

The Challenge of Inducing Participation

THIS CHAPTER APPLIES THE ANALYTICAL FRAMEWORK OUTLINED in chapter 2 in order to better understand the challenges faced in resolving civil society failures, improving the interaction of civil society with markets and governments, and implementing participatory projects. What can participatory development achieve, and under what conditions? What do the structures of failure at the local level say about options for policy? What are some of the challenges of using policy interventions to repair civic failures and induce participation? How do incentives within donor institutions and government bureaucracies affect the implementation of participatory projects? The chapter uses the analytical framework to derive a set of hypotheses that guide the analysis of the evidence in the subsequent chapters.

Under the right conditions, effective local participation can be a powerful force for change and the achievement of various development objectives. Local development moves from being “participatory” to “empowered” when decisions made by ordinary people through deliberation are tied to policy decisions and actions—what Fung and Wright (2003) call “empowered participatory governance.” This process is characterized by three foundational principles:

- Participation must have a practical orientation.
- Participation must be “bottom up,” in the sense that all of the people most affected by the problem and knowledgeable about solutions to it should be involved in decision making.
- Participation must be deliberative.

Fung and Wright define deliberation as a process of collective decision making in which a group reaches a consensus across diverse points

Under the right conditions, effective local participation can be a powerful force for change and the achievement of various development objectives.

of view. It is an alternate to what economists call “preference aggregation” through electoral mechanisms. In electoral decision making, preferences are aggregated by counting votes. Deliberative decision making requires that participants listen to one another’s positions and generate group choices after due consideration of other points of view, even if they do not necessarily endorse those choices or find them optimal.

After examining various successful cases of empowered participatory governance around the world, Fung and Wright conclude that in order to advance these foundational principles, governance institutions need to incorporate three design features:

- *Devolution.* Local decision-making units should have meaningful power and be downwardly accountable.
- *Centralized supervision and coordination.* Local decision-making units need to share information, learn from one another, and discover what works by trial and error while being monitored and held accountable by the center.
- *State-centered, not voluntary.* Empowered participation should remake state institutions to align with their foundational principles rather than develop parallel structures.

Ironically, empowered participation requires a strong, functioning state.

Ironically, empowered participation requires a strong, functioning state that has not only internalized the broad objective of deepening democracy and developed a much more astute view of citizens’ role in shaping policy but has also actively promoted and supervised the process by which this process happens.

The premise underlying participatory development is the power of the group—the notion that individuals are far more effective when they work together toward a common objective than when they attempt to achieve the same objective on their own. By mobilizing citizens to work together for their collective well-being, participatory development has the potential to redress some failures of the state and some failures of markets while improving the capacity of individuals to bond and work together.

One reason participation can do so is that it can have intrinsic value. People may value the simple courtesy of having their opinions heard, of being listened to. If public decisions are determined deliberatively rather than dictatorially, in a manner that gives everyone—poor and rich, female and male, lower and upper caste—an equal voice, the process by which decisions are made has, in itself, the potential to enhance agency.

Political theorists contend that participation has the potential to lead to a process of positive self-transformation by catalyzing a set of desirable changes in individuals: enhanced facility for practical reasoning, greater tolerance of difference, more sensitivity about the need for reciprocity, enhanced ability to think and act with autonomy on the basis of their own preferences, and the ability to engage in moral discourse and make moral judgments (Warren 1995).

Much of the value of participation can be encapsulated in Hirschman's (1970) view that "voice" has both intrinsic and instrumental value. The anthropologist Arjun Appadurai (2004) goes farther, describing voice as a "cultural capacity." Voice, he contends, is a matter not just of people demanding democratic rights but of engaging with social, political, and economic issues in terms of metaphor, rhetoric, organization, and public performance, in order to negotiate and navigate their worlds. This "capacity to aspire" is not evenly distributed. In situations where the rich have consistently benefited from better social, political, and economic connections and have the cultural tools to navigate those worlds, they are "more likely . . . to be conscious of the links between the more and less immediate objects of aspiration." The rich are thus better able to navigate their way toward actualizing their aspirations. If participation is to build this navigational capacity, then voice and the capacity to aspire need to be "reciprocally linked, with each accelerating the nurture of the other" (Appadurai 2004).

Participatory interventions are, however, more often justified by their instrumental value—their potential to make states and markets more accountable to the needs of citizens, to help communities mobilize to improve credit and livelihood opportunities and manage common property resources. The accountability function of participation requires groups to mobilize in a manner that changes the incentives of the agents of the state so that they act in the interests of citizens. State failure often occurs because the incentives of the individuals who comprise the state, and function as its agents, are not aligned with the needs of citizens; instead, these agents seek to maximize their own interests. In the absence of adequate oversight, this tendency could result in a range of adverse outcomes, from absenteeism to corruption and theft of public resources. Furthermore, if oversight of officials is largely managerial (that is, from the top rather than the bottom), local officials are accountable only upward, motivating officials to fulfill the dictates of their bosses rather than meeting local needs. The consequences—phantom

Participation can have intrinsic value: people may value the simple courtesy of being listened to.

Participation has the potential to force agents of the state to act against their private interests and for the public good.

schools with crumbling buildings and absent teachers, nonfunctioning toilets that are used to store fodder, roads that crumble at the first sign of rain—are ubiquitous in the developing world.

Participation has the potential to force agents of the state to act against their private interests and for the public good. It makes accountability—whether it be electoral, social, or “rude”—inherently conflictual. How this conflict is managed and channeled depends on the nature of the state, the institutional incentives of its agents, the division of power and responsibility between political leadership and bureaucrats, the nature and extent of the decentralization of authority, and the receptivity of the state to the demands of citizens.

Participation is also used to enhance livelihood opportunities and credit for the poor. Microcredit programs mobilize groups of individuals to collectively enforce the repayment schedule of every member, in an attempt to resolve coordination problems and asymmetries in information on the creditworthiness of individuals, which prevent banks and other large credit suppliers from servicing such communities. Self-help groups have also been mobilized to help expand livelihood opportunities more generally—by providing training in handicrafts and agricultural techniques, for example, and assisting in small-scale entrepreneurial and other activities. The group provides peer education and technical and moral support, using the power of networks to diffuse information and knowledge.

Participation has been used to try to redress the underprovision of public goods and services . . .

Participation has been used to try to redress the underprovision of public goods and services such as roads, water tanks, schools, and health clinics, which local governments typically provide. In community-driven development interventions, such public goods and services may be handed over entirely to communities to manage. In times of unexpected crisis—when a typhoon or earthquake strikes and governments and markets are unable to respond quickly, for example—communities are mobilized to rebuild homes, roads, and bridges and manage emergency aid. When a country is emerging from a long war or civil strife, community-based aid is often used to lead postconflict efforts at reconstruction.

. . . and to reduce social, political, and economic inequality.

Participation has also been used to try to reduce social, political, and economic inequality. By reserving leadership positions in civic bodies for women or other disadvantaged groups, participatory interventions have explicitly attempted to redress discrimination by promoting more egalitarian notions of leadership and breaking the power of traditional

elites. These interventions are inherently conflictual, in that they challenge the prerogatives of the people in authority.

Using civic groups to help reduce poverty usually involves far less conflict with elites, because it does not challenge the basis of their authority. In many countries, for instance, community-based participatory bodies select the beneficiaries of poverty reduction programs, an alternative method of targeting that even local elites may perceive as fair.

Participation and the Capacity to Engage

An important way in which participatory interventions can work is by changing the character of everyday interactions—a process that, over time, reshapes social relationships. In highly unequal environments, social status structures the way people talk to one another. Moving toward accountable government both requires and brings about a change in the tone and content of discourse. The conversation shifts from being embedded within existing power relationships and conditioned by social norms to one in which people confront authority, demand change, debate points of policy, and speak as citizens rather than as subjects. Such shifts in “recognition” can have important economic implications (Basu 2011).

To bring about this change, citizens must have access to a new toolkit of discursive strategies—conciliatory, confrontational, pleading, demanding, threatening—that they are able to strategically deploy. Even if these approaches do not have an immediate impact on the allocation of public resources, changes in the nature of speech can, over time, build what Gibson and Woolcock (2008) call the “capacity to engage.” Having the tools for “deliberative contestation” gives marginalized groups a more equitable shot at negotiating, asserting, and making demands that are in line with their interests and life experience. With repeated interaction, more equality in the ability to articulate demands can help move communities toward a trajectory of better and more equitable governance. This expansion in their strategic toolkits can change not only how people are perceived within their communities but also how they perceive themselves.

