year was generally considered a success: the villagers were particularly satisfied with rice input credits, water management repairs and IPM training. The Vietnamese ministries (MPI and MARD) praised the programme approach, and MFA representatives were surprised over the swiftness with which programme implementation had taken off. (APoO 1997; 7.7.1997 MPR7; 9.10.1997, MPR10; AR 1997; 28.2.1998, Minutes.)

In 1998 project implementation continued in training, credit provision and optional income generation, water management structures, roads, schools and power lines. Work, however, suffered from delays in feasibility studies and decision-making, particularly in water management. There was much disagreement about credit provision, and work could not proceed on that front either. (PWP 1998-2000; 15.9.1998, UM HELD579-68; 6.11.1998, Minutes; WMC3 1998; RCS 1998; 9.11.1998 Annual.) Delays continued in 1999: income generation projects got stuck in the district People's Committee, and infrastructure building suffered from bad weather and slow appraisal. Only 61% of the planned budget was used, of which 75% went to community development[42], and pressure to use funds kept rising. Poverty orientation confused: addressing the poorest directly was found difficult, and the embassy advised the programme to concentrate mainly on rural development and to help the poorest whenever possible. Contracts of the expatriate staff expired in 1999, and new project and district coordinators started work towards the end of the year. (AR 1999; QPFR3 1999; 30.3.1999, D431VIE.)

The programme was reviewed in 1999, and two rounds of monitoring PRAs were conducted. Both processes gave very positive assessments of the programme. According to the beneficiaries,

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[41] Integrated Pest Management is a centralized service of the province which aims at improving the effectiveness of pest control. The results have been very promising: in the province of An Giang, for example, it was estimated that IPM has brought the costs of pest control down from 400 000 dong per hectare to an average of 100 000 dong per hectare, while simultaneously improving the efficiency of pest spraying. (Dang 1995, 178.)

[42] At some point the term 'community development' replaced the earlier term of 'commune development'. This was because 'commune' was an administrative term in Vietnam, but programme activities were often targeted to geographical areas smaller or bigger than a commune (12.8.1999, Comments.)

investments had increased output prices, improved productivity, opened new business opportunities and reduced flood damage. Also the prime minister of Vietnam, visiting Finland, praised the programme: QTRDP had been so successful that it should be considered a model for rural development to be emulated in other localities. The Mid-Term Review (MTR), however, recommended putting more emphasis on income generation in future. Vietnamese authorities at all levels expressed early their wish to continue QTRDP to a second phase, and the MTR concurred. (MTRR 1999; QPR2 1999; RSP 1999.)

The year ended in an unforgettable fashion. The province had just collected a bumper crop when the "flood of the century" struck in the beginning of November 1999. It drowned Central Vietnam: In less than a week 1500-2000mm of water poured down, raising water levels more than seven meters above the normal level with catastrophal consequences. The programme contributed to the national rush to help the flood victims, using part of the unused programme budget for 1999 to purchase rice seed to meet the immediate needs for winter-spring crop planting. The flood underlined the importance of proper construction standards: the schools built by the programme proved life-savers for thousands as they were all strongly built two-storey buildings. (25.11.1999, UM HELD579-151; 27.11.1999, Report; Dat 2000, 113-118; Notley 2000, 123-125; 10.12.1999, Discussion; 10.12.1999, Minutes.)

Year 2000 started with the introduction of a new Programme Director as the previous one was promoted to DPI director. Taking stock of the first phase, the programme acknowledged that more infrastructure had been built than planned. The budget share of community development had been 77% instead of the planned 60%, while 16% (instead of 25%) was used in income generation, 5% (9%) in environmental rehabilitation and 2% (6%) in institution building. Roads had taken the biggest toll on the budget, followed by school buildings, electrification and water management structures. In income generation credit had been distributed to almost 11 000 households (agricultural input credit, pig raising etc.) and about 7500 people had been trained on 310 different courses. The newly introduced rice seedling throwing technique seemed to be increasing outputs and incomes, and peanut, green bean and pepper growing had taken off fairly well. In environmental rehabilitation there had been trouble in finding suitable projects, and the project had ended up using the money on drinking water supply. Activity in institution building had remained very low. As regards compatibility with Finnish strategic goals, the programme assessed that promotion of gender equality had progressed well (courses on gender had been some of the most popular the project had organised), as well as democracy through people's participation.

Decentralisation had proved tricky to implement, and in environmental protection project's input was modest. As for poverty reduction it was concluded that infrastructure projects were most beneficial for the poorest as it was very difficult to get them to participate in trials and trainings. (PCR 1997-2000.)

Planning the second phase was a major preoccupation in year 2000. On top of a contracted planning mission to prepare a draft framework document, several MFA missions visited the project throughout the year. There was much pulling and pushing regarding where to expand, how much infrastructure building to include, and whom to give financial control. (PFDD 2000; 15.2.2000, Minutes; 16.2.2000, UM HELD1166-8; 26.6.2000, Comments; 2.8.2000, Comments; 15.5.2000, Minutes.) The process got prolonged, and it soon became clear that a six-month **bridging phase (January – June 2001)** would be needed between the two phases before the project document could be signed. The bridging phase went very much to the recommendations of the MFA: income generation and institution building used 35% and 30% of the budget respectively, the remaining 35% was used in small-scale construction projects, and most participants in training courses were women. (NFR 2001; 19.1.2001, Päätösehdotus.) The MPI finally approved the second phase document draft in March 2001 (5.3.2001, UM HAN0034), and Oy Finnagro Ab (soon to become Scanagri) was selected to continue with project implementation.

Two very different evaluations of the programme were made during the bridging phase. The Finnish Advisory Board for Relations with Developing Countries assessed Finnish aid in Vietnam, and severely criticised QTRDP for not being sufficiently poverty-focused and for insufficient participation: according to them ownership had been held almost exclusively by provincial and district authorities and the information collected through PRAs had been neglected. (Seppänen 2001, 67-76.) The MFA-commissioned evaluation of the Finnish aid programme in Vietnam took a much milder line; while there was room for improvement, communities clearly had had a voice in decisions concerning them (Ministry for Foreign Affairs 2001, A30-31).

Programme framework document for phase II The second phase of the programme was to last four years and include all communes in Dakrong and Hai Lang districts and some in Cam Lo, Dakrong being the main target area. Programme components were called sustainable livelihoods (similar to income generation in the previous phase), rural infrastructure and institution building. The separate environmental component was discontinued. 50% of the implementation budget would go to infrastructure, 30% to sustainable livelihoods, and 20% to institution building. The

document emphasised capacity development and training over infrastructure projects, and good governance and decentralisation were introduced as programme goals. Participation was "the single most central concept of phase II". The Programme Coordinator position was retagged Chief Technical Advisor (CTA), and the District Coordinator post was replaced by that of a Capacity Building Advisor (CBA) working at the headquarters. The document specified activities only for the first year, during which a more detailed programme document would be written for the remaining years. (PFD 2001.)

Phase II (July 2001 onwards) Project agreement for the second phase was finally signed on August 14, 2001 (17.8.2001, UM HAN-37). The first year was largely used in preparations and planning for the following years. Introduction workshops and PRA training for staff and authorities were organised, numerous background studies were carried out and guidelines developed, and PRAs were conducted in chosen pilot communes. Training of pilot farmers and experiments with new crops were begun and infrastructure projects started. (IR 2002; FRPP 20002; PMES 2002; 16.4.2002, Minutes.) A more detailed programme document was written, building on the framework document and the pilot PRAs. Irrigation canals and inter- and infield roads were a high priority everywhere, and women wished for more training in cultivation and animal husbandry techniques. Also a study conducted on mountainous farming systems, recommending combined agro-forestry, strongly influenced the document. Through sustainable livelihoods the programme hoped to intervene with the food security situation in Dakrong and low income levels in the lowlands. Similar to the first phase, activities would concentrate on increasing on-farm productivity and income diversification through extension and trials and support for putting up small businesses. The rural infrastructure component would concentrate on building infrastructure in difficult locations or for particularly poor people. The institution building component would contribute to implementation of decentralisation and decree 29. (PD 2002.)

After initial delays in construction preparations, work progressed well and budget utilisation was high – though again biased towards construction. Corresponding to the priority ranking, Dakrong was allocated most money in 2003, closely followed by Hai Lang. New rice varieties were promoted, sowing machines, threshers and seedling throwing techniques introduced. IPM, animal husbandry and gender training were continued. Bee keeping, deer raising, vegetable growing and fish, shrimp cultivation etc. were tried. Many schools, kindergartens, roads, water management structures and clean water systems were built. Officials were trained in computer skills and English, accountants in financial management, and cooperative heads in business management. (APR 2003;

AWPB 2003, IS 2003, QPFR1 2003; QPFR3 2003.) The whole foreign technical assistance staff changed during the year, and the new CTA, CBA and Junior Expert brought new enthusiasm to the programme. The PCQT was commissioned to prepare a project outline for a possible third phase. (10.3.2003, UM HEL0333-18; 13.3.2003 UM HEL0333-21; 24.3.2003, UM HAN0003-32; 5.12.2003, Minutes.)

The Mid-Term Review conducted in May 2003 was much more critical than the one in the first phase. The programme was judged overall a very positive endeavour, but a series of recommendations was given aimed at making the programme more sustainable, transparent, compliant with the principles of good governance, and adaptive to different conditions in different districts. The comments mainly concerned the perceived infrastructure bias, need for open bidding, decentralisation of project management and the need to tailor project interventions more to the special needs of Dakrong. (MTRR 2003.)

In 2004 the programme attempted to balance its budget bias: the planned budget share for infrastructure was only 34%. Special attention was paid to Dakrong with more than half of the funds budgeted there. On-farm and off-farm income generation and diversification of production received much attention. (AWP 2004; 20.11.2003, UM HAN0002-54; 18.11.2003, Minutes.) Also planning of the third phase began in earnest, resulting in a much more detailed project document than its equivalents in the previous phases. The document envisioned a project with more emphasis on capacity development to improve the quality of services available for the population and fewer projects directly implemented in the villages by the project. The three programme components were named basic livelihood services, infrastructure systems development and institutional development. (APFD 2005.)

4.3 Contentious issues

Taken at face value, Finnish and Vietnamese development policies were well compatible (see chapters 4.1.1 and 4.1.2). This was also the judgement of the interviewees: both governments supported poverty reduction, equal distribution of the fruits of economic growth, market liberalisation, people's participation, democracy and decentralisation, and rights of vulnerable groups (I 5). "Our principles versus Vietnamese policies, we have very closely converging ideas. [] So there are no disagreements about the outlines." (I 8.) But these outlines, agreed to also in the

agreement of cooperation and the programme document, leave much room for interpretation, which opens spaces for contention and creates conflict (Rew & Brustinow 1998, 43). "If we think of democracy, of promotion of people rule, good governance, equality and human rights, the Vietnamese vow to all of them." But then comes the level of practical implementation, and gaps of interpretation appear. "But the administrative culture is very authoritarian, an individual does not have value. And then there is the structure of corruption." (I 3.)

Below I present the most central disagreements that arose around QTRDP up to year 2004 as expressed by the donor side actors. The temporal developments of the disagreements are not dwelled on, the emphasis is more on the perceived 'nature' of each disagreement and its policy relevance: the parties involved and coalitions forged, their main arguments, their motivations (as expressed by the interviewees), their power strategies, and what they tell about the perceived ownership relations in the project. Some of the disagreements developed into 'real' conflicts with open contention between various parties, while most remained at the level of divergence of opinion and understanding, often turning into drawn-out tug-of-wars. As one of the interviewees put it: "Some of these things are not really struggles for power, it is simply that at the level of thoughts there is no meeting of the minds (I 5)." At a very general level, it seems that the second phase of the programme (including its planning phase partly situated within the first phase) sustained more conflict than the first.

4.3.1 Infrastructure versus "software"

"The share of infrastructure was well exceeded. And this was interesting because it happened despite us repeatedly in almost every meeting bringing up the reality that not much seemed to be going on in the fields of institution building or training while infrastructure just kept rolling on. And they always said yes, we will pay particular attention to this. But in some mystical way the situation remained the same until the end." (I 14.)

Issue: The extent of infrastructure investment.	Timing: Throughout the whole 1994-2003 period, escalating towards the end.
Parties involved: The 'Finnish' and the 'Vietnamese', the culmination points being the MPI (most importantly its provincial leg DPI) and the MFA of Finland. Consultants involved had somewhat more ambivalent views on the matter.	
Nature of the disagreement: A drawn-out tug-of-war on the nature of development and methods of poverty reduction.	
Main arguments: The MPI/DPI: poverty reduction requires growth, growth requires investment in infrastructure. The MFA: poverty is a multi-dimensional phenomenon, and infrastructure investment must be supplemented by training and capacity building for the sake of efficiency as	

well as sustainability.
Policy relevance: Pertaining to the nature of development and the dominant global development paradigm; pertaining to the nature of poverty and the means to combat it.
Ownership/donorship: The outcome was always a compromise reached through negotiation. The DPI had quite a strong influence much of the time. The Finnish line hardened as time went by. This resulted in promises and commitments on paper from the project team, but practical results remained modest at the time of the study.

The question of the extent of support to infrastructure building arose right from the beginning when Finland and Vietnam started planning cooperation in rural development in 1994. The initial Finnish idea of concentration on institution building and income generation (see e.g. 12.10.1995, Project Report; 16.11. 1995, Projektiesitys) was countered with Vietnamese insistence on rural infrastructure. It quickly became obvious that infrastructure building was an overwhelming priority for the Vietnamese counterparts, who coaxed the Finnish side to committing more than half of the implementation budget to construction projects. The same was repeated during the planning of the second phase of the programme. The Finnish side tried to play down the importance of infrastructure and altogether discard electrification and road projects, but the Vietnamese managed to increase the budget share of infrastructure back to 50% and return rural roads on the agenda. (PFDD 2000; 26.6.2000, Comments; 2.8.2000, Comments.)

But while compromises were struck, they were not kept: the infrastructure budget was consistently exceeded from 1997 to 2003, and quarrelling went on accordingly. "A basic question throughout was where to allocate the money. They would probably put everything into infrastructure if they could. So the question was how to get other kinds of activities started." (I 12.) "Whether it was in the Steering Committee meetings or elsewhere, there was always disagreement about construction (I 6)." "The biggest issue present at all times was how much infrastructure will be constructed and how much of something else will be done, for example building the skills base (I 10)." The Finnish side also consistently pushed for smaller scale projects emanating from the grass roots and shot down proposals for e.g. large bridges that from time to time emanated from the Vietnamese authorities (e.g. 16.5.2001, Technical, AWPB 2003; I 11; I 10).

According to the interviewees the Vietnamese idea of development and poverty reduction very closely corresponded to conventional modernisation thinking: to reduce poverty there must be growth, to induce growth there must be investment (I 5; I 6; I 1). "[The Vietnamese] are very much more like engineers in their way of looking at [poverty]. They say you know, poverty is about health, it's about water supply, it's about roads, it's about access to markets. So we need to invest a

lot in infrastructure." (I 9.) The Finnish side did not try to disqualify the validity of these assumptions; in fact, all interviewees were quick to acknowledge the importance of infrastructure development. Many found justifications from Finland's past: "Looking at the importance of infrastructure construction in Finland, it certainly was a big booster for development. So it is not that the Vietnamese are wrong." (I 10.) "If you think of Finland in the 50s and after the war, it was all about infrastructure building, that was what development meant (I 3)." "If you compare it to Finland's development after the wars, when you get functioning roads, electricity, these basic things, it really was the basis for development (I 15)."

But the Finns, burdened by the history of critique of development interventions, felt uncomfortable with too heavy an infrastructure emphasis. In accordance with the general wisdom in the Western hemisphere, they emphasised the complex nature of poverty and the corresponding need to work on many fronts. "The Europeans are, let's say harping on to the nth degree about have you really considered all aspects of poverty (I 9)." The Finnish side felt that to reap the full benefits of infrastructure investments much attention had to be paid to the 'softer side of the coin'. "It's not that infrastructure is wrong. It is not, but if it is built alone it only strengthens one leg of the table (I10,3)." An irrigation system should be supplemented by setting up operation and maintenance processes, as well as by training of improved farming techniques. Improved access to markets creates more wealth if supplemented by income generating activities. School buildings are not enough without competent teachers. And most of all such determinants of poverty as feelings of inadequacy or helplessness should be addressed through participation. (E.g. I 4; I 13; I 5.) The views varied from "our understanding was that [infrastructure] brings big benefits, and together with training it brings even bigger ones (I 12)" to "we have been talking that the software, the intellectual and communal process is even more important an outcome than the hardware, the so and so many kilometres of road (I 5)".

The donor side repeated these arguments time and again, but felt they were not entirely accepted by the Vietnamese (e.g. I 13; I 11; I 6). I 6, speaking of the Vietnamese attitude: "Things like participation and other things, it does not reduce poverty, gathering together doesn't. It's in the field, hoeing is what reduces poverty, not sitting and talking." "Their attitude to capacity building is quite glum because they do not see any factual benefit emanating from it." It seems that to a large extent the non-infrastructure components of the programme were 'bought' with the infrastructure components. This 'infra currency' was what the Vietnamese coveted, and in order to get it, they agreed to the "quality enhancing (I 5)" aspects, particularly the capacity building component, the

Finns wished for. "The project goals are supposedly agreed on together with the representatives of the recipient country: this is what we want from Finland. But when you go to the field, nobody wants [capacity building], it has been forced on them. Nobody wants change. Like I said, change is a threat." "They want the project and the money and the resources, and if the Vietnamese got to choose, they would take the money and leave the rest. And they would do with the money as they see fit, and they see fit to build roads and infrastructure." "Construction, it is a bait." (I3.) "The principles of Finnish development cooperation require that certain kinds of things are done. And the Vietnamese maybe want something totally different but as a compromise, in order to get the money, commit to a programme they don't really support. They are much more committed to the infrastructure component than the other parts." (I 4.)

Thus, while it should be remembered that the programme also organised a lot of training and trials[43], the Vietnamese were not overly enthusiastic about promoting these 'Finnish' components. "Even though the project document heavily stresses these softer elements, the reality is that construction and infrastructure is what was purposefully invested in. The things you are prepared to direct energy to tend to go ahead, and the things you are not committed to tend to play second fiddle." (I 6.) The Vietnamese were blamed for dragging their feet with regard to non-infrastructure, and a considerable tendency to save money in the 'soft' components was reported: "Clearly there were efforts to save money in capacity building to be able to use it in infrastructure instead (I 3)." "It was a means of transferring money into infrastructure building, claiming that it was impossible to spend it [in training]. But at the same time they refused to hire experienced teachers from elsewhere in Vietnam. [] They were dragging their feet in this, and then they would 'discover' that to be able to use our budget allocations we have to put the money into infrastructure." (I 4.) The Vietnamese were portrayed as cunningly using a combination of everyday resistance and the pressure to use money present in all development institutions (see chapter 3, Ostrom et al. 2002, 91) to pursue their own priorities. Not all interviewees, however, saw the reasoning fabricated of the foot-dragging entirely intentional (I 14). Training really did not absorb money and more training would have required more human resources (I 15; I 13). "How do you sink that much money in activities that do not absorb a lot of money (I 9)?" "Organising training in Vietnam does not cost anything, so it was difficult to stick to the 60% share of infrastructure that was quite arbitrarily set by the donor. There could have, of course, been more

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[43] "There was a lot of investment, but there were also many and more other activities (I 9)." "In addition to infrastructure, training was emphasized (I 6)."

effort in organising training, but a more serious approach would have required more staff or a different approach altogether." (I 7.)[44]

The project also appealed to its participatory approach as a justification for the infrastructure bias: the project proposals emanating from the grassroots level included much infrastructure and too few sustainable livelihoods proposals (PCR 1997-2000; AWPB 2003). As I 9 put it, talking about the infrastructure component exceeding its share by almost 20%: "The demand is high, it is possibly even higher than that. So 20% more is not a lot." On the other hand, doubts were expressed about the openness of the PRA exercises. Seppänen (2001, 67-76) claimed that the complicated system of processing the proposals led to their transformation into something unrecognizable, and according to the second phase mid-term review (MTRR 2003), it was evident that in some cases the PRA exercises were biased towards infrastructure at the start and no other options were presented. Some (I 7; I 12) waved this aside as mere suspicion of the donor, while most interviewees expressed uncertainty. "Well, it can be because infrastructure is important to people and it can be about how questions are asked and who asks them (I 5)." This process of 'mirroring' is much commented on by the critics of participatory methods: villagers often shape their needs to match project schemes and administrative systems, requesting only what they perceive is most easily delivered (e.g. Mosse 2003, 14; Abrahamsen 2004).

A central reason offered for the Vietnamese counterpart's vehemence with infrastructure was the fact that the project worked under the MPI. While the Vietnamese in general were perceived as people highly appreciative of knowledge and training, the mandate of the MPI was investment. "[The MPI's] mandate is expressly infrastructure building. Operating under that particular ministry, [the project] reflected its field of operation. Had it been under the agriculture ministry it might have been implemented a bit differently." (I 4.) More particularly, the province level branch of the ministry, the DPI, was seen as the problem: the national and local level authorities, while still emphasising infrastructure, were often portrayed more amenable to the donor line (e.g. I 1, I 9). The 2003 mid-term review team actually found that all counterpart organisations but the DPI (MPI, Women's Union, Youth Union, People's Committees etc.) considered capacity building the primary concern in the area (MTRR 2003). It was speculated, probably partly as a strategy to persuade the DPI, whether MARD would be a more fruitful partner for the programme in future (see e.g. 16.2.2000, UM HELD1166-8).

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[44] According to Alsop (1998, 120, 128), focus on organisational and institutional issues means departing from traditional project cycles and withstanding pressure to prove immediate impact.

Another reason for the passion with construction suggested by several interviewees was that contracting offered the best chances for siphoning project funds. "And of course this construction issue is also linked to the question of corruption. Construction is pushed so forcefully because that is where money can be sidetracked." (I 6.) "More negotiations with the contractors can be included in the implementation of infrastructure, and money can change hands." (I 11.) "There has been reason to believe that a slice of the funds for infrastructure investment has been systematically channelled to the personal use of the top officials." (I 5.) "Another issue that most certainly underlies this is that the Vietnamese administrative culture is very corrupt, and infrastructure is one of the most fruitful avenues where money can be pumped out. In capacity building it is far more difficult to move money under the table." (I 1.)

