

INTERNATIONAL RESCUE COMMITTEE

Beyond Critique: Revised Approaches to Community-Driven Development

An Inception Paper

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Introduction

Recent rigorous impact evaluations of community-driven development (CDD) programming across multiple locations have yielded limited or null findings. This has led to calls for a programmatic overhaul of CDD approaches, including more realistic goal-setting, greater specificity over intended outcomes and the explicit articulation of more robust change pathways linking CDD activities to desired outcomes in theoretically informed and credible ways. The 'Beyond Critique' project is an IRC research study, supported by DFID Research and Evidence Division funding, that attempts to build from these and other critical reflections, interrogating core assumptions implicit in how CDD is generally practiced and explained, with a view to synthesising and advancing the intellectual labour necessary for the emergence of newer, more transparent and more clearly articulated CDD programming approaches. It is intended that these 'new' approaches, and, more importantly, the theoretical work which underpins them, will serve the development community in the design and implementation of future CDD programmes and associated research and learning around whether, how and under what conditions CDD can be an effective development intervention.

The purpose of this inception paper is to frame the 'Beyond Critique' project, outlining the policy, practice, evidence and theoretical frame of reference within which this project takes place. This paper articulates the motivation for the project and reflects the first stages of the conceptual work on which the project will be developed. The paper demonstrates the conceptual and theoretical starting point of the project thereby situating it at the centre of the "Beyond Critique" exercise. All subsequent work on this project will build on the empirical observations as well as the theoretical foundations outlined in this paper. For readers and reviewers, this inception paper provides the conceptual parameters within which subsequent ideas about the design, implementation and evaluation of CDD will be developed, debated and reviewed.

The foundation laid by this inception paper will inform the development of the subsequent sections of the final working paper – the primary deliverable of this study. This conceptual work will feed directly into the development of articulation and prioritization of objectives, theories of change as well as implications and recommendations for design and evaluation of CDD. This work will be completed before engaging in field-based workshops with the objective of providing the content that will be debated, contextualized and revised through engagements with practitioners, evaluators and academics. As such this study intends to produce a discussion paper, workshop presentations and briefs, a revised working paper and policy briefs including recommendations for research and evaluation.

The background of this paper is derived from a literature review conducted within the first two months of the inception period. The objective of the review was to identify and summarize the literature on the theoretical motivations for the conventional CDD approach, the lessons learned from various evaluations and the evolution of CDD approach or policy. Specific attention was paid to identifying theories that were directly or indirectly referenced in CDD policy or thought pieces, summarizing review or stocktaking documents that focus on CDD design, implementation and evaluation and cataloguing rigorous evaluations of the CDD approach to date. For the purposes of this paper, rigorous evaluations are those that had a clearly defined evaluation/research question, a systematic and scientifically sound methodology that included comparative analysis or the estimation of a counterfactual. The primary sources for the review included published and

unpublished manuscripts, peer-reviewed journal articles, policy research papers, policy briefs, concept and guidance notes, operational manuals, evaluation reports, critical reviews and stocktaking/lessons learned documents. Further details can be found in the terms of reference, search protocols, inclusion criteria, catalogues and presentation summaries from the literature review are available in the appendix.

The paper is divided into two main sections: the first focuses on the policy, practice and evidence, while the second undertakes the intellectual exercise of unpacking theoretical frames of reference for the act of rethinking and redesigning CDD. Section one begins with definitional questions and then examines the current state of evidence around what is known about CDD. This is followed by a review of major (unanswered) questions generated by recent impact evaluations and an analysis of current and future World Bank policy directions on CDD, especially as this relates to adapting standard CDD models. These strands of analysis are drawn together in a final sub-section which attempts to distil the importance of a continued engagement with CDD design questions, addressing the question of 'why bother' continuing to work on CDD in light of such disappointing evaluation results.

The second section begins with an attempt to reconstruct the different theoretical foundations of CDD. Two thought experiments, or attempts to rework CDD are then discussed in order to highlight some of the challenges and difficulties involved in moving beyond habitual programmatic (and associated theoretical) assumptions. The core of this theory section then focuses on an elaboration of four applicable conceptual frameworks to frame how the Beyond Critique project will approach the process of developing alternative CDD approaches.

There are a few scope parameters of this paper that the reader should bear in mind. First, this paper maintains a particular definition of the community-driven development approach by focusing on two main characteristics and by not delimiting the definition around specific design or programmatic features (the reasons for which are clarified below). Second, this paper does not highlight or distinguish between the various institutional frameworks within which CDD interventions are implemented. In other words, it makes no distinction between CDD interventions that form a part of national development programs, those implemented directly by local governments or those implemented by international development agencies. These distinctions will become increasingly relevant as the project develops. Third, the paper does not distinguish between community-driven development and community-driven reconstruction; neither does it distinguish between contexts that have been affected by conflict and those that have not. This feature, like institutional arrangements, was eliminated from this stage of the discussion to focus on the conceptual and theoretical underpinnings rather than specific objectives and operational contexts. Later stages of this project will engage with contextual and institutional variables in relation to one or more specific case studies, to further illustrate and refine the theoretical analyses that form the backbone of this project.

Finally, the paper refers predominantly, but not exclusively, to policy, practice and literature emanating from the World Bank. The rationale for this is simple: the World Bank is the premier investor in CDD programming around the world and is the largest producer of policy and evaluation materials around CDD. The World Bank has invested in the CDD approach over the last three decades and has produced clearly and formally articulated concepts and definitions, institutional

arrangements, operational frameworks, generalized theories of change and results chains. The World Bank has also significantly documented the evolution of the CDD approach and has initiated the call for increased investments in rigorous evaluation of the approach. It also invested in and facilitated more rigorous research and evaluation of the approach. Given the Bank's structure which allows for a dedicated department (or policy anchor), an independent evaluation group and several regional operation task teams to coordinate around a central theme or strategy, the Bank's CDD material has been developed from a spectrum of varied (and sometimes competing) perspectives, contexts, experiences and objectives. Given that CDD is a very adaptable approach and has been applied in many different ways across different contexts by different actors, the authors thought it prudent to focus the inception review on the most consistent, coherent and extensive set of publicly available documentation on the CDD approach. Since the objective of this project is to develop revised CDD approaches, it is imperative to identify and delimit the 'current' or 'conventional' approach. The easiest way to do this was to rely on a reputable central repository of policy, design, operation and evaluation documents as found in the World Bank. A secondary reason for engaging primarily with World Bank is its convening role as host to a major community of practice dedicated to developing and exploring the future horizons of CDD. The authors are members of the Community of Practice which consists of CDD practitioners and evaluators from various agencies within the broader development community.

1. Community-Driven Development in its policy, practice and research context

1.1. What is Community-Driven Development?

For the purposes of this project, Community-Driven Development (CDD) refers to development programming interventions or approaches¹ that share both of the following core characteristics:

1. The investment of resources through local community structures, whether these structures existed prior to the intervention or were created by the intervention;
2. The devolution of decision-making regarding the use of the invested resources to those or other community structures, whether these structures existed prior to the intervention or were created by the intervention.

This definition allows for wide variation as to which agency commissions the intervention (national government, international agency, foreign donor, etc.) and what type of agency implements it (national or sub-national government, international or local NGO, etc.) and whether any restrictions are applied as to how the funding can be used. In some cases this may form part of a decentralization programme, such as in Indonesia² and the Philippines³, for example. In others this might encompass attempts to stabilize a region or country, as in Afghanistan since 2003⁴, Eastern Democratic Republic of Congo (DRC) since 2004⁵, and currently in Somalia. For the purposes of this project, the precise institutional framework that an intervention takes, while very important and the subject of investigation as a potential key variable in the relative effectiveness of a CDD intervention, is not assumed, *a priori*, to be a distinguishing characteristic between CDD and other means of allocating resources.

Similarly, this definition remains relatively broad about the types of activities that are funded (or allowed to be funded) through CDD programmes. While there is often an assumption that CDD is a means to deliver infrastructure to communities, this is by no means the only form that CDD can take. Given that the purpose of this analysis is to unravel theoretical assumptions around explicit or implicit change pathways in programming, it seems prudent to remain open to variation in the types of activities supported in, and outcomes sought from such programmes. This definition is therefore neutral as to whether an intervention funds public goods or direct redistribution to selected households or individuals, provided that decision-making rests with the communities. Similarly, under a public goods heading, this definition encompasses service-delivery infrastructure, economic inputs or other types of social or collective investment.

¹ Notwithstanding the use of the term 'development' this definition is deemed to include and be relevant to interventions in more 'unstable', 'fragile', or 'humanitarian' contexts. This paper uses 'development' as a broad description of intended outcomes rather than a description of context or of a phase of international intervention.

² *Kecamatan Development Program (KDP)*, renamed the *National Development Program (PNPM-Mandiri)*

³ *KALAHI-CIDDS*

⁴ *The National Solidarity Program (NSP)*

⁵ This process was initiated by USAID's Office of Transition Initiatives and continued with funding from USAID's Conflict Management and Mitigation unit. From 2007, the DFID-funded Tuungane project became the largest intervention in Congo using a CDD approach.

Another area of variation in definitions around what CDD is or does concerns the rationale offered for CDD. These demonstrate some variation over time and context, but broadly draw upon some or all of the following themes⁶:

1. Better **targeting**: people understand their own needs, preferences and priorities better than central government or external aid agencies and therefore participative decision-making will lead to investment decisions that are closer to these needs, preferences and priorities;
2. Greater **efficiency**: people also better understand how to negotiate their local contexts and design and implement interventions that are more contextually adapted, thereby leading to more efficient use of resources and more functional outcomes, including, but not limited to reduced capture and/or corruption by local elites;
3. Greater likelihood of **sustainability**: if people are invested in the decision-making process around local investments, they are more likely to choose investments that are sustainable and/or be invested in maintaining the outputs of those investments;
4. Improved **social cohesion** or **social capital**: the act of participating in decision-making around local investments strengthens social bonds and/or the choice of investments is more conducive to strengthening social bonds.
5. Improved **local governance**: this type of engagement with local institutions can strengthen them, draw in previously disempowered or disenfranchised groups into decision-making processes and generally enhance the understanding and practice of democratic decision-making.
6. Improved **linkages between citizen and state**: particularly in cases where a programme is managed by a national or regional government, the engagement of people in local decision-making around practical investments that they benefit from can lead to reduced mistrust of government or broaden support for government initiatives.
7. Greater **stabilization** or **peace-building**: particularly in cases of recent conflict or increased fragility, the rapid transfer of resources in the form of a 'peace dividend' or 'quick impact projects' can help fill service gaps and dampen the potential for conflict, focusing attention on opportunities for collective benefit from collaborative action.

These rationale are often bundled into three major goals that CDD interventions seek to achieve: improved social and economic well-being (building from rationale 1-3 above); improved social cohesion (rationale 4 and sometimes 6 and/or 7); improved governance (rationale 5 and 6). There are linkages and tensions between the different justifications for CDD, and a range of theoretical assumptions underlying each of them individually as well as how they might combine or contrast with one another. The second part of this paper begins to detail some of the conceptual architecture that supports and/or contradicts these arguments, and these themes will be subjected to deeper analysis in the remainder of this project.

