Knowledge-based aid: a four agency comparative study ☆

Simon McGrath [a], Kenneth King [b],*

[a] *Research Programme on Human Resources Development, Human Sciences Research Council, Private Bag X41, Pretoria 0001, South Africa*
[b] *Centre of African Studies, University of Edinburgh, 21 George Square, Edinburgh, EH8 9LD, UK*

Abstract

Part of the response of many development cooperation agencies to the challenges of globalisation, ICTs and the knowledge economy is to emphasise the importance of knowledge for development. This paper looks at the discourses and practices of "knowledge-based aid" through an exploration of four agencies: the World Bank, DFID, Sida and JICA. It seeks to analyse whether knowledge-based aid leads to greater focus on agencies' own needs rather than those of Southern partners. It also questions whether it makes them better at learning from these partners or more intent on a one-way, North–South transfer of knowledge.
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1. What is knowledge-based aid?

Since 1996, there has been a remarkable growth within development cooperation agencies of an interest in knowledge-based aid. Most agencies have launched projects that seek to make their work better and more explicitly grounded in the knowledge they already possess within their organisations and to explore more effective ways of acquiring external knowledge related to development. At the same time, there has also been a growth in concerns with more effectively disseminating this knowledge to the multiple stakeholders of the whole intertwined aid and development project. Equally, there has been a revisiting of old notions that the poor are poor in large part because of their lack of appropriate knowledge. To the old account, expressed in many colonial and missionary texts, are added the new dimensions of globalisation (as the force shaping the knowledge needed) and information and communications technologies (ICTs—as an important new set of tools in the dissemination of this knowledge) (see, for instance, World Bank, 1998; DFID, 2000).

This paper seeks to examine this phenomenon through an analysis of what the new knowledge-based aid means at the level of discourse and practice in four leading development cooperation agencies: DFID, JICA, Sida and the World Bank. In so doing, we are mindful that this knowledge-based aid contains a language that suggests that the

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* Corresponding author. Tel.: +44-131-650-3878; fax: +44-131-650-6535.
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E-mail addresses: smcgrath@hsrc.ac.za (S. McGrath); kenneth.king@ed.ac.uk (K. King).

lessons of past aid and development mistakes have been learned and that a new ethics of aid is an important aspect of the language of the new approach. However, we are also conscious of the continuation of critiques of aid practices that point to much more business-as-usual than transformation, as well as the continued questioning of the theoretical underpinnings and practical impacts of aid and development.

2. The structure of this paper

Given the nature of academia, it is not surprising that knowledge is one of the most written about subjects in academic literature. However, when it comes to the workings of aid, such introspection and theorising are far less valued. In studying the new discourse of knowledge-based aid, we work from the premise that it is important to uncover meanings through the evolving discourse of how knowledge is spoken of and enacted in the aid field rather than from neat (and, thus, practically irrelevant) initial definitions.

To understand the nature of knowledge-based aid, it is important to understand the context in which it has emerged and the practices and discourses that surround the notion. For this reason, we shall discuss at some length the origins of knowledge-based aid before discussing its manifestations and implications. Our focus here will be first on the internal performance of agency attempts at knowledge-based aid. From this, we shall move outwards to consider some of the wider implications of the current agency fascination with knowledge.

In our larger work on knowledge-based aid (King and McGrath, 2003), we report at length on the evolution of knowledge practices and discourses through the lens of four case studies of large development cooperation agencies: DFID, JICA, Sida and the World Bank (see also—King, 2002; King and McGrath, 2002; McGrath, 2002). In this paper, however, space does not allow us to give the rich details of each case but rather to focus primarily on the major themes that emerge from the study as a whole.

3. Methodology

We discuss the methodology of the research project on which this paper is based in considerable detail in King and McGrath (2003). Our discussion here, therefore, will be a summary. The analysis in this paper arises from a project funded by the British Economic and Social Research Council. As such, the research was freed from a dependence on the agencies being studied for funding. Nonetheless, we were concerned throughout the project to develop a dialogue with the agencies under study and to attempt, as far as possible, to marry our critical readings of their discourses and practices with a sympathetic attempt to understand their perspectives.

This attempt to understand agency discourses and practices is based on the analysis of approximately 250 interviews with agency staff past and present between 1999 and 2002. Several of these interviews were repeat interviews and a number were also with more than one staff member at a time. They were predominantly with the staff of the four case study agencies, although a few interviews also took place with staff of other agencies where we found ourselves to be in contact with them in our broader professional activities.

A number of criteria governed our selection of interviewees. Staff working in "knowledge projects" were identified as a key source of information about such projects and the wider knowledge vision of the agencies. However, interviews were also conducted with both senior and junior staff in other parts of the organisations, including a range of sectoral and regional departments, so as to ensure that their different perspectives could be incorporated.

In each agency, there were a number of formal and informal opportunities for us to present our work-in-progress to groups of staff and these served as a further means of data gathering, although participants in such discussions were more likely to be those already interested in such topics. The analysis is also based on a reading of a large number of agency documents, on our wider professional work linked to development cooperation, and on virtual participant observation in a number of on-line discussion groups.

