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SOCIAL DEVELOPMENT PAPERS

Paper No. 56 / March 2004

A History of the  
Social Development Network in  
The World Bank, 1973 - 2002

Gloria Davis



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Social Development Network in  
The World Bank, 1973 - 2002

Gloria Davis

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# Forward

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The Social Development Strategy will provide definitions and directions for the World Bank's future work in Social Development. But to develop the Strategy it is necessary to understand both the history of the Social Development network within the Bank and the work it currently supports. This report provides such a history. It describes the origins of the network and the issues it has tackled in the past; and it does so on the assumption that knowing where we have come from and what we have done will help us decide what we should do in the future.

This report is based on internal documents for earlier work, and on documents, websites and discussions for more recent work. Since it is a history, the names of people who have played a role in developing the theory and practice of the network are included, where possible. But given the limited space available and the need to summarize progress succinctly, all topics are treated briefly and many examples of different excellent initiatives-particularly those not written down and/or widely disseminated-have unfortunately been omitted.

In addition, several other caveats are important:

- With the exception of a brief section on the social strategy for Eastern Europe and Central Asia, the distinctive programs of the regions have not been described in detail, and this history would greatly benefit from further documentation of regional approaches which are under preparation.
- Parallel and complementary efforts in other networks are mentioned, but not fully described, as this would entail an effort considerably beyond the scope of this paper. The work of the Poverty Reduction and Economic Management network on social capital and gender, and the social research of the Development Economics research group are examples.
- Finally, recent critiques of social development initiatives are not covered, as they are currently being drawn together in other reports.

The paper is intended to provide an orientation to the past and present work of the Social Development network and a contribution to its future strategy.

Gloria Davis  
Director of Social Development  
(1997-2000)



# Summary and Conclusions

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*People are the ends and the means of development, and the impact of development on people and their societies is the measure of its success.*

Task Force on Social Development (1995)

The Social Development network did not invent the concepts and practices it has advocated and advanced—they come from a broad spectrum of individuals and institutions both inside and outside the Bank; and to the extent that the network has been successful, its concepts and tools are now widely applied. But members of the Bank's Social Development network, and others who have contributed to the Social Development agenda, have played an important role within the Bank by highlighting the importance of the social dimensions of development; addressing the adverse social impacts of development projects; giving people, including poor people, a greater voice in development decision making; thinking in new ways about the relationship between states and societies; and in so doing, changing the way the Bank does its work.

## **Concepts and Definitions**

The word *social* refers to relationships between people and groups.

*Social policies* change relationships between people and groups—often by leveling the playing field between rich and poor. Examples of important social policies include progressive taxation, universal voting rights, free primary education and medical care for the aged.

The term *social development* has two meanings. It can refer to: improvement in the welfare and quality of life of individuals; or changes in societies—in their norms and institutions—that make development more equitable and inclusive for all members of a society. The first definition is common in Europe and is reflected in the millennium development goals. The second definition is increasingly reflected in the work the Social Development network in the Bank.

It is our conviction, as a network, that social development based on economic equity and social inclusion is necessary if poverty is to be reduced, the benefits of development are to be broadly distributed, societies are to be cohesive and resilient, and development is to be sustained.

This paper gives a very brief overview of the history of what is now called the Social Development network or family; it illustrates both continuity and change in the way it does its work; and it provides examples of what the network has done. It does so with the assumption that knowing what we have done, and done well, will help us define our comparative advantage and make better choices about future directions.

**Continuity and Change** To make this history manageable, this paper focuses on four topics which have been part of the “social” agenda for nearly thirty years, and it shows the evolution of our work and links to more recent initiatives. In brief, it documents the evolution of:



**Social Analysis**—from project-based analysis intended to make operations more effective in their own terms; to social analysis of investment projects, policy based lending, country strategies and other analytical work, intended to enhance poverty impact and improve social outcomes.

**Participation**—from consultation and individual involvement in project implementation, to an empowerment agenda involving community driven development and civic engagement, and increasingly important work on social accountability;

**Diversity, Vulnerability and Inclusion**—from a concern with separate “marginal and disadvantaged” groups (displaced people, indigenous people, women) to a broader concern with vulnerability and social inclusion, and the with the policies and institutions that facilitate this; and

**Institutions**—from the analysis of farmer production systems to studies of local level institutions and social capital, issues of state and society, and problems of failed states and conflict.

Annex 1 summarizes these trends in matrix form.

### **Where We've Come From**

**Getting Started.** Part I of this paper describes the way the context and objectives of the Social Development network evolved. In the 1970's and early 1980's the major objective of social scientists in the Bank was to improve project effectiveness. They did so with a conviction that projects contributing to economic development, if well designed, would improve welfare and help the poor. From the mid-1980's to the mid-1990's—as the adverse social impacts of large scale development projects became more evident, and the understanding of poverty became more complex—methods and tools were developed for incorporating social considerations and the views of poor people into the design of development projects. Given the location of many social scientists within the Environment Department, the social dimensions of natural resources management, among other issues, also began to be addressed.

**Defining an Agenda/Creating a Network.** The mid 1990's saw a flurry of conceptual and organizational changes—foreshadowed by the United Nations 1995 World Summit on Social Development, and reflected in the Bank's 1996 Social Development Task Group Report and the 1997 formation of the Social Development network—which put social development concepts and social development practitioners into the mainstream of development practice. There were several important features of the new network that shaped its work and identity. Membership in the new network was initially drawn from non-economic social scientists (mainly sociologists and anthropologists) and since the majority of these social scientists had been recruited by the Environment Department, the new network was located in the vice presidency for Environmentally and Socially Sustainable Development (ESSD). As a cross cutting theme, without its own operational portfolio, the new network initially developed methods and tools that would allow it to influence the work of other sectors/networks. And finally, in the absence of a distinctive paradigm for development, the new network endorsed and encouraged a wide spectrum of approaches to social issues, particularly at the regional level. Each of these elements has been both a source of strength and of weakness, and all have changed over time.



## What We Do Now

By the mid-1990's much of the groundwork for the social development agenda had been laid, and the environment within the Bank had significantly changed. A renewed focus on poverty, country ownership, policy-based lending, and governance; plus Bank decentralization of decision making and staff, all made a difference in the way the new network functioned. Part II of this report provides an overview of key elements of the Social Development network in the five years after it was formed.

***Better Tools for Better Development.*** Consistent with commitments made in the Task Group Report, between 1997 and 2002 a major focus of the network was on developing and mainstreaming methods and tools to improve social impacts and give voice to poor people.

- Social assessments, beneficiary assessments and social analysis became important entry points for determining social impacts and opportunities, and for improving the Bank's work on poverty reduction. A *Social Analysis Sourcebook* was issued in early 2002, and a long needed *User's Guide on Poverty and Social Impact Assessment* for economic reform and adjustment operations was also produced in 2002 in collaboration with PREM (the Poverty Reduction and Economic Management network). A social analysis policy is under preparation.
- Participatory processes were also widely adopted in Bank projects, programs, country assistance strategies, and in poverty assessments and poverty reduction strategy papers. A recent document, *Voices and Choices at the Macro Level*, shows how participation can be used to enhance poverty diagnosis and improve decisions on public expenditures and macroeconomic policy formulation. As evidence of progress, an OED report issued in 2000 found that participation in Bank projects had increased from 40% of new projects in 1994, to 72% in 2000; and CASs formulated with moderate to high levels of participation increased from 24% in 1995/96 to 73% in FY1999/2000.
- The Bank's safeguard policies on resettlement and indigenous people also improved project impacts, particularly for displaced and indigenous groups, but they have been something of a mixed blessing where they have narrowed the focus of work on social issues. Learning from this experience, the future social analysis policy will need to broadly cover social impacts and opportunities and achieve an appropriate balance between requirements and support.

***Enriching and Advancing the Poverty Agenda.*** Over the past five years, social development concepts and practice have had an important impact on our understanding of poverty and our ability to address it. Specifically, the ongoing concern with vulnerability and exclusion has led to projects and programs focused on the poorest and most vulnerable groups (indigenous peoples, ethnic minorities, refugees and women, among others); and work on poverty and violence, among other topics, has heightened an understanding of the causes and complexity of impoverishment. More recent discussion has turned to the structural barriers—economic, political and social—that exclude people from development on the basis of social identity. *Voices of the Poor*, a report on poverty from the perspective of the poor, made a significant difference in the focus and conclusions of the WDR 2000/2001, *Attacking Poverty* and reinforced an empowerment agenda; while analysis of local level institutions and social capital has demonstrated the centrality of poor people's own institutions in reducing poverty. Recent community driven development initiatives have drawn on these findings, improving the Bank's ability to reach the poor and address their needs more directly. These concepts and practices are by no means confined to social development practitioners, but the Social Development network has been instrumental in nurturing and advancing this agenda and delivering results.



***The Social Foundations of Sustainable Development*** Over the past five years, studies of local level institutions and social capital have demonstrated that membership in local associations exerts a positive effect on social welfare, and relationships and associations can facilitate (or hinder) the ability of people to help themselves. Civil society initiatives also show that dialogue between civil society and government can improve development policies and outcomes, and a recent *Sourcebook on Consultation with Civil Society* provides guidance on how this can be done. There is also a growing understanding of the importance of social accountability, i.e. the realization that institutions should be accountable to their clients to be most effective. The ECA Strategy for Social Development, which focused on changing patterns of governance, social inclusion, and conflict in ECA countries, has shown how a positive trajectory in some countries has led to more participatory, equitable and stable societies; while in others, authoritarianism, human rights abuses, and citizen alienation have led to a downward spiral of ethnic fragmentation, corruption and violence. Work on the social dimensions of conflict has strongly reinforced these conclusions and highlighted the importance of government and society relationships anchored in equity and the inclusion all social groups.

Does this work matter? The cases described in the main text, and summarized on the next page, suggests that it does.

### **Taking Stock**

Throughout the efforts of the Social Development network, some common refrains are evident. Specifically, good work within the network typically reflects and embodies:

- A focus on people and societies—rather than specific sectors or the economy.
- In-depth country and local knowledge—permitting adaptation to diverse conditions.
- A bottom up perspective—including support for participatory approaches that encourage people to solve problems and that empower the poor.
- A concern with social systems, and with the economic, social and political factors that support inclusion, social integration and sustainable social development.
- Support for a strong government role in reducing social barriers and making development more equitable and inclusive.



## **Making a Difference—Cases Cited in the Text**

**Case I. Social Assessment: Russia Coal Sector Adjustment Loans I & II.** A social assessment carried out in the context of widespread closing of uneconomic mines, demonstrated that miners were not getting compensation to which they were entitled and that communities dependent on mines and miners were adversely affected by sector restructuring. As a result, the project's design was modified to ensure timely and accurate severance payments and disability payments, and to free-up entitlements and improve channels of compensation; and greater focus was given to communities' welfare and provision of essential social services when responsibility for them was transferred from mining companies to municipalities. Social Impact Monitoring (SIM) provided regular feedback permitting rapid design modification to achieve desired outcomes and shape the second loan. (Ashraf Ghani/Ayse Kudat/Anis Dani).

**Case II. Participation: Colombia's Participatory Country Assistance Strategy Flags Conflict and Violence.** Broad stakeholder participation in the preparation of the Colombia CAS determined that for virtually all stakeholders, peace and a cessation of violence was the first priority, and one on which other development objectives depended. At the end of the discussion there was also agreement that the Bank had a role to play by virtue of its international experience on conflict and ability to design operations that could target poor areas. As a result, four new types of operation were included in the CAS: Magdalena Medio Regional Development (in a violence prone area), and projects for youth development, rural enterprises and rural education, and as well as economic and sector work (ESW) on violence and social capital. (Jairo Arboleda).

**Case III. Community Driven Development: Reaching the Poor in Indonesia's Economic Crisis.** The Kecamatan Development Project (KDP), which channeled resources to 20,000 poor villages throughout Indonesia, was launched in 1998 at the height of the Asian economic crisis. Drawing on an earlier study of local level institutions, the project provided resources to villagers for initiatives which they identify and implement, and it promotes village level processes to make decision making and resource use more inclusive and transparent (focusing particularly on the inclusion of women and the poor). Initially intended to be small, the first project was scaled up to \$450m and became the major vehicle for Bank lending, and the main channel for the government's poverty reduction efforts during the crisis. Assessments undertaken during the first project demonstrated that KDP investments were more cost-effective than other mechanisms for delivering similar services; and that as a result of KDP, villagers are beginning to demand greater transparency in development operations and are less likely to tolerate official corruption. A second project for \$300m was approved in 2002. (Scott Guggenheim)

**Case IV. Conflict Prevention and Reconstruction: Reintegration After Conflict in Rwanda.** Following a year long multi-donor evaluation of the international response to the Rwanda conflict, a joint mission proposed a decentralized project using community based programs to address problems of the most vulnerable groups and to promote reintegration. Under the Rwanda Community Reintegration and Development Project, conflict affected communities are targeted and participatory processes are put in place to identify priority activities to maximize grassroots participation, promote sensitivity to gender and inclusion of the most disadvantaged groups (especially widows, orphans and the disabled) and encourage trust through community based reintegration programs. (Markus Kostner).



In the years since the network was formed, many of its distinguishing features have changed, and a number of important lessons have been learned. The Social Development network is now more multidisciplinary, more operational, and more firmly anchored in the Bank's work on poverty reduction—through its work on community driven development, civic engagement and social accountability, institutions and conflict, among others. Where the network has been most effective it has used participatory processes to build understanding and ownership of the agenda, and it has anchored its actions in a social objectives such as inclusion, participation, and empowerment.

With some of these changes, however, there are also new concerns. Internally, these concerns are about scaling up the work to meet emerging demands; the potential erosion of technical expertise, being over stretched, and even about network affiliation and institutional location. It is also clear that the problems to be addressed are shifting. While issues of equity, inclusion and social justice were earlier discussed in relation to local and national issues, their implications are now being played out in the globalization debate. At the heart of this debate is the growing understanding that development within countries, and within the global community, must be equitable and inclusive in order to be sustainable.

### **What This Means for What We Do Next**

Taken together, these factors combined with our history, experience, and skills, suggest the following approach in the future.

First, given the importance of social analysis and participation for identifying social issues, impacts and opportunities, for making projects more inclusive, and for incorporating people into decision making; the network should continue its work to enhance the quality and impact of these tools and to scale up their impact. Ongoing work to adapt social analysis and participation to new development issues (e.g. conflict analysis) and broad lending instruments (e.g. economic reform) will continue to be important, and new work to formalize guidance for country assessments should be given high priority—in order to identify key social issues within countries and clarify how they can be addressed within the mandate of the Bank.

Second, and perhaps most important, the approaches and skills of the network need to be placed squarely in the service of poverty reduction. Here, our comparative advantage is clear. It lies in amplifying the voices of the poor and promoting strategies to build on poor people's skills and resources through community driven development initiatives, among others. We also have a role to play in making projects more inclusive of less visible and less powerful groups, and in assessing impacts and ensuring the poor are not disadvantaged by projects or policy reform where this can be avoided. To be most effective, the work on safeguards, culture, and conflict should be closely linked to our concern for the poor and for poverty reduction.

Third, early work on institutions and accountability, on civic engagement, and on state and society relationships needs to be encouraged and expanded—particularly at the regional level, since this work underpins and supports our ability to identify and address country specific social issues. Further work to understand the causes of failed states and conflict will also be critical to the Bank's work in the very poorest countries. With the interest in state and society issues, social justice and human rights—which form the basis for a government's social contract with its citizens—are likely to grow in importance. But pursuing these issues will require great sensitivity and patience.



## How Do We Get Where We Are Going?

To achieve our goals a number of internal steps will be important:

- To be credible, members of the Social Development network need to agree on the key social development outcomes that their methods, tools and approaches are intended to promote. For example, whether equity and inclusion are guiding principles that underpin poverty reduction and socially sustainable development—both at the national and global level—needs to be decided and, if agreed, made more operational.
- The network also needs allies to demonstrate through empirical research that these principles matter. The Bank's Development Economics group (DEC) could play an important role in making the quantitative case for the complementarities between economic and social development, and an earlier research committee intended to initiate and guide this work should be resurrected.
- As the network becomes more multi-disciplinary, there is also a need to strengthen technical expertise, and particularly to bring social scientists into the Bank with the skills and ability to scale up approaches and to deal with social issues at the country and macro-policy level. The skills of existing staff, which are strongly focused on community and micro-issues, should also be fully used in these new areas.
- As work becomes more complex and the network becomes increasingly decentralized, strong communities of practice—the old thematic teams—will become even more important, and new mechanisms will be needed to facilitate cross regional learning, and ensure the full engagement and support of field staff.
- Finally, links to other sectors should be strengthened and there should be a concerted effort to mainstream social concerns through work done by others. Ideally, most sectors would actively involve social practitioners in their work.

In conclusion, over the past fifty years a great deal has been done to understand what makes development technically, economically and environmentally sustainable. But in the end, the sustainability and success of development depends on people. Making this point, demonstrating that it matters, and operationalizing its implications, will be at the core of the Bank's future work on poverty reduction, social integration and sustainable development.



# Acronyms

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<b>ADB</b>	Asian Development Bank
<b>AFR</b>	Africa Region
<b>APL</b>	Adaptable Program Lending
<b>CAS</b>	Country Assistance Strategy
<b>CDD</b>	Community Driven Development
<b>CDF</b>	Comprehensive Development Framework
<b>CPR</b>	Conflict Prevention and Reconstruction
<b>DEC</b>	Development Economics Department of the World Bank
<b>DFID</b>	Department for International Development (UK)
<b>DGF</b>	Development Grant Facility
<b>EAP</b>	East Asia and the Pacific Region
<b>ECA</b>	Europe and Central Asia Region
<b>ESD</b>	Environmentally Sustainable Development Department of the World Bank
<b>ESSD</b>	Vice Presidency for Environmentally and Socially Sustainable Development (World Bank)
<b>FAO</b>	Food and Agricultural Organization of the United Nations
<b>FIAHS</b>	Bank Fund for Innovative Approaches in Human & Social Development
<b>HD</b>	Vice Presidency for Human Development (World Bank)
<b>HIPC</b>	Highly Indebted Poor Countries
<b>IDA</b>	International Development Association
<b>IP</b>	Indigenous Peoples
<b>IUCN</b>	International Union for Conservation of Nature and Natural Resources
<b>KDP</b>	Kecamatan Development Project (Indonesia)
<b>LAC</b>	Latin America & Caribbean Region (now LCR)
<b>LCR</b>	Latin America & Caribbean Region (previously LAC)
<b>LIL</b>	Learning & Innovation Loans
<b>MNA</b>	Middle East and North Africa Region
<b>NGO</b>	Non-Governmental Organization
<b>ODA</b>	Overseas Development Authority (now DFID)
<b>ODI</b>	Overseas Development Institute (UK)
<b>OED</b>	Operations Evaluation Department
<b>OMS</b>	Operational Manual Statement
<b>OP</b>	Operational Policy
<b>P&amp;CE</b>	Participation and Civic Engagement
<b>PNG</b>	Papua New Guinea
<b>PPA</b>	Participatory Poverty Assessments
<b>PREM</b>	Vice Presidency for Poverty Reduction and Economic Management (World Bank)
<b>PRS</b>	Poverty Reduction Strategy
<b>PRSP</b>	Poverty Reduction Strategy Papers
<b>RRA</b>	Rapid Rural Appraisal
<b>SAR</b>	South Asia Region
<b>SAPRI</b>	Structural Adjustment Participatory Review Initiative
<b>SDV</b>	Social Development Department
<b>SIDA</b>	Swedish International Development Agency
<b>SIM</b>	Social Impact Monitoring

<b>UPPAP</b>	Uganda Participatory Poverty Assessment Process
<b>WB</b>	World Bank
<b>WBI</b>	World Bank Institute
<b>WDR</b>	World Development Report



# A HISTORY OF THE SOCIAL DEVELOPMENT NETWORK IN THE WORLD BANK, 1973 - 2002

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## Part I. Where We've Come From

### 1. Getting Started

#### The Early Years (1973-1987)

**Prologue.** In 1973, Warren Baum, then Vice President of Bank Operations, circulated a paper entitled *A Report with Recommendations on the Use of Anthropology in Project Operations of the World Bank Group*, written by Glynn Cochrane from Syracuse University and by Raymond Naronha, then consultant to the Bank. The paper concluded that there was a need to increase anthropological and social input into Bank projects, and that many Bank staff supported this idea, but did not know how to do it. In this context, the paper made a number of practical suggestions about ways to incorporate social considerations into the work of the Bank (see Box 1), and it recommended that eleven anthropologists and sociologists should be hired by the Bank and placed in strategic operational departments. At the time, the idea was quite radical—unthinkable to most. But over the next thirty years the importance of the social dimensions of development and the role of social specialists in defining and addressing social issues would significantly change.

**Staffing Up.** Contrary to popular opinion, early work by social scientists in the Bank was not focused on “do no harm”. Virtually all of the social scientists recruited in the 1970’s and early 1980’s were brought into the Bank to improve the effectiveness of development projects. Michael Cernea, the Bank’s first sociologist, was hired by the Rural Development Department in 1974 for his knowledge of rural institutions including cooperatives. And in 1975, Jacomina de Regt, the first rural sociologist brought into to the Bank through the young professionals program, was hired to “translate the voices of poor farmers into a language that could be understood by the Bank”. In 1978, Gloria Davis became the first anthropologist in the Bank, hired for her topical and country knowledge (land settlement in Indonesia); and subsequently many other sociologists and anthropologists were hired for their country knowledge and language ability relevant to work in countries with large development programs. These trends have continued. A working knowledge of the people, languages, local institutions, and the social and political context of development operations, continues to be an important characteristic of members of the Social Development network. Rather than advocating universal laws, social development practitioners have been concerned with the particulars of individual societies and the ways in which broad prescriptions must be adapted to fit local contexts—for better and for worse.