This application of the term CDD is therefore wider than a sub-set of projects or programmes which self-identify as CDD, encompassing such variants as Community-Driven Reconstruction (CDR) and Community-Driven Recovery and Development (CDRD), as well as including approaches that are branded 'livelihoods', 'resilience', 'empowerment', 'local governance', etc., but which, essentially,

⁶ These points summarise the objectives and rationale offered by a variety of CDD projects and have benefitted from prior analysis of some of these same CDD projects by Elisabeth King: King, E. 2013. *A Critical Review of Community-Driven Development Programmes in Conflict-Affected Contexts*. New York: International Rescue Committee. Page 9, Figure 1.

draw upon the same basic components, rationale and theoretical assumptions as CDD. By looking at CDD in this way, it is possible to capture relevant insights and learning from a wider range of programming. In addition, and more importantly, it focuses attention on the core building blocks of programme theory and practice, rather than on project names or the prevailing terminology of the moment. The act of looking beyond self-identified CDD acquires particular importance in light of some initial reactions to the evaluation findings around CDD to date: anecdotal observations suggest that rebranding CDD as something else (without changing the programming approach) is a strategy being pursued by some practitioners seeking to distance their work from the perceived negative stigma emanating from these evaluation findings. The rationale of the 'Beyond Critique' project is not to avoid the apparent 'bad news' generated by these rigorous evaluations, but rather to embrace the learning opportunities they provide for a whole range of humanitarian and development practice founded on similar principles and assumptions. It is to these findings that this paper now turns.

1.2. The Evidence for CDD

To date there have been very few rigorous impact evaluations of CDD and fewer still in the fragile and conflict-affected settings that CDD is often deployed in⁷. Rigour is understood here to refer to attempts to distinguish the attributable effects of a CDD intervention from background dynamics in the context in which that CDD intervention takes place, through the establishment of, and comparison to a credible counterfactual. This present study follows on the heels of a synthetic review by Elisabeth King, on behalf of IRC and DFID, of five such rigorous impact evaluations of CDD in fragile and conflict-affected settings⁸, including two on IRC-implemented and DFID-funded CDD programmes in Liberia and DRC. Two other recent studies attempt to synthesise the state of evidence for CDD from different angles: Susan Wong's review of impact evaluations of World Bank CDD projects⁹ and Ghazala Mansuri and Vijayendra Rao's analysis of the evidence around participatory development strategies more generally¹⁰.

In broad terms the picture that emerges from these studies is one of limited findings and many lingering questions. There is no compelling evidence to suggest that CDD can, in general, deliver governance and social cohesion-related changes in wider society¹¹ and some evidence for CDD delivering limited improvements in economic outcomes in certain cases¹². These findings are summarised in Table 1 below¹³, which only highlights positive evaluation findings.

⁷ See Annex 1 for a summary of the rigorous impact evaluations catalogued for this project.

⁸ King, E. 2013. *A Critical Review of Community-Driven Development Programmes in Conflict-Affected Contexts*. New York: International Rescue Committee.

⁹ Wong, S. 2012. *What Have Been the Impact of World Bank Community-Driven Development Programs? CDD Impact Evaluation Review and Operational & Research Implications*. Washington, DC: World Bank.

¹⁰ Mansuri, G. & Rao, V. 2013. *Localizing Development: Does Participation Work?* Washington, DC: World Bank.

¹¹ King, 2013, opus cit. pages 3, 25-6. Wong, 2012, opus cit. page 43.

¹² King, 2013, opus cit. pages 3, 24-5. Wong, 2012.

¹³ Modified from tables developed by Elisabeth King: King, E. 2013. *A Critical Review of Community-Driven Development Programmes in Conflict-Affected Contexts*. Pages 24 and 28. Supplemented by findings from the surveys summarised in Annex 1.

Table 1

Outcomes		Evidence
Proximate	Short-term welfare	Aceh: positive effect on economic welfare (cash transfers) Afghanistan: improved access to some services Indonesia: reduced unemployment rate, no overall effect on consumption, but positive effect on poor households Philippines: positive effect on household welfare Sierra Leone: improved proximate economic welfare
	Empowerment / voice	Afghanistan: limited effect on participation of women in decision-making bodies
Final / Indirect Outcomes	Improved welfare	
	Improved governance	
	Improved social cohesion	Liberia: within group social cohesion increased Philippines: mixed results, with indicators moving in contrasting directions (improved generalized trust, decreased collective action)

These relatively limited findings suggest that this form of programming does not appear to deliver against the hopes expressed in the rationale for engaging in CDD in the first place. This has led commentators to criticize the panacea-like multi-faceted goals typically associated with CDD interventions and to call for greater specificity in objective-setting, coupled with more robust theories of change to credibly link CDD activities to these (scaled back) objectives¹⁴. This call has, in many ways, motivated this paper and the focus of the present project.

1.3. Beyond the evaluations to further learning on CDD

The main challenge in determining the next steps in a learning agenda around CDD is rooted in the relative paucity of evidence for what works. Had there been some promising, even consistent indication of significant effects along one or more axes alleged to be CDD outcomes – welfare, local governance, social capital/cohesion – the learning agenda would be shifting to replication testing on the one hand and deeper analysis of how certain outcomes could be most cost efficiently achieved on the other; the former through further treatment and control comparisons and the latter through studying variations in treatment more consistently and deeply. A further area of enquiry, in such a scenario, would have been around the use of different counterfactuals: to date, the tendency has been to compare CDD (treatment) to the absence of CDD (control), whereas a comparison with other types of delivery mechanisms, absent for example a participative decision-making component,

¹⁴ See for example King, 2013, p49.

could have helped to disentangle the cost efficiencies of specific CDD components or of specific CDD outcomes¹⁵.

However, in light of the broadly null results that recent impact evaluations of CDD have yielded, such areas of enquiry are of limited value. Simply replicating studies in the hope of discovering something new or having a different result is likely to result in disappointment, and at significant cost. The comparison of CDD to other programming interventions remains relevant, but primarily if one is able to attribute positive outcomes to CDD. Instead, as referenced above, the emerging discourse both from reviewers of CDD evaluations and within policy and practitioner discussions around these evaluation results, centres on the need for unpacking and unbundling the CDD model, the establishment of more realistic, even humble goals, and the explicit elaboration of more robust and contextually specific theories of change underpinning these goals. On the basis of clearer, more logical and more transparent theories of change, new evaluation and learning strategies become possible, delving further into how and to what extent different aspects of CDD have effects. The latter half of this paper begins some of the necessary conceptual work to move this agenda forwards.

Nevertheless, and somewhat independently of the precise clarification of future CDD strategies, it is possible to sketch out the broad parameters of a learning agenda. There are persistent questions around CDD and the evaluation of CDD that remain relevant for multiple potential future programming scenarios or emphases. The precise form these questions take may be contingent upon design choices around how goals are formulated and upon which change assumptions a CDD approach is developed. But the following areas of focus are likely to remain relevant to whatever forms of CDD the future holds. These are categorised below in terms of whether they are primarily programme design components or whether they predominantly relate to questions of measurement and evaluation, acknowledging that there is considerable interplay between programme and evaluation design.

1.3.1. Programme design questions

The primary and fundamental set of questions relating to programme design involve opening up the “black box” approach to conceptualising (and therefore measuring) CDD as an integrated package of activities, instead of attempting to understand precisely what occurs, how and why within the bundle of activities and assumptions that constitute most CDD programmes¹⁶. For instance, understanding how decision-making activities are influenced by different aspects of a CDD programme remains a fundamental mystery in a way that is surprising given CDD’s focus on participatory decision-making. This current project is one attempt at providing a route into unravelling this problem.

Several evaluators have commented that per capita levels of investment might plausibly affect welfare outcomes in the first instance, and quite possibly also governance and/or social cohesion outcomes¹⁷. Is there a minimum threshold of per capita investment required to have an effect on

¹⁵ Such a comparison formed part of the plan for a second phase evaluation of the *Tuongane* CDD programme that IRC implements with DFID funding in the DRC, but was abandoned in light of the null findings from the evaluation of the first phase of the programme. Elisabeth King also picks up on this point: 2013, pages 3, 49.

¹⁶ King, 2013, page 49. Wong, 2012, page 50.

¹⁷ Macartan et. al.; King, 2013, p36.

any of these outcome categories? Can this be expressed in relation to average per capita incomes in the area of implementation? Do effect sizes vary with variation in per capita investment levels? How sensitive are these effect variations to investment level variation? Naturally these questions are all conditional on discovering an effect size at all, but they are referenced here because they have found considerable resonance with practitioners and evaluators in discussions of existing evaluation findings. Some further investigation of variations around this theme would seem relevant to a CDD research agenda, notwithstanding the above-referenced need to simplify goals and clarify theories of change, because such a line of enquiry allows fine-tuning of whichever outcomes and theories of change an eventual approach pursues and could inform future policy discussions around cost effectiveness of different types of CDD and of CDD in relation to other types of intervention.

A third set of questions relate to the parameters applied to community choices around how investments are programmed. The degree to which programme activities are truly demand-driven appears to be relevant across multiple possible CDD models. Might some or indeed any investment limitations enable more effective targeting of social welfare outcomes while run counter to advancing governance outcomes¹⁸? On a slightly different, but related theme: are there significant variations in effects if the parameters for spending decisions within a CDD intervention are tied to specific outputs (e.g. social infrastructure) or improvements in specific desired outcomes (e.g. health indicators), with the former being quite prescriptive as to what the investment can be spent on and the latter being more open-ended? This is inspired by the concern that CDD as currently generally practiced might be limiting its potential impact by being too prescriptive about how project funds are used. If CDD is criticised for expecting significant effects on economic and social welfare from building social infrastructure, perhaps the problem lies in the over-emphasis of social infrastructure.

A fourth area of enquiry concerns the role of facilitation. The ways in which facilitation affect outcomes is poorly understood and is of considerable relevance to any programming approach which lays claim, as CDD approaches generally do, to changing norms and behaviours around inclusive, participative decision-making practices. It seems logical to assume that this matters most to a CDD programme that prioritised governance or social cohesion outcomes, but it seems clear that if any CDD approach lays claim to adding value through 'sensitisation' or 'public awareness' activities then there is a need to understand the role of facilitation in shaping the effectiveness of these components as well as the deliberative processes they are supposed to engender.

1.3.2. Evaluation design questions

In terms of evaluation design, there are two broad areas of learning which are relevant across potential CDD outcomes, concerning the time frame in which evaluations are conducted and the measurement proxies used for different outcomes. Both elements have generated considerable debate following the publication of evaluation results. In terms of timeframe, the question is often posed as to what is a reasonable length of time to wait before evaluating, with the assumption that a longer duration is more suited to detecting the changes in social practices and/or welfare outcomes engendered by CDD interventions¹⁹. However, there is a countervailing argument concerning the difficulty in sustaining intervention effects and the consequent attenuation of effects

¹⁸ King, 2013, p38.

¹⁹ King, 2013, p44.

over time²⁰, weighing in favour of a relatively swift post-intervention evaluation, potentially coupled with longitudinal follow-up studies. In any case, the timeframe surrounding evaluations is a relevant design variable for future CDD learning, with potentially far-reaching consequences in terms of the quality and relevance of evidence generated.

In terms of measurement proxies, there is considerable variation across studies. This makes comparison difficult and hinders the accumulation of knowledge. A robust learning agenda around CDD requires greater convergence and standardisation around measures, while acknowledging that measures remain imperfect and allowing scope for refinement in line with improvements in scientific practice.

