

Strength in numbers: members of a women's self-help group in rural Madhya Pradesh, India, attend a skills training program.



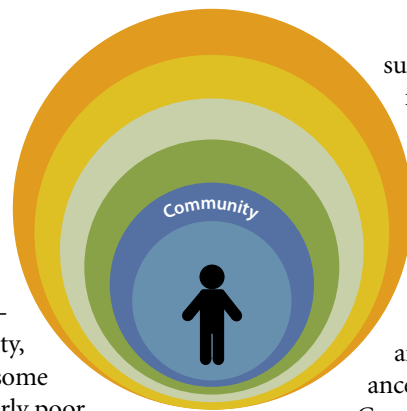
Cohesive and connected communities create resilience

Communities confront many risks

More than 750 people died when a heat wave struck Chicago in 1995, many of them elderly poor who avoided opening their windows at night for fear of crime. These deaths were not uniformly distributed across the city, even controlling for income. In some Chicago neighborhoods, the elderly poor perished, while in others they weathered the heat wave. Cohesive neighborhoods with strong social networks had lower mortality.¹

In the rural community of Nyakatoke in Tanzania, a population of 120 households has formed at least 40 different community groups, such as burial insurance societies, rotating savings and credit associations, and labor and livestock sharing groups. These groups offer helpful (if partial) insurance to villagers, and most residents belong to several groups. Groups have verbal or written rules governing contributions and payouts for specific events, as well as sanctions against noncontributors. Some groups complement their rules with ceremonies that emphasize unity and the importance of mutual help. Most groups offer some form of insurance, and there is also a group that patrols the village at night.²

While local communities are at the epicenter of many crises, conflicts, and disasters, they are also part of the solution. Unmanaged risk causes loss of life, health, and property and deters investment.³ Unlocking the potential of cities as centers of productivity and opportunity requires managing risks



such as crime, pollution, and epidemics. Citizens are not defenseless: they may take steps to stop crime and disorder by mobilizing against gangs, mentoring at-risk youth, or stopping provocations from flaring into ethnic riots; they may petition authorities for sanitation, health services, and law and order; and they may provide mutual insurance and assistance.

Communities are groups of people who interact frequently and share identity or location. Neighborhood groups, religious groups, and kinship groups are some examples. Community relationships are not as close and long term as family relationships, in part because community groups are larger than families. People usually share gains and losses to a larger degree within their family than within their communities. At the same time, communities involve more personal interaction than market relationships; as a result, members of the community have better knowledge about one another's successes and failings, luck and misfortune. This knowledge helps them enforce norms about contributing to the common good and sharing with those in need.

Relying on norms, shame, guilt, and personal interaction allows well-functioning communities to solve many problems that markets and governments struggle with: preventing crime, managing natural resources, affecting behavior change, getting credit to the poor, and insuring risks that are hard for outsiders to monitor. Communities can mobilize for social change and responsive governance, as in the Arab

Spring. Community-driven projects can deliver public goods and services in fragile settings where government capacity is lacking, as in Afghanistan's National Solidarity Project. But communities can also exclude people and foment violent conflict with neighboring communities. And they struggle to create insurance pools and public goods of sufficiently large scale to address systemic risk and exploit more complex opportunities.⁴

This chapter focuses on how communities help their members confront risk and pursue opportunities and how development actors—including governments, donors, and nongovernmental organizations (NGOs)—can support them in this role. The chapter describes how many communities have evolved mechanisms of insurance, protection, and coping that help them address local risks; how some communities prosper while others expose their members to terrible risks; how free rider problems, unresponsive authorities, resource constraints, and other obstacles obstruct better community risk management; and how social cohesion and connections with other communities, markets, and government shape communities' chances at succeeding. The chapter also argues that communities can become much better risk managers with outside support.

Addressing risk is increasingly recognized as complementary to combating poverty in its many dimensions. When agencies listen to communities, they often discover that communities are keenly aware of risk and request support preparing for it. But what does risk management entail in a community context? This chapter explores various approaches governments, donors, and civil society organizations can use to foster communities' resilience, building on what is already there. The chapter advocates the types of policies that empower communities as risk managers by creating favorable legal regimes, fostering their own capacity to manage local risks, promoting their "voice" and ability to hold government accountable and providing complementary public goods and services. It also cautions against policies that ignore communities and create risk and instability.

Communities as risk managers

People and their communities face risk from many sources, both idiosyncratic and systemic. Surveys in

many countries have asked people which shocks they have recently experienced: natural disasters, health shocks, price shocks, and asset loss tend to be the most frequent and severe (see also chapters 1 and 3). Evidence from many locations indicates that idiosyncratic shocks such as death, illness, and accidents are common and create high costs.⁵ Systemic risk is important as well. In Tanzania, for example, six of the seven most frequently self-reported shocks—including spikes in food prices, floods, and water shortages—are systemic, in that they affect many members of the local community (figure 4.1a). In rural China, individual health and more widespread agricultural shocks are both major concerns. Agricultural shocks are more frequent, while health shocks tend to be more severe (figure 4.1b). In Nigeria, health shocks are the most common (35 percent of all severe shocks reported by urban households, and 27 percent by rural ones), followed by price and employment shocks in urban areas and disasters, price shocks, and asset loss in rural areas.

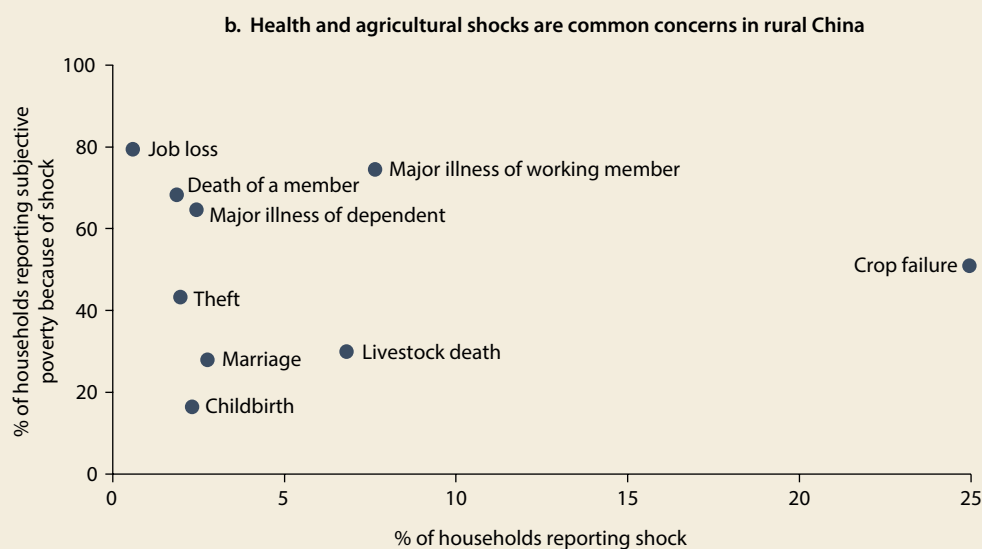
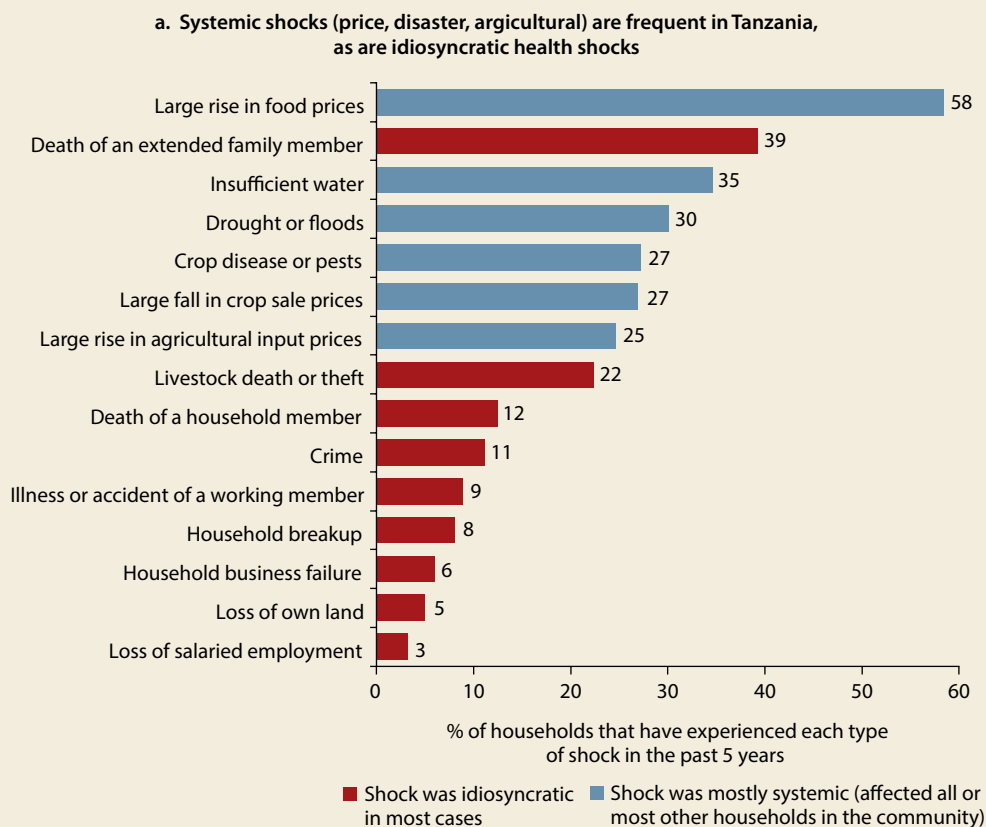
Some systemic shocks are rather localized (drought, crop loss), while others are nationwide or global (swings in food and input prices).

What "community" means in the context of risk management can be defined in two complementary (and sometimes overlapping) ways, one centered on location, the other on cultural identity.⁶ *Communities of location* are exactly what they sound like: people sharing a location, such as the long-term residents of a village or urban neighborhood. Communities of location can provide credit, insurance, and assistance against idiosyncratic risk and organize protection against local risks such as crime, disaster, and infection—for example, through policing, drainage, sanitation, or solid waste collection—provided they can overcome people's tendency to free ride and shirk on their responsibility to contribute or pay for their fair share of local public goods. Communities of location can either organize their own protection or petition government to provide the necessary services and infrastructure. Shared spaces such as parks and sports facilities strengthen people's ties to a local community.

The informal urban settlement of Indio Guays in Guayaquil, Ecuador, exemplifies a location-based community. The settlement sprang up in 1975, when poor people began acquiring land and building simple bamboo-walled houses. At that time, the new settlement sat in a swamp connected by dangerous

For problems whose solution eludes markets and governments, a cohesive community could be the missing piece of the puzzle.

FIGURE 4.1 *People and their communities are affected by both idiosyncratic and systemic shocks*



Source: WDR 2014 team based on data from the Tanzania National Panel Survey 2010/11 (panel a), and the China Rural Social Protection Survey 2004 (panel b) covering rural areas in three provinces (Fujian, Gansu, and Zhejiang) and one autonomous region (Guangxi) of China.

BOX 4.1 *When sharing wealth is a religious mandate: The use of zakat in Islamic communities*

Many religious traditions encourage or even mandate charitable giving to the poor and needy. *Zakat*—one of the Five Pillars of Islam—is a system ingrained in Islamic society in which every person has a duty to give a certain share of his or her income and assets to help specific categories of people defined by the Qur'an, including widows, orphans, people with disabilities, and others living in dire poverty. Interpretation varies from country to country. In some countries, *zakat* is collected and distributed by the government, while in others it remains a private matter distributed by donors directly to the chosen beneficiary or through a community affair in which donors deliver funds to the mosque for distribution. It is normally given once or twice a year, during Ramadan and Eid.

In the Republic of Yemen, *zakat* is not an obligatory tax but a transfer; the amount is calculated by the donor and distributed

directly to the chosen beneficiary or delivered to the mosque or neighborhood leader for distribution. Survey data from the capital, Sana'a, show that around one-third of the poor receive *zakat* and that it is fairly well targeted, in that about 60 percent of it reaches households in the bottom 40 percent. However, poor households lacking social connections are sometimes excluded. As a lump-sum donation given once or twice a year, *zakat* is not an effective instrument for consumption smoothing in the face of shocks. Similar shortcomings are observed in Pakistan, where the *zakat* system is overseen by the government and implemented locally by community committees. Implementation is fraught with problems, such as mistargeting, infrequent and unpredictable delivery of benefits, and widespread perception of patronage and petty corruption.