**Key Themes.** Many of the topics that became the mainstays of the Social Development network were anticipated in the work done in the 1970’s and 1980’s. For example:

**Social Analysis.** In 1984 the Bank adopted an operational manual statement (OMS 2.20) that included a section, drafted by Cernea and colleagues on the Sociological Aspects of Project Appraisal. It defined and described the importance of “The Social Factors Bearing on the Feasibility, Implementation and Operation of Projects; and the Pursuit of Objectives Such as Poverty Alleviation”. This document still provides an enabling policy for work on the social dimensions of development.



### **Box 1. Pioneering Work**

***The Use of Anthropology in Project Operations.*** This document, written by Glynn Cochrane and Raymond Naronha in 1973, was based on an examination of the Bank's problem projects and the Bank's Quarterly Review of Projects from 1968-1972. Based on this survey, the team concluded that there was a need to add an anthropological or social dimension to project operations, and that there was a fairly widespread recognition of such a need within the Bank—but staff did not know how to do so. The paper was among the first in the Bank to describe the influence of culture on human behavior and to point out the social impacts of land acquisition and resettlement, which were major causes of project delay. The paper also made a number of practical observations and recommendations including increasing staff sensitivity to social issues, preparing a library of resources, constructing a roster of available consultants, hiring anthropologists as Bank staff, and including them in the young professionals program. Whether as a result of this paper or the broader issues that precipitated it, over the next five years the first generation of social scientists was hired by the Bank.

***Putting People First.*** Many of the themes to be pursued by the Social Development network, were brought together for the first time in an important book edited by Michael Cernea and published by the Bank in 1985, *Putting People First*. The basic tenet of the book is "*that people are—and should be—the starting point, the center, and the end goal of each development effort.*" Given the emphasis on rural development within the Bank at that time, the book is primarily about the social organization of farmer production systems. In addition to conceptual pieces by Michael Cernea, the book includes papers from a number of external contributors who strengthened the work of the Bank over the decade that followed.<sup>1</sup> It also included an evaluation of project effectiveness by Conrad Kottak. This review of 69 ex-post evaluations (from completion reports and audits) found that projects with designs that were socially and culturally compatible with traditional production systems had significantly higher rates of return than those that were not compatible.

***Listen to the People.*** This book, written by Lawrence Salmen and published by the World Bank in 1987, is an account of the author's experience in the early 1980's living among the poor inhabitants of Bank urban development projects in La Paz, Bolivia, and Guayaquil, Ecuador. By viewing slum upgrading and new housing development through the eyes of the people who lived there, some of the project's failings and benefits are explained. The book reflects the ways in which participant observation can strengthen evaluation, assist project managers in solving implementation problems, and help adapt projects to the values and needs of the poor. In describing the principles of participant observation, the author stresses the importance of knowing the social context, adapting methods to needs, blending qualitative and quantitative information, focusing on operational issues, striving for reliable findings rather than precision, and being aware of goals—but not bound by them. He also argues for the importance of building trust and serving as a bridge between implementers and beneficiaries. In this work many aspects of the emerging participation and empowerment agendas were foreshadowed.

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<sup>1</sup> Three contributions to *Putting People First* were on the social organization of irrigation associations (Walter Coward and Fran Korten), two on social organization in forestry projects (John Spears, Raymond Naronha), and one each on new land settlement (Thayer Scudder), pastoral production systems (Neville Dyson-Hudson), small-scale



**Participation.** In the 1970's and early 1980's participation referred primarily to community involvement in implementation (e.g. building and maintaining roads and irrigation systems). But a Bank-NGO committee formed in the early 1980's by the new International Relations Department, gave external groups a voice within the Bank and promoted consultation with the intended beneficiaries of Bank projects (see Box 1).

**Marginal and Disadvantaged Groups.** Early work in the Bank, also focused on the importance of diversity, and specifically argued for special measures to protect and enhance the well being of social groups that might be "disadvantaged" and/or adversely affected by development projects. For example:

- **Resettlement.** In 1980, the Bank adopted its first policy (OMS 2.33) intended to assist people displaced by development projects. Noting that displacement can lead to impoverishment and permanently disrupt peoples' ways of life, this policy provided guidance on steps to be taken when people were involuntarily resettled.
- **Indigenous People.** As early as 1982, the Bank adopted a policy on Tribal Peoples (OMS 2.34). This policy noted that tribal people are more likely to be harmed than helped by development projects unless special measures are adopted which safeguard their cultural integrity and well being.
- **Women.** The policy on *Sociological Aspects of Project Appraisal* (OMS 2.20) was the first formal policy to note the importance of special attention to women during project appraisal, and to call attention to their role in project implementation and project impacts upon them.
- **Institutions.** Given the rural nature of the Bank's portfolio, an important emphasis at this time was on understanding farmer production systems in order to make projects in rural development more effective (Box 1). The value of local level NGOs as a vehicle for organizing local people into structures for group action was also recognized in a paper by Cernea (1988).

**A Network of Colleagues.** During this early period, there were only a dozen or so social scientists scattered widely across the Bank, but many other Bank staff were sympathetic to social concerns. Together they were linked informally through the Sociology Group, headed by Michael Cernea. The Group met periodically and typically drew between 20 to 50 people, sometimes more, to brown bag lunches and other presentations. There was no formal organization or structure to support this work—although as noted, many staff and managers were sympathetic to the agenda. In looking back, these were in some ways relatively simple times. The task was to make projects better, social scientists believed this could be done, and they thought that good projects would contribute to economic development and improve people's lives. While the number of people available to do the work was limited, development goals were not in contention.

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fisheries development (Richard Pollnac), and rural roads (Cynthia Cook). Methodological pieces include contributions on participatory approaches from Normal Uphoff and on rapid rural appraisal from Robert Chambers.



## Getting Organized (1987-1990)

In support of rural development, and economic development more broadly, a number of Bank-assisted projects appraised in the 1980s supported infrastructure development on a very large scale. One of the most controversial projects involved a series of proposed dams on the Narmada River in western India (see Box 2). But other large dam projects (Itaparica, Yacyreta), and land settlement projects such as the Polonoreste project in Brazil, and transmigration in Indonesia, also got their share of public attention. In response to growing concerns about the environmental and social impacts of these projects, during a major reorganization of the Bank in 1987, Environment Units were formed in each of the Bank's four regions.<sup>2</sup> Consisting mainly of environmental staff, these Units eventually came to have social as well as environmental expertise. The links between the environment and social agendas would be reinforced in 1993 when the Environmentally Sustainable Development (ESD) Department, then headed by Mohammed El Ashry, created a division for Social Policy and Resettlement with an anthropologist, Gloria Davis, as division chief. In addition to resettlement, this division dealt with the social dimensions of natural resource management, social assessment, and an emerging social policy agenda.

In parallel, the NGO-World Bank Committee formed in the early 1980's within the International Relations Department, underwent a series of transformations which helped make the Bank more open and responsive to external concerns and set the stage for the Bank's work on participation. In the mid-1980's Kris Zedler and David Beckman were engaged to facilitate the work of the NGO-WB Committee; and during the reorganization of 1987, David Beckmann became the head of a new NGO Unit within the Strategic Planning Department. With the growing participation of northern NGOs, such as OXFAM, and the addition of developing country NGOs representing regional interests, NGOs were soon setting the agenda for the Committee. Specifically, they put pressure on the Bank to make greater use of participatory approaches so that external voices could be better heard in the development process. In response, a Bank-wide Learning Group on Participatory Development was formed in 1990, under the leadership of Aubrey Williams, with a mandate to accelerate learning and explore the opportunities and challenges in stepping up participatory efforts in the Bank. When John Clark from OXFAM was hired to head the NGO Unit in 1992, the emphasis on poverty reduction and participation was further increased.

With the creation of these two programs in the early 1990's, two of the main thrusts of the future Social Development network - social analysis and participation - had found institutional expression and homes within the Bank, although they were not yet formally linked.

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<sup>2</sup> Leaders of these new divisions were Leif Christoffersen in Africa, David Turnham in Europe and the Middle East, Robert Goodland in Latin America, and Gloria Davis in East and South Asia. The fact that one of these chief was a social scientist helped keep social impacts as well as environmental impacts at the forefront of the agenda.



## **Box 2. The Impact of the Namada Controversy on the Bank**

The Sardar Sarovar projects on the Narmada River in India were designed to bring irrigation to some two million hectares of arid land, in what was initially intended to be the largest irrigation system in the world. Two projects, one for the dam and another for associated irrigation canals—were approved by the Bank in 1985. Under these projects, 30 million people were to benefit from drinking water and irrigation in an extremely arid part of India, but 140,000 people were to be moved from areas flooded by the Sardar Sarovar dam and irrigation canals. Conceived as part of a system of up to thirty such dams, the projects were the cause of widespread environmental concern from the outset; but once underway, the resettlement of large numbers of very poor people (including tribal people) under very difficult conditions, became a significant problem both for the national government and the Bank.

Responding to widespread concerns about the project, and growing protests among affected groups, in 1991 the President of the Bank commissioned the first ever independent review of a Bank-supported project under implementation. The resulting Morse Commission Report, published in 1992, strongly criticized the Bank and the Borrower for paying inadequate attention to resettlement and rehabilitation and to environmental protection. Many of the problems in resettlement and environment were attributed to a lack of consultation with area residents. Responding to the review, the Bank set explicit standards of performance for continuing support to the project, and in some states good progress was made and resettlement was improved. However, due to ongoing problems and protests in states where implementation was weak, and given increasing public scrutiny, in 1993 the Government requested that the Bank cancel the remainder of the loan and it committed itself to continuing with other sources of funds.

In reviewing lessons learned from the project, the OED concluded that the Narmada projects had a far-reaching influence on the Bank's understanding of the difficulties of achieving last development, on its approaches to portfolio management, and on its openness to dialogue on policies and projects. OED also concluded that this experience had demonstrated the need to ensure that projects are appraised by sociologists and anthropologists along with economists and engineers. Experience with the Narmada projects led to a review of the resettlement aspects of all active projects in 1993 and contributed to the Bank's decision to establish an independent inspection panel in 1994.

From: *Learning from Narmada*. Operations Evaluation Department. World Bank.

### **Forces for Change (1990-1993)**

**The Resettlement Review.** In 1993, as a result of the Narmada controversy among others, a management review of resettlement was initiated that reinforced the widespread concern about the social impacts of Bank projects. This in-depth review of resettlement<sup>3</sup> led by Michael Cernea, indicated that nearly three million people had been displaced by more than 200 Bank projects appraised through 1993. It also demonstrated that while the Bank's policy had played an important role in improving the quality of resettlement in Bank-assisted projects, preparation and supervision were poor and both Bank and

<sup>3</sup> *Resettlement and Development: The Bankwide Review of Project Involving Involuntary Resettlement, 1986-1993*. World Bank, Michael Cernea, et al.



Borrower performance fell short of what was required to ensure income restoration among displaced groups. The report indicated that the incomes of displaced people had declined in many projects, and it showed that loss of land was a key cause of impoverishment and emotional hardship. As a result of this report, policy requirements were strengthened, management required unprecedented action plans for projects where resettlement was found to be deficient, and important improvements in the quality of resettlement were achieved. The Resettlement Review has an important place in the history of the Social Development network. Not only did it involve many of those who would become its leaders,<sup>4</sup> it also reinforced the conviction of those working on resettlement issues, that a strong policy and rigorous oversight of implementation would be critical to improving the social impacts of the Bank's work.

**An Emerging Consensus.** With a growing concern about the impacts of development projects on people, especially poor people, from the mid-1980's to the mid-1990's social practitioners in a broad spectrum of institutions began to develop tools to mainstream social issues and make projects work better for people. In the United Kingdom, Robert Chambers was a leading advocate for rapid rural appraisal (RRA) methods to improve project outcomes, and in 1989 Augusta Molnar (who later came to the Bank), produced for FAO a *Review of Rapid Rural Appraisal Tools for use in Natural Resource Management [Projects]*. In 1993 ODA Produced a *Social Development Handbook—A Guide to Social Issues in ODA Projects and Programs*<sup>5</sup> which touched upon key social issues across sectors (e.g. education, health, transport and the like). The Asian Development Bank (ADB) issued *Guidelines for Incorporation of the Social Dimensions in Bank Operations* in the same year. In 1994, a U.S. Government Inter-Organizational Committee also issued *Guidelines and Principles for Social Impact Assessment*—a tool intended to complement environmental impact assessment.

**Advances in the Bank.** Within the World Bank, the number of beneficiary assessments increased, particularly in the health and education sectors where client feedback was critical to improved service; and social assessments were carried out in a growing number of projects, particularly in large infrastructure projects which could potentially cause harm as well as good. In 1994, as part of its efforts to improve project quality and development impact, the Southern Africa Department introduced an initiative called Systematic Client Consultation which reiterated the need for listening and acting on the "voice" or feedback of clients. Among the techniques described in the toolkit were Firm Surveys, Sentinel Community Surveillance, Beneficiary Assessment and Participatory Rural Appraisal, as well as hybrids and innovations. Staff leading this initiative included Judith Edstrom (then project adviser in the Africa region and currently deputy director in SDV), Steen Jorgensen (now the Director of SDV) and Daniel Owen (who coordinates the work on community driven development).

**The Participation Learning Process.** In response to external pressure, in part, the Bank also accelerated its work to reach affected groups by improving its approaches to consultation and participation. Under the leadership of Aubrey Williams, and with financing from the Swedish International Development Agency (SIDA), the Participation Learning Group decided to support and "learn from" the development of 20 highly participatory projects (see Box 3). From this experience, a report on the *World Bank and Participation* was produced in 1994. This influential paper documented successful experiences of

<sup>4</sup> Among the resettlement specialists working on the Narmada project for the Bank were Thayer Scudder, David Butcher, William Partridge, and Scott Guggenheim, while Dan Aronson and Warren Van Wicklin, among others worked on the resettlement review. Maninder Gill, who was the Chief Resettlement Officer for Maharashtra, one of the states in the Narmada project, is now head of the Bank's resettlement work.

<sup>5</sup> The purpose of this latter document was to "...identify and take account of social issues in all ODA assisted activities, both at a policy and project level, and make informed decisions about the level of social analysis required in different projects and know when to call in a social development adviser" (a social scientist).



participatory development; extracted lessons learned; and proposed a long-term strategy to increase participation in Bank work. In an important advance, the Group argued that participation was not only a means (a tool), but also an end (empowering people). It identified levels of participation<sup>6</sup> and defined full participation as “a process through which stakeholders’ influence and share control over development initiatives”. The Group also took a deliberate decision that participation should not be enshrined in a separate policy, but advanced through learning experiences in borrowing countries and in the Bank.

### **Box 3. Participatory Processes at Work**

Two cases supported and followed by the Participation Learning Group, demonstrated the importance of participation at the project and strategic levels.

***The Mathru Project.*** In 1990, the Egyptian government asked the Bank to finance a livestock project in a region mainly populated by Bedouins, who live isolated from the rest of Egyptian society, often in extreme poverty. Starting from the project identification and preparation phases, the Bank promoted participation of the local Bedouin communities in identifying their most pressing problems and solutions to them. The communities identified overgrazing by their goats and sheep as the main obstacle to the sustainable development of their area. This resulted in the livestock project being dropped and a new one proposed based on the solutions that the local communities themselves had identified. Through Community Action Groups formed by representatives from the Bedouin communities and Community Action Plans, the beneficiaries were involved throughout the implementation of the project and in the monitoring of results and outcomes. This process resulted in a fundamental change in the interaction between the government and the Bedouin communities, moving from distrust and lack of communication to trust and collaboration. (Bachir Souhail).

***The Africa Strategy Paper.*** This paper, published in 1989, was elaborated through an extensive process of external participation. The strategy represented the first attempt of the Bank to move beyond consultation to shared formulation of a regional strategy. The participatory process was carried out during a period of 6 months during which representatives from African institutions and the World Bank teams presented and discussed their views of Africa’s problems and the solutions to address them. The process progressively changed the perspectives of the Bank’s team on the basic problems of African societies. This in turn led to fundamentally altering the content of the original strategy, moving from a focus on structural adjustment, modernization and free trade, to a more holistic approach, taking into account sociological and political factors and proposing solutions based endogenous knowledge, regional integration and a higher focus on social policies. The draft report was revised to reflect both the consensus and the disagreement expressed by the people involved in the process. (Ram Agarwal)

With this, broad elements of the social development work program were in place by 1993/94, and there were strong external pressures to integrate, rationalize and improve the program and make its benefits more evident. Consolidation and improvement was to come quickly over the next three years.

<sup>6</sup> The original six levels were eventually consolidated into four: information dissemination (one way information flow), consultation (two way information flow with one party making decisions), joint decision making/collaboration (both parties must agree in order to proceed), and empowerment (one party hands over authority to the other).



## 2. Defining The Social Agenda

### Improving Project Impacts

As a result of the pressures and progress just noted, the broad outline of the social development work program had begun to take shape by 1993/1994, and considerable progress was made over the next two to three years, to bring more clarity and integration to the program and to make it more operational. Key components of this work were as follows.

**Social Assessment.** Drawing on earlier work on methods and tools, on the experience of the Participation Learning Group, and on the early findings and momentum of the Resettlement Review, in 1994 the Social Policy Division in the Environment Department issued *Guidelines on Social Assessment*. The major innovation in this paper was to bring social analysis and participatory processes together under a single approach. The objectives of social assessment, as set out in the guidelines, were to reduce poverty and promote sustainable development by:

- Identifying key stakeholders and establishing an appropriate framework for their participation in project selection, design and implementation;
- Ensuring that project objectives and incentives for change are acceptable to the range of people intended to benefit, and that gender and other social differences are reflected in project design;
- Assessing the social impact of investment projects, and determining how adverse impacts can be overcome or at least substantially mitigated; and
- Evaluating the capacity to enable participation, permit service delivery and carry out mitigation measures; and recommending measures to strengthen capacity, as required.

#### Box 4. Using Social Assessments to Influence Policy Makers

By the mid-1990's social assessments were used both to help projects achieve their sectoral objectives, to adapt projects to local contexts, and to bring added benefits to poor people.

**Azerbaijan: Baku Water Supply Rehabilitation Project (1994).** During preparation, water company officials and the Bank concluded that higher tariffs were essential to provide the financial resources necessary to put the water company on a sound financial footing; however, government was reluctant to act since massive public reactions were feared. The stalemate was broken as a result of a social assessment that found that households spent about seventeen times more on alternative water supplies than on monthly water bills. In fact, the poor spent 7% of their incomes on water and the wealthy about 2%. The social assessment showed that households were willing to pay substantially more for water with better service, and the project proceeded on this basis (Ayse Kudat).

**Mexico.** The task team for the *Mexico Resource Conservation and Forest Sector Review (1994)* used a social assessment to identify the range of stakeholder groups, to encourage policymakers to listen to the poor, and to get the poor to articulate their own concerns and proposals. In so doing the social assessment process raised policy makers' awareness of the potential of communal forest enterprises for reducing local poverty and promoting sustainable forest management. This led to the identification and design of a participatory forest management project, the first done in Mexico, that tested a systematic approach to indigenous and community forestry and forest enterprises, tailored to real needs and potentials of indigenous communities and emphasizing their leadership and long-term ownership of the process. (Augusta Molnar).



Given the range of social factors that could potentially be considered in social assessments, the guidelines indicated that they should be selective and strategic, and focus on operationally relevant information. The guidelines broadly identified key stakeholders (including intended beneficiaries, government officials and NGOs, among others), and described important social factors that should be taken into account to achieve project objectives (such as social diversity and gender, socio-economic factors, social organization, socio-political context, and needs and values). They also listed a number of different approaches and tools and the contexts in which they would be most appropriate. Subsequent revisions strengthened provisions for institutional assessment and made other changes. Two examples of the impact of early assessments are provided in Box 4.

The 1994 guidelines laid the groundwork for a considerable body of work to follow, but they were not formally adopted by the Bank although they did become a mandatory element of projects supported by the Global Environment Facility.<sup>7</sup> The reasons for this were several. First, Bank practitioners were deeply divided on whether or not a policy on social assessment should be mandatory or advisory, and how rigorously it should be applied. Some of those who supported a mandatory policy felt that by waiting, a body of successful examples could be developed to make the case for a strong policy more compelling. By the time this body of work was available, however, antipathy was growing within the Bank toward additional mandatory processing requirements, and efforts to formalize the policy and make it mandatory lost momentum. Whether this was a missed opportunity or a blessing in disguise, remains a matter of dispute within the family, a matter discussed further in chapter 4.

#### **Box 5. The Role of External Support in Mainstreaming Social Concerns**

In 1994, a team of Social Development Advisers from bi-lateral agencies in Europe, headed by Roslyn Eyben from the Overseas Development Authority in the United Kingdom (now DFID), organized a visit to the Bank and held meetings with senior Bank managers. Following their visit, the advisers sent a letter to Bank management reiterating the need to strengthen social input into Bank projects. In support of such work, three donor countries (United Kingdom, Norway and Sweden) pledged \$2 million to support initiatives intended to advance social methods and concerns. In an unusual move, and much to the consternation of social staff who had lobbied for such support, Bank management declined these resources, arguing that if the task were important, Bank financing should be made available for it. As a consequence, a Bank Fund for Innovative Approaches in Human and Social Development (FIAHS) was established and provided US\$4.25 million over the next three years to advance social assessment, participation, and gender concerns. Ease of accessing these funds was a critical step in acquainting staff with social issues, methods and tools, and gaining acceptance of them.