There are many other programme and evaluation design questions which could be argued to be essential and fascinating components of a CDD learning agenda. However, given that there is much to be done in delineating what CDD is and how it might work, the emphasis here has been on major cross-cutting elements. These will be returned to in later project stages, once there is greater clarity around the CDD approaches under development, at which point these design variables will be analysed in relation to potential outcomes and associated change pathways.

1.4. Where is the CDD policy and practitioner field going?

This section highlights the main areas of focus and evolution in the design and implementation of CDD as reflected in discussions and publications by the World Bank's CDD Community of Practice²¹ and the broader Social Development Department. In general, two trends are observable: (i) a focus on the 'science of delivery' of CDD, i.e. the articulation and improvement of CDD operations and (ii) the examination and proposal of the CDD approach as a viable strategy for addressing increasingly global concerns. In particular, improving the alignment of CDD with decentralization efforts and local government practices, the targeting of women and youth in CDD processes and outcomes and the design of CDD interventions in fragile and conflict-affected contexts constitute the operational focus. Discussions around the application of the CDD approach to disaster risk management, climate change and resilience and urban development demonstrate the continued and extended relevance of this popular development strategy.

1.4.1. Science of Delivery

CDD has long been considered optimally effective contexts in which there is de facto decentralization. Strategically implemented CDD interventions may contribute to the institutionalization of formal decentralized practices by making planning and management processes more responsive and accountable.²² There has been continued investment in aligning CDD operations with local government systems and in increasing the facilitating, decision-making and management role of local government authorities within CDD interventions. In some cases, the participatory planning, transparency and cost-sharing practices of CDD have been adopted and institutionalized by local governments. The lessons learned from CDD interventions become

²⁰ Wong, 2012, pp50-51.

²¹ CDD Community of Practice:
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTCDD/0,,contentMDK:23019275~pagePK:148956~piPK:216618~theSitePK:430161,00.html>

²² Wong, S., & Guggenheim, S. 2005. Community-Driven Development: Decentralization's Accountability Challenge. East Asia Decentralizes: Making Local Government Work, 292, 253.

increasingly relevant in contexts where central and local governments systematize processes such as participatory budgeting.²³

Poorer, more marginalized groups are the primary target population for CDD interventions. Over time, CDD practitioners have identified women and youth as particularly vulnerable groups. With the acknowledgement that women and men experience poverty differently and play different roles in poverty reduction processes, policymakers, practitioners and governments have taken greater steps to 'mainstream' gender into CDD operations, results/monitoring and evaluation frameworks.²⁴ Process, program, output and outcome indicators supplemented by qualitative research increasingly provide information on the differentiated experiences of men and women during and after CDD interventions.²⁵ Data from case studies improve implementers' understanding of the relationships between traditionally held gender-oriented cultural norms and the types and extent of change that are supported within a given community.²⁶ Youth are increasingly engaged through youth banks – groups of young people who are encouraged to participate in community activities and decision-making and to implement their ideas with support from project or community funds. The benefits of youth banks lie in its potential to build peace and understanding through engagement of youth across social divides, nurture active citizenship and social cohesion and encourage social entrepreneurship and personal development.²⁷

The design and implementation of CDD interventions in fragile and conflict-affected situations is the focus of one of the most recent reviews of the approach. The review of 17 World Bank-funded CDD interventions²⁸ highlighted the specific challenges of implementing CDD in conflict-affected settings including: the need for quick response to restore critical services, the potential weakness of administrative, regulatory and implementing agencies and government units, the possibility that new resources may exacerbate existing tensions and the resumption of conflict given the volatility of the context. Against this backdrop, recommendations for improving the design and implementation of CDD interventions include: conducting thorough political economy and conflict analyses with stakeholders at different levels, planning for multiple phases of implementation with the first phase focused on one primary objective, transparently communicating targeting and selection criteria and

²³ World Bank. 2014. Aligning CDD and Local Government Systems. Science of Delivery: Lessons from Philippines KALAHI CIDSS. Dissemination Note 2.

²⁴ Bhatt, Nina; Buchhave, Helle; Labonne, Julien; Parker, Ian. 2011. Making Everyone Count: Gender-Sensitive Monitoring and Evaluation in a Community-Driven Development Project - the Case of the Philippines KALAHI-CIDSS. Washington, DC: World Bank. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2011/12/15/000333037_20111215235726/Rendered/PDF/660340WP00PUBLOakingOeveryoneOcount.pdf

²⁵ Yaron, Gil. 2011. Gender Dimensions of Community-Driven Development Operations: A Toolkit for Practitioners. Washington, DC: World Bank. <http://siteresources.worldbank.org/INTEAPREGTOPSOCDEV/Resources/12763RegionGenderWEB.pdf>

²⁶ Amazonas, Fatima; Barbosa, Tulio; Costa, Alberto; Romano, Claudia. 2011. Community-Driven Development (CDD) Initiatives in Mainstreaming Gender in Northeast Brazil: An Exploratory Case Study. Washington, DC: World Bank. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/08/16/000333038_20120816024208/Rendered/PDF/718540WP00P126400InitiativesOEnglish.pdf

²⁷ Mesik, Juraj; Ringland, Vernon. 2007. Community Foundations: A Tool for Engaging Youth in Community Driven Development. World Bank, Washington, DC. World Bank.

²⁸ de Regt, Jacomina; Majumdar, Shruti; Singh, Janmejay. 2013. Designing Community-driven Development Operations in Fragile and Conflict-Affected Situations: Lessons from a Stocktaking. Washington DC; World Bank Group. <http://documents.worldbank.org/curated/en/2013/01/18556958/designing-community-driven-development-operations-fragile-conflict-affected-situations-lessons-stocktaking>

limiting intra-community targeting in the first phase, simplifying procurement and administrative procedures and investing in ‘learning by doing’ throughout the life of the intervention.

1.4.2. Addressing Global Issues through CDD

Within the last decade, social funds and CDD interventions have been identified as appropriate strategies for mitigating and responding to disasters. Disaster risk management (DRM) is the “systematic process of using administrative decisions, organization, operational skills and capacities to implement policies, strategies and coping capacities of the society and communities to lessen the impacts of natural hazards and related environmental and technological hazards”²⁹. DRM includes activities that reduce disaster risk and that contribute to disaster response and recovery. If disasters result from a combination of hazards, conditions of vulnerability and insufficient capacity to reduce the potential negative consequences of risk, then they are not unpredictable and unavoidable events but rather the unsolved problems of development.³⁰ As a result, disaster risk management activities are considered integral components of development planning and processes.

Social funds, government agencies that channel grants to communities for small-scale development projects, use the CDD approach to ensure local participation and ownership. Given the direct and primary impact of disasters on communities and the first-responder role often played by community groups³¹, aid delivery mechanisms that revolve around community power and ownership, such as social funds and CDD interventions, seem particularly appropriate for the organization of DRM activities. Other favourable operational characteristics of social funds and CDD include: their institutional framework, scale and coordination capacity (usually at national and sub-national levels, across many geographic areas, involving many stakeholders), emphasis on poverty and vulnerability targeting which typically identifies the sub-populations that are most susceptible to the effects of disaster, use of public awareness-raising campaigns and activities and the overall flexibility of the design and management processes.³² This assumes that DRM activities would be incorporated into pre-existing CDD programs.

A similar logic infuses arguments about the adaptability of CDD interventions to addressing issues of climate change and resilience. In this context, resilience means the “ability to withstand, recover from and reorganize in response to crises so that all members of society may develop and maintain the ability to thrive”³³. Among the categories of action that would promote this type of resilience are actions that are bottom-up, promote diversity of options and social learning and that empower women.³⁴ The democratic principles on which CDD is based, the ability to tailor interventions to local contexts and to create linkages between different levels of social and political organization and its

²⁹ De Silva, Samantha; Burton, Cynthia. 2008. Building Resilient Communities: Risk Management and Response to Natural Disasters through Social Funds and Community-Driven Development Operations. Washington, DC: World Bank. Pg. 2.

³⁰ UN International Strategy for Disaster Reduction, 2004: http://www.unisdr.org/files/657_lwr1.pdf

³¹ Independent Evaluation Group. 2006. Hazards of Nature, Risks to Development: An IEG Evaluation of World Bank Assistance for Natural Disasters. Washington, DC: World Bank.

³² De Silva, Samantha; Burton, Cynthia. 2008. Building Resilient Communities: Risk Management and Response to Natural Disasters through Social Funds and Community-Driven Development Operations. Washington, DC: World Bank.

³³ Benson, Charlotte, Margaret Arnold and Alejandro de la Fuente. 2012. Financial Innovations for Social and Climate Resilience. Unpublished Framework Paper., Washington D.C: World Bank. Pg. 5.

³⁴ Ibid, Pg. 6.

potential for empowering women endow CDD with resilience-building qualities³⁵. A recent review of CDD projects implemented by the World Bank between 2001 and 2011 revealed that 161 projects invested US\$12 billion in climate resilience³⁶. However, this finding is not based on CDD projects that categorically identified resilience as an ex ante objective; it is based on the 'entry points' for resilience through CDD interventions i.e. investments in social protection, infrastructure, livelihoods and natural resource management.

While the implementation of CDD in peri-urban and urban areas is not new, the application of CDD strategies to specific 'urban' problems is. Applying the CDD strategy to issues such as urban slum upgrading or sewage disposal require a rethinking of the CDD design, an identification of the key outcomes to be achieved and the articulation of the aspects of the CDD strategy that may be most relevant. The CDD Community of Practice is currently engaged in the exercise of determining what CDD in urban areas could look like.

1.5. Why bother? The continued mystique of CDD and why it matters

In light of the general paucity of evidence that CDD is effective, the suspicion that grandiose and unjustifiable claims have been made about CDD and a plethora of other development approaches, the following questions are often raised: Why bother? Why continue to investigate the theoretical underpinnings of CDD? Why continue to investigate its practical application? Why invest in research and learning around future CDD programmes?

There are three major arguments for continued engagement. The first is rooted in current and future CDD policy and practice. The second is concerned with the wider application of this learning agenda to other development work. The third is an argument about the process of learning from humanitarian and development work more broadly.

1.5.1. CDD remains an approach of choice

The scale and scope of investment in self-identified CDD programming remains significant. Estimates from 2012 suggest that at that time the World Bank alone was supporting approximately 400 CDD projects in 94 countries, valued at almost \$30 billion³⁷. There is every indication that the Bank's engagement with CDD continues, with new rounds of programming announced or under consideration in Afghanistan, DRC, Myanmar and South Sudan. Beyond this financial engagement, as noted above there is substantial intellectual investment in modifying and adapting CDD to meet current trends in development programming, from urbanisation, disaster preparedness and response to changing demographics. It would appear that formal, self-identified CDD programming continues to be a core element of World Bank lending and programming.

Outside the Bank, there are also signs of vibrant utilisation of CDD or something that looks like CDD. This approach has long been a corner-stone of USAID's Office of Transition Initiatives and continues to be deployed in a range of fragile and conflict-affected settings. The multi-donor Somalia Stability Fund has issued explicit calls for proposals utilising a CDD methodology. Beyond these formal

³⁵ Arnold, Margaret; Mearns, Robin; Oshima, Kaori; Prasad, Vivek. 2014. Climate and Disaster Resilience: the Role for Community-Driven Development (CDD). Washington, DC: World Bank Group.