Source: WDR 2014 team based on Levin, Morgandi, and Silva 2012 and World Bank 2007.

walkways with no physical or social infrastructure of any kind. The new neighbors formed a cohesive self-help committee and elected dynamic women to run it. Over the next decades, the committee successfully petitioned authorities and political parties for services, infrastructure, and land titles. By the early 2000s, it had become a stable urban neighborhood with cement houses, paved roads, running water, lighting, sanitation, schools, clinics, and people taking advantage of overseas migration opportunities.⁷ Collective accomplishments, often involving risk management achieved through cohesion and links to authorities, combined with private accumulation of assets, housing, and education to transform the neighborhood and its people.

The second, complementary definition considers *community as a cultural, identity-based group* such as a kinship or ethnic group. Friends and fellow members of the same kin or ethnic group are a frequent source of help to people facing shocks. Shared identity—not location—grants access to the network. Such groups can offer assistance and insurance against loss of income, and their composition can be fluid: when large shocks strike, or more complex opportunities (involving migration, for example) arise, the boundaries of groups stretch further as people seek assistance through more distant social ties.⁸ Culture—language, religious rituals, shared symbols and celebrations—strengthens people's sense of shared identity.

Religion and faith-based institutions play an important role in tying together cultural communities. Around the world, people often rely on religious in-

stitutions to provide both spiritual comfort and material relief in times of adversity (box 4.1). In Indonesia, for example, the financial crisis in 1997–98 caused the price of rice, the main staple food, to nearly triple, resulting in widespread economic distress, political transition, and social upheaval. Many Indonesians responded by more active participation in organized religion such as Qur'an study groups, which seemed to offer both spiritual relief and access to informal insurance. Religious participation was associated with a reduced need for alms or credit and was most pronounced in locales where formal credit was unavailable.⁹

The examples from Chicago, Ecuador, Indonesia, and Tanzania illustrate how communities often are vitally important for helping people prepare for and cope with risk, in urban and rural areas alike. Sometimes communities are the only source of assistance, the lifeline that helps people survive disaster and food scarcity. But these examples also suggest that community mechanisms rarely add up to adequate risk management. Communities struggle to provide effective insurance against systemic risk and public goods at sufficient scale and across divisions (problems that enterprises and governments sometimes are better equipped to solve). In the Tanzanian village of Nyakatoke, for example, none of 40 community groups had links to government or to NGOs, although several had attempted to forge them, realizing that such links often are necessary to solve larger problems and help people escape from poverty. Communities also tend to be better at coping with than preparing for risk and exploring opportu-

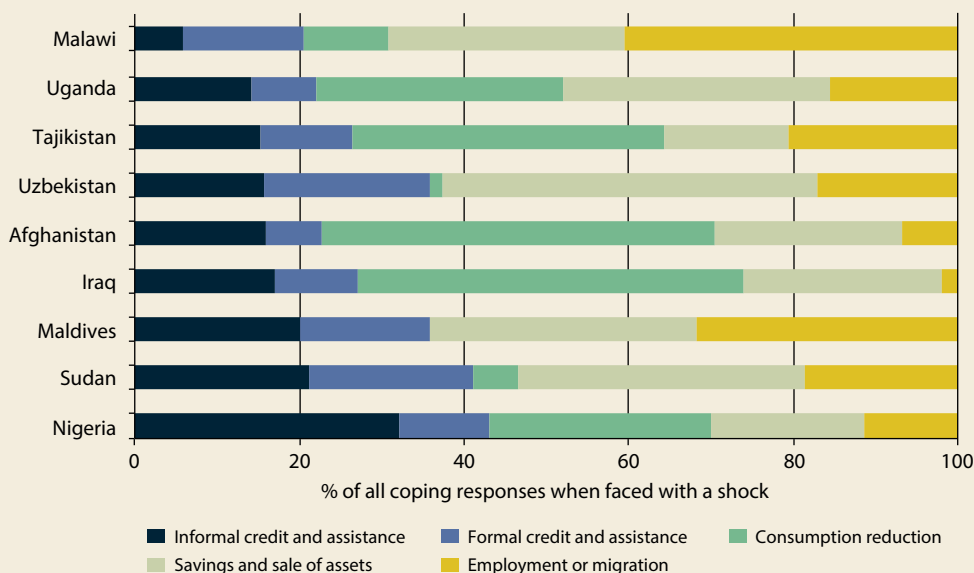
nity. No communities are utopian ideals of equality and peace: hierarchies, inequalities, violence, and exclusion are always factors to reckon with, to different degrees.

Many of the obstacles facing communities as they confront risk can be traced to the informal organizational mechanisms communities tend to use. The community sphere is where norms of morality, fairness, reciprocity, a sense of duty to the common good, and occasionally altruism play out; markets are ruled by contracts and monetary reward. In the markets, agreements are ultimately enforced through the credible threat of legal sanctions; communities are just as likely to rely on shame, guilt, ostracism, or violence to settle disputes and to solve problems of adverse selection, moral hazard, and free riders (see glossary 2.1, chapter 2). These informal mechanisms work better in small cohesive groups than in larger and less dense groups. Accordingly, the need for in-group bonding and cohesion limits the size of the insurance pools and public goods that communities are able to create; it can also lead to exclusion of certain people. Communities' risk management mechanisms, geared for small groups, therefore perform best to ease idiosyncratic and small systemic risks; adapting them to larger and more complex problems requires research and careful organization.

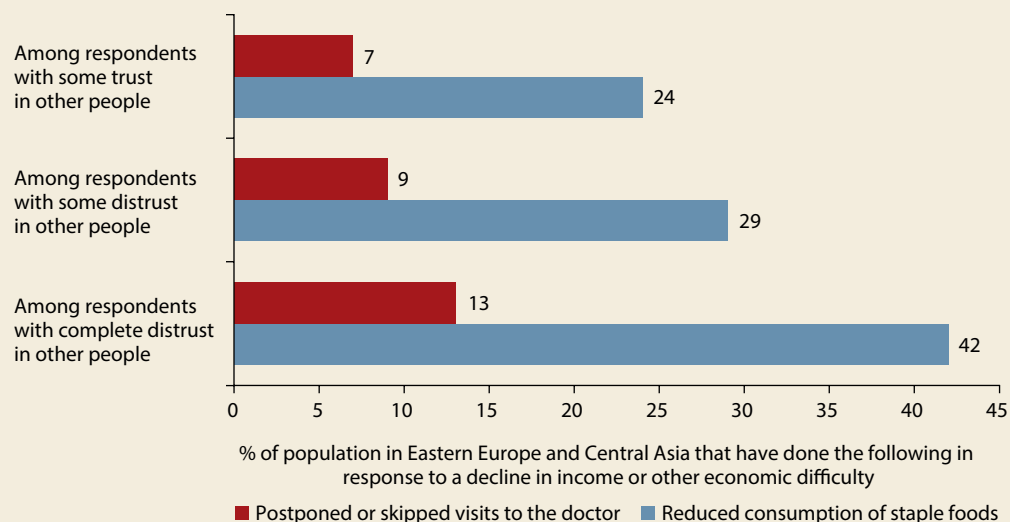
Communities as providers of insurance

Families are usually the first port of call when someone is faced with a shock such as illness, disability, or job loss, but when family support proves inadequate, people turn to their communities for assistance. Loans and assistance from family, friends, and neighbors are among the most frequent responses to shocks (of any kind) in many developing countries (figure 4.2). In Nigeria, for example, informal credit and assistance was the most prevalent coping response, accounting for 32 percent of all responses. Informal credit and assistance is particularly important for low-income households, and sometimes is their only real safety net. Cutting back on food is also common; it makes up 20 to 22 percent of all coping responses reported by households in Afghanistan, Iraq, and Uganda. Across Eastern Europe and Central Asia, people with strong social capital in the form of trust and networks are significantly less likely to rely on costly coping such as reducing consumption of staple foods and forgoing medical care, probably because of better informal support (figure 4.3). People confronted with shocks also rely on savings and asset sales and seek more work. In contrast, credit from formal lenders and assistance from government and NGOs usually play lesser roles.

FIGURE 4.2 People respond to shocks on their own and by pooling risk with others, relying on informal credit and assistance to cope with shocks



Source: WDR 2014 team based on data from household surveys, various years 2004–11.

FIGURE 4.3 *Social capital helps reduce costly coping in Eastern Europe and Central Asia*

Source: WDR 2014 team based on data from Life in Transition Survey II, 2010.

The organization of informal insurance and coping support varies widely around the world. Community insurance—sometimes also called informal safety nets, risk pooling, and mutual insurance—tends to be based more on kin and reciprocal relationships than on formal contracts. Within those parameters, it can assume many different organizational forms. Membership-based groups operate rule-based insurance (as is the case with the insurance groups in the Tanzanian village). Kinship networks, often including migrants, may exchange ad hoc, need-based transfers. In fact, there is evidence that households in disaster-prone areas are more likely to send migrants and to use their remittances to prepare for shocks. Remittances shoot up after disasters, helping recipients cope.¹⁰ Further, many religions support and organize charitable giving (see box 4.1). Transfers can be in the form of cash, food, labor, clothing, or farm inputs. People often do not distinguish closely between gifts and loans, altruism and insurance; all form part of the reciprocal relationship between people currently in need and people currently in a position to help.

Community-based insurance provides people with partial compensation for the impact of shocks, but many shocks nevertheless cause serious hardship. Studies of households that face income shocks show that their consumption falls less than income: in other words, some risk is insured away and some

is retained.¹¹ Indonesian households insured themselves against 38 percent of the economic costs of more serious health shocks and 71 percent of the costs of more minor illness.¹² In the Philippines, remittances compensate for 65 percent of the cost of rainfall shocks.¹³ The poorest are the least insured. For example, in rural China, for the poorest tenth of the population, a loss of income of 100 yuan led people to cut food and other expenditures by 40 yuan, while for the richest third of households, the same shock resulted in a consumption cut of only 10 yuan.¹⁴ Because of these limits on the effectiveness of risk management, large shares of households around the world rely on costly coping responses such as skipping meals, forgoing necessary medical care, or selling productive assets (see figure 4.2). As discussed in chapter 3, such practices are hardest on the youngest and can lead to infant mortality and chronic malnutrition. In sum, although informal insurance helps many people cope with smaller idiosyncratic shocks, it is often inadequate for other risks and for vulnerable population groups.¹⁵

The size and effectiveness of informal insurance groups is limited by the need for social ties among members. In theory, insurance requires pooling across large groups of diverse people—but that is not what usually occurs in informal insurance groups, which tend to be small and homogeneous and therefore susceptible to aggregate risk.¹⁶ Communities use

direct observation of one another and frequent personal communication to control the scope for adverse selection and moral hazard and keep insurance pools financially viable. Kinship and intermarriage help foster strong ties. Some kinship groups have evolved strong norms about sharing with kin members in need, helping to extend the size of the insurance pool beyond the ancestral village. In-group social ties reduce problems of information asymmetry and enforcement of shared norms. But there are also drawbacks. Insurance arrangements that rely on social ties are easily challenged by in-migration (new settlers may lack the shared norms) and often exclude minorities.¹⁷ Community arrangements are more difficult to sustain in larger groups where people lack direct interpersonal connections and communication. Such arrangements therefore work best for small or one-off idiosyncratic shocks that are easy to verify, such as funerals, and are least effective when communitywide shocks affect many members simultaneously.¹⁸ Linking communities to market-based credit and insurance can help them overcome limitations of small size and in turn can benefit these programs. For example, community insurance groups in Ethiopia are helping to market crop insurance to their members and, by also sharing risk within the group, to overcome the problem of basis risk.

