

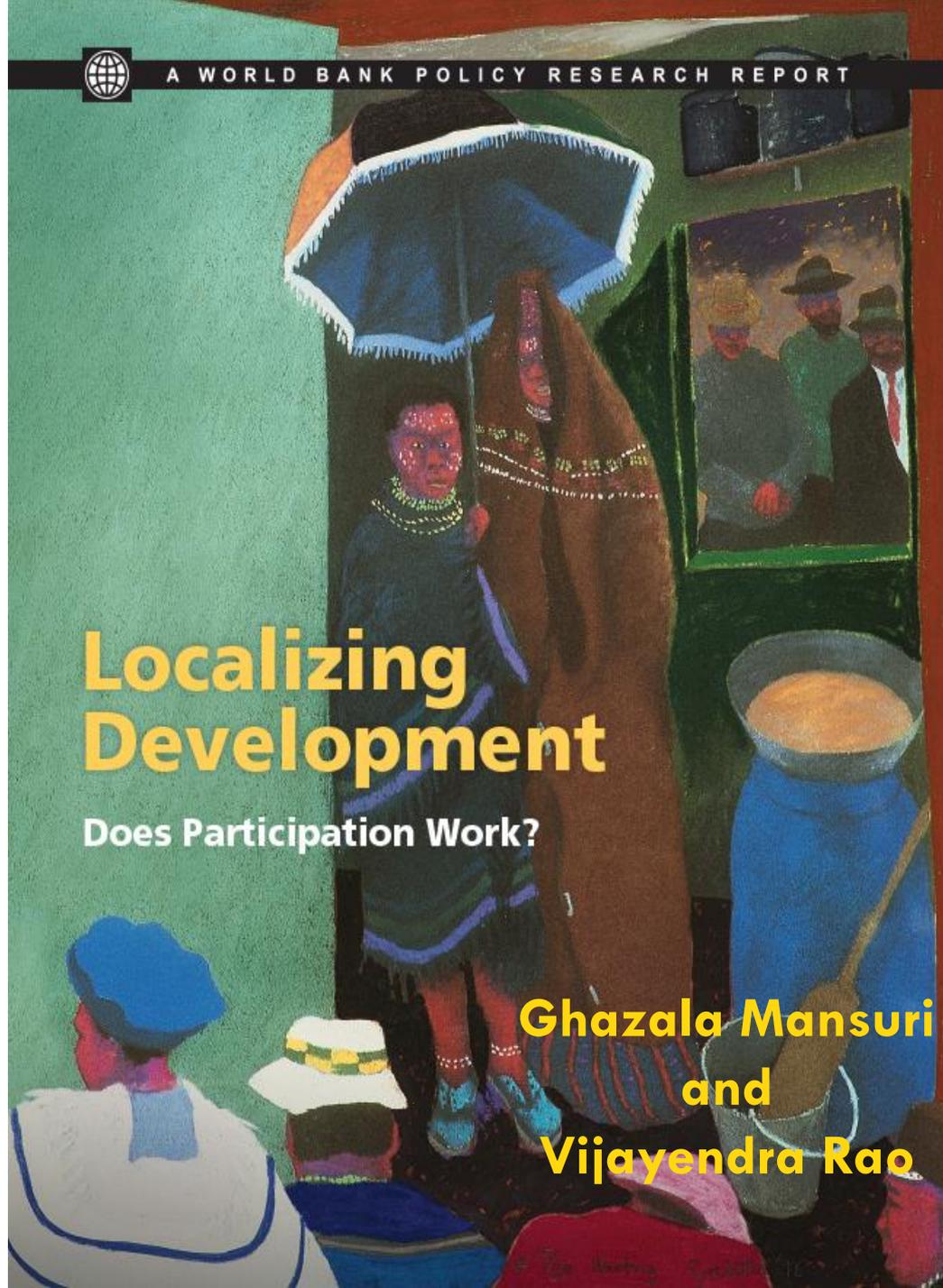


A WORLD BANK POLICY RESEARCH REPORT

Localizing Development

Does Participation Work?

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Context

\$85 Billion in WB lending for Participatory Development over the last ten years. Several times that from other donors.