Rao and Sanyal (2010) analyzed the transcripts of 300 *gram sabhas* (village meetings) from India. This excerpt—from an interaction between the upper-caste president of the *panchayat* (village council),

Participatory interventions have the potential to change the character of everyday interactions—a process that, over time, reshapes social relationships.

To bring about this change, citizens must have access to a new toolkit of discursive strategies that they are able to deploy strategically.

a poor upper-caste villager (Jayaraman), and a poor villager (Muniraj) from an untouchable (Dalit) caste—provides an example of deliberative contestation in which the Dalit villager asserts his rights as a citizen.

Jayaraman: There are 45 families in our village. None of us has any land. We work for meager daily wages. Whatever little we get we spend on our children's education. But it's impossible to educate our children up to high school because we don't have the money. . . . So we request that the government do something. . . . Our whole area is dirty. Even the water is muddy, and that's what we drink. . . . How many times we have requested a road near the cremation ground and for the supply for clean water?! We can only request and apply. The rest is up to you.

Panchayat president: If there are 20–25 houses in an area, a ward member should be appointed to represent the area. That ward member should listen to your problems and must do something to help you.

Muniraj: That way [if we have a ward member], we will have the guts to enter this room [where the *gram sabha* meeting is taking place]. If the required ward members are not with us, to whom can we voice our woes? Who will represent us? . . . If the ward member belongs to another community, he won't even listen to our problems. Earlier, there was a time when a backward caste person was not even allowed to sit in the same area with others! The officers and leaders who come here [to the *gram sabha* meeting] already have a preset plan about what to do and say. You come, sit on the chair, say something, decide among yourselves, and go away. What's there for us to do?! You've enjoyed power for all these years. Why don't you let us have a turn? . . . We don't want any problem at the communal level. For us, whether X comes or Y comes, it is the same. We vote, but what happens later? Whereas other people get water even before they ask for it, we have to ask endlessly, and even so, our demand is not fulfilled. . . . We don't want to fight with anyone. But at least there should be someone to listen to our problems. We've been without water supply for the past one month. Even the village president knows it. He has promised to send water. But the ward member is not allowing us to take water. The water is sent to all his relatives. We cannot do anything to stop it.

Panchayat president: In any competition, it's a rule that one should win and the other should lose. There's no community-based discrimination or problem. If all of you in booth number 1 join and vote for me, I become the president. On the other hand, if everyone in the other booths votes for another person, then he'll become the president. And then what will matter is what he can do for those booths that voted for him. Today, among youngsters, the level of public awareness is very high. Anyone can become a leader. . . . Even though there are problems between your two groups, I try to mediate. I don't encourage communal riots.

Muniraj: Everyone should be treated equally. No one should be treated as inferior to others. We should also be given a chance to sit on the dais [where the leaders sit]. Why should we be denied that right? Just because I talk like this, it doesn't mean that I fight with you or disrespect you. I am simply voicing my feeling.

Caste-based divisions have deep historical roots in India. They manifest themselves in practices such as physical distancing and symbolic deference. It is noteworthy that these traditional patterns of interaction are now being openly challenged in *gram sabha* meetings, as Muniraj's angry complaints indicate. Lower-caste challenges are not completely new; what makes the exchange excerpted above different is that it comes not from a member of the educated elite but from an ordinary villager embedded in everyday, local structures of inequality. Ordinary people from disadvantaged castes now have a stake in political participation, because the *gram sabha* allows them to momentarily discard the stigma of their ascriptive identity and low economic status and slip into their identity as citizens with equal rights in the eyes of the state. These public interactions have the potential to challenge entrenched social relations because they make overt the heretofore unseen "weapons of the weak"—the expression of dissatisfaction in private while presenting compliant demeanors in public, foot dragging in respond to the demands of elites. Such interactions expose "hidden transcripts" (Scott 1990) such as the feelings of oppression and domination felt by lower castes and provide a means to challenge them.

Minor as it may seem, the fact that poor people and people from lower castes are able to make demands and voice complaints gives them a sense of possessing equal recognition as citizens. When—and

whether—such small-scale changes cascade into effective civic capacity depends on the community’s level of literacy and numeracy, the level of inequality, and the extent to which inequality is embedded within durable social and power relationships.

Diagnosing Failure Triangles

Each type of participatory intervention needs to be associated with a different diagnosis of the failures it will confront.

Each type of participatory intervention can be associated with a different diagnosis of the failures it will confront—whether it is trying to generate an intrinsic or instrumental outcome, address a long-term development objective, or respond to a short-term crisis. Each type of intervention may employ a different definition of community (a micro-credit group is very different from a group of households mobilized to reconstruct homes after a hurricane). Not only can these groups differ in their composition, they may also have different geographic and social boundaries and incentives for collective action. Consequently, they may be subject to different types of failures.

Potential spillovers from one civic objective to another also need to be thought through. Will building microcredit groups also result in the formation of groups that can fight village council corruption? Will starting a social fund to deal with postearthquake reconstruction result in a community-based institution that can act as a substitute for a failed local state?

Government intervention may be justified when markets fail or economic and social inequalities need to be narrowed (see chapter 2). Theory also indicates that “each public service should be provided by the jurisdiction having control over the minimum geographic area that would internalize [its] benefits and costs” (Oates 1972, 55). Local needs are difficult for central governments to ascertain, because of the huge information costs of doing so and because of heterogeneities in preferences and variations in the condition and composition of communities. For this reason, theory suggests that decisions on such issues as the provision of local public goods need to be decentralized.¹

Justifications for government interventions are complicated by the fact that governments themselves are prone to failure, because of problems of coordination, commitment, and information asymmetries—locally as well as at the center. The power exercised by government can reflect and reproduce inequality. The degree to which community-based

bodies and local governments are embedded within structures of local inequality can be extremely heterogeneous, making central monitoring of local bodies very difficult. Consequently, local civic action (local participation) is seen as the most effective and sustainable way of redressing local government failure—dealing with corruption, giving the poor a greater say in policy decisions, and holding local governments more accountable.

There are, however, some omissions in this logic, which often tend to be ignored. First, civil society is subject to the same sorts of failures and inequalities as markets and states. Incorporating failures and inequalities in civil society makes the policy logic far more complicated and less prescriptive. Participation is usually not a substitute but a complement to the state. Civil society exists in a symbiotic relationship with the state: it both shapes and conditions the state and is shaped and conditioned by it.

Second, the development of civic capacity is not just a local challenge; civil society matters in checking the tendency of all levels of government—central and local—toward authoritarianism. In addition, civic groups play an important role in the development of markets, by creating an enabling environment for entrepreneurship; protecting the interests of workers; providing credit, and other functions that are important for inclusive economic growth. Thus, one challenge of development is to develop civic activity at both the micro and macro levels.

Third, civil society is not an abstract concept that exists outside local forms of knowledge, social structures, meaning and belief systems, and power relations. It is shaped by people, who are products as much of their social and cultural milieus as of economic and political systems. The manner in which people organize, the interests around which they mobilize, the styles and narratives of their discourse and resistance, and the objects of their resistance are hybrid products of local dynamics and national and global influences. Policy makers should therefore be careful not to impose conceptions of civil society that come from outside the local environment (for example, Western political theory). Instead, they should try to understand the meaning of terms such as “civil,” “society,” and “participation” from within indigenous frames. Indeed, policy makers should try to understand how history and the history of interventions—whether colonial or developmental—have shaped those frames (Comaroff and Comaroff 1999). Doing so calls for a less prescriptive and more adaptive approach to policy.

Local civic action is believed to be the most effective way of redressing local government failure . . .

. . . but civil society and government, which are subject to failure themselves, shape and condition each other, in a manner determined by the nature of the failure.

Developing civil society is not just a local challenge . . . doing so helps check the tendency of all levels of government—central and local—toward authoritarianism.

Civil society is not an abstract concept that exists outside local forms of knowledge, social structures, meaning and belief systems, and power relations . . .