Given the funding parameters of the project, there was no scope for research trips to recipient countries. However, we made use of other opportunities to visit "Southern" locations, and on-line conversations, to solicit the views of agency field staff and policymakers and academics from recipient countries. Nonetheless, the account we present is necessarily shaped primarily by our interaction with perspectives from agency head offices.

4. Where does knowledge-based aid come from, and is it just a passing fashion?

In King and McGrath (2003), we explore the origins of knowledge-based aid at length. Here, we will summarise our argument briefly in terms of trends internal and external to aid.

4.1. The external origins of knowledge-based aid

In traditional economic theory, wealth is created out of the three factors of production: labour, land and capital. The path to industrialisation for early industrialists has widely been seen as being through the exploitation of abundant natural resources. Nonetheless, a sense of the importance of knowledge for economic success can be seen in the Industrial Revolution. However, whilst the industrial economy was profoundly a knowledge economy, it was not named as thus.

Some leading economists did write explicitly about the economic role of knowledge long before the notion of the knowledge economy achieved prominence, including Smith (1966), Marshall (1891), Schumpeter (1934) and Hayek (1945). Machlup (1962) had a book published with the title, *Production and Distribution of Knowledge*. He and others in the human capital school were to develop a clear account of the role that knowledge played in the economy and society.

However, it was in the context of a perception of radical economic, political, social and technological transformation at the end of the 1960s that the critical importance of knowledge for economic success was to come to the fore. Although some authors such as Drucker (1969) saw some of the key elements at the time, it was only from the mid-

1980s that a detailed analysis emerged of a period of fundamental change in the advanced capitalist economies. A group of accounts suggested that a crisis occurred in these economies between 1968 and 1973 that shifted them from one mode of organisation to another (e.g. Piore and Sabel, 1984; Boyer, 1990).

As the 1990s developed, these accounts of a shift to post-Fordism were expanded by accounts of globalisation (e.g. Giddens, 1990). Among the core elements of globalisation, a new infrastructural and technological architecture allow the almost instantaneous flow of capital and information between sites that form part of a global network. These financial flows lead to a new financial system, with the massive growth of markets in futures and other new financial tools to expand ways of extracting profit. The process of globalisation is fuelled by, and in turn fuels, the rapid development of new ICTs.

Post-Fordism, globalisation and the ICT Revolution combine to bring about the argument for a knowledge economy. Together, they lead to a massive increase in information flows and a new economic emphasis on turning information into knowledge. For authors such as Reich (1991) and Leadbeater (2000), knowledge now is the only factor of production that matters.

In parallel to the emergence of the language of the knowledge economy came a corporate discourse and practice of knowledge management. In the early 1990s in the United States, a growing awareness of a changed external environment for firms was coupled to the rapid spread of new ICTs to produce a sense that knowledge needed to be better managed. From early on in the process, there was also a sense in many corporations of the knowledge and experience that had been lost by corporations during the often severe "downsizing" of the 1980s. Increasingly, corporations sought to develop strategies for knowledge retention and management. From the mid-1990s, this widespread change in corporate practice began to generate a rapidly expanding literature in management studies.

As the literature of the 'knowledge firm' developed, two broad tendencies in theory and practice began to emerge. The first may be termed

the technological approach. Here, the emphasis was on the capture of the knowledge that already existed in the firm. This school of thought put the emphasis on codified knowledge, that which had been organised, synthesised and recorded. This process of capture was closely linked to the promise of new technologies. Databases rapidly became an important element of the knowledge firm. Moreover, the development of email and corporate intranets meant that this captured, codified knowledge could quickly be transmitted around the corporation.

This model of knowledge seems at times to come close to being about information or even data. Moreover, it appears to have a largely unproblematised view that knowledge is universally applicable and can be captured in a set of synthesised notes on best practice that can be shared round an organisation. Knowledge is seen as being present in individual heads and the challenge is in extracting this so that other individuals can learn through acquiring this knowledge.

The second broad tendency in the account of the knowledge firm may be termed the social. Here, the emphasis is much more on tacit knowledge. Often drawing explicitly on the work of authors such as Polanyi (1967), the argument was that much of what was really useful knowledge was embedded in the experiences of individuals and could not easily be captured and codified (Davenport and Prusak, 1998). This led to an emphasis on how to connect people within organisations through the sharing of stories and through learning together in teams. The model of learning here was much more experiential. There was more emphasis on the creation of new knowledge than on the dissemination of that which was already codified. Authors also began to stress the social nature of learning, drawing upon the accounts of American academics such as Lave and Wenger (1991) who stressed the importance of "communities of practice" as sites of learning. The title of their book, *Situated Learning*, also points to the importance in this account of context and a rejection of the universalist position of the technological approach.

Increasingly, there has been a merging of the two perspectives. This results in a theory and practice in which a social account is at the core but elements of the technological approach are seen as useful.

As positions on knowledge management have matured, the language has begun to shift to knowledge sharing, which seems more reflective of a social rather than technological understanding. The emphasis on knowledge sharing has seen issues of trust and organisational culture come to the fore (Davenport and Prusak, 1998; Leadbeater, 2000). This emergent interest in organisational culture and a borrowing from researchers of learning, such as Lave, point to the potential intersection of the model of the knowledge firm with that of the learning organisation.

