

CHAPTER 4. LESSONS LEARNED

A society's formal and informal institutions are a reflection of history, culture, politics and geography. Approaches to empowering poor people to participate in governance and market activity and invest in their own assets are necessarily context-specific. There is much to be learned from the innovations featured in projects and policies, and these lessons need to be more systematically incorporated in poverty reduction strategies.

Overall, what emerges from the analyses of projects and analytical work is the progress made in establishing partnerships with poor people in the delivery of local public goods, particularly basic education, and in management of natural resources. However, many projects of these types, both single-sector and multisector, need to invest more systematically in information disclosure, social accountability, and local organizational capacity. This is essential in helping to overcome the risk of capture by local elites and to achieve long-term sustainability. Few projects as yet systematically track changes in levels of empowerment and local organizational capacity.

Much more attention needs to be paid to strengthening the demand side of governance in projects and policies related to improving local and national governance. Even where formal rules have changed to enable poor people and other citizens to participate in decisions about local resource allocation, lack of information and weak organizations of poor people and civil society prevent effective use of the new rules and regulations and accountability mechanisms. Strategies for improved governance and poverty reduction have focused on formal systems, with little connection to those working at the community level. The challenge is to connect changes in rules and regulations with efforts to strengthen the capacities of citizens, especially poor people, to monitor governance and hold governments accountable.

Budget support loans can combine access to information with accountability to citizens to improve pro-poor actions by governments. This shift is in the very early stages, and therefore this role for civil society organizations is new in most contexts. There is thus a need to invest in the capacity of a wide range of civil society organizations including research institutes, NGOs with links to poor people, and poor people's organizations, to enable them to fulfill these new roles effectively.

The focus on outcome indicators and performance monitoring to improve development effectiveness provides important opportunities for citizen engagement. This requires a shift from participation in events to institutional mechanisms that engage poor people and other citizens in policy making, expenditure tracking, and monitoring of basic service delivery in both PRSP and middle-income countries.

Especially where poverty is widespread, economic growth will be fueled by the productive efforts of millions of poor people who labor primarily in agriculture and in the informal sector. Actions to empower poor people economically include connecting them to information about markets, reducing transaction costs to service providers through use of information technology, simplifying registration and licensing procedures, and investing in

poor people's business organizations, networks, and clusters. Understanding the investment climate for micro, small, and medium enterprises is therefore a central part of poverty reduction strategies. Poor people's access to economic opportunity can be enhanced by removing policy, social, informational, and infrastructure barriers that limit their access to markets. Firm surveys that include microenterprises can provide valuable information on the constraints faced by such entrepreneurs.

Rule of law, access to justice, and confidence in impartial justice are critical for economic growth and to protect basic rights and assets of citizens, and particularly poor people. Recent Bank-financed projects seek to increase poor people's access to justice by understanding and addressing constraints in a broader social and cultural context. Secure tenure rights and ownership of assets decrease poor people's vulnerability.

When poverty reduction is viewed through an empowerment lens, it becomes clear that, in addition to specific policies and institutional mechanisms, the *how* of development or process issues are of great importance. Box 6 highlights ten broad lessons, including process lessons, that have been learned across very different contexts. These should be kept in mind when considering an empowering approach to development in any context.

Conclusion

Drawing from WDR 2000/2001, *Voices of the Poor*, ongoing experience, and analytical work, this sourcebook lays out an approach to empowerment designed to help the World Bank increase development effectiveness and move toward the ultimate goal of poverty reduction and inclusive development. An empowering approach is not a stand-alone strategy but a way of doing business. In projects, policy-based lending, and analytical work such as public expenditure tracking, the connection to citizens needs to be strengthened through focus on the four empowerment elements: access to information, inclusion/participation, accountability, and local organizational capacity. While these four elements are common to successful efforts, the processes must be context-specific.

Building on experience, these empowering approaches need to be deepened and reflected in the Bank's work across countries, networks, and sectors, and incorporated in analytical work and lending instruments. Leadership will be needed across the Bank's regions and networks with systematic efforts to support locally owned development and to continue to learn from experience. While much is known about empowerment, much remains to be learned. There is a vast monitoring and research agenda that needs to inform project design and implementation as well as policy reforms.