. . . it is shaped by people, who are products as much of their social and cultural milieus as of economic and political systems.

Finally, when all three spheres—markets, governments, and civil society—are beset by failures and inequalities, which is typically the case almost everywhere, policy becomes murky, leading back to a variant of the old balanced and unbalanced growth debates of the 1950s (Levy and Fukuyama 2010). Should development policy be sequential—focusing first, for example, on building markets and spurring industrial growth—in the expectation that better government and civic capacity will follow, or should it focus on first developing an effective government or effective civic sphere? Should the strategy attempt to be more balanced by simultaneously improving the functioning of all three spheres? How do market, government, and civil society capacities at the macro level affect policy options at the local level? At the local level—where every village and neighborhood faces a different set of problems and is conditioned by different social structures, geographies, climates, and levels of connectivity—answers to these questions are perhaps best drawn deductively by examining the evidence, as chapters 4–6 do.

Local Government Failure and the Nexus of Accommodation

In most communities in the developing world, both the state and the market have failed. Local market failures—in the provision of public goods, such as schooling, health, and local infrastructure; in access to credit, markets, and so forth—are easy to identify. Local government failure can, however, be dispersed across a variety of local institutions and individuals. A local government typically consists of leaders and bureaucrats. Leaders can be members of village councils, neighborhood committees, mayors and municipal councils, city administrators, or chiefs and their advisers. They function within various systems of accountability. They may be elected in regular, independently supervised elections or in “endogenous” elections that are organized and supervised locally; they may be appointed by upper-level political leaders and thus free of local accountability; or they may be hereditary.

Local government failure is dispersed across a variety of local institutions and individuals.

Even in formally constituted democracies, the theoretical logic of democratic accountability does not necessarily map into the real world logic of interactions between government and citizens. Locally organized elections can be manipulated by local leaders to their advantage; independent elections, although much more effective and important as accountability mechanisms, can be subject to clientelism and the appropriation of public funds to pay for electoral campaigns. Even if

leaders appointed by upper levels of government are accountable only upward, the central government can be effective in requiring good local government. Hereditary leaders selected in democratic settings, although often authoritarian, can be subject to various long-term commitments, contracts, and symbolic functions that obligate them to act in the interests of their subjects.

All local leaders are placed in the difficult position of negotiating power with the central government, within the context of central regulations and political incentives. The degree of autonomy enjoyed by local leaders depends on their bargaining power with the center. At the lowest tier of government, leaders may have limited room to maneuver and be constantly in the position of having to beg for resources from higher levels. They may, however, have established fiefdoms that are politically important to the center, giving them a measure of power and autonomy. The authority of local leaders and bureaucrats depends on the extent to which they control the funds and functions of government and on their local capacity to raise revenues. The less they depend on the center for funds, the greater their autonomy. But local governments often function within the domain of local strongmen, such as large landowners or warlords, who wield considerable influence and whose own demands and interests need to be satisfied.

Local leaders also have to share power with local bureaucrats, who are also subject to the institutional structures of government. Local bureaucrats often come from the lowest rung of government service; their professional incentives are geared toward pleasing their central bosses and moving up in the hierarchy. They often perform important functions at the local level and control an array of public resources, which gives them considerable power within the village or municipality. These local bureaucrats can range from district administrators to “street-level” officials, such as extension officers and junior engineers, to employees of local governments, such as janitors and bill collectors.

In participatory projects, it is the street-level bureaucrats (usually known as “project facilitators”) who have the most proximate impact on outcomes, because they are the people who deal with communities on a day-to-day basis. They are expected to mobilize communities; build the capacity for collective action; ensure adequate representation and participation; and, where necessary, break elite domination. These trainers, anthropologists, engineers, economists, and accountants must be culturally and politically sensitive charismatic leaders. It is ironic that

The theoretical logic of democratic accountability does not necessarily map into the real world logic of interactions between government and citizens.

In participatory projects, project facilitators have the most proximate impact on outcomes, because they are the people who deal with communities on a day-to-day basis.

Local politicians, bureaucrats, strongmen, and other elites often function in a “nexus of accommodation” that is hard to break.

It is difficult for central governments to monitor the work of local governments because of the very imperfections in information and coordination that caused power to be devolved in the first place.

Participation has the potential to move the actions of local governments toward the interests of citizens by adding their voice to the mix of necessary accommodations . . .

. . . but realizing this potential requires radical change, including confrontation with elites.

this difficult role, on which participation can succeed or fail, is usually entrusted to the least experienced, worst-paid, and most junior staff.

All of these weaknesses of local government can lead to situations in which resources would have been allocated more efficiently had the government not intervened. Weaknesses are caused by accommodations made to the center, by the manipulation of accountability mechanisms, and by accommodations to local strongmen and between local bureaucrats and politicians (Migdal 1988). The concentration of power in any of these actors—a local strongman who also heads the village council, for example—can lead to a strong local state but one that tends to be dictatorial in its decisions. When all actors are equally powerful, power and authority can be diffused in a way that makes actions unpredictable, dilutes responsibility for action, and weakens the cooperative infrastructure.

It is difficult for central governments to monitor the work of local governments because of the very imperfections in information and coordination that caused power to be devolved in the first place. The nexus of social structures, power relations, the management of accommodations, the needs of citizens, and the quality of personnel vary greatly from jurisdiction to jurisdiction, causing communities to have a high degree of heterogeneity. These variations place an untenable burden of monitoring and supervision on the central government; if power is decentralized, they can produce an entirely new set of government failures. The constant process of accommodation among the center, local strongmen, local government leaders, and bureaucrats, often makes the interests of citizens the last priority—the residual element in a hierarchy of interests that must be accommodated.

Participation has the potential to change this dynamic. It can move the actions of local governments toward the interests of citizens by adding their voice to the mix of necessary accommodations. If civic groups are sophisticated enough to understand the procedures of local governments and nimble enough to know how to exploit the political economy of accommodation, they can become a potent political force. If the cooperative infrastructure is strong and elite interests not dominant, citizens can be united, lobby effectively, and persuade local governments to listen to their points of view, furthering their interests by changing incentives within local governments.

Although participatory projects are packaged and promoted on the promise of “empowerment” or enhancing the “demand side of

governance,” they often downplay the fact that both outcomes require radical change—a confrontation with local elites and a shift, to use Migdal’s language, in the “nexus of accommodation.” If external donors and central and state governments have not completely internalized these radical goals and participation is instead nothing more than a donor-driven mandate, it is unlikely that interventions will be implemented in a manner that is truly empowering. Instead, the goals will be processed within the existing nexus of accommodation, and lasting change in outcomes will be unlikely—and may actually lead to elite capture. Participatory interventions then become archetypes of what Hoff and Stiglitz (2001) call “shallow interventions”—interventions that result in no sustainable and irreversible changes in political dynamics and therefore have a negligible impact on outcomes. To achieve a “deep intervention,” the state has to commit to a long-term process of engineering; a more downwardly accountable cooperative infrastructure that is equity enhancing and empowering. Doing so requires strong monitoring to avoid elite backlash, subversion, or capture, and the ability to distinguish between benevolent and malevolent elite engagement with communities.

Lasting change is unlikely if the radical process of breaking the local nexus of accommodation is not internalized and supported by donors and the central state.

Participation and Political Opportunity

Effective participation requires the skillful exploitation of local political opportunities (Kreisi 2007). An individual’s political opportunity set is determined by his or her interests (material, ideological, or identity based), as well as by the economic, social, political, or psychic constraints he or she faces. The decision to participate, however, depends largely on the actions of the other members of the group to which an individual belongs. A group’s willingness to mobilize and act collectively depends on its shared opportunity set, the gains that accrue from acting collectively, and the costs and other constraints associated with coordinating collective activity. It is not just individual and collective interests that influence the set of opportunities—it is also the beliefs about those opportunities (Elster 1989). These beliefs are important because they may cause actors to underestimate or overestimate their capacity to effect change. Sociologists call this mix of individual and group political opportunities and beliefs the “political opportunity structure” (Kreisi 2007).

Effective participation requires the skillful exploitation of local political opportunities.