An interest in the possibilities of, and barriers to, organisational learning has a long tradition in economics and management literature, although historically subsumed under the broader literature on the organisation of the firm (e.g. March and Simon, 1958). It was the work of Argyris and Schön (1978) that was to develop the notion in a rigorous and sustained manner. Much of their attention was focused on the barriers to learning that existed within firms in terms of structures and cultures that prevented learning or discouraged sharing of information. As the 1990s began, the notion of the learning organisation that could overcome these barriers was popularised by Senge (1990).

Whilst there are clear intersections between the knowledge firm and the learning firm, Davenport and Prusak (1998) note that the two literatures have largely developed independently of each other. Yet, as this brief outline of knowledge and of learning firms shows, there is much overlap now that more recent knowledge accounts have stressed culture, structures and incentives and have begun to draw on understanding from learning theory.

4.2. The internal origins of knowledge-based aid

Knowledge-based aid is only a small element of the broader changes that have taken place in aid since 1990, although perhaps more in rhetoric than reality. The 1990s were the decade of the "world conference". The resolutions of the series of such conferences were selectively re-presented by the

Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development, to form the six International Development Targets.

More generally, the rise of the significance of DAC was an element in a broader shift of power away from the United Nations and towards organisations more explicitly and effectively dominated by the countries of the North (Mundy, 1998). The emergence of the European Union, the World Trade Organisation and the G-8 as important players in development was also part of this trend.

At the same time, a new architecture of donor coordination mechanisms emerged, alongside a broader, though not complete, ideological convergence of the agencies. Aid has become even more policy oriented. Poverty reduction and sector programmes have been reinvented and revised. The naked use of conditionalities has been replaced (though far from completely) by a greater emphasis on national ownership of development and policy dialogue between donors, governments and civil society. The Poverty Reduction Strategy Paper (PRSP) has become the primary locus for such dialogue. Whilst much of the change appears highly cosmetic from the standpoint of those on the receiving end, there has been considerable impact on the internal workings of aid.

Importantly, the new overall way of working of aid brings with it new knowledge needs. These are intimately connected to the way that ICTs are shaping working practices in the agencies, although they go beyond this. At the same time, the new aid agenda brings with it a new importance for knowledge as a major theme of development and cooperation. Mirroring the existing literature on economic success in the North, a new account of knowledge for development has emerged, most notably connected to the World Bank's World Development Report 1998–1999 (World Bank, 1998; King, 2002). Again led by the World Bank, the agencies have also begun to draw upon the experiences of large corporations in pursuing the more efficient and effective management of their knowledge resources.

Such an interest from the agencies also clearly draws upon their own concerns about aid effectiveness; the wider external critique of the performance

of aid; and increased concerns about aid fatigue amongst Northern electorates. Through the interweaving of these accounts in a literature and practice of knowledge management, the agencies have begun to look at internal patterns of knowledge use as a central element of responses to their perceived weaknesses. At the external level, the notion of knowledge sharing has become attractive as a way of distancing the agencies from the widespread critique of conditionalities, whilst at the same time seeking to ensure that the agency positions have influence over national policies. However, for some in agencies, the external sharing agenda promises more, pointing to the possibilities for organisational transformation and a genuine repositioning of the power balance between Northern agencies and Southern partners.

Aid is full of passing fashions and pendulum swings between them. It is possible that knowledge-based aid is simply another such fashion. Certainly, it faces considerable opposition within and outside the aid community. Given that one of its most powerful sources of impetus came from Wolfensohn's strategy for reforming the World Bank, and that Bank Presidents have a habit of downplaying their predecessors' big ideas in favour of new ones, it is likely to have less direct championing from the very top of the aid business when his term of office ends in 2005.

5. Does knowledge-based aid work?

In providing a summary analysis of knowledge-based aid, we shall begin by taking it on its own terms. That is to say, we shall examine it whilst assuming that it is a worthwhile and genuine attempt to improve aid. We shall turn later to more fundamental questions about the whole aid project.

A widely understood set of new tools has emerged for both internal and external aspects of knowledge-based aid, as we shall discuss below. Different agencies draw upon the internal and external tool kits in different ways. Some of this seems to reflect little more than the personal interests of innovators within the agencies. However, there are also signs that political or ideological factors can make a difference. For Sida, long-term

support to higher education systems in the South is seen as an essential element of solidarity; for DFID, the conviction of former Minister, Clare Short, about the primacy of basic education as a key millennium goal meant reluctance to follow such a path, even as it has become more fashionable. However, it is also noteworthy that the tools chosen and the ways in which they are interpreted do not always seem to reflect national cultural contexts in a simplistic way.

Variations within the agencies in attitudes and approaches to knowledge-based aid are often more pronounced than those across them. A wide range of departments are typically found to be engaged in important elements of knowledge-based aid. Whilst it is impossible simply to read off their responses from their institutional positions, they do tend towards reflections of their own departmental concerns.