The Finnish strategy initially consisted of polite statements about Finnish development cooperation no longer targeting large infrastructure projects (e.g. 13.11.1995, ToR; 4.8.2000, UM HELD1144-19) and continuous recitals of the benefits of supplementing investments with income generating and capacity building activities. They sought justification from Vietnamese national policy papers embracing capacity building and income generation, and appealed to the principles mutually agreed to in country negotiations and in the project document (e.g. 15.3.1995, ToR for IM; PD 2002). Both the mid-term reviews "strongly recommended" moving the focus of action away from hardware. This line was, however, weakened by the differing and ambivalent views held by individuals about the extent to which the Vietnamese enthusiasm for infrastructure building should be restricted, both within the ministry and among the consultants. "There was some difference of opinion within the MFA about whether investments are what Vietnam needs (I 15)." "We agreed with them, we really genuinely felt that it is reasonable [to build a lot of infrastructure]." "I think minimizing the infrastructure component is daydreaming. I don't understand such policies." (I 12.) I 6, again, referring to Vietnamese aversion to capacity building, said: "Often I think that it is a well justified assessment, a lot of money has been invested into something and nothing remains of it. A tractor is at least a tractor and it lasts a few years."

As the infrastructure bias persisted, the MFA line hardened. The bias had partly been enabled by the Finnish wish to install more flexible planning culture in Vietnam: the possibility to reallocate funds between components was expressly stated in the Programme Documents for both phases. In the second phase, after the first few years of unabated construction, this flexibility was withdrawn. The embassy bluntly stated in uncharacteristically strong language that "since the overriding theme

of phase II is investment in human development, the Finnish side will not be approving reallocation between budget items for the benefit of infrastructure." The experiences of the first phase "cannot be repeated". (15.11.2002, UM HEL0333-29; 25.6.2002, Minutes.) This became the official line thereafter.

In summary, the MPI and DPI of Quang Tri held a lot of influence in the infrastructure question in the eyes of the donor side actors. During the planning of each phase they were able to significantly increase the role of infrastructure building in the programme, and put back on agenda larger scale projects that the Finnish side wished to remove: understood as *power and control* over development processes, their ownership over the programme was quite strong. In the sense of being *committed* to something, their ownership was particularly strong with regard to the infrastructure component, while other components 'bought' with infrastructure were not really engaged to (see Ellerman 2001). In later years, when the Finnish line hardened, DPI kept its line longer than the MPI. It may be that MPI, interested in maintaining an on-going relationship with the donors, started to adapt to their ideas. But the DPI, facing fewer repercussions of 'irresponsible ownership', was mainly interested in expanding its power: the DPI insisted on infrastructure projects that extended its duties, staffs and budgets. (Cf. Ostrom et al. 2002, 58, 95.) In the end, the Finnish side gave up on its negotiation line and fell back on attempted donorship. It is unfortunate that the results remained unknown at the time of the study. [45]

4.3.2 Decentralisation

"The way I see it, it was a mistake in the Programme Document to centre all power with the programme director (provincial level) while the district director does not have any formal status to represent the programme nor does s/he have decision-making power in any issue. In some cases the opinion of the district director was not even asked. I believe that this structure separates power from direct responsibility in an unfortunate way." (26.8.1999, Comments.)

Issue: Decentralisation of administrative and financial control	**Timing**: From the beginning of implementation (1997) until the end of the study period. Escalation with run-up to the second phase.
Parties involved: One pole of opposition personified in the Vietnamese project director; the consultants, the MFA, the districts and the MPI all opposed the province to differing degrees.	
Nature of the disagreement: At times a rather exacerbated struggle over breaking / maintaining a nucleus of power.	

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[45] The project made plans to balance the budget of the second phase by heavily concentrating on the sustainable livelihoods component in 2004 and 2005.

Main arguments: Donor side: Decentralisation the essence of democracy and people's participation; in compliance with Vietnamese policies and regulations; an agreed principle of Finnish aid, the country agreement, the programme agreement and the programme document. Project Director: Against Vietnamese laws and regulations; inadequate human resources at lower levels.
Policy relevance: Pertaining to democratisation; pertaining to good governance; pertaining to the question whose ownership is the 'right' ownership.
Ownership/donorship: Very strong hold of administrative and financial control by the Vietnamese programme director and her/his 'powers behind the scenes', skilful and efficient evasion of donor assaults. In the run-up to the second phase the donor stepped up the stakes; after a few years of further wriggling the province started to give in a bit.

Although the project initially started work in only one district, it had a two-layer administrative structure, with the province level written as the responsible party. This proved problematic from the very beginning: the province clung to power. The consultancy company expressed concern over Vietnamese reluctance to delegate financial or decision-making responsibility to the lower levels, something they felt was an essential part of the programme philosophy. But being a sensitive and political question, they felt they could not push it too much without jeopardizing their position, and appealed to the ministry to exert pressure on the matter. (E.g. 5.8.1997, Quality Assurance.) Consequently, the issue became another recurrent theme through meetings, but in the first phase the pressure was not terribly strong. "I feel they could have insisted more strongly on moving the funds to the districts (I 7)."

The conflict culminated at the province-district juncture, with the province doggedly opposing every initiative to transfer power and responsibility to the district. "I think that it's clear that there have been strong conflicts between provincial and district levels (I 9)." "One of the big conflicts has been the division of power between the province and the district (I 6)." "There was a great, well maybe not a conflict, but the issue of division of power between the district and the province was heated (I 6)." The question quickly became personified. While some reports and written communications indicate the PCQT/DPI as the resisting party, the interviews paint a picture of the Vietnamese programme director as one pole of the contention (see also 26.8.1999, Comments): s/he (undoubtedly backed by the PCQT/DPI) stood opposed to everybody else. The national level (the MPI) was supportive of decentralisation, and was even presented as teaming up with the donor. "The professionals in Hanoi understand that not everything the donors say is total humbug but much of it makes sense, and in a way, as a result of intensive dialogue, they understand the agenda the donors are promoting. [] In a way the officials in Hanoi feel they are on the same side of the barricade with the donors. They try to find ways to persuade the hard-headed power elites in the

provinces." (I 5.) "The government policy is to decentralise. It's always a problem that people at the lower end don't want to hand over power." (I 9.) Similarly the district authorities quite understandably sided with the donor. "The district chairman was obviously trying to draw more responsibility down to the district (I 9)."

According to the interviewees, this conflict also caught up with the consultants (I 6). The project coordinator and the district coordinators each tended to look at the issue from the point of view of 'their' level, and to some extent there was incongruence between their views about transferring power to the district (I 7). The district coordinators "might have seen things more in terms of empowerment of the grassroots level", or "thought that the district and villages should have more say" than the programme coordinator, who saw her/his role more as "supporting institutions to do what they do better" (I 9; I 12; I 13). But most of all, the district coordinators, teaming up with the district director, were caught in a conflict with the programme director at the province level. One was ousted from the project, and another's life was made difficult enough for her/him to want to quit. "I enjoyed working in the district, but there was trouble with the province director. I think the reason was that the director felt that things were not under her/his control. S/He had a need to demonstrate her/his power in stupid ways." (I 7.) "I think [the district coordinator's conflict with the programme director] is not to be seen entirely, but I'd say by 80 % as a structural thing, a reflection of this problem between province and district (I 9)." The district coordinator had insulted the project director by openly siding with the district director and working to shift decision-making down towards the district (I 15).[46] In the second phase this troublesome configuration was changed: both senior expatriates worked in the PMU in Dong Ha, and the district coordinator positions were given to the Vietnamese.

According to I 9, the programme was hijacked by the province. The district naturally wielded considerable practical influence through its role in planning and making project proposals (e.g. I 7), yet all formal power, both administrative and financial, was held at province to a very impractical decree. The districts could not make contracts with construction companies (I 11; I 13), and even monitoring of works was supposed to be handled from the province. The lack of delegation of funds was a constraint for small projects. "The district director cannot for example approve allocation of 2 million dongs (150 USD) for a garlic trial (26.8.1999, Comments)." "The sums that

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[46] This was an uncomfortable issue for many interviewees, who seemed to feel enough had not been done to support the district coordinator, despite the fact that her/his work was generally considered excellent. There was much pointing of the blaming finger to the ministry or the home office of the consultant for allowing her/his dismissal "with absolutely no reason". (E.g. I 4; I 9; I 10.)

the district could approve alone were absolutely paltry (I 6)." There was no obligation for the province to consult district authorities when making decisions, and they were not always even informed of activities. "[The district director] is the one who will be accountable to the people of the district if things go wrong. Therefore, s/he should have a position in programme management to ultimately approve or veto a programme action. At present the district director has no formal influence at all over programme decisions. S/He is dependent on whether her/his opinion is asked or not." (26.8.1999, Comments.) "Things were sometimes implemented without the district staff even knowing what the project or the province was doing at the district level (I 9)."

The donor argued that decentralisation of decision-making and financial control was indispensable for sustainability, efficiency and democracy, and rigorously presented it in terms of Vietnamese policies. I 15 on decree 29: "And this we read like the bible, and appealed to its principles." The Vietnamese countered with stating that decentralisation was not legally possible, and claming that capacity at lower levels was insufficient. While the latter argument was given some credit regarding commune and village levels, donor actors generally considered the districts capable enough. The first postulate, however, gave rise to confusion. There was much uncertainty about Vietnamese laws and regulations. "According to the official explanation given, any level below the province cannot make commitments on project funds. On the other hand it is claimed that there are regulations according to which contracts below 100 million VND can be made by the commune, up to 500 million VND by the district, and contracts exceeding that belong to the province." (5.8.1997, Quality Assurance.) Some seemed to believe that the project system followed Vietnamese legislation of the time and therefore further decentralisation was not possible (I 12; I 13), others claimed that the programme management structure centralized responsibilities in comparison to the Vietnamese system: decisions normally taken at district or commune level were taken at the province in the programme (MTRR 1999; 27.3.2000, D-431 VIE). "I think in many cases the district would have had more responsibility for the infrastructure programme under its own national policy than it had under this programme (I 9)." "Normally there is more delegation of responsibility to districts and communes than was the case in the programme. Normally, after the plans have been approved by the province, the district level sits on the funds, and the district people's committee signs the checks." (I 7.) It proved very difficult to dig out the 'truth' of the matter. "They showed some papers that according to this decision lower levels cannot decide on these matters. And if they said so, it was very difficult to say it wasn't true." (I 15.)

Another confusing fact was that while it seemed all but impossible for the Finns to devolve financial control downwards, a project financed by Norway worked directly with the districts and a Swedish one with the villages. "And it seems so strange, you see, there you have in the same province the Swedes directing money down to the village level (I 9)." One reason offered was that Swedes and Norwegians just were tougher negotiators (e.g. I 3). But these projects had also been started later than the QTRDP, and the Swedish one was a national programme and therefore where funds were kept was a national decision (I 9). Also the Finnish rural development programme in the neighbouring Thua Thien Hua province (TTHRDP) had managed to take decision-making and control further down to the district level. "I think in Thua Thien Hue, clearly it was much more devolved down to district, the district was the one that was implementing the programme and province was taking a sort of facilitating role. That wasn't the case in Quang Tri. The province was taking a clear implementer role there." (I 9, also I 15.) This had, however, required a lot of fighting, and the beginning of TTHRDP had involved much more conflict than the beginning of QTRDP (I 9, I 10; I 14; I 15).

Both this and the uncertainty about Vietnamese regulations reflect the process of dynamic change that Vietnam was going through at the time. The project document was written at a point of time, "and then things went on (I 9)". I 14 and I 13 discussing: "I never really understood why our project had this two-tier structure, the province and then the district level, when [the Norwegians] went directly to the districts. They did not have any province level organisation like we had." "Oh. Well, particularly in the beginning there really was no other option." QTRDP's administrative structure was created before e.g. the grassroots democracy decree was introduced, and taking away acquired privileges is always difficult. Also, in the face of the rapid reform that Vietnam was going through at the time, the difficulty of getting hold of the existing system was likely not limited only to the foreigners.

The first phase proceeded without any great achievements in devolution of authority. But in the run-up to the second phase, the donor side changed gear. "In the second phase, we did everything in our power. We tried to use every trick, we tried to be sly like snakes. We really didn't compromise one bit. And I believe that nobody could have done more in that situation and still have them talking to you." (I 15.) This may have partly been a personnel question: in the MFA one of the people working with the programme had decentralisation "very much at heart (I 10)". Paradoxically, personnel changed interfered also on the Vietnamese side, and while donor pressure kept rising, project reality seemed to travel in the opposite direction. The new project director that

started work in 2000 took ever tighter control of all operational decision-making and all Vietnamese project personnel. This led to further centralisation of power in the province. (E.g. I 7; I 11.) "There was no longer so much struggling for power between the province and the district, the province had got the upper hand (I 6)." The Project Director capitalized on her/his status as the senior among the project workers. "It was so authoritarian, I don't know, was it because of our director, but the district coordinators, they didn't dare do anything without consulting the director first (I 15)." I 4, I 15 and I 10 all reported incidents where district directors privately expressed their differing views, but publicly did not dare open their mouths. Straightforward obstruction was not an option for them as their room for manoeuvre was curtailed by the hierarchy within which they were situated.

But this time the MFA meant business, up to the point that some felt decentralisation was a condition for the continuation of the programme. "Decentralisation should have taken place in the first phase but it didn't, so then it was emphasised that it has to happen. Otherwise the second phase would not have come. Finland took a very tough line in this." (I 3.) The programme framework document, drawn up in 2000, emphasised decentralisation, and the more detailed programme document for 2002-2005 emphasised more decentralisation. Modest first steps were taken during the 2000-2002 period, with district representation extended to the supervisory board and to the project management team (e.g. 21.11.2002, UM HAN0093), agreement to communes co-signing constructors' contracts together with the province, and piloting with financial decentralisation in a small way. "But we had this particular clause according to which a contract of certain size can be signed off by the district and a certain size has to be decided in the province, and this was strictly adhered to. But finally we managed to achieve as much as co-signing." (I 15.) The province was playing defence and delay. Decentralisation could not be started during the first year, establishment of District Implementation Units (DIU) and additions to district staff were opposed. "We had this decentralisation plan on paper. And I was always asking what we are decentralising. Because it was only on paper, nothing was done." (I 3.) I 3, talking about hiring accountants to the DMUs: "The Vietnamese opposed it, it was not needed, and their idea was most likely that they were never going to transfer any funds to the districts." The recommendations regarding decentralisation of the mid-term review in 2003 were also methodically resisted: "The resistance, it was *really* tough. They really tried to walk over us, thoroughly. You could see it for example when in the end there was a discussion about our recommendations, it was like everybody had been given lines and they all aimed at watering down our proposals." (I 4.)

But in the end, and with the new TA forces at the wheel, it seemed that decentralisation was finally taking off. "Well *some* things were transferred to the district even while I was there, but really it was left for the next team to solve. And according to what I have heard it has… these district implementation units have started functioning." (I 3.) "It has moved forward now, and it is still moving (I 8)." Towards the end of 2003, DIUs were officially established and staff seconded to them (APR 2003). Decentralisation of the income generation and capacity building components to the districts was completed in 2004 (APFD 2005). But there was no progress in relation to the infrastructure component, decentralisation of which faced "legal and human resources limitations" (28.8.2003, PMT; APFD 2005).

This confrontation went to a more personal level than the one on infrastructure and lead to more open conflict, something quite rare in the Vietnamese culture. Both Vietnamese directors ferociously held on to provincial control – to what extent of their own volition and how much because of their position as representatives of the DPI or the Party is impossible to say. They held enough sway to dodge the balls thrown in the spirit of negotiation and recommendation, as well as the daily pressure from the consultants. They also managed to dethrone a well-liked and hard-working consultant conspicuously lending support to the aspirations of the district authorities. But when the donor really started to push, with at least tacit support of the MPI, it seems they had to relent. To what extent, remained to be seen at the time of the study.

4.3.3 Dakrong

"Then there are of course all these problems between the majority people and the indigenous people that emerge in the mountainous areas (I 1)."

Issue: Inclusion of Dakrong district in programme area; approach in Dakrong	**Timing**: Expansion to Dakrong was debated in 1999-2000. Project approach there continued to be an issue since.
Parties involved: Vietnamese provincial authorities in the question of entry into Dakrong, all Vietnamese officers in the question of approach; donor representatives.	
Nature of the disagreement: After a short-lived open disagreement a continuous dissatisfaction at the donor end over the quality of project activities in the district.	
Main arguments: Donor side: To reduce poverty, project has to work where the poor are. To accommodate development, project approach has to be specifically tailored to respond to the needs of the ethnic groups. Provincial authorities: too difficult area to work in, no results can be expected. Vietnamese arguments over project approach were not reported, rather the approach was presented as one of tacit conformity with the spirit of Vietnamese minority policies.	
Policy relevance: Pertaining to poverty reduction; pertaining to human rights / the rights of	

vulnerable groups; pertaining to equality.
Ownership/donorship: Donor imposition apparent in entering Dakrong, but practical work in the district strongly influenced by recipient practices and policies.

Dakrong became an issue when the continuation of the programme beyond the first phase was first considered in 1999. The question was first where to expand: to Cam Lo, a flood-prone rice cultivation area like Hai Lang, or to Dakrong, a large, sparsely populated mountainous district inhabited by very poor ethnic minority groups. For the Finnish side this was a poverty reduction question and a question of empowering vulnerable groups, and the answer was clear. "Finland wants emphasis on Dakrong because it is a very poor district, it is a difficult mountainous area with a lot of ethnic minorities. These are the kinds of things that Finland pursues." (I 8.) "If we really want to reduce poverty, one concrete and important step is to work in the poorest areas. [] Hai Lang is not among the poorest areas in the province, if not the richest either, so I find it terribly important to work in the mountainous areas." (I 6.) "It was an easy choice. When you focus on Dakrong, they are automatically the poorest of the poor, even the rich are very poor there." (I 15.)

Despite the official government line of specifically supporting ethnic minority areas, the province authorities were not over the moon about the idea – they preferred Cam Lo: "The Vietnamese at the province level did not want [Dakrong] at all (I 6)." (Also e.g. 10.12.1999, Minutes; I 8; I 15.) It was a poverty reduction question for the Vietnamese too, but with a different logic: it was not wise to put aid money in Dakrong because of its remoteness and the "backwardness of its people" – nothing could be achieved there. "They explained that [the people in Dakrong] don't have the needed skills (I 15)." "The province directed Finnish investment to Hai Lang [in the first phase] because they wanted to see high returns, roads, the province developing. *Not* moping about in the hills with the ethnic minorities where there is no real sense of triumph in terms of development." (I 9.) "The Vietnamese, well there are probably also other factors of which racism is not the least, but according to my interpretation they very strongly start from the assumption that the poorer the people and the area, the more unlikely it is to achieve economic growth and therefore to reduce poverty (I 6)."

Many on the donor side were shocked by what they perceived as the derogatory attitude of the Kinh people (i.e. the ethnically Vietnamese) towards the mountain ethnic minorities. "The attitude of the Vietnamese towards the indigenous people really cannot be described by any other word but racism. They are extremely racist." (I 11.) "The basic problem of Dakrong has to do with the

structure of the Vietnamese society. There is the dominant ethnic majority that has a very condescending and discriminatory attitude towards the minorities that are in majority in Dakrong." (I 4.) "[The ethnic minorities] are second class citizens for the [Vietnamese] (I 15)." The Vietnamese openly used disparaging language about the Montagnards: "their knowledge is still low and their culture is still backwards" and "the cultural and intellectual level is poor" are normal excerpts from official documents. "You can still see how they speak about [Dakrong] and its people, the language is not very… It is full of expressions such as backward. So there is still much to do with the attitudes." (I 8.) "And the Vietnamese, they say in an official meeting, in front of our ministry official that those people are uncivilized, stupid, dirty. They don't learn, it is impossible to work with them." (I 11.) The MPI, again, was more cautious in its expressions, but it also reminded the donor of the problems the programme was likely to face in case it was taken to Dakrong (MTRR 1999).

But to Dakrong the project went, at Finnish insistence[47]. "There was arm wrestling about whether Dakrong will be included, and Finland insisted, my colleagues participated in that discussion and quite strongly insisted on Dakrong. [] And with a Finnish decisions it was resolved that in Dakrong all communes will be included while in other districts only some. So there was Finnish momentum, the Finnish opinion was important there." (I 5.) I 11, talking about a high level meeting where the inclusion of Dakrong was discussed with the Vietnamese: "Then the official, just like s/he should, said that it is part of our principles of development cooperation to work with the poorest, so despite all these arguments we are going to go to Dakrong." Thus, Dakrong became "the main target area" in the second phase (PFD 2001).

But even after this argument was resolved, Dakrong remained an issue between the donor and the recipient. With the Vietnamese not exactly jumping to go, progress in the mountains quickly started falling behind other areas. Hai Lang was a priority area for the provincial authorities, many of whom had personal connections there, and the donor worried about whether the voice of the communes governed by the ethnic minorities would be heeded with equal weight (I 5). "At the time I was there it was already a fact that the programme will expand to Dakrong. But the feeling I got then was that the project team, working from the province and strongly influenced by the thinking of the Vietnamese director, did not really take an equally serious and respectful attitude towards the district of Dakrong and particularly its communes. They came there kind of from above, like, now

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[47] According to MFA calculations, instead of choosing either Cam Lo or Dakrong, both could be included in the programme without spreading resources too thinly (16.2.2000, UM HELD1166-8).

what *ever* could we manage with you?" (I 15.) The Finnish flexibility principle again connived to enable slippage: allocations between districts were not predetermined in the programme framework document (PFDD 2000). The MFA repeatedly urged speeding up activities in Dakrong, be it in infrastructure or decentralisation (e.g. 15.11.2002, UM HEL0333-29; 2.12.2002. UM HEL2530-11). The advice was heeded, at least on paper: in 2004, Dakrong was allocated more than half of the implementation funds. "We wanted more activity in Dakrong, and now it is so in this 2004 yearly plan. And we'll see, we have placed a lot of hope on it." (I 8.)