Communities' own support mechanisms are vital—in fact, they are often people's only source of help in hard times—but they are not enough and need to be augmented with outside assistance. Viewed as a form of risk management, informal insurance suffers certain deficiencies:

- *Informal insurance is insufficient in the face of systemic shocks.* Small informal groups cannot effectively smooth large shocks. Qualitative research during the global food, fuel, and financial crises that started in 2008 found that many people relied on costly coping responses as waves of systemic shocks strained informal mechanisms; reductions in the quality and quantity of food and in nonfood consumption were reported in study sites in all 13 countries studied; crime increased in 10 of them. The most important sources of assistance were relatives (sites in 13 countries), friends and neighbors (11 countries), and mutual solidarity groups (7 countries), but such informal support became less available and more rationed along ethnic or religious lines as the ability of better-off community members to contribute declined. Credit dried up as banks and moneylenders lent smaller amounts at higher interest rates. People also sought

additional employment (12 countries), usually in informal occupations such as retail and services, where competition intensified and demand fell. Social cohesion sometimes declined, with upticks in petty theft reported in 10 countries and in sex work in 2 countries.¹⁹

- *The most vulnerable are excluded or are included on very adverse terms.* Exclusion keeps people with high needs and limited ability to contribute out of the insurance pool, partly in defense against adverse selection. One study among pastoralists in Ethiopia, for example, found that poorer people lacking cattle are excluded from informal credit, in part because of repayment risk and in part because they are socially invisible.²⁰ Chronically ill people may experience the same exclusion. A Somali proverb puts it succinctly: “Prolonged sickness and persistent poverty cause people to hate you.”²¹ Bonded labor, child labor, and early marriage are often the adverse consequences of informal arrangements. Bonded labor results from informal credit arrangements in which labor is used to guarantee repayment.

Communities as providers of protection

Exposure to risk is closely tied to location. Population growth and land scarcity are pushing more and more people into neighborhoods that lack basic infrastructure, are scarred by crime and violence, are marred by pollution, and face disaster risk. Latin America's 20 largest cities, for example, are all located in areas prone to flooding or earthquakes or have steep slopes; they are also plagued by crime.²²

Confronting disasters and climate change

Safety, like so much else, has its price. In slums of Santo Domingo in the Dominican Republic, rents are almost twice as high in the safer areas than for residences near rivers and gullies.²³ Almost one-third of Nicaragua's population lives in areas that residents say are exposed to disaster, flooding, or contamination. Among these, half a million people live on or at the bottom of hills where they are exposed to landslides. This risk is 10 times higher for the poorest 20 percent than for the richest quintile.²⁴ In Djibouti City, a poor neighborhood is known as *Bach à l'eau* (underneath the water) because of its frequent flooding.

Evidence suggests that countries and communities are ill-prepared for the impacts of climate change,

such as the higher frequency of extreme weather events. Disaster losses have grown significantly in recent decades as a consequence of climate change, population pressures, environmental degradation, and other factors. Countries with historically heavy exposure to tropical cyclones are better adjusted to this risk than countries with weaker exposure, but more recent increases in cyclone risk have not been matched by increases in preparation. One estimate finds that countries are unprotected against virtually all of the additional damage caused by intensified cyclone risk.²⁵

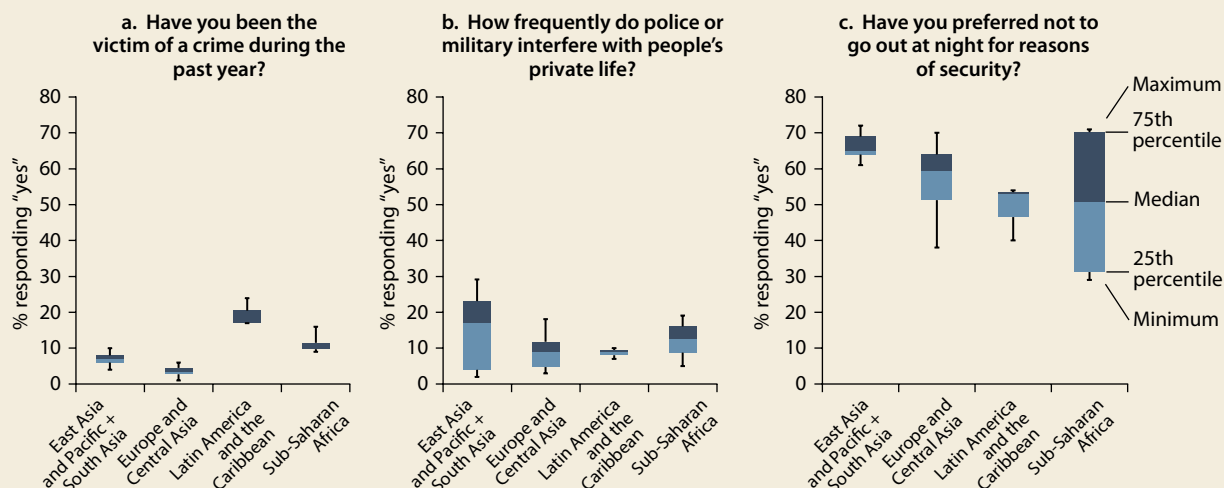
Proactive and cost-effective measures to manage disaster risk are often available but not adopted because of inertia, short-sightedness, or reasons of political economy. For example, early warning systems, preparedness drills, sustainable land use planning, and ecosystem restoration are often good risk management but bad politics. In many countries, environmental changes and unsustainable agricultural practices have reduced the productivity of farm lands. Farmers respond by cutting down forests to plant on the rich soils beneath—a practice that may yield income in the short term but reduces soil fertility and increases sensitivity to climate change in the medium term. Changing such behaviors is hard because the benefits are immediate while the costs are diffuse and long term.²⁶ Smallholder communities in dry areas often rely far too much on a few drought-sensitive crops, such as corn (maize). Better options

exist—drought-tolerant varieties, forestry, tree crops, migration, small businesses—but lack of credit and resources, a preference for traditional staple foods, and similar obstacles often block change. Poorer households usually respond to drought and impacts of climate change by selling assets, eating fewer and cheaper meals, borrowing at high cost, and migrating on a seasonal basis. Some of these practices can be counterproductive, resulting in a loss of human, physical, and environmental assets and undermining long-term prosperity.

Containing crime, violence, and conflict

More than one in ten people in many African and Latin American countries are victims of crime every year (figure 4.4). Some 1.5 billion people live in fragile or conflict-affected states or in countries with high levels of violent crime. Young men are the chief perpetrators. Men are more likely to be the victims of robbery and assault, while women are more likely to face sexual assaults and personal theft. More than half of all women in places such as rural Bangladesh, Peru, and Tanzania experience domestic violence on a regular basis (see chapter 3), although it is hugely underreported in official statistics. Rates of crime and violence are usually higher in cities than in rural areas, and within cities, crime and violence are frequently clustered in poorer communities. In Cape Town, South Africa, 44 percent of all homicides occur in

FIGURE 4.4 *Insecurity affects more than the victims*



Source: WDR 2014 team based on data from the World Values Survey, 2010–12.

DIAGRAM 4.1 *Three major types of violence and their spillovers***Major political violence**

- Interstate wars
- Civil wars
- Irregular armed conflicts (guerrilla, paramilitary groups)

Localized collective violence

- Organized crime
- Communal violence (riots, programs, blood feuds)
- Gangs and scattered attacks

Individual violence

- Assault, theft, robbery
- Domestic violence, child abuse
- Family or private violence

Source: Petesch 2013 for the WDR 2014.

three neighborhoods that are among the city's poorest. Rural areas often endure less violence but not necessarily less conflict, and disputes over land, livestock, or infidelity can erupt into blood feuds and revenge killings. The weak presence of the state in many rural areas leaves it up to local informal institutions to address such feuds.²⁷ Not that the security forces are all that helpful: in many regions, more than one in ten people say that police or the military interfere "frequently or quite frequently" in people's private life.

Collective forms of violence have far more severe societal consequences than individual violence and petty crime because they also destroy social institutions, displace people, deter investment, trigger fear, and cause short-term thinking (diagram 4.1). Farmers grow food crops instead of perennials. According to one estimate, half the losses stemming from the conflict in northern Uganda result from cautious responses to risk (forgone opportunities) rather than from direct exposure to attacks—with significant risk-related losses also occurring in households that did not suffer a direct attack. Risk of violence may have reduced per capita expenditure in the affected region by some 70 percent.²⁸

Most conflicts today have strong ethnic or religious components, but that does not mean that ethnic differences necessarily cause antagonism. Ethnicity is often exploited for political or economic gain, leading to a sharpening of ethnic divisions and tensions.²⁹ The literature is divided on the causes of conflict and the role of ethnicity, but it appears that conflict is more likely when social groups lack institutions to bridge their divides, states are weak, and there are strong external stressors. Four broad types of stressors stand out and result in spillovers between types of violence:

- *Weak states and links between politicians and criminals.* The supply of local violence is often linked to

contests for power among elite actors with ties to armed groups and criminal networks. Weak state institutions permit such contests to play out violently. States with stronger institutions and rule of law constrain these conflicts and settle them in a more peaceful manner. Sometimes, there are localized pockets of fragility with dysfunctional state institutions within otherwise well-functioning states.

- *Grievances.* Patterns of inequality and marginalization across groups holding grievances—sometimes historical ones—play a major role in fueling many conflicts. Tensions often have historic causes or stem from disputes over land and natural resources, which can be worsened by environmental changes. High inequality, perceptions of injustices committed by the state, and politicians playing up ethnic divisions for their own purposes can spur ethnic violence and conflict.³⁰
- *Conflict legacies.* Major political violence is often followed by long periods of heightened crime and violence facilitated by ex-combatants, widespread availability of arms, and breakdown of social norms. Trauma caused by past violence, colonization, or a history of state oppression (perhaps under the dominance of a particular ethnic group) makes it difficult to trust the state.³¹ Although time heals, its healing effects can be measured in decades.³² Collective violence such as organized crime and political violence spill over to individual violence.
- *Climate change.* Extreme climatic events (high temperatures, unusually low rainfall) are associated with violence, instability, and state collapse. A recent meta-analysis finds a strong association between climatic deviations and a wide range of measures of individual violence, intergroup violence, and state

collapse, both in recent time and historically. The mechanisms through which climate changes make conflict more likely are not yet clear. But the association between the two means that, in the coming decades, large projected changes in precipitation and temperature could help drive a major uptick in violence and conflict.³³

Cross-cutting social ties help communities remain peaceful, even when conflict stressors are present. Most ethnically diverse localities remain peaceful, whereas others with the same diversity experience frequent outbursts of violence. The most violent cities tend to lack routine interaction among members of different groups and to be characterized by divisive local leaders, media, and criminal gangs. In contrast, cities with strong civic networks to bridge ethnic groups tend to remain peaceful, because those networks constrain political leaders from using violent means and quell rumors and tensions before they erupt into riots. These networks are not designed with violence prevention in mind: they can be film clubs, sports clubs, community associations, and so on. Crucially, they span ethnic groups.³⁴ Cross-cutting social ties also aid in recovery following conflicts and disasters.³⁵ However, community mechanisms are almost always completely overwhelmed when violence is linked to organized criminal networks.

Cohesive and connected communities are more effective

Risk need not imply vulnerability if communities can put risk protection in place, either by organizing it themselves or by mobilizing to demand risk protection from local authorities. In higher-income countries, local governments routinely clear drains and provide policing, sanitation, and clean water. In poor countries—and particularly in poor neighborhoods—local governments often do not provide these basic public goods of common protection. The alternative facing communities is therefore to mobilize collective action to create, demand, or maintain mutual protection, or else suffer exposure to risk. Communities vary enormously in how effectively they manage collective risks.

Social cohesion and connections to markets, governments, and other communities are the ingre-

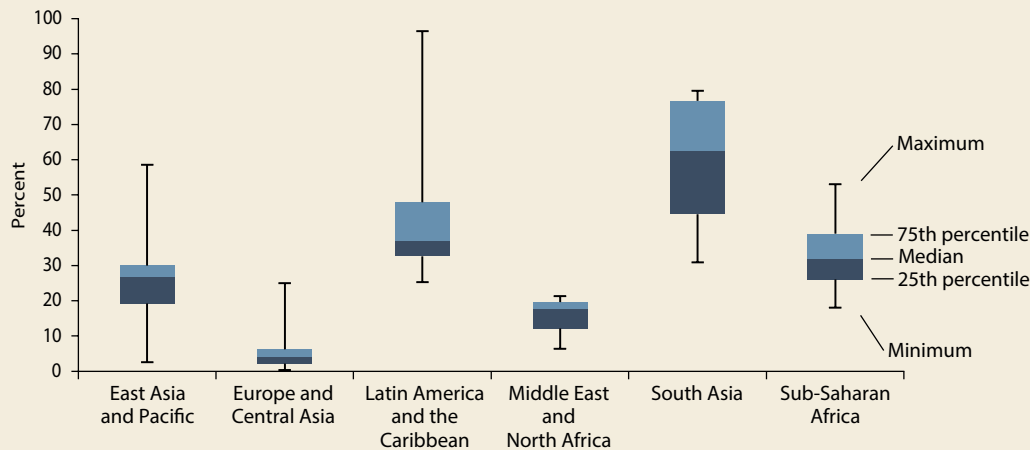
dients of effective community risk management. Where communities operate in relative isolation, social cohesion (or *bonding social capital*) helps them cope by facilitating informal credit, insurance, and assistance. But this type of social cohesion is rarely sufficient to help communities thrive and prosper. Horizontal connections to other communities (or *bridging social capital*) help communities solve larger problems and prevent conflict. Vertical connections to markets and governments help them access resources and opportunities.

