

# Contents

<i>List of Figures, Box and Tables</i>	ix
<i>Preface and Acknowledgements</i>	xi
<i>List of Contributors</i>	xiii
1 Introduction: A Framework for Understanding Development Success <i>Willy McCourt and Anthony Bebbington</i>	1
2 Political Competition Can Be Positive: Embedding Cash Transfer Programmes in Brazil <i>Marcus André Melo</i>	30
3 Managing the Indonesian Economy: Good Policies, Weak Institutions <i>Bert Hofman, Ella R. Gudwin and Kian Wie Thee</i>	52
4 When Good Policies Go Bad, Then What? Dislodging Exhausted Industrial and Education Policies in Latin America <i>Merilee S. Grindle</i>	79
5 Why has Microfinance been a Policy Success in Bangladesh? <i>David Hulme and Karen Moore</i>	105
6 Behind 'Win-Win': Politics, Interests and Ideologies in Housing Subsidy Programmes <i>Diana Mitlin</i>	140
7 Realizing Health Rights in Brazil: The Micropolitics of Sustaining Health System Reform <i>Alex Shankland and Andrea Cornwall</i>	163
8 The 'Nampula Model': A Mozambique Case of Successful Participatory Planning and Financing <i>David Jackson</i>	189

9 Explaining (and Obtaining) Development Success <i>Anthony Bebbington and Willy McCourt</i>	211
<i>References</i>	246
<i>Index</i>	265

# 1

## Introduction: A Framework for Understanding Development Success

*Willy McCourt and Anthony Bebbington*

### Why success?

The American singer-songwriter Paul Simon once sang that while he would be the first to admit something going wrong, something going right in his life was apt to take him by surprise because it was 'such an unusual sight'. Admittedly he was thinking rather more about his happy relationship with his wife than about development policy at the time, but his words still tell us something about the subject of this volume.<sup>1</sup> For public policy successes in developing countries – policies that have endured, met their aims and secured the acquiescence of those who initially opposed them – are also a distressingly 'unusual sight'. This has provided fertile ground for those 'negative academics' (Chambers, 1983) – a category that includes most of us for at least some of the time – who, like Paul Simon, sometimes find success harder to deal with than failure; failures *in* development, if not the failure *of* development. The thumping sub-title of a book that was prominent at the time of writing is indicative here (Easterly, 2006). Such work has generated various explanations of failure. Some policies failed because they were ill conceived or poorly designed (Easterly's analysis is that many aid programmes were bound to fail because their goals were utopian and vague). Others failed because they were resisted, unpicked and steadily undermined by groups opposed to them, or because government bureaucracies proved unable to implement them; and so it goes on.

To be fair, focusing on failure has sometimes led to identifying factors that might increase the likelihood of success. Despite its title, James Scott's *Seeing like a state: How certain schemes to improve the human condition have failed* came to strong conclusions about the importance

of institutional flexibility and local knowledge, and it inspired worthwhile further research (see, for instance, Pritchett and Woolcock, 2004; and World Bank 2003b). It was in this vein that the former editor of the English liberal newspaper *The Guardian* concluded a book review with the statement that in public policy, 'Failure is so much more instructive than success' (Preston, 2006).

Begging to differ from the editor and those academics who think like him, we propose in this volume to be instructed by success. Let us flag up two paradigmatic cases so that readers know immediately the sort of thing we have in mind. The first is education and health in the state of Kerala in south-western India. Kerala has long been noted for the quality of its health and education relative to the rest of India – for low infant mortality and high literacy rates, for example (Sen, 1992). The second example is the economic development that followed structural adjustment in Mauritius in the early 1980s, analysed by Gulhati and Nallari (1989). The Mauritian economy did indeed stabilize and then get on to a growth trajectory that it has maintained over 20 years, confounding doomsayers like the Nobel prize-winning novelist V. S. Naipaul (1972), who had pointed to a rising population that the economy would not be able to support.

Our second example allows us to recognize that success is rarely if ever unambiguous. For example, a different 'periodization' (to use a historian's term) would give a different version of success in Mauritius. There is an argument for seeing the establishment in 1970 of the island-wide free trade zone as the start of Mauritius' route to prosperity, with structural adjustment merely a hiccup in the longer time scale (Bheenick and Schapiro, 1989). Similarly, the success of the free trade zone came at the expense of working conditions for female employees (Kothari and Nababsing, 1996), while prosperity in general managed to coexist with poor management and widespread patronage in government (McCourt and Ramguttty-Wong, 2003).

With such successes in mind, and with apologies to Scott, our concern is to understand '*How certain schemes to improve the human condition have succeeded, against the odds.*' For development studies, we suggest, still lacks a coherent account of development success: hence, for example, the UK Department for International Development's (2005) multi-country 'Drivers of Change' project that has tried to identify factors that facilitate or constrain social and political change in particular settings. Understanding how development policies come into being and occasionally prosper in the face of external threats and capacity constraints, and in volatile surroundings, is therefore important: for

improving the practice of development; for theorizing about development and the role of government in improving the human condition; and for teaching development studies, because students need convincing success stories from which to draw instruction and inspiration as well as sobering accounts of policies that have failed.

## The nature of success

### One thing or many things?

It could be, though, that our focus on success just shows that we are fools rushing in where angels fear to tread. To take our own examples, what could structural adjustment in Mauritius have in common with social development in Kerala? Ought we not to throw up our hands in the face of ‘the embeddedness of social phenomena within the historically specific conditions of real people and places’ (Fine, 2001: xv), and confine ourselves to speaking in the singular about this or that individual policy that ‘worked’ (Davies *et al.*, 2000)? Of course it would be surprising to find that success stories share none of the common features that an enterprise like ours inevitably looks for. But we might still find that those features – ‘capacity’, say – are a kind of lowest common denominator, while the factors that really count are the unique ones. Success might be a *gestalt*, to use a psychological term, an economic-political-administrative ‘whole’ that is in some way greater than the sum of its parts. If so, policy elements from which policymakers elsewhere might seek to learn, or that might lend themselves to transfer (we discuss policy transfer and policy learning later on), would lose their value outside the *gestalt* in which they arose. ‘Vice may be virtue uprooted’ is how the Anglo-Welsh poet David Jones put much the same point (1974: 56).

Our provisional position remains that there is a single thing called development policy, overlapping with public policy. We are going to take a permissive view of policy itself – ‘something bigger than particular decisions, but smaller than general social movements’ (Hecló, 1972, quoted in Parsons 1995: 13) – allowing contributors to this volume to focus either on a single policy introduced at one point in time or a constellation of policies; for example, either on a particular educational reform or on a trend in education spread out over many years. We think it is still economical for scholars to generalize where we can and for policymakers to learn from experience elsewhere where they can, rather than for all of us endlessly to reinvent the wheel. But we are still obliged as we start this enquiry to leave on the table the null hypothesis that success may be *sui generis*.

### **The normative view: development as tangible enhancement of human capabilities**

Hoping to have established that it is useful to try to generalize about success, we move on to defining it. What we call 'success' will depend on what we call development, that typically undefined term, apt to fall apart as soon as we examine it (Crush, 1995; Escobar, 1995; Ferguson, 1994), but on which our project requires us to take a view. First, we are interested in development as a purposive activity, as in development policy and programmes, rather than as an immanent, unintentional process, as in "capitalist development" (Cowen and Shenton, 1996; 1998), even while we do not discount the 'informal development' practised by millions of our fellow citizens which may turn out to have been more developmental than our deliberate interventions.<sup>2</sup>

Second, we argue that development is about the enhancement of human capabilities, in particular for the people who have the greatest capability deficits. Development in this sense is a normative term that conveys a commitment to shift the balance of opportunities and investments in society towards the poorer and the excluded (cf. World Bank, 2005). After its eclipse in the 1980s and early 1990s, at least in the Anglo-Saxon countries like the United States, the United Kingdom and New Zealand and, partly as a result, in the IMF and the World Bank, this view has returned to centre stage. It was the focus of the *World Development Reports* of 2000/2001 and of 2006, and it is the ostensible goal of the 'Poverty Reduction Strategy Papers' that have gradually superseded structural adjustment in recent years.

We are therefore interested in policies that have *demonstrably* (a word we flesh out below) improved the human capabilities of a significant population of otherwise disadvantaged people. This may occur through interventions involving direct investments and improvements in their assets – their financial resources, physical assets, health and education, social networks etc.<sup>3</sup> – or through interventions that improve the environments in which poor people pursue their well-being. Examples of the former might include land reform, education, microfinance and health programmes; examples of the latter might include peace building, social inclusion or macroeconomic programmes that have demonstrably helped people.

A consequence of the normative view is that we are not obliged to confine ourselves to success in terms of a policy's satisfaction of its original stated goals. A policy could have a benign effect that is indirect and possibly even unintended. Indeed, it is conceivable that such effects might include creating a constituency that comes to defend the

policy's very existence. There can be pro-poor effects without initial pro-poor intentions.

