Social Institutions and the Development Process: 
Using Cross-Disciplinary Insights to Build an Alternative Aid Architecture

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Abstract

The development process in any society fundamentally transforms its social institutions—i.e., its kinship structures, rules systems, civic organizations, religious sensibilities, identities, norms, and networks. These transformations often occur in idiosyncratic and unsettling ways over non-linear trajectories, and thereby routinely defy technocratic attempts to fully anticipate, understand and respond to them. Our contemporary international aid architecture, however, was not designed to address social institutional concerns, and as such often struggles to engage with them even as it increasingly finds itself needing to do so (e.g., in fragile states). For communities and countries to prosper in ways that are—and are broadly perceived to be—legitimate and inclusive, a rather different approach to engaging with social institutions is needed. Insights from across the social sciences are giving rise to such alternatives (examples are provided), supported by an expanding global social movement; initial results are promising but it remains to be seen whether and how these can gain broader traction and impact.

1. The views expressed in this paper are those of the author alone, and should not be attributed to the World Bank, its Executive Directors and the countries they represent. This paper summaries the key messages of a large class I have taught for eleven years at Harvard Kennedy School, and as such it has been keenly informed and immensely improved by the many contributions made by the hundreds of extraordinary students I have been privileged to work with (and from whom I continue to learn long after graduation). My thanks to the editor for the opportunity to prepare this paper, and for comments from two anonymous referees. In keeping with the spirit of this journal, I have drawn upon many forms and sources of evidence across several disciplines to provide a “big picture” account of the role of social institutions in the development process; my apologies in advance to individual specialists who know only too well that matters in their particular domain of inquiry are more complex, nuanced and/or contested than I may have portrayed them.
Introduction

Most people for most of history have deployed various social institutions—i.e., their kinship systems, community organizations, religions, norms, languages, and networks—as their primary instrumental resource for survival (“getting by”) and mobility (“getting ahead”); they have also regarded these institutions as intrinsically central to their identities, to shaping their values, aspirations and preferences, and to how they make sense of the world. In only a small fraction of human history—perhaps the last 2,500 of the previous 100,000 years—has something other than social institutions guided order, meaning, and exchange. Even in recent centuries, with the advent of the modern state and its associated legal systems, the influence of social institutions has merely changed rather than receded. The constant throughout this long (and ongoing) human journey—or what Albert Hirschman delightfully calls “the epic adventure of development”2—has been the indelible manner in which the development process has both transformed social institutions and been transformed by them, often in idiosyncratic and unsettling ways that routinely defy technocratic attempts to fully anticipate, understand and respond to them.

In poor and rich countries alike, development processes—expanding education access and quality, improving physical infrastructure, raising health outcomes, increasing prosperity, ensuring greater social inclusion and economic opportunity, enhancing the effectiveness and legitimacy of political institutions—both alter and are altered by social institutions. Development processes change, among other things, the basis on which wealth and inequality itself is determined, the nature and extent of our social interactions, the conditions under which the boundaries defining “us” and “them” become politically salient, the terms on which people relate to one another, the accommodations and legitimacy conferred upon elites, how status is attained, how events (whether beneficial or harmful) are interpreted, how and by whom disputes are resolved, what is considered normal and normative (of self, others, the government), and how the “social contract” binding citizens and the state is structured and negotiated. Whether and how these vexing issues are addressed during the development process—and the potentially existential grievances they elicit—has a major bearing on the legitimacy accorded the change process itself, and thus its long-term viability. In

their own way, OECD countries, no less than those in South Asia, Africa, the Middle East, and Latin America, all face these very concerns today, and will continue to do so; “the epic adventure of development” is epic precisely because its social institutional challenges are never finally resolved. Development is always and everywhere a contested, fraught, and fragile process.

Compounding these challenges is the fact that our prevailing international aid architecture was primarily established to address concerns pertaining to macroeconomics, finance, trade, and infrastructure, not social change, institutional reform, service delivery, and governance (see Ekbladh 2010). Moreover, the design, implementation, and assessment of development interventions that explicitly engage with social institutions requires recourse to theory and methods from across the social sciences—put differently, it requires access to an ecology of ideas and epistemologies best suited to addressing the array of particular questions that social institutions generate. These challenges are especially stark in the sectoral realms of risk management, dispute resolution, governance reform, service delivery and economic exchange—since every society, to be a society, has some form of prevailing system for addressing each of them, which “development” then challenges and—whether by design or circumstance—changes, at best benefiting many but always hurting some. As such, the enduring development challenge remains one of incrementally forging coherently complementary relationships between social and “formal” institutions, relationships that can function equitably, at scale, under stress, and that are a product of processes perceived to be locally legitimate. This article explores these claims in greater depth, concluding with some of the implications of them for contemporary policy and practice, especially as it pertains to incorporating social institutions into development strategies.