Indonesia provides an interesting example of how a village group was able to exploit political opportunities for change by developing its capacity to engage (Gibson and Woolcock 2008). An extended conflict over a leaky dam served as a flashpoint for organizing farmers and other villagers who depended on its shrinking reservoir supply for irrigation and drinking water. Initially, villagers used bureaucratic channels to request repairs to the dam. When their demands fell on deaf ears, they began expressing their anger through arguments and small-scale violence among themselves, including a hoe fight between two family members that resulted in head injuries.

As unrest peaked in 2001, the villagers changed their tactics and began to mobilize hundreds of teachers, police, civil servants, and rice paddy owners and workers through a broad array of social networks. This mass mobilization caught the attention of a candidate for the local council, who used it as an opportunity to confront the incumbent. As hundreds of villagers blockaded a key road to the dam, the candidates sat in chairs facing the dilapidated structure until the deputy head of the council arrived and promised to make the repairs—which were completed within a year.

This victory gave rise to a flurry of peaceful and fruitful engagement aimed at forcing the government to compensate farmers for lands inundated by the dam. In using the original conflict to develop their capacity to engage with local officials—and exploit the competition between them—the villagers developed new open political opportunity structures and beliefs about themselves that will have a lasting impact on local power relations.

Localizing development can open up political opportunities by bringing the locus of decision making closer to citizens, increasing the benefits to participation while reducing its costs.

An open political opportunity structure is one in which civic action can exploit changes in the political system—in the structure of the state, in leadership, or in dominance by a particular elite—to further the interests of a particular group. Localizing development—through decentralization or a community-driven development project, for example—can open up political opportunities by bringing the locus of decision making closer to citizens, which increases the benefits to participation while reducing its costs. Because of the nexus of accommodation between local and central politicians and between local and central bureaucrats, however, the effectiveness of local civic mobilization can be modest. Although civic mobilization can potentially change the incentives of the agents of the local state so that they act more in the interests of citizens, these agents will have to balance the demands of local citizens against the demands of central authorities and the

competing demands of other local actors. In the absence of a sharp and sustainable shift in the nexus of accommodation, therefore, expansion of civic opportunities at the local level may have limited impact.

Acemoglu and Robinson offer some important insights into the process of participatory democratic change in *Economic Origins of Dictatorship and Democracy*. They find that the conditions under which political opportunities for citizens are maximized and the manner in which citizens can effect change in a manner that progressively empowers them depends on whether a particular group believes it has the capacity “to obtain its favored policies against the resistance” of the people in power and can convince other groups that it can do so (Acemoglu and Robinson 2006, 21). Before they can act, citizens have to be persuaded that any move toward an open political opportunity structure will be durable and that old political institutions enmeshed with old economic and social arrangements will give way to more accountable structures. If change is seen as temporary, individuals will tend to use the opportunity to maximize their immediate personal gains. Citizens will participate in a manner that challenges powerful elites only if they feel they can “lock in” political power in a way that is not easily reversed.

Citizens’ willingness to act is further complicated by uncertainty about decentralization, which could be recentralized during the next political cycle, as has happened in almost every developing country. Similarly, in the absence of durable shifts toward a more accountable state, participation in community-driven development projects may not lead to greater citizen mobilization on other issues, as the costs will exceed the benefits. In contrast, a genuine change in the political opportunity structure, accompanied by collective mobilization, can permanently increase the cost to elites of maintaining their domination.

Citizens thus make decisions about participation based on the likely success of a specific reform, their beliefs about how sustainable it is, and the potential for repression and backlash. Even with active participation, a small number of protagonists will lead the charge—spurred on by lower opportunity costs or greater altruism. Some people will prefer to have a free ride whereas others will play it safe, waiting to see how quickly the winds change before deciding to act. There will also be antagonists—people who actively oppose civic agents because those agents challenge their interests.

Elites who stand to lose under the new regime will include many local and central bureaucrats, local strongmen, and local and central politicians. Some elites may become protagonists, however, if they see a

Before they can act, citizens have to be persuaded that any move toward an open political opportunity structure will be durable.

way that a change in policy could serve their own interests; there is, in fact, a risk of elite capture if gains from an intervention accrue mainly to these pro-reform elites and their supporters. A third category of elites—often better-educated citizens with high moral but low political authority, such as teachers, pastors, and imams—may help lead the process, either because they are altruistic and see doing so as a way of effecting positive change or because leadership gives them an opportunity to gain power and status. In this case, elite domination can facilitate an intervention and may even be essential to its success.

In some societies, there is no recognizable conception of citizenship in the textbook sense of the term . . .

. . . instead, leaders and subjects relate to one another through systems of mutual obligation.

Shifting from a gift-based to a competition- and negotiation-based model of governance and citizenship is a highly contentious process.

Part of the challenge of introducing decentralized and participatory government into societies with “traditional” authority structures is that traditional systems function with a different theory of governance, which the community generally accepts as just and legitimate. In some societies, there is no recognizable conception of citizenship in the textbook sense of the term; there are, instead, only leaders and subjects. The legitimacy of local leaders is based on a gift economy, a system of mutual obligation between leaders and subjects in which civic activity consists largely of subjects making requests to leaders. Leaders grant these requests if they are able to do so, expecting obedience in return. The resulting equilibrium creates elite dominance, authoritarian rule, and sharp inequalities in wealth, power, and social status.

Development projects come with “modern” notions of governance and citizenship, which are predicated on the assumptions that government and citizens represent separate and equal spheres and separate loci of power and that “good governance” requires leaders to be accountable to citizens. This notion of governance is based on competition and negotiation for power rather than on mutual obligation.

Shifting from a gift-based to a competition- and negotiation-based model of governance and citizenship is a highly contentious process. During periods of what can be called “traditional equilibrium”—when social and political roles are well defined and everyone’s actions and interactions are highly predictable—levels of conflict are low. Within this system, however, there may be few opportunities to break inequality traps or empower the poor. At best, the poor can employ Scott’s (1990) “weapons of the weak” to express resentment without explicit confrontation. Participatory interventions—along with other efforts to reduce inequalities, such as land reform—seek to disrupt this equilibrium by changing the local cooperative infrastructure, replacing leadership legitimized by mutual obligation with a relationship between leaders

and citizens based on democratic accountability. Unless traditional inequalities resting on inherited wealth, status, and identity are concurrently replaced by a system in which power and status reward ability and effort, however, the traditional order and existing power structures will subsume and subvert any nascent participatory institutions.

If, however, participatory interventions break down durable inequalities, collective well-being could well diminish in the short run, as elites resist, object to, and attempt to disrupt this challenge to their status. Some of their subjects will be left anchorless, not knowing how to navigate the new environment. Others will compete for power by using violence. The major challenge during this transition period is to channel conflicts into venues for deliberation and debate, in order to achieve a negotiated transition to a new regime. If the process is effective, it will lead to a new equilibrium in which leadership is legitimated by its ability to meet the needs of citizens and social status is based on achievement.

Implementation Challenges: The Role of Donors

Challenges in inducing participation lie not only in the power dynamics within communities; they are also deeply influenced by incentives within agencies tasked with funding and implementing participatory projects. In particular, donors—both multilateral and bilateral—have been key players in the spread of participatory innovations. They have been responsible for transferring ideas and techniques from one region of the world to another and actively scaling up interventions developed in a few communities to an entire country. Donors have tended to ignore the fact that context (historical trajectories, social and economic inequality, ethnic heterogeneity, and symbolic public goods) affects political and social institutions, especially at the community level, relying instead on “best practice” templates.

This tendency results in what Evans (2004) calls “institutional monocropping”—the “imposition of blueprints based on idealized versions of Anglo-American institutions, the applicability of which is presumed to transcend national circumstances and cultures.” Other critics, including Harriss (2001) and Cooke and Kothari (2001), argue that in participatory projects, complex and contextual concepts such as community, empowerment, and capacity for collective action are applied to large development projects on tight timelines. Consequently, project implementers, whose incentives are often poorly aligned with

Challenges in inducing participation lie not only in the power dynamics within communities . . .

. . . they are also deeply influenced by incentives within agencies tasked with funding and implementing participatory projects.

the needs of the project, may gloss over differences within target groups that underscore local power structures and sidestep the difficult task of institution building in favor of more easily deliverable and measurable outcomes.

