

A ROUGH GUIDE TO THE WORLD DEVELOPMENT REPORT 2017

The annual World Development Report is a flagship publication of the World Bank, and often heralds or concretizes important paradigm shifts in development thinking and policy. The 2017 edition focused on Governance and the Law, examining why carefully designed policies fail or bad policies endure, with a focus on power asymmetry and equity in governance. It contains many lessons that are important to anyone interested in development or policy, especially in the context of the inclusion of Goal 16 on peace, governance and institutions in the 2030 Agenda for Sustainable Development. However, at over 300 pages, it can be a struggle to extract useful lessons.

This guide's main goal is to address the density of the report, breaking it down into digestible points that make it more accessible to all readers. Section One details some of the ways power asymmetries undermine carefully designed policy. Section Two provides information on how to achieve reform, with these power asymmetries in mind.

After summarizing the report's main ideas, the guide addresses a second weakness of the WDR: its lack of serious engagement with human rights. Given the human rights framework's demonstrated ability to shift the power dynamic in favor of oppressed individuals and groups, it seems like a natural fit for a report that deals with power asymmetry. While the WDR doesn't focus on human rights, it can certainly be used to improve human rights activism and advocacy. Therefore, the third section of this guide attempts to apply the lessons of the WDR—in particular the “policy effectiveness cycle”—more explicitly to economic, social and cultural rights (ESCR). The guide asks, How can human rights activists use the WDR's concepts as entry points for reform? Additionally, How can activists use the WDR's suggestions to strengthen ESCR within human rights arenas?

1. UNDERSTANDING WHY POLICIES FAIL

According to the WDR, good governance and development have three goals: *security*, which allows people to live without the threat of violence; *growth*, or the promotion of prosperity; and *equity*, ensuring that prosperity is broadly shared. These dimensions should be stable enough to ensure that development continues in the long term.

Effective policy is central to good governance. According to the WDR, there are three basic elements that contribute to effective policy: *commitment*, *coordination*, and *cooperation*:

- **Commitment** refers to action by institutions (a political science term that refers to both formal and informal organizations and norms that order society) that make their policies credible. Credible commitment allows actors to rely on the status quo by making state action and non-state actors' responses predictable.
- **Coordination** refers to actors working toward the same goals so the execution of policy is efficient. If actors work against one another, policy has little chance of succeeding.
- **Cooperation** refers to all actors being willing to contribute (e.g., through taxation) to the provision of high-quality public goods. Cooperation depends on successful redistribution: citizens must be willing to contribute and the state must successfully deliver high quality public goods, like education or healthcare, that benefit everyone in society (especially marginalized individuals and groups who depend the most on public services).

These underlying determinants of policy effectiveness depend on how actors bargain in the



policy arena. Policy arenas vary widely and there are many in each national context, shaped thematically. The actors who influence educational policy may have little to no influence on health, for example.

The WDR classifies actors in the policy arena as either *elites* or *citizens*. *Elites* are members of any group with meaningful input to the policy arena; these actors are the decision makers and have direct influence on policy. By contrast, *citizens* are the people who feel the impact of the decisions that are made. According to the WDR, their impact in the policy arena is generally indirect, although important due to voting and social pressure.

Understanding *power* and *power asymmetry* is central to understanding the policy arena. All too often, power asymmetries distort the policy arena, leading to *exclusion*, *capture*, and *clientelism*:

- **Exclusion** refers to elite groups using their power to prevent others from accessing services, institutions and resources. Society's most marginalized groups are generally the targets of such deprivation.
- With many groups excluded from the policy arena, those with more power and political influence direct and use policy to their advantage. This process is called **capture**.
- Lastly, **clientelism** occurs when elites use their privilege to provide short-term benefit to attract the marginalized to the cause, while working against change in the medium and long term. Populist movements worldwide are heavily clientelist. According to the WDR, this is particularly troubling when trying to implement policy that claims to tackle inequality. Many policies have long term equality benefits, but short-term costs to some; frequently, they are undermined by citizens who benefit in the short-term, resulting in more inequality overall.