But on top the level of activity also its quality worried the donor side. The Finns admitted to the reality of low educational levels, extreme poverty, long distances, lack of infrastructure, unfamiliar cultural habits and beliefs behind the harsh words of the Vietnamese, and equally expected difficulties. "Their culture is so different, that is a challenge (I 15)." "There is this problem in Dakrong of languages, and of special requirements due to the background, so that programme implementation becomes slower and more problematic (I 1)." [48] This anticipation, together with the awareness of the Vietnamese 'attitude problem', prompted the donor to relentlessly preach special sensitivity in project activities. The programme framework document stressed the importance of socio-cultural feasibility of all project activities in Dakrong, and advised studies to the ethnic cultures and practices as a crucial first step. Training should be tailor-made to the needs of each specific group of beneficiaries, farming techniques should build on indigenous knowledge, and Pa Ko and Van Kieu extension workers should be recruited to the district extension organisation (e.g. MTRR 2003; 15.11.2002, UM HEL0333-29).

These ideas, however, collided with the Vietnamese project of 'civilizing' the Montagnards[49]: of spreading and rooting the Vietnamese governance system in the area, of halting the 'backward' slash-and-burn farming methods and replacing them with fixed cultivation and rice culture. They also collided with the customary practices of the officers. "The local people, they don't know [Vietnamese], so you need to have interpreters. But when we went there, there were no interpreters, or only between English and Vietnamese. So they probably didn't understand much about what was talked about." (I 15.) "All training materials are in Vietnamese and the teachers speak it, most likely most of them have not understood a thing. It is kind of intra-country cultural imperialism.

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[48] The idea of culture as a barrier that keeps people from embracing modernity (see Crewe & Harrison 1998) is apparent not only in the Vietnamese attitude towards the minorities, but also in such Finnish statements as these. Also: "Gender, ethnicity and other cultural traditions are very strong and old especially in mountainous areas and it might take more time for some principles to be adopted than planned (PD 2002)."

[49] National Vietnamese policy celebrates Vietnam's numerous ethnic minorities, but practical policies are quite repressive in most areas.

They do it the same way everywhere. All agricultural extensionists and teachers are ethnically Kinh and speak only Vietnamese and don't know local languages." (I 4.)

The donor also worried about the appropriateness of paddy rice cultivation in Dakrong with only very small valley floors adaptable for the purpose. But it was what emerged from the PRAs (themselves subject to language problems and suspected of much direction from the facilitators) and what the project organisation was wont to do. "What they wanted, they wanted wet rice. But building the irrigation system cost an arm and a leg, the price was of quite different order than in the lowlands. We made some, but you couldn't justify them on any economic bases." (I 15.) "The first thought is expanding paddy cultivation, but it is all out of court. But according to the sphere of experience of the majority [low-land] people it is the foundation of life. If there is no rice, there is no food. So in a way it is a logical solution. But then the solution comes from outside." (I 4.) A related worry was the Vietnamese policy of discouraging shifting cultivation and moving into fixed garden and field farming instead. The donor side was aware of the risks of such a move, often leading to impoverishment and lack of food, and also questioned the inevitability of environmental degradation from shifting practices (e.g. MTRR 2003). These, however, were such difficult questions that during the study period no one made issues of them. Rather, they gave rise to private doubts (e.g. I 15).

But all this doubt did little to shake the machine of 'Vietnamisation'. To be sure, the project supported also more locally adapted plant species and farming techniques, but the ethnic minorities seemed destined to be sidelined from their own development. "These minority groups, their chances of taking their lives in their own hands are much weaker. They are uneducated and they don't know Vietnamese, and power is very tightly in the hands of the ethnic majority." (I 4.) In Dakrong the chairman and most members of the People's Committee were from Dong Ha and just visited Dakrong for committee meetings. Also much village trade seemed to be run from the province capital, and even people to dig ditches were brought in from there. (I 15.)

From the point of view of the donor, Dakrong was initially a simple problem: that was where the poor were, so that was where the donor wanted to go. Supported by such certainty, donor muscle was quite openly used to bend the Vietnamese to donor will. But *how* the project was implemented was altogether a more difficult question. Questions of approach stirred murkier waters, and the donor was not able to take a stand in e.g. the question of shifting cultivation. Implementation was also decidedly less controllable by the donor. Recipients influence was evident in everyday

resistance that caused delays, as well as in the fact that many activities implemented conformed much more to Vietnamese minority policies of 'Vietnamisation' than to Finnish policies of empowerment.

4.3.4 Provision of micro-credit

"The ministry line in this credit business is, I think, too strict. According to them it has to be marketable loan. I do not accept that at all. It is like brutal market economy." (I 15.)

"I do remember that we had to explain our approach to the ministry time and again. I found it strange." (I 7.)

Issue: Principles of micro-credit provision	**Timing**: From 1997 onward (from the drafting of new micro-credit guidelines in the MFA)
Parties involved: 'The MFA'; 'the project', including also expatriate consultants (to differing degrees).	
Nature of the disagreement: Policy change in the ministry interfered with project implementation.	
Main arguments: The ministry: Credit activities should concentrate on building sustainable micro-finance institutions in developing countries. This means, among other things, use of credit conduits that can function professionally in the money market and sufficiently high interest rates to cover operational expenses. Credit provided by projects creates unhealthy competition. The project: Provision of micro-credit is an integral part of income generating activities; its nature is to support other project activities.	
Policy relevance: Pertaining to creation of market friendly environment and to the role of the state in economy; pertaining to financial sustainability.	
Ownership/donorship: The MFA, with its misgivings and studies stalled the micro-credit activities of the programme, but in the end things were most often done more or less the way the project wished.	

Micro-credit provision was a written part of the programme structure (see PD 1996-1999) and an important aspect of the income generation component. The programme primarily saw it as a means to ease farmers' access to credit funds and to support other project activities. "The purpose of the credit component was to patch up gaps in the existing arrangements (I 7)." "We made our own principles, we distributed loans massively to the farmers when they needed input loans, and then they paid them back. [] We did not have any fancy micro-credit policy, we acted rather vigorously in this." (I 12.). Credit was much asked for, promptly provided and efficiently repaid, and for all the project knew everything was functioning exceptionally well (e.g. Nhan & Thinh 2000, 69-72). Micro-credit, however, was an issue that had prompted much discussion in the ministry and internationally, and new guidelines for micro-finance were under preparation in 1997. In these guidelines, the emphasis was on supply side development and financial sustainability of credit

institutions. "They began from the quite prudent long-term idea that the institutions giving micro-credit should be sustainable (I 13)." Revolving funds operated by projects or local bodies were not recommended as they were seen as providing unfair competition to financial institutions and hindering their attempts to put up more permanent credit provision systems for the poor. "That undermines also the ability of the bank to create that network of service cells which would provide [loans] at the lower levels. (I 9)" It was even suggested that the whole programme be restructured in order to enable credit provision according to the letter of the new guidelines, something that was quickly dropped as unattainable. (17.10.1997, Comments; 24.10.1997, Comments.)

The discussion over micro-credit provision broke the accustomed 'donor front' built by the MFA and the consultant. In this disagreement it was often, though not always, the project, including *both* the foreign consultants *and* the Vietnamese authorities, opposing ministry administrations[50]. The recommendations and comments from the ministry advisors and the numerous micro-credit missions visiting Quant Tri over the years ranged from quitting micro-finance in Finnish projects altogether to starting a separate micro-finance project in Central Vietnam (3.6.1999, Mission). More relevant to the project, they ranged from developing an all new credit institution to building the capacity of the existing ones to concentrating on credit intermediation and savings mobilisation instead. They just didn't seem able to decide. "Micro-credit, it is just a terribly difficult question (I 13)." "There were several different opinions inside the ministry (I 11)." "We didn't really even have any argument there, it was just that the DIDC could not lay out whether they wanted to follow some certain principles in micro-finance in Vietnam or not (I 12)." This did nothing to help project implementation. "It was all in a knot at the time of the mid-term review. [] It was in the middle of the process, they were waiting for the ministry, I don't know what, to cancel its decision or what, but in any case waiting for more specific instructions from the ministry." (I 6.)

At times, the project presented a very unified front to the donor, fiercely defending its micro-credit component, and often also the line of action taken which many of them found very good indeed. "In Quang Tri they were of the opinion that their micro-credit activities had been rather excellent, it had worked well. [] They felt that the system had been good and didn't really seem to be planning to change it at all." (I 6.) "The Vietnamese spoke with devotion about how important it was to preserve the micro-credit function. [] I can see it in my mind's eye how they each spoke, one after

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[50] Some consultants were more understanding of ministry lines and shared some of their credit-related doubts (e.g. I 3; I 9). Also, there was a credit-related disagreement where the consultant team opposed the Vietnamese authorities: After the 1999 flood, the consultants fought a tough battle to make the Vietnamese bank authorities write off the loans of people who had completely lost their assets in the disaster, such as pigs bought with the loan. (I 9; I 11.)

the other, the Vietnamese project authorities and the expatriate programme coordinator, all together they pleaded for it, furiously." (I 14.) It seems that the MFA obstructing the running of the programme rather incensed the consultants. Even after years some of the interviewees got emotional talking about the issue. "I still see red when I think about it (I 15)!"

Policy changes in Finland stalled programme credit activities almost from the word go. The question of the level of interest collected on loans was central to the confusion. Finland was against subsidising interest rates, first to guarantee the financial sustainability of credit institutions, and secondly to avoid creating unfair competition in the local money market. "The justification was that they don't want to subsidise loans. But Vietnam itself subsidises loans, it is not at the market level." (I 4.) It was widely felt among the consultants it was not for Finland to interfere with Vietnamese bank policies. "They had these universal principles, and they made demands... They had the nerve to make demands towards the government of Vietnam on their bank policies and exchange policies and what not, their interest policies, for changing the whole system in the country so that Finland could give money [to micro-credit]. So there it really went too far." (I 12.) This ministry stand, closely adhering to the values of liberal market economy, was felt at odds with the spirit of other policies that promoted soft approaches and humane values. "After all, [low interest rates] are an instrument of social policy. And that they reproach the government of Vietnam for using this instrument, I find it quite puzzling." (I 12.) "I found the Finnish worry over the interest rate quite strange. I understand if they don't want to give credit with lower interest rates than what is generally given so as not to confuse the money market. But to me it seems it is Vietnam's decision how much they want to support borrowing, and Finland should not interfere." (I 7.) Some (e.g. I 12, I 15) also drew parallels to Finland's history. "Finnish agriculture grew first, and then the other sectors. And it grew through loans at very low interest rates so people could clear their fields and build their cowsheds. And for the bit wealthier there were concessional credit schemes. So what is so wrong about this? Why couldn't they if it is a Vietnamese decision that they want to develop the society and the poorer segments of the population, if they feel that the poor should be given cheaper loans?" (I 15.)

The channel of credit provision could not be agreed on either. Suggestions ranged from the banks and people's credit funds to Women's Union, cooperatives and informal savings and credit groups. The project started with the VBA (the state bank), but due to its inefficiency quickly added the district Financial Section as a second conduit, which soon took over from the bank. This was considered inappropriate and only a temporary solution by the ministry. (E.g. RCS 1998;

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29.8.2000, Review; 27.3.2000, D-431 VIE.) The opinions differed even on whether there was any need for additional credit funds in the province. "This kind of money would not be available in Vietnam otherwise. [] If this micro-credit window was not there, the villagers would not have any chance to purchase the indispensable factors of production." (I 2.) "Donors should not come in and start providing credit – there's plenty of credit capital. The issue is whether or not you can access it. [] Obviously if you go there and you have a subsidised credit system, people will flock around you. It's better than going to the bank. And they'll obviously tell you that there's no point in going, you know, that we need it because we cannot get if we go to the bank." (I 9.) "Many of the loans given were such that the [borrowers] could just as well have got it from the bank. No problems. They just took them from here because it was cheaper and easier." (I 3.)

The credit activities of the project stumbled through all this. There were phases when the programme could not lend, but throughout most of the first phase it was allowed to go on according to its own plans, "pending further inquiries" while more and more studies were commissioned and the issue mulled over. "There were some short gaps on the way when we could not function [on the credit front], and these were the situations when I had to contact the ministry and tell them not to… that for God's sake, we have this money here and we must use it for the benefit of the farmers (I 12)." The mulling continued to the second phase, and no agreement was reached regarding project credit functions. No new funds were committed but the funds from the first phase were allowed to continue revolving in Hai Lang. Finally in 2003 some decisions were made. The programme line held. The credit scheme was acknowledged to primarily support the sustainable livelihoods (income generation) component, and the interest rate would follow that of the Bank of Social Policy – a special instrument for supporting the poor with cheap loans. The funds from the first phase would be withdrawn from Hai Lang and reallocated in all three districts through the Women's Union. (7.3.2003, UM HAN0002-12; MTRR 2003; QPFR3 2003.) This, however, did not seal the matter. The non-sustainability of the credit scheme due to low interest rates was still complained about, additional funds were requested by the programme, and still more studies were commissioned (MTRR 2003; QPRF3 2003; 5.12.2003, Minutes). Another credit mission was about to go to Vietnam at the time of conducting the interviews. "And the process is still not completed (I 6)."

In all its confusion, the perceptions of location of power in this confrontation are somewhat difficult to trace. But while ministry contentions on policy compatibility were exceptionally sharp (e.g. I 4), in the end there obviously was much flexibility from the donor. While adhering to the spirit of the guidelines might easily have stopped lending altogether, ways to continue were always

found, and more or less along the lines the project preferred. "We didn't really take notice of the comments of the MFA. We continued to give loans with the same conditions as the Bank of the Poor. Luckily they don't have the power to decide in the MFA, it was just their comment." (I 15.) I 14 and I 13 conversing: "This micro-credit issue is one good example about that it was not Finland that decided on matters. If we would have held on to Finland's own instructions we just would have said that we understand but we are sorry, it is not possible." "And I don't think there was any reason to follow the instruction in such a way. That would have meant that the whole component would have collapsed, there would have been no more income generation. Also instruction would have been useless."

4.3.5 Approach to planning and implementation

Many of the smaller grievances concerned the approach to planning and implementation. From the beginning the Vietnamese and Finnish approaches clashed, with the "Vietnamese at all levels expecting immediate and concrete results" and the Finns emphasising a comprehensive approach and the need to prepare "concrete investment plans in a methodical and careful way to ensure the sustainability of investments" (17.10.1997, UM HAN0149). Many a time the Finns found themselves pulling the brakes to make time for choosing the best approach when the Vietnamese wished to rush forward. "I would say my role was often that of a brakesman. Hey, should we first look at this other thing, does it have an effect on the plan, and how should we approach it. [] And when we start doing something, lets first see what we already have." (I 3.) The Finnish side took every opportunity to emphasise the importance of high quality of the activities undertaken (e.g. PFD 2001; 16.5.2001, Technical; 23.5.2003, UM HAN0002-30). The second phase mid-term review (MTRR 2003) particularly stated that the quality and sustainability of results was to be the first priority, even at the expense of the number of activities carried out. The Vietnamese planning culture, again, was fixed on smart achievement of physical objectives, and all puzzling over planning processes or operation and maintenance systems was met with impatience.[51]

As a rule, the Vietnamese wanted to shorten all sorts of planning periods. One recurrent theme was the quality of the feasibility studies. The Vietnamese versions merely presented an implementation

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[51] But the Finns were not free from the pressures to prove immediate impacts either, something that the emphasis on quality called for (see e.g. Alsop 1998, 120, 128). The utilization rate of the budget was constantly an issue in the Steering Committee meetings (e.g. 23.5.2003, UM HAN0002-30), and the programme was instructed to take into account such administrative delays and weather events as could be expected already in making the yearly plans to avoid deviations (22.9.2003, UM HEL0333-51).

plan: they did not compare alternatives nor include stakeholder or gender analyses, environmental impacts were not considered and operation and maintenance was not discussed. The project prepared guidelines for the local planners on feasibility studies, but any improvement was not immediately appreciable. (Matkaraportti 1997; 5.8.1997, Quality Assurance; MTRR 2003; 24.1.2003, Annual.)

The Vietnamese also tried to minimize the time 'wasted' on training (e.g. PFD 2001). "For example getting training of trainers done, that was, I came very close to leaving the project then (I 3)!" Also training of local facilitators for participatory planning processes proved very difficult: while e.g. FAO trained its facilitators for six months, the Vietnamese director refused to allow even a week. "S/He fought body and soul, it really was full dispute (I 3)." Everything that had to do with training or knowledge was haggled over (I 3). The interviewees sought to explain this behaviour through the wish to control information. "The Vietnamese want to do training their own way. [] They do not mind the donor interfering in infrastructure building so much, but they want to do education and training themselves. They want to decide what is thought." (I 7.) "When people are trained they learn, so maybe in the end it was about reduction in power over information. If everybody knows what I know, I lose out." (I 3.) The director was also extremely reluctant to hire consultants e.g. from Hanoi, nor would he let project staff attend training outside the province (I 3; I 4). "They would not have wanted anybody from outside Quang Tri. [] They were afraid of new ideas entering. They justified it by saying that some economist from Hanoi cannot know the local conditions. This was *always* their answer." "We just *couldn't* hire any outsiders." (I 15.) "And the reason, I analysed it to myself because I just couldn't see any sense in it, it had to be that everything that happens *in* the province is under his control (I 3)." The interviewees implied that this control also extended to the 'commissions' paid for the training contracts. "From everything that was contracted inside the province, tithes were paid (I 3)." This attitude had resulted in the programme using people from the Women's Union and other mass organisations as trainers, and even DPI officials as consultants, something that was found completely unacceptable by evaluators (MTRR 2003; I 15). According to the province authorities, only these organisations "understood the real needs in the field". "But in reality they only understood the old system (I 15.)."

This same inability to control outsiders was thought to show in the reluctance of the province to accept expatriate technical assistance, both long-term and short-term, although the arguments put to the open mostly concerned money. The Vietnamese found the use of foreigners unreasonably expensive and wished for increased use of national experts instead (I 12; I 6; 28.2.1998, Minutes).

The question of short-term consultancies was aggravated by the fact that in both phases short-term TA expenses had been left out of the budget and had to be renegotiated later (I 9; 2.7.2003, UM HAN0002-36). The issue was conceptualised as a choice between "a foreign consultant or five kilometres of road" (17.10.1997, UM HAN0149). The Vietnamese felt that the short-term international experts often only "repeated what everybody in Hai Lang already knew", and staff complained that their knowledge was not taken seriously unless verified by a foreigner (I 7; 26.8.1999, Comments; cf. Crewe & Harrison 1998, 99). Long-term staff was not exactly welcomed either. "They are of the opinion, more or less, that technical assistance is the money they don't get (I 8)." Being stuck with the long-term staff, however, the programme director made sure to her/his best ability that they could not interfere too much: an inconvenient expatriate post at the district level was successfully removed, and all operation decisions run through the director's hands (I 6). Again the views differed between the national and province levels: when the future of Finnish aid in Vietnam was debated, the MPI clearly signalled that they wished Finnish rural development programmes to continue, and particularly to include Finnish TA staff working in the field (I 5).

The justifications offered to the Vietnamese for the use of foreign TA by the donor side included the ability of international experts to bring new ideas and knowledge to the programme (28.2.1998, Minutes; PFD 2001), the need to put into a systematic form the knowledge available only in people's minds so it could be used as a basis of decision making (I 12; I 7; I 6), and particularly regarding long-term TA, their role in improving communication and understanding between recipient and donor (26.8.1999, Comments). The reasons for long-term TA admitted to in private conversations had more to do with ensuring that money was spent in ways acceptable to the donor (I 12; I 15; I 3). While the input of the long-term TA was assessed excellent, it was acknowledged that the quality of short-term consultancies had been more varied (MTRR 1999; PCR 1997-2000; I 6). Many, aware of the criticised role of technical assistance in displacing local experts and undermining local capacity and ownership (see chapter 3.2.3; Randel et al. 2002, 14), agreed to the necessity of carefully assessing the need for international expertise (e.g. I 6; I 7; I 15). The project coordinator was in a difficult position, facing pressure from the Vietnamese to reduce the number of international consultancies and from the home office to field consultants to make the profits the company lived on (I 7; I 6).

Despite Finnish grumbling the Vietnamese way prevailed in much that went on in the programme on daily basis – it is much easier for the donor side to influence decisions-in-principle than actual operations. Feasibility studies stayed as they were, trainings were too short for Finnish liking, and

outsiders difficult to hire. By grasping operational control the Vietnamese director made it difficult for the expatriate staff to instil new practices. With regard to short-term consultancies, Vietnamese wish to control was faced with consultant's need to make a profit. Expatriates were still used, but it is not possible to assess whether their number would have been greater without Vietnamese pressure.

4.3.6 Transparency and good governance

The Finns were continually dissatisfied with certain Vietnamese administrative procedures and suspicious of accompanying corruption and nepotism. Two issues in particular were more or less permanently on show: contracting and staff recruitment. "The government [of Vietnam] has taken an active stance towards increasing integrity and uprooting financial mismanagement. At local level the issue concerns especially financial accounting practices, tendering procedures, employment procedures and the like." (16.2.2000, UM HELD1166-8.)

Low staff capacity was repeatedly identified as an impediment to project progress, particularly in training activities that required high levels of professional knowhow. The interviewees considered the low level of expertise among the staff partly a genuine problem of qualified candidates not being available, but blamed it mostly on the recruitment process. According to them, the competence of the candidates had not been the primary criterion in staff selection. "Corruption showed also in who were employed in the project. It was full of nepotism. --- This kind of glaringly incompetent people were chosen when also competent ones were available." (I 4.) "The --- was totally useless, some relative of --- who liked being important and did not even want to learn (I 7)." The Finnish side pushed for national recruitment from the open labour market based on merit, while the Vietnamese insisted on locally and politically acceptable candidates. Their argument held that this way the candidates' good knowledge of the province and relations with its authorities could be guaranteed. Their thinking found some support in the MFA: the existing administrative and knowledge structures should be utilised to enhance sustainability of project achievements (4.8.2000, UM HELD1144-19). Many, however, saw this just as an attempt to veil and justify the nepotistic and factionalist practices of the administration. Some also believed that the people chosen for the posts, in debt of gratitude to their choosers, regularly paid part of their salaries to the authorities (I 3).

The efforts of the donor side to increase transparency in recruiting proved futile. A system of scoring and selection of candidates was created but not used. "We made a very nice scoring system, and agreed on that all three of us give points to the applicants and that's that. Everything went well as long as we agreed, but then there were certain people that our director didn't want, who came from outside the province. And then the whole system collapsed, he just forgot the scoring." (I 15.) "But despite our attempts to organise the selection process our chances to influence it were meagre. Especially during the later months, the applicants were screened by the Party and we were just told that we have chosen this person for you, this one is good. And suddenly, when earlier there had been scores of applicants, there were only one of two possible candidates to choose from." (I 3.) Second phase staff selection did not produce any better results than the first: most of the staff were just out of university, and some of them were found outright unqualified (I 3; I 4; MTRR 2003). "Frankly, in Quang Tri some of the staff were very below par on what they should have been able to do (I 9)."