In the Beginning: Evolving Conceptions of Social Institutions and Development

Historians have rightly noted that there have been multiple and early “modernities” (Wong 1997; *Daedalus* 1998, 2000; Starr 2013). It is vastly beyond the scope of this article to summarize these initial periods of “development” or explore the reasons why they (for the most part) did not endure—except to note in passing that social and political institutions often played a central role.3 The

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3. See Pomeranz (2001) on why, for example, China’s numerous pioneering technological inventions did not lead to broad-based prosperity and territorial expansion, but rather, over time, a “great divergence” from Europe’s rising standards of living.
core logics and practice of development today emerged in the post-colonial moment (i.e., the decades following World War II); this moment, in turn, was a product of mutually reinforcing transformations in ideas and institutions (social, economic, political, and administrative) that made not only colonialism itself possible and desirable, but related (sometimes countervailing) concepts such as “progress,” “growth,” “rights,” and “improvement” (Lasch 1991). These systemic transformations coalesced with the European Enlightenment in the eighteenth century, and over the course of the last three hundred years or so have been altered, refined and extended, to the point that, in 2015, 193 countries in the world—a veritable global consensus—could commit themselves to achieving 17 “Sustainable Development Goals.”

Over this time period, theorists and practitioners of development have oscillated between four different views of social institutions: (1) as problem—in which customs and traditions are regarded as vestiges of “backwardness,” a hindrance to “improvement,” a debilitating legacy of pre-modern times needing to be overcome as rapidly as possible (violently if necessary, in the view of certain autocrats), if “progress” is to be assured; (2) as irrelevant—as at best “epiphenomena” that are manifestations of more fundamental underlying economic and political forces, and thus not really worthy of serious independent inquiry; (3) as sacrosanct—each of the world’s seven thousand languages and corresponding cultures constituting marvelously unique instances of human creativity and diversity, together cumulatively comprising a veritable “ethnosphere,” any loss of which is akin to “a bomb going off in the Louvre” and thus needing to be protected with the same moral fervor currently afforded species extinction; and (4) as solution—“the missing link” for enhancing economic development outcomes, “making democracy work” and improving the efficacy of development policies and projects. Variations on these four perspectives continue to shape debates and policy today, as we shall see.

This three-hundred-year period, and especially the last five decades, has been characterized by spectacular, unprecedented increases in human welfare (Kenny 2012, Radelet 2014); in many respects, and despite what the daily headlines might imply, now is the best time to be alive, ever. Even so, truly daunting opportunities and challenges remain to prevent existing gains from

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5. On social relations as “the missing link” see Grootaert (1997), and as the key to “making democracy work,” see Putnam (1993).
unraveling (see contemporary Venezuela), and to extend these opportunities to everyone everywhere, including the most marginalized groups living in the most dangerous places. This is the central aspiration underpinning the idea, and the business, of “international development.” The legitimacy of the process by which change of this magnitude happens, however, is crucial, as is enabling those most affected by it to retain an abiding sense of agency regarding their group’s cultural integrity and coherence. As Nobel laureate Robert Fogel (2004) has argued, in the larger historical sense we are now entering the fourth century of a remarkable four-hundred-year period, from roughly 1700 to 2100, during which, if past trends continue, “premature death and hunger” will largely be eradicated from the earth. The burden on those alive today is thus extraordinary: will the past three hundred years of rapidly rising living standards be maintained and extended to all—as it is now technically possible to do—or will the long-standing human dream to end want and war be thwarted yet again? Can the road to prosperity in today’s global South be somehow less tumultuous and violent than it was in today’s global North during its development journey?

To better engage these questions, it is important to understand the broad contours of the human journey thus far, and the vital role social institutions have played in them. Recent research in population genetics is transforming our understanding of human prehistory and, in the process, demonstrating almost conclusively that all seven billion of us are 99.9 percent genetically identical. It shows that, some 2,500 generations (or 60,000 years) ago, our forebears—perhaps as few as a hundred—walked out of Africa and began an extraordinary journey that took them along various routes into (what is now) Europe, across Asia, down

6. Including the opportunity to reject those opportunities; Scott (2009) documents the case of groups in South East Asia who for centuries have actively resisted being incorporated into a formal state.

7. Assuming widespread destruction from war and climate change can be avoided.

8. Visitors to the United Nations headquarters in New York are greeted with this passage from the Biblical book of Isaiah, now literally chiseled in stone but initially penned some 2,500 years ago: “They shall beat their swords into ploughshares, and their spears into pruning hooks. Nations shall not lift up sword against nation. Neither shall they learn war any more.”

9. Popular summaries of this rapidly expanding literature can be found in Wade (2006), Roberts (2009) and Fukuyama (2012).
into Australia and throughout the Pacific islands, while others headed north across the Bering Straight (when it was an ice bridge) into North and eventually South America. How did they do it? By inventing thousands of different social institutions—languages, religions and informal “rules systems”—facilitating qualitative improvements in cognitive capacity, collective action, technological capability and strategic cooperation. This enabled increasingly large groups to accomplish together—for better (navigation, technological innovation, trade, artistic creations) and for worse (devastating wars, violent conquest, environmental collapse)—what had been previously unthinkable, let alone doable, by small, isolated, pre-lingual familial bands.