Information technology departments appear to favour a model of knowledge management that is close to their technology function and which prioritises the role of databases, software and infrastructure. Moreover, in some cases, it appears that the growing sophistication of software leads to a reduced role for technical support staff in the process of sharing knowledge. Thus, it is possible that IT departments can come to feel threatened by certain approaches to knowledge sharing.

Agency libraries are also potentially threatened by the growth of digitised forms of data and information. Indeed, DFID is one example of an agency that has effectively ended its traditional library work in favour of new digital forms. However, digitisation can provide new opportunities for the empowerment of documentalists and their transformation into information (and perhaps knowledge) brokers.

Human resources staff are also involved through the growing relationship between knowledge and learning activities. The World Bank has created a post of Chief Learning Officer, although such responsibilities appear to be quite tightly defined in terms of conventional human resource development activities. In Sida, there is a Director of Organisational Learning who stresses the role of her unit in supporting processes of tacit knowledge development and sharing (King and McGrath,

2002). The articulation between learning and knowledge activities is less developed in DFID or JICA at present.

Information and communications departments have seen radical changes in both their internal information management responsibilities and in their external communications work. In all our cases, this work has been further affected by trends towards greater transparency, including compliance with new Freedom of Information legislation in the cases of DFID and JICA.

Evaluation departments are challenged by the new knowledge and learning emphases to reconsider how they conduct evaluations (including how they include partners and their knowledge), how they share their findings and how they maximise the impact of their work. There is a strong internal critique of evaluation within Sida, whilst the World Bank's evaluation department is at the hub of on-line discussions about the nature of aid effectiveness and how to evaluate it.

Externally oriented training programmes are no longer present across all agencies. However, where they do exist, the knowledge and ICT agendas combine to bring new dynamics. The growing emphasis on context is reflected in programmes that seek to use the existing knowledge of participants far more than was historically the case. However, more visibly, the principal change is towards electronically based distance learning. Perversely, this may in fact contradict the contextual emphasis noted above in favour of the spread of more universal knowledge.

Sectoral, professional departments are impacted upon in the way that research comes to be seen as knowledge production. Yet, professional staff have often relied more and for longer on their own individual networks of professional contacts for knowledge sharing than other agency staff. However, with the pressures of the new aid way of working, most especially inter-sectorality, they are increasingly engaging in new communities of practice, and clearly have new knowledge and skill needs. JICA is a distinct case here because of the Japanese tradition of appointing generalist staff. A major factor in JICA's interest in knowledge management and communities of practice is a concern

about the access to specialist knowledge for generalist staff.

At the level of country and regional offices, problems of distance from headquarters and limited connectivity are often common. Nonetheless, there appears to be a growth in engagement with the agency-at-large through communities of practice and other elements of electronic working. Sector programmes and PRSPs are encouraging greater cross-agency coordination at the national level. However, there are serious questions about whether the maintenance of positions is still more important than the sharing of knowledge.

Different departments have distinct traditions even within groupings such as the sectoral and regional departments. In regional departments, this often relates to the history of working with particular geographical regions and the relationships that have emerged. In the cases of both JICA and Sida, it is possible to see a different relationship with Africa than with Asia, the latter often being more symmetrical. The emergence of Eastern Europe as a recipient region has also had significant impacts within the agencies, given the range of unique features of this region as compared to more traditional areas of focus. In sectoral departments, attitudes towards knowledge and its sharing can relate strongly to disciplinary traditions (for instance, between economics and anthropology).

Knowledge-based aid can be seen as having an internal and an external dimension. In this analysis of its early performance, we shall take each of these in turn.

5.1. Internal knowledge-based aid

The overall impact of knowledge-based aid on agency staff is difficult to establish, even in the World Bank, where it has formed a central plank of Wolfensohn's professed strategy for reform since 1996. Seven years on, much of the rhetoric of his Knowledge Bank[1] is about the need to impact upon the Bank's operational work in a more profound way. In the other agencies under scrutiny, awareness, let alone impact, is often more difficult to find.

Whilst the direct impact of knowledge projects on everyday agency practices needs to be treated with caution, it is apparent that these practices have undergone some major changes since the mid-1990s. The spread of electronic working and networking; the practical implications of the new development cooperation; and the rise of electronic and open government projects have combined to change the way that the agency staff operate and cooperate. A series of new structures to support knowledge working have emerged. Although in very different ways and to differing extents, communities of practice have been supported. Agency intranets have improved greatly and are being used more as a result. Connectivity of country offices has begun to improve markedly, although the bilaterals lag far behind World Bank offices in this regard. Seminar programmes have increased greatly across the agencies in recent years and have become more inter-disciplinary. The new DFID headquarters is a clear reflection of a heightened awareness of the importance of spaces for knowledge sharing; an awareness that was built into the architecture of the Sida and World Bank headquarters before the idea of knowledge-based aid was invented.

This of course points to an important health warning about analysing knowledge-based aid. Much of what is positive about it at the practical level already existed within the agencies and has simply had a knowledge "flag" attached after the event. Nonetheless, there is enough evidence to suggest that knowledge use in the agencies has become more efficient than previously.