³⁶ Ibid, page 13.

³⁷ Wong, 2012, p.iv

examples, it is striking the extent to which development practitioners rapidly gravitate towards something CDD-like when designing programmes to stimulate local development, governance, stabilization, peace, empowerment etc. The notion that programming funds with local control and decision-making leads to improvements in social welfare, social cohesion and local governance has a considerable following in the practitioner environment, irrespective of the name given to individual programme interventions.

1.5.2. Resonance of 'CDD' ideas

There is, then, a second reason for pursuing this investigation into the theoretical underpinnings of CDD approaches: given the resonance of the ideas which underpin CDD with many other types of intervention, be they labelled local development, stabilization, peace-building, governance, etc, it would seem reasonable to hypothesise that a clarification of theoretical assumptions and causal relationships within CDD approaches would have significant application to these other types of programming. That is to say, even if investments into CDD interventions were to dry up tomorrow, the work undertaken in this project would, it is hypothesised, remain valid and valuable, unless and insofar as there was a radical paradigm shift in development, stabilization, peace-building, governance, etc programming away from local participative decision-making as the corner-stone of such approaches (and indeed most development initiatives that are not focused on national state-building and/or private sector investment).

1.5.3. Learning how to learn

There is, however, a third and still more profound and wide-ranging argument for continuing to investigate CDD and associated research efforts. This concerns how the development industry, and for that matter the academic research industry, learns or does not learn from failures and successes. While it might seem tempting to discard CDD in the face of less than promising evaluation results and move on to the next exciting topic or approach, there is, as yet, a relatively small body of evidence around CDD, a dearth of systematic reviews and no actionable policy-relevant recommendations that have flowed from efforts to date. In other, more rigorously evaluated fields of human endeavour this would not constitute a reason to stop investigating.

On the contrary, there are a number of compelling reasons to continue, not only for the benefit of the substantive work under investigation, namely CDD and related programming, but also because the process of working this through could have wide application to development programming, research, policy and learning. CDD is by no means the only development approach with vague and lofty goals supported by an imprecise and often implicit theory or theories of change. As such, it is not the only approach that has had theories of change retro-fitted onto historical practice to enable rigorous evaluation. This act of retro-fitting highlights some interesting theoretical challenges, lacunae and differences of approach, which could have broader, analogous application to other endeavours beyond this type of programming. In addition, the specific question of how policy makers and practitioners react to and process null results is of relevance beyond the CDD domain. Finally, the gap between (some) practitioner perceptions of the validity of the CDD approach and what rigorous impact evaluations are demonstrating is, in itself, worthy of further reflection, both in terms of understanding what is or is not happening within CDD programmes, but also for wider application to situations in which measurement and experience do not appear to agree.

2. Theoretical Foundations and Conceptual Frameworks

2.1. The Theoretical Foundations of CDD

A recent review of CDD in conflict-affected contexts highlights several challenges to understanding, implementing and evaluating CDD³⁸. Among these challenges were that: (i) CDD seems to be a panacea; it is reputedly able to effect many types of changes; (ii) the strategy seems too lofty and ambitious; (iii) the goals – improved welfare, governance and social cohesion/capital – are very broad and sometimes ill-defined. One of the most pernicious challenges is the lack of an explicit theory of change which articulates how the specific activities and inputs would lead to the desired outcomes. There is, however, a generalized theory of change that highlights key contextual factors, social processes and desired outcomes.³⁹ The logic of this generalized theory of change also echoes much of the content of the World Bank's results chain/conceptual framework around CDD.⁴⁰ It highlights the (endogenous) relationships between contextual pre-conditions⁴¹ and the desired outcomes as well as between the outcomes themselves.

By some accounts, much of the appeal of the CDD strategy lies in its normative foundations, in the ostensibly democratic principles on which it is based. Critics of participatory development interventions such as CDD highlight the assumptions of the 'hippy model'⁴² of participation which ignores the necessarily contentious nature of *real* social interactions that aim to stimulate social change. That CDD lacks an explicit theory of change is correct and partly motivates this conceptual work. However, this does not mean that theoretically motivated discussions and examinations of CDD do not exist.

A scan of the CDD literature for theoretical references yielded non-trivial and inspiring observations. Economic, political and sociological theories have been used to discuss and examine the CDD strategy over the last 15 years. The main observation is that these references were not used to develop or further conceptualize the strategy per se. Rather, the references seemed to provide either an (ex post) analytical framework or justification for the CDD strategy. This does not imply that these theoretical precepts did not exist during the conceptualization of the approach; it simply suggests that they were articulated long after social funds and CDD interventions had become extremely popular and widely implemented. If these references are not original theoretical motivations, they are at least theoretical scaffolding.

In order of prevalence, the main groups of theory referenced in the literature are neoclassical economic (rational and public choice), political and sociological and theories. One of the

³⁸ King, Elisabeth. 2013. A critical Review of Community-Driven Development Programs in Conflict-Affected Contexts. http://r4d.dfid.gov.uk/pdf/outputs/misc_gov/61046-A_Critical_Review_of_CDD_in_Conflict_Affected_Contexts.pdf

³⁹ The generalized theory of change as presented in the King review can be found in Annex B.

⁴⁰ Singh, Janmejay. 2013. Community-Driven Development – An Introduction. CDD Introductory Course, Session 1. http://siteresources.worldbank.org/EXTCDD/Resources/430160-1361480685593/9058621-1366731546330/Session1_IntroductionCDD.pdf

⁴¹ This echoes the finding that communities with higher ex ante levels of social capital are better able to access and use social funds as described in Carvalho, S., & White, H. 2004. Theory-Based Evaluation: The Case of Social Funds. *American Journal of Evaluation*, 25(2), 141-160.

⁴² Vajja, A., & White, H. 2008. Can the World Bank build social capital? The Experience of Social Funds in Malawi and Zambia. *The Journal of Development Studies*, 44(8), 1145-1168.

foundational pieces on CDD⁴³ refers to all three bodies of theory though it emphasizes some more than others. Much of the literature that provides this theoretical scaffolding are quantitative, qualitative or mixed methods studies that have attempted to estimate and understand the causal effects of one aspect of the CDD approach. A smaller sub-set of the literature has focused on developing conceptual or analytical frameworks without formal empirical testing. Even in these cases, the articles often focus on one aspect, feature or potential outcome of the CDD approach.

Microeconomic, game theoretical frameworks (collective action, rational and public choice) have been used to examine: the value of participation⁴⁴; elite capture/misallocation of project funds⁴⁵; the likelihood of membership in a community-based organization⁴⁶; endogenous imperfections of the 'community'⁴⁷; accountability⁴⁸ and scale up of CDD interventions⁴⁹. Democratic and decentralization theories have been used to elaborate the distinction between elite capture and elite control⁵⁰ and the relationship between direct and indirect representation and the legitimacy of public decision-making processes⁵¹. Theories of social power and social capital have been used to examine the ways in which CDD projects and processes interact with community characteristics⁵² and to explore the relationships between group membership, influence and elite capture⁵³.

The clearest articulation of an initial theory of how CDD may 'work' is embedded in a discussion of the microinstitutional foundations of political and social change⁵⁴. It provided a framework for understanding and evaluating CDD and non-participatory development interventions based on a broader theory of the nature of social transformation during any process of development. Invoking decades of social science scholarship⁵⁵, this article highlights the inherently problematic and conflictual nature of development as there is usually resistance from those who benefitted under the previous status quo as well as those who prefer the stability of sub-optimal conditions over the unpredictability of significant changes that would improve welfare over time. The broader theory of social transformation implies that development usually results in changes in social relations which in

⁴³ Dongier, P., Van Domelen, J., Ostrom, E., Ryan, A., Wakeman, W., Bebbington, A., Polski, M. 2003. Community-Driven Development. *World Bank Poverty Reduction Strategy Paper*.

⁴⁴ Besley, T., Pande, R., & Rao, V. 2005. Participatory Democracy in Action: Survey Evidence from South India. *Journal of the European Economic Association*, 3(2-3), 648-657.

⁴⁵ Platteau, J. P., & Gaspart, F. 2003. The Risk of Resource Misappropriation in Community-Driven Development. *World development*, 31(10), 1687-1703.

⁴⁶ Arcand, J. L., & Fafchamps, M. 2012. Matching in Community-Based Organizations. *Journal of Development Economics*, 98(2), 203-219.

⁴⁷ Platteau, J. P., & Abraham, A. 2002. Participatory Development in the Presence of Endogenous Community Imperfections. *Journal of Development Studies*, 39(2), 104-136.

⁴⁸ Wong, S., & Guggenheim, S. 2005. Community-Driven Development: Decentralization's Accountability Challenge. *East Asia Decentralizes: Making Local Government Work*, 292, 253.

⁴⁹ Binswanger-Mkhize, H. P., & Aiyar, S. S. A. 2003. *Scaling Up Community-Driven Development: Theoretical Underpinnings and Program Design Implications* (Vol. 3039). World Bank Publications.

⁵⁰ Dasgupta, A., & Beard, V. A. 2007. Community-Driven Development, Collective Action and Elite Capture in Indonesia. *Development and Change*, 38(2), 229-249.

⁵¹ Olken, B. A. 2010. Direct Democracy and Local Public Goods: Evidence from a Field Experiment in Indonesia. *American Political Science Review*, 104(02), 243-267.

⁵² Labonne, J., & Chase, R. S. 2011. Do Community-Driven Development Projects Enhance Social Capital? Evidence from the Philippines. *Journal of Development Economics*, 96(2), 348-358.

⁵³ Fritzen, S. A. 2007. Can the Design of Community-Driven Development Reduce the Risk of Elite Capture? Evidence from Indonesia. *World Development*, 35(8), 1359-1375.

⁵⁴ Chase, R., & Woolcock, M. 2005. Social Capital and the Micro-Institutional Foundations of CDD Approaches in East Asia: Evidence, Theory, and Policy Implications. In *Arusha conference 'New Frontiers of Social Policy'*, December (pp. 12-15).

⁵⁵ Ibid, this includes references to de Tocqueville (1856), Polyani (1944), Moore (1966), Skocpol (1979), Scott (1976).

turn require changes in rules, systems and identities. This shift in social relations introduces new risks, expectations and distinctions and inevitably results in some degree of conflict. In order to avoid violent conflict and complete instability, effective institutions for managing social transformations must be in place.

Against this theoretical backdrop, as a development intervention that seeks to reduce poverty, CDD attempts to provoke a fundamental change in the way groups organize themselves, relate to each other and make decisions. In other words, CDD attempts to change the 'character of social capital' within and across communities. The justification and value-add of CDD is purportedly its built-in mechanisms for managing the inevitable conflict.⁵⁶ By giving decision-making and agenda-setting control to communities and by designing grievance and redress mechanisms, CDD interventions legitimize the process of (social, political, economic) change, stimulate ownership of these processes and provide a means for managing the corresponding tension and conflict. The theory of how CDD interventions may stimulate institutional change is summarized in the following statement:

By establishing a new set of precedents and procedures for priority-setting and decision-making, they potentially generate positive externalities that extend to (and can be leveraged to put pressure for accountability on) other, non-project realms, such as local governance.⁵⁷

Although this theory does not provide details on how every aspect of the CDD intervention works to yield each or all of the desired outcomes, it provides justification for the defining aspects of the CDD approach and a potential mechanism through which a well-designed CDD intervention may stimulate changes beyond the scope and lifetime of the intervention.