***The Participation Sourcebook.*** Following up on the work of the Learning Group, in 1994 the Social Policy division in the Environment Department offered to support further work on *The World Bank Participation Sourcebook*. This effort, coordinated by a task team headed by Bhuvan Bhatnagar and including James Kearns and Debra Sequeira, among others, extracted lessons from twenty case studies<sup>8</sup> of participatory projects across the Bank. This document, intended for task managers, built ownership by involving a broad spectrum of practitioners in the preparation of the document, shared the lessons of experience, and had a major role in mainstreaming participation in the Bank. Active support for the writing, publication, and follow-up to the *Participation Sourcebook* also gave the Social Policy Division an expanded role in supporting participation within an emerging social agenda.

<sup>7</sup> Guidelines were adopted in 1996, as condition of GEF replenishment. Social assessment guidelines were tailored to different types of GEF operations by Chona Cruz, social scientist with the GEF.

<sup>8</sup> For attribution, see *The World Bank Participation Sourcebook*, 1996.



## Poverty, Vulnerability and Exclusion

**Context.** Within the Bank in the 1950s and 1960s, economic growth was seen as the primary solution to poverty. In the 1970s, the role of the social sectors in poverty reduction received attention, and the 1980 World Development Report (WDR) argued that improvements in the health, education, and nutrition of the poor were important both in their own right and to promote growth in the incomes of the poor.<sup>9</sup> Ten years later, the 1990 WDR on poverty recommended a two prong strategy: promoting the efficient use of the most abundant asset of the poor—their labor, and providing basic social services to the poor. However, it also recognized that even if this strategy were adopted, many of the world's poor—the sick, the old, those in resource poor regions, and those subject to unexpected shocks—would suffer deprivation and for these groups a program of well targeted transfers and safety nets would be required. The 1990 WDR was critical in refocusing the Bank's attention on the social dimensions of poverty, but many of the details of how the Bank could disaggregate social groups, reach and engage the poor, and help overcome the social and institutional barriers to participation in the economy and society, had yet to be fully articulated.

**Indigenous People.** Some of the earliest Bank work to disaggregate social groups and focus on those that are vulnerable or disadvantaged, involved indigenous peoples. In 1993, Shelton Davis edited a document on *Indigenous Views of Land and the Environment* and in the same year, the Bank hosted the Second Inter-Agency Workshop on Indigenous Peoples and Development in Latin America, a workshop which focused on problems of indigenous peoples and steps being taken by international agencies to address them. Building on this work, the 1994 publication of *Indigenous Peoples and Poverty in Latin America: an Empirical Analysis*, by two economists, Harry Patrinos and George Psacharopoulos, moved the welfare of indigenous peoples to the forefront of thinking in the Latin America region. This book documented the socioeconomic conditions of indigenous people using data from national survey sources. The report showed, for example, that 87% of all indigenous peoples in Guatemala were below the poverty line and 61% were below the extreme poverty line—a shocking finding even to those who worked in the country. Subsequently, measures to avoid adverse impacts on indigenous peoples were increasingly incorporated into projects in Latin America, and social scientists had a growing role in designing proactive strategies to strengthen the control of indigenous peoples over their lands and resources, build on their traditions, and strengthen their capacity to help themselves. (See Box 6).

**Other Vulnerable Groups.** A number of other efforts were also initiated by social scientists to identify and address the needs of other particularly vulnerable groups. Among these was a series of noteworthy projects, appraised by Maria Donoso Clark, which identified and addressed the needs of some of the most disadvantaged groups in India—widows, the blind, and those with tuberculosis. Several operations supported by social scientists targeted unemployed youth, particularly in Latin America; and an overview report on gender, written by Josette Murphy a social scientist in OED, provided a history and recommendations for more effectively incorporating women into Bank projects. In some of these early projects, the organization of disadvantaged groups (such as widows and youth) into self-help networks was an important mechanism for improving their economic and social status, an early illustration of the role of community based institutions and social capital in improving the lives of the poor.

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<sup>9</sup> From the World Development Report 1990 on Poverty. World Bank.



## **Institutions**

Finally, during the decade under review, a very sizeable body work on formal and informal institutions was done throughout the Bank, although efforts were very widely dispersed. Given the location of the Social Policy group in the Environment Department, much of their institutional work focused on informal and local level arrangements for natural resources management. Augusta Molnar, Chona Cruz, and Katrina Brandon, among others, wrote and worked on the social dimensions of community forestry and biodiversity conservation. Narpal Jodha wrote a paper on *Common Property Resources: A Missing Dimension of Development Strategies*, and began work on institutions for sustainable development. In 1993, an ambitious effort was begun with IUCN to describe the social dimensions of biodiversity conservation, and this resulted in a document *Beyond Fences: Seeking Social Sustainability in Conservation*, written by Grazia Borrini in IUCN, and published in 1996. This report put the needs of poor people at the center of biodiversity conservation—a radical and somewhat unpopular view at the time among some environmentalists.

Recognizing the need for broader work on institutions, and a comparative advantage at the informal and local level, in 1994 the Social Policy division in the Environment Department initiated a series of studies on local level institutions. The first of these studies in Tanzania, carried out by Deepa Narayan and analyzed by Lant Pritchett (see Box 6), was instrumental in making the quantitative case for the importance of local and community based organizations in development. Subsequently, this work would be further developed through studies in Indonesia, Bolivia and Burkina Faso, studies that became the foundation of the Social Capital Initiative and the basis for community driven development projects in Indonesia and Bolivia (see chapter 7).

### **Box 6. Local Level Institutions and Social Capital—An early example**

In the mid 1990's an empirical study in Tanzania, done by Deepa Narayan, attempted to quantify the contribution of social capital to development. Using data from 750 households in 45 Tanzanian villages, it measured social capital in terms of membership in groups and networks. Multivariate regression analyses established that village level social capital was a key contributor to household welfare, even after controlling for the contribution of human, physical, and natural capital. The effect of a one standard deviation increase in village-level social capital was higher in terms of income (\$60) than for market access (\$33) or female schooling (\$30).

## **Taking Stock**

In the period leading up to the World Summit on Social Development in 1995 and to the formation of the Social Development Family in 1997, many elements of the social agenda were put in place. In response to external criticism of the environmental and social impacts of large scale infrastructure projects, and to mounting concerns that top-down growth was not reaching the poor, internal organizational structures emerged to deal with these issues, and there was a significant increase in the work on methods and tools to identify social issues, to bring people's perspectives into projects, and to harness their energy for more effective development. Many of the distinctive features of a "social development approach" were also evident. Of particular importance were the interest in mitigating adverse social impacts, including poor and disadvantaged groups in development operations, and in understanding different cultures and contexts in order to tailor interventions to diverse environments. With all this complexity also came a preference for listening to people and facilitating their choices and decisions, rather than advocating particular development outcomes.



But issues were also becoming evident. Within the network, tensions were emerging between those advocating listening and learning approaches and those seeking a stronger policy-based platform for their work. And with an increasing recognition that well intentioned development projects could have negative social impacts, differences were also evident between “hard nosed” economists and “soft” social scientists—each somewhat skeptical of the other’s definition of success. These differences are reflected in Box 7, which is taken from a 1995 discussion paper on a proposed social network. Although these features are somewhat exaggerated, the feeling that there were important differences in approaches and priorities was very real; and during this period, for the first time, some social development practitioners felt that their concerns for people’s welfare could put them at odds with the goal of rapid economic development in some contexts.

**Box 7. Social Development - 1995**

**Definitions:** The word social can refer both to people’s welfare, and to relationships: between individuals and groups within a society.

**Caveats:** It is not about social sectors, but the about social dimensions of all of the Bank’s work.

**Modes of Operation:** Economists, sociologists, anthropologists, and political scientists all deal with social issues, but disciplinary perspectives are important.

<b>Bank Economists tend to:</b>	<b>Other Bank Social Scientists tend to:</b>
Focus on individuals	Focus on people as members of groups
See individuals responding to economic interests (information, incentives, etc).	See people responding to a wide range of social factors including culture, norms and values
Emphasize inputs and outputs	Emphasize process
Assume an expert or advisory stance	Assume a listening/learning stance
Have as strengths: technically rigorous, universal, quantitative	Have as strengths: holistic, contextual, qualitative and participatory
Have as weaknesses: too simple, too reductionistic to be tailored to diverse contexts.	Have as weaknesses: too complex, too particularistic to be policy relevant.

As we will see in the ensuing sections of this report, over the next several years, opportunities and challenges were to change in important ways, and social development issues increasingly moved from the periphery to the center of the Bank’s development agenda. With this, the task would be to find ways to bring complementary perspectives together in the service of poverty reduction and sustainable development.



### 3. Creating A Network

The three years from 1995 to 1997 saw a significant transformation in the way social issues were perceived in the Bank. Elements of this transformation included the World Summit on Social Development in 1995, the Bank's Social Development Task Force Report in 1996, and the establishment of the Social Development network in 1997, along with changes introduced by the decentralization of the Bank. Additional forces for change were the leadership of James Wolfensohn and his attention to poverty and social concerns; and the personal conviction and support of the Vice President for Environmentally Sustainable Development, Ismail Serageldin, who believed strongly in poverty reduction and attention to the human and social dimensions of Bank work.

#### **The World Summit on Social Development**

At the conclusion of the 1995 World Summit on Social Development, 117 heads of state adopted the Copenhagen Declaration on Social Development. They agreed, among other things, to create a framework for development dedicated to the eradication of poverty, and to increase the resources spent on education and health.<sup>10</sup> In addition, they pledged to support development that is people-centered and participatory; that takes account of diversity and is pluralistic, nondiscriminatory and gender sensitive; that promotes accountability and transparency in government; and that builds the capacity of all development actors, including the state, the private sector and civil society. They affirmed that economic and social goals are inextricably linked and that both economic and social factors contribute to sustainable development.

In many respects, the Copenhagen declaration provided the authorizing framework for what followed in the Bank; but the Bank was not at the forefront of this agenda. The Bank delegation to the Social Summit, led by Sven Sandstrom (the presidency was in transition) and coordinated by the Human Development Department, showcased the Bank's considerable strengths in areas of education, particularly the education of girls, and in health and employment; but its interest in and ability to address other important dimensions of the Summit agenda (debt, the social impact of adjustment, and issues diversity and pluralism, social cohesion and social integration) was limited. By the end of the Summit even the poverty focus of the Bank was in doubt. With the arrival of James Wolfensohn later in the same year, this significantly changed.

#### **The Social Development Task Group Report**

At the urging of Michael Cernea, one of the early acts of James Wolfensohn's presidency was to form a Task Group to advise on Social Development. Shahid Javed Burki, then Vice President of the Latin America Region, was selected to head the Task Group and its members consisted of both economists and other social scientists.<sup>11</sup> Over one hundred staff took part in satellite groups on key problems and instruments (see Annex 2). The final document, *Social Development and Results on the Ground: Task Group Report*, provided definitions, took stock of where the Bank was on social analysis and social development and the value added of this work, and charted a course for moving forward.

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<sup>10</sup> The so-called 20-20 initiative proposed that 20% of the GDP of developing countries and 20% of overseas development assistance (ODA) should be used for education and health.

<sup>11</sup> Members of the Task Force consisted of Shahid Javed Burki, chair, Michael Cernea, Gloria Davis, Hansjorg Elshorst, Scott Guggenheim, Ishrat Husain, Maritta Koch-Weser, William Partridge, Lyn Squire, Maurice Strong and Shahid Yusuf. Nearly 100 additional staff members including both economists and other social scientists were involved in satellite groups. The final report was written by Joanne Salop, Gloria Davis and Lyn Squire under the direction of Shahid Javed Burki.



As the document noted “the report was not easy to write. Participants brought different disciplinary perspectives to the table and even different assumptions about development...” But there were some broad areas of agreement that were, and continue to be, at the core of the Social Development agenda. For example, the Task Group recognized that fair and equitable development contributes to human welfare, and to the social cohesion and social stability that underpin sustainable development. It also acknowledged that development requires mutually reinforcing changes in economies and societies and cannot be sustained without both.<sup>12</sup> The Task Group also grappled with the question of what social development is, and why it is important. One answer from the Task Group Report, that reflects the importance of values and institutions, is given in Box 8.

#### **Box 8. What is Socially Sustainable Development?**

One hundred years ago, the majority of the world’s people lived in small communities that were mainly self-sufficient. They raised their own food, and organized their own affairs. Today, only a small proportion of the people in industrial countries produce food directly; the others are dependent on them; and the most recent wave of national integration which has been occurring for barely two centuries, is now being overtaken by the global integration of economies and societies.

What is it that allows a society to move from small-scale, self-sufficient communities to one of almost unimaginable complexity and interdependence? Technology and economic development are among the reasons, but *changes in relationships and values, and in organizations and institutions* are every bit as relevant. It is this social capital that permits both economic specialization and social integration at the same time.

Is such growth and differentiation sustainable? Experience teaches us that what comes together can come apart. Inequalities between people, violence in cities, and conflicts between people and societies can undermine individual and institutional relations and slow or destroy economic progress. For these reasons we are increasingly aware that economic, environmental, and social factors all play a role in sustainable development.

From: *Social Development and Results on the Ground: Task Group Report*. World Bank. 1997

**Task Group Recommendations.** At the conclusion of their work, the Task Group called for a management statement reflecting the Bank’s conviction that:

- People are the reason for development; and how people are affected is the measure by which development initiatives should be judged.
- People are the means of development; if they do not understand or are not committed to development initiatives, such programs cannot work, no matter how well they are planned.
- In a world of increasing specialization and interdependence, new kinds of relationships, organizations, and institutions will be needed if all people are to benefit from development and if it is to be sustained.
- Governments have a crucial role in shaping social policy and providing an enabling environment for poverty reduction and socially sustainable development.

The Task Group also made a number of recommendations, starting in areas where a great deal had been done and where the institution could move rapidly, and progressing toward areas where learning would yield a long-term payoff. In the short term, it recommended the broader use of three approaches: incorporating participation and social analysis into project preparation; making the project cycle more

<sup>12</sup> Task Group Report, p. 22.



responsive and flexible—a reference to flexible lending instruments such as Learning and Innovation Loans (LILs) and Adaptable Program Lending (APLs); and incorporating social concerns into lending, learning, and other instruments such as the Country Assistance Strategies (CASs)<sup>13</sup>.

The report also noted that there was a need to learn more about the social relationships that underpin economic behavior, the rationales and modalities for strengthening social institutions and social capital. It also encouraged attention to the changing roles of the state, market, and civil society—which became the topic of the WDR 1997—and it recommended additional work in new areas such as social capital, post-conflict reconstruction, and issues of state and society. The report urged economists and other social scientists to work collaboratively and recommended the formation of a Bank-wide Social Learning Group and broadening external partnerships. In short, this document laid the groundwork for the social development agenda in the Bank, although some goals have been more fully realized than others.

### **Actions Taken**

**Bank-wide Initiatives.** By the time the Social Development Task Force Report was issued in 1997 a number of steps had already been taken to realize its recommendations.

- By late 1996 each of the Bank's regions had developed an action plan for mainstreaming attention to social concerns. These action plans built upon ongoing work on poverty, gender and participation.
- In January 1997, the Social Development network was formed as part of a sweeping reorganization of technical and operational staff, and it was located within the Vice Presidency for Environmentally and Socially Sustainable Development.
- In March 1997, the Strategic Compact was approved, which provided incremental resources to strengthen core operational services (including social analysis) as well as resources to help implement the regional action plans.
- In October 1997, the Board approved procedures for adaptable lending to help pilot new initiatives and tailor operations to country conditions and knowledge.
- By December 1997 an initial work program on research had been tentatively agreed with PREM.

**Formation of the Social Development Network** The formation of the Social Development network did not occur without a struggle and would not have happened at all were it not for the strong voice and support of Ismail Serageldin, Vice President for Environmentally Sustainable Development. Since networks were originally equated with sectors, some argued that social scientists should be mapped into recognized sectors, while others felt that their numbers were too small and their interests too specialized to be recognized at all. To the surprise of many observers, however, when networks were finally created in 1996, over 200 staff mapped themselves to the new Social Development network—of whom 50 or so, were NGO specialists in country offices.

Given the leadership role of Ismail Serageldin and the fact that the largest group of social scientists was located in the Environment Department, the Social Development family became part of the new Vice Presidency for Environmentally and Socially Sustainable Development (ESSD). And although, in

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<sup>13</sup> Of these tasks, the new Social Development network would become responsible for mainstreaming social analysis and participation, and for supporting the regions on country assistance strategies, while the Operations Policy Department was responsible for new lending instruments.



retrospect, this link could be questioned, it made sense at the time. Not only were environmental and social considerations both cross-cutting themes, the agendas had much in common. Both environmentalists and social scientists were drawn into the Bank to deal with the unintended adverse impacts of development; but they used this platform to build a more proactive agenda. Both tended to look at longer term impacts rather than short term returns, and both groups saw themselves as advocates for objectives which were important in and of themselves (e.g. biodiversity conservation or participation of the poor) as well as for economic growth and development. Each drew heavily on external allies for moral and financial support in shifting the Bank's agenda and they used some of the same methods and tools (for example, environmental assessments and social assessments) to mainstream their concerns. Whether the location was entirely logical, there is no question that both the environmental and social agendas made considerable progress over the next five years with many of the same allies, strategies and tools.

***The Social Development Board*** By 1997, Social Development units had been established in the regions, and a Board had been formed of regional representatives.<sup>14</sup> This Board was committed to the principle of regional leadership and supported participation in the definition of network priorities and budget allocation. The newly formed Social Development Board set as its main objectives: (a) establishing the infrastructure through which the network would function; (b) integrating and mainstreaming social analysis, participation and gender considerations into lending operations by developing and disseminating procedures for social assessment; (c) identifying and addressing key social issues in countries and regions; and (d) aligning work on social development with the emerging business activities of the Bank - especially poverty reduction and private sector development.<sup>15</sup> The Social Development Board also committed itself to delivering several other products and programs identified by the Executive Directors and senior management as having high priority for the Bank: for example, developing a strategy to guide Bank-NGO relations, strengthening the Bank's capacity to deal with post-conflict reconstruction, and supporting a new cultural heritage initiative. To support these efforts the Bank's Strategic Compact (a fund to realign the Bank activities with emerging priorities) allocated about US\$10 million to the regions, and an additional US\$2 million was made available to the "anchor"—the coordinating unit within the ESSD Vice Presidency for social development.

***Regional Initiatives*** With increased attention to social issues and increased resources to address them, regions began to tackle high priority social development issues; and by the end of 1997 the following regional work was proposed or underway.

- The Africa region (AFR) social team involve local civil society organizations in the design of Bank strategies and assisting with gender and poverty studies; and post-conflict work was underway in a number of countries.
- The East Asia and Pacific (EAP) social unit together with PREM had country and regional work underway to understand and help mitigate the social consequences of the East Asia financial crisis.
- The Europe and Central Asia (ECA) region was focusing on the social impacts of transition and fine-tuning CASs and poverty assessment to provide a greater focus on inclusion. An Issues Paper on the impacts of transition on the elderly was under preparation.

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<sup>14</sup> The first board of the social development family formed in 1997 consisted of Gloria Davis (network head), Ellen Schaengold (SAR), William Partridge (LCR), Ayse Kudat (ECA/MNA), Cynthia Cook (AFR), Katherine Marshall (EAP).

<sup>15</sup> Social Development Update (1998).



- The Latin American and Caribbean region (LCR) was supporting an Indigenous Peoples Development initiative and developing a Regional Urban Peace Program with a focus on the reduction of violence.
- In South Asia a Poverty and Gender group was formed to address basic social issues and to build consultation and participation into its regular business practices and some work on conflict was initiated.

Not all of these innovations and/or work programs survived, but for the first time each of the Bank's regions had a systematic work program in place to tackle priority social concerns.

### **Taking Stock**

In the decade leading up to the World Summit on Social Development, much of the groundwork was laid for the emerging social agenda. Within the Bank, staff members were hired, methods and tools were developed, and key elements of the agenda found institutional homes. In the period between 1995 and 1997, external and internal events reinforced the importance of the social dimensions of development, and the creation of the Social Development network provided a strong institutional base for advancing work on related issues.

During this period, a number of mechanisms had been used to achieve the objectives of social practitioners, and a number of decisions were made that had an important bearing on future work. For example, the work would not have advanced without:

- *Strong internal champions*—including the head of the Social Development Task Force (Javed Burki), the President of the Bank (James Wolfensohn), the Vice President for ESSD (Ismail Serageldin), the Vice President for Corporate Strategy (Mark Baird) and later Operations Policy (Joanne Salop), as well as numerous Executive Directors;
- *Strong external allies*—particularly the Social Development Advisers Network in Europe, academics and opinion makers, and NGOs, in both the north and south.
- *Participatory processes*—the use of participation to build knowledge and allies, for example, through the preparation of the participation sourcebook and the workings of the social development task force, among others.
- *Incremental Resources*—particularly the Early Management Fund (FIAHS) and later the strategic compact and donor trust funds.

Without these mechanisms and others, little progress would have been made in this period and they are likely to remain important in the future Social Development Strategy.

In addition, several critical decisions were made which influenced the way the network would work in the future. First, membership in the network was initially drawn largely from non-economic social scientists—many relatively new to the Bank. Second, given the strong presence of these social scientists in the Environment Department, the network was located in ESSD. Third, as a cross cutting theme, without its own operational portfolio, the new network initially gave strong emphasis to developing methods and tools that would allow it to influence the work of others—with implications for resources and work programs. Fourth, in the absence of a single driving concept or paradigm for development, the new family endorsed and encouraged a wide spectrum of approaches to social issues, particularly at the



regional level. As we will see, each of these elements has been both a source of strength and of weakness for the network, and all have changed over time.