Also the attempts to increase TA and administrative budgets to be able to hire more people were quickly thwarted by the Vietnamese authorities. In response the second phase planning theme introduced the post of expatriate Capacity Building Advisor who was responsible also for financial management and administration. They also created the post of a Public Sector Management Officer (PSMO) to advance the application of new Vietnamese policies in the province. PSMO was to advice the project on implementation of financial and administrative regulations and keep in contact with Hanoi and the MPI. (E.g. PFD 2001; I 3; I 15.) "They wanted this kind of 'overcoat' for the Vietnamese director, who would keep up relations and contact with the ministry and everybody else in Hanoi. [] It tried to break her/his monopoly of power." (I 15.) But the post was never even advertised. "The director didn't want anybody for [the PMSO post]. It was supposed to be a Vietnamese super-, somebody with much knowledge on administration and who would have been equal with the director. But he didn't allow this recruitment." (I 3.) In the end a community service officer concentrating on rural infrastructure (and working *under* the Project Director, not as her/his equal) was hired instead. (I 15; QPRF3 2001; IR 2002; PD 2002.)

The donor side held suspicions that many and more illicit money transactions took place through infrastructure contracting in the project (e.g. I 10). "All contracting in Vietnam is corrupt, power elites are paid for contracts." (I 7.) "They are moving money under the table. Everybody knows that." (I 1.) "It mostly happened in connection to the selection of contractors. Some arrangements were always made." (I 4.) Most of the contracts were given to one of the few construction

companies that the programme had used from the beginning despite the fact that there were many available in the area (MTRR 2003). "In Quang Tri they had established relationships with certain contractors among whom the contracts were distributed (I 4)."According to Vietnamese legislation, open bidding had to be organised only for projects exceeding VND 1 billion, which in practice meant that bids were seldom asked for. "In Vietnamese legislation the limits are so high that our contracts were never big enough to require tendering (I 14)." "The limit is so high that none of our small scale infrastructure projects exceed it so the contracts can be given without tendering. Which has led to that one particular company gets a lot of the contracts." (I 1.) Some interviewees alleged that if the costs of a construction project would have exceeded the bidding limit, the budget was deliberately underestimated to avoid tendering (I 3). "The sums were always fixed *just* below the limit of open bidding, and afterwards all sorts of costs would be added so that the real price exceeded the bidding limit. It was fixed that way to avoid tendering." (I 4.)

The review team pushed for a lower limit for open bidding, appealing to Vietnamese policies on transparency and Finnish aid principles, the potential of competition creating new business in the area, and the experiences of TTHRDP in the neighbouring province: in the Thua Thien Hue, a lower bidding limit had been in use from the beginning[52] and had proved to improve cost-effectiveness of construction. (I 14; I 9; MTRR 2003; APFD 2005.; 22.9.2003, UM HELD333-51; I 8; I 13; I 9.) But the Project Director plainly denied any need to change the selection procedures that were in full compliance with Vietnamese law. When the MFA continued to press the matter, he pointed out that the slowness of the approval process of infrastructure projects was already a problem. "If the programme is forced to go into a system of open tendering the delays will be even more significant (APR 2003)." Finally, at MFA's insistence, it was agreed that open bidding at lower levels would be tested in a few infrastructure projects (5.12.2003, Minutes). "In the last supervisory board meeting I brought up the issue again. And the province, unsurprisingly, answered in the negative to the proposal. Then I proposed that what if we tried anyway, could we try and collect experiences of how it works. And then suddenly the MPI supported my proposition, and the province had to agree." (I 8.)

In both these cases the solution technology to the problem (as the donor side saw it) was well known but not adopted (i.e. merit-based recruitment and open bidding). The province authorities, fearing the loss of substantial personal benefits by making the changes, were able to successfully

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[52] Initially it was VND 200 million, but was increased to VND 400 million in the second phase at Vietnamese insistence (e.g. I 9).

hold them back for a long time. Facing high costs and few immediate benefits from changing their employment of contracting practices, they resisted ferociously. (Cf. Ostrom et al. 2002, 47-48.)

4.3.7 Poverty and participation

Poverty reduction is the main aim of Finnish aid, and its main strategy is participation (see chapter 4.1.1). Accordingly, whether the programme activities were poverty-oriented enough and how genuine and all-encompassing its participatory approach was raised a lot of discussion among programme actors and also during my interviews. They were also issues that all evaluations were bound to look into and comment on, and some also criticised QTRDP's approach rather sharply (see Seppänen 2001; MTRR 2003; I 4). But these questions never really became contentious among central programme actors. None of the parties involved on a longer-term basis found project reality unacceptable in these respects. Thus, they rather remained points of speculation and philosophical discussion, and never became seriously contested. To become a problem, a state of affairs has to be seen as one by some, and as it was generally felt that the project was successful enough in reducing poverty and that while there was always room for improvement people still got their say in the planning process, these issues never became 'politicised'.

4.3.8 Donor policy and conflict

According to Mosse (2005; 2003) project practices are more immediately shaped by the cultures of organisations and their 'system goals' – those of organisational maintenance and survival – than by the policy goals of the donor. Project reality is an outcome of a complex of relations, and the operational control that donor bureaucracies have over events and practices is normally quite limited. Policy discourse, however, is central to what happens in the arenas of development. It brings together coalitions and stabilises interpretations of event, and, particularly, it works internally, disciplining the donor. Looking at the above conflicts in the light of this interpretative framework is rewarding.

Donor actors' capacity to control everyday operations of the programme was weak, and project practice seemed to be driven rather by a set of institutional incentives and working cultures than by donor policies. DPI wanted infrastructure that increased its budget and staff, and infrastructure was built. Keeping control was a rational strategy for the provincial authorities in order to ensure

organisational existence to which decentralisation was a threat. Maintenance of a network of relations and personal benefit can be seen behind the contracting and recruitment practices. Also disinclination to seriously commit to work in Dakrong can be partly understood an outcome of institutional imperatives: Many of the province authorities had close ties to Hai Lang whereas Dakrong was unimportant to them. Also the expected lack of success was a disincentive career-wise. Being deeply a part of the Vietnamese system made the programme a field of patronage and display, favour and personal honour.

On the other hand, most (if not all) of the above conflicts can be understood as bearing close relevance to one or another donor policy. Infrastructure pertains to poverty reduction and the nature of development itself; decentralisation is a donor goal by its own right and bears on democracy and the meaning of ownership (whose ownership); Dakrong was centrally interpreted in light of poverty reduction as well as human rights and promotion of vulnerable groups; the credit question relates to the principles of a liberal market economy; and bidding and recruitment were seen as integral parts of good governance. The fact of their becoming conflicts can be seen as the internal workings of donor policies: project practices seen to deviate too much from the spirit of aid policies *had* to be interfered with. The donor was left with no choice in the matter. Consultants and outside evaluators played a central part in determining what developed into a conflict through their roles as mediators at the interface between project operations and donor policy, interpreting each to the other (see Mosse 2005, 134; Olivier de Sardan 2005, 168-172). In most contentions, donor policies brought together a coalition of the MFA (including the embassy), the consultants, and at least to some extent, the MPI. The province resisted until the pressure created by the donor coalition overgrew the other incentives and it became rational for organisational wellbeing to start giving in.

Why did poverty orientation and participation not develop into conflicts? Or gender or environment? It was certainly not because they were so well taken care of that there was no room for complaints (e.g. I 10; I 14). Rather in these instances the logic of representation and the logic of coalitions worked in favour of the programme. The Vietnamese actively presented the programme as a successful model of poverty reduction and participatory planning approach, spreading this interpretation of events until QTRDP became a model for others to emulate. They successfully recruited support to this view at all levels of the Vietnamese bureaucracy, and the Finnish side was

not inclined to object[53]. The few outside evaluators who questioned this reality did not manage to build coalitions of support around their tenets, and found their ideas falling through the cracks of the organisation and fading; also ideas have to be forged through relationships. (Cf. Mosse 2005, 107.)

As for the credit question, regardless of what one thinks about the subject matter, it was clear case of bad administrative policy on the part of the ministry: policy doubts, coming in a new form every year, severely interfered with project implementation. "One shouldn't, it is wrong kind of policy to start interfering with operations in the middle of programme implementation. The operations should be revised after the mid-term review, or after the completion report, in the next phase. But not, it is inexcusable on the part of the ministry to suddenly intervene about something like this. It is completely unreasonable." (I 12.) "It was of course, when such a new regulation comes in the middle of a project, it was an extremely difficult situation (I 13)." In Mosse's (2003, 24, 27) words, policy change ruptured relationships and forced project agents into a reactive mode. The donor, disciplined by the new policy discourse, was driven into unfortunately timed interference with project operation, with the proponents of the policies also taking unconventionally hard line with their demands on policy compliance. And the project team was suddenly faced by an agent actively seeking to damage the image of the programme as a smooth representation of compatible donor and recipient policies. This rupture broke old coalitions and brought about new ones with consultants and Vietnamese authorities teaming up to form a common defence line.

4.4 Whose ownership?

It is obvious from the above that according to the donor representatives' interpretations, there was strong recipient ownership in QTRDP. "Decision-making is clearly in Vietnamese hands. [] By far the greatest responsibility for project implementation is with the Vietnamese themselves." (I 2.) By 'recipient' one must primarily understand the province authorities: the People's Committee of Quang Tri (PCQT), the Department of Planning and Implementation (DPI), the Party[54], and the

[53] While the Finns at least tacitly connived in spreading this image of greatness, they were somewhat uncomfortable with it and expressed reservations about its truth value; not so much that the project was not good, rather that it was no better than many other similar ones. (E.g. I 15; I 5; I 10; I 1.)

[54] The role of the Communist Party in the province, in the steering of the project, and in Vietnam in general was one of the questions that intrigued the interviewees, yet stayed elusive to them. While most never personally were in contact with Party cadres or actually knew them to be the source of precepts given on programme implementation, they assumed central importance to them (I 14; I 9). "[The Party]'s role is absolutely decisive (I 12)." "In [Quang Tri], at a certain level, the Party determines everything (I 15)." "Above everything, there is always the Party. Which is not

Programme Director as a representative and watchdog for these organisations[55]. While their input was not very strong in the planning of the programme (I 1), after an initial phase of non-commitment (I 12) they took strong control. According to the judgement of the interviewees, the province authorities were able to keep their course most of the time. "Well, we were not terribly successful in [getting our ideas through] (I 4)." They held most power over project processes and decisions on how project goals were pursued. For the interviewees this power personified in the Vietnamese Project Director, the actor they worked and were regularly in contact with.

This was aided by the partial institutional integration of the project into province and district administrative organs (see chapter 3.2.3). While the project office was physically separate and it had its own administrative structures such as the Steering Committee, the Project Management Team etc., the Vietnamese project authorities (project director, chairman of Steering Committee, district directors) were seconded from organisations responsible for development planning and implementation in their respective areas (DPI, PCQT, PCHL), linking the programme directly to the highest decision-making organs (I 5; I 6; I 7; I 10; I 4; I 15). Project plans were also combined with local socio-economic planning processes to the best of project ability to avoid overlap and inconsistencies (I 8). Other province organisations, such as DARD, did not hold as much power with regard to the programme (e.g. I 6).

The MFA was also well endowed with power. When the MFA people really put effort into it, they were almost always able to push decisions their way. "I don't remember such cases where we would not have been able to change something on a completely concrete level if we wanted to (I 13)." This power, quite naturally, was seen as accruing from their position as the financier. "In the Steering Committee we can to some extent clearly use power with the voice of the financier (I 5)." "The representative of the MFA either blocks or allows decisions. Nothing happens if s/he does not wish it to happen (I 12)." "The Foreign Ministry can, if it so wishes, even cut the whole programme (I 2)." But as Scott (2001, 4-5) points out, there is a vast difference between holding power and

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visible in your work. They are parallel structures." (I 15.) "Officially [the Party] did not have any role in the project, but they were very closely linked (I 6)." "To my understanding the Party has a very central role. They determine ministry policies." (I 4.) "It is difficult to say how much the Party as an organisation participated in the steering of the programme. I am sure that many of the officials were loyal and quite highly placed within the Party hierarchy, and therefore the Party did have an effect in decision-making." (I 13.) I 10 explains the Party's role in SC meetings: "There is nobody from the Party present in the meetings as they don't officially represent the government, they are just a Party. But in reality all decisions have to be approved by them first." For a discussion on the role of the Party in Vietnam and different conceptualisations of it in social science literature, see e.g. Thayer 1995.

[55] Outside the official meetings the consultants mostly dealt with the Project Director who was *known* to be a member of the state structure and *assumed* to be a member of the Communist Party too. Who the 'recipient' or 'they' are in each occasion was not always clear, not even for the interviewees.

exercising it: power is, at root, a capacity, and any capacity may remain latent without thereby ceasing to be a capacity. Accordingly, this power potential was mostly not put to use (e.g. I 6). "They have not resorted to any exceedingly heavy artillery, threatening with cutting of funding or any such thing. Instead they have kept on nagging about the same issues all over again." (I 4.) The donor, disciplined by the ownership discourse, did not want to revert to open donorship. But even only holding power produces effects in its potential subjects. Through self-discipline (internalisation of discipline) people participate in their own subjection. The power holder becomes the practitioner of what Foucault calls pastoral power (see e.g. Scott 2001, 99; Abrahamsen 2004). "There are many who wish Finland to be satisfied with the programme and to feel that it corresponds with Finnish development policy objectives, and that way we can influence the programme also silently (I 5)."

Their control of everyday operations, however, was precarious at best – and not something they sought for either. "But really, the practical daily work and possible problems therein, we usually never hear of them. Only when there is something bigger and more serious. [] And the capital shouldn't interfere with the details, it is the field team and the embassy that take care of them." (I 8.) "I didn't even try to have that much of an effect. In my opinion the basic philosophy is that a project is implemented in the field. It is governed from the field and from the consultant's home office with which the MFA has an agreement about project implementation. We only interfere when something goes wrong." (I 10.) "I don't think that the ministry should, and it really doesn't have any other way [than the SC and SB meetings] to interfere. We have outsourced project management and we expect the consultant to take care of it. That is what we pay for." (I 1.) In general the ministry concentrated on commenting on the documents prepared for the SC and SB meetings. Mid-term reviews and planning of new phases were periods of more active involvement (I 1; I 8).

The embassy was supposed to be the node between project's everyday life and ministry directions, but this role was much undermined by lack of human resources. "They were enormously short of human resources in the Hanoi embassy (I 6)." "We have now reserved two hours for this interview, and that is more than I ever had a chance to use on e.g. studying the Steering Committee documents of the Quang Tri project (I 14)." (See also OECD/DAC 2003b, 14-15.) This also limited their ability to cater for the needs of the programme and the TA staff. "It depends on the staffing of the embassy, both quantitatively and qualitatively. Quantitatively through how many officials there are, and qualitatively on how much energy they have to be genuinely interested in project affairs.

Because embassy staff have several fields of work, diplomatic, trade related and what not, so how much time and enthusiasm can they find for projects in-between the Steering Committees." (I 10.) The role of the embassy was also limited by the centralised nature of Finnish aid administration (I 14; I 8; OECD/DAC 2003b, 15). "Even in the MFA nobody really seems to know what the role of the embassy is in relation to the capital, it seems to depend on each individual's activity and profile (I 2)."

Also, the embassy was not always eager to interfere with programme scuffles: their roles as diplomats kept them unwilling to push for politically sensitive issues. "Well, the next step is the embassy. But then again, I understand that the embassy in general does not wish for any dispute, they wish that everything would just go smoothly." (I 15.) "And of course also the fact that you have to try and preserve good relations [to the government of Vietnam], so how hard can you push (I 6)?" Thus, embassy role was largely diminished to sending project documentation and ministry commentary back and forth, and acting as the mouthpiece of the ministry in Steering Committee meetings. At the time of the interviews the situation had improved through the appointment of a project advisor in the embassy. (E.g. I 10.)

The MPI was portrayed in the interviews as a party more amenable to donor views than the province. It was difficult to say how much this was because they actually thought along the same lines or because that was the way to garner donor funds (e.g. I 1). While provinces is Vietnam are normally assessed quite independent and powerful[56], in the case of MPI/DPI the relation was slightly different since the MPI, unlike other line ministries, allocated money to its provincial leg (I 12). Also, the MPI held hierarchical power over the DPI, and it was difficult for the province representatives to openly disagree with the MPI line (I 8). Therefore the donor regretted the rather inactive role the MPI had in the running of the programme. While it was attested by the interviewees that the MPI was quite well informed about developments in the programme (I 13; I 14; I 12), their representatives participated only in meetings that were held in Hanoi – and most were held in Quang Tri. "The few times that [the MPI representatives] participated, I always thought that their participation had an influence, and I was sorry that they normally didn't, for one reason or another. They had questions very much to the point, and a fresh look on things maybe because they were not so closely involved with the daily operations. Their questions and comments added value." (I 14.)

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[56] "The political set-up is such that the Hanoi level, a bit like the donor, is an outsider at the province level where the actual owners are. [] The provincial people's committees have a stable hold of power in Vietnam." (I 5.)

In aid literature, the consultants are often assumed to hold most power in aid projects, due to their role as the voice of the donor in the field and control over everyday management. This does not, however, hold true in QTRDP. After an initial period of uncertainty (I 12), the Vietnamese director took the project very much under control, a trend that continued to the end of the study period. The consultants found themselves in a curious situation, quite unlike the normal development setting, fighting for their right to be heard. A discourse of powerlessness emerged from the interview texts. "The Finns were in a very weak position there, the running of the project was totally under Vietnamese control. [] They were resolutely sidelined so that they couldn't influence matters. [] They were just rubber stamps there." (I 4.) "--- had already had her/his fights and found that s/he couldn't get things wrung past [the Vietnamese director] (I 15)." "I opened my mouth once in the [SC] meetings, us foreigners were not expected to (I 11)."

The consultants found it difficult to question the quality of project processes and their compliance with the spirit of Vietnamese regulations, or to counter Vietnamese claims to e.g. the democratic quality of their system or the existence of maintenance systems for installed infrastructure (e.g. I 7). "It was very difficult in that very strong structure to question the view that was being presented on behalf of the people (I 9)." "You have to be very careful, and try to explain that something should *still* be done differently. [] It is *so* difficult, they are so strong and they have these certain goals they pursue like their lives depended on them. And they are *all* of the same opinion." (I 15.) The consultants never managed to penetrate the system enough to know where exactly decisions were made, let alone to have a direct impact on them. Things were agreed on and decided without the TA knowing, and once they were agreed on it was very difficult to change the decisions.[57] "It is very difficult once they have decided something. [] When something starts through the process of Vietnamese decision-making there is nothing you can do (I 15)." Even finding information on Vietnamese laws and processes proved a struggle. "In the beginning nobody would tell me how things were done there (I 3)." (E.g. I 9; I 6; I 15; I 11.)

Officials in the recipient countries often treat the consultants as donor representatives (Ostrom et al 2002, 75). The Vietnamese sought to question also this "Mr. --- asked me: does Finland always agree with what the consultant says? [] And I answered that certainly not automatically, issues and

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[57] The first programme coordinator reportedly had some direct contact with party cadres and other province authorities, but after the Vietnamese gained confidence and learned how to deal with a development project these channels of communication were closed.

contents are what is decisive." (I 14.) The programme coordinator position was lent weight by her/his role as the channel of donor funds (see below), but particularly the position of the district coordinator was difficult: having no control over funds and not being a technical expert, the difficult question of what s/he could offer arose (I 6; I 9; cf. Crewe & Harrison 1998).

These complaints were countered with awareness of the great potential for influence through everyday involvement and the position as the guardian of funds. "You have [power] simply through your work input, through your participation in processes and planning, you have an impact without even noticing it (I 12)." "In principal we had power and in principal we could have walked over the Vietnamese, but not in practice (I 15)." The ability and perseverance to utilise this potential seemed to vary according to individual qualities (e.g. I 3).

The control over money remained much in the hands of the donor, through the contractor home office (I 2; I 13). All funds from the ministry went through the hands of the consultant, who was responsible for them to the ministry (I 13). This configuration added weight not only to the position of programme coordinator, but also to home office coordinator that could have been built on to. Be that as it may, the role of the home office remained quite modest in QTRDP: they contented themselves with financial management and invoicing. As in the case of the embassy, support to the field staff was lukewarm at best (e.g. I, 6; I 9; I 10). "To make an issue of something the project coordinator needs support from the Helsinki office, and from the embassy in the meetings, that this is not acceptable to Finland. But the contractor does not necessarily want to give this support for fear of getting a bad reputation in the eyes of the Vietnamese and therefore not being chosen in the next tender competition." (I 6.) "Naturally we don't dig out trouble, either in Finland or in Vietnam (I 2)."

The district authorities were instrumental for project implementation from the start (e.g. I 7; I 1), and their role increased with the slight advances in decentralisation that were made during the study period. At the same time, the district directors' personal room for manoeuvre and their ability to voice dissension were diminished as the new project director found confidence and took control of her/his subalterns (e.g. I 11; I 15). However, they most likely held more power than my study material implies. I look into the programme through conflicts as presented by the donor side actors, who unanimously agreed on that power should be moved downwards from the province – something likely to exaggerate province power. Other partner groups like the communes, the mass organisations, the other line ministries etc., while surely important partners in practical activities,

are mostly absent from the study material: they were not actors that the donor side representatives much interacted with.

Interviewees' ideas about the degree to which villagers held power over project activities varied from qualified belief in the participatory process to strong doubt about its pervasiveness. Opinions like "I think it was a genuine process (I 10)", "I don't think the answers were terribly influenced, I think it worked ok (I 11)", "I think that villagers' voice was heard in the project, of course not perfectly, but it has been heard (I 12)" and "according to my understanding the [PRA] process was very good (I 8)" were countered with "you could say that the [PRA] results, they are totally biased (I 3)" and "I had a small doubt about that many of the projects chosen through participatory planning had been quite thoroughly prepared in the villages before starting the process (I 1)". Many agreed that while the needs identification process was more participatory, investment design and implementation processes could have been much improved (I 7; I 9; I 15; I 11; I 1). It was generally felt that in Dakrong beneficiaries' hold on project activities was much weaker than elsewhere (e.g. I 3; I 4). It was also acknowledged that sometimes time pressures undermined participatory processes (I 15; I 3).