Mosse's (2005) ethnography of the Indo-British Rain-Fed Farming Project (IBRFP), funded by the United Kingdom's Overseas Development Administration (ODA) and Department for International Development (DFID), illustrates how the process of induced participation works in a large, scaled-up, donor-driven project. Mosse studied the project over several years and was involved in it in various capacities—as a planner, social expert, soil and water conservation consultant, and adviser—as it evolved through different planning and implementation phases. He studied all of its phases, from inception, in 1992, as a participatory project geared toward bringing agricultural technologies and innovations to the tribal Bhil population in central India; to its assessment by the development community, in 1995, as an “exemplary success”; to its culmination, in 1998–99, by which time it was declared a failure. ODA–DFID's Indian partner organization was a fertilizer company, which Mosse found to be unusually committed to the participatory ethic. The company hired a large field staff of community organizers and trained a large number of village-level volunteers, called *jankars* (“knowledgeable people”), who gradually emerged as crucial local mediators and brokers.

The project began with a “village entry” participatory rural appraisal. The very nature of a participatory rural appraisal—which is typically held in the courtyard of a village headman or other notable—subjects it to a high degree of bias and reflects the effects of local power. The type of knowledge that was communicated, the tone of the discourse, and the words used all reflected the biases of the more active, articulate members of the village, who defined the community's needs and then became crucial links for the community organizations in the initial trust-building phase of the project. The poorer members of the community were usually unwilling, inarticulate participants in such processes. In response, the community organizations gradually changed their tactics. They approached women and nonelites for more discreet, informal rural appraisal-type exercises, which had repercussions for their position in relation to village elites.

Matters were hardly as simple as ensuring that all points of view were represented, however: villagers quickly learned to anticipate the outsider's point of view, sense project staff's capacities for providing

assistance, and structure their demands accordingly. The project soon came to be seen as a patron of particular activities and constituencies. The participatory rural appraisal and planning stage became, in effect, a process of mutual collusion in which “local knowledge” and desires were effectively domesticated by the project’s vocabulary, as community perspectives seamlessly melded with the project’s interests. Although planners continued to use the language of participation and empowerment, villagers viewed the project as just another kind of patronage. Better-off villagers hoped for various forms of assistance in terms of capital investment (seeds, inputs, loans for pump sets); worse-off villagers came to view the project as a source of wage labor and credit.

Was there anything wrong with the way this participatory project progressed? The answer depends on what hopes one harbors for “participation.” Rather than evaluating the project from an abstract ideal, Mosse studied various dynamics. The community organizations and other field staff had to undergo a tricky process of earning the trust of community members. Doing so required them to become familiar with local notables, institutional figures, and bureaucrats. As they did so, they gradually became implicated in various village hierarchies and factions and in local networks of exchange, favors, and mutual assistance. The village-level *jankars* became more or less “empowered” over time (although their fortunes could wax and wane with the fortunes of the project), although this empowerment arose mainly through relations with outsiders. This process, Mosse argues, is one of the generic dilemmas of participatory approaches: such projects often demand not less but more intensive agency presence, they may be less cost-efficient, and they may foster dependency and patronage (Mosse 2005).

So when did things begin to go “wrong” with this project? Two interpretations must be separated: Mosse’s evaluation of the implementation stage of the project and the organizational judgments that first declared the project a success and then a failure.

In Mosse’s view, the implementation stage brought with it entirely new organizational dynamics: prioritizing quantifiable targets, setting numerical goals, moving away from learning and experimentation. This transition created a “regime of implementation” (2005, 109). Staff members faced growing pressure to meet implementation targets, set from above and demanded from below. The *jankars*, working closely with but junior to the community organization project staff, began to “regard themselves primarily as project employees (if not private contractors),

with the power to assess work and sanction payment” (Mosse 2005, 114). As one senior project employee reported, “we rather skewed the potential of *jankars* as real agents of a more indigenous type of development. They became the delivery mechanisms, which [was a departure] from the original thinking” (114). As for the villagers, “although they were now familiar with the official rhetoric of ‘people’s participation’ (*janasabhagita*), in common parlance ‘participation’ (*bhagidari*) implied simply that a contribution (of money or labor) had to be made . . . the extent and nature of villager’s *bhagidari* (contribution) was a matter for negotiation and agreement with outsider patrons” (114). By this phase, participatory rural appraisal “became largely symbolic. Staff now knew how to write them [participatory appraisals] up; how to move swiftly to expenditure. . . . As the logic of implementation pushed practice toward standardization, it was virtually impossible to ensure that ‘participatory planning’ involved local problem solving or even choosing between alternatives. In fact, the ‘quality’ of the ‘participatory process’ mattered less and less” (116).

Mosse’s analysis describes the phase shift typically experienced by most participatory projects, from a somewhat open-ended planning phase to a more structured implementation phase. It is possible to conceive of it as a kind of rhythm of participatory projects, which could, therefore, have been anticipated.

More damaging, according to Mosse, was the effect of this shift on the service delivery aspect of the project and the kind of demands that should have been but were not factored in. “Villagers themselves had little control over project processes and budgets. Rather than implementing their own ‘village development plan,’ they found that components of the plan (individual schemes and subsidies) would be delivered on an item-by-item basis—instead of in logically related bundles—by an administrative system that was unknown and unpredictable. One example of a logical bundle was a request by a group of women in a village for support for a project consisting of an interlinked package of activities—ducks, goats, *rabi* seeds, and a pump set” (Mosse 2005, 263). Mosse argues that one of the key problems in the shift from the planning to the implementation phase is that once a set of practices is in place, the system generates its own priorities, activities, and goals, which may be quite different from the formal goals regarding community participation and empowerment expressed in policy papers or even project design documents. The relationship between policy and practice in participatory interventions therefore needs careful consideration.

Another problem is that there are stratified, relatively autonomous levels of project actors with narrow points of overlap (Mosse describes this relationship as an “hourglass”), as illustrated in Mosse’s multisited ethnography of head offices, consultants, budget specialists, project staff, village-level community organizations, volunteers, and villagers. This hourglass relationship is crucial to the question of how to scale up projects. Mosse describes a wrong turn, a transition point in the project, as “DFID–imposed disorder” caused by a “grossly simplified view of ‘up-scaling,’ ‘mainstreaming,’ ‘fast-tracking,’ and ‘replication.’” As a result, “a huge burden was placed on a complex and shaky system: the project had to create a new organizational structure, to quadruple the size of its operations . . . fast-track its process (reduce village entry time) . . . create further linkages [to both the local government and the rural commercial sectors], while retaining its intense focus on participation . . .” (Mosse 2005, 185).

Most strikingly, throughout the period in which the project was first declared a success and then a failure, field activities, levels of work, and modes of engagement remained more or less the same, and project actors maintained relative autonomy. This meant, according to Mosse, that the project’s “fall from grace” was not a result of a shift in design or implementation but a result of changing policy fashions. The late 1990s saw an increased emphasis on partnerships with state structures; parastatal projects lost favor, as they were not seen to be “replicable models” (Mosse 2005, 199). What Mosse finds worrisome is that with policy fashion cycles becoming shorter, the ability to gain the trust of local populations may be increasingly compromised, as projects abruptly disperse with groups that no longer serve their policy objectives.

Several lessons emerge from Mosse’s account:

- The expectation of abrupt shifts in policy has adverse effects at every level of the project—and crucially contributes to the shallowness of the intervention. If the project is seen as ending within a very proximate period rather than contributing to sustainable change, higher-level project officials will spend their time trying to frame the intervention as a success rather than working to lay the foundation for lasting change.
- The expectation of abrupt shifts in policy influences the quality and character of mobilization. Because the intervention is seen as time bound, people participate largely in order to reap material gain. They take what they can from the resources the

project brings and say what they have to say to gain access to those material benefits. Although such behavior may create some short-term improvements in material well-being, it does not result in a lasting shift in power relationships and stronger mechanisms for voice and mobility.

- Even if the intervention is long lasting, participatory change takes time. A short project cycle that initiates but then terminates a trajectory of change can leave communities hanging off a cliff.
- Participatory projects work well when they are given the freedom to learn by doing, to constantly experiment and innovate based on feedback from the ground. As the project expands, however, experimentation becomes more difficult, and efforts are directed more toward meeting the letter rather than the spirit of project goals.
- Facilitators play a crucial role in participatory projects.