Languages, religions and rules systems were the social institutional “tools” by which the core familial unit—“the sociological equivalent of the atom” (Davis 2009)—was “scaled up” into political and economic organizations, but it was the “scaled down” “invention of individualism” (Siedentop 2015) culminating in the Enlightenment that completed the “splitting” process; together with the contemporaneous advent of science and technologies yielding unprecedented improvements in productivity, it truly revolutionized what humanity was capable of. The pace, dynamics and legitimacy of change, however, varied enormously across different ecological and cultural contexts, generating, over time and space, huge variations in economic wealth, technological sophistication, military power, cultural expressions, and meaning systems to make sense of it all. Social science emerged in the eighteenth century to retain the “split atom’s” coherence—to reconcile, explain, harness and (where necessary) constrain modernity’s twin forces of individualism (choice, agency, rights) and “perpetually lived” organizations (systems, structures, responsibilities). How history itself was understood was also transformed, as were the processes by group biographies were told and recounted (Burrow 2008); but these changes generated enormous contention, not least from those whose stature, livelihoods, and interests were directly threatened by them. In certain quarters, history itself (along with anthropology and to a lesser extent sociology) was invoked to mount a backlash against modern ideas—especially the notions of gender and racial equality—even as change was construed in quasi-evolutionary terms as a process by which humanity itself “progresses” from savagery to barbarism to civilization, with disastrous consequences for certain social groups (e.g., indigenous populations)

10. While Australia was settled some 50,000 years ago, humans did not arrive in New Zealand until around 1300.
deemed to be “backward” (or not even human). Colonial expansion and conquest was justified in no small part by this logic.

Great Transformations (and Their Discontents): All that is Fluid Freezes into Slush

If the invention of organizations and individualism “conceived” the modern world, it was then “born” in the late eighteenth century with a series of tumultuous revolutions—French, American, Industrial, “Industrious,” and Romantic. These revolutions fundamentally altered basic understandings of the formal rights, freedoms, and responsibilities of individuals (vis-à-vis other individuals, groups, and the state), the limits of state and religious authority, the pace and desirability of technological advance, and the scale and legitimacy of commercial activity (e.g., money-lending and free trade on the “supply side,” aspiration and consumerism on the “demand side”). The centrally disruptive process underpinning these changes was the steady expansion of capitalism and technological change, a “relentless revolution” (Appleby 2010) of “creative destruction” (Schumpeter) which continues to unfold today. But how did it begin? Why did it do so in England—on a small, rain-soaked island on the periphery of the (then) world economy, whose inhabitants spoke an obscure mash-up language and lived under a strange, idiosyncratic legal system? How did it sustain itself there where previous “take-offs” elsewhere (Egypt, Central Asia, China) had petered out?

For the nineteenth century observers of proto-modernity, the “great transformations” were obliterating centuries of tradition and social life; “all that is solid melts into air,” as Marx famously put it. These transformations were experienced with a mixture of wonder and trepidation; new technologies and industrial arrangements were vastly improving productivity in factories and farms and reducing household drudgery (e.g., how long it took to wash clothes), even as it was evident that these advances came at a high price, especially for the poor and vulnerable. Novelists such as Dickens and Elliot elevated their art form to new


12. The notion of an “industrious” revolution (in values and work ethics) as a necessary complement to the Industrial Revolution comes from de Vries (2008); on the importance of the Romantic revolution, see Blanning (2008).

13. On the broader role of how history (both the discipline and “the past”) might contributed to contemporary development policy, see Woolcock, Szreter, and Rao (2011).
levels in a bid to rouse the sympathy of elites, whom they regarded as willfully ignorant of the pernicious hardships endured in the teeming urban slums and workhouses;\textsuperscript{14} and of social movements, which transformed responses to dire public health, human rights and labor rights concerns. Beyond Europe, however, “the acids of modernity” (as Walter Lippmann called them) did not always arrive passively or emerge organically; it was often imported wholesale by empire builders in the name of some combination of commerce, “civilization,” and Christianity (or military expedience). The different types of institutions put in place by colonialists—the design of which varied according to whether the colonialists themselves were “extractors” or “settlers” (Acemoglu, Johnson and Robinson 2001), and whether the institutional mechanisms that initially worked for the few eventually came to work for the many (Acemoglu and Robinson 2012)—had enduring consequences for the country’s development trajectory.\textsuperscript{15}

But colonialism was not always and everywhere a one-way process of imposition and suppression (Bayly 2004); indigenous elites—whether seeking to actively resist, passively co-opt or openly embrace foreign ideas and institutions—borrowed or devised strategies that, when enacted, had varying degrees of effectiveness, in the process further generating uniquely hybrid institutional arrangements around the world (e.g., India’s political and administrative structures).