However, it is clear from our interviews that knowledge-based approaches have had a partial but real impact on the everyday activities of most agency staff. What has taken root is typically the ICT-based new tools of email and intranet, rather than the full range of new approaches, let alone a new philosophy.

Indeed, there appear to be a range of serious problems with the internal dimension of knowledge-based aid that highlight confusions of purpose

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[1] Wolfensohn in 1996 declared that the World Bank would become the Knowledge Bank by the year 2000.

and operationalisation. We have noted the important role that the ICT Revolution has played in the impetus towards knowledge-based aid. However, with this has come a strong technological bias, particularly where, as was common, IT departments became lead units in promoting knowledge strategies. Conversely, it has become clear that much of what is successful in knowledge sharing is dependent on the quality of interactions between people and the knowledge that they bring. There remains a tension in much of knowledge sharing practice between these human and technological elements. Sida has tended to overstress the former and DFID the latter. The danger of seduction by technology is also present in agency e-learning strategies. It remains debatable whether increased quantities of learners are also receiving an improved quality of learning experience. Whilst pointing to this technological bias, however, it is important to note that both DFID and the World Bank appear to illustrate a tendency for approaches to become less technologically driven over time. Whether there is any general law of the development of knowledge-based aid at operation here is unclear.

Alongside a bias towards technology has often lain a confusion about what is being shared. There has often been too much focus on data and not enough on knowledge. This is significant in a number of ways. First, the economic argument is for knowledge use not data management as the critical factor in the success of individuals, firms and economies. Second, a data-based approach tends to assume that facts and figures are what constitute development and that development is technical and universal in its tools and approaches. Third, the downplaying of knowledge is also a downplaying of the importance of experience and interpretation. However, each of these trends is subject to countervailing forces.

Much of the knowledge literature stresses the central importance of tacit knowledge. However, it appears that this can lead to two very different conclusions. On the one hand, it can imply the need to support mechanisms that allow staff to share their tacit knowledge with others in ways that stress the human interaction at the heart of the knowledge sharing. This can be illustrated by

elements of Sida's organisational learning approach, such as mentoring and the deliberate use of mixed age mission teams. On the other hand, it can lead to the conclusion that as much tacit knowledge as possible should be captured and codified. This is illustrated in an apparent belief in DFID that all the relevant knowledge about a project can be distilled into short and standardised project data sheets.

Moreover, the expansion of document production, linked as it is to the broader new development cooperation, has seen a shift towards a far greater emphasis on highly aggregated analysis and on policy. It may be argued that the agencies are now too policy focused. The emphasis on policy, and on staff with policy capabilities, appears to cut across the language of better understanding of country contexts. Moreover, it is based on a simplistic model of the relationship between policy and practice that seems to have been little influenced by 40 years of policy theory stressing the complexities and power dynamics of the policy process (e.g. Hirschman and Lindblom, 1969; Lindblom, 1968; Kingdon, 1995).

Whose knowledge is getting shared is important on a number of levels. Internally within the agencies, there are a series of tensions in this regard. This is most sharply drawn in JICA due to the different status of specialist development experts and generalist staff. There remain serious gaps between headquarters and field offices and between national and local staff across many bilateral agencies. Moreover, the agencies have tended to privilege quantitative, scientific and economic knowledge over other forms and these biases have not fully been overcome.

However, other forms of knowledge are central to the success of development activities. Agency knowledge systems remain poor at dealing with complexity and with conflicting interpretations. Moreover, there is a likelihood that Northern and agency sources of knowledge will be privileged at the expense of alternative accounts. There is a danger too in codification that it will privilege universal over contextual accounts.

Such trends were taken their furthest in the World Bank, where country data were largely used to justify prior ideological positions. Here, there

does appear to be a genuine sense in some communities of practice that there should be a redressing of the balance between universal theory; lessons from comparative experience; and the particular context of the country in question. What headway such a position can make against the bureaucratic tendency towards standardisation and routinisation is not clear. This is a point we shall return to later when we address the possibilities for knowledge-based aid to be transformatory.

Internal knowledge sharing is designed in part to answer the challenges brought to the agencies by increased decentralisation. However, it is clear that the bilateral agencies we examined are still facing challenges in this area. Even where connectivity is good, there is evidence that staff in country offices often feel remote from decision-making at agency headquarters. Moreover, there are concerns in each of the bilaterals that not enough is being done to draw upon the rich contextual knowledge of their nationally appointed staff.

There are also similar unresolved tensions over the extent to which knowledge sharing should be managed as opposed to facilitated. DFID's approach to communities of practice stresses the informal nature of knowledge sharing and seeks to do little to interfere with its operation. However, JICA's approach is to stress the importance of doing knowledge sharing well and to seek to achieve this through formal structures and management. It is probable that there are merits in a position in which informal knowledge sharing is encouraged and the quality and quantity of learning significantly enhanced. However, there is no sense from these four agencies of anything resembling good practice on how to do this.

Incentives for knowledge sharing have not developed very far to date. Many agency staff believe that knowledge sharing will never really be more important than disbursement. This leads to limited credibility for any appraisal and rewards system. Moreover, staff appear widely to see knowledge sharing as more work even where they are personally enthusiastic about its potential to be a model for better work.