Implementation Challenges: The Role of Facilitators

Facilitators are at the frontline of induced participation . . .

Facilitators are at the frontline of induced participation. They identify the failures of local civil society, markets, and government; design interventions to repair them; and look for ways to repair the associated civic failures, seek political opportunities, and mobilize the community to exploit them. Facilitators are paid to play the role that the social activist would play in an organic participatory movement. Their incentives are rarely aligned in a manner that results in truly empowered change, however. For example, although their job requires flexibility, time, and constant engagement with experimentation, facilitators are given targets (mobilize X communities in Y days). Because they are poorly compensated and know the project will end in two or three years, they are constantly looking for other work. They are often poorly monitored, allowing them to submit false reports on the achievement of project targets.

Perhaps of greatest concern, facilitators working under these conditions may take shortcuts to persuade or force people to participate, using messages for recruitment that are quite different from stated project goals. For example, they may try to meet their participation targets by using messages with a strong emotional impact or by luring people with the implicit promise of monetary benefit. Instead of being seen as agents

of change, facilitators may be perceived as part of the existing nexus of accommodation. The question, then, is whether they can legitimately affect radical change when they are perceived as part of the state apparatus? When change requires radical advocacy, do these facilitators, who report upward to people who may not permit them to advocate radical change, face the right incentives? More fundamentally, what can facilitators accomplish? Within which spaces can they work for change? Can induced participatory development really generate political and social empowerment? Many factors affect the answers to these questions, but it is clear that interventions will not succeed without higher levels of government being actively committed to the development of active civic engagement at the local level.

... but their incentives are often not set up to truly empower communities.

Implementation Challenges: Trajectories of Change

A major problem with donor-induced participation is that it works within an “infrastructure template.” Donors’ institutional structures and incentives are optimally suited to projects with short timelines and linear trajectories of change with clear, unambiguous projected outcomes. When a bridge is built, for instance, the outcome is easily verified, the trajectory of change is predictable, and the impact is almost immediate. Participatory interventions, which engage in the much more complex task of shifting political and social equilibriums, have very different trajectories.

Donors’ institutional structures and incentives are optimally suited to projects with short timelines and linear trajectories of change with clear, unambiguous projected outcomes . . .

Unfortunately, most participatory projects that emerge from donor agencies are designed within the same assumed trajectory and three- to five-year cycles as infrastructure projects. At the end of the project cycle, these projects are expected to have met various civic objectives (better social capital, community empowerment, improved accountability). Almost all community-driven projects go farther, projecting gains in outcomes such as a poverty reduction, school enrollment, sanitation and health, and so forth. The assumption is that within the period of the project cycle, the intervention will activate civic capacity to the extent that it will repair political and market failures enough to have an observable impact on “hard” outcomes.

... but civic change is a highly unpredictable process.

Three assumptions are inherent in this thinking:

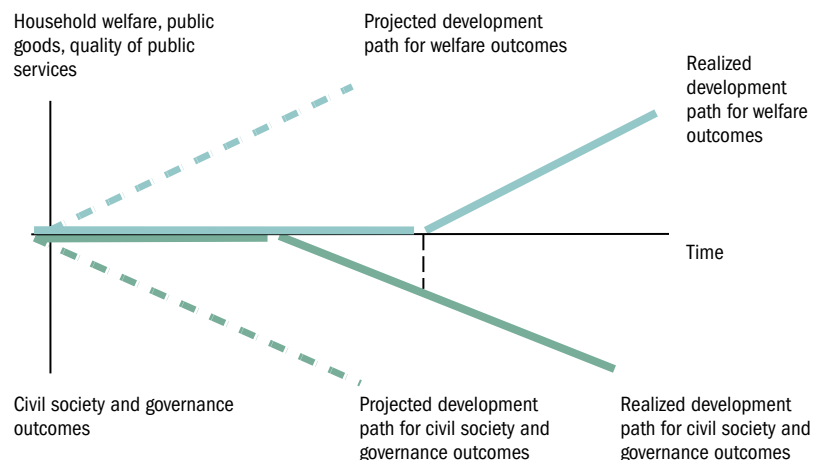
- Civic engagement will be activated in the initial period of the project.

- Civic capacity will be deepened enough to repair government and market failures.
- This improvement in the quality of governments and markets will result in a measurable change in outcomes.

Figure 3.1 illustrates the problems with these assumptions. The project-based assumption (illustrated by the dotted lines) shows a path in which civil society and governance outcomes improve in a predictable linear manner that is congruent with changes in measurable outcomes. The problem with this reasoning is that civic change is a highly unpredictable process; many things have to take place to make it happen. Individuals have to believe that collective mobilization is worth the effort and be willing to participate; civic groups have to solve the collective action problem and exploit political opportunities to effect change; the nexus of accommodation in government has to be disrupted by the rising cost of ignoring citizens' interests, so that politicians and bureaucrats change their actions; and their new actions have to result in changes in outcomes. A change in outcomes has to be preceded by an improvement in civic capacity, which possibly unleashes a series of changes that will change outcomes (Woolcock 2009). The reality is depicted by the solid lines in figure 3.1.

Predicting when meaningful change will occur in each node is extremely difficult because a number of factors come into play,

Figure 3.1 Possible trajectories of local participation



including the nature of the cooperative infrastructure; the history of civic engagement and politics; the level of development; the extent to which the state has committed to the process of change and is therefore effectively incentivizing, enforcing, and monitoring the actions of its agents; the level of literacy; information flows—in other words, all of the factors that affect civic failure. Social equilibrium is hard to change because it has evolved after years of repeated interactions within particular economic, political, and social environments.

Therefore, whether at the micro or the macro level, civic engagement often tends to be absorbed, in its early stages, within the nexus of accommodation, with the leaders co-opted by elites. Furthermore, as discussed earlier in this chapter, until citizens are convinced that the high cost of fighting for their interests and resisting elite domination is worth the effort, they are unlikely to engage in an effective manner. Widespread participation occurs when a tipping point is reached—when enough people are convinced of the value of participation, when they sense a fundamental change in the nature of politics and power, and when enough people convince enough others to engage, resulting in a participatory cascade. Borrowing from evolutionary biologists, sociologists describe this process as one of “punctuated equilibrium” (Koopmans 2007)—a process in which long periods of stability are punctuated by brief periods of extremely rapid change. At the local level, the wide diversity in the nature of communities reinforces this unpredictability in the timing of change. Each community is likely to have a different change trajectory.

Thus, particularly when it is packaged within a project, induced participation is almost set up for failure because of unrealistic predictions that emerge from bureaucratic imperatives. The challenge of policy interventions is to figure out where each community is within this complex trajectory of change and to create an enabling environment in which that change can occur in a manner that improves development objectives. For induced participatory projects to have a chance of meeting their objectives, they have to attempt to adopt the spirit of experimentation, learning, and persistent engagement that characterizes organic participatory change. Unfortunately, donors are bound by strict timelines; imperatives to disperse money quickly and effectively; and internal incentives that make honest and effective monitoring and evaluation a low priority at the project level, despite the rhetoric in support of it.

Particularly when it is packaged within a project, induced participation is almost set up for failure because of unrealistic predictions that emerge from bureaucratic imperatives.

Deriving Hypotheses

Public spending to improve living conditions for the most disadvantaged is widely accepted as the cornerstone of any credible development strategy. There is also a sense that any serious policy shift in this direction needs to include a larger role for civil society. In line with this, many developing countries have devolved the management of key public services, have decentralized the implementation of targeted poverty reduction programs, and are increasingly providing local public goods through mechanisms that induce some type of community participation. At the core of these efforts is the idea that greater civic engagement can make resource allocation both more responsive and more accountable, with the greatest benefits realized by people with the least influence and the least capacity to opt for private alternatives.

The traditional economic justification for local provision of public goods and services is that it allows subjurisdictions to tailor the level, quality, and cost of services to the preferences of local residents. Governments are assumed to be largely benign and citizens mobile, able to “vote with their feet” by moving to areas where regulations, taxes, and services best match their preferences and needs.