Taken together, the groups of theories that have been referenced implicitly or explicitly over the last 15 years provide greater support to the claims and expectations about the effectiveness of the CDD approach. They have also suggested alternate ways of thinking about, implementing and evaluating CDD. While a coherent explicit theory of change is yet to be developed, a list of hypotheses about CDD (particularly CDD in conflict-affected settings) and its desired outcomes has been generated.⁵⁸ The table below summarizes these hypotheses.⁵⁹

⁵⁶ Ibid

⁵⁷ Ibid, pg.6

⁵⁸ Barron, P. 2010. CDD in Post-Conflict and Conflict-Affected Areas: Experiences from East Asia.

https://openknowledge.worldbank.org/bitstream/handle/10986/9060/WDR2011_0006.pdf?sequence=1

⁵⁹ Ibid, pages 15,16

Table 2

Outcomes	Hypotheses	Rationale/Mechanisms
Improved Welfare: Improved local public infrastructure and more private assets	CDD results in a better matching of project resources with local needs	Reduction of information asymmetries in allocation of project resources
	CDD reduces unit costs	Community control over resources incentivizes vigilance and accountability and increases efficiency
	CDD outputs are more likely to be maintained (than development outputs delivered through other approaches)	Greater perceived ownership which increases perceived value and willingness to preserve/protect the output
	CDD more effective than other approaches in areas of high violence	Local control and management, potential to reach remote areas
Improved Social Relations and Cohesion	CDD increases participation beyond the project leading to improvements in trust between different groups	Collective action across group boundaries
	CDD limits project-related conflict	Groups come to consensus over resource allocation, community-based targeting leads to greater acceptance of resource distributions
	CDD diffuses latent tensions	Provision of project-related conflict resolution mechanisms
Improved Governance: More effective and responsive institutions	CDD creates demand for more responsive institutions	Satisfaction with CDD processes as an alternative
	CDD increases trust in the state	Increased interaction, increased perceived legitimacy
	CDD improves coordination	Common platform for planning and resource allocation

The hypotheses emphasize specific features and activities within the CDD approach. They highlight the relative efficiency of CDD and support some outcomes more than others. For instance, the hypotheses under the welfare outcome seem to be more about administrative efficiency and seem to assume that individuals and groups will be better off once local public infrastructure are improved and private assets are gained. Finally, while some of the hypotheses invoke the economic, political and sociological theories reviewed in this section, they fall short of explaining how the different features of the CDD approach work sequentially, concurrently or recursively to achieve the desired outcomes.

2.2. *Beyond Critique: Observations from a Thought Exercise*

In December 2012, a small group from the IRC Governance technical team attempted to engineer a model of CDD that had improving governance as its primary objective. At this point, whether improved governance would be an intermediate or ultimate outcome was a secondary concern as governance was considered critical to development processes. For the purposes of this exercise, CDD was reduced to its core elements – members of local groups have decision-making power over the use of aid resources and that these resources along with technical support would be provided to them. Without any further conceptual definitions, the group engaged in a modelling exercise that yielded what looked strikingly similar to the ‘traditional’ CDD strategy – the same strategy that was regarded as simultaneously unwieldy and full of potential.

Yet there were some cosmetic changes. For instance, for a governance-improvement objective, the relationship between legitimate local political leaders – formally elected or traditionally selected – and those they govern would be the primary axis along which the intervention would be organized. On this premise, the group vibrantly discussed the objective of community meetings and local deliberative exercises within local groups and between groups and political authorities; the types and flows of information that would be necessary; the opportunities for and types of learning that would occur and the ways in which learning could be measured. The group very quickly realized that the ideas discussed seemed to be constrained by broad conceptualizations of how the ‘world’ works and more specially, how change happens. Amid the abundance of carefully thought-out activities and inputs, the lack of theoretical grounding was conspicuous.

In early 2014, a second attempt at imagining a CDD strategy for improved governance followed a very different trajectory. With more emphasis on conceptual clarity, the exercise started with an attempt to further specify the governance outcome – e.g. responsive institutions – and work backwards in a series of small steps towards the inputs and activities. This thought exercise led to series of increasingly difficult questions:

1. **Outcome:** What is the desired outcome? What does it look like? How would one identify it? This requires thinking about definitions and construct validity to ensure that, in this case, the conceptualization of ‘responsive institutions’ matches the empirical manifestation. The answer to these questions also requires identification of the types of institutions that are being targeted and a clear articulation of directionality and responsibility around ‘responsiveness’ i.e. responsive to what and to whom?
2. **Problem:** Why is the desired outcome not currently being observed? Although one could imagine an extensive list of potential barriers to responsive institutions, only through contextual information would the nature, origin, evolution, magnitude, number and possible configuration of barriers be identified. In the thought exercise, it became clear that there could be several causes of the ‘problem’. This raised doubts that a single intervention, like CDD, would be sufficient for addressing barriers to responsive institutions.
3. **Conditions/Requirements:** What are the necessary and sufficient conditions for institutions to be responsive? It is impossible to respond to this question without a theory about how institutions *function*. Supposing a list of pre-conditions could be specified, it would be cross-referenced with in-

depth knowledge of the context to identify the order and relationship between the conditions as well as the relationship between the barrier(s) and the condition(s).

4. **Opportunities:** What aspects of the problem can be addressed and in what ways? Provided that the 'problem' and the 'conditions' can be correctly identified and that information about the existing institutional arrangements is available then a theoretical framework could be super-imposed potentially indicating a number of options, opportunities and entry points for addressing the 'problem' and moving towards responsive institutions. This demands a theory about how institutions *evolve*.
5. **Change:** What type of change would be reasonable to expect? How would one identify that change?
Expectations about the nature (e.g. marginal, catalytic) and trajectory of change are also derived from the theory of institutional change.
6. **Mechanism:** What would need to be done in order to effect the type of change that is (theoretically and contextually) required/expected?
Only at this point would it be appropriate to think through the design of an intervention. The 'dosage', duration and relationship between the intervention and other aspects of the environment that matter for the expected change would also need to be considered.

This exercise differs from other theoretical discussions of CDD because not only does it start with an examination of theories that support the given outcome but it also allows the design of the CDD strategy to be shaped by the contextual opportunities *and* by theory of how the desired change may be obtained. In other words, this exercise did not start with CDD as traditionally articulated and attempt to use it to respond to a given problem. Instead of applying a set of pre-determined tools to a given problem as practitioners are wont to do, this method seeks to allow theory and opportunity to determine the set of relevant and applicable tools. Another observation gleaned from this exercise is that there is a need for at least two 'theories of change': an external one about how change happens more generally in the context and an internal one about how CDD activities will contribute to or stimulate that change.

At this point, it was impossible to make clear predictions about the design of a CDD strategy and the type of change it can stimulate given the clear need for theory about institutions and knowledge about a given context. Unsurprisingly, the literature on institutional change and development does not provide an explicit theory about how to change institutions (to become more responsive in a way that stimulates development). There is no formal model that specifies how much of what activity is needed to shift institutions to some critical tipping point beyond which they become more responsive. Nevertheless, there is a vast literature around development that provides different ways of thinking about how development, including institutional change, actually happens. The logical next step would be to identify and organize relevant perspectives within this literature so as to shed 'new' light on the process of development and the prospects for a community-driven strategy.

2.3. Beyond Critique: Conceptual Frameworks for Community-Driven Development

People, relationships and decision-making are at the core of Community-Driven Development. Even without specifying outcomes other than ‘development’ and without a specific series of design features, the main premise remains that individuals, groups, institutions and processes are simultaneously the medium for and object of change.⁶⁰ In re-imagining the CDD strategy and its relative place within a broader process of development, it seems necessary to reflect on available theory and evidence on the ways in which individuals, groups, institutions and processes function, interact and change. This project will utilize four conceptual frameworks as organizing principles to clarify, analyze and articulate the promise and perils of development that is driven by small groups with the objective of informing policy, practice and research. For the purposes of this paper, a conceptual framework refers to a set of concepts, assumptions and theories that inform and support the examination of a specific subject or phenomenon.

2.3.1. Institutions: A Conceptual Framework Rooted in Economic and Historical Institutionalism

As a development strategy, the primary objective of CDD is to stimulate the types of changes that will promote local development. Over the last 60 years, economic historians have studied the process of economic and social change. No single factor perfectly predicts (economic, social, political) development. However, the institutions that frame how individuals and groups interact economically, socially and politically seem to be important for understanding the capability of some societies to sustain development.⁶¹ Institutions are defined as “the rules of the game in a society or more formally, the humanly devised constraints that shape human interaction”⁶². The general notion is that the examination of institutions and the norms that facilitate or constrain choices provides an opportunity to explain broader structure and change.⁶³ The development of institutions is path-dependent meaning historical events, critical episodes or junctures give rise to institutions which vary across different episodic experiences. However, institutions are not static but continue to change in different directions depending on the nature of the initial critical episode as well as subsequent ones.⁶⁴ This sub-section presents a framework for understanding institutions, institutional change and its relationship to development.

Designing better, more appropriate and effective development policies and interventions require a better understanding of the nature of institutions within the targeted areas. Scholars of economic institutionalism have proposed a conceptual framework based on theories of economic and political behaviour to explain how societies and their systems and institutions are structured and the ways in which these arrangements enhance or prohibit growth and development.⁶⁵ The main premise is that

⁶⁰ For the purpose of this section of the discussion, CDD is reduced to its simplest defining characteristics – that communities have decision-making power over the allocation and use of aid resources and that these resources are provided to them.

⁶¹ North, D. 1981. Institutions. *Journal of Economic Perspectives*. American Economic Association. Vol. 5(1). 477-496.
Acemoglu, D., Johnson, S., & Robinson, J. A. 2002. Reversal of fortune: Geography and institutions in the making of the modern world income distribution. *The Quarterly Journal of Economics*, 117(4), 1231-1294.

⁶² , North, D. C. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge University Press. Pg. 3.

⁶³ Levi, M. 2009. *Reconsiderations of Rational Choice in Comparative and Historical analysis*. Comparative Politics Second Edition, 117

⁶⁴ Thelen, K. 2004. *How Institutions Evolve. The Political Economy of Skills in Germany, Britain, the United States and Japan*. Cambridge University Press.

⁶⁵ North, D. C. 2007. Limited access orders in the developing world: A new approach to the problems of development (Vol. 4359). World Bank Publications.

political and economic systems are intrinsically linked as political elites will structure and manage the economy in ways that ensure benefits to the dominant coalition while ensuring stability and limiting violence.⁶⁶

Within this framework, organizations, the mechanisms through which people carry out complex social interactions⁶⁷, are necessary for cooperation, coordination and productivity. However, organizational forms will (be allowed to) gradually develop and function to the extent that political and fiscal benefits accrue to the dominant groups. The change in the degree and nature of social organization represents an institutional change.⁶⁸ This framework categorizes societies⁶⁹ according to the mechanisms for maintaining order: in limited access orders, social order is maintained by limiting access to resources, functions (e.g. trade, worship, education) and to forms of social organization; in open access orders, social order is maintained through competition, open access to organizational forms and the rule of law⁷⁰. The countries targeted by development policy fall within the former category. Finally, the framework proposes that (economic) development occurs when there is radical – as opposed to incremental – transformation in the rule of law, political control of violence and the perpetuation of forms of social organization. This has implications for conventional development policies that have typically focused on marginal improvements. The conceptual framework does not argue that marginal improvements are pointless but rather that they will not lead to the type of large scale macro-economic growth that policymakers typically desire.