**The legitimacy view: public policy as legitimate public action**

No sooner, however, do we nail our colours to the mast than we feel the need to lower them by a couple of notches. While the view of development we have just advanced will seem self-evident if not anodyne to many readers, it has a competitor. This is the view that whatever development might be, public policy is, quite simply, whatever a legitimate government decides to do. It is implicit in the UK government Commission for Africa's report which argues that donors should support pan-African organizations

in a way which enables the organisation to decide and manage its own priorities – in other words, aligned with the organisation's strategies, not donors' particular predilections, priorities and procedures. (Commission for Africa, 2005: 128)

It is conceivable that it was the 'predilection' for pro-poor policies that the Commission had at least partly in mind, given the pro-poor orientation in recent years of so many development agencies, including the UK government's own Department for International Development (DFID).

What we will call the 'legitimacy' view recognizes the right of a legitimate government – increasingly, but still by no means always a democratically elected one – to go to the devil in its own way. Take India as an example: some would argue that its recent economic liberalization, which has increased income inequality, has been at the expense of the poor. In addition, many necessary things that governments do are not so much hostile to the interests of the poor as not primarily concerned with them: reforms to the machinery of government, such as those strengthening meritocracy in public staffing, for example, are only 'pro-poor' in the most tenuous sense. They may be associated with economic growth, as Evans and Rauch (1999) have claimed, but that is not usually why governments introduce them. Growth is a side-effect. It is confidence in the integrity of government among rich and poor alike that they promote. It would seem perverse to exclude from consideration policies based on the belief that 'a rising tide will lift all boats' (in President John F. Kennedy's seductive phrase), or that merit-based staffing is a good thing in itself, because they are not obviously 'pro-poor'.

### **Durability**

However impeccably pro-poor or legitimate a policy happens to be, it only becomes successful when it has endured. For how long? Following Sabatier (1988), we suggest a duration of ten years at least. In a competitive electoral system, there is the additional rider that it should survive a change of government.

Endurance into at least the medium term adds three interesting features to the mix. The first is how the policy adapts or fails to adapt to changing circumstances. Some policies are indeed supple, like the many social funds in Latin America that have changed substantially during their 15 to 20 years' existence. Others, though, have hardened into a 'frozen constraint' (Mahoney and Snyder, 1999: 18) that endures only because it is so well dug in that the game of removing it is not worth the candle. Success can atrophy into entrenched failure.

The second feature is that endurance protects us against the curse of Peters and Waterman (1982). Their account of 'excellent' companies caught the imagination of policymakers, including in developing countries, because it offered a recipe for success, and it is an influence on Grindle (1997) and elsewhere in development studies (see for example Curtis, 1994). Yet some of their 'excellent' organizations notoriously ran into trouble shortly after the book's publication. Our preference for the medium- to long-term allows us to learn from cases that, even were they to lapse into crisis in 2007, would still have been around long enough to have been successes in their time. Moreover, policies that lapse into crisis but then recover are likely to provide particularly interesting lessons.

### **Recognizing success**

The third interesting feature of endurance is that it allows proper evaluation of policy outcomes once teething or other troubles have been resolved. As hinted already, we take the 'consequentialist' position, in philosophical terms, that there is an important sense in which we can only tell if policies are developmental after the fact: we know them by their fruits. Much debate in development studies is precisely about whether a given policy was or was not developmental in this sense. Clearly lots of policies implemented in the name of development have proved to have nothing developmental about them in their effects.

## **Hypotheses on success**

If something that everyone wants is rarely seen, it must be harder to obtain than is generally realized. Having said what we mean by success and how we will recognize it, we wish finally in this section to introduce the discussion of how we might explain it, a discussion that will occupy much of the remainder of the chapter. The literature provides us with a range of hypotheses. Some of them relate to political economy; some to design, organization and management; and some are what might be called serendipitous factors which are hard to theorize. In what follows we outline them in order to develop a framework for understanding development success which we hope will help readers to make sense of the cases that will be reported in this volume. We will return to it in our final chapter when we reflect in the light of our cases on why policies have succeeded in the past, and how they can be made to succeed in future.

## **A model of development success: from linear to complex**

### **Exogenous shocks and the 'naïve model'**

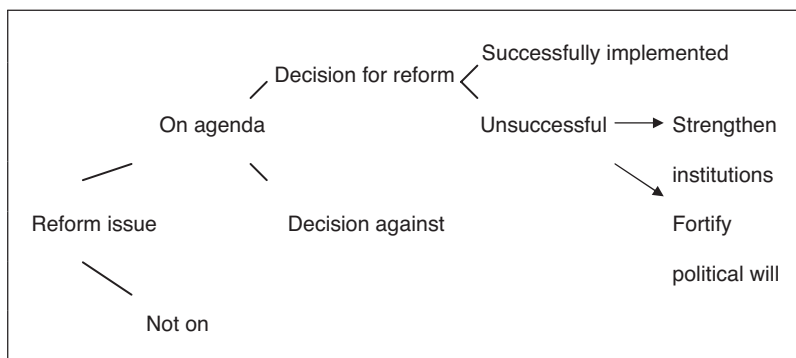
As a preliminary, we should recognize first that policies need the good luck of being spared from exogenous shocks. In the World Bank's analysis, such shocks were responsible for the failure of a substantial portion of the Bank's interventions in the 1980s, with fluctuations in the price of oil being the classic example (Johnson and Wasty, 1993; see also Nelson, 1990: 20).

Second, we should note that inexperienced governments tend to come into power with a naïve model of development success. Overawed by the formal resources of the State, so much greater even in poor countries than what is available to political parties in opposition, it is not surprising if new governments assume that all that is needed is to hand their election manifestos to the civil servants and let them get on with implementing them. '(Tony Blair's) eyes would glaze over at any discussion on how to do things,' complains a jaundiced British civil servant, 'His attitude was: "You lot just get on and deliver." He had no idea that delivery was a complex process' (quoted in Foster, 2005).

### **The linear model**

But the beginning of policy wisdom is the disillusioned recognition that manifesto promises do not always materialize. That is the basis of

the linear model of policy that Thomas and Grindle outline, and which is the convenient real starting point for our discussion:



*Figure 1.1* The linear model of policy reform  
 Source: Thomas and Grindle (1990: 1165).

### Capacity

This model already provides two suggested explanations of failure – or, conversely, two success factors – which we should not discount because they are universally recognized: institutions and political will. ‘Institutions’ is Thomas and Grindle’s shorthand for the capacity of government to do what it wants to do. Capacity is the hoariest of explanations for success, but that is not a reason to discount it. It has pride of place, for example, in the report of the UK government’s Commission for Africa, for which weak capacity is ‘a matter of poor systems and incentives, poor information, technical inability, untrained staff and lack of money’ (Commission for Africa, 2005: 11), and which calls on donors to make a major investment in it. A discussion of the capacity of implementing agencies must be part of any explanation of success.

‘Capacity’ and the ‘capacity building’ which develops it are well established but somewhat vague terms that usually connote a combination of institutions and institutional development on one hand, and of public agency staff and staff development on the other. Actions taken under its banner include strengthening institutions such as the laws governing civil service management and the remit of the central agencies responsible for managing public servants, and also strengthening the capacity of staff themselves, mainly through

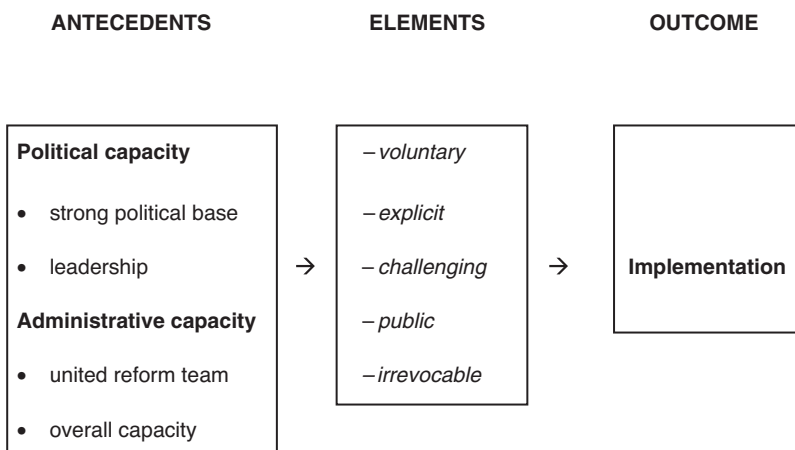
training programmes (Hilderbrand, 2002; see also Grindle, 1996, which offers an expanded model that includes technical and political factors).

The emphasis on capacity is reinforced by recent research under UN and World Bank auspices which has pointed to the role that an effective bureaucracy plays in government effectiveness, which in turn may contribute to national economic growth. Key elements include meritocratic recruitment, internal promotion, career stability for public servants, salaries that are competitive with the private sector and administrative autonomy (Evans and Rauch, 1999; Hyden *et al.*, 2004; Kaufmann, 1999). We should also point to the overlapping research on industrialized country private companies that has established the importance for the effectiveness of organizations in general of human resource management 'levers' which include performance management in addition to those mentioned already (Guest, 1997; McCourt and Eldridge, 2004).