This first era of globalization, which unfolded over the course of the “long” nineteenth century, came to a crushing end with World War I; failure, in turn, to manage the war’s aftermath (in part through the League of Nations) both delegitimized internationalism as a political project and brought on the further devastation of the Great Depression, and in its turn, World War II (Freiden 2006). Modernity’s most powerful inventions—nation states, capitalism/communism, secular ideology, and rational bureaucracy—were transparently capable of total, complete, self-destruction. That this has not happened again is testament to the talents and persistence of the “great generation” that in the 1940s fought for, devised, and then implemented a new international architecture that salvaged both the idea and the practice of globalization, capitalism, social equality and democracy, ensuring (so far) that the awesome powers of modernity have been

\begin{itemize}
  \item \textsuperscript{14} On the distinctive ways in which fiction (vis-à-vis academic scholarship and policy reports) renders issues pertaining to poverty and development, see Lewis, Rodgers, and Woolcock (2008).
  \item \textsuperscript{15} An insightful critique of the epistemological underpinnings of Acemoglu and Robinson’s historiography is provided in Bayly (2011).
\end{itemize}
mostly harnessed for the general enhancement of human welfare. Good luck and patience also played an important role (it was never self-evident or inevitable that the Cold War would end the way it did), but even so, as the “early modernities” of China in the sixteenth century show, as the early twentieth-century experience of Europe shows, and as certain countries today (e.g., Venezuela, Zimbabwe) still show, modernity’s gains can all unravel, quickly and violently. There is nothing certain or inexorable about human “progress,” and its attainment nearly always comes at a high price for those least well-placed to respond to its demands. Widespread peace, democracy, social equality, clean water, safe food, public health systems, education and prosperity—i.e., “development”—is a marvelous, wondrous, deeply precarious accomplishment.

But in these early decades of the twenty-first century, this sensibility of how the modern world came to be, of the alternative paths that could have been taken at any number of historical junctures, of how inherently disruptive modernity has been (and continues to be) for prevailing ideas, political systems and social institutional arrangements, and how fraught with uncertainty anyone’s actions to engineer “progress” necessarily are, is not how the “problem” of development—and its corresponding “solutions”—is generally understood. Changing this requires not just a stronger historical sensibility among contemporary development professionals, but an appreciation of the enduring role of social institutions today.

Remaking the Development Project: Beating Something with Something Better

The absence of a more granular understanding of how today’s well-functioning political, economic and legal institutions came to be, and the central role that social institutions played in these processes, has reinforced broader organizational imperatives to see “institution building” as largely a matter of adopting international standards, procedures, and “best practices” (Andrews 2013). To more fully appreciate the need for an alternative approach, it is important to get a better grasp of the enduring significance of social institutions today, and to


17. The disruptive nature of social, economic and political change has a long pedigree, but finds its most detailed expression in Moore (1965) and Huntington (1968). More recently, see Scott (1998), Bates (2010), Fukuyama (2012) and—at a more micro level in rural Indonesia—Barron, Diprose and Woolcock (2011).
appreciate just how inadequately our prevailing development institutions and discourses deal with them. An alternative approach must not only be grounded in a rich historical sensibility, but be informed by the most rigorous and comprehensive evidence available from across the social sciences.

As noted above, scholars and practitioners of development have tended to adopt one of four stances towards social institutions—as problem, as irrelevant, as sacrosanct, as solution. At various times and places it has been possible to find evidence in support of any one of these views, but perhaps the most informed and useful perspective, based on the most recent research, is one that holds each of them in tension, recognizing that social institutions are not static, uniform entities that are axiomatically associated with particular outcomes but rather dynamic, fluid constructs that can, under different conditions, be deployed for a variety of instrumental and intrinsic purposes, ranging from unambiguous public good to unmitigated evil. Our everyday idioms (at least in English) reflect this diversity: “It’s not what you know, it’s who you know” versus “With friends like these, who needs enemies?” “Many hands make light work” versus “Too many cooks spoil the broth.” Parents everywhere seek to ensure that their children are raised in a vibrant community, even as they also worry that they will “fall in with the wrong crowd;” we recognize the importance of having “friends in high places” even as we support nepotism laws, in explicit recognition that family and professional ties can be used to corrupt or distort economic and political life. These opposing dynamics play themselves out in key areas of development.

Consider migration. Every major study of the passages taken by immigrants to their new country or city shows how powerfully social networks shape the origins, destinations, and duration of stay (e.g., Massey and Espinosa 1997). Clearly the prospect of higher wages, stronger economic opportunities, and a “better life” (e.g., freedom from war and oppression) are the underlying “pull” forces, but migration is not a random process—it is also hazardous (i.e., costly), often entailing managing shady brokers and dangerous travel routes and, upon arrival, navigating new languages, cultures, expectations, education systems, and legal regimes. Social institutions play a central role in mitigating these costs and realizing potential benefits, which only intensify as the economy itself expands and diversifies. Remittances too are often mediated by social institutions, and thereby become a vehicle for both monetary and cultural diffusion (Levitt 1998). As such, it is fundamentally misguided to promote free trade in goods and services and yet imagine that this won’t necessarily generate huge sociological pressures for migration (with all the corresponding political tensions that this
entails). Rapid urbanization in developing countries is only the most visible manifestation of this process.

