



SOCIAL DEVELOPMENT DEPARTMENT  
The World Bank

# Empowering People by Transforming Institutions:

*Social Development in World Bank Operations,  
Rural institutions and sustainable livelihoods*



# Social Development Strategy

- Social Development (SD) Strategy has been approved by Board of Directors (Feb. 2005)
- Explicit recognition by the Bank that empowerment is central to poverty reduction
- The plan involves investing both in assets of the poor as well as in more inclusive, cohesive and accountable **institutions**.
- But, **HOW?**

# Social Development

...is transforming institutions

...to empower people

...by promoting formal and informal institutions that are more

- **Inclusive:** Putting marginalized people at the center of development
- **Cohesive:** Strengthening community fabric so that members can work together
- **Accountable:** Developing ways for all people to exercise voice to authorities

# Assets & Capabilities to Reduce Poverty



# How does the World Bank “do” social development?

## ■ Business Lines

- CDD and Local Governance - Accountability
- Conflict Prevention and Reconstruction - Cohesion
- Social Policy and Analysis – Inclusion
- Social Safeguards

# Rural Institutions & Sustainable Livelihoods

- ARD + SDV initiative: external literature review & internal stocktaking (desk review)
- Identify the World Bank experience in Mobilizing Local Institutional Capabilities to Sustain and Enhance Rural Livelihoods

## **Internal stocktaking and external review**

1. Better understand World Bank approaches to support Rural Institutions
2. Lessons learned from projects experience on what forms of rural institutions are most appropriate to engage in improved service provision in rural areas
3. State of literature on rural institutions (N.Uphoff)

# WB evolving views on RIs

- 1970-1990 - From top down (IRD) to community driven systemic approaches (CDD, SF, LDF, CBRD)
- 2000 onwards - Systemic and flexible approaches (coordinating themes + phasing + CAS)
- Several typologies for RIs (CBRD, CBO, SHG, etc)
- CDD/LG (decentralization/accountability); Supply chain approaches (market and credit, linking the stakeholders along the value chain)

# WB evolving views on RIs

- Examples:
  - CDD: Institution building and asset investment → income/empowerment/services/local governance
  - CBRD: Build social capital → linkages with local governance / market and credit opportunities to create economic capital.
  - “People Sector” approach: → SHG, building capacity of the ‘demand-side’ to organize themselves and access both markets and services from a range of local providers (federating CBOs and SHG...)

# Lessons learnt

- Given appropriate configurations and functioning, RIs supported by the WB can contribute to expansion of rural livelihood opportunities.
- 2 key parameters:
- **The choice of the *problem*, i.e., what the rural organization is set up to work towards resolving** (context)
- The organization's ***capacity to adapt*** to address it (adaptability),
- These parameters are more important determinants of success than whether the rural organizations are pre-existing and socially embedded or new organizations created by the project.

# Lessons learnt

- Look at pre-existing RI as resource (organizational capital)
- **Contextualization** : Importance of institutional and context assessment (key condition for sustainability)
- **Broad and dynamic view**: RIs transform from single to multi-sector, in many cases **aggregate**.

# Lessons learnt

## ■ Adaptability

- choice of the problem and the organization's capacity to adapt to address it is the most important factor of success;
- support to self-help most effective;
- building up of competencies that can be used to adjust and expand;
- establish both vertical (to national level) and horizontal (to other localities) linkages.

- **Design elements** → taking a *dynamic* view, rather than a *design* perspective: sequencing; flexibility; graduated approaches; (self help is most effective for CB); geographical concentration, etc.

# **Applied research on rural institutions for 2007-2008**

## **TFESSD: mobilizing Rural Institutions for Sustainable Livelihoods and Equitable Development**

- Collaboration ARD SDV FY07/08
- Look at pre-existing RI as resource (organizational capital)
- Assess and build on potential of RI to augment access to public and private services to the rural poor.

# Applied research on rural institutions for 2007-2008

## TFESSD: mobilizing Rural Institutions for Sustainable Livelihoods and Equitable Development

### ■ Activities:

- Support a workshop to distill current research of **CGIAR** centers on February 12 and 13 2007
- The analytical work will be closely linked with relevant operations, which will end up as the immediate beneficiaries of the proposed work.
- Develop benchmarking tool for Ag. Innovation systems with nation indicators and piloting implementation to strengthen institutions and track impacts on rural poor.
- In depth analytical work in 5 countries: India, Yemen, Vietnam, Ethiopia, Afghanistan between March-Dec 2007.
  - Mapping of LLIs rural populations rely on for NRM and livelihoods
  - Assessment of how Bank operations can be embedded in local operational structures to enhance local capacities
  - Develop a series of country specific recommendations on mobilizing RIs for sustainable livelihood and equitable development

# Cross-cutting themes for the case studies

- **Local Governance** and provision of **conducive environment for RIs**: legal framework, adm. Capacity, conflict resolution, local leadership...
- **Business environment and provision of private good** conducive to livelihood development: access to finance, commerce, etc
- **Dynamism**: transformation, adaptability, etc.
- **Supply chains**: horizontal and vertical linkages, aggregation of RIs along the supply chains, etc.
- **Capacity development**: institutional and HR, demand versus supply driven frameworks, etc.
- **Innovation**: impact, opportunities, potential indicators for change?
- **Inclusion**: women, youth, minorities, etc.

# Case studies proposals

- Main ideas - scope of the study
- Methodology
- Expected outputs
- Possible issues
- Opportunities?

Thank you

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