

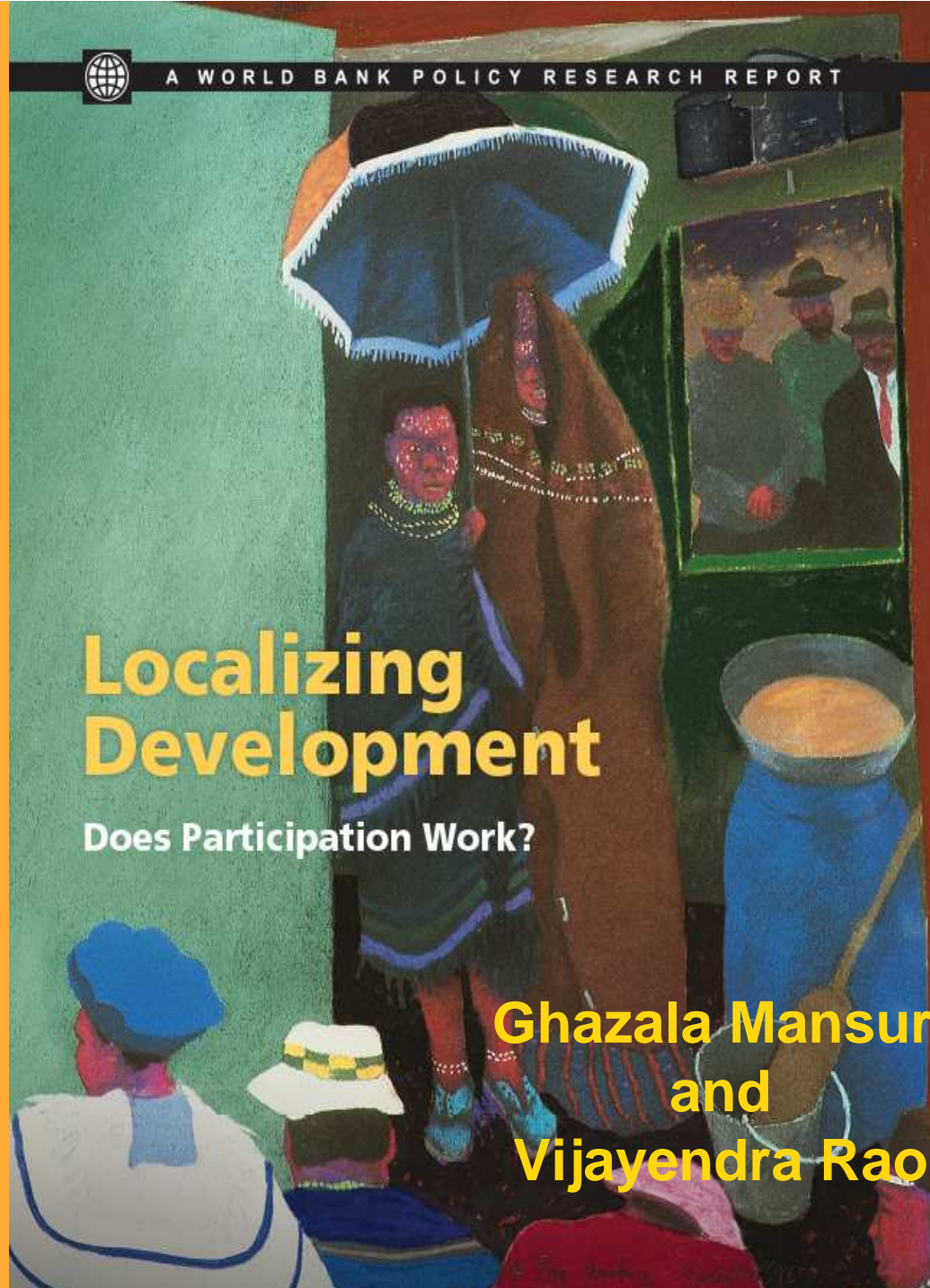


A WORLD BANK POLICY RESEARCH REPORT

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)