### **Political commitment**

Of course capacity can be constrained even when it exists, as many discussions recognize. 'The quality of the civil service ... stems from political culture ... Countries get the bureaucracies they deserve and can use,' Gulhati has observed (1990: 1128). This brings us to the second success factor in the linear model, political will. Thomas and Grindle stigmatize it as 'a catch-all culprit, even though the term has little analytic content and its very vagueness expresses the lack of knowledge of specific detail' (1990: 1164), and even writers who deploy it admit that it is 'conceptually difficult' or '*ad hoc*' (Heaver and Israel, 1986; Killick, 1998: 91). Yet it has been the centrepiece of many explanations of policy outcomes, for example in World Bank project evaluation reports (Nunberg, 1997). McCourt (2003), taking account of the criticisms and drawing on a number of studies, has proposed a model of what we should call 'political feasibility' rather than 'political commitment' or 'will', since it contains 'antecedents' that are clearly outside the dictionary understanding of commitment as a personal 'pledge or undertaking'.

The model arguably provides a way of working with the customarily opaque concept of 'will', but it is still only a partial account of development success or failure. It does not spell out what it means by terms like 'political leadership' (see below on this). It is also indifferent to the content of policy, implying that any action is always better than inaction. We can usefully remind ourselves that while *Hamlet*,



*Figure 1.2* A model of political commitment/feasibility  
 Source: McCourt (2003).

*Macbeth* and *Othello* are all in part studies in indecision, hesitation or even downright procrastination, the bold murders which their eponymous heroes eventually commit are not terribly well advised. When used by a donor, the notion of ‘commitment’ is self-serving, insulating the donor against the possibility that the policy it foisted on a government failed because it was foolish. So let us move on to examine the content of policy.<sup>4</sup>

### **Policy content: innovation, specification and design**

We are going to argue further on that there is a political economy of policy which shapes its content. But we cannot read policy off like an algebraic product of stakeholders’ interests. We *may* be able to read off the policy problem, but a creative leap will be needed to move from posing the problem to shaping the policies that will address it. There may also be the slightly wistful hope that the creative leap will take policymakers further than mere trimming between rival interests would enable them to go, and allow otherwise intractable political problems to be solved. This, we suggest, is the source of much of the current interest in policy innovation (Government of Singapore, 2004; Government of the United States, 2004; Mulgan and Albury, 2003; NZ Institute of Economic Research, 2002; Pinto, 1998).

## **Policy specification and design**

However innovative a policy may be, one explanation for its success must be that its technical specification was appropriate. Jeffrey Sachs describes with a minimum of undue modesty how in Bolivia he used his historical understanding to propose a remedy for hyperinflation that stopped it virtually overnight at the end of August 1985, in the teeth of those who believed that it could only be reined in gradually over several years (2005, Chapter 5). Less dramatically but still with substantial effects, cotton production in francophone Africa doubled in the four years following devaluation of the CFA franc in 1994 (Gabre-Madhin and Haggblade, 2004). There may indeed be development policies which are ‘technically correct’, based on evidence that is clear and all but unambiguous, even though political leaders and international institutions may resist them. Most would agree that governments do need a specific policy for dealing with AIDS, notwithstanding Thabo Mbeki’s skepticism and Muammar Qadhafi’s pinning the blame on Bulgarian expatriates in the Libyan health system (Sarrar, 2005), or central banks that are independent from political control, despite Margaret Thatcher’s opposition in the UK throughout the 1980s.

Short of correctness, and at the risk of stating the obvious, some policy designs are better than others.

## **Policy actors**

### **Policies or organizations?**

In setting up our volume we opted for ‘policy’ as our unit of analysis, implying that the same agency could have a successful and an unsuccessful policy running side by side. But it could be that it is not policy, whether broad or narrow, but the organization responsible for it that is the key variable. Grindle (1997) has provided an account of relatively successful organizations in six developing countries, characterized by their clear sense of mission and by an autonomy that was sufficient to allow managers to manage: to encourage participation, reward good performers, protect staff from political interference and so on. Successful organizations, to paraphrase the emperor Augustus, may be able to transmute policy brick into implementation marble and score success after success. The way we have set up our volume may seem to privilege policy content as the unit of analysis, but that should not be at the expense of organizational and process factors, or, equally, of outcomes.

### States, markets and networks

Who does *public*, or *development*, policy? 'Governments' is the answer we no longer give, and no more in industrialized countries than in developing ones. Rhodes (1997) has shown how the attempt to cut the state down to size in the UK following the Conservative election victory in 1979 had the unintended consequence of increasing its complexity through the range of actors who now became involved in state action. Government that had relied on hierarchy – bosses giving orders to trembling minions in an unbroken chain of command running all the way from the Prime Minister in 10 Downing Street to the cleaner in a local hospital – had now conjured the sorcerer's apprentice of markets and networks into being. Markets were the result of contracting services to supposedly more efficient private or voluntary providers, or of introducing competition within the state itself, as between hospitals. Networks were the result of hierarchical managers having to rub shoulders with the new contractors, but also with the plethora of special purpose bodies that the government had created to bypass local authorities which they saw as sluggish and politically unreliable. While the putative advantages and disadvantages of hierarchies are well known, those of networks are not. We reproduce below a list which Rhodes has provided.

#### *Box 1.1* The limits of networks

Networks are effective when:

- Actors need reliable, 'thicker' information
- Quality cannot be specified or is difficult to define and measure
- Commodities are difficult to price
- Professional discretion and expertise are core values
- Flexibility to meet localized, varied service demands is needed
- Cross-sector, multi-agency cooperation and production is needed
- Monitoring and evaluation incur high political and administrative costs
- Implementation involves haggling

Their costs include:

- Closed to outsiders and unrepresentative
- Unaccountable for their actions
- Serve private interests, not the public interest (at both local and national levels of government)
- Difficult to steer
- Inefficient because cooperation causes delay
- Immobilized by conflicts of interest
- Difficult to combine with other governing structures

*Source:* Rhodes (2000: 355); see also Perkin and Court (2005).

Yet the 'discovery' of non-state provision, networks and 'joined-up government' was different in degree rather than kind from what went before. The success of the 1944 Education Act in the United Kingdom, without which at least a couple of the contributors to this volume would not be sitting where they are now, lay precisely in gaining the enduring assent of the Churches, of local authorities with different political groupings in charge, and not least of the wartime government coalition itself, to what we would now call a 'mixed economy' of state, religious and private schools (Hennessy, 1993). And it must have been managing this kind of heterogeneous network that the Act's author, Rab Butler, had in mind when he famously characterized politics as 'the art of the possible'.

### **Networks and NGOs in developing countries**

Likewise, development intervention has always been the domain of a wide range of actors, whether or not we chose to recognize them: government, civic, private-not-for-profit, and private-for-profit. Non-state providers like 'harambee' schools in Kenya, and mission hospitals almost everywhere, have been around for a long time. Moreover, policy networks play – and always did play? – a vital role in framing and lobbying for policies (Haas, 1992).

Rhodes assumes the continuing power of government in the UK. It was responsible, however accidentally, for the growth of networks in the first place, and Rhodes argues that it is still able to alter the terms on which they trade. The sorcerer's apprentice that has slipped out of its formal control continues to operate under its auspices, at least nominally. But allowing for exceptions like the deliberate creation of a network of water users, suppliers and others in Ceará, Brazil (Lemos and De Oliveira, 2004), the increased prominence of non-state actors in developing countries is rather more a reflection of government impotence, if not outright state failure, as those actors are sucked into a service vacuum rather than deliberately substituted by the state for unsatisfactory but definitely functioning public services. Hence the extreme cases of NGOs standing in for a state that does not properly exist, as in Palestine, or providing what few services citizens actually receive, as in post-conflict Angola in the mid-1990s (Christoplos, 1997). Hence also the less dramatic but steady growth of NGOs through the 1980s and 1990s even in a stable democracy like Bangladesh (Edwards and Hulme, 1992), albeit fuelled by the same practical frustration and ideological dissatisfaction with governments on the part of international donors that Margaret Thatcher had displayed towards British local authorities.

### **Public policy without public agencies**

An NGO or other non-state actor whose actions have developmental effects is effectively involved in 'public' policy, regardless of its legal status. The 'publicness' of a policy ought, then, to be defined by its goal and the structure of access to its benefits, not by the juridical nature of the organization implementing it.