The tight-knit rural village of Santa Ana, Paraguay is an example of a community that has mastered collective action.

Everybody contributes toward the common good by helping, for example, to maintain roads, bridges, water supply, and electricity lines whenever repairs are needed. They confront cattle thieves and provide housing to a bus driver to ensure that his route covers their village. A sense of civic duty rather than written rules ensures that all contribute. Homogeneity and trusted local leaders contribute to their exceptionally high cohesion. The community did not do it all on its own. Roads, electricity, and water supply were constructed by government agencies (often with donor support); the community handles only the maintenance. Although comparative statistics are lacking, the majority of the world's location-based communities are far less cohesive than Santa Ana and achieve at best a fraction of its accomplishments.

What makes people mobilize? Common interests and trusted leaders motivate people to mobilize in community groups and social movements. Risk—and the perceived injustice of mismanaged risk—can be a forceful motivating factor. Historically, many efforts to control risk, reduce pollution, and improve social policies have resulted from successful social mobilization; a campaign started by antislavery activists and parliamentarians in 1787 led Britain to ban its slave trade in 1807, perhaps the first-ever victory by a social movement. The neighborhood committee in the informal settlement of Indio Guays in Guayaquil, Ecuador, discussed earlier, was formed to help settle land and other disputes and to petition authorities to provide basic infrastructure, health, and other services. India's Self Employed Women's Association (SEWA) mobilizes 1.3 million members around work security, income security, food security, and social security.³⁶

Communities need connections to other communities and to markets; without them communities remain insular, lack political influence, and are unable to accomplish anything at scale.

FIGURE 4.5 *Membership in voluntary organizations varies widely around the world**Percentage of survey respondents who belong to a voluntary organization*

Source: WDR 2014 team based on data from African Barometer Round 5, 2010–11; East Asia Barometer, 2005–08; Latinobarómetro, 2005; South Asia Barometer, 2005–08; Arab Barometer, 2005–08; and Life in Transition Survey, II 2010. Figures are broadly comparable and, outside Africa, include religious organizations (but not attendance at worship).

Groups vary widely in their size and degree of formality. Burial societies and church groups are typically very small and informal. Community-based organizations are slightly larger and sometimes employ a few staff. NGOs are larger still and constituted legally. Jointly, these groups are often referred to as civil society. They pursue many causes such as providing credit, insurance, assistance, and services; managing common resources; and providing citizen “voice” demanding services, protection, and accountability from authorities and employers.³⁷ Although difficult to estimate, the size and importance of civil society varies significantly. Organizational membership tends to be highest in South Asia, Africa, and Latin America (figure 4.5). In Bangladesh and Sri Lanka, 80 and 77 percent of people, respectively, report they are members of at least one such organization.

Unless they receive outside support, communities need to overcome free rider problems to be effective. Groups of people find it hard to take collective action for joint benefits because some members of the group free ride on others’ efforts: that is, they consume more or pay less than their fair share of a common resource. The problem is illustrated by the “public goods game.” In this experimental game, each player is given a small amount of money that he or she can choose either to keep or to put in a pot that is shared by a group of players. A facilitator mul-

tiplies the content of the pot by a factor larger than one but smaller than the number of players and distributes the sum equally among all players, regardless of whether they contributed to the pot or kept the money. In this game, the common good is maximized when all players contribute their entire amount, although the individually rational choice is to contribute nothing. The game has been played in different cultures. Inevitably a significant number of players contribute—as long as they believe that others will reciprocate. The game has also been modified to allow for repeated interactions and punishment. Punishing of free riders (those who do not put funds in the common pot) leads to greater group cooperation, and some people are willing to punish even at a personal cost. Researchers believe that such punishment of free riders is crucial for sustaining collaboration in the real world.³⁸

Without sustained cooperation, there would be no public goods, no collective management of natural resources, no social movements, and no society in any meaningful sense. Groups overcome the free rider problem by devising ways to enforce rules of contribution that reward cooperation and punish those who fail to contribute their fair share. Many social norms and institutions also serve to reinforce mutual collaboration based on reciprocity and punishment. The Tanzanian village of Nyakatoke, for

example, operates a villagewide mutual insurance scheme for funerals and hospitalization that includes almost all the women in the village. To guard against free riding, nonmembers are categorically refused help, and there are punishments for members who are caught helping nonmembers.³⁹

Researchers, including the Nobel Prize winner Elinor Ostrom, have documented considerable regularity in the factors that promote or hinder local governance and public goods provision. From the perspective of community risk management, some of the most important findings show that:⁴⁰

- Communities whose rights to organize and govern local affairs are legally recognized are more likely to succeed. They must own the fruits of their labor.
- Rules need to be enforced. Access to local and timely dispute resolution mechanisms are critical because conflicts among community members or with local government are inevitable and need to be resolved.
- In larger systems, governance activities are often best organized in multiple, *nested* layers. For instance, when many communities share a common water supply, each may manage its own water distribution branch, while a higher body manages the entire system.
- Communities with low inequality, few ethnic divisions, equal treatment, and relatively low discrimination are more likely to create public goods, in part because of dense interpersonal interactions and shared norms about in-group reciprocity.

These findings imply that governments should create a favorable legal regime that enables communities to undertake their own risk management and dispute resolution—provided these function in a reasonably fair manner. The high costs and slow pace of the formal justice system make it unsuitable for many of the small, frequent disputes of community life. Responsibility for managing local risks and disputes can often be delegated to local actors. Decentralized management of disaster risk has been found to be cost-effective, for example, in part because local knowledge of risk can help keep people's lives, assets, and businesses out of harm's way. Moreover, many countries have enacted laws that undermine communities' customary arrangements for settling disputes and managing common property such as forests without providing adequate formal justice and resource management systems. The resulting governance vacuum has weakened forest management

and caused forest degradation in many places. In recent years, many countries have devolved aspects of forest management to communities, with promising results for sustainability of forest resources.⁴¹ However, when communities are rife with divisions, there is a crying need for neutral institutions with capacity to foster transparency, inclusion, and accountability.

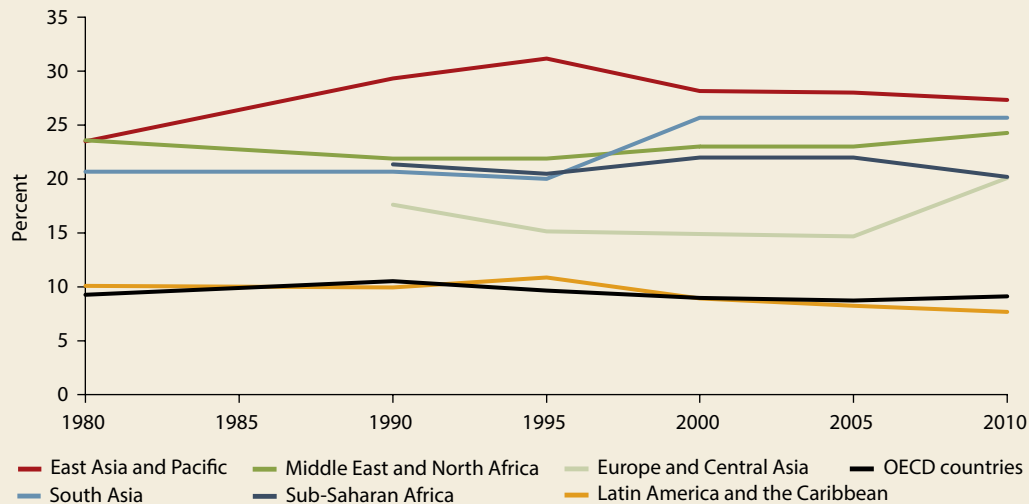
In-group bonding and social cohesion sustains communities' risk management but often excludes outsiders and may lead to antagonism toward other ethnic and religious groups. Social exclusion stems from attitudes, policies, and laws that discriminate against certain groups on the basis of their ethnic, gender, or religious identity, for example. Attitude surveys suggest that tolerance of members of "out-groups" such as immigrants and ethnic minorities is *not* on the rise (figure 4.6). Excluded groups face discrimination that increases their risks and weakens their access to risk management. They often live in areas marked by high risk and have little access to services, markets, and institutions that could otherwise help them manage risks. They may face harassment, particularly when seeking to explore new opportunities or when demanding accountability and equal treatment. People displaced by violence often face debilitating exclusion in their new location (box 4.2). Exclusion can lead to risky behaviors such as excessive drug and alcohol consumption, crime, riots, and violence.

The Indian state of Kerala has often been hailed for its achievements in health, education, and social development, but it was once a bastion of exclusion. Kerala has high ethnic and religious heterogeneity. Until the middle of the nineteenth century, it was deeply divided by rigid caste barriers that denied opportunity to most castes. A movement of assorted ethnic groups started creating a common identity, based on shared language, culture, and values. Over time, demands for participation in governance grew, as did petitions for collective welfare in the form of schools and hospitals. By the 1940s, Kerala was a forerunner among Indian states in many areas of social development.⁴²

Collaboration within groups is increasingly insufficient and in need of being complemented by cross-group collaboration. Cross-cutting social ties, or bridging social capital, mitigates social polarization, promotes trust in the system, inoculates society against identity politics and ethnic riots, and facilitates collective action. These ties need to include a sufficiently large number of groups.⁴³ How can they be encouraged and supported? Tanzania under President Julius Nyerere from 1964 to 1985 famously

FIGURE 4.6 *Social exclusion based on ethnicity is not declining in many parts of the world*

Percentage of the population that would not welcome a neighbor of a different race or ethnic group



Source: Foa 2012 based on data from the World Values Surveys and European Values Study.

Note: Organisation for Economic Co-operation and Development (OECD) countries in the figure are all high-income countries that are members of the OECD. All other countries are grouped into geographic regions.

downplayed the role of ethnic identity and built a shared national Tanzanian identity, fostered through a national language, equitable public spending, and a common discourse of the nation's history. Thanks to this foresight, ethnic rivalry never rose to prominence in Tanzania and did not spill over into conflict as happened in so many neighboring countries.

Other approaches used in various countries and cities include integrating schools, neighborhoods, and economic life; more-or-less mandatory participation in community self-help groups; "truth and reconciliation committees"; quotas for historically disadvantaged groups; and local peace committees.⁴⁴ The lessons are that ethnic differences need not result in

BOX 4.2 *Refugees and internally displaced people: Moving from managing displacement to facilitating opportunities*

A staggering 43 million people are forcibly displaced. Some 15.2 million people are currently refugees because of violent conflict, and at least 27.5 million people are internally displaced in more than 40 countries. The displaced are often surprisingly resourceful. Leaving behind homes, assets, and familiar environments, they employ dynamic coping strategies to find new livelihoods and even prosper in their areas of displacement. But policies often constrain them.

Efforts to address displacement have not been successful. The average length of time that a refugee or internally displaced person lives in displacement is close to 20 years, yet displacement is most often managed as a short-term humanitarian crisis. Many problems arise as a result: prolonged residence in camps, dependency on assistance, restrictions on mobility, and failure to integrate in new locations. Tensions with host communities are common. Interna-

tional humanitarian assistance to the displaced totals around \$8.4 billion annually, or 6 percent of all official development assistance.^a There is little accountability for long-term results.

A better approach would recognize the long-term nature of displacement and help the displaced pursue economic opportunities. National legislation needs to recognize the displaced, remove discrimination, and lift mobility restrictions on refugees. Support could emphasize housing, education, infrastructure, livelihoods, and accessing any assets left behind by the displaced. To reduce tensions, support should also benefit host communities, as is being done in a World Bank-supported project for displaced people in Azerbaijan. Greater convergence of humanitarian and development funding could help promote long-term approaches.

Source: WDR 2014 team based on Lakhani 2013 for the WDR 2014.

a. OECD Development Assistance Committee estimates.

divided and antagonistic societies if there is trust and ties across groups and that both state and nonstate actors can promote such ties.