Whatever the opinion, the question seemed to be framed through the speakers' views on the Vietnamese state-society relationship. Traditionally, political scientists have tended to view Vietnam as a typical Leninist system where change is initiated from the top and state-society relations are antagonistic. Much of more recent research, however, paints a more complicated picture with a lot of debate, bargaining and interaction between the state and villages. (See e.g. Thayer 1995, 60; Kerkvliet 1995, 86; O'Rourke 2004, 92-93.) The same division was obvious in the interviews. "The administrative and political culture in Vietnam is still a bit… it is sometimes quite difficult to find out the real opinion of the people (I 10)." "It is an authoritarian system, people don't even expect to express their own opinions, they would be most surprised to be allowed to do so (I 15)." And on the other hand: "Donors fancy there is no connection between the people and the local officials, but they are totally wrong in that (I 7)." "They very genuinely and honestly tried to let people have a say and influence [decisions] (I 11)." "Even though the Communist Party holds the power there, it doesn't mean that there is no public debate, they also have to take into account what people want. So communism does not, by any means, mean that [the Party] would live in a vacuum." (I 12.) Some had learned to appreciate the system above initial expectations. "I was sceptical about how on earth we were going to manage participation in this centrally planned socialist system. But surprisingly it worked. [] Of course there was some manipulation, but the

system is not really like that." (I 12.) Some interviewees (I 7; I 11) actually felt that the Vietnamese system was more open to people's participation than the Finnish system. "I would not be surprised if in some cases people were listened to more efficiently than in a free society like ours (I 11)."

According to Scott (2001, 2), power at its simples is a social relationship between two agents who may be called the principal and the subaltern (cf. Ostrom et al. 2002, principal and agent). In QTRDP no such simple configuration of power was detectable among the major actors: they kept slipping from one role to another and attending different roles at different times. At the level of a crude generalisation, however, there were two centres of power, i.e. principals: the MFA on the principles of implementation, and the province authorities on everyday operations. According to Ostrom et al. (2002, 71, 164), the consultants often come to be viewed as the *de facto* principal by the recipient, and the consultants, while nominally working for the recipient, first and foremost work to please the donor agency. In QTRDP, the consultants often *did* see themselves as agents of the donor, but this configuration was reversed in favour of the province at times, e.g. in the case of micro-credit provision. Also, in everyday work, the province was as much if not more a principal for them as the donor – something creating contradictory incentives. As for the recipient, they did *not* consider the consultant 'the boss'. They were able to make the distinction between the consultants and the donor, but did not bow in the direction of the financier either.

Moreover, these were no one-way relations: each party needed the others to reach their goals.[58] The province obviously wanted the donor money which was in practice only available with the consultant's cooperation. The consultant, by definition, depended on MFA financing for survival, and needed the province to reach project goals and uphold its reputation. And the donor needed a project that could convincingly be presented as an instance of successfully fulfilled policy objectives – and for this, the donor needed both the province and the consultant. This interdependence extended, to differing degrees, also beyond this triangle of major actors – to the MPI, the district and the 'people'. All parties thus held tenets of power. "All these three groups of actors (the donor and consultants, the Vietnamese administration and the beneficiaries) exercised some power. [] But I think that at the moment power resides more with the higher levels of administration and the outsiders than the beneficiaries themselves. Even though we try very hard, I think it is still so that those who should hold most power actually hold the least." (I 11.)

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[58] According to Scott (2001, 138), power positions in a relationship can be understood in terms of the level of dependence between the parties.

4.5 Trust and openness?

There is a whole branch of literature celebrating the idea of open dialogue as the way to partnership and recipient ownership. According to it, to achieve a functioning relationship of cooperation and negotiation, both parties must trust each other – the donor enough to allow for recipient ownership, the recipient enough to let the donor in on its plans and to commit scarce resources to the endeavour. A prerequisite of such trust is open dialogue of objectives and plans. (See e.g. chapter 3.2.3; Olsson & Wohlgemuth 2003; Eriksson Baaz 2002, 173; Edgren 2003a, 4; Weeks et al. 2002, 62, 190-191.) There was strong recipient ownership in QTRDP, and despite disagreements, coalitions of cooperation never broke down and workable compromise could always be reached. "We have succeeded in partnership in the sense that we have clearly been able to negotiate with the Vietnamese (I 1)." "It is a negotiation between the parties (I 13)." I 15, I 2, I 3 and I 4 all give several examples of compromises reached through negotiation, ranging from use of cars to reconstruction after the 1999 flood and the conflicts described in chapter 4.3. I 12: "S/He almost resigned then, but we managed to find a common line in the end and after that things went well." To enable all this healthy spirit of 'partnership', according to the dialogue school of thought, there must have been much dialogue, openness and trust.

Contradicting this ideology, Mosse (1998, 49) attests that too much openness can, in fact, *reduce* the room for compromise and workable consensus by bringing to light in inappropriate ways mismatched aims or unresolved policy contradictions among stakeholders. Too much knowledge of 'game plans' may not help either. Consensus building involves information that is necessarily reserved, unstated, coded and otherwise circumscribed by rules of tact, discretion and diplomacy. And indeed, despite strong recipient ownership and much compromising, there was not much openness or trust to talk about in the programme, quite to the contrary. Expressions such as extremely difficult and paranoid abound, the interviewees described the atmosphere in the programme in terms less than warm. According to I 7, there was much suspicion on both sides, sometimes with reason, sometimes not. "And this resulted in that neither the donor nor the Vietnamese listened to what the other party had to say." The consultants were suspicious, and the Vietnamese touchy – any slightest questioning of the integrity of processes was met with fierce defiance (I 10). Information was withheld, the consultants felt left out, and suspicions of abuse brewed. "The expatriate staff felt left out all the time, --- was paranoid about it. They didn't understand what was going on which increased their suspicion of being abused." (I 7.) "Vietnam is a difficult place for a development professional, because you have constantly a feeling that you are

being cheated but you don't know where and how (I 6)." "It is very hard mentally to be in a place where you know all the time that you are being cheated but you never find out how because everybody toadies to you and explains things this way and that (I 4)."

Far from open discussion, the Vietnamese were reluctant to impart information. Learning about other donors' activities in the area, about Vietnamese legislation or about planning processes all required detective work, itself made more difficult by the language barrier (I 11; I 15, I 8). "In the beginning nobody would tell me anything, you couldn't pull information out of them if they didn't want to answer (I 3)." "And sometimes it is also difficult to find out the 'truth' in the Vietnamese system. There are many things that have never been spelled out in English, only in Vietnamese, and when you ask people you get quite different answers." (I 10.) Also Moore et al. (1996, 76) attest that it is unusually difficult for an outsider to find out what goes on in public organisations in Vietnam.[59]

The Vietnamese made the decisions regarding the programme in their own circles where the consultants had no access. The consultants often heard of the decisions only in the management team meetings or even only in the SC meetings. "Maybe the most stressful thing was when issues were brought [to meetings], and you were like 'wait a minute, we have not discussed this, what is this all about?' And you knew for certain that is we now agree to this suggestion, something we are not aware of will follow." (I 3.) In the SC and SB meetings only the most senior people were expected to speak and no discussion of the issues was possible: an unanimous face was presented. (I 3; I 15; I 6; I 8; I 6; I 12; I 11.) "Decisions were made in small groups, behind the scenes. And when they came to the meetings, only this certain liturgy was emitted there." (I 11.) I 11, I 10 and I 15 all reported awkward situations that followed from attempts to break this protocol.

The consultants felt their movements were monitored, they were socially insulated and threatened. According to I 3, the Vietnamese director wanted to know who the expatriates met and talked with, and project staff was discouraged from being in contact with them outside work. "During the very last few weeks s/he came to ask for advice and discuss in the evening. And s/he said that s/he would often have liked to come many times before but it was not approved of." The Vietnamese director asserted his dominance over Vietnamese staff as well as the expatriates through shouting

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[59] For more on such practices of mistrust, see e.g. Eriksson Baaz 2002. Eriksson Baaz writes about practices of mistrust among the expatriate development workers, but in Quang Tri many of them were practiced by the Vietnamese instead.

and threatening (I 3; I 15; I 6) [60]. Life and work were simply made difficult (I 6). "The treatment was really very harsh so it was quite hard mentally (I 4.)." "I have never had as challenging a job as that was (I 3)." As a result, most quickly tired out and were happy to leave as soon as their contracts permitted (I 15). "I was asked after two months if I would like to continue after the first year, but it was clear to me already then that one year of that fighting would suffice (I 11)."[61]

4.6 Power games and strategies

4.6.1 The donor side

As should be obvious from the previous chapters, the primary instrument of influence used by the consultants as well as the ministry was persistent nagging and tugging. The issues found important were repeated time and again, at every possible opportunity, and by everybody involved – at least that was the idea, such unanimity could not always be attained. (E.g. I 12; I 15; I 3; I 5; I 6.) "These things have to be brought out in a systematic way. And I think the Finnish input has been good because the consultant teams have changed in rhythm with the previous ones getting tired of repeating the same things, and likewise the advisors in the ministry and the officials in the embassy. [] It is not futile, it does have an effect, but of course it cannot change the whole course." (I 5.) Searching for new angles to old contentions was found to be a way forward; one had to face the cultural realities and find ways around impenetrable walls (I 3; I 9; I 11; I 6). "When you work there a little while, you start to put things in a different perspective. You don't criticise the system. You praise the system but you look for things that can be done better. [] I don't think pushing in Vietnam does any good at all." (I 9.) Also informal communication outside the negotiation table, whenever it could be managed, proved invaluable (I 3; I 10). "When I was there the Vietnamese wanted to go to the beach to drink beer together every night, and as crazy as that sounds, I noticed

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[60] According to Chambers (1997, 79) dominance is expressed through interrupting, monopolizing conversations, not listening, lecturing, shouting, disagreement, and many forms of disparagement and rudeness.

[61] Life in QTRDP, however, was not nearly as conflict-laden as in TTHRDP. In Thua Thien Hue the consultants had kept a tighter line, fighting had been fierce, and even the embassy was very tired by the rowing. (E.g. I 9; I 10; I 14; I 6.) In Quang Tri, some of the interviewees opined, an atmosphere of working together for the same goals was preserved (I 12; I 7; I 5; I 3). "But we had also fun in the project! [] The atmosphere was still one of *doing* things." (I 3.) "It is typical of the Vietnamese culture that while there may be sparring, it is all in search of a compromise (I 8)." Some also felt that the Vietnamese took in more than they showed: "Sometimes the Vietnamese did not show it even if they were listening. You'd have a meeting and come out feeling very disappointed that somebody had been upset and you were basically told to shut up. But then two months later you notice that they have been listening after all and things have been changed." (I 9.)

right away what an important way of influencing that was. In that relaxed atmosphere things seemed quite different than in the office during the day." (I 5.)

As a justification for their views, the donor appealed to their liability to Finnish taxpayers: "We systematically repeat what we have promised to our politicians and our taxpayers that will be done with our development cooperation funds. And if the activities are not in line with those principles, we are in trouble. And the Vietnamese, they do understand that." (I 5.) On a more practical level, the consultants appealed to the letter and spirit of the country agreement, the project agreement and the project document – their primary defences where the participatory, democratic, capacity building and other 'soft' principles were recorded (e.g. I 6; I 15). "Our strategy was very much to emphasise the project agreement where transparency and reduction of corruption are specially mentioned. So every time we were told these things were unimportant we could appeal to the project agreement where they were written down." (I 15.) Vietnam being a very literary culture (I 3), the project document was found to be a much more important tool than in projects elsewhere – it was something the Vietnamese respected, "most of the time" (e.g. I 15). "I knew the project document through and through, I had to know. What it says, where is says, I used it all the time." (I 3.) In the same vein, the consultants appealed to Vietnamese rules and regulations: they sought for the laws and their translations through the internet, and they tried to frame their arguments in light of those regulations (I 15; I 11; I 3). "But you have this strategy here, now what does it mean when it says this and this? Now this is very sagely put!" (I 3.)

The consultants, when frustrated or afraid to push further, appealed to the embassy and the ministry for support. But this also had to be done in discreet ways as some found out to their dismay. Written enquiries on matters unresolved proved counterproductive as the Vietnamese director was enraged by such antics (I 15; I 11). A better strategy was for the ministry representatives to raise the issue in the next meeting they participated in, as if innocent of any prior discussion on the matter. "We can come as outsiders, ignorant, like stupid tourists, and say 'we think it would be great if we could do it this way' (I 8)." Another culturally inappropriate attempt repeated by several donor actors was raising contentious issues in SC and SB meetings. As described in the previous chapter, Vietnamese meeting culture was liturgic; decisions were ready-made and in the meetings everybody was supposed to agree. Attempting to discuss issues where actors at different levels disagreed lead to much uncomfortable silence and wilful loss of hearing (I 15; I 11). In general, the donor side quickly discovered things had to be pursued with consideration to the opponents 'face': "You must never make the other party lose face. Avoiding conflict in public situations, avoiding

situations where the other party has to admit to being wrong and situations where you force them to give in, avoiding making demands. Things can be done, but they have to be done through a go-between before the meeting or after it. In the meetings one can only agree." (I 9; also I 3; I 1.)

Studies and evaluations became central tools for the donor side. They were used to raise issues the donor and consultants wanted to press without things getting personalized. It was a system of raising questions without loss of face (I 9). "Often the project was using the short-term consultants as a voice. [] Undertaking studies was a system by which one was able to raise to a higher profile and a professional setting issues to be discussed at the provincial level." (I 9.) "An outside report gives the opinion of a third party to the matter at hand, we can say that this is what they found, what should we do about it (I 8)?" Often the Finnish side briefed the visiting consultants about problems they wished the study to address. "They of course could make bold assessments and suggestions (I 15)". "The recommendations were formulated in such a way as to help in reaching a negotiated compromise. They were deliberately made slightly exaggerated." (I 4.)

Attempts were also made to cooperate with the TTHRDP to persuade the Vietnamese in e.g. the questions of the bidding limit and decentralisation of decision-making – in Thua Thien Hue, lower bidding limits and more decentralised processes were in use. The TTH project coordinator was assigned to convince the Quang Tri director of the benefits of such systems. (I 15.)

The MFA had also more straightforward means at its disposal. It could express its dissatisfaction through evaluations or in the SC and SB meetings, and there was no real question of not being heard. "Reporting for the meetings came, then we discussed in the meetings and if we wanted to change something we did. On the basis of the reporting we made suggestions or required e.g. studies." (I 13.) More indirect means included discussions with the contractor as well as all project actors when visiting Vietnam. "When visiting we asked a lot of why-questons (I 10)."

4.6.2 The recipient side

According to Mosse, (1998, 23-25), information cannot be viewed as a public good willingly supplied. For actors at all levels, information is rather a private good, an important source and instrument of power. All actors seek to influence others' decisions by hiding & partially revealing pieces of information to their benefit. All information flows are nested in relations of power. But

knowledge itself does not give special power: only exclusive knowledge gives power to its possessor (Scott 2001, 102). Accordingly, the primary power strategy of the province authorities was reported as controlling information. "It seems to be a feature of that culture, and you see it a lot also in other developing countries, that knowledge is power. Here we have so much information that management of information is power. But there it is very much knowledge that is power, and it is used as an instrument of power. And in that sense dissemination of information and its public availability is always a problem. This also shows between the Vietnamese and the foreigners in that the Vietnamese do not like to share things with foreigners." (I 1.)

Language was effectively used as an instrument of controlling information. According to I 10, the Vietnamese didn't have any scruples in resorting to their own language when they did not wish for foreigners to understand what was passing (I 10). Language was an instrument also of social isolation (I 1). While much of such effects of the language barrier were thought unintentional (their English was not always so good, translations of Vietnamese laws just were not available etc.) they were not regretted but used to good effect (I 7; I 2). Interpreters were also seen as a central instrument of power: through them what the foreigners learned could be controlled[62] (e.g. I 6). Accordingly, the Vietnamese did not wish for the expatriates to learn Vietnamese. "When I tried to start studying Vietnamese I was told it was not very important to learn. It is better not to, --- knew Vietnamese a bit too well." (I 11.) The fact that one of the consultants had fluent Vietnamese proved a problem: the Vietnamese did not appreciate her/his ability to communicate freely with people. According to the interviewees, they felt s/he knew too much. (E.g. I 11; I 4; I 14; I 5)

As attested already in chapter 4.4, the expatriates were effectively sidelined in Quang Tri. Communication with such powers as the PCQT and the Communist Party was assessed "absolutely necessary to make things work (I 12)", but this communication was quickly demarcated as the exclusive right of the programme director. Try as they might, the consultants were not allowed to confer with these high-level actors (I 15; I 3; I 12; I 7). Social seclusion served the same purpose, keeping relations formal and reducing the possibilities of the expatriates to tie connections of their own. Who the consultants met with was controlled as far as possible, and staff members were discouraged to meet with the consultants outside of the office (see chapter 4.5). This 'innocence' of the consultants enabled the Vietnamese to effectively play their 'Vietnamese system' –card. 'This is not possible in the Vietnamese system' became a standard answer to unwelcome proposals.

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[62] In this light it is hardly surprising that the selection of interpreters proved very contentious in the second phase.

Short-term consultants' contentions were countered with the same claim: outsiders couldn't understand the Vietnamese system. The consultants found it hard to question this argument without access to solid 'counterfacts'. (I 15; I 3.)[63] The Vietnamese also skilfully used donor's own policies to discipline them with ownership arguments. "There were people in Quang Tri who really took ownership for what it says. And they said you have told us this is our project so why are you still trying to influence decision-making? Let us take care of this, we know what we are doing." (I 10.) "And in a tight corner they would say that these are funds that have been given to them by agreement, and you have just been hired here and I can change that too. You should be grateful for the opportunity to work here. And they really used that card." (I 15.)

The province authorities also used the hierarchical nature of the society to their benefit. "The Steering Committee is a place where no Vietnamese will express discord towards his/her highers, everything has been agreed beforehand. And they had agreed among themselves to unexpectedly bring up new issues in the meetings. And when us or the MFA people were not aware that such issues would come up we couldn't know what to make of them. So at times we ended up with decisions that would not have been accepted had there been time to consider. And in that situation we should either have taken a negotiation break to talk about what the suggestion meant or discuss it further. But when you have limited time, always too little time and too many issues on the agenda…" (I 3.) The same hierarchical characteristics helped the Vietnamese to present unanimous opinions over the whole range of project actors; the donor was left with suspicions of how real these opinions were, but there was not much they could do about it. (I 4; I 15.)

Shouting and intimidation were used by the highers to further discipline their lowers to agreement, and was also applied to the consultants, to differing degrees of success (I 3; I 15; I 6; I 5). Ethos of war was suggested as an explanation (I 5; I 3). "They have been in war not so long ago, and they are used to using every possible means. They test your endurance." (I 1.) The Vietnamese staff got the worst of it: "It was horrible how s/he treated the project staff, s/he made them cry, and could shout her/his voice out (I 3)." "And --- was very skilled, s/he kept the staff on their toes by telling them off from time to time. S/he shouted at them like a siren to make them even more jumpy." (I 15.)

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[63] The argument also resonated well with what Olivier de Sardan (2005) calls the 'populist' discourse, powerful in development studies. This discourse, indoctrinated to some extent also by the development professionals, valorizes the local and treats all knowledge from 'the West' as tainted (e.g. Mohan 2001).

4.7 Balancing between ownership and donorship

Donors and development consultants tend to present themselves in line with the ownership idea as open and willing to accommodate recipients' needs, ideas and objectives (Eriksson Baaz 2002, 84). Also my interviewees pointedly embraced ownership and rejected donorship: "forcibly pushing (I 14)" was widely disavowed. "We are not talking about what Finland finds important, what should be done in some country X, but what the people there find important and how the donor could help them in their work. [] It's the least that donors should have learned during the years that us forcibly pushing what we find important will not achieve anything." (I 8.) "For the projects to be accepted and results to be sustainable, there is really no other way to go than that based on ownership (I 10)." "If it is their will, of course we accommodate them (I 12)." "We have been flexible, we have not doggedly held onto Finnish development policies (I 2)." "Ownership is a very basic value in Finnish development cooperation, and we have wanted to stick to it. We have not wanted to force our way. In fact, ownership has been so important that we have compromised on the letter of the project document for its sake." (I 10.) "Finland has given a relatively free hand to implement those things. [] The basic principle has been that what the Vietnamese need and want, it is done. Not starting from that the Finns know what they need." (I 10.)

Most of the interviewees conceptualised ownership as power and control over use of funds – with responsibility (over e.g.maintenance, local contributions) as the other side of the coin (e.g. I 12; I 2; I 4; I 8). "Responsibility equals control equals ownership (I 7)." Power and control were something all parties were assumed to covet and strive to assume as much of them as possible. This could be called a conflictual conceptualisation of ownership since it quickly leads to the conclusion that more ownership for one means less for the others. "It's a question of power, and that's a situation where you are brought into conflict with people because it's not a question of everybody gaining, some people lose and they don't like it (I 9)."

Such conflictual understanding of ownership goes some way in explaining the fact that despite strong adherence to the principle of Vietnamese ownership many interviewees suggested, openly or tacitly, that recipient ownership had in fact been *too* strong in the programme. "The Finns very strongly feel that the Vietnamese have too much ownership (I 6)." "Another problem was *such* a strong ownership on the part of the Vietnamese administration (I 4)." This led to the Vietnamese not even trying to implement what had been mutually agreed on (I 4) but "steamrollering" project implementation in the direction they preferred (I 6). There was too much infrastructure building,

too little attention to planning, insufficient attention to empowerment of vulnerable groups, etc. The interviewees suggested that things should be done as the Vietnamese want "as long as it doesn't interfere with the programme principles (I 12)". Or like one interviewee put it: "Well, in principle there cannot be [too much ownership] *if it is the right kind of ownership* (I 13)."