With people and approaches in place, the challenge for the future would be to tackle substantive social issues in borrowing countries, and to work collaboratively with others in order to define, justify, and make operational a new Social Development agenda.

### **The Changing Development Context**

In the five years following the formation of the Social Development network (1997-2002), a number of changes were to occur in the way that the Bank does its business; changes bringing both opportunities and challenges to the new network. For example:

- **Poverty Reduction** Under Mr. Wolfensohn's leadership, the Bank strongly reaffirmed its overarching commitment to poverty reduction—a commitment which had been in some doubt at the 1995 Summit. Poverty Reduction Strategy Papers (PRSPs) and the 2001 World Development Report (WDR) on Poverty reinforced this objective.
- **Client Ownership** The Bank also articulated a Comprehensive Development Framework (CDF) that set forth principles of government ownership, a holistic approach to development (including a balance between economic and social development), and an emphasis on strategic selectivity and partnerships.
- **Governance** As part of the comprehensive approach to development, attention was given to issues of governance and corruption for the first time, with a corresponding interest in the role people play in making institutions accountable.
- **Policy Based Lending** Just as the development paradigm was shifting, so were lending instruments. A series of economic crises, among other influences, significantly increased the proportion of adjustment and policy based lending in the Bank's portfolio, posing new problems for scaling up methods and tools.
- **Internal Decentralization** To achieve its objectives, institutional and structural changes were instituted within the Bank that gave priority to the work of the regions, strengthened country offices, and decentralized staff.

**Implications for the Social Development Network** The emphasis on poverty and vulnerability, on holistic development, on the social dimensions of development, and on the priorities and institutions of countries, strongly reinforced the social development agenda. At the same time, however, very early in the evolution of the network, limitations were evident in both concepts and skills. Finding relevant development models proved difficult. Although borrowing countries, international organizations, academic institutions, and NGOs all had something to contribute, there was no consensus on ways to operationalize social development. And skills and experience were in also in short supply. A 1998 inventory of some 220 staff mapped to the Social Development Family indicated that nearly 75% had been in the Bank less than three years.

In response to these challenges, a broad variety of approaches would be used by the new network to address emerging development issues, and considerable attention was given to improving knowledge and skills among staff. To address both conceptual and skill concerns, thematic teams were formed within the family that focused on core areas of work. These teams consisted of both regional and anchor staff with



outreach to resident missions, and they decided collectively on priority areas for attention by the group. It was through these thematic teams, that major areas of the work program were initially advanced.

Other changes also affected the directions of the family. In 2000, an economist, Steen Jorgensen, became head of the network, reflecting in part the multi-disciplinary nature of the emerging work program. In addition, as we will see, the program became more operational—with projects on community driven development, cultural heritage and conflict bringing a more operational focus to the network. Finally, external challenges grew as interests in the persistence of poverty, globalization, and the effectiveness of the institution, gave new meaning to concepts of equity and inclusion.



## Part II. What We Do Now

The next three sections of this report describe the evolution and expansion of the work program in Social Development and key accomplishments in the five years after the network was formed—roughly between 1997 and 2002. To make this discussion manageable, it is organized into three sections:

- Better tools for better development;
- Enriching and advancing the poverty agenda; and
- Understanding institutions, states and societies.

This classification, like any other, is arbitrary since each of these elements touches on all others. Recognizing this, four short cases are provided—from Russia, Indonesia, Colombia, and Rwanda—that show how an emphasis on *social analysis, participation, poverty targeting, and accountability between state and society* complement and reinforce one another in the work of Social Development practitioners.

### 4. Better Tools For Better Development

In the Social Development Task Force Report and in the Strategic Compact, the Bank's primary commitment was to mainstream social assessment and participation in lending and analytical work with the assumption that this would improve project quality. This task fell to the new Social Development network. This section describes work done improve and advance social analysis and participation in investment projects and in Country Assistance Strategies (CASs); and it briefly discusses the Bank's social safeguard policies in this context. It then describes more recent efforts to scale up social analysis and participation and tailor these tools to new lending instruments and new issues in order to improve development effectiveness.

#### Improving Social Impacts

**Social Assessment** The hallmark of social assessment is the use of both social analysis and participatory processes to identify affected people and involve them in determining project related social issues and the means to address them. In line with commitments made in the social development task force report, a large number of social assessments were initiated by Bank staff in the mid-1990s, many using strategic compact resources. By May 1998, regions reported 125 social assessments underway or completed in a portfolio of about 350 projects annually. Although these early social assessments varied widely in content and quality, their numbers reflected a shift in the importance given to the social dimensions of development within the Bank.



### **Case I. Russia: Coal Sector Project Social Assessment**

Russia has some of the largest coal reserves in the world, one of the largest coal production industries (employing about 800,000 people), and a highly inefficient state subsidized coal mining industry. In considering support for the restructuring of Russia's coal sector, the World Bank initiated a three year process (1994-1997) of integrated an multifaceted analysis including economic analysis of the sector and its contribution to the economy, technical analysis of technology and productivity, environmental analysis of the impacts of the sector and specific mines, and social analysis - initially focused on miners and their communities.

The initial social assessment, carried out largely by Russian social scientists, used a variety of methods including:

- Household surveys—an in-depth survey of 800 households;
- Community visits and group discussions, particularly with affected communities;
- Case studies exploring lessons learned in communities where mines were already closed;
- Assessment of voluntary relocation from communities where mines had closed.

These studies demonstrated widespread hardship in communities where mines had been shut down, not only among miners and their families, but within entire communities that had lost housing and services such as health and education. It also found that these problems varied by region and were compounded by lack of information leading to widespread fear and distrust of government institutions. It also found that subsidies including those to former miners, were not getting to intended beneficiaries, and that numerous government policies and practices were hindering the ability of workers to move out of coal basins in their search for employment.

*As a result of these findings the design of the program and lending operation were affected in the following ways:*

- In response to the finding that non-miners in coal regions were the largest group affected adversely by the coal reform program, a major part of the coal sector subsidies were reoriented to coal communities for the population at large rather than to coal companies for coal miners who had been a privileged economic group.
- Given the diversity between regions, government was persuaded to recognize the local nature of many problems and solutions and to encourage more local participation in decision making.
- As a result of information showing that miners had very low trust in the government, the coal industry, and outside agencies, but that they would trust a new institution representing a broad range of stakeholders, the Interagency Coal Commission and the Association of Coal Mining Cities were formed.
- Given fund diversion, new mechanisms were devised to make the purpose, the beneficiaries and the distribution channels for subsidies more transparent and amenable to monitoring.
- In light of findings on employment, measures were proposed to enhance workers ability to move freely in search of alternative employment were seen by many as more relevant than expensive job creation schemes whose funding and efficiency were questionable

In June 1996, the World Bank approved a \$500 million loan for Coal Sector Adjustment and a \$25 million loan for an Implementation Assistance Project to address these issues.

Adapted from: Jonathan C. Brown. *The Direct Operational Relevance of Social Assessments*. In Cernea and Kudat (eds.). *Social Assessments for Better Development* (op cit). Ashraf Ghani, Ayse Kudat, Anis Dani (task managers for the SA).



In response to quality issues among others, a number of steps were taken in the early years of the network to improve the content and quality of social assessment. For example, under the guidance of William Partridge, the social team in the Latin America and Caribbean Vice Presidency issued guidelines for social assessments tailored to that regional context, and a systematic effort was made to hire field staff with strong social expertise. And in 1996 Kathryn McPhail began work with a number of business firms to consider ways to tailor social assessment to a private sector context.

Building on this work, in 1997 a major effort was initiated by the social assessment thematic team, under the leadership of Ayse Kudat, to clarify the purpose of social assessment, to formalize key elements, and make social assessment more systematic and rigorous. The objectives of social assessment were formally linked to poverty reduction and to other positive social outcomes such as enhancing social inclusion, strengthening social cohesion, increasing social capital, and reducing adverse social impacts.<sup>16</sup> During this period, Kudat and colleagues published documents on best practice in social assessment in the ECA/MNA regions, and on good practice in agriculture and transport in these regions,<sup>17</sup> and a large number of case studies other related documents were produced.

With increasing rigor, this generation of social assessments had a substantial impact on project design, particularly in the ECA region, where quantitative evidence of social impacts and their economic consequences was especially crucial to changing the approaches of policy makers. (See Case Study I: Russia Coal Sector Project). Through these efforts, and complimentary work in the regions, the idea of social assessment was widely disseminated both inside and outside the Bank, and social assessments were increasingly mainstreamed in country programs and in the national procedures of some countries (see Box 9).

#### **Box 9. Social Assessment in China**

After initial reservations about the utility of social assessment, China now officially recognizes social assessment as an important tool for development planning. The China Academy of Social Sciences, the Asian Development Bank and the World Bank have collaborated on development of a draft China social assessment manual, and in 2002 the State Development Planning Commission officially approved publication of a feasibility study manual recommending social assessment for major state-sanctioned development projects. Adoption of social assessment in China's development program, and particularly in infrastructure projects financed by Chinese government is expected to reduce adverse impacts and to improve development benefits in one of the world's largest civil works programs (Dan Gibson).

**Beneficiary Assessment** In parallel with ongoing work on social assessment, tools for beneficiary assessments were also improved and refined. Building on the early work of Lawrence Salmen in *Listen to the People*, beneficiary assessments emphasized the use of qualitative methods such as conversational interviews, focus groups and participant observation, to bring the views of clients, particularly the poor, to the attention of decision makers. Beneficiary assessments have been particularly useful in agricultural extension, social funds, health and education—where client feedback is essential to improving project performance; this approach has been used in some 300 Bank projects to help decision makers understand clients better. Beneficiary assessment has also influenced the Africa region's work on systematic client

<sup>16</sup> The process rested on four "pillars": identification of key social development issues; stakeholder identification and the formulation of the participation framework; institutional and social organizational analysis; and establishment of a monitoring and evaluation framework

<sup>17</sup> See *Social Assessments for Better Development: Case Studies in Russia and Central Asia*. Michael M. Cernea and Ayse Kudat Editors. World Bank. 1997; and *Social Assessment and Agricultural Reform in Central Asia and Turkey*. Ayse Kudat, Stan Peabody, Caglar Keyder, eds. World Bank. 2000



consultation and provided one tool, among others, used in social assessments in the Bank. The emphasis on listening and learning, rather than analysis and prescription, has tapped a responsive cord in many areas of the Bank, and in 2000, a management group was formed by Mr. Wolfensohn, with Lawrence Salmen's support, to promote and encourage a listening Bank.

#### **Box 10. Participatory Poverty Assessments (PPAs) in Africa**

In the Africa region, poverty assessments - which had been based largely on the analysis of incomes and expenditure data, became increasingly participatory in the 1990's, with the result that the multidimensional nature of poverty became clearer and the need to design interventions to reach the poor directly became more evident. While early poverty assessments were often initiated by Bank staff, focused on the poor, and highlighted the human dimensions of poverty; later PPAs were increasingly carried out by governments, incorporated a broader spectrum of stakeholders, and focused on priority problems and constraints to realizing them. The two examples below illustrate the evolution of PPAs in Africa over a rather short period of time.

**Kenya: Participatory Poverty Assessment.** An early PPA conducted in Kenya over a period of three months in 1994, had the objective of understanding poverty from the perspective of the poor and those providing services to them. Communities were selected based on samples from a nation-wide survey from which five of the poorest districts were selected to ensure adequate representation. Through this process and in subsequent meetings with officials, many stereotypes were dispelled. Whereas officials generally related poverty to negative stereotypes such as laziness, the poor related it to lack of education, lack of opportunity and poor quality of services. Further dialogue with policy makers helped change their views of the poor and led to a number of changes to address needs they had expressed (Deepa Narayan).

**Uganda: Participatory Poverty Assessment Process (UPPAP).** To ensure that UPPAP findings would be linked to policy reform, a three-year process was designed to facilitate public input and to link findings to both central and district level policy making. The focus on districts was particularly important since increasing responsibility for service delivery was being passed to local governments. UPPAP findings stimulated policy responses in a number of areas:

- *Redefining government priorities* : safe water has received more resources, and actions to improve security, governance and public services delivery have become central features of the poverty eradication program.
- *Identifying issues related to budget setting and implementation*: e.g. weaknesses in information flows, and need for budget flexibility at lower levels combined with better mechanisms to respond to local priorities and promote accountability.
- *Shifting the emphasis between sectors*: especially to those sectors such as agriculture which most directly affect the poor.
- *Highlighting inter-sectoral issues* critical to poverty that government structures are not well equipped to handle (e.g. nutrition, sanitation, information).

Reference: *Uganda Participatory Poverty Assessment Process*. Uganda Ministry of Finance and Planning. Bird, B and M. Kakande. 2000. Andrew Norton, task manager.

**Participation** Building on the *Report of the Participation Learning Group* and on the *Participation Sourcebook*, shortly after the network was formed, sectoral guidelines were prepared by participation practitioners in key investment sectors,<sup>18</sup> a process that increased ownership across the Bank. In addition,

<sup>18</sup> For example, documents were prepared elaborating on participatory approaches in Education and Training (Colletta, Perkins), Water and Sanitation (Watson/Jagannathan), Irrigation (Meinzen-Dick/ Reidinger/ Manzardo), Community Based Development (Narayan), Economic and Sector Work (Aronson), Social Funds (Schmidt/ Marc),



a participation toolkit providing guidance on methods and tools for use at the community level was prepared by Deepa Narayan, head of the participation thematic team, and this toolkit was distributed widely, especially to field-based staff. A number of other guidance notes were also produced, for example, on participatory monitoring and evaluation. Although participatory processes were used throughout the Bank, they were particularly fruitful in Africa, where they helped shape Participatory Poverty Assessments (PPAs)(see Box 10) and later Participatory Poverty Reduction Strategy Papers (PRSPs). As a result of the sustained effort to promote participatory approaches and demonstrate their utility, an OED report issued in 2000, found that participation in Bank projects had increased from 40% of new projects in 1994 to 72% in 2000.

***Incorporating Social Factors into Country Assistance Strategies*** In the late 1990's, social factors were also increasing taken into account in country assistance strategies (see Box 11) and the use of participatory processes in the preparation of CASs accelerated. An OED report in CY2000, indicated that CASs formulated with moderate to high levels of participation had increased from 24% in 1995/96 to 73% in FY1999/00—a remarkable gain. This transformation was due largely to mounting anecdotal and empirical evidence that stakeholder participation in the preparation of country strategies improved the quality of information, enhanced project and program design, and strengthened the ownership of development interventions.

**Box 11. Incorporating Social Considerations into the CAS.**

By 1998, a number of CASs were also giving increased emphasis to the social dimensions of their work and incorporating participatory processes. For example:

- The Guatemala CAS dealt with the inclusion of the country's indigenous people in the process of economic growth and development as its central issues and staff worked with indigenous groups on implementation of key elements of the Peace Accord.
- The Tajikistan CAS addressed issues of social accord and building of peace in a post-conflict context through equitable growth and targeted poverty reduction in areas controlled both by the government and the former opposition.
- The Papua New Guinea (PNG) CAS recognized the distinctive social and cultural nature of PNG, particularly the existence of a fragmented social terrain, the "big man" complex and the implications of these factors for the structure of the modern nation state.
- The Nepal CAS was focusing on institutional weaknesses that contribute to exclusion (gender, caste, and ethnicity) and was anchoring its approach to country assistance in successful examples of decentralization of decision making and resource allocation.
- The Bangladesh CAS focused on poverty reduction with a specific focus on the role of civil society and private sector institutions in the delivery of basic services and infrastructure development.

From: *Social Development Update: Making Development More Inclusive and Effective* (1998)

**Safeguards**

Although the Bank has had environmental and social policies since the early 1980's, it was not until 1997 that the concept of "safeguard policies" was first articulated by Bank management in response to external concern about the environmental and social impacts its projects. Of the ten "mandatory" safeguard policies, three were located within the social network—those on indigenous peoples, resettlement, and

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Poverty Assessments ((Norton/ Stephens), Indigenous Peoples (S.Davis/ Soeftestad), Intermediary NGOs (Carroll/Schmidt/Bebbington), Forest and Conservation Management (Banerjee/Campbell/Cruz/S.Davis/Molnar), and Agricultural Extension (Anthold/Zijp), among others.



cultural heritage.<sup>19</sup> Stimulated by the high visibility of a number of inspection panel cases focusing on adverse social impacts, and by the complaints of affected groups, attention to social safeguard issues has increased within the Bank, and technical support for safeguards is now a core element of the work program of all Bank social teams.<sup>20</sup>

There can be no question that safeguards have played an important role in the Bank's broader poverty reduction program, and that over the past decade the lives of many millions of displaced people and indigenous peoples have been improved as the result of due diligence in the application of safeguard policies. (See Box 12). Moreover, in recent years, Bank safeguards have been increasingly mainstreamed in borrower programs. In the area of resettlement, for example, considerable work has been done to support clients that want to adopt resettlement policies in their own projects and programs; and the World Bank and the Asian Development Bank are assisting Asian countries, which have the major share of the world's resettlement, to help them bring country policies into alignment with sound resettlement principles and practices.

#### **Box 12. The Role of Safeguards in Poverty Reduction**

**Ecuador: Indigenous and Afro-Ecuadoran Peoples Development Project**—This \$50 million operation shows that targeting and tailoring mechanisms really work and that local indigenous organizations can manage fiscal resources in a responsible way. By early 2002, after three years of implementation, the project has been effectively promoting culturally appropriate development by supporting local community planning (214 development plans prepared), human and social capital formation (channeling resources to 4,179 communities through 227 indigenous and afro-Ecuadoran agencies), cultural heritage preservation (promoting studies, videos and publications about local cultures), land tenure regularization (over 123,000 hectares in 71 communities) and demand-driven subprojects (583 sub-projects at a total cost of over \$10 million). A second phase has been requested by participating groups and government (Jorge Uquillas).

**India: Resettlement in the Mumbai Urban Transport Project.** In this project, application of the principles of the Bank's Involuntary Resettlement policy promises to transform the lives of about 100,000 people living along the rail tracks and roads in Mumbai. Although many similar slum dwellers had been evicted without assistance, following discussions with the Bank, the Borrower has agreed to use the required resettlement program to improve the standards of living of affected slum dwellers. After extensive consultation with affected people and representative NGOs, the government has agreed to provide urban housing with full ownership rights and to pool resettlement resources in a community development fund intended to leverage a much larger pool of resources from other government programs. As a result, all members of the community are expected to receive benefits that go far beyond those that might have been realized with individual compensation packages (Maninder Gill).

But safeguard policies have been a mixed blessing within the network. Work begun in 1996 to reformat policies, proved to be time consuming and costly—both in terms of financial and social capital. The conversion of the resettlement policy, which involved hundreds of meetings, and five years of deliberation, created tensions with external stakeholders who felt that revisions did not go far enough to

<sup>19</sup> Since the Cultural Heritage policy is concerned mainly with protection of physical property, it is now implemented as an integral part of the suite of policies covered by environmental assessment.

<sup>20</sup> In 1998, IFC adopted its own set of safeguard policies based largely on the Bank's policies but modified to reflect business needs. In 1998 IFC recruited its first social scientist—Debra Sequeria, who was joined in 1999, by Dan Aronson—both of whom had worked on the earlier resettlement review.



protect the rights of affected groups; and with staff and governments who felt that policies were becoming too cumbersome and prescriptive. Dialogue with indigenous groups in the context of the indigenous people's policy has also led to polarization.<sup>21</sup> Adding to these difficulties is the concern that Borrowers may drop components with social safeguards, rather do the work that is not required by their own laws and institutions and thereby raise the standards in Bank-assisted projects to levels higher than they feel they can apply in their own programs.

Despite these drawbacks, safeguards have proven an important entry point for social analysis and for improving the social impact of investment operations; and for this reason the majority of social development practitioners in the Bank remain committed to strong safeguard policies. In order to move forward, it will be important to bring safeguards within the umbrella of social analysis—giving weight to issues in accordance with their impact and risk; and future work on safeguard policies will need to increasingly focus on the principles rather than their procedural details, with more emphasis on results rather than ex-ante planning. Tradeoffs between high standards for enclave projects, and overall improvement in government programs, will also need to be more clearly articulated. Evidence for the benefits of safeguards and their poverty impact needs to be quantified and made clearer to both staff and clients. And the highest payoff will likely come from efforts to integrate safeguard considerations into the overall country dialogue and from measures to help those affected by projects to advance their own objectives. (See Box 13).

#### **Box 13. Peru: Indigenous Peoples Issues in the Country Dialogue**

Although indigenous peoples are the poorest people in Peru, the previous government was reluctant to support free standing initiatives to support them. After several years of discussion with Bank staff, the government agreed to a small loan (LIL) which helped indigenous peoples articulate their priorities and created a forum in which government representatives and indigenous peoples could discuss approaches, and through which institutions could integrate and adapt their approaches to indigenous groups. With the change in government in 2001, this small initial effort positioned the Bank to respond quickly with a much larger program for poverty reduction that is targeted to indigenous groups. This has involved establishment of a forum (Conapa) for decision making, preparation of strategic planning documents and guidelines, training programs for skill development on project management and mediation with public agencies, decentralized consultation process on constitutional reforms submitted to congress. (Elizabeth Dasso).

#### **Scaling Up Development Impact**

***Social Analysis Policy*** Recognizing that attention to social issues is fundamental to poverty reduction and project quality, but that a mandatory social assessment process along the lines of mandatory environmental assessments, was not likely to be feasible in 1998 the Social Development network began to develop more general guidance on social analysis for use in investment projects. This policy is intended to be part of a suite of Bank policies at the time, providing guidance to Bank staff on the Bank's overall approach to project analysis—including institutional and economic analysis—a step toward mainstreaming social concerns.