Public policies to improve local risk management

As discussed, communities' risk management is grounded in their core strengths—cohesion, vitality, survival skills—but communities usually do not deliver insurance and protection at a large enough scale, leaving many risks uncovered; weaknesses such as exclusion and conflict also often limit community risk management. Communities can become much better risk managers with the right form of support. NGOs, donors, and local and national governments can all help strengthen local risk management using four broad approaches. The first is to create a favorable legal regime for communities. The second is to mobilize communities as risk managers by fostering their own capacity to manage local risks. The third is to promote their “voice” and ability to influence government-provided risk management. The fourth is to provide public goods and services that complement communities' capacities, involving users as appropriate. These broad approaches all empower communities in different ways, as discussed next.

Create a favorable legal environment

Ideally, the state provides a neutral system of law and order where enforcement is impartial, property rights are enforced, crime and violence is kept in check, members of different social groups are equally respected, and communities' ability to organize and exercise voice for risk management is protected. However, that is not how many people see the state.

Instead, many people experience state institutions as unpredictable and unaccountable, one more source of risk one has to navigate. In parts of Africa and South Asia, chaotic land governance has led to corruption and land conflicts. Moreover, case studies and media reports abound of instances where street vendors have their goods confiscated; slum dwellers are violently evicted without notice; workers are prevented from forming unions that can voice their demands for workplace safety; undignified treatment by service providers make excluded groups reluctant to use basic services, leaving them less protected; governments provide arms to unaccountable local militias; and police and security forces demand bribes and commit abuses (see figure 4.4). In these

instances, actions by agents of the state may result in social instability. How can this be countered?

Progress countering abuse and discrimination has often resulted from building greater respect for social, civil, and political rights. These include the right to association; the right to security of people and property from crime and violence; the right to nondiscriminatory practices by the state or nonstate actors; the right to freedom of speech, press, and information; and the right for affected groups to voice their grievances and seek redress. These and other rights foster an environment in which collective action and social mobilization can take place and flourish so that groups of people can pursue actions that reduce their collective risks.

Empower communities to manage risks

Mobilizing communities can be a powerful force of local development and risk management. The informal settlement of Orangi in Karachi, Pakistan, for example, financed its own low-cost sanitation as part of the “Orangi Pilot Project,” started in 1980 by the social activist Akhtar Hameed Khan, assisted by a local NGO. The project also helped the community organize housing, vaccinations, microfinance, family planning, and steps to prevent violence, and elicited local government responses to problems too large for the community to handle. Its success rested on the insight that when the state does not supply essential services and public goods, communities can be mobilized to do so.⁴⁵ The project, which has been replicated in other cities of Pakistan and other countries, helped identify many of the essential ingredients of community-driven development: let communities themselves define priorities; maintain a long-term presence; and adjust project details over time as new problems, solutions, and opportunities emerge.

Such spontaneous social action has inspired donors and governments to promote community-driven development projects that induce communities to mobilize and build their capacity to plan their own development. Projects put self-help groups in charge of resources and decision making, supported by community mobilizers. NGOs, governments, and donors, including the World Bank, have promoted such projects in many sectors in both urban and rural areas in numerous countries. Indonesia, for example, has made the National Program for Community Empowerment (also known by its acronym, PNPM), a pillar of its antipoverty strategy. The program, which started in 1998 at a time of economic

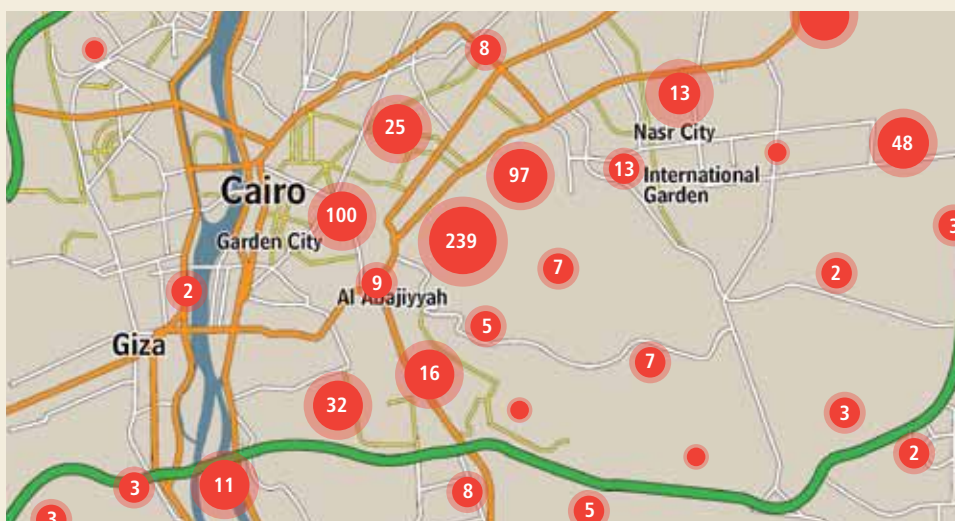
BOX 4.3 *New communication technologies help communities manage violence and local conflict*

On the ground, patterns of violence are always varied and dynamic. Confusion, uncertainty, and misinformation can make it hard for people to know what is going on and how to stay out of trouble. To track, report, and warn of violence, people around the world are developing a host of information and communication technologies and platforms. Many of these information systems rely on a mix of “crowdsourcing” and maps to report the different forms of violence and crime and locate emerging hotspots, in real time and in ways that are both authoritative and widely accessible. The spread of cell phones helps community members both to report incidences of crime and violence and to access aggregated results.

A software platform called Ushahidi (Swahili for *testimonial*) was initially developed to map violence during Kenya’s 2008 postelec-

tion riots. It aggregates reports sent by citizens using mobile phones or the web and, according to Ushahidi, had 45,000 users in Kenya at the time. It has since been expanded and adapted to various other uses in crisis situations, including in Haiti after the 2010 earthquake. An initiative based in Cairo, called Harassmap, is a mobile phone-based reporting system used by women who encounter harassment as they move about city streets. It is raising awareness of the problem and warning women of trouble spots. Across Latin America, people are setting up blogs, websites, and Internet applications, and using Twitter to report and share information on all forms of crime, violence, and police abuse. Helpful as these are, there are also downsides, such as deliberate misinformation.

View of Cairo showing incidents of sexual harassment reported by the public^a



Source: Petesch 2013 for the WDR 2014.

a. WDR 2014 team based on data from Harassmap at <http://harassmap.org>. The red circles in the figure depict the number of reported incidents in that locality.

crisis, political transition, and a sharp spike in poverty, uses a community-driven development approach to build local infrastructure, improve health and education in the poorest regions, respond to climate change and environmental degradation, and target particularly marginalized groups. Evaluations of community-driven development interventions have shown mixed but overall good results on poverty; infrastructure costs and quality; and access to and utilization of health, education, and drinking water. Evaluations have also criticized projects for restricting themselves to short time frames and failing to create feedback loops to learn from experience and adjust accordingly.⁴⁶

Regardless of their stated objectives, projects have repeatedly discovered that risk management is high on communities’ list of priorities: for example, managing droughts and disasters in rural areas or violence and sanitation in urban ones. Modest but persistent technical and organizational assistance can reduce risk greatly. Microfinance can unlock communities’ entrepreneurial potential. Civil society has helped Bangladesh advance its disaster risk management with low-cost, community-based disaster early warning systems. Maps and electronic applications that show where most crime and violence occurs help people avoid trouble spots and shame local police forces to take action (box 4.3). A project in the Lao

People's Democratic Republic helped communities integrate disaster risk management into village development plans. In Afghanistan, the National Solidarity Program has constructed rural infrastructure with community participation and laid the foundations for inclusive local governance in all parts of the country. Win-win projects can provide local employment in building protective physical assets or in managing or restoring ecosystems as part of disaster preparedness. Community-driven development projects have responded to disasters with speed and agility in many countries, including Indonesia, Pakistan, and the Philippines.⁴⁷

Whereas some community-driven approaches have been on a modest scale, Andhra Pradesh and several other Indian states have assisted hundreds of thousands of self-help groups with microfinance and in diversification of local livelihoods. Groups are also helped to link up across villages and form associations covering larger areas, creating a movement made up of millions of poor people, largely women. The resulting strength in numbers permits these associations to buy food, obtain credit, access social programs, and organize insurance on favorable terms. Crucially, it also gives them collective voice and influence, which they use, for example, to gain access to social programs or to seek election to the village council.⁴⁸ This approach is now central policy under India's National Rural Livelihoods Mission. The NGO Bangladesh Rural Advancement Committee (BRAC) is another example of community-based development that has gone to scale. BRAC, which started as a relief organization in Bangladesh in 1972, is now active in 11 countries and assists an estimated 125 million people.

Empower communities with voice and accountability

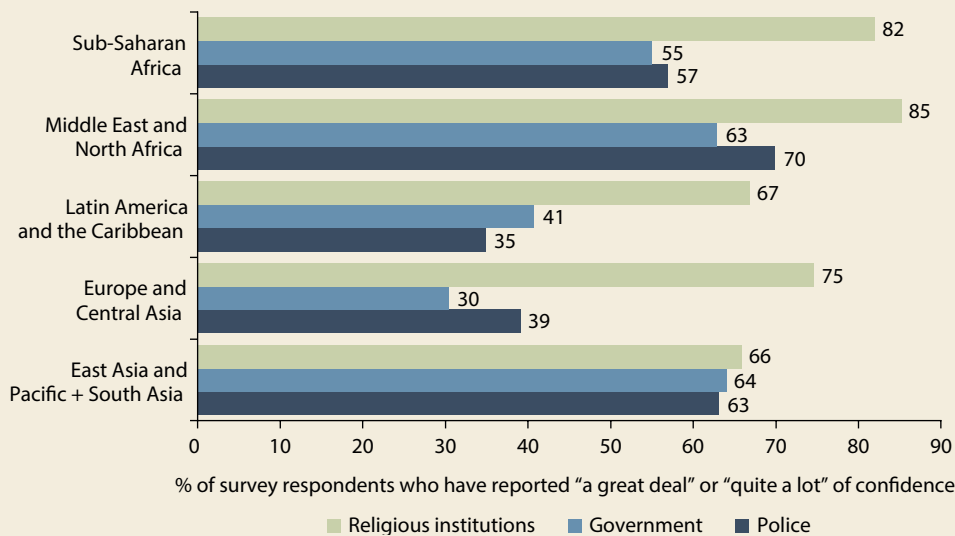
Government institutions are essential for managing the many risks that exceed the capacity of communities, yet these institutions often disappoint. Public health workers are absent more than one-quarter of the time in Bangladesh, India, Indonesia, Peru, and Uganda.⁴⁹ The Orangi Pilot Project mentioned earlier could cost-effectively supply improved toilets and feeder sewers but had to rely on the municipality's outdated main sewer lines, making its overall sanitation effort less effective. Flooding, a growing problem in many African cities, is caused by deficient drainage and unregulated urban development—problems that only governments can solve. Communities bear the cost of flooding but have little idea

about how to make authorities pay attention to the problem.⁵⁰

The disconnect between communities and government came through loud and clear in a multi-country study, *Voices of the Poor*, which asked thousands of poor people around the world which institutions they found most and least effective.⁵¹ Across locales, respondents considered kin, family, and community-based and religious organizations among the most effective support systems. Municipalities, police, and ministries were considered the least effective and were often regarded as unaccountable and unresponsive to the needs of the poor. Accounts of neglect, petty corruption, and extortion at the hand of officials abounded; the police were perceived the most negatively and were often described as a source of insecurity. Overall, state institutions constituted 33 percent of effective and 83 percent of ineffective institutions. By contrast, civil society organizations constituted 60 percent of the institutions considered effective and only 15 percent of those considered ineffective. These findings are echoed—although in a slightly muted manner—in the World Values Survey, where confidence in religious leaders is far higher than confidence in police and government (figure 4.7).