Despite the focus on macro-level institutional change and economic development, this framework provides a starting point for understanding the process of social and political institutional change within the contexts targeted by CDD interventions. CDD itself is not about macro-level economic development. However, to the extent that CDD does not occur in a vacuum and that CDD aspires to stimulate long-lasting change, the theory and design of CDD must reside within a framework about how institutional change occurs at the macro-level. Against this conceptual backdrop, several questions that may be useful in (re)thinking CDD arise: e.g. what does the nature of change at the macro-level tell us about the nature of change on lower levels? Is there any reason to believe that change would occur differently? What can we learn about the limits of change? To what extent can this framework stimulate more creative thinking about what the CDD strategy could look like, how it could be used and at what points?

2.3.2. Groups: Conceptual Frameworks for Understanding Social Interaction

The ‘community’ is the central organizational and operational mechanism within the CDD strategy. The primary objective of communities in the CDD strategy is to provide a common base for decision-making and action.⁷¹ There is, however, great variation in the conceptual and practical definitions of communities across CDD interventions. The term ‘community’ may refer to a sub-village, village,

⁶⁶ Ibid, pg.3.

⁶⁷ North, D. C. 1991. Institutions, ideology, and economic performance. *Cato J.*,11, 477.

⁶⁸ This coheres with the argument that ‘inclusive’ political institutions are necessary for growth as presented in Acemoglu, D., Robinson, J. A., & Woren, D. 2012. *Why Nations Fail: the Origins of Power, Prosperity, and Poverty* (Vol. 4). New York: Crown Business.

⁶⁹ Societies are referred to as social orders in the paper.

⁷⁰ North .D.C. 2007. pg. 3-4

⁷¹ It should be noted that CDD interventions do not always aim to provide public or club goods. They do sometimes focus on providing opportunities to private gain e.g. in income-generating projects.

commune, district or any other electorally or traditionally recognized administrative unit. 'Community' may also refer to groups of individuals who reside in close proximity which are aggregated by the CDD implementers for the purpose improving the efficiency of delivering the intervention. Pre-existing local organizations individually or collectively may also constitute a 'community'. In all these cases, a community is a form of social organization.

Invoking the institutional framework discussed in the previous sub-section, communities are organizations and organizations are defined as "groups of individuals who have a common goal"⁷². The relationship between institutions and organizations is that while institutions frame human interaction, organizations are the vehicles through which interactions are carried out.⁷³ Defined in this way, a number of conceptual frameworks are helpful in understanding how communities, organizations or groups function and interact. This section discusses three of them: economic (collective action), sociological (social capital) and social psychological (intergroup dynamics).

Collective action occurs when individuals within groups or organizations work together. The study of collective action began with an initial acknowledgement that rational individuals will not necessarily work with others or contribute to the achievement of a commonly shared goal or good. When groups are large and the desired good is publicly shared, rational individuals would require external coercion or some other device, like punishment, in order to act in their common or group interest.⁷⁴ This emphasized the strong rational choice underpinnings that focus on the strategic nature of interactions – individuals make decisions on the basis of the probable decisions of others.⁷⁵ This acknowledgement resulted in decades of subsequent research in search of ways to overcome the barriers to collective action and incentivize cooperation. Under certain conditions, agreements and collectively defined institutions are considered viable mechanisms for overcoming opportunistic behaviour and for self-monitoring and self-sanctioning in the production and management of small scale common pool resources.⁷⁶ More behavioural perspectives have highlighted the role of altruistic punishment⁷⁷ and reciprocity and social norms⁷⁸ in improving coordination for public goods. However, it should be noted that collective action is not about group behaviour per se; it is about how individuals make decisions to cooperate. Nonetheless, this paper identifies the collective action framework as group level framework because it is about how individuals make choices about their actions *given what they know about others* within a given setting.

While no unified theory of collective action exists, a recent review of participatory local development interventions applies a conceptual framework that critiques the implicit assumptions of problem-free collective action that many of these interventions make. "Civil society failure" refers to the inability of civil society groups to cooperate efficiently (or at all) to reach a feasible goal.⁷⁹ The suggested reasons for civil society failure are poor or limited information, inequality and

⁷² North, D. C. 1993. The new institutional economics and development. EconWPA Economic History, 9309002.Pg. 6.

⁷³ North, D. C. 1991. Institutions, ideology, and economic performance. Cato J., 11, 477.

⁷⁴ Olson, M. 1965. The logic of collective action: Public goods and the theory of group. Cambridge: Harvard University Press. Pg. 2.

⁷⁵ Levi, M. 2009. Reconsiderations of Rational Choice in Comparative and Historical analysis. Comparative Politics Second Edition, 117.

⁷⁶ Ostrom, E. 1990. Governing the Commons: The evolution of institutions for collective action. Cambridge university press.

⁷⁷ Fehr, E., & Gächter, S. 2002. Altruistic punishment in humans. Nature, 415 (6868), 137-140.

⁷⁸ Fehr, E., & Gächter, S. 2000. Fairness and retaliation: The economics of reciprocity. The Journal of economic perspectives, 159-181.

⁷⁹ Mansuri, G., & Rao, V. 2012. Localizing Development: does participation work? World Bank Publications.

coordination problems. The likelihood of collective action is in part dependent on: the purpose of the collective action, the extent of interdependence among the groups, the nature of the cooperative structure, the opportunity costs of participation, the level of poverty, the extent of literacy and political awareness. This framework, as well as broader lessons on collective action, is directly relevant to the conceptualization of future CDD interventions.

Social capital provides another conceptual framework for analyzing the ways in which community groups, organizations and individuals interact and their propensity to work together. Social capital also refers to the norms and values that facilitate exchange reduce transaction costs and the cost of information permitting trade in the absence of formal contracts and encouraging responsible citizenship and the collective management of resources.⁸⁰ It has also been defined as “the norms and networks that allow people to act collectively”.⁸¹ The general idea is that norms and networks have value directly to those involved in the networks and to the general public.⁸² The term is sometimes used interchangeably with the term social cohesion which has been defined in several ways including as ‘the glue that binds society together’⁸³ and as ‘local patterns of cooperation’⁸⁴. Although the exact directionality of the causal relationship between social capital and development remains debatable, social capital is considered a critical element in the development of successful institutions and ‘good’ governance⁸⁵, institutional quality and economic growth⁸⁶ and overall development⁸⁷.

Despite earlier notions of social capital as a potential means of exploitation and barrier to development, the conventional school of thought is that communities or groups with higher levels of social capital or cohesion are better able to overcome collective action problems. Under some conditions, relationships based on trust and social networks increase the likelihood of collective action.⁸⁸ The greater the number of civic associations and social networks, the higher the probability that communities and groups can tackle problems such as poverty.⁸⁹ The ‘institutionalist’ view of social capital considers it an endogenous dependent variable – a manifestation of the quality of institutions.⁹⁰ Interventions like CDD that seek to capitalize on and stimulate social capital/cohesion

⁸⁰ Fukuyama, F. 1995. Social capital and the global economy. *Foreign affairs*, 89-103.

⁸¹ Woolcock, M., & Narayan, D. 2000. Social Capital: Implications for development theory, research, and policy. *The World Bank Research Observer*, 15(2), 225-249. Pg. 226.

⁸² Putnam, R. 2001. Social Capital: Measurement and Consequences. *Canadian Journal of Policy Research*, 2(1), 41-51.

⁸³ Colletta, N. J., Lim, T. G., & Kelles-Viitanen, A. (Eds.). 2001. Social cohesion and conflict prevention in Asia: Managing diversity through development. World Bank Publications.

⁸⁴ Fearon, J. D., Humphreys, M., & Weinstein, J. M. 2009. Can development aid contribute to social cohesion after civil war? Evidence from a field experiment in post-conflict Liberia. *The American Economic Review*, 287-291.

⁸⁵ Putnam, R. D., Leonardi, R., & Nanetti, R. Y. 1994. Making democracy work: Civic traditions in modern Italy. Princeton university press.

⁸⁶ Easterly, W., Ritzen, J., & Woolcock, M. 2006. Social cohesion, institutions, and growth. *Economics & Politics*, 18(2), 103-120.

⁸⁷ Ritzen, J. M. M., Easterly, W., & Woolcock, M. J. 2000. On "good" Politicians and "bad" Policies: Social Cohesion, Institutions, and Growth (Vol. 2448). World Bank Publications; Ferroni, M., Mateo, M., & Payne, M. 2008. Development under conditions of inequality and distrust: Social cohesion in Latin America. *Intl Food Policy Res Inst*.

⁸⁸ Narayan, D., & Pritchett, L. 1999. Cents and sociability: Household income and social capital in rural Tanzania. *Economic development and cultural change*, 47(4), 871-897. Grootaert, C. 2001. The missing link? Social capital and participation in everyday life. London: Routledge, 9-29.

⁸⁹ Woolcock, M., & Narayan, D. 2000. Social capital: Implications for development theory, research, and policy. *The world bank research observer*, 15(2), 225-249.

⁹⁰ Ibid

and development are best designed when they take into account the nature and types of social relations within and between communities and their interaction with institutions.⁹¹

A conceptual framework that has been conspicuously absent from the discussion of social interactions is the social psychological perspectives that frame intergroup dynamics. By definition and design, community-driven development brings different groups together and understanding 'community' level activity as not only a function of strategic and repeated individual decisions but also as a set of group interactions may reveal new opportunities and complexities in stimulating development that is spearheaded by communities. The basic notion is that the meaning and boundaries of group membership influence how groups of individuals within and across 'communities' interact with each other to achieve (or not) a common goal.

Several perspectives and developments in social psychology offer relevant entry points for clarifying the factors that shape group dynamics. Among these are the acknowledgements of: the importance of social identity and categorization⁹²; the fluidity and manipulability of this social identity for strategic purposes⁹³; the tendency to display in-group favouritism even for cursorily established groups⁹⁴; the power of certain forms of intergroup engagement to improve intergroup attitudes and behaviour⁹⁵; the relationship between relative groups size and perceived realistic or symbolic threat⁹⁶; the relationship between perceived threat, group interaction and competition⁹⁷; the difference in the orientations of majority and minority groups towards social interaction and social policy change⁹⁸ and the ways in which prejudice and marginalization shape the behaviour and choices of minority groups⁹⁹.

Taken together, this body of knowledge highlights the central importance of sociological and social cognitive frameworks to the conceptualization and elaboration of a group-led development strategy. In particular, the dearth of evidence of positive (or negative) effects of CDD interventions on social capital and cohesion outcomes¹⁰⁰ relative to CDD's effect on other desired outcomes underscore the importance of understanding and applying these conceptual frameworks.

⁹¹ Ibid

⁹² Turner, J. C. 1985. Social categorization and the self-concept: A social cognitive theory of group behavior. *Advances in group processes*, 2, 77-122.

⁹³ Posner, D. N. 2004. The political salience of cultural difference: Why Chewas and Tumbukas are allies in Zambia and adversaries in Malawi. *American Political Science Review*, 98(04), 529-545.

⁹⁴ Tajfel, H., Billig, M. G., Bundy, R. P., & Flament, C. 1971. Social categorization and intergroup behavior. *European journal of social psychology*, 1(2), 149-178.