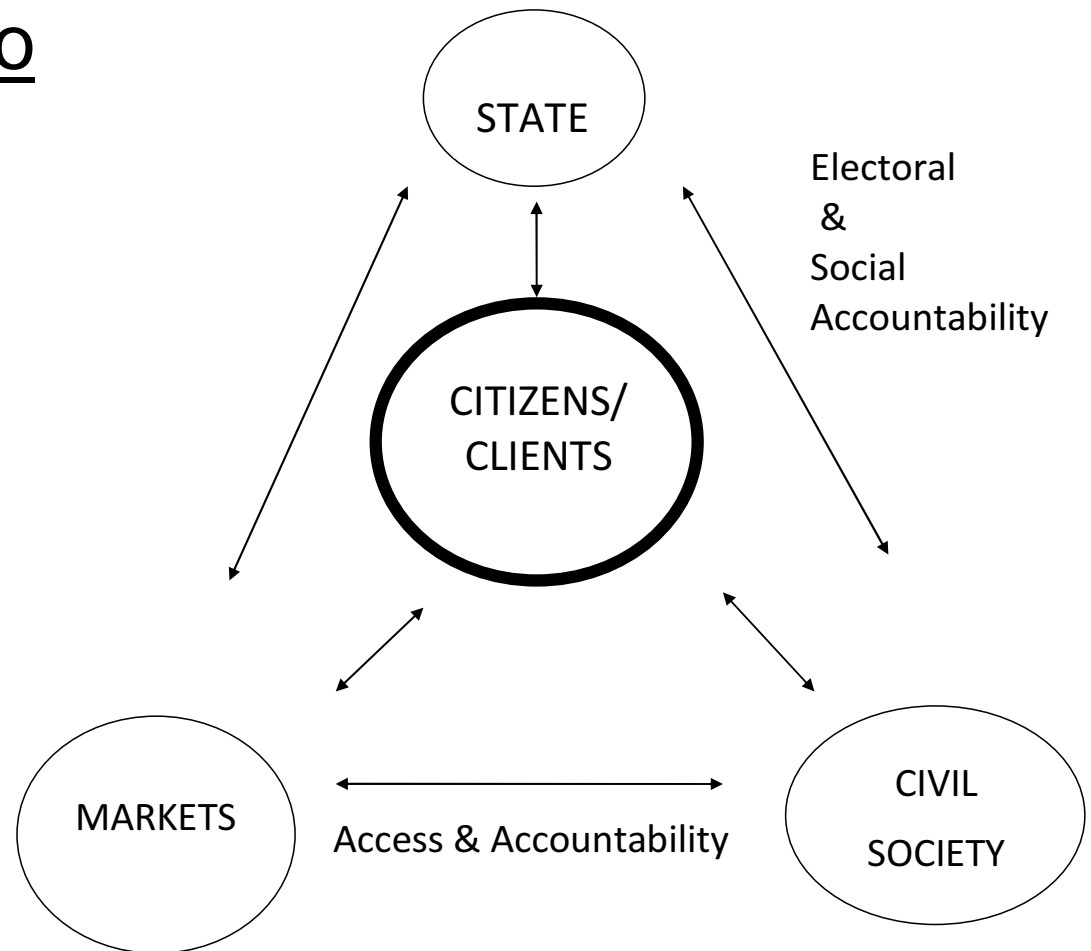
- Participation induced by donors and/or governments via projects implemented at the local level.

A FRAMEWORK

Failures/Imperfections

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- Information
- Coordination
- Equity