There is a tension in these and other agencies between a learning and a lending culture. The staff widely believe that disbursement, not knowledge sharing, is the route to promotion. A strong emphasis on product cuts across issues of process. Working with partners and being aware of the range of opinions on a project often make little sense to over-worked and ambitious agency officials.

At the heart of the challenge for internal knowledge sharing in the agencies is whether it can successfully support and promote a change in organisational cultures. Whilst it is clear that much of the support for internal knowledge sharing is pragmatic (or even cynical), it is equally apparent that many staff have been attracted to knowledge approaches precisely because they offer the potential of transforming the organisations in which they work.

Rather than attempt a futile confrontation with the way that their agencies operate, they have sought to convince managers and staff that knowledge sharing means smarter work rather than more work, assuming that a change in practices will inevitably lead to a change in organisational culture. Our evidence suggests that there are staff (and some managers) who are ready to believe this message, but that they are also often of the opinion that this has not yet come to pass. However, our evidence, and evidence from agencies' own self-appraisal, is that there are considerable organisational barriers to the looked for transformation.

It is argued, and correctly, that not enough has been done to provide incentives for knowledge sharing. However, the challenges are greater than this and go to the heart of organisational cultures. Bilateral agencies remain parts of government bureaucracies in which internal and external politics are often of far more importance than development or knowledge sharing. The far larger World Bank is probably more bureaucratic than any bilateral agency, notwithstanding its long-established antipathy to national bureaucracies. Thus, the attempt to change organisational cultures by changed knowledge practices may well fail because those organisational cultures are very resistant to change. The potential of knowledge-based aid to transform aid and aid organisations is one we shall return to, as it is central to a critical reading of the merits and demerits of the whole approach.

5.2. External knowledge-based aid

There are some positive examples of agency support to external knowledge sharing through on-line communities and websites. DFID in particular appears to have been relatively successful in this field in spite of this apparently having never been explicitly prioritised at senior level. The projects that DFID has supported, such as the GDNet, id21 and scidev.net (McGrath, 2002), have developed considerable levels of knowledge sharing between individuals and organisations in both the North and the South in a multidirectional way. Part of the success of such initiatives may well lie in the way that DFID has remained at arm's length from these projects. They have developed their own govern-ance and ways of working as supported projects without having to brave the politics of being DFID-owned or managed.

Elsewhere in DFID, research agendas have begun to shift from a bias towards problems ident-ified and projects led by UK-based academics to notions of partnership with, and even leadership from, the South. Moreover, the emphasis has moved from traditional academic approaches to proposal design, project delivery and dissemination of findings to more fluid and outcomes-focused approaches that stress the application of the knowl-edge and the multiple possibilities for knowledge sharing.

Moreover, the Swedish concern for wider issues of support to Southern knowledge systems; Japan's large-scale commitment to long-term institutional partnerships and freeing up of its own university system; and the World Bank's "rediscovery" of higher education, are all signs of hope for broader and deeper support to Southern knowledge capacity.

It is apparent that much of what is successful in external knowledge sharing has not come about because of an explicit corporate strategy to pro-mote such sharing. The lack of explicit organis-ational structures to promote such sharing has not stopped it occurring, as is evident, for instance, in the range of DFID activities to support knowledge networks. Equally, there is much external knowl-edge sharing that went on long before the term was invented. It is difficult, therefore, to assess the ideal

degree of structure that should be given to external knowledge sharing activities. Moreover, it is important to note that part of the success of the external sharing work that DFID has done is that it has allowed editorial freedom to the projects it is supporting. Thus, there is a clear distinction (although an implicit one) between DFID's very strong emphasis on getting its development mess-ages across through its own work and its willing-ness to empower support other accounts through its support to projects such as the id21 research reporting service (McGrath, 2002). This could be seen as being a serious tension, although it may be one that DFID is wise to live with. Critics have worried that the Development Gateway of the World Bank, as the most prominent "knowledge project", will lack such freedom (e.g. Wilks, 2002), but it may be that these fears are exaggerated in practice as more of the editorial work migrates out-side the Bank, albeit largely to orthodox develop-ment organisations (King, 2002).

5.3. Some general comments on knowledge-based aid

Knowledge-based aid has had an initial bias towards the internal over the external dimension. This is justified by some project managers and some senior 'knowledge champions' as being necessary to build a foundation for a new approach that will eventually be more external than internal in orientation. This appears broadly to have been the path followed by the World Bank. However, this argument is open to question. Instead, it can be argued that the internal focus is indicative of an unwillingness in the agencies at the broader organ-isational level to address more fundamental issues about the global knowledge system.

It is important to stress that the knowledge rev-olution in the agencies remains still in part a series of uncoordinated projects that are being implemented without any real overall vision or strategy, though both DFID and the Bank have moved recently to coordinate them. Moreover, much of what we point to as positive has been ach-ieved without it being part of an explicit knowl-edge strategy or without any considerable explicit new knowledge-based expenditure.