Most public goods and services (schools, drinking water, sanitation, roads) are inherently local; they serve a reasonably well-defined group from which nonresidents can be effectively excluded. In such cases, devolution should increase both efficiency and equity, because it frees up a distant center from having to acquire costly information on local preferences and the supply of local public goods. Local agents may also have access to emerging information, such as recent adverse shocks, that may be only poorly reflected in the types of data available to distant central administrators. To the extent that some of the salient characteristics of poverty are also location specific, decentralizing the identification of beneficiaries may also increase the efficiency of resource allocation. Citizen mobility also creates external performance pressure on subjurisdictions to compete for the best talent and the most productive and profitable businesses, which curbs excessive rent-seeking by public officials and increases service quality. Menes (2003) argues that this process accounts for the decline in municipal corruption in the United States at the turn of the 20th century. As railroads were developed and the frontier became accessible, the capacity of local government officials to extract rents declined (see also Rondinelli, Mccullough, and Johnson 1989; Khan 2002).

If citizens are mobile and governments benign, there seem to be few efficiency arguments for centralized resource allocation, except when significant intercommunity coordination problems arise from spillovers, externalities, or economies of scale that require centralized management. (Rules and regulations regarding environmental pollution, vaccination programs, and defense are good examples.)

The situation is quite different in most developing countries, where the main arguments for decentralization center on accountability. In this view, the fundamental problem with the central provision of public goods and services is bureaucratic inefficiency and rampant rent-seeking. Localizing resource allocation decisions brings ordinary citizens, who have the greatest stake in the quality of services provided as well as the greatest incentive to restrict rent-seeking, into closer proximity with relevant decision makers. Decentralization allows citizens to observe the actions of officials and providers, to use this information to induce higher levels of transparency, and to generate social pressure for policy reform.

Concerns about corruption have amplified the accountability argument for decentralization.² Over the past decade, the view that corruption poses a major threat to development has acquired considerable currency. Corruption is seen as adding substantially to the cost of providing basic public goods and services; dampening the redistributive objectives of poverty reduction programs; and, perhaps worst of all, changing the incentives facing both citizens and public officials.³ As reform efforts directed at legal and financial institutions at the center have produced little success, the push for more local solutions has grown, with the greatest emphasis on civil society oversight and monitoring of public officials and providers.⁴

This emphasis on local accountability has effectively created a new justification for the decentralization of resource allocation decisions that remains relevant even when there is no significant variation in preferences for public goods. Arguments for state and donor support to local participatory institutions are couched in terms of giving voice to the most disadvantaged members of society in order to create demand for better governance.

Influential voices on the other side of the debate over participation point out that shifting the locus of decision making downward need not have salutary effects if social structures reflect long histories and deeply entrenched power hierarchies. In such contexts, they argue, local inequalities of wealth and power can acquire much greater significance,

The main argument for decentralization in most developing countries is that it increases accountability, thereby reducing corruption.

as important resource allocation decisions shift downward; in the extreme, they can exacerbate local inequality and perpetuate or even reinvigorate local power relations.

Where localities are also heterogeneous in other respects, such as in their ethnic, racial, or tribal composition, there may be additional coordination challenges and greater potential for redistributive projects to generate or exacerbate local conflicts. Some researchers, such as Henkel and Stirrat (2001), even argue that although the language used by participatory programs is designed precisely to manage such underlying dissent, the search for “consensus” often simply results in the subordination of minority voices or the proliferation of formal governance rules that make participation costly, particularly for the people with the least capacity. In the presence of significant group heterogeneity, electoral incentives can also induce political agents to allocate resources to satisfy more parochial interests, at the cost of broader investments in public goods and services.

Whether or not local governments or participatory programs can be responsive to local needs may depend to a significant degree on the resources they can access relative to their mandate and the discretion they have over the allocation of resources across diverse needs. For many reasons, including the political context in which central governments undertake decentralization, in most developing countries, devolution of responsibility for taxation has been far more contentious than the devolution of responsibilities for expenditure, particularly when local governments are elected. With few exceptions, however, and regardless of the type of decentralization undertaken, local governments obtain the bulk of their resources as transfers, whether formula based or discretionary and ad hoc, from central or intermediate-level governments; taxation authority is rarely devolved to any substantial degree. As a result, there is an unavoidable tension between central and lower levels of governments regarding accountability and fiscal discipline at the local level. Local officials blame the center for their failures in service provision by claiming that the center has assigned unfunded mandates to them, limiting their ability to meet their responsibilities. Discretionary transfers from the center are considered particularly detrimental for local provision of public goods and services, because they not only limit the local government’s ability to plan investments and expenditures, they also leave local governments vulnerable to various types of manipulation from the center. For their part, central governments bemoan

Whether local governments or participatory programs can be responsive to local needs may depend to a significant degree on the resources they can access relative to their mandate . . .

. . . and the discretion they have over the allocation of resources across diverse needs.

local governments' "soft budget constraints," a situation in which local governments that are unconstrained by their revenue-raising capacity are tempted to overspend and then ask the center for a bailout in the form of supplemental transfers from tax revenues generated elsewhere. Of course, such overspending may itself be a response to an unfunded expenditure mandate.

In principle, local governments could raise some or all of their resources directly from their constituents, through taxes and fees, and there are important arguments in favor of devolving revenue-raising responsibilities. Some researchers have even gone as far as to argue that central transfers should be contingent on such revenue-raising efforts, as such a move would force local governments to accept responsibility for poor service provision and incentivize citizens to monitor local officials' performance more closely. In practice, however, devolving revenue raising to the local level is difficult.

Central governments also have a mandate to mitigate interregional disparities through appropriately targeted fiscal transfers, which can include considerations of need intensity and demographic size. As Cai and Treisman (2004) argue, when regional differences in the productivity of specific factors are significant (because of location, agglomeration externalities, or the endowment of resource), local taxation authority can unleash a race to the bottom. As local governments compete to attract the wealthy, less well-endowed localities become weaker and more dependent on central transfers. This situation can exacerbate regional disparities in government services and increase horizontal wealth inequality. The worst-off areas may also have the least incentive to give up rent-seeking activities.

Some observers suggest that the timelines and objectives of donor-funded projects can exacerbate these challenges. Donor-funded projects, they argue, value the rapid disbursement of inputs, the creation of community organizations, the achievement of predetermined rates of return on investments, and improvements in the income and assets of beneficiaries. These evaluation criteria create an incentive to select areas that are easily reached and organized and to target project benefits to households that are able to quickly absorb project funds in productive activities.⁵

A key concern is the possibility of civil society failure (defined in chapter 2). A group might be unable to act collectively, or collective action could occur in a well-coordinated but dysfunctional manner that

In practice, devolving revenue raising to the local level is difficult.

Donors' evaluation criteria create incentives to select areas that are easily reached and organized . . .

. . . and to target project benefits to households that are able to quickly absorb project funds in productive activities.

When civic participation is likely to be the best solution to government and market failures, and when it is not, is highly contextual. . . .

. . . and thus best determined by turning to the evidence.

reduces the welfare of the average citizen (as in the case, for example, of an organized fringe group that uses terror and violence to further its extremist ends at high social cost).

When is civic participation likely to be the best answer to government and market failures, and when is it not? The answers are deeply contextual, fundamentally conditioned by social structures and historical trajectories, and different for every community. A policy that works in one village may fail miserably in another. Moreover, as effective collective action depends on the cooperative infrastructure provided by a strong state, it is not at all clear that strong civil society creates strong governments; the reality is more complex and nuanced. Similarly, although empowering civic groups may often lead to good outcomes, doing so is not always superior to a pure market-based strategy for raising incomes or to a strategy that strengthens the role of central bureaucrats to, say, improve social services. Keeping this in mind, the decision about whether, when, and how to promote local participation should be made with an understanding of the tradeoffs involved in moving decisions to local communities—in a particular country, within a particular region in a country, and at a particular time.

Theorizing and thinking through the conceptual foundations of these questions can yield important insights, but several open questions are best answered by examining the evidence. When does participation work, and when does it fail to achieve specific objectives? How important is capture? Does handing over large sums of money to community groups empower the poor, or do elites use it to enrich themselves? What mechanisms are most effective in improving the capacity for collective action and building social capital? What methods reduce civic inequality and elite capture and truly empower the poor? Do participatory projects result in choices that are better aligned with people's preferences? Does fostering participation enhance social cohesion? Does it strengthen civil society? Does it produce more resilient and inclusive local institutions? To what extent does group heterogeneity and illiteracy affect the quality of participation? Does participation improve development outcomes at the local level? Does it help the sustainable management of local resources? Chapters 4–6 provide a broad and comprehensive review of the evidence on these and many related questions.