According to Ostrom et al. (2002, 166), "if a donor were to give money to a recipient without any strings attached on how to spend that money, the donor would, in essence, pass along complete control over the asset, and thus complete ownership". Such complete ownership would leave no room for promotion of universal values and would lead to either indifference or cultural relativism. "If we accept the idea 'when in Rome do as the Romans do', then we should accept also their racism towards their own minorities. Should we accept everything we see or should we bring forward our own ideas?" (I 11.) Overwhelmingly, the scales tipped in favour of universal values in interviewee speech[64]. "I don't think that one can go totally at their terms either. Because we also have our own wishes about what should be achieved with the aid money." (I 1.) "We cannot agree to just anything in the name of ownership either (I 10)." "I am of the opinion that for the price of all that construction the Finns must have the right to bring in something that they find important (I 6)." "Ownership cannot take precedence over ethics and morals. If ownership has wrong criteria one has to be able to voice them." (I 3.) "The Finns have their own responsibility, and they should quite firmly require adherence to their principles. You cannot start with that they can do whatever they want." (I 4.)" The donor was felt to have a responsibility to keep in contact with how aid money was used (I 7), and in particular issues also to push to ensure that "certain mechanisms were followed and maximum use was made of resources (I 9)". Finland was honour-bound to follow up on the principles laid down in Finnish policy papers and country agreements (I 10; I 2). The money, being that of the Finnish taxpayers, was seen to give a right to influence its use[65]. "We must find ways to keep some kind of a veto power over what happens with the money of our taxpayers (I 5)." "We are responsible for our taxpayers' money, and we must be able to say it has been used in an acceptable way (I 4)." Nobody wanted such complete ownership as proposed by Ostrom et al.

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[64] Only one interviewee countered her/his assertion of donor right to interfere with a relativist counter-discourse: "But again, I am not at all sure that when we go to a different culture, a different context, that our values, had they to do with human rights or gender equality or whatever, are the only right ones, and that they should be pursued in that situation. [] Then we work within the boundaries of the values of those people. Personally, I cannot see it as a problem that there is too much ownership." (I 6.)

[65] The same logic of money giving rights was applied also to the Vietnamese: since their contribution to project finances was quite noteworthy compared to many other developing countries it was only right they should also have much control (I 6).

The interviewees sought to balance between recipient ownership and donor control. "What kind of balance should be found between ownership and holding on to conditions that easily run counter to local ways of doing things, that is a difficult question (I 8)." "There should be some conditions because it is a guarantee of quality. But then on the other hand… It is a kind of balance." (I 12.) Adhering to the view of partnership as combining elements of both recipient ownership and donor control (see chapter 3.4), I 7 opined: "I don't think ownership is a very useful term. It is too strong. It would mean that the donor would just give away the money, which they are not prepared to do – and shouldn't either. I prefer the term partnership as the norm for the dealings between the donor and the recipient. Partnership recognizes the fact that there are two parties cooperating, and that there are different domains over which these parties can and should have control." I 5 and I 3 gave similar statements. I 1 compared development cooperation to a business deal, implying contractuality as the ideal form of relationship between recipient and donor (cf. chapter 3.4): "I see development cooperation pretty much as entrepreneurship. [] It is a business agreement, we agree on doing something together, we try to create a good environment for it, a sense of cooperation, but both parties have their responsibilities. In this sense I think this is partnership. A business partnership."

So the discourse of ownership was not only embraced but also questioned and disavowed by the interviewees. It was seen as an impossible and idealistic notion which presented a false image of giving away total control, as well as trying to hide the stakes that the donor and the contractors had in the game. In the same way, while conditionality set by donor policy was questioned, this questioning never seemed to entail total rejection. There was a constant vacillation where ownership and conditionality were both disavowed and embraced at the same time.

Related to the idea of *right kind of ownership* (see above), the interviewees were divided in their ideas over whom the concept of ownership referred to (cf. chapter 3.2.2). For some ownership primarily meant control by the recipient organisation – for the beneficiaries there was participation (e.g. I 8). For others, ownership referred to the beneficiaries, participation being the primary tool to achieve it (e.g. I 2). Most utilised both of these repertoires, and speculated on the appropriate combination of each. "To what degree as a foreigner do you say to yourself, well, these people don't have a voice, therefore I will work in what I think is their best interest. Or to what degree do you say no, these people are their elected officials or their representatives, and they are the ones that I will listen to and support. Because often, I think, there is a conflict of interest." (I 9.) While naturalisation of such opposition between the 'state' and the 'people' was an integral part of much

of the text, the need for cooperation between the too groups was ardently felt – many interviewees vowed to multiple ownership (see chapter 3.2.2). "It's always shared ownership. There has to be the province, but also the district, the lower levels, ownership shared in a balanced way (I 10)." Nobody accused the balance of leaning too heavily towards the beneficiaries in QTRDP: to achieve the right kind of balance, the donor had work to make the bureaucrats bend towards the people. But too much beneficiary ownership and the associated responsibility was not right either: the administrative system could not be ignored and the beneficiaries did not have the required technical skills nor the ability to look beyond their own village. Placing too much burden on the beneficiaries was not deemed wise. (E.g. I 7; I 11; I 10.) At the conceptual level, only one interviewee (I 2) talked about 'donor ownership' and 'consultant ownership'. Others excluded the donor side from the right to ownership, and gave their influence other names (cf. chapter 3.2.2).

Yet another way to understand ownership was present in the texts, as an alternative to the stronger view of ownership as power. This was the 'bait and switch' or 'ownership later' theory described in chapter 3.2.4. Ownership meant internalisation of donor objectives and principles: *they* were what was supposed to be owned. This could be termed a consensual conceptualisation of ownership: in this view ownership is not about power or control, nor does strong ownership by one party lead to conflict. Rather, conflict between donor and recipient arises from *lack* of ownership, the situation where the 'shared values' (see chapter 3.4) forming the bases of a partnership relation are not (yet) truly shared. The essence of such ownership is learning. It is a result of hard work, not a precondition for sustainability and success. "What I understand with ownership is change of thinking and attitudes. [] To me ownership is the result of working in a project. [] The idea is that the organisation we work with can use and implement these values in its own work. When you learn, you can never return to the situation where you had not learnt. In that sense ownership can be brought about through a mutual learning process." (I 3.)

4.8 Self and Other

4.8.1 Facilitating and controlling Self

The vacillation between ownership and conditionality was also reflected in the ideas of donor and development worker roles. On the one hand, they were presented as facilitators, in congruence with the sustainability and ownership frameworks. The development worker was an advisor, not a

manager or implementer; instead of filling gaps, s/he facilitated. "The whole Finnish team, we should just be facilitators who promote things. Operational decisions are made by the Vietnamese project director." (I 2.) "The idea is that our TA team is there just to facilitate development, and the locals are supported to do things. The Finnish consultants should not implement." (I 8.) The TA staff, instead of personally taking responsibility for finding solutions to problems, was supposed to act in a capacity providing way to help people discover the solutions themselves - the advisor should not even imagine any ability for more (I 9; I 3). "I don't believe in our expertise so much, but I believe in our role as facilitators (I 12)."

Contrary to the findings of Eriksson Baaz (2002, 109, cf. 117), nationality seemed to play an important role in informing the developer identities in QTRDP. 'Finnishness' (either being Finnish or working for a Finnish donor) was described in terms of a special and, compared to other Westerners, less paternalistic and more respectful attitude towards the partner (e.g. I 15). "I was very satisfied with the approach of the MFA. They had respect for the Vietnamese, and their level of interference was good. In the meetings they took a stand on the principles and left details for others to work out." (I 7.) "The Finns are very good at recognizing the sovereignty of the recipient country, and trying to get them to make the changes themselves. Rather than saying, well, you know, we know how it should be done, and then insisting. [] I think that the relationship is very good between the Finnish and the Vietnamese governments, they are trying to support them through change." (I 9.) For the tastes of some, at times Finland was *too* lax a donor in the Vietnamese context: other donors were tougher negotiators and achieved more in relation to democracy and equality (I 4; I 3; I 7). On the other hand, such an approach was seen somewhat too idealistic, and the Finnish approach of "living within the boundaries of the existing system (I 3)" was commended. Warning examples of excessive idealism were recounted (e.g. I 15). A historically special relationship was drawn between Vietnam and Finland. "The Finns are not perceived as threatening or dangerous foreigners, Finland has long been a friend to Vietnam. And on the other hand, the Finnish way of working has been quite pragmatic. [] Finland and Vietnam have a special long-term relationship of mutual respect where it is not easy to arrogantly start teaching anything." (I 5.)

But on the other, a need for a more controlling role was articulated. The expatriate TA was presented as a donor watchdog, there to oversee that the programme was run in the spirit of Finnish policies and the project document (e.g. I 12; cf. chapters 3.2. and 3.3). "But we did not go there to be yes-men or women (I 15)." "The day I agree with you on everything, send me home

immediately. Then I don't deserve to stay. Then I am not a pawn of anything, I have made myself expendable." (I 3.)

4.8.2 Passive and backward Other?

The image of Self and one's own role and capacities are constructed in relation to the Other and her/his assumed qualities and capacities. Development workers feel a need to construct surroundings which provide meaning to development interventions and development worker roles in them. This is normally found in the proclaimed deficiencies of the Other. Donor agency representations often contain derogatory and denigrating claims about the inadequacy of the partner organisation: spoilt by development aid, helpless, incapable; conservative and not open to new ideas; lacking skills, uneducated and tradition-bound. (Eriksson Baaz 2002, 140, 210, 215; Crewe & Harrison 1998, 30, 69, 76.) Eriksson Baaz (2002, 217) listed the images of a backward, passive and unreliable Other as the basic tenets feeding into the image and role of development worker Self in Africa.

But the Vietnamese could not be described backward or passive. They, both individuals and the collectivity, were given qualities like strong, hard-working or "eager beaver (I 15)", efficient to fault, enterprising, smart, capable and skilled by the interviewees. They were judged extremely efficient in planning and implementation (e.g. I 4; I 5; I 8; I 3; I 15), something the disciplined nature of the society and the people was seen to enable (I 5; I 15). They were well educated, intelligent and talented, quick to grasp at any useful knowledge made available (e.g. I 3). They were also cunning and fearsome opponents. Many interviewees expressed feelings of respect and admiration towards the Vietnamese – saddeningly rare sentiments among developers towards the recipients of aid. "I respect them, that country will rise (I 15)." "I am very impressed by the way the Vietnamese have moved so far ahead and made all these changes. And it's still going on." (I 9.) "They accomplish anything they turn their mind to in an admirable way (I 4)."[66]

The strength of the Vietnamese Other was pointedly constructed in opposition to the weakness of the African Other, to whom the backward and passive categories were freely applied. The attitude

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[66] Only one interviewee, talking about the very beginning of the programme, built a picture of the province authorities initially averting the responsibility of ownership, corresponding to the idea of passive Other. "S/He has had learn to take the leadership, and I had to kind of force her/him into taking it. [] And s/he took it, s/he took a very strong hold of things (I 12)."

of the Vietnamese in relation to self-esteem, willingness to take responsibility, and commitment to work was assessed "almost the opposite" to that of the Africans (I 15). "In Africa there was this yes sir -attitude that bugged me. In Sambia they used to say 'well, you are the boss, you decide'. In Vietnam they say you should be grateful for being allowed to stay here." (I 15.) "[The Vietnamese] are hard-working, which is very nice in comparison to Africa. When something is started, they work very hard and responsibly." (I 3.) In Vietnam the government took very strong ownership, whereas in African countries the state organisations were so weak one could just forget about them and do whatever one wanted (I 4; I 15). Even corruption was perceived "smart" (in terms of deftness of execution) in Vietnam, whereas African corruption was plainly "stupid" (e.g. I 6). The strength of the Vietnamese Other, however, made life difficult for the consultants. "It was much easier for a consultant to work in Africa. When you said something it was done that way, but whatever you say in Vietnam it is questioned." (I 14.)[67]

The discourse of backward Other was resorted to when comparing Quang Tri to other parts of the country. Quang Tri was portrayed as a very traditional and conservative area with the structures of 'old' communism intact, largely untouched by the reforms that had swept other parts of the country since the first part of the 90s transforming political and social institutions (I 15; I 3; I 13; I 10). From the provincial perspective, again, it was Dakrong that represented the backward and passive Other – both for the expatriate development workers and the Vietnamese. While the expatriates balked at Vietnamese expressions of open disdain (see chapter 4.3.3), the images of backward and passive Other, comparable to the African, were strongly present in their descriptions of the Dakrongese (e.g. I 11; I 4; I 5; I 8). "They really live in the bush, that is a challenge. [] It is a similar challenge to that in Africa." (I 15.)

4.8.3 The unreliable Other and the honest Self

Unable to describe the Vietnamese as backward and passive, the third of Eriksson Baaz's stereotypes of recipient faults, unreliability, took on greater importance. Accounts articulating images of an unreliable and corrupt Other were aplenty in the interview texts. Corruption was particularly situated in infrastructure building and the administrative system, supplemented by nepotism and helping oneself to programme materials. (I 1; I 3; I 5; I 6; I 7; I 11; I 15.) The

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[67] This division could be claimed to reflect the colonial discourse, where the African and Oriental were situated at different stages of the evolutionary hierarchy. Africa constituted the edge of humanism, while the East was acknowledged to at least have civilization, language and culture. For more see Eriksson Baaz 2002.

interviewees went as far as to suggest that QTRDP may have been so well appreciated by the Vietnamese precisely because it had not succeeded in building effective anti-corruption systems (I 1; I 8).[68] Only one interviewee, while at other times embracing the imagery of a corrupt Other, expressed doubts about the intent of the donors in sustaining these ideas. "Sometimes I think that this big corruption issue in the case of Vietnam is… Well, when there finally is a partner in development who knows what s/he wants and purposefully strives for it, it is not so much fun after all. So this corruption discussion is used to undermine that partner. But I don't know." (I 6.)

This imagery of a corrupt other fed into the practices of retaining control. Given the corruption of the Other, the honest Self was morally obliged to take over. "There is this one good thing about us Finns: we want to do things right and honestly and in a balanced way (I 10)." "And *that* (corruption) does not exactly fit into Finnish administrative culture (I 4)." It is a common belief in development cooperation circles that it is difficult to control corruption without the supervision of expatriates (e.g. Tisch & Wallace 1994, 100), and the development worker was charged with the task of "fighting corruption and instilling a spirit of transparency (Eriksson Baaz 2002, 176)". "If there are no outsiders present it very easily slips into [nepotism and siphoning] (I 3)." The TA staff was expected to "hold the tip of the tail (I 12)", particularly when it came to Finnish money. On the other hand, this was often portrayed as a mission impossible due to location of corruption deep in the Vietnamese culture. "Corruption is a thousand-year-old practice. It is extremely difficult to do anything about it because it is so deep in the structures of the society." (I 4.) "It seems, looking from the sidelines, that corruption is *so* deeply imbedded in the local way of doing things that it is very difficult to get rid of it (I 10)." There was much talk about the 'developed', 'subtle', 'disciplined' or 'comprehensive' nature of corruption in Vietnam which made it even more difficult to see, let alone prevent. An idea of a systematic division of all illicit money among people, from leaders to cleaning women, was widely circulated among the donors. (I 1; I 3; I 5; I 6; I 10.) The development worker was then left with the task of showing by her/his own example the possibility of doing things differently and discreetly keeping the issue as a topic of discussion.

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[68] This image of a corrupt other fed into the feeling of always having to be on guard described in chapter 4.5. It seems that such discourses of unreliable Other worked their evil magic on both sides in Quang Tri. The Vietnamese, equally distrustful of foreign intent, withheld information and kept the expatriates away from provincial decision-making processes. Such practices of mistrust again fed suspicions of unreliability on the part of the Vietnamese among the foreigners. (E.g. I 7.)

4.8.4 The mechanical Other and the analytical, flexible and humane Self

An even more central legitimizer of donor interference in Quang Tri was the discourse of machine-like Other. Vietnamese effectiveness had a downside to it – or rather, effectiveness was the positive reflection of the administrative machine that ran the country as if on tracks. The Vietnamese were described in terms suggestive of a machine or an ant colony; every part had its predetermined function and that was the only thing it did. Every part followed instructions from above, and if there were no instructions, nothing was done. The system short-sightedly implemented national programmes, unable to adapt to local conditions. Build bridges the centre said, and bridges they built. Change processes the centre said, and they couldn't. Inflexible, unanalytic, inhuman, short-sighted and blind to alternatives, the mill of administration relentlessly ground the individual to dust. (I 10; I 5; I 1; I 8; I 2; I 4; I 3; I 11; I 15; I 9; I 12.) "It is like, they just do things like they didn't have time to think about it (I 5)." "They push through national programmes, but the implementation remains largely mechanical, they can't adapt to the local environment. [] They work like they were in war. There is a battle and the battle has to be won." (I 3.) "It is more like they learn some technical aspect and then they implement it (I 1)." Even the people in the villages were so immersed in this system and its vision that they could not see beyond it and "did not even wish for a freer intellectual climate (I 15)". The "big solution" was always sought for: everybody wanted to do the same thing, whether is was raising pigs or growing pepper (I 9; I 7).

The developer Self, analytical and flexible, was charged with the duty of showing the way: giving an example of flexibility and adaptation, always searching for improvement and learning, bringing the needs of 'real people' in view. The development worker was there to "broaden the outlook a bit (I 12)". To try and bring "the development angle (I 3)" to everything that was done: an analytical approach assessing how things were normally done and how they could be done better. To promote improvement of internal processes, learning, communication and application within organisations. To act as a conduit enabling the access of new information to the administrative organs. To lend support to domestic forces striving for positive change. To show there were alternative ways of doing things, instead of one uniform model. (I 5; I 3; I 15; I 6; I 9; I 12; I 14; I 10; I 5; I 1; I 8.) According to I 7, the programme created space and opportunity for creativity. The district staff, normally locked in the plans and targets set to them, felt stimulated by the chance to work together with farmers or in cross-sectional teams with other organisations, something normally never done. The presence of the development worker/the programme was an excuse for them to do these things. Eriksson Baaz (2002, 140) calls this the broadening of the role of the development worker outside

the strictly professional. This broadened role, centring on the task of "showing them the possibility of new ways of thinking and doing", is replacing the image of a technically oriented development expert who has, particularly in a country like Vietnam where technical and managerial skills are high, suffered serious inflation. As Tisch & Wallace (1994, 104) put it, "until rigid hierarchies and fatalistic viewpoints become less common, expatriates may continue to be helpful in redefining organizational and individual perspectives and agenda".

The uncaring Other was an important subspecies of the mechanical Other. In its rigidity, the machine could not bend to the people in need – all it cared about were *averages*, average incomes, average yields and average growth (e.g. I 9). Deaf and blind to people's hardship, "not terribly kind" and cold were some of the qualities attached to the Vietnamese state (I 1; I 9; I 11; I 15). Some interviewees drew a picture of an authoritarian, undemocratic and self-serving state, setting it in opposition to the 'people' in general (I 10; I 9; I 2). Self, then, was portrayed as the champion of the rights of the people against the evil and uncaring state machine. "I am not always sure that [the villagers'] demands are being heard or if they are even able to express them. And the villagers are the real, they are my partners. That is who I try to help, that's what motivates me, to work for these people." (I 9.) Others, however, disavowed such portrayals while most took an ambivalent stand (see chapter 4.4): while the system as it were was not half bad, there was room for improvement as well as for the development worker to make a difference. But whatever the idea held about the general democratic qualities of the state system, everybody was of one mind about the unwillingness and inability of the system to cater for the needs of the most vulnerable groups. Or, more to the point, groups the system did not approve of: those with wrong kinds of politics (I 12; I 10), those deemed poor because of their own negligence (I 9), and most importantly, the ethnic minorities. The racist Other could not and did not want to put effort into understanding and helping the Montagnards who were not an integral part of the state machine. The development worker Self, then, was attributed competence in the fields of equality and concern for the weak in the society. As guardians of the interests of the most vulnerable among the beneficiaries, the donor side could not avoid setting limits to the actions of other stakeholders. (See also Tomlinson 2002, 116-117.)

5 Concluding remarks

5.1 Donor policies in practice

In conclusion, how compatible was Quang Tri Rural Development Programme with Finnish development policies in the eyes of the donor side representatives, both in terms of the ownership agenda and conditionality? It is clear that the interviewees found recipient ownership, understood as power and control, very strong in the programme[69]. This recipient control over operations, however, led to many perceived incompatibilities with other donor goals like poverty orientation, empowerment of vulnerable groups, decentralisation and grassroots democracy (whose ownership), transparency and non-corruption that the donor side had to try and rectify. The most obvious instance of donor imposition was identified in the question of entering Dakrong (chapter 4.3.3; I 6; I 11; I 5). In other areas there had been much compromising, but donor influence on 'unsound' Vietnamese inclinations was discerned also in directing investments towards smaller poverty oriented projects (I 9; I 12; I 4), in injecting capacity building activities to the programme palette (I 6; I 13; I 8), in furthering participatory approaches (I 12; I 15; I 5; I 1), and in keeping such issues as corruption and transparency under discussion – concrete advances in good governance were not really expected to accrue (I 15; I 6; I 11). Vietnamese predominance was suggested in e.g. bidding arrangements (chapter 4.3.6), (lack of) decentralisation (chapter 4.3.2), infrastructure bias (chapter 4.3.1) and micro-credit provision (chapter 4.3.4) (I 1; I 13; I 2). On the whole, however, the interviewees found it difficult to identify clear areas of influence or to compare success between different policy components. The difficulty of such an endeavor was exacerbated in the Vietnamese case by the swift processes of change the country was going through on many of the areas of donor concern: it was very difficult to discern donor contribution to the process (I 9).

The underlying or openly acknowledged assessment of the interviewees was that they had not been entirely successful in promoting Finnish aid goals: recipient ownership had predominated over the conditions of Finnish aid. I 15, thinking on where the Vietnamese had been flexible: "Well, there were not really clear instanced of victory for us." Vietnamese will to manage things their own way met with Finnish responsibility to hold on to their values and to "do things in a decent way (I 4)", and the resulting compromise was generally judged very Vietnamese (e.g. I 4; I 2; I 8; I 5). Taking

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[69] This must, of course, be understood in relation to the lived histories of other development interventions the interviewees carry with them, where recipients are generally weak and lack of ownership is a very common problem.

stock, however, the interviewees found this balance to be well on the positive side. The Vietnamese problem was considered "a very positive problem (I 4)" when comparing it to the problems created by weak ownership of aid in most other developing countries. With the Vietnamese strong in control, execution of aid interventions was swift, effects impressive and sustainability expected to be good. The Vietnamese attitude of pride and self-reliance was seen very healthy and a basic reason for project successes. "It produces more sustainable results because what they accept, it is their own decision (I 13)." "Even if Finland wanted to, it could not do things in Vietnam that are not Vietnamese priorities. In that sense it is very good to work there, because even though the donor naturally holds power through the funds, it does not mean that Vietnam would be in somehow subordinate position. They are very self-conscious, they make the plans and prioritise and steer the process. Which in my opinion is a very good thing." (I 8.) In fact, in many ways Vietnam with its strong institutions was a dream partner for the donor: a lot of money could be used efficiently and with apparent results (cf. Ostrom et al. 2002). This had led to Vietnam becoming a "donors' darling", with aid financiers rushing in to get a share of its success (I 14; I 3).