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<sup>21</sup> The two most sensitive issues involve control over resources and right to consent: with some indigenous groups arguing that the Bank should ensure security of tenure over lands and resources before any actions are taken in territories occupied by indigenous groups; and others arguing for prior and informed consent, before any action can be taken.



The current draft social analysis policy, prepared by Anis Dani and colleagues, clarifies the objectives of social analysis, its coverage, and its requirements. It puts social analysis primarily in the service of poverty reduction and other social development outcomes such as equity and inclusion; and it incorporates the analysis of social diversity and gender, social institutions (including rules and behavior), stakeholder interests and influence, context and mechanisms for participation, and social risks. It is noteworthy that these objectives, and the elements of analysis, echo concerns of long interest to the Social Development community. Although the policy is pending, a complementary document entitled *Social Analysis Sourcebook: Incorporating Social Dimensions into World Bank Operations* was issued in August 2002, and has been widely applauded for its practical approach to improving the social content of Bank investment projects.

***Social Analysis in Adjustment Operations*** Late In 2002, long needed guidance on poverty and social impact assessment in economic reform and adjustment operations,<sup>22</sup> was issued as a collaborative effort between PREM and SDV. This *User's Guide* covers economic tools for impact assessment, and it also borrows heavily from work on social development for disaggregating groups of the poor, undertaking stakeholder analysis, understanding individual and institutional interests, and assessing social and political risks. It marks a significant step forward in developing methodologies for both ex-ante and ex-post evaluation of impacts, particularly impacts on the poor. This work also represents an important milestone in collaboration with the PREM network on poverty impacts, and provides one approach for moving social analysis from the micro (project) to macro (program and policy) level in an increasingly important area of Bank work (adjustment lending).

***Participatory Poverty Reduction Strategies*** At the Annual Meetings of the World Bank Group and the IMF (September 1999) it was agreed that nationally-owned participatory poverty reduction strategies (PRs) would provide the basis for all World Bank and IMF concessional lending and for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. Recognizing that poverty reduction strategies must be nationally owned (rather than donor-driven) and popularly understood and supported to be sustainable, the participation thematic group led by Parmesh Shah, has worked with PREM to ensure that PRs have inputs from poor people and from civil society during preparation and implementation. This decision has been difficult for the IMF and Bank to fully absorb, as participatory processes take time; and for this reason a number of interim PRs have been done with limited participation on the understanding that stakeholder participation will be incorporated into full PRs that come later.

Recognizing that the success of this work also depends, in part, on its consistency with and relevance to instruments used at the macro-level, recent work has focused on tools for incorporating participatory approaches into poverty diagnosis, decision making about public expenditures, and macroeconomic policy formulation and implementation. Box 14, for example, shows how participatory approaches can affect poverty diagnosis. A recent document, *Voices and Choices at a Macro Level* (2002), summarizes lessons learned and provides further examples. This work is particularly important as it demonstrates that participatory tools can be used at the macro-level and that they can produce results that improve the pro-poor nature of government policies and processes.

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<sup>22</sup> See *A User's Guide to Poverty and Social Impact Analysis*. World Bank. Jehan Arulpragasam and Anis Dani. 2002.



#### **Box 14. Expected Outcomes from Participatory Poverty Diagnostics**

Macro-level outcomes potentially include:

- Choice of poverty actions based on specific concerns of the poor—including issues such as vulnerability, insecurity and governance.
- Development of qualitative indicators of well-being based on perceptions and analysis by poor people.
- Integration of qualitative and quantitative aspects of poverty in defining specific interventions in Poverty Reduction Strategies (PRS).
- Incorporation of non-income aspects of poverty and empowerment related public actions.
- Better targeting of poverty reduction programs/interventions to arrive at the best fit between poverty profile and poverty actions.
- Civic engagement and participatory processes, which enable poor communities and their institutions to participate effectively in poverty diagnosis, analysis and monitoring.
- Institutionalization within government of participatory processes for poverty analysis poverty action design and poverty monitoring.

*From Voices and Choices at a Macro Level: Participation in Country-Owned Poverty Reduction Strategies. Participation and Civic Engagement Group. Social Development Department*

**Country Social to Analysis** Moving beyond impact assessment, a key challenge for the future is to develop methodologies identify and assess important social issues at the country level. Such Country Social Assessments would parallel other country assessments and provide an upstream analysis of key issues and options to address them. Such work would build on the earlier efforts of Ashraf Ghani and colleagues within the social development community to draw on the extensive analytical work of external agencies with a comparative perspective on social issues such as governance, transparency, and inclusion, in order to produce composite country assessments. Preparing guidance on this topic will need to be done with great sensitivity and be developed in close consultation with clients, since it is grounded in cultural assumptions that touch upon sensitive social and political concerns.

#### **Taking Stock**

As this section has shown, in the first years after the Social Development network was formed, considerable attention was given to methods and tools for incorporating social concerns into the work of the Bank and for promoting people's participation in project design and implementation. In this effort the family has been quite successful—more so, in fact, than many would have expected five years ago. There have also been a number of recent successes in scaling up key approaches. But during this period several issues have been evident within the network, among them questions about the proliferation of tools, the rigor with which they are applied, and how skills can be found and deployed to scale up these approaches to the macro-level.

As early as 1994, social assessment was proposed as an umbrella for a broad spectrum of other tools and methodologies; but quality issues and subsequent efforts to make social assessment more uniform and more rigorous, to some extent undermined this original intent. With more standardization, advocates for other approaches have not always felt comfortable under this umbrella, and there has been a tendency for various tools and approaches to be seen as competing rather than complementary. The recent *Sourcebook on Social Analysis* puts many of these issues to rest by recognizing a broad spectrum of approaches while tailoring guidance to the types of issues to be addressed.



There have also been differences between those advocating a strong mandatory policy and a more prescriptive approach, and those advocating a more learning and mainstreaming stance. Whether the failure to pass a mandatory social assessment policy was a missed opportunity or a blessing in disguise, is still a matter of dispute within the network. On balance, it is likely that the resources and leadership devoted to social assessment over the past five years have moved the agenda as far as a mandatory policy possibly with fewer negative repercussions. It has also permitted flexibility as the Bank's understanding of social issues and approaches to them has progressed. But not all social staff would agree with this assessment.

Finally, it is clear, that with ongoing changes in Bank lending instruments and development approaches, tools for upstream work will be increasingly important and the focus of the network should be increasingly on such work. But this is easier said than done, especially with current methods and skills. And while methodologies can be developed, the family is limited in terms of the skills that can be brought to bear on the country-wide social analysis or participatory processes intended to influence macro-policy. Therefore, one challenge in the future will be how to balance requirements of scaling up tools (and the intellectual and time demands of this work should not be understated) with the requirements of more operational work programs, such as those related to safeguards and community driven development, where staff already have the needed skills and perspectives.

## **5. Enriching and Advancing the Poverty Agenda**

As we have seen throughout this paper, a concern with poverty impacts and inclusion has driven much of the work on both social analysis and participation. But with an increasing commitment to poverty reduction, the work of the Social Development network on vulnerability and empowerment became more relevant to the Bank's strategic objectives. Disaggregating poor populations and identifying particularly vulnerable groups has continued, concepts of exclusion have begun to be articulated, and long standing efforts to amplify the voices of poor people have reinforced the recommendations of the World Development Report 2000/2001 on Poverty. Programs on community driven development and culture have also brought a portfolio of operations into the network through which it could realize results on the ground.

### **Poverty, Vulnerability and Exclusion**

From their earliest days in the Bank, social scientists argued that groups comprising "the poor" needed to be disaggregated in order to understand the sources of their impoverishment and the means to address them. Early work focused on groups called "marginal and disadvantaged", but recently the concept of "vulnerability" has become more common, in part because it suggests that measures can be taken to reduce vulnerability and risk, and to build on assets and strengths. Regional work on exclusion, particularly in the Latin America, Eastern Europe and Central Asia, and South Asia regions, has also had a growing impact on this work.

**Vulnerability** In the late 1990's, a number of important papers and projects prepared by Social Development staff drew attention to specific vulnerable groups. Some of these papers were in areas such as ethnicity and race, in which the family had been a pioneer, and some were in topics such as age or gender in which the network shared interest and accountability with other networks—particularly Social Protection and PREM. For example, in addition to the considerable work, previously described, to incorporate indigenous peoples more fully into development, several other efforts focused on ethnicity and race, and other features of self-identification.



**Ethnic Minorities** A number of studies have been done within the network on the status of ethnic minorities in borrowing countries. Some were precipitated by the need to identify the groups to whom the indigenous people's policy would apply. For example, profiles of ethnic minorities identified important minority groups in many of the countries in East Asia, and parallel work was done for some countries in ECA. In addition, the ECA region has undertaken country and regional studies of the Roma or gypsies, among others, in order to determine opportunities and constraints to their inclusion in Bank projects.

**Racial Diversity** Following an interagency conference in June 2000 (Box 15), the Bank worked with a number of governments in Latin America to make issues of racial and cultural diversity more transparent. To assist in the discussion, fourteen countries in the region have included questions in census and household surveys on racial and ethnic self-identification. The Bank is also providing capacity building support to strengthen Afro-Latin organizations. A regional strategy on race and development was also presented to, and endorsed by, the LAC Regional Management Team. Due, in part, to this work, an increasing number of CASs in the LAC region are recognizing and including Afro-descendant populations as target groups in poverty reduction programs.

#### **Box 15. Poverty and Diversity in LAC**

In June 2000, the World Bank, Inter-American Development Bank and the Inter-American Dialogue met to discuss the legal, political and socio-economic issues confronting Afro-Latin Populations and to review experience in addressing the issues they face. Discussion focused on a) laws as they affect the rights of Afro-Latin Americans; b) race and ethnicity as factors in the politics of Latin America; c) the role of civil society and advocacy organization in addressing these issues; and d) key research questions regarding poverty and race. Although there were a number of disagreements among participants, they recognized a long-standing neglect of issues related to race in Latin America and concluded that this topic demanded substantially greater attention if issues of poverty equity, political and social stability were to be addressed. (Josefina Stubbs).

The Social Development network has also been involved in efforts to reach a number of other vulnerable and disadvantaged groups, although formal responsibility for this work within the institution is shared with others.

- **Elderly** In 1999 Ayse Kudat and Nadia Youssef published a paper on *Older People in Transition Economies: An Overview of their Plight in the ECA Region*. The paper cites the growing number of elderly people in the countries of the ECA region (averaging about 20% over 60) and the difficulties they face with fixed pensions and declining subsidies for basic commodities—shelter, heat, food and water. It also proposes a series of initiatives to highlight these issues and to incorporate them into country, economic and sector work.
- **Youth** Although the formal work program on youth resides within the Social Protection network, Social Development teams in LAC and in ECA have also identified problems of youth unemployment, and crime and violence as poverty issues. In a series of five studies of violence in Central America, Caroline Moser and colleagues highlighted the role of youth and suggested measures to address them. Some of these suggestions have been incorporated into projects in Jamaica and Colombia, among others.
- **Gender** Finally, while network responsibility for issues related to gender is located in the PREM network, members of the Social Development community have taken a strong interest in this



topic. Shortly after the network was formed, a Gender and Social Development Thematic Team<sup>23</sup> was established to promote Bank-wide attention to gender issues and ensure that social development concepts and tools took gender into account. The team highlighted the importance of a common institution-wide rationale, language and clearly defined approach to gender and development. At one time, the focal points for gender in three of six regions were from the Social Development network.

**Exclusion** During this period, a number of important steps were also taken to make the concepts of exclusion and inclusion more operational. For example, in a 1999 conference on *Social Exclusion and Poverty Reduction in Latin America and the Caribbean*, the linkages between economic access, political participation and cultural rights was made more explicit. At this conference there was widespread recognition that structural barriers—economic, political, and social—all interact to exclude indigenous peoples from economic opportunities, from participation in political processes, and from the protection that others enjoy of their civil and cultural rights; that these factors are causally linked and mutually reinforcing; and that they have led to widespread poverty and social alienation. There was also agreement that governments need to intervene on all fronts (economic, political, and social), if indigenous peoples are to escape the vicious circle of poverty and powerlessness. Studies of inclusive institutions in South Asia reiterated these messages.

**Related Work** Finally, in the past five years, significant analytical work has been done to identify sources of poverty and vulnerability: for example, work done in the Latin America region on violence (see Box 16) and in the Africa region on civil conflict (see next section). During this period, social scientists also began to engage economists in a conceptual and methodological debate about the meaning and measurement of poverty. This debate has highlighted the way in which both qualitative and participatory research could compliment conventional income and consumption measurements, to increase our understanding of the causes and impacts of poverty and the means to address them.

#### **Box 16. Poverty and Violence.**

In countries such as Jamaica, Colombia and Guatemala, crime and violence is recognized as a fundamental development constraint. Participatory urban appraisals undertaken by Caroline Moser with Colombian researchers shows how violence keeps poor people locked in their homes, reduces opportunities for employment and erodes the social capital of the poor, thereby increasing their vulnerability and constraining them from participating effectively in the broader economy. In the case of Colombia, the study also illustrated the manner in which violence can alter social capital. In focusing on poor people's perceptions of violence, participatory studies such as these have helped to highlight the complexity of violence in the daily lives of poor households with political economic and social violence producing mutually reinforcing "cultures of silence and fear".

From: *Violence in the Central America Region*, Caroline Moser and Ailsa Winton, ODI, 2002.

<sup>23</sup> Leadership within SDV came originally from Caroline Moser (LCR), Lynn Bennett (SAR), and Ayse Kudat (ECA), with strong regional teams later developing in LCR (Maria Correia) and ECA among others.



## From Vulnerability to Empowerment

**Voices of the Poor** In preparation for the WDR 2000/2001, a series of studies<sup>24</sup> were initiated that tapped the voices of 60,000 poor men and women from 60 countries. In these studies the poor discuss their perceptions of a good life and a bad life, their most pressing problems and priorities, the quality of their interactions with public institutions, and changes in gender and social relations (see Box 17). Since the poor are the true poverty experts, this amplification and articulation of their voices and views had a profound impact on how the Bank described poverty, and it had a major influence on the 2001 WDR, in particular by highlighting the attention to importance of empowerment and inclusion.

### Box 17. Key Conclusions from *Voices of the Poor*

- The poor view well being holistically (that is, it has many elements, economic and social).
- Insecurity is a major issue and the poor feel they have been bypassed by new economic opportunities
- Gender inequity is widespread, domestic violence pervasive and gender relations stressed.
- The poor want government and state institutions to be more accountable to them. Corruption is a key poverty issue.
- NGOs receive mixed reviews on their support for poor people.
- The poor rely on informal networks and local institutions to survive.

From the Poverty Net: [www.worldbank.org/poverty/voices/listen-finding.htm](http://www.worldbank.org/poverty/voices/listen-finding.htm)

**The Empowerment Agenda** Building on voices of the poor, extensive past work on participation and community driven development, and more recent work on social accountability, the recent Sourcebook on *Empowerment and Poverty Reduction* produced by Deepa Narayan, et al, shows how empowerment matters to poverty reduction. It describes the linkages between empowerment and outcomes such as good governance and development effectiveness, and it identifies four key elements of empowerment as:

- access to information,
- inclusion or participation in decision making,
- accountability of organizations to people, and
- capacity to organize at the local level to solve problems of common interest.

The Sourcebook, combined with accumulated Bank experience, provides an operational basis for the empowerment agenda, and for much of the work on community driven development.

Finally, a recent paper by Lynn Bennett, *Improving Pro-poor Growth through Greater Empowerment and Social Inclusion* (2002), takes many of these concepts one step further. In this paper, Bennett argues that empowerment should be seen as change from below, while social inclusion should be viewed as changes operating at the system level “from above”. A central tenant of the paper is that empowering people risks isolated bursts of collective action unless there is lasting structural change that results in policies and institutions that are more inclusive. Social inclusion, she notes, is aimed at building the incentives and capacities within institutions that enable them to respond effectively and equitably to the demand of all citizens—regardless of their social identity. She also argues that the Bank’s comparative advantage as a development agency is working at the institutional and system level to promote pro-poor and inclusive policies and institutions.

<sup>24</sup> This study was coordinated by Deepa Narayan, senior social scientist in the PREM network.



**The World Development Report** The WDR 2000/2001, *Attacking Poverty*, eloquently articulates and positively reinforces a social development perspective and places social considerations in the forefront of the poverty reduction agenda (see Box 18). Building upon, but moving beyond past World Development Reports, *Attacking Poverty* recommends a three faceted approach: opportunity—encouraging effective private investment, expanding markets, building the assets of poor people and addressing asset inequalities across gender, ethnic racial and social divides; empowerment—providing the political and legal basis for inclusive development, fostering growth and equity including gender equity, promoting decentralization and community development, tackling social barriers, supporting poor peoples social capital; and security—helping poor people manage risk, developing programs to deal with macro shocks, both financial and natural, addressing civil conflict, tackling the HIV/AIDs epidemic. These initiatives effectively link the economic and social agendas in the fight against poverty.

#### **Box 18. The World Development Report - Attacking Poverty**

Among the many messages in the WDR 2000/2001 that have particular resonance for social development are the following:

- Poverty is multi-dimensional – economic deprivation, vulnerability, and powerlessness all aspects of poverty;
- With multi-dimensionality comes complexity. One way to deal with this complexity is through empowerment and participation;
- The design of decentralized agencies and services needs to reflect local conditions, social structures, and cultural norms and heritage;
- The poor are the main actors in the fight against poverty and they must be brought into center stage in designing, implementing and monitoring antipoverty strategies;
- National governments should be fully accountable to their citizenry for the development path they pursue.

From the World Development Report 2000/2001: *Attacking Poverty*. World Bank. 2000. Executive Summary p. 12.

### **Community Driven Development**

Although development within communities had been part of the Bank's agenda since the 1970s (for example through integrated rural development programs), in the late 1990s the Bank's commitment to poverty reduction, and the recognition that community involvement and control over the planning, design and implementation of projects could be effective in meeting the needs of the poor, led to a significant change in the design of community based projects and a major increase in Bank funding to projects at the community level.

Recognizing the broad range of initiatives that could benefit from community involvement and participatory processes, a Bank-wide community driven development program was developed jointly between networks in 1999/2000. Using a number of familiar organizational approaches, managers and staff from each of the four Vice Presidencies<sup>25</sup> convened practitioners from all networks throughout the Bank to demonstrate the utility of community based projects and to develop a common language and approaches. With the strong support of the Bank's President and regional managers, Bank lending in

<sup>25</sup> Hans Binswanger (Africa Region) is credited with bringing the potential of CDD to management attention. Network representatives supporting the effort included Steen Jorgensen (Human Development), Gloria Davis (Social Development), Deepa Narayan (PREM), and Philippe Dongier (Infrastructure).



support of community based development increased from about \$500 million in 1996 to \$2.3 billion in fiscal 2001—equivalent to almost 10% of the Bank's current portfolio. Today there are nearly 300 projects under preparation and implementation, and many are not just community based, but community driven (see Box 19).

### **Box 19. Examples of Community Driven Development Projects**

The range and variety of community driven development approaches are illustrated by the following examples:

***East Timor: Community Empowerment Project.*** This project is helping to establish local institutions and contributing to the rehabilitation of physical as well as social capital in a new, post-conflict state.

***Uttar Pradesh India: Rural Water Supply and Environmental Sanitation Project.*** Provides direct funding to communities to improve service delivery. Over three hundred villages are successfully operating and maintaining their own water and sanitation systems.

***Yemen: Social Fund for Development.*** A micro-credit program that provides poor entrepreneurs with small loans to start micro-enterprises. Before giving the loan, program officers assist the entrepreneur with market surveys to guarantee that the business proposal is sustainable.

***Zambian Social Fund III.*** Empowers local authorities to improve governance and efficiency in service delivery. The community-based small projects include social mobilization infrastructure, improved natural resources management and service delivery components.

***Romania Social Development Fund.*** Provides grants to poor rural communities and disadvantaged groups for small rural infrastructure where recipients select, manage, and monitor the rehabilitation of rural roads, water supply, small bridges and community centers.

Source: SDV website and brochure: *Community Driven Development*. October 2002.

Community driven development differs from earlier approaches in a number of ways. It entails community authority and control over both decisions and resources, and it enhances local or community accountability. Often communities themselves decide who to work with, and they are responsible for contracting, paying, and managing budgets and well as maximizing results. CDD also links action at the community level to the broader enabling environment, often requiring institutional and policy reform to permit effective community action. Evidence to date demonstrates that when communities are responsible for project design, management and monitoring, costs per beneficiary are less, results are better and benefits more sustained.

Community driven operations have also provided opportunities to achieve a number of other social objectives. Rules and incentives generally promote the inclusion of women, minority groups, remote communities, and the poorest families—groups often excluded from regular programs. Community involvement and experience builds social capital and enables communities to set their own objectives and decide how to achieve them. And mechanisms for transparency and accountability have reduced corruption and increased citizen interest in more accountable government. As a result, in some countries such as Indonesia community driven development programs have become the major force for poverty reduction (see Case II). Of course, such operations are not without problems, and there are emerging concerns about the rapidity with which approaches have been scaled up, and about the quality of work in some very large programs, but on the whole, the outlook is promising.



## **Case II. Indonesia: Inclusive and Accountable Development**

The Kecamatan (sub-district) Development Project (KDP) in Indonesia illustrates the benefits of CDD and the linkages between social and institutional analysis, adaptation to country context, mechanisms for poverty targeting and inclusion, and the importance of downward accountability.