⁹⁵ Allport, G. W. 1954. *The Nature of Prejudice*. Reading: Addison-Wesley. Pettigrew, T. F. 1998. Intergroup contact theory. *Annual review of psychology*, 49(1), 65-85. Pettigrew, T. F., & Tropp, L. R. 2000. Does intergroup contact reduce prejudice: Recent meta-analytic findings?

⁹⁶ Tajfel, H., & Turner, J. C. 1979. An integrative theory of intergroup conflict. *The social psychology of intergroup relations*, 33, 47; Stephan, W. G., & Stephan, C. W. 2000. An integrated threat theory of prejudice. *Reducing prejudice and discrimination*, 23-45.

⁹⁷ Stephan, W. G., & Stephan, C. W. 1985. Intergroup anxiety. *Journal of social issues*, 41(3), 157-175.

⁹⁸ Dixon, J. C. 2006. The ties that bind and those that don't: Toward reconciling group threat and contact theories of prejudice. *Social Forces*, 84(4), 2179-2204.

⁹⁹ Scott, J. C. 2008. *Weapons of the weak: Everyday forms of peasant resistance*. Yale university Press.

¹⁰⁰ Although the evidence on the overall effectiveness of CDD is weak, most reviews of evaluations of the approach have identified more evidence of positive or mixed effects on welfare and governance than on social capital/cohesion. Where such evidence has been found, this has been driven mostly by research in the East Asia region.

2.3.3. Individuals: Conceptual Frameworks Rooted in Cognitive Psychology

Community-driven development targets groups and, by extension, the individuals within these groups. Decision-making (through participation) is the central defining process of the CDD strategy. In addition (or even prior) to making decisions about how best to address their needs and priorities, individuals make decisions about the motivation, nature and extent of their participation in CDD and other participatory development approaches. These decisions or judgments are based on different types of information used in different ways. CDD interventions usually acknowledge the importance of information by ensuring a 'sensitization' or 'social preparation' period. However, these 'designs' often do not reflect sufficient consideration of the ways in which individuals think, how they seek, process and retrieve information and how this processing affects decisions and behaviours. This section introduces frameworks from a rich history of cognitive and social psychology scholarship that are increasingly relevant to the conceptualization of development interventions that targets individuals through the groups.

The prevailing premise of the cognitive science approach to decision-making is that humans often make systematic errors in processing information and these errors lead to inaccurate, distorted and irrational choices. Theories about decision-making rooted in the rational choice tradition¹⁰¹ assume that with perfect information, individuals make rational decisions. Over time, the acknowledgement of the impossibility of having perfect information (and therefore perfect certainty) as well as the limitations of cognitive resources and time in making decisions has led to propositions of bounded rationality¹⁰². This means individuals make the most rational decisions given the limitations. Cognitive psychology offers a more nuanced perspective which identifies the types of cognitive biases that emerge and the labour-saving devices (or heuristics) that individuals use when making decisions when there is uncertainty (i.e. almost always) and shows that these biases and heuristics cause significant diversions from rationality.

Some of the most commonly referenced biases in decision-making are: loss aversion (where the pain of loss is greater than the joy of gain), social desirability bias (tendency to emphasize positive traits and minimize negative ones), status quo bias (a preference for keeping things the same); confirmation bias (the tendency to seek, process and retain information that confirms one's position/beliefs etc.). Heuristics that apply to decision-making include anchoring (decisions are affected by the starting point/how the information is framed); representativeness (decisions about one issue are made with reference to the perceived similarity to another) and availability (decisions are influenced by the information that is most easily brought to mind).¹⁰³ These are just a few of the many human cognitive biases and heuristics that are as applicable to the architects and implementers of development interventions as they are to the individuals these interventions aim to engage.

Individuals are also subject to social cognitive biases when they attempt to make sense of their social environments. These biases and heuristics also influence how individuals make assessments or choices about how they view and interact with other individuals. Given that CDD requires a myriad

¹⁰¹ It should be noted that rational choice is not a theory per se but a model for predictive behaviour in a particular situation as reflected in Alchian, A. A. 1950. Uncertainty, evolution, and economic theory. *The Journal of Political Economy*, 211-221.

¹⁰² Simon, H. A. 1982. *Models of bounded rationality: Empirically grounded economic reason* (Vol. 3). MIT Press.

¹⁰³ Tversky, A., & Kahneman, D. 1974. Judgment under uncertainty: Heuristics and biases. *Science*, 185(4157), 1124-1131.

of social interactions and attempts to shape or alter social relationships, understanding social biases and assessing their implications for CDD interventions is also important. Individuals and groups use stereotypes as heuristics¹⁰⁴ and these stereotypes may lead to implicit prejudiced attitudes and assessments¹⁰⁵ of the groups and individuals with whom they are being required to interact. Individuals tend to attribute their behaviour to external circumstances and attribute the behaviour of others to personal traits.¹⁰⁶ Individuals tend to see members of their own group as heterogeneous but members of an 'outgroup' as all the same.¹⁰⁷ Individuals also tend to conform to norms that they privately reject because they assume that the norms are widely accepted by others.¹⁰⁸ These and other findings from social psychology offer more nuanced perspectives from which to conceptualize and design CDD interventions.

Lessons from cognitive psychology have become increasingly relevant and applicable to development policy, practice and measurement. Within the last decade, behavioural economics, a field of economics that studies the interaction between human psychology and the institutions and contexts of decision-making¹⁰⁹, has grown increasingly popular. Applications of behavioural economics to a range of decision-making and behaviour change outcomes have been demonstrated and evaluated in 'developed'¹¹⁰ and 'developing'¹¹¹ countries alike. Behavioural economics adopts a more complex and arguably realistic view of individuals and the process of decision-making.

Embracing the cognitive psychological approach that even with all the necessary information and even when logic is simple, individuals often make 'wrong' or irrational decisions, this field of study endeavours to identify possible ways to 'assist' individuals in making more favourable and rational decisions. This builds on a conceptualization of the mind as having two components or systems – one that makes rapid, intuitive almost automatic decisions based on memory and emotions and another that makes slower, more reasoned decisions based on logic, probability or some other decision-making rule.¹¹² The second system is more deliberate and requires the cognitive resources of attention and effort. However, as the cognitive science literature has long acknowledged, not only are human cognitive resources limited, they are particularly limited under certain conditions. Individuals that experience situational duress or more protracted states such as poverty are

¹⁰⁴ Stereotypes and stereotyping: An overview of the cognitive approach. Hamilton, David L.; Trolier, Tina K. Dovidio, John F. (Ed); Gaertner, Samuel L. (Ed), (1986). *Prejudice, discrimination, and racism.*, (pp. 127-163). San Diego, CA, US: Academic Press.

¹⁰⁵ Greenwald, A. G., & Banaji, M. R. 1995. Implicit social cognition: attitudes, self-esteem, and stereotypes. *Psychological Review*, 102(1), 4.

¹⁰⁶ Tetlock, P. E. 1985. Accountability: A social check on the fundamental attribution error. *Social Psychology Quarterly*, 227-236.

¹⁰⁷ Brewer, M. B. 1993. Social identity, distinctiveness, and in-group homogeneity. *Social cognition*, 11(1), 150-164.

¹⁰⁸ Shelton, J. N., & Richeson, J. A. 2005. Intergroup contact and pluralistic ignorance. *Journal of personality and social psychology*, 88(1), 91.

¹⁰⁹ Darling, M., S. Datta, & S. Mullainathan. 2013. *The Nature of the Beast: What Behavioral Economics Is Not*. The Center for Global Development. http://www.cgdev.org/sites/default/files/beast-what-behavioral-economics-not_final.pdf

¹¹⁰ Thaler, R. H., & Sunstein, C. R. 2008. *Nudge: Improving decisions about health, wealth, and happiness*. Yale University Press.

¹¹¹ Karlan, D., & Appel, J. 2011. *More Than Good Intentions*. Dutton, New York.

¹¹² Kahneman, D. 2011. *Thinking, fast and slow*. Macmillan.

operating under the constraint of a scarcity of mental resources because their states drains their resources by keeping them constantly (and even subconsciously) preoccupied.¹¹³

This reinforces the notion that under constraints, individuals will make mistakes and poor decisions in spite of information and their best intentions. Behavioural economists have noted that most development interventions do not take the common principle of mental constraints into account. 'Behavioural design' has been proposed as a new way of defining and diagnosing development problems and designing potential solutions.¹¹⁴ CDD, an intervention that relies on individual and group decision-making, would benefit from applying a similar framework.

2.3.4. Systems: A Conceptual Framework for Engaging Complexity

Community-driven development aims to bring about change at the individual, group, institutional and systemic levels. CDD interventions do not purport to stimulate these types of change in isolation of other efforts. Neither does the focus on local or grassroots engagement imply the neglect of higher levels and different types of interaction. Understanding how change can happen within and across levels requires a conceptualization of the way in which systems operate and evolve. This subsection discusses the complex adaptive systems approach. This conceptual framework does not focus on a specific system; rather it presents an approach to thinking about the space within which development in general and the changes an intervention like CDD try to produce would occur.

The outcomes of political, economic and social processes tend to defy easy prediction. One explanation for this phenomenon is that these processes reside within complex adaptive systems (CAS). Change within complex adaptive systems, defined as systems that involve many components and agents that adapt and learn as they interact¹¹⁵, tends to happen in non-linear, non-monotonic (i.e. not direct, smooth or straight-forward) ways. Examples of complex adaptive systems include the brain, immune system, cultures, language, ecosystems, economies, social networks. The complex adaptive systems approach has been used to analyze cities and urban transport networks natural resource management, finance markets, epidemics among many other subjects. The basic notion is that CAS are characterized by

...complex behaviour that emerges as a result of interactions among system components (or agents) and among system components (or agents) and the environment. Through interacting with and learning from its environment, a complex adaptive system modifies its behaviour to adapt to changes in its environment.¹¹⁶

These systems display three main properties: (i) they are self-organizing as agents and components act on available information about nearby agents; (ii) they demonstrate co-evolutionary processes as agents shift constantly in relation to others (iii) they shift in unpredictable ways because they achieve many 'equilibria'¹¹⁷ but these are unstable and temporary.¹¹⁸ They are also

¹¹³ Datta, S. & S. Mullainathan. 2012. Behavioral Design – A New Approach to Development Policy. CDG Policy Paper 016. Washington D.C.: Center for Global Development.

http://www.cgdev.org/files/1426679_file_Datta_Mullainathan_Behavioral_Design.pdf

¹¹⁴ Ibid

¹¹⁵ Holland, J. H. 2006. Studying complex adaptive systems. *Journal of Systems Science and Complexity*, 19(1), 1-8.

¹¹⁶ Potgieter, A. & J. Bishop. 2001. *Complex adaptive Systems. Emergence – the Basics*. University of Pretoria. P.g.1.

¹¹⁷ Equilibria refers to states of balance.

¹¹⁸ Holland, J. H., & Miller, J. H. 1991. *Artificial adaptive agents in economic theory*. Santa Fe Institute. Levin, S. A. 1999. *Towards a science of ecological management*. *Conservation Ecology*, 3(2), 6.

characterized by a high degree of interconnectedness in which interactions are driven by feedback and processes that operate across space and time on multiple levels¹¹⁹ and are able to reconfigure the ways in which they are connected¹²⁰. This resonates with the acknowledgement of the organic and endogenous relationship between the political, economic and social systems. Given these characteristics, a complex adaptive system may have 'tipping points' and 'surprises' where the system undergoes radical transformation and results in a manifestation that is profoundly and qualitatively different from the original system.¹²¹ This means that change may not be incremental or proportionate to the action that provoked the change. It also implies that the pathway and timing of change is not often predictable.