Local Participatory Development:

- Local Decentralization
- Community Based Development

□ Justification:

- Improve Accountability in the use of Public Funds
- Improve Service Delivery and Access to Local Public Goods
- Enhance livelihoods
- Empower the Poor – Increase Social Cohesion
- Rebuild Economy, Politics, Society

Induced vs Organic

Organic

- Participation by civic groups (organized or as part of movements) acting independently of government, and sometimes in opposition to it.

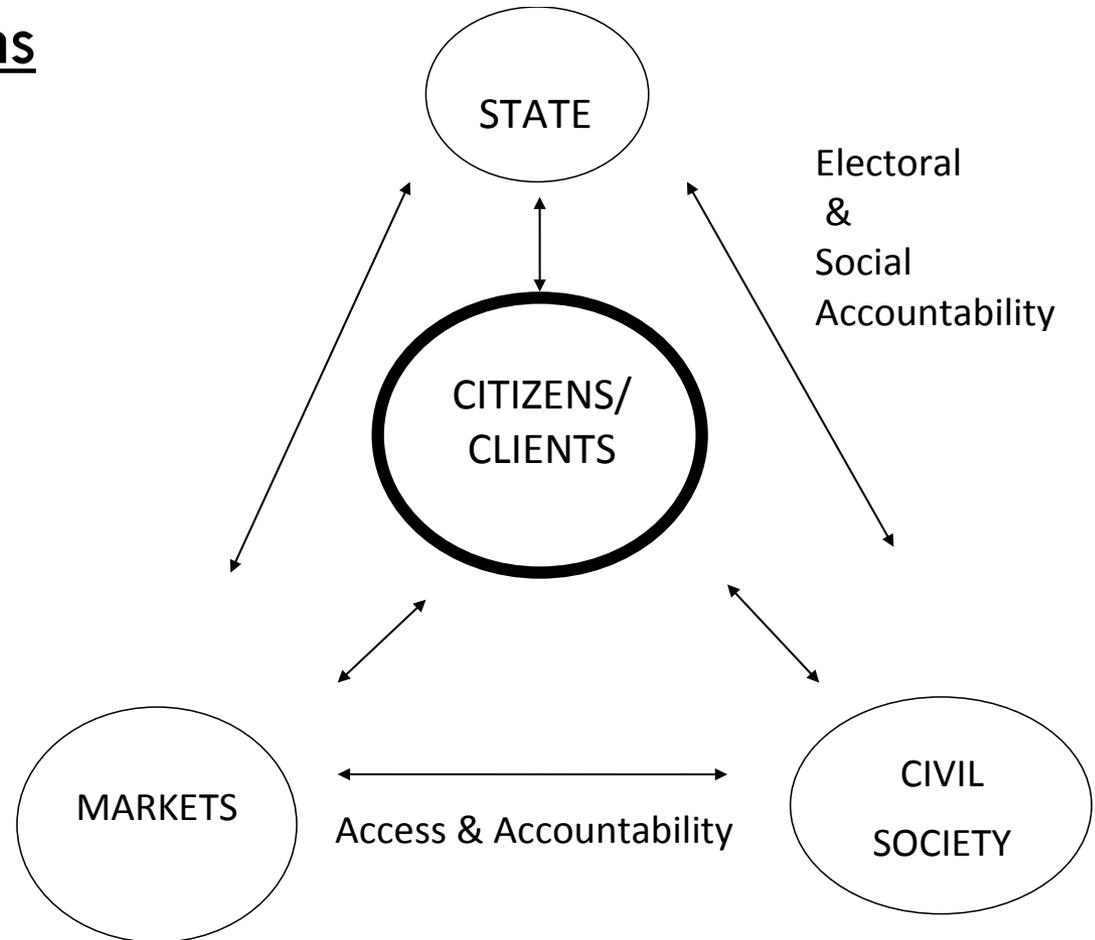
Induced (Focus of Report)

- Participation induced by donors and/or governments via projects implemented at the local level.