In 1996, and prior to the economic crisis, a local level institutions study showed the rich variety of organizations and associations at the local level capable of planning and managing a broad range of development projects. It also showed that development resources rarely reached local groups, and instead were channeled through public sector institutions that crowded out local initiatives in favor of government and elite controlled "user groups".

With the onset of the Asian economic crisis, and the collapse of the Suharto government, economic gains vanished, poverty worsened and both government policies and institutions were discredited. In this context, a rapid response to poverty was required and the time seemed ripe to pilot a project that would by-pass weak and ineffective line agencies, establish transparent systems to deliver financial resources to communities to be used for high priority social and infrastructure projects, and develop institutional mechanisms at the local level that were more inclusive and community driven.

To achieve its objectives, the project's financial resources were targeted to the poorest sub-districts in rural areas where poverty was most highly concentrated, and mechanisms were built in to ensure that poor people, and especially poor women, were incorporated into decision making about priorities and project proposals. Although originally intended to be small, the project was scaled up to permit financial flows to a large number of poor areas at a time of extreme economic crisis.

Among the most innovative aspects of the program were mechanisms for transparency (such as public records, media involvement, and NGO scrutiny) that improved incentives to use resources as intended, and to encourage institutions to respond quickly to proposals and be responsive to community needs.

During the economic crisis and its political aftermath, KDP became the main lending vehicle in a country in which public institutions were faltering. The first KDP project covered about 30 percent of the rural sub-districts in the country and it has benefited more than 15,000 villages, with three years' worth of funds disbursed in only two years. Ongoing evaluations have determined that KDP investments are more cost-effective than other mechanism for delivering similar services and that as a result of KDP, villagers are beginning to demand greater transparency in development operations and less likely to tolerate official corruption.

KDP2 builds on KDP1, but changes several design elements in response to lessons learned and in response to ongoing Indonesia's massive decentralization program. For example, with the principles of direct grant transfer and community control well established, it has been possible to bring line agencies and local government back into the process; and KDP2 includes a large matching grant component which allows local governments to take over KDP programs if they provide 80% of total resources. This handover will be essential if the program is to be sustainable.

(Task team: Scott Guggenheim, Victor Bottini, et al)



Today, community driven development programs cut across many sectors and all regions; and they are included in projects in rural development, water supply and sanitation, social funds, and slum upgrading, among many others. Social funds alone have reached more than 100,000 communities in over 50 countries. The Social Development network has a major role in disseminating lessons learned and in monitoring and supporting program implementation. Coordination now lies with the Social Development network and is currently led by Daniel Owen, and in many regions the Social Development network has an important role in implementation support. In addition, community driven initiatives have used the skills of the network in important ways, demonstrating the linkages between social and institutional analysis, showing the importance of adaptation to country context, drawing upon mechanisms for poverty targeting and inclusion, and using mechanisms for downward accountability in new contexts.

### **Culture and Poverty**

In 1998, the program on cultural heritage, previously located with the Vice President of ESSD, was added to the agenda of the Social Development network amidst controversy about the relevance of culture—and the protection of cultural heritage and monuments, in particular—to the work of the Bank. To address this debate, in 1999 the Culture and Development thematic team under the leadership of Krezentia Duer, prepared and presented a paper to the Bank's Executive Directors entitled *Culture and Sustainable Development: Premises and Work Plan*. Recognizing that globalization has brought cultural homogenization and in some cases social alienation and dislocation, and that cultural assets are particularly important to the poor, the paper argued that a program on culture and development could:

- Provide new economic opportunities for communities to grow out of poverty;
- Catalyze local-level development by building on diverse social, cultural, economic and physical resources;
- Generate revenues from existing cultural assets; and
- Strengthen social capital and social cohesion, and complement strategies for human development.

Reactions to the paper were mixed. Board members strongly supported sensitivity to culture in all aspects of the Bank's work, and they endorsed approaches which mainstreamed cultural considerations in sectoral operations—for example, by taking local languages and cultures into account in designing education curricula. But they also emphasized the need for selectivity and questioned the comparative advantage of the Bank, particularly in supporting free standing projects to support the preservation of cultural heritage and cultural monuments.

Following these discussions, the Bank's growing country focus and increased interaction with the poor through participatory processes, have heightened the importance of cultural sensitivity. Mainstreaming efforts have also been expanded to incorporate cultural considerations in education, urban development, and in community driven development projects (see Box 20); and experience has demonstrated that poverty focused programs with culturally distinctive minorities and vulnerable groups can build on local cultures and traditions to optimize project outcomes. Although freestanding projects to protect cultural sites have decreased, the Bank has reaffirmed its intention to avoid adverse impacts on cultural property by formalizing a safeguard policy on this subject, and cultural heritage initiatives have been supported where they have been shown to have strong economic benefits and positive impacts on the poor.



## Box 20. Examples of Pro-Poor Cultural Initiatives

**Teaching in Local Languages.** In Guatemala, Mali and Papua New Guinea, children taught initially in their native tongues have been shown to learn more effectively, and repeat grades and drop out less frequently than those taught in the national language. They also showed better results in learning a second language when learning skills have developed. As a result of such findings, teaching programs incorporating local languages and sensitivity to local cultures and traditions are being widely adopted in education lending programs.

**Using Culture and Identity to Rebuild after Conflict.** The East Timor Community Empowerment Project is helping to build and reconstruct basic economic infrastructure. In addition, the project is identifying culturally unifying activities and rebuilding social capital through construction of a national heritage center, creation of a small cultural grants program, and development of a national and community radio programming capacity using local languages.

**Building on Cultural Assets.** The government of Eritrea has requested Bank support to fully integrate the conservation and management of its cultural heritage into local and national economic development. The project will work closely with communities in historic and urban sites, to revitalize the life of communities through conservation based activities. By providing support for small- and medium-sized enterprises in tourist areas, the project will also contribute to the revitalization of economic activity as part of its recovery from war. (Peter Dewees).

With the publication of the World Development Report 2000/2001, *Attacking Poverty*, there has also been a research and development program to link poverty reduction, empowerment and culture. Since 2000, some of the most innovative aspects of this work have been supported by the Development Grant Facility (DGF) of the Bank and by the Bank-Netherlands Partnership Program, and administered by the Social Development network. These grants cover three main areas: enhancing voices of the poor, tapping pro-poor cultural industries and intellectual property for poverty reduction, and evaluating cultural influences on household behavior and public services. Eleven pilot projects have been completed under the DGF and twelve research and pilot projects are currently underway with Dutch funding. A book, *Culture and Public Action*, involving economists such as Amartya Sen, among others, is under preparation by PREM with SDV support; and it will be published in 2003 by Stanford University Press.<sup>26</sup> The purpose of the book is to improve the understanding of the linkages between poverty and culture and to demonstrate practical applications of these concepts.

Although the location of the work on culture within the Social Development network would seem to have been a natural fit, the reception of this agenda both within the Bank and the network has been uneven. The reasons are several and diverse. Within the Bank as a whole, the cultural initiative was associated in the minds of some Executive Directors with freestanding initiatives to protect cultural monuments and resources—areas in which they felt the Bank had little comparative advantage. And among Bank managers and task managers, the scale and economic payoffs of pro-poor cultural initiatives seemed too small to be practical. Within the network, many practitioners felt that culture should not be treated as a separate subject isolated from the history, attitudes and values which permeated all of their work, and issues were raised about the need for selectivity and focus within a Social Development agenda that was already very crowded.

<sup>26</sup> *Culture and Public Action* authors include: Bijay Rao and Michael Walton (eds.), contributors: Sabina Alkire, Arjun Appadurai, Loudes Arizpe, Monica Dasgupta, Shelton Davis, Mary Douglas, Simon Harragan, Arjo Klamer, Taimur Kuran, Jean-Philippe Platteau, Amartya Sen.



As a result of these differences, in 2002 the operational program supported by the Social Development network moved to the World Bank Institute (WBI), the learning and outreach part of the Bank, where it is expected to play an integrative role in bringing concepts and work on civic engagement, empowerment and respect for diversity to bear in WBI programs. These changes notwithstanding, the ability of the Bank to recognize the importance of cultural sensitivity in designing projects and programs, and to acknowledge the role of cultural assets as assets of the poor, both constitute significant steps forward for the Bank, and they provide a perspective that underpins the work of the social development team.

### **Taking Stock**

During the years between the World Development Reports in 1990 and 2000, both economists and social development practitioners broadened their views of poverty and the causes of poverty; and if the WDR 2000/2001 is a benchmark, there is now much common ground. The multi-dimensional nature of poverty is well recognized, and social factors that contribute to poverty—such as crime and violence—are better understood. We have made a good beginning in understanding the role of information, participatory processes and empowerment in poverty reduction; and work on exclusion and inclusion has highlighted the interconnectedness of the economic, social and political forces that limit the ability of poor, and other groups excluded on the basis of social identity, to benefit from development.

Purely from the perspective of the network, the alignment of the Social Development work program with the poverty agenda has brought a number of benefits. Over the past five years the work program has moved increasingly from analysis to action—through community driven development initiatives (CDD), among others, at the local level. Many of the new poverty initiatives require a range of tools and skills already present in the network including social and institutional analysis, a knowledge of local conditions and ways to facilitate adaptation, mechanisms for promoting the participation and organization of poor communities, and mechanisms for promoting transparency and accountability. Cultural initiatives, although somewhat slowed, have also brought an operational portfolio that contributes to identity and self-esteem of poor people.

There are also outstanding issues. Overlapping institutional interests and responsibilities, particularly on gender and issues of age (youth and the elderly) require some reconsideration, but there is clear complementarity in the skills and approaches of networks and further integration is needed if groups working on these issues are to be maximally effective. It is also clear that the role of the network in poverty reduction has not been well articulated; and there are times when network resources are not used because task managers fear that the number of social concerns identified by social specialists will go beyond the capacity of their projects to deal with them. This problem should be substantially reduced as staff obtain more operational experience and responsibility. As with other areas of work, there is also a need to scale up approaches to poverty through country-wide and macro-policy analysis, and a corresponding need to find people who can do this.

### **6. Understanding Institutions, States And Societies**

The Social Development network has had a long interest in local level organizations, and in the state and society relationships that underpin sustainable development. In recent years, both aspects of this work have been enriched by the growing understanding that institutions must be accountable to the people they serve if they are to be most effective, and that poverty reduction requires that institutions be accountable to poor people. The following section describes the work of the Social Development network on local level institutions and social capital, and on civic engagement and social accountability; and it summarizes a strategy paper produced by the Eastern Europe and Central Asia social team showing how the issues of governance (accountability), exclusion and conflict are interwoven in the development trajectories of



countries in transition in the ECA region. The section concludes with a brief consideration of the work on conflict and its implications for our thinking about states and societies.

### **Local Level Institutions and Social Capital**

During the preparation of the *Social Development Task Group Report*, one subcommittee under the guidance of Andrew Steer (Director of the Environment Department), produced a working paper on social capital, the first on this subject in the Bank. Subsequently, Ismail Serageldin, the Vice President for Environmentally Sustainable Development wrote *Sustainability and the Wealth of Nations*, which expanded on the concept and the importance of social capital. This document described four kinds of capital: man-made capital (infrastructure), natural capital, human capital, and social capital, and it argued that the sum of these forms of capital defines the nature of opportunities for people and the wealth of nations. Noting that it is the human and social capital of countries such as Singapore that has determined their wealth, Serageldin and colleagues made the case for ongoing attention to social capital, among other assets, in building the assets of nations and securing opportunities for poor people to improve their welfare.

#### **Box 21. The Importance of Institutions and Social Capital**

*Social institutions* are the building blocks of development. Institutions—traditional and modern; at the community, local, regional and national levels; and in the public, private and “civil” sectors—are the vehicles through which social change and social action occur.

*Social capital*, as discussed by Putnam and others, consists of the networks between individuals and households, as well as associated norms and values that create advantages for the community as a whole. Putnam originally conceived of social capital as a positive force leading to mutual commitment and trust, but he came to realize that social capital, like other forms of capital could be used for negative purposes as well.

**Local Level Institutions Initiative** Although a number of studies of local level institutions had been initiated before the network was formed, in 1996 the new Social Development department received a grant from the Norwegian government to extend and expand work on local level institutions and social capital, and to explore their role in economic development and poverty reduction. Under this initiative, comparative studies were initiated in three countries - Indonesia (Scott Guggenheim), Burkina Faso (Paula Donnelly-Roarke), and Bolivia (research by Godofredo Sandoval, report by Grootaert/Narayan). A major innovation in this work was the use of both qualitative and quantitative data to describe local level institutions, investigate their role in the provision of development services (e.g. transport, health, etc), and examine the extent to which membership in such institutions contributed to household welfare. After the individual studies were underway, Christiaan Grootaert, an economist, was asked to join the team to help improve the rigor and uniformity of data collection and analysis, and to integrate and interpret the findings of these studies.

Key conclusions of the first comparative report by Grootaert and van Bastelaer<sup>27</sup> were that:

- Countries varied in the number of local level institutions and the numbers of people who participated in them. In general, however, government sponsored and religious based institutions

<sup>27</sup> See Christiaan Grootaert and Theiry van Bastelaer. *Does Social Capital Help the Poor? A Synthesis of Findings from the Local Level Institution Studies in Bolivia, Burkina Faso and Indonesia*. LLI Working Paper #10. June 2001.



were more common than expected, while NGOs were not well represented at the community level.

- After controlling for human and physical capital and other household characteristics, the presence of social capital—as measured by the frequency of membership in local associations—exerted a positive effect on social welfare.
- The returns to such social capital and to participation in local institutions in general, appear to benefit the poor even more than the non-poor.
- Heterogeneous associations bestow larger benefits on their members than less diversified ones—presumably by expanding the network of contacts that people can tap for support.

While not intended to explore all aspects of local institutions or social capital, these studies indicated that the way people organize at the local level affects their welfare as households and communities; and this, in turn, has clear implications for poverty reduction strategies and programs, and for community driven development projects, among others.

**Social Capital Initiative** Building on these studies, in 1996 the Social Development network initiated a program of studies: *Defining, Monitoring and Measuring Social Capital*. This work was also coordinated by Christiaan Grootaert with the support of Thierry van Bastelaer and supported by the Government of Denmark. Over a five year period, this program supported research in twelve countries, produced 24 working papers, and two major books. The program also formalized methods and tools for the assessment of social capital,<sup>28</sup> tools that have been used in a number of studies carried out by other researchers and they have been incorporated, in part, into Living Standards Measurement Surveys routinely carried out by the Bank.

The results of these studies reported in *Understanding and Measuring Social Capital: A Synthesis of Findings and Recommendations from the Social Capital Initiative*,<sup>29</sup> and indicate that greater local level social capital results in direct income gains and more widespread and efficient delivery of services. The impact of social capital is manifested through better information exchange, higher participation in service delivery systems, and more effective collective action. Most national level studies found that trust is positively associated with economic growth, but that causality is difficult to establish (does trust allow growth or does growth promote trust?) Several studies have shown that social divisiveness can have a cost in terms of reduced growth.<sup>30</sup> (See Box 22). In 1999 at a major World Bank conference on *Social Capital and Poverty Reduction*, at which Robert Putnam was the keynote speaker, evidence from these studies was presented. This evidence demonstrated that greater social capital at the local level results in direct income gains and in more widespread and efficient delivery of services. This impact is thought to be the result of improved exchange of information, greater local participation in implementation, and more effective collective action. .

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<sup>28</sup> Some of this information is drawn from a recent paper by Paul Francis : *Social Capital at the World Bank*, which provides an accessible overview of this work and a full bibliography.

<sup>29</sup> See Christiaan Grootaert and Thierry van Bastelaer. *Understanding and Measuring Social Capital: A Synthesis of Findings and Recommendations from the Social Capital Initiative*. Social Capital Initiative Working Paper #24. World Bank. 2001

<sup>30</sup> Op Cit.



## Box 22. Understanding Social Capital

**Rajasthan** This study, in the Indian state of Rajasthan, looked at watershed management in 64 villages. It found that social capital (measured in terms of networks, roles and trust) along with open political processes and literacy all had a significant and positive association with successful watershed management (Krishna and Uphoff).

**Kyrgyz Republic.** The study, *Better a Hundred Friends than a Hundred Rubles*, demonstrates how access to information and goods depends on social networks. The study also finds that these networks are becoming increasingly polarized as those who are becoming better off are expanding and diversifying their own networks, while relinquishing their traditional obligations (Kathleen Kuehnast, Nora Dudwick).

Although initiated by the Social Development team, work on social capital has not been confined to one network. For example, in 2000, a paper by Julie Van Dommelen in the Human Development Network evaluated the role of social capital in the operation of social funds. She found the presence of social capital—defined as the ability of communities to organize for mutually-beneficial collective action—as a positive influence on social fund implementation, and she concluded that social funds can positively influence social capital at the local level by actively incorporating communities into planning and implementation and by investing in community mobilization. Research on social capital has also been carried out by social scientists in several regions and by economists working in DEC. Finally, in 1998, a thematic team and website on social capital were established in PREM, under the leadership of Deepa Narayan, and jointly managed by PREM, SDV and DEC. In 2002, this group supported the design of the social capital instrument for the widely used Living Standards Measurement Surveys and piloted the household surveys in Nigeria and Albania; managed a visiting scholar seminar series and supported a number of workshops, and maintained the Bank's website on social capital.<sup>31</sup>

As an expression of progress made, one of the Bank's main contributions to the World Summit on Social Development held in Geneva in June 2000, was a document entitled *New Paths to Social Development: Community and Global Networks in Action*<sup>32</sup> which focused on social capital as a mechanism for reducing poverty, and for building the bridges between communities that are essential to sustainable development.

### **Civic Engagement and Social Accountability**

**Civic Engagement** As previously noted, Bank interaction with NGOs initially involved mostly northern (US and European) organizations and it was focused mainly on the work of the Bank. By the mid-1990's, the Bank was engaged in a number of initiatives with southern (developing country) NGOs and the Bank-NGO Committee, which discussed Bank strategy, drew its leadership predominantly from these NGOs. But discussions of the Committee still focused primarily on the work of the Bank. The importance of civil society and its role in development were not well articulated. Indeed, a survey of Bank staff carried out by Saad Ibrahim in 1995, showed that 18% of Bank staff had never heard the term "civil society", while an additional 17% had heard of it only in the previous year or two.<sup>33</sup> Only 46% indicated knowledge of the concept for five years or more. But as the importance of participation to institutional accountability became more apparent, and its links to governance and development became more evident,

<sup>31</sup> Taken from the Social Capital Website: <http://www.worldbank.org/poverty/scapital>.

<sup>32</sup> Production of this document was coordinated by Judith Estrom in the Social Development Department (SDV).

<sup>33</sup> *Nurturing Civil Society at the World Bank*. Saad Ibrahim. Ibn Khaldoun Center for Development Studies. 1996.



a Bank role in facilitating dialogue between Borrowers and civil society organizations (including but not limited to NGOs) became more accepted; and today this is an important element of the Bank's work.

### **Box 23. Definitions**

**Civil society** encompasses all associational activity of private actors in the public realm. It includes a wide variety of organizations that pursue common interests or advocate common causes and have a presence in public life, but are not part of government or the private sector.

**Civic engagement** is a process through which organizations of the civil society actively engage in relationships and actions with the state and other development actors to address issues of public concern.

The reasons for an increased emphasis on civic engagement are several. The World Bank and other development partners have learned from experience that working with civil society organizations (CSOs) and promoting their participation in dialogue with governments can improve the policies and operations by:

- Promoting public consensus and local ownership of economic reforms and national poverty reduction strategies;
- Giving voice to the concerns of primary and secondary stakeholders, particularly poor and marginalized populations;
- Identifying critical issues for attention and action;
- Improving and leveraging the impacts of programs by providing local knowledge, identifying potential risks, targeting assistance and expanding outreach;
- Bringing innovative ideas and solutions to development challenges;
- Providing professional expertise and increasing capacity;
- Improving public transparency and accountability of development activities; and
- Contributing to overall good citizenship and citizen responsibility.<sup>34</sup>

For all of these reasons, support for initiatives involving civic engagement is growing, and although this work often involves contentious and difficult issues, it has been greatly facilitated by the presence of civil society specialists in resident missions who know country contexts and are sensitive to country issues.

**Civic Engagement in CAS Formulation** As the CAS process has become more participatory, and Civil Society Organizations have become more involved, priorities in Bank lending have changed. For example, Case Study II shows how citizen participation kept the issue of violence alive in CAS discussions in Colombia, even though the Bank was reluctant to deal with this subject given what it saw as its limited comparative advantage in this area. But such work is not without difficulty. Participatory processes can flag sensitive issues, provide an arena for airing grievances against government and/or the Bank, and raise unrealistic expectations about what the Bank is able or willing to do. The Structural Adjustment Review (SAPRI), for example, led to considerable frustration on the part of all participating parties - governments, NGOs and the Bank. Recognizing this, the NGO/Civil Society Unit under the guidance of William Reuben issued *Guidelines for Consultation with Civil Society* in 1999, and produced an expanded *Sourcebook* in 2002. This document provides practical guidance on structuring dialogue between governments and civil society, and setting realistic expectations about what can be achieved.

<sup>34</sup> Adapted from a note by William Reuben. *Contribution to the ECA Civil Society Strategy*.