At the same time, there is a real tension between incrementalism and mega-projects in the internal and external knowledge sharing domains of knowledge-based aid. This issue needs to be better linked to an understanding of the nature of organisational change. The 2001–2002 internal review within the World Bank of all knowledge activities most clearly shows the tension that exists between an encouragement of innovation and a fear of duplication. This is also closely related to the overall organisational theory-in-use: whether innovation and complexity or routinisation and bureaucratic structures are the dominant model. Those within the agencies who claim that knowledge-based aid can revolutionise aid and make it more attuned to national contexts and ownership are not generally simply "masters of illusion", as Caufield (1996) dubbed the World Bank, with its penchant for spin. However, there is simply not enough evidence to suggest that any attempt to transform the nature of aid agencies and aid itself is likely to succeed.

Knowledge-based aid is still a very new concept. At present, the evidence for its impact is largely couched in quantitative terms, such as numbers of communities of practice, website hits, etc. To be meaningful, these will have to be broadened to address the far more challenging and pertinent issues of how far knowledge-based aid has changed the everyday practices of the agencies and, most importantly, how it has impacted directly on the lives of the millions of poor people in the South who are the intended beneficiaries of aid. As with many other elements of aid, empirical evidence for such impacts will be difficult to produce.

5.4. Adding in learning and capacity

The language of knowledge-based aid is increasingly becoming interlinked to notions of learning and capacity. The choice of Sida as one of the case study agencies was particularly valuable for highlighting the significance of the gap between the ways that knowledge and learning are thought of and acted upon in the development context. Although the two concepts are clearly conceptually very closely related, their discourses and practices within corporations and the agencies have often been divergent.

Knowledge approaches, such as that of the World Bank, have tended to be concerned with existing knowledge and how to share/manage it, whereas the language of learning and capacity development in Sida has stressed mutual knowledge creation. However, it is interesting that recent World Bank discourse appears to be attempting a greater fusion of the two approaches. Yet, this is still not as radical as Sida's discourse of partnership and of capacity development, which underpins a focus on mutual learning that is led by the South and facilitated by Sida, and other Swedish partners. This view of a mutual construction of knowledge is reflected also in Sida's research cooperation strategy, since the incorporation of SAREC (King and McGrath, 2002).

There is also a danger in the knowledge-based approach that it assumes that technology is the principal answer to development problems and thus fails to seriously address the major organisational blockages to learning that some of the reflections of Sida staff so clearly address (Edgren, 2000; Wieslander, 2000; King and McGrath, 2002). Moreover, as we have noted already, there is a similar possibility that knowledge- and ICT-oriented strategies for supporting networks fail to address the importance of individuals and institutions in building capacity. Here, the Swedish emphasis on twinning of organisations in Sweden and partner countries may serve as an important counterweight to some of the knowledge-based strategies for capacity development. Whilst the Japanese have received considerable criticism within the aid community for their resistance to untying technical assistance, it can be argued that their insistence on long-term and personal relationships as the heart of knowledge sharing, mutual learning and capacity development is a sound perspective.

The knowledge-based aid debate can potentially benefit from the heightened attention given to capacity at the moment. Sida has been powerfully re-emphasising its long-standing commitment to capacity development that seeks to build on what countries already have capacity to do; that emphasises the role of mutual learning; and which highlights the centrality of people, attitudes and relationships. Whilst the World Bank's revisiting

of the notion of capacity does talk of enhancement of existing capacity, there is little sign of the broader attitudinal imperative suggested by Sida. Instead, the model of the aloof technical expert appears to be alive and well, although questioned by some Bank staff.

6. Can knowledge-based aid transform the aid paradigm?

In King and McGrath (2003), we consider the debate about the transformatory possibilities of knowledge-based aid through the different perspectives of Steve Denning and David Ellerman, two prominent figures in the first years of the Knowledge Bank. It is worth repeating this argument here.

Steve Denning, the original coordinator of the core knowledge bank activities, is optimistic about the radical potential of knowledge-based aid. He argues that technological and economic changes will inevitably transform the nature of development agencies, aid and agency use of knowledge. In the old Bank, projects were designed because of what the Bank's overall ideology decreed, even where staff and clients thought they knew better. This was reinforced by the organisational tendency within the Bank towards an authoritarian and bureaucratic style that was common across the American corporate sector. This he contrasts to an emergent new Bank in which the new economic and technological rationality leads inevitably to a model of knowledge use internal to the organisation that is characterised by greater plurality and openness. This translates into a more reflexive and open external role as a knowledge broker (Denning, 2001).

A far more pessimistic account comes from the various writings of David Ellerman, who left the World Bank in late 2002 from a post of Senior Economist in Development Economics. His intellectual fingerprints can be seen on portions of the World Development Report 1998–1999 and on Stiglitz's Bonn speech launching the Global Development Network, one of the Bank's largest knowledge projects (Stiglitz, 2000; King, 2002).

He argues that the chances of the emergence of a successful knowledge bank are less likely. Instead, he suggests that the World Bank remains a bureaucracy in which loyalty and right-thinking are valued both from staff and clients and "disloyalty" is punished (Ellerman, 2000, 2001). In spite of the language of national ownership, the staff learn that they will be held personally responsible for projects and will be judged on product not process; and the clients learn that what is valued is replication of what the World Bank has already pronounced (Ellerman, 2001). In such a situation, aid dependence and a lack of autonomous and effective development are inevitable.