A FRAMEWORK

Failures/Imperfections

- Information
- Coordination
- Equity



Civil Society Failure

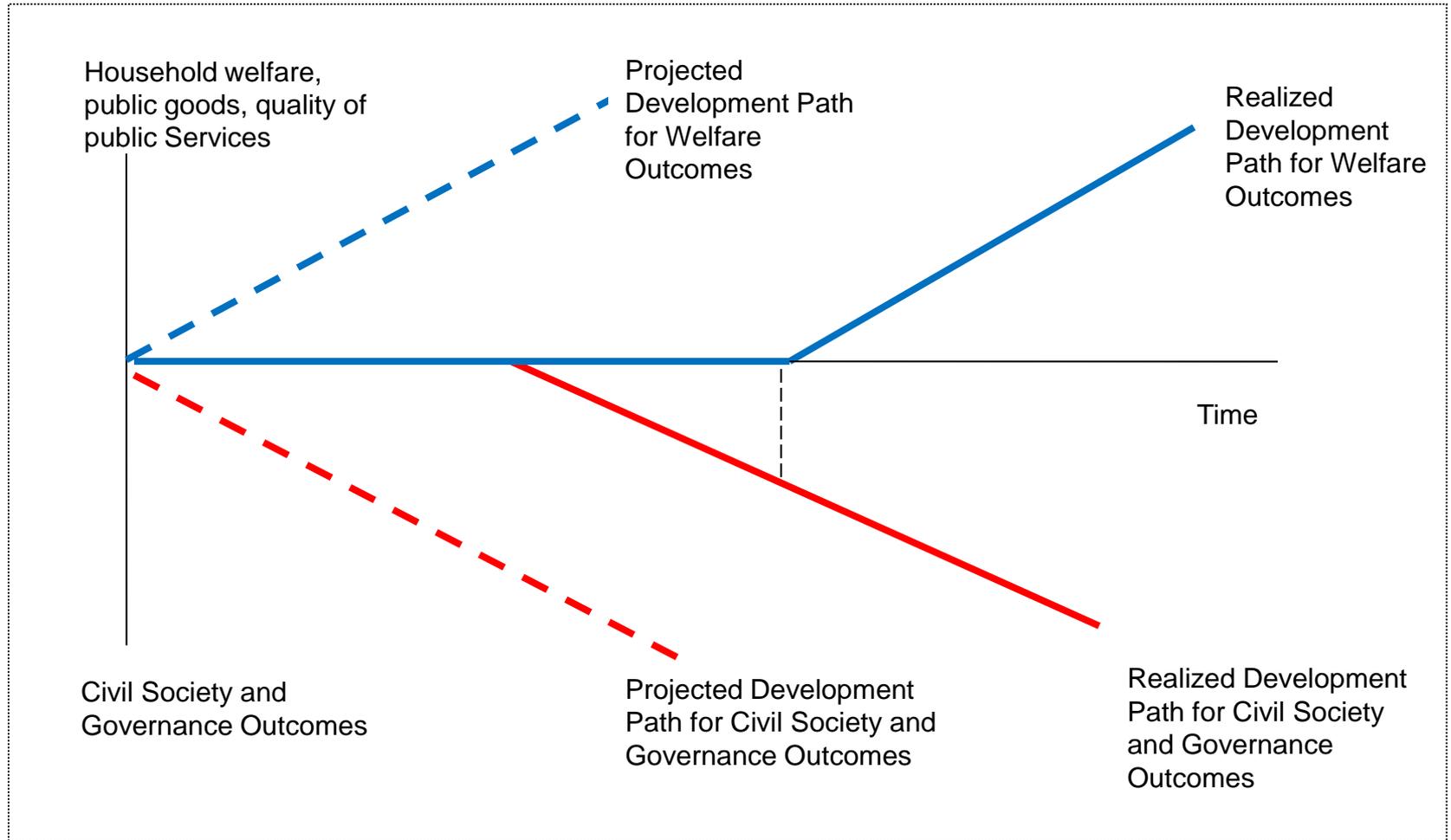
□ What is it:

- Situation in which groups, who regularly live and/or work in geographic proximity, are unable to act collectively to reach a feasible and preferable outcome.

□ Challenges

- Lack of Cooperative Infrastructure – common understanding, common interest, repeated interaction, etc.
- Strong Cooperative Infrastructure
 - Strong State
 - Role of Elites: Control, Capture, Clientalism

Trajectory of Induced Participatory Projects



Questions that policy makers care about

Does Participation Benefit Poor People?

- Does it improve local infrastructure?
- Does it improve access to and quality of public services?
- Does it reduce poverty, increase assets, expand livelihood opportunities?

Does Participation Improve Accountability?

- Are Investments more aligned with local preferences?
- Are resources better targeted?
- Is there less capture and corruption?
- Are communities, and specially the poor, better able to observe, monitor and sanction service providers/policy makers?