The WDR is critical of efforts to reform policies that fail to interrogate and grapple with these different effects of power asymmetry—whether between rival elites, citizens and elites, or opposing citizens. It argues that such efforts, which often import “best practice” solutions that have worked in other contexts, focus too much on the “form” of institutions

in the policy arena (i.e. how they are designed on paper) and not enough on their “function” (i.e. how they operate in practice). Creating holistic change depends on redistributing the balance of power within the policy arena; to do that, it is important, again, to consider each institution's unique distribution of power and responsibility.

2. LEVERS AND DRIVERS OF CHANGE

According to the WDR, one of the first things to consider when seeking to reform policy is where to intervene to create change. Holistic change is central to achieving good governance and change happens via two channels: *outcomes* and *rules*. Change in outcomes includes budgetary allocations, investment decisions, or provision of restitution to people whose rights have been violated, for example. However, holistic change happens at the rules level. For example, when new regulations or legal entitlements are introduced. Here, change shapes future outcomes as well as current ones.

The next question the WDR considers is what needs to be adjusted in the policy arena in order to facilitate changes in outcomes or rules. The WDR identifies three “levers” of change: *contestability*, *incentives*, and *preferences and beliefs*:

- A **contestable** policy arena is one where all groups with a stake in the policy are able to meaningfully participate. This inclusion enables more *cooperation* among actors, and increases the perception that policy formation is fair.
- **Incentives**, like punishment for noncompliance and rewards for compliance, increase *commitment* by actors to consistent policies, even in the face of a changing policy arena.
- Changing **preferences and beliefs** is a way to ensure *coordination* among actors: making the cost of noncompliance high ensures actors will follow advantageous pathways to development. For example, a successful anti-air pollution campaign would make future polluters much more susceptible to public outrage and political backlash—in effect, changing the preference of the industry to refrain from polluting, in accordance with shared public beliefs.

The lever to prioritize depends on whether it is commitment, coordination, or cooperation that is compromised.

Changes in contestability, incentives, and preferences can generally be achieved by shifting the balance of power in the policy arena. The WDR identifies three “drivers” that can accomplish this redistribution: *elite bargains*, *citizen-led change*, and *international pressure*.

Elite bargains occur when elites try to retain their power in the long term by limiting it in the short term. When citizens are deeply unhappy, elites should be concerned. If they sense that their position is in jeopardy, they may introduce accountability mechanisms to appease citizens, for example. Accountability can be redistributed vertically, to include more citizens’ voices in the policy arena, or horizontally to other groups of elites:

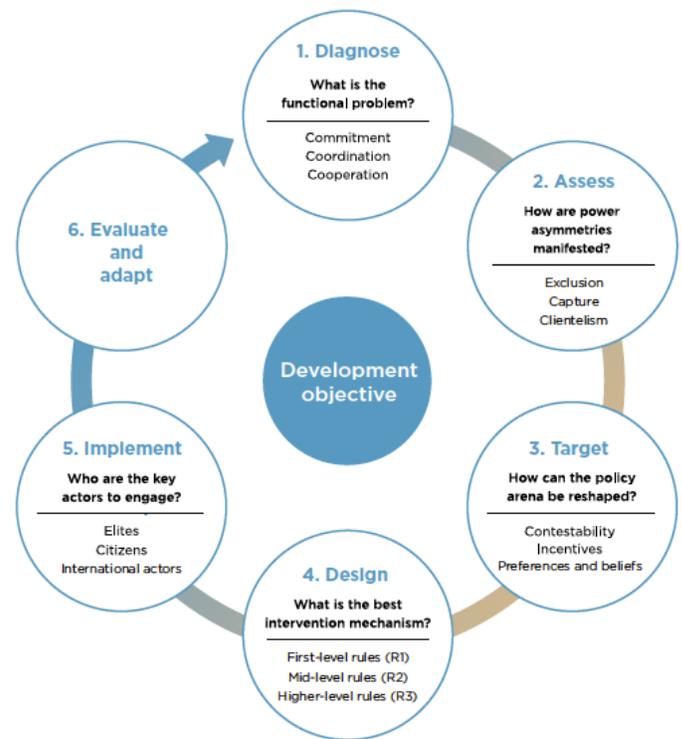
- Participatory budgeting is an example of redistributing accountability **vertically**: citizens gain new and potentially meaningful input into the budget process, even though elites stay in power and the policy arena does not change significantly.
- Redistributing power **horizontally** generally means establishing or reforming formal legal institutions, such as courts, prosecutors and police. Oversight bodies, such as ombudsmen, auditors, and anticorruption or human rights commissions and executive agencies that administer public services are all bodies that can share power.