Going a step further, can we call a policy 'public' even when no public agency in the conventional sense is involved in it? We think that we must be able to, if only to allow for those countries where government has all but collapsed and where non-state public policy is just about the only kind there is. But we have to qualify that view. First, the policy must deliver some public rather than purely private benefit, and we will want to take particular notice of whether the beneficiaries are drawn from the ranks of the disadvantaged. Second, the notion of 'public' also contains a sense of scale: there has to be a significant number of beneficiaries. Local authorities and agencies can have policy successes, but the emphasis here is on policies that are multi-regional, possibly spanning national or (in federal systems) state territories. This reflects both the normative view of development and our theoretical and explanatory concerns. Large-scale policies are important because they represent a substantial commitment to the enhancement of human capabilities. But they are also interesting, because the factors that determine their success are more complex than those that determine the success of a local authority or NGO's policy that extends only to a single area. This complexity makes the explanatory task more challenging but also more fruitful for developing theory. Further, this is the scale of policymaking which much development debate and intervention envisages, as in the current case of Poverty Reduction Strategy Papers.

This view of public policy, therefore, allows us to consider large-scale policy implemented through non-state agents. It is particularly relevant to South Asia, where some NGOs – BRAC, Proshika, the Grameen Bank, Sarvodhya – are operating on the same scale as government ministries. Moreover, it brings into play two additional elements: the presence of donor agencies from outside the developing country, and the international activist networks to which developing countries are particularly susceptible, lobbying on issues like human rights and the environment (Keck and Sikkink, 1998). However, it is unclear whether we see anything resembling the sophisticated network management that Rhodes and others discuss in relation to industrialized countries. All too often, developing country public agencies, NGOs and other

providers continue to operate in splendid isolation, and complaints abound of NGOs or donors distorting indigenous priorities.

## **The political economy of policy formation**

### **Policy initiation**

There is a political economy of policy which is often neglected. 'Technically correct' policy notwithstanding, policy formation is mostly indigenous, arising in a local political and social process in which power is exercised, alliances are formed and supporters are enrolled. The structural adjustment literature bears this out, including studies emanating from the World Bank: 'Domestic policies set the basic parameters of government efforts', while external support 'emerges as a sometimes necessary, but far from sufficient, condition for implementation' (Nelson, 1990: 344, 347). 'Successful reform depends primarily on a country's institutional and political characteristics' (World Bank, 1998a: 52, 53).

If this is so, in what circumstances are successful policies initiated? There are two traditions in the policy literature: that of continuous, 'incremental' change in the well-known tradition that stems from Lindblom (1959), and discontinuous, dramatic change in the more recent model proposed by Baumgartner and Jones (1993) in which 'New ways of thinking about public problems, rapid mobilizations of new constituencies, changes in institutional structures, and the self-reinforcing effects of these trends occasionally combine to create dramatic and unpredictable policy changes' (Jones *et al.*, 1998: 2; see also John and Margetts, 2003).

### **Power**

Once formed, policies endure when the balance of power supports them. They are more likely to last, we hypothesize, when they have a broad alliance as their base, and when many people benefit from them. Sen (1992) has argued convincingly that the quality of health and education in Kerala, which we offered as an example of success earlier on, is the result of state action which has proceeded from a robust tradition of popular participation and social mobilization (see also Heller, 1996). We might go a step further and say that even when there is an alliance between a domestic interest and a strong external actor, the policy will be unstable without a broader domestic alliance. President Soglo of Benin, as a former regional director of the World Bank, implemented civil service pay reform with enthusiasm and the Bank's

wholehearted support, but they did not make up for the opposition of the powerful trade unions, of many members of parliament, and ultimately of the voters, who ejected him in the 1996 presidential election (Kiragu and Mukandala, 2004).

However, we need to recognize that policies may also endure through coercion, as under authoritarian regimes in Latin America, or through the tyranny of the majority, as in Sri Lanka's pro-Sinhala (and anti-Tamil) policies from the late 1950s onwards. But policy survival will depend on a lot of people believing that coercion of fellow citizens is an acceptable price to pay for the benefits they enjoy, possibly because they believe that those fellow citizens have no right to oppose the policy – they might be a 'mere' minority, after all. This then would be a case of policy sustained by an alliance between an autocratic government and a conniving section of the population – by integrative forces of a kind, as well as by coercion.

Coercion or the brute force of the majority weakens a policy's legitimacy; police clubbing demonstrators or a majority riding roughshod over a minority is scarcely the best way to build a broad social alliance. It generates resistance which may topple the policy, and much else besides, as Sri Lanka's Tamil separatist war testifies. In short, and not very surprisingly, win-win stands a better chance than win-lose. In the absence of coercion, policies that emerge from or at least gain the steady support of a broad social alliance are more likely to last.

### **Varieties of policy**

The above examples also illustrate the importance of policy *type*. Our cases will discuss the conditions under which different types of policy succeed, as they are likely to vary. Policies may stand a better chance in areas like health or primary education where resistance is weaker because, for one thing, they don't threaten any elite group. Conversely, policies like participatory governance or land reform that redistribute power or resources seem less likely to succeed. Different policies provoke different distributional conflicts and are therefore more or less likely to generate broad alliances of support.

The hypothesis has an uncomfortable implication for those of us who subscribe to the normative view that development is only development when it addresses the needs of the disadvantaged. The logic of our position is that a policy that coopts the advantaged to support the interests of the disadvantaged is more likely to stick. Their support is liable to come at a price, but it may be one worth paying.

Our Benin example, taken from one specific policy domain, also illustrates the importance of the *scope* of policy. Narrow policies that affect a limited number of stakeholders should, other things being equal, be easier to push through: there are fewer ducks to line up. By the same token, of course, they are less likely to generate a broad alliance that supports them, as fewer people will benefit from them. McCourt (2005b) suggests that the latest in a long line of attempts in Sri Lanka on the relatively narrow issue of civil service reform is fragile specifically because it has few supporters outside the bureaucracy; while by contrast, Tendler (1997) describes the imagination that Ceará displayed in combining merit recruiting with popular participation.

Lastly, there is the question of the *depth* of the policy. The policy may only see the light of day when the policy negotiation that is part and parcel of alliance building has stripped away its most radical features, which could also be its most worthwhile ones. There is an instructive contrast between post-apartheid South Africa's ponderous but broadly supported land reform on one hand and its incisive but confrontational counterpart in Zimbabwe, sustained only through coercion, on the other. The trade-off is that a shallow policy, albeit broadly supported, *ipso facto* delivers less.

### **State-society relations**

Lastly, the literature on state-society synergy in development suggests that policies are more likely to succeed when the organizations responsible for public policy are responsive to the people they serve, so that there is real accountability and a free flow of information from people to institution and back again, enabling policy to adapt to changing social conditions (Evans, 1996). In this way the organization builds up what Scott (1998) has called *métis*, that practical knowledge of the flows of social life which informs policies that are more likely to work. Evans (1996) goes on to suggest that the synergy is stronger in a relatively equal society, where trust is higher and the distance between organizations and their clients is lower. Greater equality of opportunity and asset distribution may also facilitate the emergence of policy networks (see above) which cut across social and institutional boundaries.

### **Leadership and success**

Leadership is frequently identified as a key explanation of development success. The leadership of politicians – but also of senior officials – is central to Tendler's (1997) account of successful governance in the state of Ceará in Brazil, and is also a factor in Nelson's (1990) analysis

of the politics of structural adjustment in 13 countries. It pervades the practitioner-orientated literature. Yet it is a difficult concept to work with, seeming to depend on the fortuitous emergence of gifted and determined leaders.

We need to distinguish here between bureaucratic and political leadership. We are on fairly firm ground with the former, having the organizational literature on leadership to draw on (for example, Tichy and Devanna, 1986), and Leonard's (1991) rich study of successful managers of rural development in Kenya. But political leadership is not well understood. Grindle provides one of the most detailed analyses, painting a picture of leaders who, against a background of adequate state capacity, have a vision that they are able to communicate, and who build coalitions and use their power of appointment to realize it (1996; see also Nelson, 1990; Wallis, 1999; and Williamson, 1994).

Crucially, we lack an understanding of how much room political leaders have to manoeuvre in their political environments. In theoretical terms, how much weight should we give to (leaders') agency and how much to (political and social) structure (Lewis *et al.*, 2003)? How much does a successful political leader owe to the society from which he or she has emerged? Mahathir Mohamed retired as Malaysia's prime minister in 2003 with his reputation substantially intact (allowing for accusations of 'crony capitalism': see Gomez and Jomo, 1997), yet without underestimating his personal achievement it can be argued that a national predilection for deference to authority makes Malaysian society a peculiarly easy one to lead (McCourt, 2005a).

## Implementation

The study of policy implementation, following Pressman and Wildavsky's (1973) classic work, is largely the study of unforeseen consequences and how they are controlled (or not). Thomas and Grindle (1990) have proposed a model in which stakeholders' reactions are anticipated, and policymakers, recognizing the process nature of policy, are 'hands-on' throughout implementation in order to face down any threats that emerge (and the threat could take the form of our old friend, lack of 'capacity').