Consider finance. Securing savings and extending credit through small groups is almost an “anthropological constant:” virtually every “pre-modern” group ever studied anywhere has devised some sort of social institutional mechanism (tontines, rotating savings and credit associations, etc.) for addressing the core problems (high cost, contract enforcement, adverse selection, moral hazard) associated with extending credit to cover the costs of business activity, trade, and everyday life. Microfinance, and in particular group-based microcredit, has been one of the darlings of the development industry over the last twenty years, and succeeds to the extent it does in large part because it is able to harness powerful social institutional forces, perhaps one of the few leverageable assets that the poor possess; but virtually no one in a now-rich country is a member of such a group and none of the fastest-reforming once-poor Asian countries became rich because of widespread microfinance programs. The medium-run development challenge is thus one of helping poor borrowers enter the “mainstream” financial system (i.e., “financial inclusion”), and where necessary reforming that system so that it is more accessible to poor borrowers, and services their specific requirements on an equitable basis.

Consider insurance. A defining feature of being poor is that one is “trapped” in a series of interacting forces that undermine one’s capacity to accumulate wealth and to successfully mitigate forces influencing one’s capacity to generate a livelihood, which range from the weather and pestilence to maintaining bodily health and support in old age. Virtually every aspect of modern life—our bank accounts, our loans, the cars we drive, the houses we live in, the planes we fly in, the buildings we work and shop in, our health, our very lives—is covered by some form of insurance, a marvelous institutional mechanism for diversifying risk which ensures that one-off misfortunes need not leave individuals (or households or companies or even governments) destitute. Most people for most of history, however, have not, and most people today still do not, enjoy such protection; but they have devised their own solutions to these pervasive problems, and those solutions that are most visibly apparent are their social institutions—their kinship systems, their festivals, rituals, religions, reciprocity norms, and community networks. Variations on these arrangements, of course, are still deeply valued in modern life, but they make life meaningful rather than possible. In any event, the

18. Needless to say, there is a sizable anthropological (Douglas 2004), sociological (Swidler 2010) and microeconomic (Rao 2008) literature on these issues.
development challenge is how to build modern risk management systems that complement, rather than substitute for, prevailing social institutional arrangements.

Consider “law and order.” Again, every group that has ever existed has devised rules for ensuring intra-group harmony, for determining who has ultimate authority, for making sense of events (birth, puberty, tragedy, prosperity, illness, death, the weather), for managing natural resources, for dealing with strangers. A bewildering array of such rules have been documented by anthropologists, but a defining feature of modernity—and of becoming a “developed” country—is that these rules are either subsumed within, cede higher authority to, or become a constituent element of, an overarching arrangement we call a “rule of law” system, which is overseen by professional custodians ranging from the police and lawyers to judges, juries, and “law-makers” (Bingham 2011, Tamanaha 2004). Perhaps the most contentious and enduring human challenge has been devising and enforcing rules to constrain elite behavior—the transition from “the divine right of kings” and “rule by law” to “rule of law,” the “separation of powers,” and “government by, of and for the people.” The ancient problem of Sed quis custodiet ipsos custodes—“who guards the guardians themselves?”—is never “solved” once and for all; it must be taken up anew by each generation, in each country.

The Twenty-First-Century Development Challenge All Strategies Must Confront

These are just some of the domains in which social institutional systems have long prevailed. But when the process of “development” unfolds, it complicates and reconfigures them, sometimes for the better, sometimes for the worse. When development “works”—in, say, the domain of law—it ushers is a transition from a world of small-scale, idiosyncratic “deals” to a world of large-scale, universal “rules,” a world in which contracts, constitutions, and legal professionals preside over agreements that enable strangers to complete billion-dollar transactions in complete confidence, that ensure peace negotiations and trade agreements across entire continents are honored. When it fails, development delegitimizes and erodes the capability of the prevailing system without replacing it with anything better. As the great Indonesian educator Ki Hajar Dewantara lamented in 1935, on the eve of the Dutch departure from Indonesia,

It is not an easy task to go through a period of transition, and it becomes even harder when extraneous factors intervene in the renovation process, greatly hindering a normal adjustment.

How often we have been misled by presumed needs which we considered natural but which we later realized were proper to alien forms of civilization. We discover too late that such demands can be satisfied only with difficulty or not at all from our own resources. Dissatisfaction has thus befallen us, and worse: slowly but surely we have become alienated from our own people and our own environment. This alienation would have been bearable had it not been that in our case the abandonment of our own culture did not at the same time bring access to another civilization. Thus we have sacrificed what was ours but have not gained in its place anything that might be considered its equivalent; we have lost our world, but we have not entered another. . . . We have added much new cultural material, the value of which cannot be discounted; however, it often fits so ill with our own style or is so far removed from it that we can use it at best as a decoration and not as material to build with. It is quite understandable why we have been so mistaken in our choice. In the first place, much has to be chosen, and there has been so little to choose from.20

Development interventions that take social institutions seriously should, at a minimum, “fit” with prevailing “styles” and constitute material with which local solutions can be “built” in response to locally nominated and prioritized problems.