In each of these scenarios, elites limit their power slightly to avoid systematic overhauls. However, even slight constraints to their power can lead elites to change their *preferences* about accountability. Changing preferences often leads to more engagement and *contestability* by citizens and, in turn, less powerful elites.

Citizen-led change, by contrast, generally aims to introduce new accountability mechanisms from the bottom. Expanding voting rights by making it easier to vote, forming thematic and competitive political parties, and forming social organizations like ombudspersons’ offices are all ways to introduce

citizen-led change. These types of change generally enhance *contestability* by expanding citizens’ access to the policy arena. Additionally, newly established institutions like ombudspersons’ offices and political parties may have the power to *incentivize* change, or to enter into bargains with elites.

Lastly, international pressure is useful to many types of elite and citizen actors who want to change the policy arena. International agreements may produce the external pressure elites need to change their *preferences* and to induce *cooperation* with citizens. Depending on the treaty, there could be a very high cost to resisting change.



The concepts defined above are part of what the WDR calls the “policy effectiveness cycle.”

Interestingly, the WDR does in one or two places highlight human rights as a tool to shape preferences and beliefs, and to engage with international actors in a variety of policy arenas. In particular, it cites a number of human rights treaties as game changers for citizens in a host of policy arenas. Treaties and associated treaty bodies can shift elites’ *preferences*, increase the policy arena’s *contestability* by amplifying citizen voice, or

incentivize elites to listen by inspiring large social movements based on international law.

3. STRENGTHENING HUMAN RIGHTS ADVOCACY

This section provides an outline for applying the findings of the WDR and its policy effectiveness cycle (diagram above) to advocacy on economic and social rights in relevant policy arenas. As described further below, this cycle—essentially the means by which to create change—could be very useful in designing effective rights-based advocacy that seeks to achieve policy reform.

The first step in the cycle—**diagnosis**—encourages advocates to diagnose the source of the problem by considering how institutions function. The second step involves **assessing** the contribution of power asymmetries to the functional failure identified in step one. These two steps are critical to understanding why policies fail. For example, privatizing services essential for realizing economic and social rights (such as water, health and education) can lead to *capture* and *clientelism*.

Examining how power asymmetries create functional problems is an important component of OPERA, an analytical framework developed by CESR that groups various ESCR norms into four steps: Outcomes, Policy Efforts, Resources, and Assessment. Assessment considers contextual factors impacting rights holders' ability to claim their rights and duty bearers' capacity to meet their obligations. The questions posed in the WDR's "Diagnose and Assess" steps can help facilitate this contextual analysis, encouraging activists to thoughtfully estimate the effects of power asymmetries on rights enjoyment—remembering that every policy arena has different actors and balance of power.

For example, a project undertaken by CESR in Guatemala in 2009 found that the rights to health, food, and education were undermined by a disproportionately concentrated and powerful group of economic elites. *Capture* by these elites has resulted in many benefits for the top of society: taxes were regressive (i.e. taking up a larger share of poor citizens' income); educational spending was intensely concentrated in richer urban centers; and

health services were mostly in Spanish, making them inaccessible for indigenous communities. Elites' advantages were so entrenched that the economic system and regulatory structure disproportionately favored them and actively *excluded* poorer and indigenous communities. Furthermore, even policies intended to help disadvantaged groups tended to be *clientelistic*. Payments were inadequate and were mostly given to community councils, creating the illusion of participation. The state had failed to foster the underlying determinants of good policy and so failed to address power asymmetries.