But anticipation has a limit. Unforeseen consequences might actually be unforeseeable, in which case learning and adaptation *post facto* become very desirable. Policymakers learn better when there is the free flow of information between public organizations and the people they serve that we have already discussed. Indeed, the value of feedback for

improving performance is one of the strongest findings in the entire organizational literature (Locke and Latham, 1990). Learning requires some flexibility in the original plan as opposed to an implacable determination, possibly egged on by a donor, to dot every i and cross every t in the dreaded logical framework (Bond and Hulme, 1999).<sup>5</sup>

Following the policy process through to implementation also highlights the problem of political incentives. Thomas and Grindle are right to encourage politicians to involve themselves in implementation, as it takes time for the effects of large-scale policies of the kind we are interested in to work their way through the system. But they may seek incentives for doing so. Hence the policy designs that allow for – resorting to frequently-heard clichés – ‘scoring quick wins’, ‘getting runs up on the board’ or ‘picking the low-hanging fruit’; or, one way or another, for politicians to have benefits to show to their constituents when elections come round.

### **The policy diaspora: policy transfer**

Despite all we have said, we remain naïve enough to hope that policy learning can occur across national or regional frontiers as well as within an organization, and that policies can sometimes be transferred successfully, in however amended or truncated a form. Dolowitz and Marsh have developed a model for this special form of policy learning. Significantly, they relate policy transfer to policy success, pointing out that in successful transfers the original policy is properly understood and appropriate to the location to which it is being transferred (2000, see especially p. 9).

There is a similar interest in policy diffusion, the way in which public agencies acquire policies ‘off the peg’ from elsewhere (Mintrom, 1997), whether ubiquitous microfinance (see Chapter 5), client’s charters, adopted from Britain in Botswana, Malaysia and Mauritius among other countries, or anything else. There is also an interesting intermediate position between innovation and diffusion which McCourt (2002) has labeled ‘refraction’, where governments do adopt policies from elsewhere, but in doing so adapt them to their political, institutional and cultural circumstances.

Coercion reappears in Dolowitz and Marsh’s model as one of the reasons why policies get transferred, opening up the question of whether a policy imposed from outside rather than adopted voluntarily can ever succeed. The experience of structural adjustment, as we know, suggests that success under such conditions is unlikely.

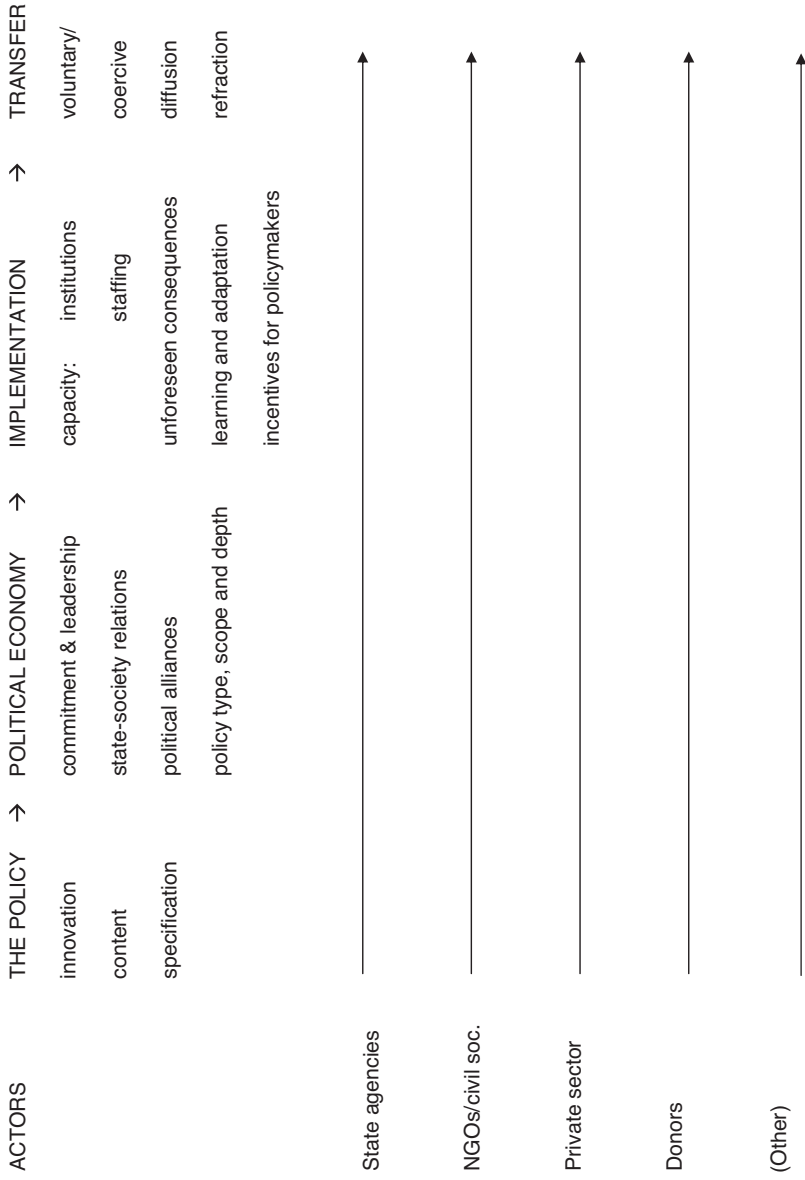


Figure 1.3 A framework for understanding policy success

The experience of all but the original six members of the European Union that have had to adopt the *acquis communautaire*, tremendously onerous in the case of a small country like Malta, might suggest otherwise, yet the adoption was the consequence of freely choosing to join the European Union through a popular referendum vote.

## **A framework for understanding development success**

We developed the framework shown as Figure 1.3 in the light of the above discussion, and at the start of the enquiry which has resulted in this edited collection. For clarity we have presented it as a linear model, so the usual qualifications about iteration and interaction between its elements need to be made (for example, the extent to which the separate policy actors constitute a coherent policy network). Apart from whatever intrinsic value it may have, we wanted to give our contributors a basis for reflecting on their cases. We knew that however fine the mesh of our net may be, it was very likely that some features of success, possibly the most interesting ones, would slip through it. Conversely, we also knew that there might be one or a small number of those features that would powerfully explain success, while others might be redundant. In our final chapter, therefore, we will revisit the framework to see how well it has survived the shock of contact with reality as represented by our seven cases, and in the hope that in the light of those cases we will be able to offer a better explanation of development success.

## **Cases of development success**

### **Our case selection and its limitations**

The case chapters were written in conversation with our framework. In the light of our research framework, we<sup>6</sup> looked for cases of success that would have the following features:

- They would target the enhancement of human capabilities, in particular for the people who have the greatest capability deficits.
- They should do so on a large scale: this might entail *scale-up* from an initial policy experiment.
- The policies would have been implemented over at least ten years, and preferably across at least one change of government: *policy duration* is important.

- They would preferably have succeeded *against the odds*; that is, at the point of inception a reasonable observer would have predicted that success was unlikely.

We also wished to see a spread of policy types and regions. In terms of policy type, our cases range from social service policies in education, health and housing (Grindle, Shankland and Cornwall, and Mitlin), through macroeconomic policies (Hofman *et al.* and Grindle again) and poverty reduction policies (via cash transfers – Melo – and micro-finance – Hulme and Moore) to governance reform policy (Jackson). In terms of geography, they span Africa, Asia and Latin America, though with a bias towards the latter.

We should perhaps make explicit a limitation which our approach to development success imposes, even if it is one that edited collections like ours usually skate over. In research design terms, we have an N=7 sample, one which is further limited by policy type (no case of rural development, for example) and geography (only one major case from Africa). Additionally, while all our authors had done primary research on their topics, it was not done specially for this study.

All those research design features were intentional. We wanted contributors to use their chapters as an opportunity to examine a single case in depth, looking again at their previous research through the development success 'lens'; and, while using hard data, to feel free to reflect and infer. But the limitation that these features impose will become evident in our final chapter, when we will draw out some tentative conclusions and recommendations.

### **Success at national and sub-national levels**

The papers operate at two levels. Melo, Hofman *et al.* and Grindle analyse policies at a national level, a level at which questions of national political equilibria, leadership, synergies and sequencing arise. The remaining chapters engage with policy at a sub-national level, through an analysis of region-specific programmes (Hulme and Moore, Mitlin, Shankland and Cornwall, and Jackson), even if these can still be on a large scale, with some indeed evolving into national or even global initiatives. Engaging at this level leads to an emphasis on slightly different causal factors.

As readers make their way through our book, they will discover that our criteria for case selection did not survive unscathed. Just as we suspected (see our discussion of 'durability' above), success can indeed atrophy into entrenched failure, as Grindle will argue in her chapter on

industrial and education policy in Latin America; and there can be less to success than meets the eye, as Mitlin will argue in relation to housing policy. But saying that pre-empted the cases themselves, which for the convenience of readers we now outline.

### Success at national level

The first of the three national-level chapters is that of *Marcus Melo*. His concern is to explain the rise of cash transfer-based poverty reduction programmes during the 1990s in Brazil, and their continuance through to the present. He describes a process in which Brazil's steady democratization allowed for national mobilization around hunger and poverty and created an environment in which novel ideas on poverty reduction were able to emerge and – more importantly – to capture the attention of political leaders interested in getting elected. The first experiment with cash-transfer programmes in one large municipality thus prompted a second municipality controlled by another major political party to adopt the same instrument – and so the policy bandwagon began to roll.