The interviewees felt that while the 'Vietnamese way' may have prevailed in much, Finnish aid objectives had not been abandoned either. They felt that their approach to balancing between ownership and conditionality had been rather good: Finnish principles were not doggedly or idealistically held onto, but they had not been totally given up on either. It was felt that *something* had been achieved with regard to all objectives through insistent discussion, and that "in those circumstances (I 15)" the results of negotiation had been quite good. "I think that we have not sold out on anything. But in some things progress has been faster and in some slower." (I 10.) By and large, the project was assessed a very positive endeavour. "All in all it was a very positive project. It can be seen successful in many ways." (I 4.) The interviewees could not, however, wholeheartedly agree with the Vietnamese assessment of QTRDP as the best rural development project in Vietnam, a model to be duplicated by all donors. Particularly, they did not share the Vietnamese view that QTRDP was a better project than its 'twin' in the neighbouring province, the TTHRDP, where Finnish conditions of aid had been promoted slightly more aggressively (e.g. I 10; I 8; I 5; I 3; I 15).

What, then, was the role of donor policies in QTRDP practice and the configuration of power that the interviewees saw emerge? Did the discourse of ownership have any real effect? The inside critics would tend to expect the results to depend on the ability of the donor to put its policies into practice, while the outside critics would deny any possibility of the discourse having power

transferring effects. My study suggests, in accordance with Mosse's (2003, 2005) contentions, that the discourse of ownership (loaded with the history of accusations of donor imposition) did have an effect. Not through dictating project practice, but it made the donor reluctant to play the donorship game and use its financial muscle[70]. It was also effectively used by the Vietnamese to discipline the donor (the 'ownership card' in chapter 4.6.2).

Also other donor policies played a role, particularly in fuelling conflict. It would seem, again corresponding to Mosse's (2003, 2005) ideas, that the donor had much more control over decisions-in-principle made in meetings and country negotiations than over the operational level – project practice was primarily determined not by donor principles but by Vietnamese working cultures and institutional incentives of the recipient, particularly the DPI and the PCQT. This led to the reality complained about by e.g. I 14 where donor objectives got clear acknowledgement in project agreements and documents but implementation practices did not reflect these agreements. Policies and concepts were appropriated and reinterpreted by province authorities in the process of project implementation, and the interpretations differed from those of the donor actors. Practices that the development workers did not perceive and would not present as representations of donor policies became subjects of argument between the donor and the recipient. Or, to put it in different words: When understood as internalisation of donor objectives, ownership was not very strong in QTRDP. This was what fuelled conflict: the 'shared values' that are the basis of such ownership were not truly shared, which, combined to donor's limited operational control, led to incongruence between principles and reality.

All in all, the fact that the Vietnamese got their way in much was presented in a positive light: it reflected their strong ownership over the programme, guaranteeing sustainability and improving effectiveness of the aid interventions. But also the fact that the donor tried and sometimes managed to bend the recipient to their will was a positive factor: it guaranteed that there was movement towards the universal values of humanism held by the donor side. Even the one clear case of donor imposition (entry to Dakrong) was far from regretted. It was presented as an essential move towards poverty reduction, and the interviewees took much pride in it. "I am particularly happy about that we are working in Dakrong (I 8)." Vietnamese predominance was understood as ownership, and cases of donor imposition as essential promotion of other donor policies. This way,

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[70] Whether this discipline arises from 'the power of the discourse' as such or from more material considerations of being able to present aid activities in light of government policies and globally accepted discourses to ensure continued public support and financing for development cooperation is irrelevant in this context.

both actions congruent with ownership and actions congruent with donorship were presented as successful instances of authorised policy. This tallies well with Mosse (2003, 1, 8) according to whom development workers always work hard to maintain coherent representations of their actions as such instances.

Accordingly, the development worker was presented as both a facilitator or enabler of recipient action and a guardian of donor policies. But while the programme as a whole was quite comfortably presented as a success, on the personal level there were more feelings of failure. While expatriate self-doubt often centrally arises from meagre results in terms of improvements in beneficiaries' lives (e.g. Eriksson Baaz 2002), in QTRDP this was never a problem: physical objectives were generally reached and often exceeded. The feelings of failure originated more from the sense of inadequate ability to control project practices and further Finnish policy goals. These feelings were countered with the discourses of faulty Other. Reasons for failure were situated in the characteristics of the Other – in those circumstances the little that was achieved had to be enough (e.g. I 7; I 11; I 3; I 15).

At the same time these discourses of deficient Other were the basic justification of donor interference in programme implementation: the Other was corrupt and did not care for the weak in the society, therefore the donor had no alternative but to preside over their activities. These discourses informed practices of taking over and effectively naturalised the roles of the development workers. Leaning on the accepted stereotypes of the Asians as corrupted and hierarchical, they brought together a powerful coalition of actors: there was hardly any doubt about the need for the development worker to teach flexibility, transparency and respect for the people to the Vietnamese recipient. Did the unavailability of an array of 'normal defects' (e.g. backwardness and passivity) not leave more room for doubt on the necessity of donor involvement in the running of aid projects? Possibly, but these feeling were primarily translated into assertions of the purposelessness of providing aid to Vietnam. Many interviewees' assessment was that Vietnam no longer needed development assistance at all; they would do fine by themselves (e.g. I 3; I 4; I 6; I 15).[71]

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[71] Is this to be understood that if they can do without our advice, they can do without our money as well? That development aid will always be conditional or there will be no development aid at all?

5.2 Power in the aid relationship

Assuming some 'truth value' can be placed on the views expressed by the donor side actors about the power relations in the project, this study challenges the inevitability of donor domination in aid presumed in critical aid literature (outside critics). In the understanding of my interviewees, in QTRDP the recipient clearly held much power over project funds and practices, even to a degree uncomfortable for the donor side. My findings also challenge the implicit assumption in much inside literature that recipient ownership must by necessity flow from the donor and her/his commitment to transferring power. While such a commitment clearly is a prerequisite for functioning recipient ownership (if Finland had not been ready to allow recipient ownership they surely would have cut aid when the Vietnamese insisted on having it), it is not enough like the history of development cooperation amply demonstrates. It seems that in the case of QTRDP the ability of the recipient to *take* ownership was at least as important as the donors' willingness to give it away. This study tentatively suggests some characteristics and mechanisms that supported such ability to take control in QTRDP and explained the relative powerlessness experienced by the consultants. These ideas are at a preliminary stage and would require much further study into the dynamics of power in aid encounters to be taken for more.

While Finland was a small donor nationally, project funds were quite significant at the province level, giving sway to the MFA arguments. But possessing power is different from using it (Scott 2001, 4-5), and unwilling to play the donorship game, the MFA did not want to actively exercise its financial muscle. Instead, the donor wished to persuade, trying to present donor objectives in terms appealing to the recipient (see chapter 4.6.1; Scott 2001, 12-16). But the fragmentary involvement the donor had in project management (see chapter 4.4) limited their possibilities to persuade, and the task was largely left to the consultants who with their everyday involvement were better placed for such an exercise. But while consultants are often taken for donor representatives by the recipient organisation and thus lent clout by the economic capital possessed by the donor, the Vietnamese were well able to make the distinction between the two groups. The Finnish practice of channelling funds through the contractor did give some leverage to the programme coordinator whose cooperation was needed for moving money, but not to the other two foreigners (the district coordinator / capacity building advisor and the junior expert) (e.g. I 6). (See chapter 4.4; Ostrom et al. 2002, 75, 194.)

Expertise, technical or otherwise, is normally assumed the basis on which development worker roles are built. According to Scott (2001, 22-23) expertise rests on a trust in the competence of the person uttering a suggestion and a corresponding acceptance of one's own lack of competence. Claims to expertise are not enough, it exists only when the claims are accepted by others. Normally in development cooperation this is not a problem for the expatriate workers. Expert knowledge is frequently assumed the exclusive property of 'the West', and expertise is based more on who we are than what we know (Crewe & Harrison 1998, 92; 96; 104). This was not the case in Vietnam, though. The Vietnamese had knowhow and were proud and suspicious of foreign intent (I 15). It was strange for the Vietnamese to have foreigners come and tell how they should do things: officials quickly became very angry if a foreigner started questioning their systems and processes (I 15; I 9; I 10). "It is a Vietnamese phenomenon, connected to their strong ownership, that by no means did they want foreigners to give advice (I 4)." This attitude undermined the expertise claims made by the development workers. The Vietnamese authorities strongly questioned foreign capacity for expertise in the Vietnamese context, building on the nationally popular discourse of a specific 'Asian way' (see chapter 4.6.2; Mohan 2001; Olivier de Sardan 2005). One had to prove oneself and her/his possession of useful information. The interviewees attested that once you could show you had something to offer, the Vietnamese were very appreciative of new knowledge and keen on adopting it.

The consultants ability to influence also suffered from lack of innate understanding of culturally appropriate ways of being and acting: uncomfortable breaks of code of conduct and much complaining about loss of face ensued (I 3; I 1; I 15; I 11; chapter 4.6.1). This inability diminished the persuasiveness of consultant arguments.[72] Another limiting factor was consultants' lack of connections in the province, something very important in the Vietnamese society. The recipient, of course, was well endowed with such social capital, and also seemed to do his/her best to preserve this monopoly over the asset judging by the reported attempts to keep the professional contacts as well as the social lives of the expatriates under control (see chapter 4.6.2).

The power of an individual in any encounter can be thought to consist of both her/his institutional position and the resources attached to it, and her/his action from that position (cf. Laine & Peltonen

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[72] Such lack of understanding of the rules and norms of a society can also be seen as a strength: an outsider, free from the obligations of local relations and codes of conduct, can transgress traditional boundaries and 'innocently' manage to open channels of communication between different levels of government and non-government agents (Alsop 1998, 120). Some of this was present also in the interview texts. Cross-sectional and cross-province cooperation was started and broader-based participation in seminars was allowed (I 7; I 5). "It could be tolerated after all. You could say many things, and provoke people to discuss more in a group, and it is allowed when it is done by an outsider." (I 3.)

2003, 54). This second part is what Scott (2001) calls interpersonal power: a person's strength of character and attractiveness to others. In the case of the MFA staff, the importance of the institutional part was more marked, overcoming even unfavourable personal attributes of age and gender. "I at least have felt that I can influence things, regardless of being young and female. When you have a certain role and position it doesn't matter. It is the status sitting in the table, not me personally." (I 8.) For the consultant the power position depended much more on the interpersonal. "The potential for influence, it is just through your personality, through the person of the advisor. [] You really had to put your personality at stake." (I 3.) From the same institutional position, some succeeded in gaining influence better than others. Everybody went through the initial test of slighting, sidelining and shouting, and if they managed to withstand the storm, the rest went more smoothly (I 12; I 3).

At a more general level, Vietnam is not too aid dependent, and with all donors rushing in after a late start, it can choose between donors. Vietnamese capacity to plan and manage cannot be doubted when one looks at the achievements made in growth and poverty reduction, and Vietnam's own five-year plans are widely judged to set the framework for development activities in the country (e.g. Forsberg 2003, 66). Its administrative and party institutions are strong and perceived legitimate all the way down to the village level (I 12; I 9; I 15; I 3; I 13). Such characteristics can be seen to enable Vietnam to counter the financial power of particularly a small donor such as Finland. (Cf. Ostrom et al. 2002, 64-67.)

My study also casts doubt on the assumption of much inside literature that the key to ownership and partnership lies in dialogue based on trust and openness. It and rather supports Mosse's (1998, 49) assertion that compromise necessarily involves withholding of information. There was not much trust in the programme, and information flows were restrained. Nevertheless, compromises could always be found, there was strong recipient ownership, and in the interpretation of many interviewees, there was also partnership.

The results of this study also raise questions about the ownership-averse nature of the project modality assumed by some proponents of programme aid (chapter 3.2.5). At least in Vietnam it seems one could quite reasonably talk about project ownership. The Vietnamese seemed well able to handle the transaction costs of project aid, and have in fact been known to support continuation of project aid over switching to programme approaches e.g. in rural development (I 8). Many interviewees felt that due to non-transparency of budget processes and assumed prevalence of

corruption programme aid was not yet a viable option in Vietnam, but projects seemed to work well enough (I 3; I 2; I 13; I 14). "At least in Vietnam project aid is still a good tool. I don't believe in sector aid in Vietnam, the money will just disappear. But this way these things come as an intensive package but still under their control." (I 15.)

5.3 Implications for research and policies

According to Crewe & Harrison (1998, 90), analysis of the relationship between aid givers and receivers is surprisingly rare in academic literature: instead of actually studying the relationship, one of either domination (the outside view) or mutuality of goals (the inside view) is assumed. My results suggest that there is need for studying these relations in much more detail: they deny domination, but they also clearly show that even with strong recipient ownership the goals of different actors still differ and cause conflict. Instead of explaining failure and finding new solutions or alternatively slandering the ideological bases of development cooperation, development studies might benefit from more attention into the field realities of *how* development cooperation happens. How different actors in development strategize in their dealings with other agents, and how they are constrained yet able to subvert the objectives of others. Closely looking at the complicated interactions involved in the processes of development cooperation would be more likely to offer answers to what kind of factors help empower the recipient and whether they can somehow be supported through development cooperation or not. Such research strategies have been recently pursued particularly by many so called ethnographers of aid, as well as those following the actor oriented approach developed by Long and others or the entangled social logic approach of Olivier de Sardan. These approached could also be utilised to look further into the relationship between aid policies and practices, an area much neglected in aid literature. The door has been convincingly opened by Mosse (2003, 2005), now the road needs to be built.

Another area that would require more investigation as well as policy clarification is the role of the development worker in the age of ownership. Facing contradictory expectations of at the same time releasing and keeping control, the role of the development worker is further confused by obscurity of goals. Their internal contradictions and competition with each other make work difficult for the development professional, never being sure of how much to bend which way. The development worker would benefit from some thought-work on the policy front on what is it that Finnish aid primarily aims at. Prioritisation between different policy goals is called for, as well as some

instruction on how to promote them. In the current situation it seems that promotion of different policy goals very much depends on personal interests of the people involved in each intervention, both at the ministry and with the contractor. On a more academic front, I feel that the issue in all its obscurity also offers some interesting avenues of research. It might be fascinating to further study the construction of development worker Self and how this construction communicates with the reality of aid interventions.

The study also lends some support to the doubts voiced by some about the wisdom of committing to large changes in the modalities of aid delivery on the basis of assumed improvements in ownership through changing from project to programme aid (see chapter 3.2.5). My study has shown that recipient ownership is quite possible also within the project modality. Rather than rushing into implementing yet another 'new' aid paradigm, it might be wiser to continue testing with both modalities while closely studying the interactions of different actors in each type of intervention as suggested above, with the goal of combining the best of each approach. The history of development cooperation is full of sudden switches in donor policies and approaches. The continuous vacillation of requirements and policy recommendations has likely caused more trouble for the recipients than any one paradigm and its accompanying conditionalities, as ill-conceived as they may have been at times.

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Interviews

Date	Place	Position / relation to the programme
11 March 2004	Vantaa, Finland	Home-office coordinator (Scanagri) 2003 onwards
15 March 2004	Vantaa, Finland	Advisor in the MFA 1999-2002
15 March 2004	Helsinki, Finland	Evaluator, second phase mid-term review in 2003)
16 March 2004	Helsinki, Finland	Evaluator, first phase mid-term review in 1999, evaluation of the Finnish aid programme in Vietnam in 2001
18 March 2004	Helsinki, Finland	Advisor in the MFA from 2002 onwards
18 March 2004	Helsinki, Finland	Advisor in the MFA from 2003 onwards
22 March 2004	Helsinki, Finland	Programme Coordinator 1999-2003
22 March 2004	Helsinki, Finland	Several short-term consultancies, home office coordinator, mostly during the first phase
24 March 2004	Helsinki, Finland	Vietnam desk (MFA) in the first phase (person 1) Hanoi embassy 1999-2002 (person 2)
29 March 2004	Helsinki, Finland	District Coordinator in 2000
30 March 2004	Helsinki, Finland	Capacity Building Advisor 2001-2003
31 March 2004	Helsinki, Finland	Vietnam desk (MFA) from 2002 onwards
2 April 2004	Lahti, Finland	Programme Coordinator 1997-1999
13 April 2004	Uppsala, Sweden	District Coordinator 1997-1999

I chose not to publish the names of the interviewees to protect their privacy. The names are available from me at request.

Interview frame

Involvement in QTRDP
- When and in what capacity?
- Own role?
- Who worked with (most important partners)?
- Instruments of power in relation to other actors?

The concept of ownership
- What ownership?
- Why ownership?
- Whose ownership?
- How ownership?
- Synonyms?

Ownership in QTRDP
- How implemented?
- What kind of ownership came true? Why?
- Who held most power? Why?

Conflicts
- Most important contentious issues?
- What were they about?
- Who disagreed? Why?
- How were they solved, if solved?

Atmosphere
- Spirit of cooperation?
- How were the Vietnamese as cooperation partners?

Conditionality and control in QTRDP
- Why control? (Why not just give the money to the Vietnamese?)
- How implemented?
- What kind of conditionality came true? Why?

The administrative framework of QTRDP

QTRDP started out on 'virgin ground' in the sense that it was the first bilateral development project working in the province. The people did not have experience of working with foreigners (only warring with them), and the rules of the development cooperation game were new to them. Only a few donor activities had been implemented, most notably an association of Dutch NGOs had run a rural development programme since 1994 in 30 communes of the province, including 8 in Hai Lang, and done much ground-braking work with introducing participatory planning techniques. Other projects included afforestation, primary health care and rehabilitation of sea dykes by the World Food Programme, and smaller projects by e.g. Plan international, European Commission, and OXFAM Hong Kong. But QTRDP's versatile approach and relatively big budget were new to the area. Since then, the number of donors active in the area has grown rapidly. (Matkaraportti 1997; PD 1996-1999; SUMR 1996; 15.5.1996, Technical Tender.)

Although QTRDP's aim was to work with poor families, it wanted to do it through existing public administration structures as far as possible. The programme organisation is presented in Table 1 (adapted from representations in PWP 1998-2000 and PCR 1997-2000[1]). While the 'competent authorities' – the Ministry of Planning and Implementation (MPI), representing the Government of Vietnam (GOV), and the Embassy of Finland together with the Department of International Development Cooperation (DIDC), representing the Government of Finland (GOF) – signed the programme agreement, the Supervisory Board (SB) held the highest authority in the programme. It met annually to decide on policy matters, the annual work plans, and the budgets. It consisted of the competent authorities and some representatives of the province. The Steering Committee (SC), with a membership extended by representatives of different provincial and district authorities (e.g. PCQT, DPI, DARD, PCHL, VBA), guided the programme on a more detailed level. It met quarterly to approve project proposals emanating from the district and the communes (none could proceed without its approval), and prepared annual plans and budgets for approval in the SB. (PDP 1996-1999; PWP 1998-2000; 21.12.1997, AWP 1998.)

The Programme Management Unit (PMU) was charged with taking care of the overall coordination of the programme. It was responsible for financial control and liaison with provincial and state authorities and MFA of Finland through the Embassy. The PMU was based in the provincial Department of Planning and Investment (DPI) in Dong Ha (provincial capital), but in all operational matters, the PMU was an autonomous entity under the direction of the SC. It was headed by the Programme Director seconded on half-time basis from the DPI (the first director was the Deputy Director of the DPI) and the Programme Coordinator, a full-time international consultant. A District Management Unit (DMU) was established to Hai Lang, and it, too, was headed jointly by a part-time Vietnamese District Director (Vice Chair of the District People's Committee, PCHL) and a full-time international consultant, the District Coordinator. The DMU was expected to coordinate and monitor implementation on the district level and to liaison with different line agencies and directly with the commune level stakeholders and beneficiaries. It was also charged with planning and implementing the participatory methodology for the programme. The DMU operated under the direction of the PMU, which controlled all the funds. (PD 1996-1999; PWP 1998-2000; SUMR 1996.)[2]

Both the programme and district coordinators (the capacity building advisor CBA in the second phase) worked for Finnagro (later Scanagri). Their role was to facilitate, not to implement. The

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[1] The difficulty of being precise in drawing organisational charts in the changing institutional context of Vietnam is acknowledged in e.g. APFD 2005.