Local democracy, government capacity, and political economy influence how accountable decentralized government is to risks faced by low-income groups. Local governments in many countries lack the capacity, resources, and decision-making authority needed to be effective. Electing (rather than appointing) local governments can help by adding an element of accountability. Research, mostly from India, finds that decentralized electoral systems tend to deliver benefits to citizens—or at least to the “median voter”—but that they also can induce rent seeking by opportunistic local politicians.⁵² Government capacity to deliver is often a critical bottleneck: In Peru, for example, many local governments underspend their allocated budget to a considerable degree, with average spending in 2009 ranging from 63 to 97 percent of the allocation depending on the type of funds. Many smaller municipalities lack a trained engineer to oversee construction projects.⁵³

Stronger accountability mechanisms where citizens, service users, and communities demand better services directly from police, authorities, and utilities can help ensure that public spending is responsive to local risks and delivers results.⁵⁴ For example, experiments in India and Uganda involved public meetings where information on health and education entitlements and achievements were disseminated. After

FIGURE 4.7 *Who do you trust? Confidence in police, government, and religious leaders*

Source: WDR 2014 team based on data from the World Values Survey, 2005.

one year and four to six meetings, one intervention in India resulted in 27 percent more tetanus vaccinations, 24 percent more prenatal supplements, 25 percent more infant vaccinations, and fewer excess school fees compared with control villages where no meetings were held.⁵⁵ These results indicate that community participation can improve outcomes for health and education investments, reduce absenteeism, increase enrollment and health care use, and reduce maternal and infant mortality.

Citizen participation works best when higher-tier government is responsive.⁵⁶ Localized accountability mechanisms are useful but may not be transformative on their own. Local accountability is more powerful when the state creates complementary mechanisms to sanction corruption, inadequate services, and abuse of authority. These mechanisms can entail an independent judiciary or auditing institutions. Moreover, rights and social guarantees can galvanize social movements and foster collective action by offering critical entry points for citizens and NGOs demanding better risk management. Modern information and communication technologies make it simpler and faster for individuals and communities to mobilize. The right to assembly and political participation enables citizens to demand economic and personal protection and better services.

India's Mahatma Gandhi National Rural Employment Guarantee Act illustrates how good governance

and social mobilization go hand-in-hand. This law, enacted after pressure from the Right to Food Campaign and others, creates an entitlement of 100 days of unskilled employment per year, at minimum wage, to all workers in rural areas who demand it. The law also provides for social audits and redress of grievances. Demand for work is massive, mostly from poor and disadvantaged groups, and at times of the year where no other work is available. Not only does the program offer a useful safety net, but it also helps spread awareness of rights and promotes dignity. Implementation varies across states: no state is able to offer all workers all the employment they demand and are entitled to. A state such as Rajasthan, which promotes transparency and accountability and has a long history of popular mobilization, performs relatively better: in Rajasthan, 84 percent of job seekers report being successful (against 56 percent nationwide), receiving 71 days of employment (against 37 nationwide), on average. The fact that the law is organized as a right motivates job seekers' collective action to hold authorities accountable for supplying employment instead of siphoning off the allocated funds.⁵⁷

Provide infrastructure and services that complement communities' capacities

Basic infrastructure enables people to manage risk and seize opportunities. Mobile phone penetration

BOX 4.4 *Clean, green, and blue: Managing water and flooding in Singapore*

In the 1960s, Singapore imported most of its drinking water, was frequently flooded, and suffered from highly polluted rivers, air, land, and streets. Singapore's transformation, achieved in four decades, shows that the rapidly growing urban population in the developing world can aspire to a safe and clean living environment with sufficient water. Singapore moved forward with a long-term vision that the country could achieve more control over its water supply and become a livable city without sacrificing economic growth and competitiveness. It relied on research and development; effective implementation; and a combination of engineering, political commitment, and community-based measures.

In water resource management, Singapore's efforts focused on building up its local catchment water resources by capturing, storing, and using more of its heavy rainfall, as well as creating sources of water less dependent on the weather. The city built reservoirs to store rainwater collected from rivers, streams, canals, and drains that converted large parts of the city-state into a rainwater catchment area. Developing separate collection systems for used water and rainwater at the outset allowed Singapore to integrate its drainage system and channel rainwater to its reservoirs without affecting water quality. To maintain the cleanliness of the water supply, streams and culverts had to be kept free of garbage and pollution.

The government closed or relocated polluting industries such as pig and duck farms, informal manufacturers, and street vendors; it built new food centers and markets to house food vendors; and it engaged the population to conserve water and stop pollution and littering. Today, Singapore has put in place a diversified water supply strategy known as the Four National Taps comprising water from local catchments, imported water, high-grade reclaimed water, and desalinated water. A large dam, the Marina Barrage, was built to create a freshwater reservoir that has a catchment area of 10,000 hectares, while regulating flooding of low-lying areas in the city center.

Singapore recognizes that climate change effects could result in more intense rainfall and rising sea levels. To cope with more intense rainfall, it is strengthening its drainage infrastructure and introducing measures to better control storm water. One measure includes a new requirement for developers to implement on-site measures to slow down surface runoff and reduce the peak flow of storm water into the public drainage system. In anticipation of rising sea levels, Singapore has added to its minimum reclamation. Since 2011, newly reclaimed land must be raised by a minimum of 1 meter in addition to the previous level of 1.25 meters above the highest recorded tide level observed before 1991.

Source: WDR 2014 team based on Soon, Jean, and Tan 2009 and contributions from PUB, Singapore's national water agency.

has skyrocketed, even in the most remote, low-income regions; meanwhile, 88 percent of the global population now has access to an improved water source. Singapore is an example of a city-state that took a proactive approach to bring health and environmental risks under control and in the process created one of Asia's most livable cities (box 4.4). But such an approach to managing risks to the public remains elusive in many low- and lower-middle-income countries, where 2.7 billion people lack access to sanitation (figure 4.8) and 1 billion defecate in the open. Open sewers and garbage still mar many slums. Such environmental conditions cause much disease. In Sub-Saharan Africa, one of every eight children, and in South Asia, one of every fifteen, die before their fifth birthday.

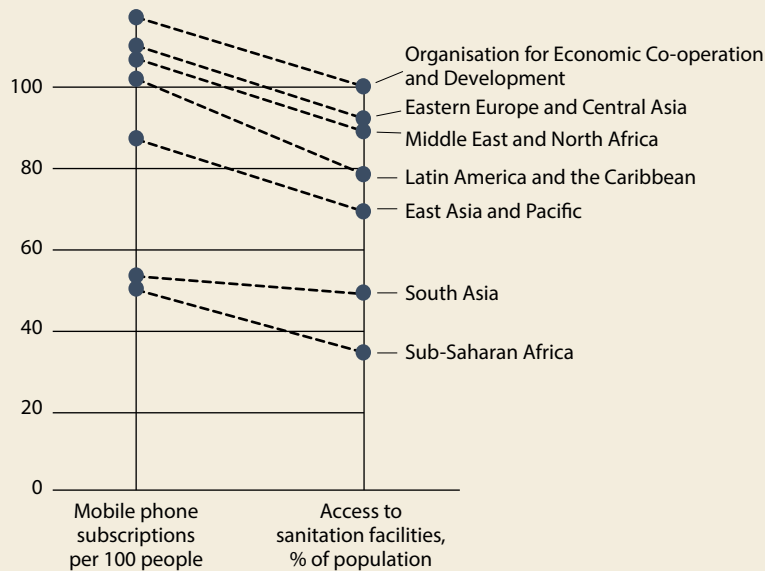
Many health, sanitation, security, and other programs have concluded that involving and partnering with user communities improves outcomes (photo 4.1); such partnerships may even be necessary for success. Simply providing a toilet does not necessarily improve sanitation (box 4.5) in the same way that provision of more police does not

necessarily reduce crime (spotlight 4). Communities can help create awareness, knowledge, and changes in norms and behavior—something India is exploiting with a campaign that discourages young women from marrying men who do not have a toilet. To reduce the spread of HIV, changes in sexual behavior are needed, in particular among high-risk groups such as sex workers and men who have sex with men. Community-based organizations can reach such groups far better than can governments. They can tailor interventions to key obstacles blocking the adoption of risk-reducing behaviors. In western Kenya, for example, community-based organizations provided awareness and knowledge that increased the use of condoms; in other localities, where knowledge was already high, community-based HIV interventions instead targeted the stigma that

stops people from seeking testing and provided empowerment and motivation for behavior change.⁵⁸ Working closely with affected communities helps programs like these discover the obstacles for low uptake of risk management and redesign approaches accordingly.

Understanding the strengths and limitations of communities' risk management can help governments design complementary policy actions.

FIGURE 4.8 More people have cell phones than have toilets—illustrating a failure to provide the most basic protection



Source: WDR 2014 team based on data from World Bank World Development Indicators (database).

Note: Organisation for Economic Co-operation and Development (OECD) countries in the figure are high-income countries that have been members of the OECD for at least 40 years. All other countries are grouped into geographic regions. Data are as of 2010.

Income-support programs can often benefit from community participation, particularly in low- and lower-middle-income countries. Central authorities are better at identifying poor localities than at identifying the poor within them. Community participation in targeting can help by exploiting local knowledge and keeping elite capture of benefits in check—although the way the process is designed matters crucially.⁵⁹ An experiment in Indonesia compared community-based targeting conducted in villagewide meetings with a proxy means test. The community method resulted in slightly worse targeting at the \$2 poverty line, equal targeting at \$1 a day, and greater satisfaction and legitimacy overall (fewer complaints, fewer difficulties in distributing the funds, and greater acceptance of the beneficiary list).⁶⁰ Participation is equally important in providing relief after disasters: humanitarian assistance to people affected by disasters is often more effective when it takes local conditions into account and uses communities' own capacities. Likewise, an emphasis on rapid reconstruction, without adequate community involvement, can lead to recovering in ways that recreate vulnerabilities.⁶¹



PHOTO 4.1 Clean water and community-led sanitation improve hygiene and reduce diarrheal and other diseases. Children draw water from a water pump in North Sudan.

© Fred Noy/UN Photo

BOX 4.5 Using social marketing to increase access to sanitation in rural Tanzania

Around 1 billion people worldwide defecate in the open, creating vast risks for infants and children that often play amid excreta and waste water. Poor sanitation is responsible for an estimated 1.7 million deaths each year, is a cause of high medical bills, and is linked to disease and stunting among children. It can also impair dignity, gender equality, and quality of life. Agencies have learned that simply giving households toilets does not work. Instead, sanitation needs to be understood within the context of the obstacles households face.

Social marketing is being used in sanitation projects in rural Tanzania, where most toilets are basic pit latrines and diarrhea is common among children. The World Bank's Water and Sanitation Program conducted outreach activities with rural Tanzanians to understand their experience using toilets. People considered improving toilets and sanitary practices to be a low priority, costly,

and complicated. Although people were very dissatisfied with their situation, affordable options were lacking, sanitation was not seen as a high priority, and a sense of powerlessness prevailed.

The program developed an inspirational promotion platform, called *Choo Bora Chawezekana!* (A Good Toilet Is Possible!) and delivered the message to an estimated 160,000 people in rural districts through radio spots, radio soap opera, and local events. District and ward authorities, masons, and village committees were employed as front-line promoters of the *Choo Bora* brand. Local masons produced an affordable cement slab for the toilet. The work of learning how Tanzanian households use sanitation continues. Findings from focus groups were incorporated into the National Sanitation Campaign, which aims to convince 6 million rural Tanzanians to invest in and use improved sanitation facilities by 2015.

Community-event in rural Tanzania promoting the *Choo Bora* message



Two women after purchasing a cement slab for a new toilet



Source: Jacqueline Devine and Jason Cardosi for the WDR 2014.

Photos: © Water and Sanitation Program staff.

Win-win investments should be favored. Not only can public works offer employment to unemployed workers; they can also boost preparation for crises and shocks by building local public goods or enhancing employment skills. Public works projects often build dams, shelters, drainage, and rural roads, and undertake soil, water, and forest conservation that protects communities against disasters. Djibouti, for example, started a workfare program when the economic crisis hit in 2008. The program offers short-term employment in community-based, labor-intensive works. It also supports improved nutrition practices, focusing on preschool children and pregnant or lactating women.⁶² Many programs aim to impart skills that people can use to diversify their income sources. Latvia has used workfare to create temporary labor-intensive employment for people who had lost their jobs but were ineligible for unemployment benefits. The program has benefited com-

munities by creating and maintaining infrastructure and providing social services.⁶³ (For more win-win examples, see spotlight 2.)