Development interventions such as CDD occur within multiple complex adaptive systems. However, most interventions are not designed, implemented or evaluated with a complex adaptive systems approach in mind. The economic history literature on the nature of institutional change echoes many of the CAS characteristics. Yet the development interventions that attempt to isolate and control or stabilize key variables often fail because they are static and do not account for the self-evolutionary nature of the systems into which they intervene.¹²² Understanding and analyzing complex adaptive systems is difficult and the temptation to adopt a reductionist approach is high. However, aggregating assessments of the behaviour of the parts is not equivalent to an assessment of the whole because the manner in which the parts interact must also be studied.¹²³ Most contemporary frameworks for analyzing interventions such as CDD are informed by methodological individualism and models from neoclassical economics. These frameworks are insufficient to capture the nature of change within complex adaptive systems. In regard to CDD interventions, this observation is not a new one as proponents have argued for constructivist design approaches¹²⁴ and for alternative conceptualizations of change trajectories¹²⁵. For this project, reconceptualization of CDD interventions must be done within the framework of complex adaptive systems.

This section presented the frameworks which will lay the foundation for the conceptualization of 'new' approaches to community-driven development. The objective is to use these frameworks as building blocks, organizing principles and screening devices for emerging thoughts with the hope of achieving a high degree of internal coherence. The intellectual exercise of developing the approach(es) and articulating and contextualizing a practical design may yield ideas that diverge from these frameworks. The objective is not limit the generation of ideas to only those that fit neatly within these frameworks. However, to the extent that emergent ideas do not fit, this project requires clear, solid arguments as to why the ideas do not fit and whether they are extensions, complements or substitutes for these frameworks. One could argue that the categorization of frameworks according to institutions, groups, individuals and systems is not pure as indirect,

¹¹⁹ Gibson, C. C., Ostrom, E., & Ahn, T. K. 2000. The concept of scale and the human dimensions of global change: a survey. *Ecological economics*, 32(2), 217-239.

¹²⁰ Foster, J. 2005. From simplistic to complex systems in economics. *Cambridge Journal of Economics*, 29(6), 873-892.

¹²¹ Folke, C., Carpenter, S., Elmqvist, T., Gunderson, L., Holling, C. S., & Walker, B. 2002. Resilience and sustainable development: building adaptive capacity in a world of transformations. *AMBIO: A journal of the human environment*, 31(5), 437-440., Gunderson, L. H. 2003. Adaptive dancing: interactions between social resilience and ecological crises. *Navigating socioecological systems: building resilience for complexity and change*. Cambridge University Press, Cambridge, UK, 33-52. This also reflects Schumpeter's notions of creative destruction and Acemoglu and Robinson's notion of critical junctures.

¹²² Holling, C. S., & Gunderson, L. H. 2002. Resilience and adaptive cycles. *Panarchy: Understanding transformations in human and natural systems*, 25-62.

¹²³ Holland, J. H. 2006. Studying complex adaptive systems. *Journal of Systems Science and Complexity*, 19(1), 1-8.

¹²⁴ Gillespie, S. 2004. Scaling up community-driven development: A synthesis of experience. *International Food Policy Research Institute, Food Consumption and Nutrition Division, FCND Discussion Papers*, (181).

¹²⁵ Woolcock, M. 2009. Toward a plurality of methods in project evaluation: a contextualized approach to understanding impact trajectories and efficacy. *Journal of development effectiveness*, 1(1), 1-14. Chase, R., & Woolcock, M. 2005. Social capital and the micro-institutional foundations of CDD approaches in East Asia: evidence, theory, and policy implications. In Arusha conference 'New Frontiers of Social Policy', December (pp. 12-15).

multiple and recursive relationships exist within and between the levels of intervention, change and analysis. That perspective would be correct and would reinforce the direction in which this project intends to go.

Conclusion

The objective of this inception paper is to highlight observations from the implementation and evaluation of the CDD strategy, the evolution in its conceptualization and application to date and the precarious state of decision-making in which donors, policymakers and practitioners find themselves regarding further investments in CDD. Fortunately, the lack of evidence of the strategy's effectiveness has stimulated rather than curtailed interest and deeper exploration into the CDD strategy (at least among some proponents and critics). It is this convergence of perplexity and opportunity that motivates this project.

After summarizing the state of the conversation around CDD, this inception paper focused on identifying and cataloguing the conceptual/theoretical space within which the CDD strategy could be articulated, analyzed and potentially revised. The paper reviewed theories that have been referenced implicitly or explicitly in explanations, justifications or evaluations of the CDD strategy. After having reduced the 'idea' of CDD to two basic characteristics, the paper presented four conceptual frameworks containing broad overviews of theoretical perspectives that seem relevant to our understanding of how to design, implement and evaluate a community-driven development strategy. It took the broadest view of social change¹²⁶ and highlighted lessons that may have implications for the revision of CDD.

As the exercise moved progressively away from reflections on specific CDD models and programmatic features, it leaned precipitously towards greater levels of abstraction. The resultant feeling is both gratifying and overwhelming as the reader and authors alike are left much closer to understanding the intricacy of social change but no closer to specifying concrete adjustments in order to improve CDD's capacity to influence that type of change. This is a sobering reality. Nevertheless, the following observations may help to put this reality in context.

The reduced conceptualization of CDD creates a different entry point for discussion. This paper built its discussion on two main characteristics of the CDD strategy – communities have decision-making control over the allocation and use of aid resources and aid resources are provided. It makes no assumptions about the specific outcomes (other than the vague term 'development'). Neither are there assumptions about the institutional arrangements or design features and components of the CDD intervention. This reduced conceptualization is not new however; it departs from most discussions of CDD that tend to revolve around the operational aspects of CDD reflecting the 'projectization' of the approach. It is easier to think about training, elections and grievance mechanisms than to think about the ways in which people in a 'community' choose to align themselves with others and the factors that affect how they compete for control.

Understandably, any development intervention must be articulated in concrete operational terms in order to be implemented, managed and evaluated. However, there is a nontrivial difference between the core intent or 'spirit' of a strategy and how that intent is translated into inputs and activities. As Part 2 of the paper begins to highlight, the theoretical assumptions around the intent of the strategy do not always align with the assumptions around CDD's common 'project' features. This tension between the concept of CDD and the operationalization of CDD is reflected in the extent

¹²⁶ This is debatable as it could be argued that broader worldviews and frameworks for societal analysis and change exist and could also provide implications for the nature of development.

to which commonly offered hypotheses and justifications for CDD often revolve around its administrative efficiency as a *project or aid delivery mechanism*, not its suitability as a medium for social change. By focusing on the ‘spirit’ of CDD and on theory, this paper broadens the range of possibility in thinking about what future theoretically-motivated strategies that still embody the two main CDD characteristics could look like. The intention is to deliberately create space for new ideas to emerge without being wedded to specific inputs and activities merely because they represent what has traditionally been done.

In its essence, CDD is an adaptive strategy. Models for CDD do not exist; there is only a relatively broad CDD strategy. The intricacy of stimulating development through a local level mechanism and the wide variation in local socio-political realities may be the primary reasons for the deliberate flexibility in the strategy. It is hard to tell why CDD typically aims to improve social, economic and political outcomes simultaneously. It could be that the strategy initially served a corrective function as a social safety net (getting ‘stuff’ to people) but acquired a transformative function (challenging power dynamics) with the resurfacing of rights-based empowerment orthodoxy. It could also be that early implementers of CDD recognized the difficulty in transferring resources to those in need without addressing their social and political realities which then motivated the inclusion of a transformative function that preceded or coincided with the rise of empowerment orthodoxy. In either case, accounts of what CDD was originally meant to do may vary but the belief that CDD is both contextually and substantively adaptable persists as demonstrated in Part 1 of the paper. In this sense, CDD is a promising vehicle for accommodating the complexity of development. It may be that the right medium already exists but our application and measurement of the medium need adjustment given its inherent adaptability.

The challenge that CDD poses is not new or unique. The suitability and effectiveness of the common modalities of international aid is a perpetual question and the source of long-standing debates.¹²⁷ It was an initial call for evidence of the impact of CDD interventions that precipitated a significant increase in the number of rigorous evaluations and creation of an evidence base. The industry has increasingly invested in learning about CDD and other development interventions. Nevertheless, the background against which CDD is implemented; the objectives it aims to achieve (development, however defined) and the nature of social change require that our approach to learning also be adaptive and adaptable. This observation is not new¹²⁸ and does not focus on methodological preferences per se; it focuses on balancing learning and accountability needs. A more explicit articulation of the nature of change that CDD attempts to stimulate is essential for donors, practitioners and policymakers as they think through reporting and measurement conventions for accountability purposes. A well-articulated learning strategy that aligns with theoretical and social reality is an accountable one.

The effort to address complex problems is a continuous one. Despite the desire (and need) to eliminate complexity, development actors are increasingly acknowledging that there are limits to how much this can be done with useful returns. New and sometimes regenerated approaches to

¹²⁷ One example is the extended debate between William Easterly and Jeffrey Sachs as reflected in their work: Easterly, W., & Easterly, W. R. 2006. *The white man's burden: why the West's efforts to aid the rest have done so much ill and so little good*. Penguin. Sachs, J. 2006. *The end of poverty: economic possibilities for our time*. Penguin.

¹²⁸ Similar arguments have been raised by Woolcock 2009; Mansuri and Rao, 2012 and King, 2013 among others.

making sense of the world are proposed with increasing frequency. This project is an opportunity to contribute to the continuous process of improving policy and practice.

Moving Forward

The conceptual and theoretical exercise embodied in this paper point to two potentially fruitful ways of moving the project forward. This first is to identify conceptual frameworks' implications not just for the desired outcome(s) of CDD interventions but also for the design, contextualization, operationalization, implementation, monitoring, measurement and analysis of CDD interventions. The second and potentially concurrent task will be to explore the theoretical frameworks around individual and group cognition and behaviour since the 'community' is the motor for a community-driven development strategy.

These two related pieces of work will feed into what had been previously conceptualized as a process of designing new CDD 'models'. However, based on the implications of the conceptual framework discussion in this paper, specifying models may not be the most useful way of thinking about a revised CDD strategy given that change may happen in unpredictable ways. Nevertheless, whether understood as discrete models or something altogether more modular and adaptive, the intention remains to articulate the linkages between key design choices, the theoretical rationale and associated measurement strategies. An adaptive strategy requires more robust feedback loops than is customarily found within most CDD projects, which in turn creates some interesting tensions with rigorous evaluation methodologies. These trade-offs will be explored and discussed in greater detail in the working paper.

Finally, there are indications that separate groups¹²⁹ have begun to rethink the design of behavioural interventions in general and the 'science of delivery' and the learning strategies for CDD interventions in particular. This project hopes to capitalize on this momentum and to ensure that the theoretical and practical aspects of CDD interventions evolve and interact with these other processes in a way that can inform policy discussions in the coming years around CDD and related development interventions.

¹²⁹ Behavioural economists associated with the Centre for Global Development and the CDD Community of Practice.