Organizations that adopt empowerment as a key goal must also adopt empowering processes and behaviors internally. Poor people express the desire to be treated with respect, honesty, care, and dignity in their encounters with institutions. Empowerment approaches by definition include behaviors that build people's self-confidence and their belief in themselves. Discussions about informal norms and behavior that support ownership, dignity, and respect need to be part of the dialogue of institutional reform in countries, in support organizations, and within the World Bank.

Box 6. Lessons Learned

1. Respect, trust, and social relations matter. Development policy is not an exact science. The best technical ideas have to be communicated, owned, and defended within a given country. It takes time, skills, resources, and patience to build consensus and trust. Without this investment in participatory processes, agreements remain fragile as key actors who have opposed each other in the past have little opportunity to build trust or confidence in each other. Breakdown of agreements interferes with reform processes and feeds narrow political opportunism.

2. Participatory processes and conflict management go together. Participatory processes that bring different stakeholder groups together to make decisions about setting priorities, changing rules, and allocating resources are by definition potentially conflictual. Therefore, participatory processes should have clearly defined rules of engagement as well as rules and mechanisms for resolving conflict and disagreements that are known and agreed to by all.

3. Change is brought about by champions and alliances in country. Almost every case of large-scale change involves strong innovators in country, both within and outside government. Innovations and support for policy reform spread when alliances are built across classes and sectors. Innovations also get internalized best through peer learning and horizontal exchanges, such as between ministers, mayors, or communities. Outsiders have important roles to play in supporting this process and disseminating information across boundaries.

4. Bringing key actors together is vital. Large-scale change for effective poverty reduction happens when changes occur in the relations between the four key actors: the state, the private sector, civil society, and poor people. Policy and institutional design forums that bring them together to listen to each other and work together are key. Each actor has strengths that can complement the strengths of others.

5. Four empowerment elements act in synergy. Access to timely and understandable information, inclusion and participation, accountability, and investment in local organizational capacity all reinforce each other to deliver better poverty reduction outcomes. While much progress has been made on participation, the other three principles—investment in access to information, downward accountability mechanisms, and local organizational capacity—may be even more important. Work in these areas will need to be refined over time through action learning.

6. Direct, intensive forms of participation are not always appropriate. It is important to be clear on the purpose and value added of participatory processes that involve poor people, since participation costs to them can be high. Sometimes all that is needed is information from poor people about their priorities and resources and the constraints that guide their decisions, whether these are about which water sources to use or whether to send a child to school. This information can then be used to design policies and programs that best fit the needs of poor women and men in a particular context.

7. Poor people's realities are the starting point. A mind-set driven by looking at the world through the eyes of poor women and men and then searching for the best-fit policies for that political, economic, social, and institutional context will prevent many mistakes. This must be complemented by an attitude of learning by doing.

8. Local capacity is systematically underestimated. Local capacity, particularly poor people's capacity to make rational decisions and effectively manage development resources, is usually underestimated. Given the opportunity, poor people often manage resources more efficiently than other agencies, although they may need resources to hire technical expertise in some areas. Also frequently underestimated are local research institutes and local government staff. The problem is often lack of incentives or active disincentives, or lack of funds to take initiative, rather than lack of basic competence.

9. Poor people's membership-based organizations are overlooked. In many parts of the world poor women and men have organized beyond communities into federated networks with representation at the national level. Such networks include producers' associations, farmers' associations, slum dwellers' networks, and trade unions. These organizations, as well as other civil society organizations such as business management institutes and chambers of commerce, are important actors that need to be part of policy dialogue and project implementation where appropriate.

10. Changes in rules and institutional processes enable large-scale change. The poverty reduction challenge is to bring about change on a large scale. This implies replicating successful experiences. This in turn requires changes in the enabling policy and regulatory regimes that are informed by successes, failures, poor people's experiences, and institutional realities. Changing rules is not enough. Implementing new rules requires educating stakeholders at all levels, including government officials, about the new rules, and getting buy-in; acknowledging the need for changes in values and behaviors; supporting institutional capacity to implement and manage change processes; ensuring public accountability; and monitoring, evaluating, and refining the rules based on experience.