Political ownership of the idea of conditional cash transfers, particularly once linked to education, became an arena of political competition. This competition led in turn to the programmes' diffusion and, in due course, adoption by the federal government under Fernando Henrique Cardoso. Furthermore, this national *Bolsa Escola* programme survived the transition to the Lula government in power at the time of writing. Indeed, although Lula's administration aimed to repackage and redesign the programme, the criticism (in particular from those groups that benefited from *Bolsa Escola*) was such that the new government's so-called *Bolsa Familia* programme retained many features of *Bolsa Escola*. Central to the success of both programmes has been the creation of a national Fund for Fighting Poverty, whose tax-based financing was secured through legislation.

In this history of policy diffusion, scaling up and durability, Melo argues that competition among political parties and leaders has played a central role, with all of them wanting to be associated with a very popular policy. While leadership, social mobilization and policy specification are all part of this success, for Melo political competition is key. One of the future challenges, however, will be that – because the policy has developed such a large interest group who are now concerned to sustain it – any future change to the policy will face stiff resistance, a problem that occupies an important part of each of the following two chapters.

Chapter 3, by Bert Hofman, Ella R. Gudwin and Kian Wie Thee, reviews Indonesia's development experience over the last 35 years. It explains the factors that led to the country's economic success in the three decades up to the late 1990s, but then explores how some of those factors also contributed to Indonesia's spectacular crisis in the late 1990s. The argument is that much of Indonesia's policy success was made possible by the same weak social and governance institutions which later on became the principal cause of the crisis.

Over 30 years between 1967 and 1997, Indonesia's GDP growth rate averaged a remarkable 7 percent. Rapid growth was accompanied by strong gains in human capital and poverty reduction, and a diversification of the economy away from agriculture. Growth was built on strong macroeconomic policies, supported by increasingly liberal trade and foreign investment and financial sector policies. These policies were by and large managed by a group of highly competent 'technocrats' isolated from the political sphere, who initiated structural reforms and created synergies between macroeconomic and sectoral policies. However, the country's core institutions did not keep pace with the reforms. Anaemic institutions made the country vulnerable to shocks, as a lack of appropriate controls and oversight had weakened the financial sector, and corruption increasingly undermined the political legitimacy of government and the credibility of its policies. When the Asian crisis hit in 1997, the weaknesses of the institutions, and notably of political mechanisms for building consensus on measures to fight the crisis and a judiciary to facilitate the restructuring of the economy, hampered crisis management and slowed Indonesia's recovery after the crisis. After the crisis, the country has taken on the difficult task of rebuilding its institutions.

So Hofman *et al.*'s is a story of good policies going bad over time, largely because institutional forms began to militate against flexible policy management, and because policies spawned an interest group in the form of the notorious 'crony capitalists' which resisted subsequent policy adaptation. In this sense their argument dovetails with the following chapter. Pointing out that 'new policies are not written on a tabula rasa', Merilee Grindle invites us to focus on the process through which a new policy dislodges an old one as an important component of policy success. She applies the Chapter 1 insight that success can atrophy into entrenched failure to the cases of industrial and education policy in Latin America. She shows that policies which had facilitated light consumer industry and increased basic access to education in the earlier period were not equal to the challenges of economic crisis

in the early 1980s and of enhancing the quality as opposed to the quantity of education. However, even if the early policies had outlived their usefulness, they were difficult to dislodge because they had created interest groups in the form of industrialists and trade unions who had benefited from them and who resisted attempts to change them.

Yet unlike in Indonesia, the power of the interest groups was overcome. In Grindle's analysis, leadership was crucial. Having first become convinced of the need for change, presidents and executives deployed their power resources to drive change through. Where they were successful (they weren't always), it was by working from the top down, centralizing power and enhancing the role of agencies and institutions which favoured change, while neutralizing agencies and institutions (such as trade unions) which opposed it.

Were the new economic liberalization and quality-enhancing education policies successful? Interestingly, Grindle is agnostic on this point. Her concern is to insist that any new policy can only prevail if it succeeds in overcoming the vested interests that an established policy inevitably creates, and that the power of the executive will be crucial in order to achieve that.

### Success at sub-national level

Where Melo, Hofman *et al.* and Grindle focus on national dynamics and institutions, the second set of chapters focuses on more localized policies, or on the ways in which national policies become locally successful. The first of these chapters traces the ascent of microfinance from a few localities and organizations in Bangladesh to a global scale; the second considers the conditions under which housing programmes for the poor succeed; the third looks at the embedding of Brazilian national health policies in local processes of citizenship formation, processes that have then helped secure the successful implementation of these policies; and the fourth explores the embedding of a provincial level planning model in Mozambique.

Microfinance is one of the most widely reported instances of successful policymaking. Revisiting earlier research, *David Hulme and Karen Moore* present evidence that, at least where Bangladesh is concerned, its success has been real. Roughly 11 million households, or around 80 percent of poor households, have had access to microfinance, leading to a positive impact on income growth and reduced vulnerability, and in turn to a decline in the poverty rate of the order of 2–5 percentage points. There is also evidence that it has increased women

borrowers' economic independence, even if we seem to lack clear evidence that it has led to wider social or political empowerment.

Hulme and Moore's explanation of success invokes a number of our research framework elements, notably policy innovation and specification, implementation factors which include standardization and 'scaling up' of the distinctive Grameen borrower cell and group structure, effective human resource management, and policy transfer of the original Grameen Bank model to other Bangladeshi NGOs. Interestingly, government's role was mainly the passive one of not interfering with what the NGOs were doing.

Discussion of the importance of visionary leadership leads to a discussion of 'followership' in the form of the active participation of women borrowers themselves. Hulme and Moore suggest that we can best understand the latter as an instance of what Norman Uphoff, following Hirschman, has called 'social energy'.

Like Hulme and Moore, *Diana Mitlin* also discusses large-scale poverty reduction programmes in which nongovernmental actors play a significant role. Her particular interest is in housing programmes as poverty reduction instruments, and she uses the experience and evolution of four such programmes (in Chile, Mexico, Philippines and South Africa) as the basis for exploring the conditions under which housing programmes have been able to transfer substantial resources to poor people, on a large scale and over an extended period.

Central to Mitlin's argument is the notion that success in such programmes often has an inbuilt contradiction. In order to take poverty reduction programmes to scale – and thus engage in the types of redistribution that such a scaling up involves – it is very likely that state institutions will have to be involved, as was the case with Brazil's cash-transfer programmes. Likewise, large-scale delivery may require commercial private sector involvement. Of necessity, in other words, such programmes must be built on alliances. Yet incorporating such actors may pull programmes away from their core poverty reduction concerns. This happens for two reasons. First, political actors begin to see programmes as instruments of political benefit, and this can lead to changes in design and resource flows that reflect a compromise between poverty reduction and clientelism (in this sense Mitlin is less optimistic than Melo). Second, commercial actors are likely to push for programme designs that will maximize their earnings. In the case of housing programmes, this has meant favouring the provision of finished housing rather than self-provision, increasing unit costs and thus significantly reducing the number of households covered. The

alliances underlying 'successful' programmes thus constitute a field of continuing socio-political interaction in which arguments about design are really larger arguments in disguise about the overall patterns of benefit distribution that will derive from programmes.

Thus, like Grindle, Mitlin notes that successful programmes create interest groups that can then become an obstacle to policy evolution. The future evolution of these programmes comes to depend on the balance of power among the different interest groups. In this sense, for Mitlin, a poverty reduction programme can only really be considered successful when it also builds political capacities among the poor, so that programmes serve poverty reduction rather than political or economic gain.

That conclusion is endorsed by *Andrea Cornwall and Alex Shankland's* study of citizen participation in Brazil's National Health System. This system, the *Sistema Única de Saúde* (SUS), encompassed not just the nuts and bolts of health care provision but also an array of institutions fostering citizen participation at municipal, state and national (federal) levels. At the core of Cornwall's and Shankland's interpretation of the longevity of the SUS is the notion that practices and institutions of citizenship embodied within the system have ensured not only its survival, but also the continuation of a set of radical principles that underlay its original design. In other words, while the SUS depends on alliances every bit as much as Mitlin's housing programmes do, the emphasis on empowerment has stopped other interest groups from watering down its key features.

The authors describe the SUS as an exception in Latin America, in the way that it has retained its identity as a rights-based and publicly funded programme. It survived neoliberal shocks, won increased tax-based funding under the Cardoso government of the 1990s and early 2000s, and continued to expand. While as usual, 'success' is not total (some observers point to service quality horror stories), in terms of our framework it has survived regime transition, gone to scale, been associated with significant health indicator gains and done all this against the political odds, given the dominance of neoliberal principles in Latin American social policy. Out of a variety of possible explanations (the model's origins in social movements; the alliances between health system, government bodies and the private sector; and the leadership capacity of certain ministers), Shankland and Cornwall highlight the inclusion of hundreds of thousands of citizens in the governance of the SUS through health councils and conferences deliberating on SUS policy and practice. These spaces of participation have also served as vehicles

through which a range of other organizations, movements and cross-party groups have engaged in SUS governance, used the SUS and its underlying principles as a vehicle for promoting their own rights claims, and more generally come to identify with and defend the 'SUS project.'