### **Case III. Colombia: Civil Society Identifies Violence as a Development Issue**

*In 1996, Bank and Colombian authorities agreed to carry out the Country Assistance Strategy (CAS) exercise for 1998-2000 in a participatory manner. As an initial step, separate workshops were held with Bank staff, government authorities, and civil society, focusing on the past, present, and future of the society and on Colombian and Bank relationships. A joint workshop was then held to prioritize among development challenges and consider the comparative advantage of the Bank in providing support. Although the three groups initially formulated objectives differently, after joint discussions, the consensus was reached that peace was the absolute first priority, followed by human development (better education), improved legitimacy and efficiency of public institutions, better infrastructure, improved environmental management, and increased attention to poverty and inequality, especially in rural areas.*

*During final preparation of the CAS, additional attention was given to economic management and private sector involvement in economic development and considerable discussion occurred with respect to the Bank's comparative advantage in dealing with conflict and violence. At the end of discussion, however, there was agreement that the Bank had a role in contributing international experience in the area of conflict and violence and designing operations to address underlying causes in poor areas. Key outcomes of this process included widespread agreement among Colombian participants on development on priorities, a better understanding by the Bank of how Colombians viewed issues and their diverse interests, development of ongoing mechanisms for participation in Bank strategy formulation, and for the first time, serious consideration by the Bank on its role with respect to conflict and violence in Colombia.*

*As a result of the process, four new operations were included in the CAS. The first was a small loan (LIL) to support the Magdalena Medio Regional Development Program. Located in one of the poorest and most violent areas of the country, the objectives of the LIL were to test and refine a participatory approach to community led development, and strengthen the capacity of an existing NGO (which drew support from the Catholic Church and the national oil company) to enable it to operate as an effective change agent. This latter step was necessary since the central government presence was weak and armed conflict had led to mistrust, fear and polarization. A key lesson at the end of the LIL was that such groups could be used effectively to manage resources and reach communities, and this contributed to Government's strategic decision to work with respected third parties in violence prone areas. The project also demonstrated that mobilizing communities in such circumstances was a slower process than originally assumed. A second project to build on the first is now under implementation.*

*As a result of CAS discussions, work was also initiated on: (i) youth and violence—because youth are the main actors in, and victims of, violence; (ii) land reform in the most violence prone areas - aimed at stabilizing colonist groups by regularizing land titles and supporting sustainable production systems; (iii) rural education—given both low levels of education and high levels of youth unemployment; and (iv) sector work on violence and social capital. This study aims to understand the underlying causes of violence, thus making it an objective for intervention, not just a risk for WB projects, and it explores ways to create or restore positive social capital in a fragmented and conflict affected communities.*

*1999. Participatory Country Assistance Strategy in Colombia: A Case Study. Jairo Arboleda. Social Development Papers #33. And Colombia Development and Peace in the Magdalena Medio Region. World Bank. En Breve. July 2002.*



**Social Accountability** Finally, recent work on social accountability has focused attention on inefficient and unresponsive institutions and how these issues might be addressed through downward accountability (Box 24). Recognizing a governance and delivery crisis characterized by unresponsive institutions, corruption and collusion, and loose mechanisms for accountability, programs undertaken with the encouragement of Bank borrowers are experimenting with citizen scorecards and other mechanisms to make public institutions more accountable, and to improve information dissemination, transparency and accountability in budget allocation and expenditures-both at the national and local level. As with community driven development initiatives, these mechanisms harness the energy of people through new formal and informal institutional arrangements, giving them increased influence and control over actions that affect them.

**Box 24. Social and Public Accountability**

**India:** In Rajasthan an NGO has initiated a process of social auditing involving public hearings with villagers. These meetings were presided over by a panel of respected people who listened to villager concerns about budget and expenditure issues. This activity led to the exposure of corruption and illegal practices and led to voluntary restitution of significant sums to the public exchequer. As a result the state government has passed a right to information act which enables any citizen or community group to ask for copies of government orders and decisions in order to make public accountability more effective. Two other Indian states have since done the same.

**Philippines.** The Filipino Report Card provides a national level snapshot of people's perception of public services. Report Card survey findings were disseminated in sector-specific write-ups and shared with the government to encourage independent scrutiny and validation of the analysis by government. As a result agencies are making changes in the ways services are being provided and President Gloria Macapagal-Arroyo has required all cabinet members to ensure "regular feedback from citizen customers, and subsequent use of this feedback". (Bhatnagar, 2001).

**State and Society Relations: An Example from the Europe and Central Asia Region**

Although most regional Social Development teams have done some work on state and society issues, they have been most fully explored in the Eastern Europe and Central Asia (ECA) region. In FY 2000, under the leadership of Alexander Marc and Nora Dudwick, the Social Development team initiated a participatory process within the region to determine key issues and directions for their work. The resulting paper<sup>35</sup> forges new ground in linking poverty reduction, governance, exclusion and conflict and clarifying social development objectives in a particular regional context.

Noting the speed and magnitude of economic and political changes in the ECA region in the past ten years, the disruption of formal and informal social institutions, and the resulting social dislocation and economic hardship, the ECA paper analyzes the trends and impacts of current and emergent social issues, and proposes policy and operational approaches to problems that it has identified. Key findings are as follows.

- **Changing Patterns of Governance.** Although it was initially assumed that institutions in the region were relatively well developed, it is now evident that informal "rules of the game" involved considerable uncertainties regarding roles, rights and responsibilities which have made

<sup>35</sup> Social Development in Europe and central Asia Region: Issues and Directions. Eastern Europe Central Asia Socially Sustainable Development. 2001. Nora Dudwick, Task Manager.



institutions inefficient and capricious. Corruption is one of the most visible manifestations of institutional weakness in a number of ECA countries. But while some of the most profound transformations in the region are common across countries, there are also important regional variations. For example, in some Central European countries the accountability of officials to citizens shows potential for improving institutional responsiveness and governance, while in Central Asian states, the emergence of authoritarian governments appears likely to limit the ability of parliaments and citizens to shape policies, and this in turn is expected to affect economic growth and development.

- **Social Exclusion** The paper documents forms of exclusion based on changing gender roles and identities, poverty among children and social alienation among youth; impoverishment and marginalization of the elderly, disabled and homeless; and changing ethnic relationships, particularly in multiethnic states. The break-up of the Soviet Union, Yugoslavia, and Czechoslovakia, all multiethnic states, reflects in part nationalist and territorial aspirations of their ethnic minorities, and has led to shifting relations including marginalization of Russians in states where they are minorities. Regional patterns of exclusion, the widening gap between urban and rural, the demise of company towns, and the impact of large scale migration, are all convincingly described.
- **Conflict.** Finally, the paper describes the sources of conflict in the region including historical ethnic tensions, recent government policies that caused or exacerbated unequal distribution of power and resources, pent up frustrations resulting from deteriorating economic and social conditions, and the problems of conflict-induced displacement and the extreme vulnerability of refugees. Well known conflicts, such as those in Kosovo, are put into context and relatively unknown conflicts in areas such as Tajikistan are described.

Issues involved in the transition from dependence on state owned enterprises for a range of social services, and the emergence of private sector and civil society institutions, are also evaluated; and the trajectories resulting from these trends are described in Table 1 (next page) taken from the report.



**Table 1. Trajectories of Social Change in ECA Countries**

<i><b>The socialist period:</b></i>	<i><b>Post-socialist decade:</b></i>	<i><b>Positive trajectory:</b></i>	<i><b>Negative trajectory:</b></i>
Fused politics and economics; authoritarian, ideologically hegemonic, economically egalitarian	A period of potential innovation and opportunity as well as risk	Toward a more equitable and democratic society	Continuing instability and deterioration
<b>Governance</b> <ul style="list-style-type: none"> <li>• Authoritarian, stable</li> <li>• Ideologically antithetical to market democracies</li> <li>• Stable regional alliances</li> <li>• Severely constrained civil society</li> <li>• Human rights abuses</li> </ul>	<b>Governance</b> <ul style="list-style-type: none"> <li>• Ideological confusion and uncertainty</li> <li>• Shifting regional alliances</li> <li>• Emergence of new groups and alliances</li> </ul>	<b>Governance</b> <ul style="list-style-type: none"> <li>• Democratic governance, more participation</li> <li>• Civil society development</li> </ul>	<b>Governance</b> <ul style="list-style-type: none"> <li>• Authoritarianism</li> <li>• Citizen alienation and passivity</li> <li>• Serious human rights abuses</li> </ul>
<b>Institutions</b> <ul style="list-style-type: none"> <li>• Hegemonic and intrusive</li> <li>• Arbitrary and often governed by personalistic relations</li> <li>• Arbitrary and personalized administrative and legal environment</li> </ul>	<b>Institutions</b> <ul style="list-style-type: none"> <li>• Weak or dysfunctional formal institutions</li> <li>• Informalization of institutions</li> <li>• Capricious and chaotic legal and administrative environment</li> </ul>	<b>Institutions</b> <ul style="list-style-type: none"> <li>• New institutions more transparent and accountable</li> <li>• Administrative and legal environment stable, neutral and predictable</li> <li>• More grass-roots activity</li> <li>• More room for civil society development</li> </ul>	<b>Institutions</b> <ul style="list-style-type: none"> <li>• Dysfunctional or weak institutions</li> <li>• Hierarchical, rigid, arbitrary and non-transparent and legal and administrative environment</li> <li>• Little civil society development</li> </ul>
<b>Social integration</b> <ul style="list-style-type: none"> <li>• Little overt conflict</li> <li>• Stable population</li> <li>• Extensive subsidies to uneconomic regions</li> <li>• State support to vulnerable</li> <li>• Equitable income distribution and access to basic social services</li> </ul>	<b>Social integration</b> <ul style="list-style-type: none"> <li>• Heightened social and national conflict</li> <li>• Population movements</li> <li>• Isolation of regions and rural areas</li> <li>• Questioning of identities</li> <li>• Erosion of social cohesion in and between communities</li> <li>• Heightened social stress</li> <li>• Appearance of new vulnerable groups</li> </ul>	<b>Social integration</b> <ul style="list-style-type: none"> <li>• Inclusive identities</li> <li>• Increased social integration, cohesion and inclusion</li> <li>• Reduced conflict, reconciliation</li> <li>• Equitable access to opportunities and services</li> <li>• Moderate increases in socio-economic stratification</li> </ul>	<b>Social integration</b> <ul style="list-style-type: none"> <li>• Ethnic and nationalist conflict</li> <li>• Further state fragmentation and social atomization</li> <li>• Ongoing marginalization of groups and regions</li> <li>• Drastically increased socio-economic stratification</li> <li>• Decreasing access to opportunities and services</li> </ul>

From: *Social Development in Europe and Central Asia: Issues and Directions*. ECA Social Development Team. 2001. Nora Dudwick.



To foster a positive trajectory, and to promote economic and social development, the report recommends that the Bank:

- Support the development of equitable and transparent institutions, and promote good governance, inclusive and effective communities and vibrant civil societies.
- Support client governments to respond actively to the needs and priorities of the poor, particularly to those who have been marginalized for social or cultural reasons.
- Reduce the risk of conflict and assist countries emerging from conflict to rebuild socially cohesive societies as well as to restore livelihoods and growth.

Specific proposals are made in each of these areas. They include, inter alia, promoting rule of law, encouraging government and communities to work together through community based development initiatives, building the capacity of citizens to participate in policy formulation and in monitoring projects and policies, promoting participatory dialogue between stakeholders and government to foster social inclusion and cohesion, understanding ethnic and gender based forms of exclusion and identifying steps to address them, deepening the Bank's understanding of the impact of sectoral reforms on the vulnerable and identifying mechanisms to mitigate adverse impacts, reducing the risk of conflict and supporting sustainable transitions in countries where conflict has already emerged.

### ***Conflict Prevention and Post-Conflict Reconstruction***

The Social Development Department's interest in conflict prevention and reconstruction is derived, in part, from:

- Its work on vulnerability, and its concern that victims of conflict including refugees are among the very poorest and most disadvantaged groups in the world;
- A recognition that most recurrent conflicts are civil conflicts within countries, and that the task is not one of restoring physical infrastructure but of restoring human and social capital and promoting social integration and cohesion; and
- The realization that building social capital, through community driven initiatives can provide a means both to increase incomes and promote community integration.

The network is not only interested in why societies work, but why some societies fail. (See Box 25).

#### **Box 25. When States Fail**

Between 1980 and 1995:

- Over 50 countries have been involved in major protracted civil conflict with appalling damage to human lives and physical infrastructure;
- Fifteen of the 20 poorest countries in the world have experienced civil strife.
- Almost 70 million people have either become internal refugees or experienced extended periods of internal displacement; half of these are in Africa.
- Of the 50 lowest income countries, half have been directly involved in warfare in this period. Twelve of the remaining 30 have supported major refugee populations.
- Over 100 million land mines have been planted, costing untold lives and billions of dollars to remove when peacetime efforts resume.
- International funds for conflict-related relief and peacekeeping operations have reached such a level that they have reduced donor assistance for peacetime development.

*From the Social Development Task Group Report (1996) (op cit)*



Obviously, dealing with conflict is not new to the Bank. Since its inception as the International Bank for Reconstruction and Development, the Bank has had a long history of involvement in post-conflict reconstruction. Moreover, with the resurgence of civil conflict in the post-cold war period, by the late 1990's the Bank's portfolio of conflict related projects was over \$6 billion. With an increasing recognition of the prevalence and significance of conflict in the Bank's portfolio, a Framework Paper on *World Bank Involvement in Post-Conflict Reconstruction* was written in 1996-97 by the Human Development department with substantive support from the Social Development Department (Steven Holzman). As a result, in 1997 the Post-Conflict Unit was formed within the Social Development network. The decision to locate the coordination unit for post-conflict in the Social Development network was taken, in part, to reflect the importance of the social dimensions of conflict and, in part, because of the cross-sectoral nature of conflict and of the Social Development network's support to the Bank. The fact that Social Development staff including Nat Colletta (in the Africa region) and Steve Holzman (in the Social Development anchor) had been instrumental in preparing operations in conflict countries, was a contributing factor.

In 1998, under the leadership of Nat Colletta and Steven Holzman, the Post-Conflict Unit produced a policy (OP 2.30) on *Development Cooperation and Conflict*, which among other things created new opportunities for ongoing monitoring of, and early involvement in conflict countries. The policy also established lines of communication with the Executive Directors to keep them up to date on conflict related matters and to facilitate a rapid response to changing conflict conditions. Today, in addition to providing operational and policy support, the Unit manages a Post-Conflict Fund for innovation in addressing conflict, and by late 2002, this fund had approved 103 grants worth \$45.5 million in 35 countries. The Unit also provides specialized expertise in critical areas such as de-mining and refugee reintegration and recent analytical work has led to dissemination notes on topics such as *Rebuilding the Civil Service in a Post-Conflict Setting*, *Child Soldiers*, and *The Structure of Rebel Organizations*. As a reflection of its increasingly pro-active role in conflict prevention, the name was recently changed to the Unit for Conflict Prevention and Reconstruction.

Finally, in mid-2002, work initiated between the Post-Conflict Unit and DEC on conflict indicators was piloted in the regions and a conflict analysis framework was under preparation. This document provides criteria for screening, and variables and mechanisms for analysis. Key characteristics of a society resilient to conflict are described as follows:

- Political and social institutions which are largely inclusive, equitable, and accountable.
- Economic, social and ethnic diversity, pluralism rather than polarization and dominance.
- Growth and development that provide equitable benefits across the society.
- A culture of dialogue rather than violence.

In short, a restatement of the objectives of social development.



#### **Case IV: Rwanda: Community Reintegration and Development Project**

In 1996-97, an estimated 1.5 million refugees returned to Rwanda. Reintegration was difficult: houses had been occupied and property seized, lands had been expropriated while refugees were out of the country, and ethnic tensions were intense.

A year-long multi-donor evaluation of the international response to the Rwanda war and genocide of 1994 revealed a number of lessons relevant to Bank activities. Two stand out: lack of in-depth knowledge of the historical, political, social, and economic context of the crisis in Rwanda had undermined the effectiveness of international interventions, and conditionality on economic restructuring had exacerbated social tensions. Building on these findings, and after the onset of refugee return, a Joint Assessment was carried out with participation from the Government of Rwanda, the World Bank, the United Nations Development Programme and other donors and UN agencies. This mission proposed a decentralized strategy in which local communes would plan and implement projects to facilitate community reintegration. To test this concept a pilot project was initiated during which Participatory Rural Appraisal (PRA) techniques were used to enable community members to voice their concerns and develop a vision for a common future.

To build trust and dismantle Rwanda's legacy of centralized decision making, the Government also initiated an inclusive community level approach to development. This approach aims to involve Rwandans closely in the management of their own affairs and make the local administrative structures primarily responsible for development activities. Communes were selected based on socioeconomic criteria that indicated the degree of war-related destruction, number of returnees, and local organizational capacity. Participatory methods within communities identified vulnerable groups, including the homeless, widows, orphans, the disabled and refugees, the majority of whom were impoverished. Although specific mechanisms for including these groups were left up to communities, their inclusion was required

The project focuses on three specific tasks:

- Transferring decision making and expenditure authority from the central to the community level (decentralization);
- Building partnerships between the local administration and the local population around sectoral planning and project implementation; and
- Building trust and cooperation within and between local government and the local population.

To qualify for support, community development plans are encouraged to include proposals that: enhance the self reliance of vulnerable populations; strengthen local capacity to implement reintegration and development activities; promote sensitivity to gender equity and to protection of disadvantaged households (widows, orphans and the disabled) in decision making; and maximize grassroots participation and input in the project cycle.

Under the project, each commune manages approximately US\$240,000 for subprojects that address the community's infrastructure, income generation and capacity building needs. An annual community action plan, which is embedded in a longer-term community development plan, determines how funds will be spent. Project proposals incorporate the use of PRA, which relies on the beneficiaries for ideas and solutions to local problems.

From: *Building Cooperation in Post-Conflict Areas: Rwanda Community Reintegration and Development Project*. Social Development Notes #59, March 2001. (Markus Kostner, Task Manager).



Today, regrettably, there are conflict related operations in virtually all regions, with a heavy concentration in Africa and ECA where they are critical to the future of development and form an important part of the regional work program. (See Box 26). Recently, interest has also been growing in linking work on crime and violence with that on conflict, since both involve issues of inclusion and social integration, and both types of issues benefit from a number of common approaches.

**Box 26. Addressing The Human and Social Dimensions of Conflict**

***Bosnia: Innovation in a Post-Conflict Context.*** In Bosnia an official unemployment rate of 60%, regional instability, and devastated infrastructure led to widespread displacement and poverty after the conflict. Micro-credit targeted to war affected groups - such as war widows, demobilized soldiers, and returning refugees - was seen to be one answer. To overcome weak institutional capacity the Local Initiatives Project was designed through extensive consultation with NGOs and local banks, some of whom became partners in the project. Initially tried as a small scale pilot, within six months it was taken to a national scale eventually servicing over 20,000 borrowers at commercially viable rates while achieving repayment rates of over 99%. In the process the project strengthened relations among communities and institutional capacity among partner organizations (Sarah Foster).

***Afghanistan: Early Interventions.*** In 2001/2002, following the cessation of conflict, events moved rapidly. Although the security situation remains tense, schools have reopened and tens of thousands of refugees are returning. With a reasonable level of stability, an estimated 800,000 refugees are expected to return within a year. A Bank transition support strategy has been rapidly prepared with a focus on high-priority, quick-return reconstruction programs. Gender issues, community mobilization, the role of the private sector, donor coordination and security are emphasized. A \$10m IDA Post-Conflict Grant was also approved for an Emergency Public Administration Project. A multi-donor Trust Fund has also been established with the World Bank as administrator. (Philippe Dongier).

**Taking Stock**

As this section indicates, considerable work has been done to date to understand the role of local level institutions and social capital in poverty reduction and economic development; and important work is now underway which shows how citizen organizations and civic engagement can improve institutional accountability and development effectiveness. These concepts, among others, have been integrated into the ECA study describing how good governance, equity and social integration are linked. Further work is needed to formalize concepts and demonstrate their relevance to sustainable development in other regions and countries.

But these topics are the tip of the iceberg, touching as they do on core issues related to the mutual obligations of states and societies and the role that the social contract between them has in sustaining development. In advancing this agenda, alliances with other networks and integration with other topics will be critical—particularly with the work on governance, but also on decentralization; and once again skills and resources will be essential. And while this may be somewhat heretical in an institution with a mandate for poverty reduction, few issues are likely to be more important in the future than understanding the prerequisites for social cohesion and social stability, which in turn provide the foundation for economic and social development.



### Part III. Where Do We Go In the Future?

#### 7. Taking Stock and Moving Forward

This section briefly reviews the evolution of the Social Development agenda and describes agreements made within the network on the coverage of their work. It also touches on external events (such as the World Summit on Social Development +5) that are likely to influence future directions. The final section provides recommendations on some priorities for the Social Development network in light of where we stand now, and the challenges that will need to be addressed in moving forward.

#### Continuity and Change

As we have seen, over the past twenty years, concerns with the social dimensions of development have been consistent in many ways, but they have also evolved (see Annex 1). Specifically, key elements of the agenda have changed in the following ways.

- **Social Analysis** has moved from an examination of production systems of farmers and the vulnerability of specific groups, to a broader concern with country context, informal institutions and power relations, and of social opportunities, impacts and risks. It is in the process of making the transition to the analysis of policies and institutions that make development interventions more pro-poor, more equitable, and more inclusive.
- **Participation** has evolved from an early focus on consultation and advocacy for people's control over resources, to significant programs for community driven development, downward accountability, and empowerment of the poor. NGOs have increasingly been involved in Bank-assisted development efforts, and there is a growing recognition that government involvement with and accountability to civil society can be a major force for good governance, and for equitable, and inclusive development.
- **Issues of vulnerability and exclusion** have become increasingly important in the Bank's poverty agenda, with a growing understanding that these issues cannot be addressed in isolation, and that they are embedded in social structures—values and institutions - that determine a country's economic, political and social systems. While breaking down structural barriers to economic and social inclusion is essential to poverty reduction, work on inclusive policies and institutions is at a very early stage.
- **Institutions** have become increasingly important. The concern with informal institutions and social capital has been amplified by recent work on community driven development, on one hand, and tested by the work on the institutional and political dimensions of countries in transition and conflict, on the other. Adapting the work done on local level institutions and social capital to program lending and policy based instruments will be a major challenge.