Earlier concerns that income-support programs might crowd out community mechanisms seem exaggerated, at least in developing countries. Some studies find that public safety nets displace informal transfers to a moderate or even significant extent.⁶⁴ As with credit, some substitution of formal sources for informal ones is to be expected. But displacement of private transfers does not translate to a net social loss when recipients share their benefits with other poor people or are able to increase their labor supply. This process has been studied extensively for South Africa's relatively generous old-age social pensions. Unemployment is high in South Africa and supporting unemployed family members drags many people into poverty, particularly families without any pensioner. When an elderly person starts receiving a pension, working-

age family members are more likely to migrate for work—not less so—as the pension finances migration.⁶⁵ This way, access to risk management enables migration, employment, and escape from poverty.

Putting it all together: Policy principles and research priorities to foster resilient communities

Communities can become much better risk managers when supported by a favorable legal regime; when their organizational capacity is strengthened; when there is voice, transparency, and accountability; and when complementary public goods and services are provided, including those that link them to markets and other communities. Many different policies can be used to this end. These policies are summarized in table 4.1 by type of risk management instrument and by applying the lens of the five simple policy principles in the discussion that follows.

Do not generate uncertainty or unnecessary risk

Consult communities on important local decisions that involve them. When decisions on services, infrastruc-

ture, and land acquisition are taken without consulting the people they affect, opportunities to identify potential risks are missed.

Promote inclusion and accountability. State institutions need to strive for neutrality and reduce discrimination and practices that are unpredictable, abusive, or illegal. Ethnic favoritism, and perceptions thereof, should be avoided when targeting income support, services, and public sector employment, particularly in fragile environments. Local militias should not be armed, as they often become unaccountable or even criminal over time. Civil society and the press should not be constrained in their ability to serve as watchdogs. The press, on the other hand, needs to behave responsibly and refrain from playing up ethnic tensions and stereotypes.

Think long run

Prepare for disasters and emergencies in advance. Much disaster and humanitarian response is impeded by an absence of preparation: agencies raise funding for response on an ad hoc basis once emergencies have been declared; competition over funds limits coordination; a disaster's ability to grab head-

TABLE 4.1 Policy priorities to improve risk management at the community level

	POLICIES TO SUPPORT RISK MANAGEMENT	
	FOUNDATIONAL	ADVANCED
Knowledge	Transparency and freedom of the press	
	Simpler conflict filters for fragile settings	Violence and disaster hotspot maps
Protection	Law and order for all; anti-discrimination measures	
	Local institutions that bridge divided groups (particularly for fragile settings)	Community-based crime prevention
	Community infrastructure and capacity for disaster management	
Insurance	Credit and savings (group-based or microfinance)	Credit, savings, and insurance (bank-based)
Coping	Workfare for employment and basic infrastructure	Workfare for skill building
	Making humanitarian relief accountable for long-term results	Support delivered via permanent government systems
	Community-targeted income support	Means-tested income support

Source: WDR 2014 team.

Note: The table presents a sequencing of policies based on the guidance of chapter 2 for establishing policy priorities: *be realistic* in designing policies tailored to the institutional capacity of the country, and *build a strong foundation* that addresses the most critical obstacles sustainably and that can be improved over time.

lines determines funding; there are few incentives (and little funding) to invest ex ante in risk protection and preparedness; and permanent systems for delivering income and other support are missing. Moreover, since most humanitarian funding is spent on complex, protracted emergencies and not on intensive disasters, support that is inherently meant to be temporary and short-term in many cases ends up carrying on for the long haul (see box 4.2). Putting in place a coordinated funding mechanism for disaster and humanitarian preparation and response would help ensure timely responses, investment in preparation, and accountability for long-term outcomes (see also chapter 8).⁶⁶

Build transparent, accountable, inclusive, and scalable institutions, and realize that fostering communities' cohesion and capacity to organize their own risk management takes time and patience. In fragile and conflict-affected countries, in particular, restoring confidence and institutional capacity may take a generation. Therefore, it is best to stay engaged for the long haul, and to use that time to experiment with ways to scale up.

Promote flexibility

Listen to communities, allow local actors discretion in devising local solutions, adopt learning-by-doing, and build feedback loops. All of these activities can help with adaptation of interventions over time and across space as local risks evolve as well as offer opportunities for managing them.

Provide the right incentives

Promote social accountability and transparency at local and national levels. Local accountability measures can contribute to better and more consistent delivery of local services and risk management by making service providers perform better, ensuring that spending meets local needs, and reducing corruption. To work well, local accountability measures often require complementary national action such as open flow of information, freedom of the press, and mechanisms for holding authorities accountable.

Include the vulnerable in protection

Focus public action on ways to protect people's basic consumption and access to health and education during systemic shocks. (This recommendation builds on

chapter 3.) Income support is a useful complement to informal community coping and insurance—which are likely to be overwhelmed by systemic shocks—and can avoid costly and irreversible coping responses. Income-transfer programs need to be scalable and flexible in order to increase coverage in communities facing shocks and be scaled back once crisis abates. The beneficiary selection process should be able to identify those most affected by shocks, not just the chronic poor. Community-based targeting can help in this regard, often in conjunction with geographic targeting to affected regions, or self-targeting.

A final note: Refocus research priorities from diagnostics to solutions

Refocus research priorities to investigate the underlying causes of vulnerability, how to address them, and how to promote opportunity. Among all the topics covered in this chapter, by far the most researched has been informal insurance in rural areas. Urban areas have received less attention. Preparation for risk, which arguably can have the farthest reaching effects, seems underresearched. In general, research tends to be stronger on the diagnostics—the nature of shocks, their impacts, and the ways people cope—than on the particular policies to address vulnerability and ways they might promote opportunity. Financial and social protection instruments have attracted more research interest, particularly in economics, than broader policies pertaining to participation, fostering collective action, scaling up local initiatives, upgrading slums, improving governance, and fighting exclusion and discrimination; yet such “softer” approaches may well have more transformational impacts.

Make it easier to consider communities in development planning. Preventing local interventions from having unintended harmful consequences often requires detailed understanding of specific contexts, knowledge that can be time-consuming for planners to acquire. It would therefore be useful if social scientists could develop simpler and quicker tools (sometimes known as “conflict filters”) to ensure that development planning takes local situations into account. More broadly, research on organizational models such as associations of the poor that can scale up community-based solutions and also deal better with large, complex problems would help fill a major void.

Notes

1. Klinenberg 2002.
2. De Weerd 2001.
3. Dercon 2008; Jalan and Ravallion 2001.
4. Bowles and Gintis 2002.
5. Christiaensen and Subbarao 2005 for Kenya; Dercon and Krishnan 2000 for Ethiopia; Heltberg and Lund 2009 for Pakistan; Townsend 1994 for rural India; and Dercon and De Weerd 2006 for community networks to help with illness. See also chapters 1 and 3.
6. The term *community* has its origins in the Latin term *communis*—shared by all or many. Communities are defined by relationships and connections, not affection (Bowles and Gintis 2002). *Community* denotes the group. *Social capital* refers to aspects of relationships within the group, such as norms and trust.
7. Moser 2009.
8. Fafchamps and De Weerd 2011.
9. Chen 2010.
10. Mohapatra, Joseph, and Ratha 2012.
11. Fafchamps and De Weerd 2011; Morduch 2002; Ravallion and Chaudhuri 1997; Townsend 1994.
12. Gertler and Gruber 2002.
13. Mohapatra, Joseph, and Ratha 2012.
14. Jalan and Ravallion 1999.
15. Dercon 2002.
16. Fafchamps and Gubert 2007.
17. Attanasio and others 2012; Coate and Ravallion 1993; De Janvry and others 2002.
18. De Janvry and others 2002; Genicot and Ray 2003.
19. Heltberg, Hossain, and Reva 2012.
20. Santos and Barrett 2011.
21. World Bank 2000, 16.
22. Fay 2005.
23. Fay 2005.
24. WDR 2014 team analysis based on Nicaragua Encuesta Nacional de Hogares sobre Medición de Nivel de Vida 2005.
25. Hsiang 2012.
26. Ashwill and Heltberg 2013 for the WDR 2014.
27. Petesch 2013 for the WDR 2014; World Bank 2010.
28. Rockmore 2011.
29. Esteban, Mayoral, and Ray 2012.
30. Varshney 2002; see also Lederman, Loayza, and Menendez 2002.
31. Marc and others 2013.
32. Collier 2009, 89; Petesch 2013 for the WDR 2014; World Bank 2010, ch. 2.
33. Hsiang, Burke, and Miguel 2013.
34. Varshney 2002.
35. Narayan, Nikitin, and Petesch 2010.
36. World Bank 2012.
37. Mansuri and Rao 2012.
38. Bowles and Gintis 2002; Ostrom 2000 offers an insightful survey of the literature.
39. This refusal has serious consequences, since funerals are elaborate affairs and there are bound to be logistical disasters without help. See De Weerd 2001.
40. Ostrom 2000; Bowles and Gintis 2002; see also Habyarimana and others 2007 and the sources cited therein.
41. Ostrom 2000; Mansuri and Rao 2012.
42. Singh 2011.
43. Marc and others 2013; Singh 2011.
44. World Bank 2010.
45. Khan 1996.
46. Mansuri and Rao 2012.
47. World Bank 2006.
48. Narayan, Prennushi, and Kapoor 2009.
49. Chaudhury and others 2006.
50. Douglas and others 2008.
51. Narayan and others 2000, 198–202.
52. Besley, Pande, and Rao 2012; Mansuri and Rao 2012.
53. Loayza, Rigolini, and Calvo-Gonzalez 2011.
54. Mansuri and Rao 2012 and Speer 2012 provide recent surveys; see also World Bank 2003.
55. Pandey and others 2007. Bjorkman and Svensson 2009 found broadly similar results in Uganda, while Banerjee and others 2010 did not find significant impacts on services of giving information, perhaps because their experiment was of shorter duration.
56. Devarajan, Khemani, and Walton 2011; Mansuri and Rao 2012.
57. Dreze and Khera 2011; Liu and Barrett 2013.
58. Rodriguez-Garcia and others 2013.
59. Coady, Grosh, and Hoddinott 2004; Mansuri and Rao 2012.
60. Alatas and others 2012.
61. IPCC 2012.
62. Levin, Morgandi, and Silva 2012.
63. Azam, Ferre, and Ajwad 2012.
64. Cox, Hansen, and Jimenez 2004; Dercon and Krishnan 2003.
65. Ardington, Case, and Hosegood 2009.
66. van Aalst and others 2013 for the WDR 2014.