[2] This was the set-up in the first phase of the programme. Many changes were made in the second phase.
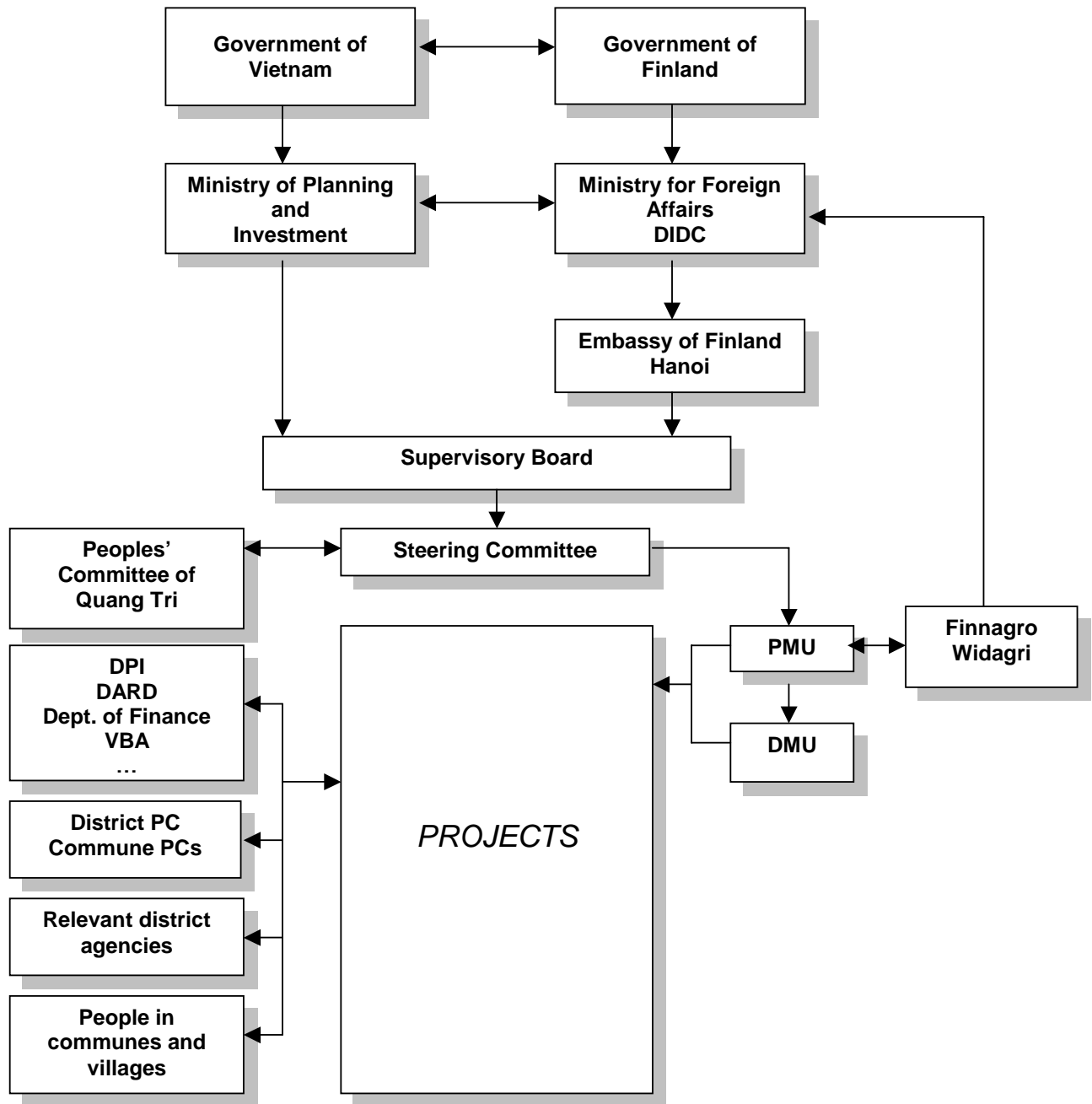
Table 1 Programme structure.

Finnagro home office in Finland was expected to support implementation, arrange for short-term consultancies, liaise with the Government of Finland, arrange disbursements, and maintain financial accounts. (PD 1996-1999; PWP 1998-2000.) Information from the field to the MFA and back could flow either through the home office or though the Embassy, the latter being the more important channel.

The idea was that the programme organisations (PMU and DMU) would only rarely be the implementing organisation, and most of the work would be carried out through established local organisations at provincial, district, and commune levels – the left hand side in Table 1. Below basics of the administrative system at these three levels plus the main stakeholders identified by the programme are presented. A full account would be impossible as the administrative organisation was very cumbersome: provincial administration included more than 18 services, 5 committees, 2

agencies etc. Provincial, district and commune administrations had overlapping missions, organisations and procedures, and linkages and communication between sector agencies were weak. At the same time, there were 30 organisations directly linked with rural development, excluding the numerous cooperatives (53 in the pilot area). (Annual Report 1999; DToR 1995; PWP 1998-2000; 11.10.1996, UM HAN-8.)

The provincial level had a much bigger role than the corresponding level in Finland. It was central in e.g. financial decision making in its area. The highest authority in the province was held by the People's Council of Quang Tri. The highest executive organ was the People's Committee. The chairman of the SC was one of the vice-chairs of the PCQT, and all main decisions regarding the Programme were in practise taken there. The same structure of Councils and Committees was repeated at the district level as well as at the commune level. The communes were rather small, with populations ranging from a few hundreds to a couple of thousands (CS 1999), and administrations of 2-10 officers. (PWP 1998-2000.)

The DPI was the strongest line agency with its role to prepare provincial plans and strategies and to allocate government money for all administrative projects and investment functions. Like other sector departments, it was guided by the PCQT while simultaneously remaining accountable to the national line ministry, the MPI. The Department of Agriculture and Rural Development (DARD) was another important partner for the programme, as most of the substance of the programme activities fell into its field of expertise. It was involved in e.g. promoting wet and dry agriculture, animal husbandry, forestry, irrigation, water supply, rural roads and extension services. The programme and Finnagro had their accounts in the Quang Tri branch of the Vietnam Bank of Agriculture (VBA). Other sectoral agencies the programme worked with included, among others, the Department of Science, Technology and Environment, Department of Labour, Social Affairs and War Invalids, and the Department of Education and Training (PD 1996-1999; PWP 1998-2000; SUMR 1996.)

The district was considered the key to practical implementation of programme activities (15.5.1996, Technical Tender). The main institutional partners included many line agencies and their services like the Financial Section, the Planning and Investment Section, the Agriculture and Rural Development Section, the Extension Center, the Plant Protection Station, the Forest Control Station, and the Veterinary Section (PCR 1997-2000).

Despite their financial and other doi moi –induced difficulties, the mass organisations (the Women's Union, The Peasants' Union, the War Veteran Association, the Youth Union) and the cooperatives were thought to be the best organisations to reach the villagers due to their extensive membership networks. The mass organisations had representatives in the People's Committees at all levels, and their organisations reached from the province to the villages. The Women's Union (WU), for example, had 11 000 members in the province. Every Hai Lang commune had a WU group while a WU contact person promoted the goals of the Union (credit and saving schemes and education on e.g. health and nutrition) in every village. While NGOs in the Western sense of the word did not exist in the province, it was thought that some of the mass organisations might develop into more autonomous community based organisations. In each commune there were two to four cooperatives. Although undergoing reform, they held a very important role in the productive activities of the people. Their mandatory activities included irrigation, extension, plant protection, and veterinary services, while a major voluntary operation was providing inputs like fertilizers to the people. (CS 1999; PD 1996-1999; PWP 1998-2000; SUMR 1996.)

Province of Quang Tri

Quang Tri is a new province, re-established as an independent administrative unit in 1989. It is one of the six North Central Coastal provinces, and lies some 600 km south of Hanoi and 1100 km north of Ho Chi Minh City (see map 1). It includes seven districts and the towns of Dong Ha (the capital of the province) and Quang Tri, which are further divided into 136 communes. The land area measures 459 000 hectares, which makes it one of the smallest provinces in Vietnam. The topography of the area is very steep, sloping from the western mountains and the Lao border to the sea, and dividing the province into distinct geographical areas: mountainous or hilly lands, the lowland plains for wet rice (paddy) cultivation, and the sandy coastal zone. The 68 km of coastline is punctured by two river mouths. More than 80% of the acreage is mountainous while only about 13% was under cultivation in 1995. It held a population of 526 000 people. Majority of them (92,3% in 1994) were of Kinh, or Vietnamese, ethnicity, while minority groups of Van Kieu (6,5%) and Pa Ko (1,2%) inhabited the mountainous areas. (People's Committee of Quang Tri 1995, 2; PD 1996-1999; PD 2002; Phuc 2000, 11.)

Quang Tri was, and still is, a very poor province. Compared to the national average of USD 200, the provincial People's Committee (PCQT) reported the 1994 GDP per capita at USD 106 (People's Committee of Quang Tri 1995, 6). This was the lowest reported level in the whole of Vietnam[1]. Approximately 65% of the population were regarded poor in 1995, women and ethnic minorities in particular suffering from low incomes (Government Committee on Organization and Personnel 1996; PD 1996-1999). The North Central region was chronically food deprived. According to a socio-economic survey conducted in the rural areas of Quang Tri in the beginning of the 90s, two thirds of the families ran short of food from three to seven month a year, while a fifth suffered hunger all year round. People could not afford medicine and school attendance rates had began to fall. (Anh & Huan 1995, 205; Fforde & Sénèque 1995, 110.)

The reasons for poverty in the province were multiple. One was the heavy heritage of the two wars. The province covers territory on both sides of the former demilitarized zone which divided North and South Vietnam during the period from 1954 to 1975, and much fighting took place there. Use of defoliants left large areas deforested and prone to erosion[2]. The war also left a heritage of orphans, single parent families, and invalids, incapable of supporting themselves and their families, as well as increased rates of deformed children being born. Much of the infrastructure in the province was destroyed. According to the province People's Committee of Quang Tri (1995, 6), there were only 1800 houses standing after the wars, and people 'had lost everything but maybe their shoulder poles'. (PD 2002; PIR 1995; Women's Union of Quang Tri 1995, 1).

The poor condition of rural infrastructure was still a major problem in 1995. Local roads were in bad condition, restraining access to market for farmers' products: only 8 % of roads were accessible in all weather conditions. Some 36% of communes still went without electricity, and almost half of the population did not have access to clean water. Water control structures – irrigation and drainage systems like pump stations, dams, dykes, sluices, reservoirs, and canals – were inadequate to secure crops against the extreme weather conditions in the area. (People's Committee of Quang Tri 1995, 8; PIR 1995.)

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[1] According to Porter (1995, 231), GDP calculations in Vietnam in the first half of the 90s were still not very reliable, as all levels of administration had unreported income. Nationally it was understood that the reported level of GDP was underestimated by 20% or more on average. But at the province level the procedures for calculating GDP differed so much from one another that it was not possible to make credible comparisons.
[2] The percentage of forest cover ranges from 21,5 to 24,5 % depending on source (cf. People's Committee of Quang Tri 1995, 4, 17; PD 1996-1999; PWP 1998-2000). The level is much lower than the average in Vietnam.

Map1. Provinces of Vietnam (Jamieson, Cuc & Rambo 1998).

The economy was poorly diversified. Agriculture was the main economic activity: there were few businesses, and mineral resources were scarce (11.10.1996, UM HAN-8). Agricultural activity was heavily biased for wet rice cultivation. It was the main means of livelihood for nearly all of the rural population (some 420 000 people in 1995), while small scale livestock rearing, fish farming, and other side-line activities gave added income. Fishing was practices in the coastal areas, and in the mountains other crops such as cassava, sweet potatoes and dry rice prevailed. (PD 1996-1999).

The natural conditions in Quang Tri are quite hostile for paddy cultivation. Only a narrow strip between the mountains and the coast is suitable for the activity, and even there the conditions are difficult. Quang Tri is located in the tropical monsoon zone, giving it a dry hot climate with draughts during the summer season (March-April and June-July), while flooding delays planting and destroys crops during the rainy seasons (the 'big floods' in November-December, early floods in August and early September, and nuisance floods in May). Annual rainfall is very high, averaging 2500-2700mm and reaching up to 2900, and coastal sand dunes block access to the sea causing waterlog in the fields. Due to prolonged flooding, only one to two crops could be grown in a year instead of the three in some areas[3]. Every two or three years a severe natural disaster destroyed much of the harvest. Also, the soils are relatively poor in the province, and salt intrusion is a problem during the dry season. As a result, rice yields were relatively low. (People's Committee of Quang Tri 1995, 4; PD 1996-1999; Phong 1995; PWP 1998-2000.)

Many people were trapped in a vicious cycle of poverty. They lacked funds to invest in production and business and could not afford to buy fertilizer or replace old equipment. Unemployment or underemployment plagued the area outside the peak times of agricultural activity[4]. As few possibilities for alternative employment existed, it was normal for men to migrate after harvest to towns or plantations to find work. (People's Committee of Quang Tri 1995, 3, 5-6; PD 1996-1999; PFD 2001; Vietnam Bank of Agriculture 1995, 2; 29.6.1997, PRA results.)

Also extension service was functioning poorly with meagre resources, and could not reach the people and deliver new knowledge on farming techniques (PIR 1995). Many public sector reforms were slow to advance, including the issuing of land use titles and reform of cooperatives (Ahn & Huan 1995, 203; PD 1996-1999). Implementing reforms, or even the standard operations of province administration, was constrained by the precarious financial situation of the province. With tax income covering just 40% of its expenditure in 1994, Quang Tri relied heavily on subsidies from the state. These, however, were very volatile. According to Porter (1995, 231-233), although Vietnam pursued a policy of redistribution of wealth to poorer regions, there seemed to be little indication of that there was any close relationship between relative needs and corresponding attention via public sector expenditure in the beginning of the 90s. Poorer regions especially in the North Central Coast experienced sharp declines in budget allocations. (Fforde & Sénèque 1995, 125; People's Committee of Quang Tri 1995, 17; 11.10.1996, UM HAN-8.)

Quang Tri had, however, experienced robust growth of 6% throughout the first half of the 90s, and although this was slower than the national average growth, living conditions in the province were

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[3] Rice planting was done twice a year. The winter-spring season started with planting and sowing in December as soon as to floods were over, and harvesting in May. For the summer-autumn season planting was done immediately after the harvest of the winter-spring crop. The season was very short, with harvest already in August-September, and the crops were often lost due to early flooding. (CS 1999.)

[4] The numbers given in different sources regarding the percentage of the population unemployed or underemployed varied, but the phenomenon was considered a serious problem in all. It was also stated to be higher than the average national level. For example, in the Programme Framework Document for year 2001, the unemployment rate after harvest was reported at 60% (PFD 2001.)

already well in the rise. The consultants found the province to have high management capacity and high development potential (29.6.1997, PRA results). The provincial People's Committee identified many factors supporting poverty alleviation efforts. These included good transport connections with other provinces and neighbouring Laos which was thought to support development of industries. The coastal area had untapped potential for economic activity, as well as the hectares of barren hills. Some areas were identified as promising for industrial crops such as rubber, coffee, pepper, or fruit trees. The historical importance of the province was thought to provide opportunities for development of tourism. (People's Committee of Quang Tri 1995, 3, 5-6.)

District of Hai Lang

Hai Lang is located in the south-western corner of Quang Tri, bordering the sea and the province of Thua Thien Hue to the south. The land area is about 50 000 ha, of which 8 600 ha was agricultural land and a little more was covered by forest in 1996. More than 27 000 ha was barren. Almost 60% of the district (the western part) is hilly, mostly sparsely populated bush land. The 10-km-wide strip of lowland between the foothills and the coastal sand dunes is reclaimed swamp, with more than 6 500 ha planted with rice every year. Sand dunes on the coast form a continuous strip about 5 km wide, blocking the direct flow of water from several rivers to the sea. The district was divided into 21 communes and the township of Hai Lang. Each commune comprised several villages, often between four and six. The district was very densely populated with about 97 000 people. It was considered one of the poorest districts of Quang Tri[5]. The population in Hai Lang formed a very homogenous group: almost 100% of the population were Kinh, most of them Buddhist, and 80% of them farmers. (AR 1997; Notley 2000, 120-123; PD 1996-1999; PIR 1995; Tam 2000, 23-26; 10.12.1999, Discussion.)

The economy was almost completely based on agriculture, with rice making up some 90% of food production. Cash crops were few (though some fruit trees, rubber, pepper, chilli and peanuts could be found), but some maize, cassava and sweet potato were grown for subsistence needs. In the hilly areas garden production and dry land crops were more prominent. Livestock rearing was an important source of side-income for farmers, and although its productivity suffered from diseases, poor breeds, and shortage of proper fodder, almost every household had pigs and chicken for food security and buffer income. Also fish farming was on the increase, and some 10% of the population was involved in small scale processing of e.g. bricks and sea food products or handicraft production. In the coastal area, the people made their (rather meagre) living from fishing. Cooperatives were still very important in production in Hai Lang, and almost all households belonged to one. (PD 1996-1999; PIR 1995; PWP 1998-2000.)

The problems in Hai Lang reflected the ones common to the whole province. It was very much a victim of its geographic, climatic and hydrological circumstances, making it exceptionally vulnerable to floods, erosion, silting of river bends, and salt water intrusion. Transport problems significantly pushed down the terms of trade for the villages. Insufficient sanitation, lack of wells, and pollutants in the river water contributed to the ill health of people and animals. Malnutrition was common, and contributed to by the dietary habits (dependency on rice alone). Lack of electricity made processing difficult. Unemployment was high during the flood season. School attendance was high, but there was an acute need of more classrooms. Access to stimulating factors

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[5] According to the provincial People's Committee, 66.32% of households in Hai Lang were poor, making it the third poorest district in the province (People's Committee of Quang Tri 1995, 7). For some reason, programme documentation of the time (e.g. PD 1996-1999) assumed it to be the poorest one, a cause for critique later. The many different measures of poverty in use probably did nothing to make comparison easier. For example, according to the programme identification mission report (PIR 1995), the share of poor households was only 30%.

like credit and knowledge was poor. Extension services were newly started and suffered from lack of resources: contacts with farmers were irregular. (PD 1996-1999; PIR 1995; PWP 1998-2000; 15.5.1996, Technical Tender; 10.12.1999, Dicussion.)

The programme started in 14 southern communes of Hai Lang that were assumed the poorest in the district. The annual food production in the programme area was 250 kg per capita (rice equivalent), while the whole district could produce 350 kg. The pilot area covered a total land area of 17 900 ha and a population of 59 000 people lived on it. Part of it was below sea level, making the problems of waterlog and salt intrusion and the consequent need for water control infrastructure even more urgent than in the rest of the district. (PD 1996-1999; PWP 1998-2000; 15.5.1996, Technical Tender.)

The district of Dakrong

The district of Dakrong is totally different from the lowland areas of Quang Tri. It lies in the western mountains, bordered by the province of Thua Thien Hue and Lao PDR in the south and southwest, touching on Hai Lang and Trieu Phong in the east, and Cam Lo in the north. It was separated from the district of Huong Hoa, its western neighbour, in 1997. At the turn of the century, about 82% of the population of some 28 000 people belonged to ethnic minority groups, Van Kieu being the biggest one, followed by the Pa Ko. Only 18% of the population was Kinh (Vietnamese). The district was large and sparsely populated: its 127 000 ha gave it a population density of only 22 people/sq km. The district was divided into 13 communes. It was also the poorest district in the province. Living standards were much lower than in the lowlands, and a constant food shortage persisted with hunger periods of up to six months common. Almost half of the households belonged to the poorest group in Vietnamese ratings, and up to 85% were poor according to World Bank classifications. The per capita GDP in 1998 was USD 45, compared to the provincial average of almost 200, and the differences were growing: although the district enjoyed modest growth throughout the 90s, its growth rate remained only a fraction of the provincial and national rates. (BS 2000; MTRR 1999; PFD 2001; PD 2002; RPFS D 2000; 18.5.1999, Proposal; 27.3.2000, D-431 VIE; 16.5.2001, Technical.)

Mountainous geography set limits on agricultural production and animal husbandry. Only 4% of the area was classified agricultural land. Wet rice could only be cultivated in small valleys, and due to long distances to the markets, there was not much cash crop cultivation either. Farmers concentrated on subsistence crops such as cassava and maize using their traditional shifting cultivation (slash and burn) techniques. The government, however, thought they contributed to the problems of erosion and deforestation, and started restricting these farming techniques in the early 90s, resulting in a gradual move from hill sides to river bank plots. The annual cultivated acreage was only about 4800 ha, and 85 000 ha was classified unused[6]. Buffalos and oxen were bred, and the forests (32 295 ha, most of it classified poor) provided income through firewood collection and hunting. Other off-farm work opportunities were scarce. Many endangered species lived in the 40 000 ha of the Dakrong Nature Reserve. (APFD 2005; BS 2000; PD 2002; RPFS D 2000.)

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[6] Many critics say that much of the uplands considered unused by officials is actually in use. The Kinh authorities do not understand, or want to understand, the dynamics and ecology of shifting cultivation, and consider areas in resting unused. Critics also point out that shifting cultivation only becomes environmentally destructive when population pressure grows too great and fallow periods too short, and criticise government policies of relocating lowland people to the upland minority areas. (See e.g. Human Rights Watch 2002, 14-15.) Also in Quang Tri the authorities had plans to relocate people from more crowded areas to the "unused" mountain areas. In 2000, no land use rights (red books) had yet been given out to the ethnic minorities in Dakrong (PFD 2001).

Rural infrastructure in the district was very poor. In many areas roads were non-existent, and four commune centres were inaccessible by car. The electricity grid reached only 6% of the people, and irrigation structures like dams were a rarity. Safe drinking water was available only for 10-20% of the population, and 5 communes did not even have health centres. Education facilities were poor, distances to schools very long and routes difficult, so many children did not have access to schools. Enrolment rates dropped radically after the elementary level, particularly for girls. Vocational and higher education was available only outside the district. People were uneducated: 50% of the population was illiterate. Administrative and service provision capacity was considered very low, particularly in the communes. Economic resources were minimal and officials were too few and too new. The fact that the authorities, often Kinh, and the people frequently did not have a common language contributed to the problems. (BS 2000; FRPP 2002; PD 2002; PFD 2001; RPFS D 2000; 18.5.1999, Proposal; 16.2.2000, UM HELD1166-8; 16.5.2001, Technical.)

The district of Cam Lo

Cam Lo has characteristics common with both Hai Lang and Dakrong. It stretches 36 800 ha and has one townlet and eight communes. While most of the land is hilly, most of the population of 43 000 (in 1999) lived in the lowlands, where population density reached over 300 people / sq km. In the hilly areas it remained at 70. Like in Hai Lang, the population was almost entirely Kinh, but poverty levels were higher, and hunger was common particularly in the hills. While rice cultivation was the most important source of income also in Cam Lo, there was more diversification than in Hai Lang. Commercial orientation was evident from the abundance of cash crops and trading. GDP per capita in the district was around USD 200 in 1999, but in the area that was suggested for programme support it was much lower, around USD 55. (BS 2000; RPFS CL 2000; 16.2.2000, UM HELD1166-8.)

Compared to the situation in Dakrong, the level of infrastructure was very good. Electricity network reached almost all villages, every commune had a health station, and roads, although not always in good condition, formed a network throughout the district. The irrigation systems met 50-70% of yearly irrigation needs, and although classrooms were in bad condition and too few, almost all children attended school regularly. Only 5% of the population was illiterate. Although also Cam Lo was quite a new district (re-established in 1992), its administrative capacity was evaluated good. Its small size facilitated governance, and some experiences of development cooperation had been gained already. (BS 2000; PD 2002; RPFS CL 2000; 16.2.2000, UM HELD1166-8.)