Shankland and Cornwall's argument echoes Grindle's notion that policies create constituencies that proceed to defend the policies, as well as Mitlin's observation that those constituencies can have opposing interests. In this case, however, the emphasis is on processes of participation (rather than benefit distribution) as the vehicle through which constituencies are built.

Participation as a vehicle of constituency creation is also a theme of the final case chapter, which takes our enquiry into Africa. Beginning in 1995 a local planning, financing and governance model was introduced in Nampula province, northern Mozambique. Within five years it was being hailed as a success by Mozambique's Prime Minister, and donor and academic endorsement duly followed. *David Jackson* shows that while not fully embedded, by the time of writing the model was showing encouraging signs of durability, having put down some institutional roots and survived the replacement of key individuals who had sponsored it.

Jackson concentrates on the nature of the Nampula model and the evidence for its success. The model boils down to a series of District Development Plans which were implemented using a District Development Fund which the provincial administration made available to districts. He argues that although there is some evidence that this version of local planning has led to economic benefits, its principal value is political, in the contribution it has made to basic state legitimacy in the aftermath of civil war in a province neglected by both colonial and independent governments, where support for FRELIMO, the governing party, has been partial at best, and where freestanding donor-sponsored 'participative' projects have typically bypassed state structures. Jackson is careful to note the model's limitations. It is an exercise in deconcentration rather than full political decentralization; clear evidence of economic benefits is lacking; and attempts to replicate it elsewhere in Mozambique have had a patchy success. Yet unlike the policies discussed by Hofman and Grindle in this volume, the Nampula model has not outstayed its welcome, and Jackson therefore concludes with a plea for policymakers to be patient and to maintain their commitment.

An interesting feature of Jackson's chapter is his account of the operation of an informal policy coalition that has been crucial for policy ownership and success, but which has operated below the radar of

formal government and donor reporting, partly because coalition members believed that they needed to be all things to all people and tell different stakeholders what they wanted to hear.

With these different experiences in mind, our final chapter draws lessons from the seven cases, whose main elements are summarized in Table 9.1. We review the evidence that the policies have had a large-scale human development and social and political impact that has been sustained over at least a decade, often against the odds. We go on to extract three key factors that have enabled success across the cases as a whole: power in the shape of organizations and coalitions, leadership and institutional design; and we incorporate them into an account of the stages of development success which we label ‘institutionalized social energy’ (Table 9.2). In this account, an upsurge of ‘social energy’ generates a policy idea (or highlights an existing idea) around which a coalition assembles, which in turn throws up a leader who gets the idea on the policy agenda and overcomes opposition from supporters of the old dispensation. The coalition is then institutionalized, empowering beneficiaries and deflecting patrons and rent seekers, and the policy is consolidated through feedback to adapt it to changing circumstances. After some suggestions for further research and some tentative recommendations to policymakers, we close by inviting readers to join us in celebrating and drawing inspiration from the cases of development success which our collection has presented.

## Notes

- 1 Simon (1973). Copyright restrictions prevent us from quoting Simon’s pretty and witty words, but at the time of writing they were easily available via a well-known Internet search engine.
- 2 Cowen and Shenton (1998, 1996) distinguish between development as an immanent, unintentional process – as in the development of capitalism; and development as an intentional process, as in development policy and programmes.
- 3 Readers will note the multidimensional notion of poverty associated with livelihood and well-being approaches underlying this notion of assets. See, for instance, Bebbington (1999), Gough and McGregor (2007), Moser (1998), and World Bank (2000).
- 4 The notion of leadership on the part of both politicians and bureaucrats is often seen as an element in both capacity and political will. We discuss it below in the context of political economy factors.
- 5 See also the special issue of *World Development* on implementation: vol. 24, issue 9.
- 6 We wish to record again our gratitude to colleagues at our partner institutes, who identified several of the cases: Anne-Marie Goetz of IDS, Sussex for Chapters 2 and 7 and Michael Hubbard of IDD, Birmingham for Chapter 8.

# Subject Index

- administration
  - educational 89–90, 96
  - Javanese model of 67–8
  - microfinance 123
- agencies
  - donor 14
  - local 14
  - public 14
- Acquired Immune Deficiency Syndrome (AIDS) 11
- Angola 13
- Bangladesh 13
  - Chittagong University 109
  - government-funded microfinance institutions 134–7
  - Grameen bank 109–10, 124–6, 129–32, 216, 235 (*see also* microfinance)
  - household power structures 128
  - Islamic fundamentalists in 131
  - media in 131
  - see* microfinance
  - see* NGOs
  - Finnish Palli Karma-Sahayak Foundation (PKSF) 118–20
  - see* poverty
  - see* poverty reduction
  - Proshika 125
  - SafeSave 110
  - women 109, 116, 126–9
- Basic Income European Network 41
- Botswana 19
- bureaucracy
  - in Sri Lanka 17
- Benin 17
- Brazil 13, 33
  - action for combating hunger 49
  - Bolsa Alimentação 44–5
  - Bolsa Escola programme 30–1, 33–5, 40, 42, 44, 48–50
  - Bolsa Familia 40, 45, 50
  - Brazilian Social Democratic Party (PSDB) 36, 41
  - Cabo de Santo Agostinho Municipal Health Council (case study) 176–9
  - Cadastro Unico (unified registry of social programmes) 45
  - Caixa Economica Federal (National Savings Bank) 45
  - Campinas 42
  - Cardoso government 38–43, 45, 47, 164, 171–2
  - cash transfer programmes 30–51, 215–6
  - Catholic Church in 166, 174, 176, 184
  - Cidadania (citizenship) 175
  - citizens' constitution 163
  - Collor government 164, 170–1
  - Conselhos de Saúde (health councils) 166–8, 179
  - the constitution of 36, 38, 46–7, 164, 171
  - democratization in 22–34
  - see* economic crisis
  - feminist health movement 174–5, 183–4
  - Fome Zero programme 45, 50
  - Funde de Combate a Pobreza (Fund for Fighting Poverty) 46, 48
  - see* health
  - HIV/AIDS 175
  - hypothecated taxation
  - income transfers at federal level 43–4, 222, 235
  - indigenous peoples 168, 175, 179–82
  - infant mortality 178
  - see* IMF
  - Lei Orgânica da Saúde (basic health law) 164, 168
  - leprosy 184

- Lula administration 43, 50, 182  
 Lula's letter to the Brazilian people  
     45  
 macropolitics in 171–3  
 map of hunger 39  
 micropolitics 173–6  
 military 36  
 Minimum Income Guarantee  
     Programme  
 Movement for Ethics in Politics 38  
 Movimento Sanitarista (public  
     health movement) 167–9, 173  
*see* NGOs  
 Party of the Brazilian Democratic  
     Movement (PMDB) 36  
*see* politics  
*see* poverty reduction  
 Protestant Church  
 PT *see* Workers' Party  
 the Real Plan 38, 48  
 Rio Negro Special Indigenous  
     Health District (case study)  
     179  
 Sistema Único de Saúde (SUS –  
     national health system) 163,  
     165, 166–71, 216–7, 222  
     (funding 170)  
 social debt 38  
 state-led success 233–4  
 Workers' Party (PT) 36, 39–40,  
     47–9
- cash transfer programme  
     *see* Brazil  
 Chile  
     *see* housing subsidy programmes  
 civil service  
     pay reform 15  
     in Indonesia 53, 73  
 reform  
     Sri Lanka, in 17  
 Commission for Africa (UK's) 5, 8
- development success 21–3, 25, 27,  
     33, 211–44  
     capacity model of 8  
     and democracy 232–3  
     durability of 211–14  
     evidence of 214–17  
     exogenous shocks 7  
     in Indonesia 52, 57  
     'institutionalized social energy'  
         model 238–41  
     institutions 8  
     linear model of 7  
     naïve model of 7  
     nature of 211–14  
     participation as a vehicle of  
         constituency creation 28  
     political commitment (as a  
         requirement of) 9–10  
 development failure 1  
 development policy 3  
     actors 4, 11–12, 26, 31, 33–4  
     autonomy of 220–1  
     bandwagoning 34, 50  
     capitalist 4, 18  
     change 98–103  
     content of 10, 11  
     cycles; state-society relations  
         224–5  
     design and learning 222  
     diffusion 34  
     durability of 6, 31, 16, 79–80,  
         217–20  
     equilibria 93–6  
     ideas 222–3  
     implementation of 18–19, 230–1  
     import-substitution 80–3, 93  
     initiation of 15  
     leadership 17–18, 25–6, 31, 81,  
         227–30  
     networks 13, 17, 225–6  
     non-state actors in 225–6  
     participation 222  
     and the political environment  
         220, 223–4  
     public 14  
     reform 32, 34  
     refraction 235–7  
     scope of 17  
     state-society relations 17  
     transfer of 19, 234–5  
     varieties of 16, 98, 226–7  
 human development indicators  
     55,  
 social development  
     in Indonesia 56–7