References

- Alatas, Vivi, Abhijit Banerjee, Rema Hanna, Benjamin A. Olken, and Julia Tobias. 2012. "Targeting the Poor: Evidence from a Field Experiment in Indonesia." *American Economic Review* 102 (4): 1206–40.
- Ardington, Cally, Anne Case, and Victoria Hosegood. 2009. "Labor Supply Responses to Large Social Transfers: Longitudinal Evidence from South Africa." *American Economic Journal: Applied Economics* 1 (1): 22–48.
- Ashwill, Maximilian, and Rasmus Heltberg. 2013. "Is There a Community-Level Adaptation Deficit?" Background paper for the *World Development Report 2014*.
- Attanasio, Orazio, Abigail Barr, Juan C. Cardenas, Garance Genicot, and Costas Meghir. 2012. "Risk Pooling, Risk Preferences, and Social Networks." *American Economic Journal: Applied Economics* 4 (2): 134–67.
- Azam, Mehtabul, Celine Ferre, and Mohamed Ihsan Ajwad. 2012. "Did Latvia's Public Works Program Mitigate the Impact of the 2008–2010 Crisis?" Policy Research Working Paper 6144, World Bank, Washington, DC.
- Banerjee, Abhijit V., Rukmini Banerji, Esther Duflo, Rachel Glennerster, and Stuti Khemani. 2010. "Pitfalls of Participatory Programs: Evidence from a Randomized Evaluation in Education in India." *American Economic Journal: Economic Policy* 2 (1): 1–30.
- Besley, Timothy, Rohini Pande, and Vijayendra Rao. 2012. "Just Rewards? Local Politics and Public Resource Allocation in South India." *World Bank Economic Review* 26 (2): 191–216.
- Bjorkman, Martina, and Jakob Svensson. 2009. "Power to the People: Evidence from a Randomized Field Experiment on Community-Based Monitoring in Uganda." *Quarterly Journal of Economics* 124 (2): 735–69.
- Bowles, Samuel, and Herbert Gintis. 2002. "Social Capital and Community Governance." *Economic Journal* 112 (483): 419–36.
- Chaudhury, Nazmul, Jeffrey S. Hammer, Michael Kremer, Karthik Muralidharan, and F. Halsey Rogers. 2006. "Missing in Action: Teacher and Health Worker Absence in Developing Countries." *Journal of Economic Perspectives* 20 (1): 91–116.
- Chen, Daniel L. 2010. "Club Goods and Group Identity: Evidence from Islamic Resurgence during the Indonesian Financial Crisis." *Journal of Political Economy* 118 (2): 300–54.
- Christiaensen, Luc J., and Kalinidhi Subbarao. 2005. "Towards an Understanding of Household Vulnerability in Rural Kenya." *Journal of African Economies* 14 (4): 520–58.
- Coady, David, Margaret E. Grosh, and John Hoddinott. 2004. *Targeting of Transfers in Developing Countries: Review of Lessons and Experience*. World Bank Regional and Sectoral Studies. Washington, DC: World Bank.
- Coate, Stephen, and Martin Ravallion. 1993. "Reciprocity without Commitment: Characterization and Performance of Informal Insurance Arrangements." *Journal of Development Economics* 40 (1): 1–24.
- Collier, Paul. 2009. *Wars, Guns, and Votes: Democracy in Dangerous Places*. New York: Harper Collins.
- Cox, Donald, Bruce E. Hansen, and Emmanuel Jimenez. 2004. "How Responsive Are Private Transfers to Income? Evidence from a Laissez-Faire Economy." *Journal of Public Economics* 88 (9–10): 2193–219.
- De Janvry, Alain, Rinku Murgai, Elisabeth Sadoulet, and Paul Winters. 2002. "Localized and Incomplete Mutual Insurance." *Journal of Development Economics* 67 (2): 245–74.
- Dercon, Stefan. 2002. "Income Risk, Coping Strategies, and Safety Nets." *World Bank Research Observer* 17 (2): 141–66.
- . 2008. "Fate and Fear: Risk and Its Consequences in Africa." *Journal of African Economies* 17 (2): 97–127.
- Dercon, Stefan, and Joachim De Weerd. 2006. "Risk Sharing Networks and Insurance against Illness." *Journal of Development Economics* 81 (2): 337–56.
- Dercon, Stefan, and Pramila Krishnan. 2000. "In Sickness and in Health: Risk Sharing within Households in Rural Ethiopia." *Journal of Political Economy* 108 (4): 688–727.
- . 2003. "Risk Sharing and Public Transfers." *Economic Journal* 113 (486): 86–94.
- Devarajan, Shantayanan, Stuti Khemani, and Michael Walton. 2011. "Civil Society, Public Action and Accountability in Africa." Policy Research Working Paper 5733, World Bank, Washington, DC.
- De Weerd, Joachim. 2001. "Community Organizations in Rural Tanzania: A Case Study of the Community of Nyakatoke, Bukoba Rural District." *The Nyakatoke Series* 3.
- Douglas, Ian, Khurshid Alam, Maryanne Maghenda, Yasmin McDonnell, Louise McLean, and Jack Campbell. 2008. "Unjust Waters: Climate Change, Flooding and the Urban Poor in Africa." *Environment and Urbanization* 20 (1): 187–205.
- Dreze, Jean, and Reetika Khera. 2011. *The Battle for Employment Guarantee*. New Delhi: Oxford University Press.
- Esteban, Joan, Laura Mayoral, and Debraj Ray. 2012. "Ethnicity and Conflict: An Empirical Study." *American Economic Review* 102 (4): 1310–42.
- Fafchamps, Marcel, and Joachim De Weerd. 2011. "Social Identity and the Formation of Health Insurance Networks." *Journal of Development Studies* 47 (8): 1152–77.
- Fafchamps, Marcel, and Flore Gubert. 2007. "The Formation of Risk Sharing Networks." *Journal of Development Economics* 83 (2): 326–50.
- Fay, Marianne. 2005. *The Urban Poor in Latin America*. Directions in Development. Washington, DC: World Bank.
- Foa, Roberto. 2012. "Trends in Tolerance of Social Minorities across the World." Unpublished manuscript, World Bank, Washington, DC.
- Genicot, Garance, and Debraj Ray. 2003. "Group Formation in Risk-Sharing Arrangements." *Review of Economic Studies* 70 (1): 87–113.
- Gertler, Paul, and Jonathan Gruber. 2002. "Insuring Consumption against Illness." *American Economic Review* 92 (1): 51–70.
- Habyarimana, James, Macartan Humphreys, Daniel N. Posner, and Jeremy M. Weinstein. 2007. "Why Does Ethnic Diversity Undermine Public Goods Provision?" *American Political Science Review* 101 (4): 709–25.
- Heltberg, Rasmus, Naomi Hossain, and Anna Reva. 2012. *Living through Crises: How the Food, Fuel, and Financial Shocks Affect the Poor*. Washington, DC: World Bank.
- Heltberg, Rasmus, and Niels Lund. 2009. "Shocks, Coping, and Outcomes for Pakistan's Poor: Health Risks Predominate." *Journal of Development Studies* 45 (6): 831–946.
- Hsiang, Solomon. 2012. "Are We Well Adapted to Our Climate? And What Might That Mean for Future Climate Changes?" *Earth Magazine* 57 (8): 8.
- Hsiang, Solomon, Marshall B. Burke, and Ted Miguel. 2013. "Quantifying the Climatic Influence on Human Conflict, Violence and Political Instability." *Science* DOI: 10.1126/science.1235367.

- IPCC (Intergovernmental Panel on Climate Change). 2012. "Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation." Special Report, IPCC, New York.
- Jalan, Jyotsna, and Martin Ravallion. 1999. "Income Gains to the Poor from Workfare: Estimates for Argentina's Trabajar Program." Policy Research Working Paper 2149, World Bank, Washington, DC.
- . 2001. "Behavioral Responses to Risk in Rural China." *Journal of Development Economics* 66 (1): 23–49.
- Khan, Akhter Hameed. 1996. *Orangi Pilot Project: Reminiscences and Reflections*. Karachi: Oxford University Press.
- Klinenberg, Eric. 2002. *Heat Wave: A Social Autopsy of Disaster in Chicago*. Chicago: University of Chicago Press.
- Lakhani, Sadaf S. 2013. "Forced Displacement: Moving from Managing Risk to Facilitating Opportunity." Background paper for the *World Development Report 2014*.
- Lederman, Daniel, Norman Loayza, and Ana Maria Menendez. 2002. "Violent Crime: Does Social Capital Matter?" *Economic Development and Cultural Change* 50 (3): 509–39.
- Levin, Victoria, Matteo Morgandi, and Joana Silva. 2012. *Inclusion and Resilience: The Way Forward for Social Safety Nets in the Middle East and North Africa*. Middle East and North Africa Development Report. Washington, DC: World Bank.
- Liu, Yanyan, and Christopher B. Barrett. 2013. "Heterogeneous Pro-Poor Targeting in India's Mahatma Gandhi National Rural Employment Guarantee Scheme." *Economic and Political Weekly* 48 (10): 46–53.
- Loayza, Norman, Jamele Rigolini, and Oscar Calvo-Gonzalez. 2011. "More Than You Can Handle: Decentralization and Municipal Spending Ability in Developing Countries." Policy Research Working Paper 5763, World Bank, Washington, DC.
- Mansuri, Ghazala, and Vijayendra Rao. 2012. *Localizing Development: Does Participation Work?* Policy Research Report. Washington, DC: World Bank.
- Marc, Alexandre, Alys Willman, Ghazia Aslam, Michelle Rebosio, and Kanishka Balasuriya. 2013. *Societal Dynamics and Fragility: Engaging Societies in Responding to Fragile Situations*. Washington, DC: World Bank.
- Mohapatra, Sanket, George Joseph, and Dilip Ratha. 2012. "Remittances and Natural Disasters: Ex-Post Response and Contribution to Ex-Ante Preparedness." *Environment, Development and Sustainability* 14 (3): 365–87.
- Morduch, Jonathan. 2002. "Consumption Smoothing across Space: Testing Theories of Risk-Sharing in the Icrisat Study Region of South India." United Nations University Wider Discussion Paper 55, United Nations University–World Institute for Development Economics Research, Tokyo.
- Moser, Caroline O. N. 2009. *Ordinary Families, Extraordinary Lives: Assets and Poverty Reduction in Guayaquil, 1978–2004*. Washington, DC: Brookings Institution Press.
- Narayan, Deepa, Robert Chambers, Meera K. Shah, and Patti Petesch. 2000. *Crying Out for Change*. Vol. 2 of *Voices of the Poor*. Washington, DC: World Bank and Oxford University Press.
- Narayan, Deepa, Denis Nikitin, and Patti Petesch. 2010. "Building States from the Bottom Up in Conflict-Affected Countries." In *Rising from the Ashes of Conflict*. Vol. 4 of *Moving out of Poverty*, edited by Deepa Narayan and Patti Petesch, 1–190. Washington, DC: World Bank and Palgrave Macmillan.
- Narayan, Deepa, Giovanna Prennushi, and Soumya Kapoor. 2009. "People's Organizations and Poverty Escapes in Rural Andhra Pradesh." In *The Promise of Empowerment and Democracy in India*. Vol. 3 of *Moving out of Poverty*, edited by Deepa Narayan, 234–85. Washington, DC: World Bank and Palgrave Macmillan.
- Ostrom, Elinor. 2000. "Collective Action and the Evolution of Social Norms." *Journal of Economic Perspectives* 14 (3): 137–58.
- Pandey, Priyanka, Ashwini R. Sehgal, Michelle Riboud, David Levine, and Madhav Goyal. 2007. "Informing Resource-Poor Populations and the Delivery of Entitled Health and Social Services in Rural India." *The Journal of the American Medical Association* 298 (16): 1867–75.
- Petes, Patti. 2013. "How Communities Manage Risks of Crime and Violence." Background paper for the *World Development Report 2014*.
- Ravallion, Martin, and Shubham Chaudhuri. 1997. "Risk and Insurance in Village India: Comment." *Econometrica: Journal of the Econometric Society* 65 (1): 171–84.
- Rockmore, Marc. 2011. "The Cost of Fear: The Welfare Effects of the Risk of Violence in Northern Uganda." Working Papers 109, Households in Conflict Network, Brighton, UK.
- Rodriguez-Garcia, Rosalia, Rene Bonnel, David Wilson, and N'Della N'jie. 2013. *Investing in Communities Achieves Results: Findings from an Evaluation of Community Responses to HIV and AIDS*. Directions in Development. Washington, DC: World Bank.
- Santos, Paulo, and Christopher B. Barrett. 2011. "Persistent Poverty and Informal Credit." *Journal of Development Economics* 96 (2): 337–47.
- Singh, Prerna. 2011. "We-Ness and Welfare: A Longitudinal Analysis of Social Development in Kerala, India." *World Development* 39 (2): 282–93.
- Soon, Tan Yong, Lee Tung Jean, and Karean Tan. 2009. *Clean, Green and Blue: Singapore's Journey towards Environmental and Water Sustainability*. Singapore: Institute of Southeast Asian Studies.
- Speer, Johanna. 2012. "Participatory Governance Reform: A Good Strategy for Increasing Government Responsiveness and Improving Public Services?" *World Development* 40 (12): 2379–98.
- Townsend, Robert M. 1994. "Risk and Insurance in Village India." *Econometrica: Journal of the Econometric Society* 62 (3): 539–91.
- van Aalst, Maarten, Jan Kellett, Florence Pichon, and Tom Mitchell. 2013. "Incentives in Disaster Risk Management and Humanitarian Response." Background paper for the *World Development Report 2014*.
- Varshney, Ashutosh. 2002. *Ethnic Conflict and Civic Life: Hindus and Muslims in India*. New Haven, CT: Yale University Press.
- World Bank. 2000. *World Development Report 2000/2001: Attacking Poverty*. New York: Oxford University Press.
- . 2003. *World Development Report 2004: Making Services Work for Poor People*. New York: Oxford University Press.
- . 2006. *Hazards of Nature, Risks to Development: An IEG Evaluation of World Bank Assistance for Natural Disasters*. Washington, DC: World Bank.
- . 2007. "Social Protection in Pakistan: Managing Household Risks and Vulnerability." World Bank, Washington, DC.
- . 2010. *World Development Report 2011: Conflict, Security, and Development*. Washington, DC: World Bank.
- . 2012. *World Development Report 2013: Jobs*. Washington, DC: World Bank.
- . World Development Indicators (database). World Bank, Washington, DC., <http://data.worldbank.org/data-catalog/world-development-indicators>.