The next three steps detail how to achieve policy reform. Step three—**target**—considers what needs to change within the policy arena. Step four—**design**—goes further, and asks specifically where to make an intervention. Do advocates want to change outcomes, change short-term rules, or shape future outcomes through long-term rule changes and power redistribution? Step five—**implementation**—considers which actors to engage. These are all relevant considerations in human rights advocacy, at different times. However, often they're not analyzed as explicitly by activists as they could be.

In terms of **where to intervene**, human rights activism might focus on remedying a specific injustice, changing laws and policies to be in line with human rights norms, or developing a long-term, redistributive plan towards progressive realization. For example, governments and actors such as international financial institutions often focus on elite bargains that offer comparatively easy wins for economic and social rights through small or targeted programs (e.g. conditional cash transfer programs to the poorest). While these interventions may slightly change outcomes by alleviating deprivation, they do not alter the higher-level rules which create poverty and inequality in the first place. Human rights documentation makes violations more visible and humanizes policy, increasing *contestability* in the arena. International human rights norms can be used to question dogma around austerity, for example. Strengthened accountability structures *incentivize* elites to include citizens more directly, and campaigns by activists can shape the public's and elites' *preferences and beliefs*.

In terms of **key actors**, human rights activists span a wide range of identities in various policy arenas. At times, rights activists may be elites. An ombudsperson or rights-based funding group may have outsized influence in the policy arena, for example. Activists could be rights holders seeking redress for violations or accountability of elite actors. They could be reformers seeking more participation in governance, or a host of other identities. Of course, human rights activists also have an explicit connection to international actors—they follow the principles and norms of the international agreements that constitute human rights law. Therefore, activists of all stripes can approach holistic change from many angles, but efforts should be targeted and comprehensive. An example often cited is the Treatment Action Campaign (TAC) in South Africa, which united a number of actors and approaches to pursue access to anti-retroviral drugs for poor South Africans living with HIV/AIDS. TAC wielded the law strategically, but also built pressure from the bottom up using campaigning tools—to great success.

The last step is to **evaluate and adapt** before returning to the beginning of the cycle. For activists working on ESCR this is an especially important step because they focus mostly on rights which require progressive realization. Advocacy on ESCR depends on continued involvement, as power within the policy arenas in which they operate is redistributed. For example, continued improvement to and investment in national health care schemes, or increased procurement of public goods like education, are reforms that depend on long-term engagement by activists with elites, to some degree.

In addition to playing a role in other policy arenas, human rights have their own arenas of action, advocacy and policy—spaces where actors negotiate the enforcement of rights. As such, it is not immune to the problems identified in the WDR: lack of commitment, coordination and cooperation; power asymmetries; importing supposed “best practice” solutions and prioritizing form over function. Indeed, as the “human rights-based approach” has become more widely accepted and mainstream, some human rights arenas have become increasingly professionalized and technocratic, especially at the international and national levels. This risks an over reliance on “checking-the-box” approaches to implementation as certain “fixes” are pulled from the

human rights “toolbox.” Setting up national human rights institutions (NHRIs), developing national action plans, training for civil servants, and issuing reports, are all examples of institutional *forms* within the human rights arena. While often very valuable, they vary greatly in terms of how effectively they function, especially in terms of how effectively they protect ESCR. A critical examination of the human rights arena through the lens of the policy effectiveness cycle may therefore prove useful:

1. **What are the functional problems?** Have all or most actors in a particular human rights arena agreed upon the best course of action? Is there widespread *commitment* to that course of action, meaning actors are predictable in their interventions? Is there *coordination* and *cooperation*? Respectively, these concepts assess whether actors are all working toward the same goal (and not competing) and if they are willing to “pay in” to the broad goals. Arguably, commitment towards ESCR is weak in some arenas, resulting in less coordination and cooperation, including funding, for ESCR.
2. **How are power asymmetries manifested?** *Exclusion* happens frequently in human rights arenas. State actors are often among the most powerful in this space, and often silence critics of their policies. *Capture* and *clientelism* can certainly come into play. Large organizations with an outsized voice and outside connections can frequently *capture* resources and attention from smaller actors, including community groups and social movements in the Global South, and sometimes unwittingly subvert or undermine their goals by skewing the agenda away from their priority concerns—again this can be to the detriment of ESCR.
3. **How can the policy arena be reshaped?** The WDR states that transnational rules (like the Universal Declaration on Human Rights and the International Covenant on Economic, Social and Cultural Rights) can be used to shape *preferences*. This means that even “citizens” in human rights arenas, like civil society organizations or individuals who have little power, can point to international mechanisms for backing, and therefore have more potential to create change in the face of elite opposition.

This backing points to increased *contestability* that stems from international human rights agreements. Transnational cooperation can also be used as an *incentive* to spur change; advocacy that spans states and continents makes it difficult for elites not to get involved. For example, for more than 15 years, the NGO Coalition for the Optional Protocol to the Covenant on Economic, Social and Cultural Rights, coordinated by ESCR-Net, led civil society efforts to secure the establishment of an international complaints mechanism for ESCR.

4. **What is the best intervention mechanism?** Human rights actors engage with different levels of rules at different times. First level rules may involve securing recompense for a person whose rights were deprived—a response to violation of a primary rule. At other times, human rights activists may seek to change the higher level rules of the game entirely. Indeed, effective protection of ESCR in particular will almost always require high level rule change, because deprivations or violations of ESCR are typically systemic. In Ireland, for example, the 2014 Constitutional Convention voted to afford greater constitutional protection for ESCR following dedicated national advocacy.
5. **Who are the key actors to engage?** Frequently, the lines are blurred in the human rights arena between *elites*, *citizens*, or *international actors*. Almost all have the backing of international rules (like treaties) that increase their profile in the policy arena – and many also engage regularly with international bodies such as the UN. Careful consideration should be given to each case to determine which actors are powerful and which strategies in the WDR will be the most effective in reducing power asymmetries. For example, often ministries of justice or foreign affairs are responsible for recommendations from UN bodies, while their remit on ESCR is fairly limited.
6. **Evaluate and Adapt:** this might be the most important stage for human rights activists – or any other actor in the human rights arena. Have the actors involved been evaluated using a tool like the policy effectiveness cycle or power analysis? Are all actors avoiding supposed “best

practice” solutions that might be useless given the particular situation’s power asymmetries?

CONCLUSION

Human rights provide a powerful framework for equality and social change, and invoking rights in a variety of policy arenas has led to desirable changes in outcomes and rules. Invoking and applying ESCR should undoubtedly continue to be used as a lever for change; but a fresh look at the strategies and tactics being used is greatly needed. Tensions and power asymmetries between UN bodies, donors, civil society organizations, and grassroots activists could be more honestly confronted, analyzed and addressed. A direct look at human rights actors and their strategies could make engagement with policymakers in different arenas more effective, including in new arenas such as economic policy.

This discussion of the WDR outlines its suggestions for the diagnosis and correction of policy failures, and explains how it may be a potentially powerful tool for human rights activists. In particular, the policy effectiveness cycle provides a useful lens for human rights actors to use while designing advocacy, whether it be from the grassroots, a National Human Rights Institution, or civil society.

Although the WDR has its shortcomings, it does provide important insight into the power structures that help and hurt development. Its insights are valuable for anyone trying to catalyze reform; without a thorough understanding of how power affects governance and development, it would be impossible to establish holistic, human rights-based change. Meanwhile, human rights work is fundamentally about transforming power relations, and human rights provide norms, discourses, approaches, tools and analyses that can be wielded to encourage or mandate such change. It is our hope that activists will use the report to enhance their advocacy, and to enter into more discourse that breaks down institutional power asymmetries.

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