Civil Society Failure

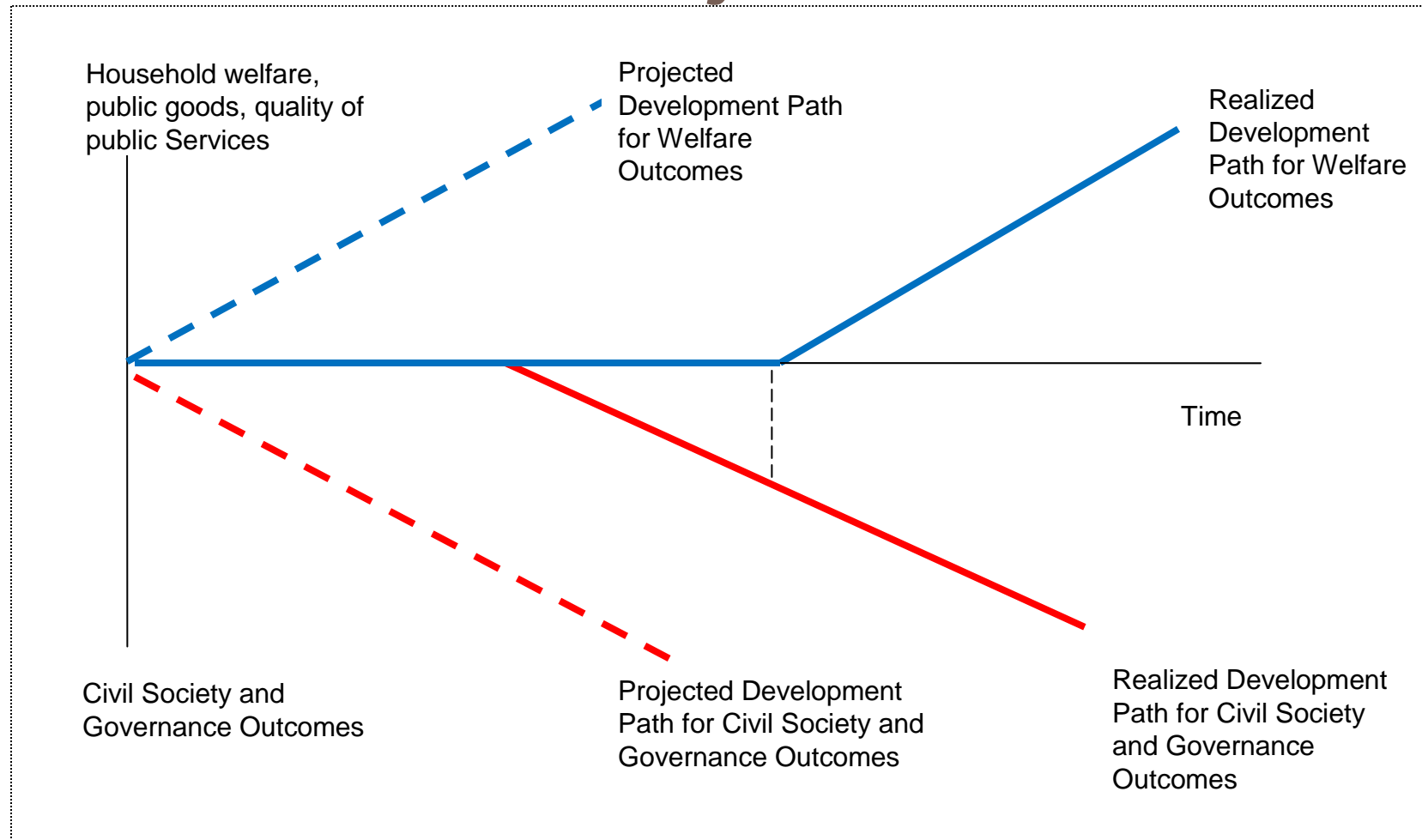
□ **What is it:**

- ▣ 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



Key questions for policy

Does Induced Participation Benefit the Poor?

- Are resources better targeted (coverage, cost effectiveness, leakage)?
- Is infrastructure better distributed spatially and of better quality?
- Is there an improvement in access to and quality of public services?
- Are common pool resources managed more sustainably and equitably?
- Does it reduce poverty and expand livelihood opportunities?