Social Institutions and State Capability for Implementation

A central operational task for all development strategies, but especially any would-be paradigmatic “alternative” to prevailing orthodoxy, is facilitating the state’s capability to implement increasingly complex and contentious tasks, at scale, for all. (As implied above, ensuring its own self-restraint is perhaps the most difficult task of all.) Few now dispute the importance of education, health, water, public finance, security, and justice; these are core responsibilities of the state, but the problem is that too often students don’t learn, doctors don’t show up for work, roads and wells are not maintained, supplies arrive intermittently (if at all), and

“the law” is either expensive, unenforced, co-opted, or itself the problem. In one sense, development professionals have long fretted over this, but the standard response has been to regard the capability deficit as a function of either (a) “low capacity” on the part of individual government staff, with the concomitant solution being the provision of a raft of “capacity building” training programs and technological “upgrades,” or (b) “endemic corruption” and “lack of political will,” for which there are few coherent responses other than vague appeals for “good governance” and compliance with international “best practices.” Neither consistently effects lasting change. But in another sense development agencies underplay the importance of implementation and context; the allocation of talent, effort, resources and prestige over the duration of the standard development project is distinctly bi-modal, with vastly disproportionate amounts of intellectual energy expended on ex ante design (“policy”) and ex post assessment (“evaluation”), and considerably less given to understanding and refining implementation processes.

There are some encouraging signs that this is changing,21 but enormous amounts remain to be done. Before examining some of these initiatives and the role of social institutions in them, it is important to unpack the dynamics that enable development resources to continue to flow to governments (or other organizations) that are either unable and/or unwilling to improve the actual performance of their implementing agencies. In such circumstances, sustaining a flow of resources requires maintaining the illusion that implementing agencies are improving, not least to appease those insisting on “evidence” of improvement in the short-run as the requirement for continued support. In both cases, a phenomena known as “isomorphic mimicry” is likely to be on display (Pritchett, Woolcock, and Andrews 2013). This technique has been documented in a range of country contexts—it was first advanced by sociologists of business management in the United States, who noted that “follower” firms often imitated the organizational structures of “lead” firms, in the belief that looking like a lead firm would convince investors and customers that they were in fact (or on the cusp of becoming) a lead firm. A similar dynamic is on display as developing countries seek to “reform” their public organizations: they pretend to improve (by engaging in various strategies that convey the appearance of change) and donors pretend to believe them (by counting as “success” various indicators that are not actual

21. One such example is the Global Delivery Initiative (discussed below). See also the case studies prepared by the Innovations for Successful Societies program, based at Princeton University.
outcome/performance measures but rather measures of inputs provided or compliance with administrative protocols) (Andrews 2013). In short, both sides measure form, not function, but erroneously conflate form with function, imagining that the former gives rise to the latter.

Isomorphic mimicry is especially prominent (i.e., likely to exist and difficult to subvert) where efforts to build modern institutions for effective implementation are being undertaken in contexts or sectors where social institutions are especially salient. By now it should be readily apparent why this is so: (a) social institutions are difficult to apprehend or “see” (let along “measure”) by outsiders, so insiders with either a vested interest in stalling reform or (more constructively) seeking to “buy time” for actual reforms to take hold are far better placed to deploy strategies that convince development agencies to continue their support; (b) reforming or complementing social institutions is usually a decidedly non-linear and contentious—hence risky—process, so, under pressure, all parties are likely to defer to “best practice” imperatives (which, by definition, are especially resonant with assessment protocols stressing compliance with such practices over demonstrated accomplishment in situ); and (c) it is the principles, rather than the particular design characteristics, of successful social institutional interventions that are likely to be generalizable (i.e., to have some external validity). One of these principles is that considerable time and effort must be expended on identifying anew, each and every time, the actual problems that implementers confront and the range of plausible, supportable solutions that might work in response to them—but the dominant organizational incentives strongly prefer standardized “best practice,” “tool kit” responses, which too often impose too much on too little too soon, generating not only few instances of tangible success but a dynamic that delegitimizes the very idea of reform while short-circuiting the indigenous learning required to produce context-specific responses to context-specific problems.

For the purposes of promoting development, one pragmatic way forward is to exploit the likelihood of variation in the quality of economic growth and public service delivery, especially when an operational space is characterized by identical policies, salaries, and career incentives (e.g., most Middle East

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22. See Andrews, Pritchett and Woolcock (2017), who provide evidence that national measures of state capability for implementation are stagnating or declining in all but six of the “historically developing countries”.
countries). This spatial variation, in turn, can serve as a basis for identifying, explaining, and sharing instances of implementation success, and can be deployed at units of analysis ranging from subnational regions and communities to individual clinics and schools. Since this observed outcome variation cannot be a function of policy (since one has effectively held it “constant”), it is much more likely to be a product of connectedness, implementation capability, and contextual characteristics, all of which accord a prominent place to social institutions. This is especially the case for those policies and programs that inherently require a multitude of interacting social institutional arrangements (e.g., repeated face-to-face interactions) for their very delivery, such as classroom teaching, social work, local justice, and curative health care. In the field of economic growth, recent work on subnational variation in Mexico reveals how widely variable this is, and how important social networks are to connecting communities to diversified factor and product markets (Hausmann, Espinoza, and Santos 2015).

In this type of analytical approach, the basis of reform and policy advice is not the adoption of “best practice” lessons imported from abroad, but the outcomes that the most innovative and effective local actors have already obtained. The basic premise is that someone, somewhere, somehow has already figured out how to optimize within the current policy and political constraints; a key role for external actors is to help identify who and where these people are, to celebrate them, to draw on their legitimacy and credibility as change agents, and to give them a platform to explain to their colleagues (or fellow citizens) how they might do likewise. Discerning how to optimize within prevailing constraints is the first step in a strategy that ultimately seeks to “relax” these constraints; in difficult environments in particular, such as “fragile states,” it also helps to demonstrate that modest—sometimes extraordinary—success can be obtained in unlikely situations (see Barma, Huybens, and Viñuela 2014).