- Department for International Development (DFID)  
 drivers of change project 2  
 DSEIs (Special Indigenous Health Districts) 180  
 Dutch East India Company 54
- economy  
 economic crisis 74  
   in Asia 53–4  
   in Brazil 166  
   in Indonesia 52–3, 63, 69, 74  
   in Latin America 85, 94–5  
 economic development 2, 99  
   in Mozambique  
 economic growth  
   in Indonesia 52, 54, 69–71, 73–4, 216  
   in Latin America 83–4  
 economic reform 81  
   in Indonesia 75  
 economic liberalisation 2, 25, 86, 97  
   in Latin America 94–8  
 education  
   basic education 81  
   in Latin America 88–93, 96–7, 214  
   for poverty reduction 81–2  
   primary education 16  
 European Union (EU) 21
- financial liquidity – *see* poverty  
 the Ford Foundation 75
- ghost workers  
   in Latin America 90  
 government 13  
   autocratic 16  
   impotence of 13  
   reform 5
- Harvard Institute of International Development 76  
 health 16  
   in Brazil 25, 27, 163–88, 216–7  
   in Chile 170, 186  
 High Performing Asian Economies (HPAEs) 52, 57  
 housing subsidy programmes  
   140–61  
   in Chile 142, 144–5 **146**, 217  
   funding 152–3  
   gentrification 143  
   hindrances (private/political interests) 153–6  
   housing improvement 142–5  
   in India 142–3  
   individual versus the collective 157–9  
   in Mexico 142, 144–5 **146–8**  
   *see* Millennium Development Goals  
   in Nigeria 142  
   NGOs 141, 143, 148–9, 160–1  
   in Peru 143  
   in the Philippines 144–5, **148–9**, 217  
   in South Africa 144–5, 217  
   scale of 151–3  
   state initiatives 142  
   success of 150–1, 159  
 human rights 14
- import substitution  
   *see* Latin America  
 income transfer programme  
   *see* Brazil  
   *see* cash transfer programme  
 India  
   economy of 5, 13  
   education in 2, 15  
   *see* housing subsidy programmes  
   Kerala 2, 5  
 Indonesia  
   agriculture 55, 59  
   army 58  
   Badan Perencanaan Nasional Planning Agency 57  
   balanced budget rule 58–9  
   capital account crisis 54  
   *see* civil service  
   communism 65–6  
   corruption in 52, 68–9  
   crony capitalism 64  
   *see* development success  
   Dutch economic interests in 55  
   economy 52–4  
   ethnic Chinese 64–5  
   *see* economic growth  
   financial sector policies 63

- Indonesia – *continued*  
 fixed exchange rate system 76  
 GDP 55–6  
 Gini index 55  
 Golkar 65–6  
 IBRA 73  
 industrial and trade policies 61–2  
 institutional underpinnings  
   65–73, 76–7  
 macroeconomic policies 58–9  
 military 65, 72  
 national car project 72  
 new order 52, 54, 57–60, 64, 68,  
   73–4  
 newly industrializing economies 61  
 oil 53, 55–6, 59–60, 62, 68  
 Pancasila 65  
 Pertamina crisis 53  
 politics 65–7  
   *see* poverty  
 the ‘technocrats’ 57–8, 75  
 ‘technologists’ 58  
 Tim Tarif (the tariff team) 63  
 inflation  
   hyperinflation 11  
 institutionalized social energy  
   237–41  
 International Monetary Fund (IMF)  
   in Brazil 47, 180  
   Indonesian salvage programme  
     71–3  
   in Latin America 95  
   supported stabilization programme  
     53  
 land reform  
   South Africa 17  
   Zimbabwe 17  
 Latin America 24–7, 32, 79–  
   agriculture 84  
   authoritarian regimes 16, 36  
   *see* economic crisis  
   *see* economic growth  
   *see* education  
   fuel prices 85  
   human welfare indicators 84  
   *see* IMF  
   import substitution 82–8, 93–4,  
     216, 235  
   indigenous peoples 89  
   industrialization of 82–  
   infant mortality rates 84  
   life expectancy 84  
   policy change 94  
   political systems 94  
   *see* poverty  
   presidents 95–6  
   reform of the social sectors 33  
   rural poverty 84–5  
   social funds 6  
   urbanisation 84  
   Washington consensus 93  
   *see* World Bank  
 Malaysia 18–19  
 Malta 21  
 Mauritius 19  
   economy of 2  
   free trade 2  
   patronage in 2  
 Mexico 218, 239  
   cash transfer programme  
     (Oportunidades, Progresa) 48  
   *see* housing subsidy programmes  
     142  
   Zedillo 48  
 microfinance 25–6, 105–39  
   in Afghanistan 120  
   BancoSol 121  
   in Bangladesh 105–39  
   Comilla model 107  
   Consultative Group to Assist the  
     Poorest *see* World Bank  
   consumption smoothing 114  
   Credit Development Forum (CDF)  
     111  
   ‘Credit-plus’ approach 108  
   criticism of 121–2  
   economic impact 113  
   feminist empowerment 128  
   financial sustainability 128  
   Gano Shahjayo Sngstha (GSS)  
     122  
   government-funded microfinance  
     institutions 107–8, 111–13,  
     123, 134–7  
   Grameen Bank model 26, 105,  
     107, 120, 123–4, 132

- the Grameen Bank Foundation 120
- implementation of 124
- in India 121
- microcredit summit 120, 131
- microstart 120–1
- national-level impact 117–18
- in Nigeria 121
- in the Philippines 121
- small and microenterprises (SMEs) 107
- social impact 116–17
- in Sri Lanka
- success of 114–15, 122–4, 129, 132, 134
- women 126–7
- millennium development goals
  - housing 142
- Mozambique 25, 29, 189–210
  - the coalition 193–4, 200–1, 203–5
  - constitutional reform 191
  - crops 200
  - direct consultative councils 198–9, 201, 208
  - see economic development*
  - economic outcomes of the Nampula model 199–200
  - independence 189–90
  - local governance 194–6
  - Maconde tribe 190
  - Macua ethnic group 190–1, 193
  - Malema district 207
  - Mogincual district 206
  - Mozambican National Liberation Front (FRELIMO) 190, 192
  - Mozambican National Resistance 190 (RENAMO) 192
  - Muecate district 206
- Nampula model 192–9, 215–7
  - durability of 202–3
  - implementation of 205–90
- national reconstruction plan 193
- Netherlands government 193, 205, 207
  - policy alliances 209–10
  - political outcomes of the Nampula model 200–2
  - pre-peace (1992) 190–2
  - strategic district planning 196–7
- tribes 192
  - see World Bank*
- Nigeria
  - see housing subsidy programmes*
- non governmental organisations (NGOs) 13–15, 35, 38
  - in Bangladesh 106, 109, 111, 121–2
  - in Brazil 38, 176–7
  - see housing subsidy programmes*
- Ohio state school 105
- Oil 7
- Palestine 13
- Peru
  - see housing subsidy programmes*
- Philippines
  - see housing subsidy programmes*
- police
  - violence 16
- policy, development
  - see development policy*
- politics
  - in Brazil 36–7
  - democracy 30, 32,
    - in Brazil 36–7
    - electoral competition 37
    - political competition 30
    - political leadership 30, 32, 34, 48
    - popular participation 30, 32
- poverty 53
  - in Bangladesh 115
  - in Indonesia 53, 55–6, 72–3
  - in Latin America 84–5
  - cash transfer programmes 23, 26, 48
    - see Brazil*
    - see Mexico*
    - see education*
  - housing programmes 24, 26
  - policies 22, 26–7
  - strategy papers 4, 14
- financial liquidity problems 108
- poverty reduction
  - in Bangladesh 114–15, 133
  - in Brazil 23, 26, 30, 38–42, 46–7

- PPFD (Projecto da Planificação e  
Financiamento Descentralizado)  
chapter 8 *passim*
- PTIP (Plano Trienal de Investimento  
Público) chapter 8 *passim*
- South Africa 26  
*see* housing subsidy programmes  
*see* land reform
- Sri Lanka 16  
*see* bureaucracy  
*see* civil service reform  
pro-Sinhala/anti-Tamil policies  
16
- SUS (Sistema Única de Saúde) 27,  
chapter 7 *passim* 216–17, 222
- Thai Baht crisis 52, 70–1
- Trade Unions 16
- World Bank 31, 48,  
Consultative Group to Assist the  
Poorest CGAP 120  
in Indonesia 52, 56, 69, 71  
in Latin America 88, 95  
in Mozambique 208–9
- Zimbabwe  
*see* land reform