The World Bank is perhaps different from other agencies as a result of its status and size. However, it is clear that much of the Denning and Ellerman accounts have resonance for the broader discussion here. What they both very valuably do is take us into the heart of the issue about knowledge-based aid. Their disagreement about the likelihood of transformation of aid and aid agencies through knowledge approaches is crucial. Whilst it does seem reasonable to argue that there are tendencies towards some of the positive changes that Denning is highlighting; we find it difficult to share his optimism about the transformatory potential of knowledge-based aid. Instead, we favour Ellerman's argument that the fundamental nature of aid bureaucracies and the aid mentality makes radical transformation unlikely.

They also provide useful insights for the more pragmatic debate about how aid can be improved (if it is to continue in something like its current overall form). Denning points to the positive impact that new ways of knowledge use can have within an agency and, hence, in relationships with others. However, in a more recent paper, Ellerman usefully extends this by further emphasising the importance of learning over knowledge transfer and, more importantly, by making the issue of autonomy enhancement and, hence, capacity development central to the issue (Ellerman, 2003).

After considering these very valuable perspectives from within the World Bank, we shall now conclude by briefly seeing how this discussion of knowledge-based aid articulates with wider debates about knowledge, aid and development.

7. Some concluding thoughts

Knowledge-based aid is not yet firmly embedded in the agencies and will probably never become as all-pervasive as its evangelists apparently believe. Nonetheless, it can make positive contributions to understanding and practices of knowledge, aid and development. It is raising awareness within the aid community that knowledge is complex and contextual. There is a new and growing understanding of knowledge as tacit and community-based. There is even a heightened sense of its relationship to power and ideology. Though, not unproblematic or uncontested, there is a significant shift towards agency recognition of and even support to indigenous knowledge and national knowledge systems in the South. Agency funding for knowledge networks and sites has increased multi-directional knowledge flows, and is likely to have facilitated greater questioning of agency orthodoxies. At its most radical, the discourse of knowledge-based aid leads to arguments from within the agencies that aid should be about mutual learning and autonomy enhancement rather than telling and conditionalities.

However, the positive side of the story needs to be weighed against the negative. There are still powerful tendencies within the agencies towards certainty and telling. Knowledge-based aid can easily mean better internal knowledge management of the kind where the official version is reinforced. Equally, it can mean the use of new tools to get the message out to others, to tell them more effectively what is right to think. Agency generated knowledge is still more likely to be valued than that from external sources. Headquarters knowledge still tends to dominate over field knowledge, even in theoretically decentralised agencies. In the bilateral agencies, the knowledge of citizens typically is given more weight than that of locally recruited staff. Quantitative, scientific and economic knowledge is usually taken more seriously than that of other kinds. Agency knowledge systems remain poor at dealing with context, complexity and conflicting interpretations, preferring routinised and universal responses.

In this light, knowledge-based aid could be more pernicious than previous forms of aid. Conditionalities could be extended through the greater certainty amongst the donors that they had the answers to all development problems, and more effective inculcation of these items of development faith to recipients.

The benefits to Southern partners are particularly unclear. Although PRSPs, budgetary support and sector programmes are supposed to lead to better Southern ownership of development, it appears that their related knowledge sharing activities are often more about better coordination between the agencies. Indeed, better coordination between the agencies may potentially reduce national ownership as governments and civil society are faced by a more concerted agency position.

Knowledge sharing in the agencies needs to be consistent with the overall agenda of national ownership of development and genuine development partnerships. However, external sharing for all agencies is seriously compromised by the extent that they are perceived, and perceive themselves, still to be in the "driving seat" of development cooperation.

Questions about the broader impact of knowledge-based aid cannot be understood outside the context of development. There is much scepticism in, North and South about the larger development project, given the paucity of evidence for its success in its first 50 years of existence. Crucially, the performance of knowledge-based aid cannot be fully evaluated without consideration of the interlinked impacts of globalisation, debt and war.

Perhaps most crucially, it is far from clear what knowledge-based aid is likely to do to improve the lives of those who are ultimately the supposed beneficiaries. Too much of knowledge-based aid is based on the questionable assumptions that better knowledge makes for better policies; and that better policies lead to better lives. The worst excesses of knowledge-based aid rhetoric (as seen in parts of the World Development Report 1998–1999) deny both the agency of such people and the structures that impact upon them, arguing that their ignorance is the key factor in their poverty. Yet, there is still very little in knowledge-based aid that suggests how this is to be reversed or that can show positive impacts on their lives.

Knowledge-based aid is like several other recent

elements of aid-development discourse (e.g. ownership and participatory development). At its best, its language and, occasionally, its practices suggest a real move away from much of what has been criticised about aid and development. However, there is at least as much in it to suggest that it is either a limited improvement in practice or, more seriously, both a device that disarms critics and a shift towards greater domination. Indeed, the power dynamics present in the agencies and aid more generally would suggest that the latter understanding is likely to triumph, although perhaps not completely.

Acknowledgements

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