Does Participation Increase Civic Capacity

- Does it enhance inclusion and 'voice'?
- Does it improve social cohesion or the ability to act collectively?

Does Participation Benefit the Poor

- **Resources better targeted?**
 - ▣ Mildly better overall but much better for investments in broad public goods (health, schooling)
 - ▣ Overall, capture more likely in communities that are unequal, hierarchical, remote, poorer and less literate

- **Poverty and livelihoods?**
 - ▣ Results mixed: No impact; Impact only on the relatively well off; impact on the poor

- **Public Services?**
 - ▣ Community participation alone does not work. Beneficial when there are other inputs (better resourced facilities, trained health staff etc.)
 - ▣ Larger gains under democratic decentralization relative to participatory programs implemented by independent agencies
 - ▣ Programs that increase the fiscal burden of local governments under decentralization can worsen public service delivery

Accountability and Civic Capacity

□ **Accountability**

- Not clear that moving to the local level reduces capture or corruption
 - Community capacity to monitor or enforce is quite limited
 - Capture more likely in communities that are unequal, remote, poor and less literate
 - Participation appear to yield “intrinsic” value... greater reported satisfaction with process regardless of outcomes
 - Top down efforts generally needed to improve accountability (audits, information)

□ **Civic capacity**

- Less positive evidence as yet that participation augments civic capacity or leads to broader collective action by communities for development
- Participants are often wealthier, more educated, of higher social status (caste, ethnicity), male and more politically connected than non-participants
 - However, there is encouraging evidence from participatory councils under decentralization
 - There is also encouraging evidence from efforts to create mandates for participation by women and other disadvantaged groups

Summary of Evidence

□ **Outcomes tend to be better when**

- there is a supportive state structure and well capacitated implementing agencies
- participatory projects are implemented by elected local governments or are closely aligned to them
- participatory institutions have “teeth” – empowered to make decisions
- there are mandates on inclusion, particularly for women (preferences differ; outcomes never worsen; long term effects always positive)
- communities have better access to information on providers/budgets etc

□ **Outcomes tend to worsen when**

- communities are poorer, more remote more unequal, less literate
- there is little local management capacity
- communities need to co-finance public goods or transfers (reduces coverage and increases exclusion)

Lessons for Donors

- World Bank and other donors maintain a path-dependent institutional structure that continues to derive from a focus on capital-intensive development and reconstruction.
- Repairing civil society and political failures is a much harder task that needs a fundamentally different approach to development
- The variability of local context and the unpredictable nature of change-trajectories highlight the importance of developing effective systems of internal learning and monitoring. Such projects require constant adjustment, learning in the field, and experimentation in order to be effective.

Monitoring at the World Bank

- **Participatory projects at the World Bank, generally, do not pay enough attention to monitoring**
 - ▣ PADS of participatory projects are strikingly similar to one another suggesting a singular lack of attention to context
 - ▣ Only 40 percent of PADs included a monitoring system as an essential part of the project design.

Lessons from a survey of Managers

- Bank's operational policies do not provide adequate incentives for monitoring and evaluation with inadequate supervision budgets.
- Not perceived to be a priority for the Bank's senior management.
- Monitoring and evaluation seem to be treated as a box to be checked to obtain the loan rather than as an instrument for improving project effectiveness.
- Standard duration of projects (an average of 5.5 years, inclusive of renewals), which they believe does not allow enough time to realize participatory objectives.
- World Bank project cycles and supervision budgets do not allow task managers to adapt their projects to different country contexts.

Bottom Line

- Patience is a virtue. Project structures need to change to allow for flexible, long-term engagement.
- Project designs and evaluations need to be informed by political and social analysis, in addition to economic analysis.
- Monitoring systems need to be taken far more seriously. The use of new, more cost effective, tools such as SMS-based reporting could help enormously.
- Sandwich between top-down and bottom-up.
- Impact evaluations are essential
- Clear systems of facilitator feedback as well as participatory monitoring and redress systems also need to be created.
- Most importantly, there needs to be a tolerance for honest feedback to facilitate learning, instead of a tendency to rush to judgment coupled with a pervasive fear of failure. The complexity of participatory development requires a high tolerance for failure, and clear incentives for project managers to report on evidence of failure.