Does Induced Participation Enhance Civic Capacity

- Is resource allocation more aligned with preferences and needs?
- Is there less capture and corruption?
- Does it enhance inclusion and 'voice'?
- Are communities, and specially the poor, better able to observe, monitor and sanction service providers/policy makers?
- Does it help build more cohesive societies (reduce conflict, increase citizenship)

Does Induced Participation Benefit the Poor

□ Targeting

- Yes, but only mildly better than central targeting or rule based allocation
- But more so when
 - investments are on broad public goods (health, schooling, roads)
 - There is democratic decentralization
 - more locally aligned and more pro-poor resource allocation (Bolivia, Brazil)

□ Infrastructure

- Overall a dearth of evidence
 - Relatively little carefully done work-particularly against the most appropriate counterfactual-top-down delivery/management
 - But some evidence that participation can improve both construction quality and maintenance, when done right
 - Evidence from retrospective meta studies indicates that most projects are poorly built and few remain functional after a few years
 - Investments in drinking water and sanitation most pro-poor- those in irrigation least pro-poor (can be viewed as club goods)

Does Induced Participation Benefit the Poor?

□ **Public services**

- Yes, overall, with larger gains under democratic decentralization relative to participatory programs implemented by independent agencies
 - Improved targeting of private transfers and public benefits (coverage, cost effectiveness, leakage)
 - Better regional distribution of resources
- Community participation alone does not seem to work. Benefits more likely when there are other inputs (better resourced facilities, trained health staff etc.)

□ **Poverty and livelihoods**

- Results mixed: Range from no impact, to impact only on the relatively well off to impacts on the poor

□ **Common pool resource management**

- Little evidence of benefit under CDD type interventions
- More evidence that formal decentralization increase forest sustainability and improves irrigation management- as well as equity—greater retention of resources by forest communities, greater access for poor households
- Poorer, more remote and less well administered areas do worse
- Inequality worsens outcomes in general but equally importantly it leads to less pro-poor and less efficient resource allocation rules

Does Induced Participation Enhance Civic Capacity

- Little evidence that inducing participation augments civic capacity or leads to broader collective action by communities
- 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
 - Participation appears to yield “intrinsic” value however—greater reported satisfaction with process regardless of outcomes

Induced Participation and Accountability

- Not clear that moving to the local level reduces capture or corruption
 - Can increase leakage, reduce coverage, increase wastage (less cost effective) increase corruption—more layers (Indonesia)
 - Local power hierarchies can be difficult to manage
 - Community characteristics matter a lot
 - Capture more likely in communities that are unequal, hierarchical, remote, poorer and less literate
- Program design matters a lot
 - Community contributions can be exclusionary and programs that increase the fiscal burden of local governments can worsen horizontal equity and reduce access to public services
 - Inter-regional disparities can become larger (poorer, more remote, less literate areas at a disadvantage)
 - Capacity constraints can really bite
 - Community capacity to monitor or enforce is quite limited
 - Top down efforts generally needed to improve accountability (audits information)

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
 - ▣ community level efforts are linked with building better public systems for service provision (Health: Rwanda, Pakistan)
 - ▣ 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 capacity is supported and built over time and communities have better access to information on providers/budgets etc.

Broad Lessons

- **Repairing civil society and political failures requires a fundamentally different approach**
 - Serious attention to the social and political context, local and national, for both project design and implementation-including the nature of the state and the potential for state engagement
 - Long term perspective
 - Adequate systems for adapting project design and implementation mid-course. Requires careful monitoring of process and outcomes as well as well designed evaluations - black box evaluations not so useful (need to understand process and the channels through which change occurs)
 - Greater tolerance for honest feedback, rather than a fear of reporting failure, could enhance project effectiveness greatly. This requires clear incentives for project managers to report (and report early) on what is and is not working in their projects.

Lessons from a review of project documents and a survey of TTLs

▣ Project documents

- Little attention to the political and social context and the specific challenges/opportunities these create for the project or its design and implementation
- Inadequate plans for learning – either about process during project implementation or about its effectiveness through an evaluation—also inadequate attention to redress systems

▣ Survey of project managers

- Large majority believe that
 - the Bank's operational policies did not provide adequate incentives for monitoring and evaluation.
 - M&E is often low on the list of priorities for both the Bank's senior management as well as implementing agencies within countries.
 - project cycles and supervision budgets do not allow task managers to adapt their projects to different country contexts.

Thank You

You can view and download the book at
econ.worldbank.org/localizingdevelopment