23. See Brixi, Lust, and Woolcock (2015), which explicitly uses this approach to map and explain subnational variation in the quality of service delivery across the otherwise highly centralized countries of the Middle East and North Africa.

24. To be sure, certain technical solutions to technical problems (e.g., macroeconomic reforms, road-building procedures) are likely to transfer across borders, and in the most desperate of circumstances (refugee camps) the ethical imperative to act now will override concerns about how to build implementation capability in the long run.
Putting Social Institutions to Work: Alternatives in Action

Orthodox approaches to development, as we have seen, often underplay not just the importance of effective implementation, but the very conditions that enable local learning and adaptation, that legitimize the pace and direction of change, and that engage constructively with social institutions. The essence of systems invented by people, however, is that they can be changed, albeit often slowly and sometimes at great cost. The World Bank’s “Justice for the Poor” program, which places a strong emphasis on understanding the justice sector from a user’s (not just a provider’s) perspective, is one instance of a modest attempt to try something different (see Menzies, Sage, and Woolcock 2010; Desai and Woolcock 2015), but there are numerous other examples, some of which we will now briefly consider. Hopefully the coming decades will see many more of them.

In post-Suharto Indonesia, the Kecamatan Development Program (KDP) sought to not only provide resources to rural communities reeling from a devastating financial crisis but, more ambitiously, to forge a new democratic social contract between citizens and the state. KDP was among the world’s largest and most high-profile social development projects, and was informed directly by a deep analysis of Indonesia’s prevailing social institutions. It became the inspiration for similar initiatives elsewhere, including the National Solidarity Program in Afghanistan (one of the few programmatic success stories in that troubled country), and is an example of what large social development interventions at their best can do: not only operate at scale, but “midwife” a transformation in how local social institutions are conceived, how citizen-state relations are conducted, and how functioning states are built. But here too there was wide variation in outcomes: within rural Indonesia itself (Barron, Diprose, and Woolcock 2011) and especially in urban areas, where KDP struggled.

Another instance of recent innovation for connecting citizens and the state is Social Accountability initiatives. Here, tools ranging from social media and websites to more formal public expenditure tracking surveys and score cards on learning attainment are used to exert greater pressures for actual reform from users of delivery systems (Grandvoinnet, Aslam, and Raka 2015). Similar work is being undertaken by a suite of recent start-up ventures, such as Feedback Labs,

25. Kecamatan is Indonesian for sub-district. In the mid-2000s, KDP expanded to become a national program (PNPM: the national community empowerment program) and most recently has been enshrined as the Village Law, making it the primarily modality by which government resources are devolved to rural citizens.
Reboot, and Results for Development, which seek to embed real-time data collection into the delivery chain to help complex interventions “learn”—just as Amazon and Trip Advisor relentlessly solicit customer feedback to improve the quality of their product. Initiatives to stem corruption in the Philippines, for example, have begun using notifications from citizens to map more precisely the places and sectors where corruption is most prevalent, the better to help target finite resources. By putting these maps in the public domain, they also help to build citizen awareness, and demonstrate tangible ways in which vexing problems can be addressed in constructive ways. In India, the Social Observatory seeks to embed a range of research methods into the implementation process itself—in this case, of livelihoods projects—the better to facilitate real-time learning, adaptation and adjustment.\textsuperscript{26} Such research also enhances the quality of project diagnostics, helping managers to explain how and for whom specific outcomes were obtained; this knowledge is especially useful when average treatment effects deem an intervention to have had little impact (Ananthpur et al. 2014).

Another example is the Global Delivery Initiative, a consortium of over 35 development organizations from around the world, which prepares diagnostic case studies showcasing how implementation challenges are addressed by teams of frontline practitioners.\textsuperscript{27} In the most complex development interventions, it is impossible to anticipate upfront all the problems that are likely to occur. For our purposes, these interventions showcase the role of social institutions as simultaneously part of the problem and part of the solution: social norms and networks can undermine attempts to promote gender equality and meritocratic recruitment, for example, yet it is also teams of people working across organization and cultural boundaries that negotiate solutions to these problems, even as these solutions themselves create a new round of problems to be solved.\textsuperscript{28}