For the reasons outlined in chapter 1, the focus of the review of the evidence is on large-scale participatory projects that have been

evaluated based on representative samples of target populations with good counterfactuals—studies that have a valid control group for the communities targeted (or “treated”) by the intervention. Generally speaking, this means that the findings come from econometric analysis, although some well-designed qualitative research is examined to inform the results.

Notes

1. Needs can be unlimited, however. Normative theories of fiscal federalism and decentralization consequently pay equal attention to the budget constraints associated with financing expenditure and the tax assignments of federal and local jurisdictions. Although these fundamental issues on the supply side of decentralization are not the focus of this report, they are important to keep in mind.
2. The World Bank and the U.S. Agency for International Development (USAID) have been leading champions of this new emphasis on fighting corruption. See the *World Development Report 2004* (World Bank 2004) on the effect of corruption on service delivery.
3. Tanzi and Davoodi (1997) show that corruption can reduce public revenue and increase income inequality by allowing well-positioned individuals to benefit unduly from government programs intended for the poor.
4. Myerson (1993) and Persson, Roland, and Tabellini (1997) provide theoretical arguments for the relationship between political institutions and corruption. Bardhan and Mookherjee (2006) provide a good overview of the conceptual literature on the relationship between decentralization and corruption and review much of the empirical evidence.
5. Bernard and others (2008) find evidence on the proliferation of community organizations in Burkina Faso and Senegal that appears to be consistent with this hypothesis. They report a dramatic growth in both market- and community-oriented village organizations over the two-decade period between the early 1980s, when participatory approaches first became popular popularity, to about 2002. In Burkina Faso, where 22 percent of sample villages had village organizations in 1982, 91 percent had at least one village organization by 2002; in Senegal, where 10 percent of sample villages had at least one village organization in 1982, the figure rose to 65 percent. Household participation in village organizations also rose dramatically, with 57 percent of households in Burkina Faso and 69 percent in Senegal participating in at least one village organization. However, one-fifth of all registered organizations had not undertaken any activity by the time of the survey, and among those that had, most members reported that the projects undertaken were either incomplete or had not yielded any significant benefits.

References

- Acemoglu, D., and J. A. Robinson. 2006. *Economic Origins of Dictatorship and Democracy*. New York: Cambridge University Press.
- Appadurai, A. 2004. "The Capacity to Aspire: Culture and the Terms of Recognition." In *Culture and Public Action*, ed. V. Rao and M. Walton, 59–84. Stanford, CA: Stanford University Press.
- Bardhan, P., and D. Mookherjee. 2006. *Decentralization and Governance in Developing Countries*. Cambridge, MA: MIT Press.
- Basu, K. 2011. *Beyond the Invisible Hand: Groundwork for a New Economics*. Princeton, NJ: Princeton University Press.
- Bernard, T., M.-H. Collion, A. De Janvry, P. Rondot, and E. Sadoulet. 2008. "Do Village Organizations Make a Difference in African Rural Development? A Study for Senegal and Burkina Faso." *World Development* 36(11): 2188–204.
- Cai, H., and D. Treisman. 2004. "State Corroding Federalism." *Journal of Public Economics* 88(3–4): 819–43.
- Comaroff, J., and J. Comaroff. 1999. *Civil Society and Political Imagination in Africa*. Chicago: University of Chicago Press.
- Cooke, B., and U. Kothari. 2001. *Participation: The New Tyranny?* London: Zed Books.
- Elster, J. 1989. *Nuts and Bolts for the Social Sciences*. Cambridge, U.K.: Cambridge University Press.
- Evans, P. 2004. "Development as Institutional Change: The Pitfalls of Monocropping and the Potentials of Deliberation." *Studies in Comparative International Development* 38(4): 30–52.
- Fung, A., and E. O. Wright. 2003. "Thinking about Empowered Participatory Governance." In *Deepening Democracy: Institutional Innovations in Empowered Participatory Governance*, ed. A. Fung and E. O. Wright, 3–42. New York: Verso.
- Gibson, C., and M. Woolcock. 2008. "Empowerment, Deliberative Development and Local Level Politics in Indonesia: Participatory Projects as a Source of Countervailing Power." *Studies in Comparative International Development* 2(43): 151–80.
- Harriss, J. 2001. *Depoliticizing Development: The World Bank and Social Capital*. New Delhi: LeftWord.
- Henkel, H., and R. Stirrat. 2001. "Participation as Spiritual Duty; Empowerment as Secular Subjection." In *Participation: The New Tyranny?* ed. B. Cooke and U. Kothari, 168–84. London: Zed Books.
- Hirschman, A. O. 1970. *Exit Voice and Loyalty: Responses to Decline in Firms, Organizations and States*. Cambridge, MA: Harvard University Press.
- Hoff, K., and J. E. Stiglitz. 2001. "Modern Economic Theory and Development." In *Frontiers of Development Economics*, ed. G. Meier and J. Stiglitz, 389–459. Oxford, U.K.: Oxford University Press.
- Khan, M. H. 2002. "Corruption and Governance in Early Capitalism: World Bank Strategies and Their Limitations." In *Reinventing the World Bank*,

- ed. J. Pincus and J. Winters, 164–84. Ithaca, NY: Cornell University Press.
- Koopmans, R. 2007. “Protest in Time and Space: The Evolution of Waves of Contention.” In *The Blackwell Companion to Social Movements*, ed. D. A. Snow, S. A. Soule, and H. Kriesi, 19–46. New York: Blackwell.
- Kriesi, H. 2007. “Political Context and Opportunity.” In *The Blackwell Companion to Social Movements*, ed. D. A. Snow, S. A. Soule, and H. Kriesi, 67–90. New York: Blackwell.
- Levy, B., and F. Fukuyama. 2010. *Development Strategies: Integrating Governance and Growth*. Washington, DC: World Bank.
- Menes, R. 2003. “Corruption in Cities: Graft and Politics in American Cities at the Turn of the Twentieth Century.” NBER Working Paper 9990, National Bureau of Economic Research, Cambridge, MA.
- Migdal, J. S. 1988. *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*. Princeton, NJ: Princeton University Press.
- Mosse, D. 2005. *Cultivating Development: An Ethnography of Aid Policy and Practice*. London: Pluto Press.
- Myerson, R. B. 1993. “Effectiveness of Electoral Systems for Reducing Government Corruption: A Game-Theoretic Analysis.” *Games and Economic Behavior* 5(1): 118–32.
- Oates, W. 1972. *Fiscal Federalism*. New York: Harcourt Brace Jovanovich.
- Persson, T., G. Roland, and G. Tabellini. 1997. “Separation of Powers and Political Accountability.” *Quarterly Journal of Economics* 112(4): 1163–202.
- Rao, V., and P. Sanyal. 2010. “Dignity through Discourse: Poverty and the Culture of Deliberation in Indian Village Democracies.” *Annals of the American Academy of Political and Social Science* 629(May): 146–72.
- Rondinelli, D. A., J. S. McCullough, and R. W. Johnson. 1989. “Analyzing Decentralization Policies in Developing-Countries: A Political-Economy Framework.” *Development and Change* 20(1): 57–87.
- Rose-Ackerman, S. 2008. “Corruption and Government.” *International Peacekeeping* 15(3): 328–43.
- Scott, J. 1990. *Domination and the Art of Resistance: Hidden Transcripts*. New Haven, CT: Yale University Press.
- Tanzi, V., and H. Davoodi. 1997. “Corruption, Public Investment, and Growth.” IMF Working Paper 97/139, International Monetary Fund, Washington, DC.
- Warren, M. E. 1995. “The Self in Discursive Democracy.” In *The Cambridge Companion to Habermas*, ed. S. K. White, 167–200. Cambridge, U.K.: Cambridge University Press.
- Woolcock, M. 2009. “Towards a Plurality of Methods in Project Evaluation: A Contextualized Approach to Understanding Impact Trajectories and Efficacy.” *Journal of Development Effectiveness* 1(1): 1–14.
- World Bank. 2004. *World Development Report 2004: Making Services Work for Poor People*. Washington, DC: World Bank.