### **Box 27. Our History, Skills and Perspectives Affect How We Work**

Good work by social development staff typically reflects and embodies:

- ***Country and Local Knowledge.*** Social development work has benefited from an understanding of country differences and local realities and, in particular, from an understanding of how institutions really work—especially at the local level.
- ***A Focus on People—Especially Poor People.*** Both analysis and action have focused on impacts and benefits to people—not on a specific sector or on the economy as a whole. Among the poor, the focus has been on the poorest and most vulnerable groups.
- ***A Bottom Up Perspective.*** Both methods and sympathies have generally reflected a preference for looking at things from the point of view of development actors themselves, and giving voice to those who are vulnerable.
- ***A Concern with Social Systems.*** There has been a long standing recognition that societies are composed of economic, social and political systems that are linked and that can change and evolve in ways that can either benefit or harm development.
- ***Support for a Government Role.*** Finally, social development practitioners are united in their conviction that government's have a role in breaking down economic, social and political barriers to full participation in the benefits of development.

### **Where We Stand Now**

***The Boston “Consensus”*** In the first three years of operation, the very broad range of social issues that the network considered, and regional variations in approaches and the priorities, often made it difficult for the Social Development board and staff to agree on directions. For this reason, in late 1999, senior members of the Social Development network spent a week in Boston working with the Monitor Competitiveness Group's Center for Leadership to examine their strategic positioning within the Bank, and to define an action plan to improve the network's effectiveness as a force for positive change and positive social impact.

The session explored the diverse views that staff themselves held concerning priorities and modalities of work, and commitments they had in common. The results were instructive. For example, all participants agreed that the Social Development network should be a leading resource for support on social methods and tools (e.g. social analysis and the design participatory projects) and that it should be the primary locus of policy formation and solutions on certain cross cutting social issues, for example, dealing with exclusion and violence. But staff differed on whether the family should have a task management or advisory role, and on how their advice should be disseminated.

In this meeting, core product areas were defined and value added discussed (see Box 28). Key challenges were also identified: how to assess and act on country-wide social issues that vary by region; how to scale up to deal with emerging social development issues such as the impacts of globalization; and how to benefit from and provide support to the staff on the frontlines, particularly those in country offices in the regions. To advance this agenda, further collaboration across networks was seen to be important, and the role of DEC—the research arm of the Bank - was seen to be essential in providing empirical evidence for the value of social development concepts and tools.



Box 28. Overview of SD's Core Competencies and Programs/a			
Bank Instruments	Network Core Competencies	Applications	Value Added
<ul style="list-style-type: none"> <li>• Projects</li> <li>• Policy Based lending</li> <li>• CAS/CDF</li> <li>• PRSPs</li> <li>• ESW</li> <li>• Etc.</li> </ul>	Instruments and applications are influenced through: <div style="text-align: center;"> </div> Social Analysis & Participation	<ul style="list-style-type: none"> <li>• Safeguards</li> <li>• Social Analysis</li> <li>• Community Driven Development</li> <li>• Civic Engagement &amp; Participation</li> <li>• Conflict and Violence</li> <li>• Cultural Assets for Poverty Reduction (with some questions)</li> </ul>	<ul style="list-style-type: none"> <li>• Better targeting</li> <li>• Fewer negative and more positive social impacts</li> <li>• Improved ownership and effectiveness</li> <li>• More inclusive operations and policies</li> <li>• Empowerment of poor</li> <li>• More transparency and accountability</li> <li>• More capacity for people and agencies to solve their own problems</li> </ul>
a / Conclusions of workout with Monitor Center for Leadership Group– Boston 1999			

**The Second World Summit on Social Development** In June 2000, five years after the first Social Development Summit in Copenhagen, a special session of the UN General Assembly was held in Geneva. More than 6,000 people attended, representing 160 member states. In this session, differences between developing and developed countries were more pronounced than in Copenhagen, and issues of equity and accountability were more intensely debated. Developing countries pushed hard on issues such as debt relief, high levels of development assistance (ODA), market access, taxes on currency transactions and voice in the international financial system including stronger representation in international financial institutions such as the Bank. Developed countries resisted strong calls for change and encouraged more effective governance and better use of resources.<sup>36</sup> A major advance was in the adoption of the millennium development goals including benchmarks for poverty reduction and improvements in social indicators.

At the 2000 World Summit the following issues were in contention:

- **Globalization:** Moving beyond the negative impacts of globalization, developing countries asked for guidance on ways to capture more of the benefits of globalization while reducing human and social costs.
- **Democratization, accountability and transparency:** These topics were increasingly seen as the major factor in the enabling environment for social development, while the political implications will require additional sensitivity by the Bank.
- **Equity, social justice, rights-based approaches.** The Summit frequently returned to these issues; some countries saw them equal to or more important than social services for achieving millennium development goals; while others, including many developing countries, were wary of implied conditionality.

<sup>36</sup> Taken from Judith Edstrom, *Back to Office Report*. July 2000.



- ***Credibility of the World Bank.*** Claiming that actions speak louder than words, NGOs in particular reiterated their commitment to measure the Bank not in terms of rhetoric, but results.

All of these issues are social development issues to the extent that they touch on changing economic and political relationships. Recent events demonstrate that persistent poverty and inequity can lead to frustration and violence; and with better knowledge and communication it is certain that people will increasingly insist on social justice and their share of prosperity. These are the issues of the future, and the Bank and the family must adapt to address them.

### **What Should We Do in the Future?**

Taken together, our history, skills, and location of work, and the nature of the emerging issues which confront us, suggest a threefold strategy that would ensure that social factors are taken into account to improve development outcomes, put the skills and experience of the family squarely in the service of poverty reduction, and move forward on broader questions of society and development. Key elements of this strategy are as follows.

***Scaling Up Social Analysis and Participation*** Although this paper argues that we need to move from analysis to action, given the track record and comparative advantage of the network, appropriate levels of support should be continued to enhance the quality and impact of social analysis and participation and to scale up their impact. The family is already adapting methods and tools to new development issues (e.g. conflict analysis), to new lending instruments such as economic reform and adjustment operations (poverty and social impact analysis), and to new diagnostic instruments such as poverty reduction strategies (PRSs); but further work is needed to mainstream social analysis and participatory approaches in the programs of countries themselves, and to develop guidance for country social analysis in order to identify key social issues within countries and further clarify how they can be addressed. This is particularly important as upstream and country analysis is expected to underpin country assistance strategies and the growing program of development support lending. But scaling up of this sort will pose challenges in terms of expertise and staffing and additional staff with broad knowledge of social issues within regions and sectors will be needed.

***Supporting Poverty Reduction*** Even more important, the network should support and deepen its existing work on poverty reduction. This will require articulating for ourselves and for others what we do, demonstrating that this work improves results, and strengthening our capacity to deliver. Ongoing work to scale up work on community driven development, empowerment and inclusion is particularly important, and putting concepts and approaches into action through operational work at the local level holds particular promise in light of our history, expertise and location of staff. But this will not be enough. Concepts and approaches that already work at the local level—disaggregating groups, understanding their vested interests, and building coalitions for change—will need to be scaled up and applied at the country level as well. And moving from the analysis of particular operations to consideration of institutional and structural barriers to inclusive social development will be critical to poverty reduction.



### **Box 29. The Role of the Social Development Network In Poverty Reduction**

There are many things which members of the Social Development network already do, and do well, in support of poverty reduction. These should be continued and expanded. For example:

- Capturing and amplifying the needs and voices of the poor in projects and PRSPs.
- Identifying and targeting the poor and the most disadvantaged groups, and tailoring interventions to their needs and capacities.
- Promoting strategies to build on poor peoples skills and resources, and to place communities in charge of decision and resources (through CDD etc).
- Ensuring that the poor are not disadvantaged by project interventions or policy reform (e.g. through safeguards and PSIA, in part).
- Assessing the social dimensions of conflict and rebuilding social networks and capital in post-conflict settings.
- Strengthening local level social capital and building accountable institutions to fight poverty.
- Understanding the opportunities and constraints implied by a particular social system for pro-poor policy change and project results.

**Defining and Addressing Issues of State and Society** The Social Development agenda is about societies as well as people. Evolving work on civic engagement and social accountability is forging new ground in defining the types of relationships—especially between state and society—that are essential to sustainability. Work on democratization and human rights will follow, even though these issues are sensitive at this time. Country-wide social issues will also be increasingly important. The ECA strategy which focused on changing patterns of governance, social inclusion, and conflict, has shown how a positive trajectory in some countries has lead to more participatory, equitable and stable societies; while in others, authoritarianism, human rights abuses, and citizen alienation have lead to a downward spiral of ethnic fragmentation, corruption and violence. Regional and country analysis of this type will be increasingly important in the future.

#### **How Do We Get Where We Are Going?**

The Bank's Social Development Strategy will elaborate on the internal business implications of its objectives, but a few recommendations can be made here, related to the internal issues and approaches covered in this report.

**Clarifying Key Concepts** To be credible the members of the Social Development network must agree on the key social development outcomes that their methods, tools and approaches are intended to promote; and they must demonstrate that their approaches lead to better development results and to improvements in human welfare. Economic equity and social inclusion are normative concepts that deal with the *relationships* among people. They are powerful social development concepts, but if these concepts are to be used, they need to be used consistently, and we need to show that they matter.

**Providing Evidence** Few social development practitioners—with a handful of exceptions—have the skills to provide the quantitative evidence that the Bank respects and that would demonstrate the utility of social development concepts and approaches. In this respect, the Bank's Development Economics Group (DEC) is an underutilized resource. An inter-disciplinary research committee was set up in 1997 to guide research on social development, but issues were in the early stages of articulation and the committee dissolved. Subsequently, some related work has been done by DEC, but with little influence on the social



development community (or visa versa). To improve this situation, consideration should be given to resurrecting the research committee on social development and making it more systematic and rigorous.<sup>37</sup>

***Scaling Up Concepts and Concerns*** Issues such as participation, empowerment, transparency and accountability are important, not only at the local level, but also at the national, and more recently at the global levels. While the network has only begun to move its concepts and approaches from the local to the national level through policy based and institutional work, the Bank as a whole is already facing questions about its influence and role at the global level, and these pressures will increase. Serious work on these issues is hindered by limited external inputs into our work and gaps in communication with outside experts, as well as by the very limited expertise within the network to address macro and global issues.

***Maintaining and Enhancing Technical Expertise*** The Social Development network was created as a network of non-economic social scientists. As the agenda has broadened, the network has become more multi-disciplinary and leadership positions have been filled from outside the network. This has many positive features: today the network is less of a "trade union" for social scientists, and collaboration with the PREM and Social Protection networks has improved. But there is also a concern that the social perspectives and expertise which practitioners originally brought into the Bank could be eroded. To address this issue, there has been some interest within the network in the creating a Senior Social Advisor for the Bank (akin to the Senior Economist). At a minimum, consideration should be given to creating a technical position within the anchor for a senior social scientist with a specialization in broad social policy issues, and to providing focal points for country and macro-social issues in each of the regions.

***Strengthening Field Staff and Network Integration*** At the time that networks were formed, the Social Development network had the largest proportion of staff in regional offices of any network in the Bank. Under these circumstances, extra efforts must be made to bring regional experience into the family, to disseminate results between center and region, and exchange information between regions as well. Initially thematic teams provided the main mechanism for staff to be engaged in setting priorities for the work of the family; and returning to the idea of such communities of practice and giving them resources and time to pursue outreach would help all members of the social development network to be engaged in the work of the family. Opportunities for cross regional fertilization between regions will be increasingly important and mechanisms to draw experienced staff from country offices into headquarters positions will be critical to address our own equity issues.

***Strengthening Linkages between Networks*** Recently, with the network's increasing involvement in poverty, linkages with PREM have grown stronger, while links with ESSD have declined. Links with traditional allies in the "hard" sectors (especially infrastructure) also appear to have weakened. Building alliances with all networks is essential for mainstreaming social development concerns in the Bank, and the Social Development Strategy can provide an important vehicle for this. Mainstreaming some social scientists in sector divisions, as is done with economists, could also help build ownerships and improve quality. There is also an interest in some quarters in revisiting network affiliation—particularly among new network staff who have not known the history described in this report. While there is some logic to a network which brings together poverty and gender (from PREM) and diversity and vulnerability (from SDV and HD) with issues of state and society (SDV) and governance (PREM); if this is to be considered, strong preference should be given to a new network for Poverty and Social Development separate from that for Economic Management. Without this, the distinctive work of the social development network could easily be lost.

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<sup>37</sup> A complementary report to be prepared as a contribution to the Social Development Strategy and produced by DEC social scientists, will look at work done on social development topics by DEC.



## **Conclusion**

The Social Development network did not invent the concepts and practices it has advocated and advanced; and to the extent that it has been successful, its concepts and tools are now applied widely across the Bank. But members of the Bank's Social Development network, and others who have contributed to the Social Development agenda, have played a major role within the Bank by focusing on the social impacts development, giving people—including poor people—a greater voice in development decisions, thinking in new ways about the relationship between states and societies, and in changing the way the Bank does its work. Moving from concerns for poor people in poor communities to larger issues of national social policy and global inclusion presents almost unimaginable challenges, but there can be no doubt that in the next ten years, these will be the questions that will need to be addressed if the network—and the Bank—are to be successful.



# Annex 1 Key Elements of the Social Development Agenda

Topic	1974-1987	1987 - 1997	1997-2002	Beyond
Objectives	Improving Operational Effectiveness	Putting People First / Developing Methods and Tools	Poverty Reduction and Socially Sustainable Development	Scaling Up Our Poverty Impact  Understanding how Societies Work
Social Analysis	OMS 2.30 – Sociological Aspects of Project Appraisal	1994 – Bank Guidelines on Social Assessment	1998 - SA 2002 – Social Analysis OP	2002 - PSIA
Participation	Consultation Beneficiary Assessment (listening) 1985 – OED study	1990 Participation Working Group 1994 Participation Sourcebook	Community Driven Development  Civic Engagement (e.g. PRSPs)	Empowerment  Accountability  Voices and Choices
Diversity and Vulnerability	Policies on indigenous people and displaced people	Concern with gender, vulnerable groups (blind, widows, youth, indigenous peoples)	Safeguard  Vulnerability  Voices of the poor Community Driven Development	Inclusion  Rights
Social Institutions	Social organization of production,  NGOs	Institutions, mainly local, which affect development  NGOs	Social Capital  Local Level Institutions  State and Society  Civil Society	Societal Development   Clients and their Citizens
Comments	Early focus on Rural Development	Strong emphasis on methods and tools	CDD, conflict and cultural heritage added to agenda	Scaling up From micro to macro; from local to national, mainstreaming in client countries



# Annex 2 Social Development Task Group: Satellite Groups

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## **Group 1: Social Foundations of Development**

Hatsuya Azumi (Chair), Gordon Appleby, Michael Cernea, Nat Colletta, Anis Dani, Paula Donnelly-Roark, Ashraf Ghani, Peter Harrold, Alberto Harth, Maria C. Mejia, William Partridge, Stan Peabody, Sudhir Shetty, Roberto Zagha

## **Group 2: Social Analysis and Resource Mobilization**

David Dollar (Chair), Cyprian Fisiy, Valerie Kozel, Lars Soeftestad, Jorge Uquillas.

## **Group 3: Social Sustainability through Institutional Effectiveness**

Hans Juergen Gruss (Chair), Dan Aronson, Ed Campos, Sanjay Dhar, Mamadou Dia, Estanislao Gacitua-Mario, Elizabeth Morris-Hughes, Alberto Ninio, Mike Stevens, Mateen Thobani

## **Group 4: Social Capital and Social Development**

Andrew Steer(Chair), Anthony Bebbington, Maria Donoso Clark, Gloria Davis, Paul Francis, Jonathan Fox, Christiaan Grootaert, Philip Keefer, Deepa Narayan, Mancur Olson, Chris Barlett

## **Group 5: Partnerships and Participation**

Roger Sullivan (Chair), Akihiko Nishio, Aubrey Williams, Claude Salem, Deepa Narayan, David Howarth, Jim Edgerton, Juergen Voegelé, Jonathan Brown, Maalena Dos Santos, Steen Jorgensen, Sunita Gandhi, Thomas Blinkhorn Debra Sequeira, Tosca van Vijfeijken

## **Group 6: Social Assessment in the World Bank**

Emmanuel Jimenez (Chair), Shelton Davis, Paul Francis, Ayse Kudat, Kathryn McPhail, Lant Pritchett, Martin Ravallion, Gurusri Swamy

## **Group 7: Gaps in Social Analysis and Planning**

Ellen Schaengold (Chair), Lynn Bennett, Michael Cernea, Scott Guggenheim, Maria Donoso Clark, Kathy Krumm, Shelton Davis, Cyprian Fisiy, Daniel Gross, Rohil Hafeez, Nancy Katz.

## **Group 8: Social Dimensions of Key Bank Policies**

Cynthia Cook (Chair), Marylou Bradley, Tim Campbell, Paul Francis, Junko Funahashi, Ashraf Ghani, Margaret Grieco, Scott Guggenheim, Philip Hazelton, Ayse Kudat, Dominique Lallemon, Kye Woo Lee, Josette Murphy, Ian Newport, Alfredo Sfeir-Younis, David Wheeler, Warren Van Wicklin, Willem Zijp

## **Group 9: Instruments and Retooling the Bank for Social And Economic Development**

Robert Picciotto (Chair), Joanne Salop, Charlotte Jones-Carroll, Marianne Haug, Maritta Koch-Weser, Caroline Rob, Heiz Unger, Shawki Barghouti, Richard Skolnik, Michael Cernea, Kenneth Lay, Jacques van der Gaag, Aubrey Williams, Mohan Gopal Miguel Schloss.

## **Group 10: Public Expenditure Reviews**

Shanta Dvarajan (Chair), Michael Bamberger, Michael Cernea, Ashraf Ghani, Jeffrey Hammer Desmond McCarthy, Sanjay Pradhan, Richard Skolnik.



## Annex 3 Selected Documents in Chronological Order

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- 1973 *A Report with Recommendations on the use of Anthropology in Project Operations of the World Bank Group*. Glynn Cochrane and Raymond Naronha. Draft World Bank Document.
- 1984 *Operational Manual Statement on Project Appraisal*. (OMS 2.20, Section F: Sociological Aspects). World Bank. Michael Cernea
- 1985 *Putting People First: Sociological Variables in Rural Development*. Michael Cernea (ed). Oxford University Press.
- 1987 *Listen to the People: Participant Observation Evaluation of Development Projects*. Oxford University Press. Lawrence F. Salmen.
- 1988 *Nongovernmental Organization and Local Development*. Michael Cernea. World Bank Discussion Paper #40.
- 1989 *Review of Rapid Rural Appraisal Tools for Use in Natural Resource Management Planning and Project Design and Execution*. Augusta Molnar. FAO.
- 1989 *Beneficiary Assessment: Improving the Design and Implementation of Development Projects*. Lawrence F. Salmen. World Bank.
- 1992 *Common Property Resources: A Missing Dimension of Development Strategies*. Narpat S. Jodha, World Bank Discussion Paper Number 169.
- 1993 *Indigenous Peoples and Development in Latin America*. LATEN Dissemination Note #8. World Bank.
- 1993 *Indigenous Views of Land and the Environment*. Shelton H. Davis (editor, World Bank Discussion Paper Number 188.
- 1993 *Guidelines for Incorporation of Social Dimensions in Bank Operations*. Asian Development Bank.
- 1994 *Guidelines and Principles for Social Impact Assessment*. Interorganizational Committee on Guidelines and Principles. (Issued by U.S. Department of Commerce).
- 1994 *Indigenous Peoples and Poverty in Latin America: An Empirical Analysis*. Harry A. Patrinos and George Psacharopoulos. World Bank
- 1994 *Methods and Tools for Social Assessment*. Sue Jacobs, etal. World Bank.
- 1994 *Social Assessment—Incorporating Participation and Social Analysis into the Bank's Operational Work*. Gloria Davis, etal. Informal Guidelines Social Policy Division. World Bank.



- 1994 *Systematic Client Consultation*. Southern Africa Department. World Bank.
- 1995 *Gender Issues in World Bank Lending*. Josette Murphy. OED. World Bank.
- 1996 *Confronting Crisis: A Summary of Household Responses to Poverty and Vulnerability in Four Poor Urban Communities*. Carolina Moser. World Bank.
- 1996 *Cents and Sociability : Household income and Social Capital in Rural Tanzania*. Deepa Narayan, Lant Pritchett. World Bank.
- 1996 *Nurturing Civil Society at the World Bank*. Saad Eddin Ibrahim. Ibn Khaldoun Center for Development Studies.
- 1996 *Sustainability and the Wealth of Nations: First Steps in an Ongoing Journey*. Ismail Serageldin. World Bank.
- 1996 *Social Capital*. Draft Report of the Task Group Satellite Group. Andrew Steer, etal. World Bank
- 1997 *Social Capital: The Missing Link? In Expanding the Measure of Wealth: Indicators of Environmentally Sustainable Development*. Christiaan Grootaert. World Bank. Washington, D.C.
- 1997 *Mending Fences: Seeking Social Sustainability in Conservation*. Grazia Borrini-Feyerabend. IUCN.
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