\textsuperscript{26} See http://socialobservatory.worldbank.org/

\textsuperscript{27} See http://www.globaldeliveryinitiative.org/

\textsuperscript{28} This dynamic was conveyed to me in a memorable encounter I had with a village elder in a Pacific island nation. He was delighted that his daughter was getting an education, he told me; he had never been to school, and neither had many of his generation, so he was very proud that his daughter could now read and write. Rising levels of education among the youth, however, meant that the stature and deference traditionally afforded village leaders was declining; young people increasingly regarded their elders as simple folk because they were illiterate, and thus now disregarded many of their pronouncements. Moreover, the more education the youth received, the more likely they were to move away, and to marry someone from elsewhere with different customs. Education is all well and good, the village elder implied, but it comes with a steep cost to our social institutions.
A defining characteristic of these complex interventions is that exactly how these various problems and solutions manifest themselves is unique to each situation; this makes formal summative evaluations of their effectiveness deeply problematic (though not impossible), and complicates efforts to generalize the “lessons” of one program or policy intervention to a novel situation or scale of operation (Woolcock 2013, Pritchett and Sandefur 2015). The virtue of the case study approach taken by the GDI (and others) is that it renders these complex dynamics salient and actionable; in ways akin to cases in law and medicine, it seeks to work backwards from specific outcomes to identify the sequencing, pacing, and combinations of factors that generated them over time—i.e., seeking to gauge the “causes of effects” rather than the “effects of causes” (Goertz and Mahoney 2012).

The role of social institutions in development interventions can and should be assessed using traditional quantitative methods (e.g., household surveys) but much of their work transpires in ways that are unobservable in a statistical sense. In assessing and explaining social institutional outcomes, the comparative advantage of qualitative methods—and diagnostic case studies in particular—is that they help us to “observe unobservables.”

If there are lessons from these examples and our earlier historical tour, it is that social institutions should be a central part of, but not a substitute for, a comprehensive development strategy. We have inherited an international aid system, however, borne of a period—the mid-20th century—when social institutions were primarily regarded as “the problem”, when the binding constraint on development was perceived to be what Romer (1993) calls “object gaps;” namely, infrastructure and factories. There are surely many more roads to be paved and bridges to be constructed, but the early twenty-first century is reminding us that we don’t live by filling object gaps alone. In an interconnected age, but one with widening inequalities and heighted mismatches between expectations and experience, transformations to social institutions are doing what they have always done: offer extraordinary opportunities for both cooperation and conflict. Moreover, we know how to design, finance, build, and assess “objects” anywhere in world (or if we don’t know, we can surely figure it out); we know much less about how to do any of those tasks in the social institutional space in even one context, even with thousands of years of experience to call upon.

Precisely because institutions of any kind are a human invention, it means they can be changed, but in doing so any change process is likely to be fraught, and to generate all manner of unanticipated (and impossible to anticipate) consequences. As such, it is inherently unclear how one might begin to instantiate development
interventions that take social institutions seriously—but one has to start somewhere, just as our forebears did after World War II when they sought to find new ways to promote and secure a better future.

The examples provided above—of attempts to take social institutions seriously in development interventions—are the efforts of some of today’s most innovative and committed people. As with similar initiatives in earlier times, only through trial and error will it become clear whether these approaches are deluded, just flat-out wrong, right but for the wrong reasons, technically sound but executing a flawed or sloppy strategy, or on a path to vindication if only they can hang on long enough. In any event, it will be great teams—themselves social institutions—possessing an array of skills, sensibilities, contacts, resources, and temperaments that figure any of this out. We must work with what we have to build what we need, which is an ecology of options.

Conclusion: “Miles to Go Before We Sleep”

Social institutions are marvelous, wondrous, powerful, precarious human inventions. They can be harnessed in the service of peace, creativity, prosperity, inclusion, and celebration; they can enable and legitimize widespread violence, destruction, destitution, exclusion, and misery. Social institutions are us. And precisely because they are us there is perhaps a phenomenological limit to how much we can ever really know about them. Doubtless there is still much to learn, but since the beginning of time writers have worried about what would happen if we ever really did attain full—or imagine that we had full—self-knowledge and could thus engineer history. From the major world religions to Frankenstein, On the Revolution in France, and Brave New World, to Heart of Darkness, Animal Farm, The Best and the Brightest, and Fiasco, observers across the political spectrum and across the ages have expressed a consistent concern—namely, that smart, well-intentioned, powerful people either do not know what they are doing when they start messing with social institutions, or know all too well what they are doing and in the process absolve themselves of all accountability and a willingness to be subject to any reasonable countervailing sources of restraint (see Levy and Peart 2017).

I opened with Albert Hirschman’s invitation to see development as an “epic adventure” because I think it is in that spirit that we should engage in a career in this field—with cautious optimism, with the best knowledge we can muster, but also with deep respect for the unknown, a willingness to learn as we
go along, and an appropriate tolerance for disappointments, messiness, and setbacks—not all epic adventures have happy endings, even when undertaken with the best of intentions. But let me also close with Hirschman, who, when asked how much rigor we should demand in social science, wisely replied that our overriding concern should be:

treating human beings as something fairly precious and not just something you can play upon. You see, if you ever could figure everything out—if you could have a social science that really is a science—then we would be the first ones to be disappointed. We would be dismayed because if man becomes like that, he could be figured out. And that means that he is not worth as much as we think . . . Were we ever to succeed, then mankind would have failed!39

By any measure, we are the most privileged people that have ever lived, but with great opportunity goes great responsibility, and we cannot do much alone. This century could be spectacularly good or tragically disappointing for human welfare, and grappling with social institutions will continue to be at the epicentre, as it always has been, shaping whichever outcome (or complex mixture of outcomes) prevails.

References


