Journal of International and Comparative Social Policy (2020), 36: 2, 111–124
doi:10.1017/ics.2020.17

ARTICLE

Tracing the institutional barriers to the integration of the social protection and fragile states agendas within the World Bank

Sophie Mackinder

Department of Social Policy and Social Work, University of York, Heslington, UK
Email: sophie.mackinder@york.ac.uk

(Received 5 June 2019; revised 25 June 2020; accepted 26 June 2020)

Abstract

The share of the extreme poor living in fragile and conflict-affected situations is projected to rise above 50 per cent by 2030. There is consequently an acute need for poverty-reduction mechanisms such as social protection within these contexts, which requires the integration of the discourse and policies on fragility with those on social protection. This paper traces the development of the two agendas in the World Bank, through documentary analysis and 43 interviews with Bank staff. It explores the extent to which social protection is considered within the fragility agenda (and vice versa), to establish whether the building of social protection systems is included within the broader ambition of “state-building” and considers the barriers to further integration of these agendas. The paper concludes that interaction between them has been limited to date and highlights the Bank’s own institutional architecture as a barrier to a more integrated approach.

Keywords: Social protection; fragile and conflict-affected states; World Bank

Introduction

Fragile and conflict-affected states (FCAS) present the most complex development problems in the world. The gap in the poverty level between those countries affected by major violence and those that have been not has been climbing since the 1980s (World Bank, 2011a), and the share of the extreme poor living in conflict-affected situations is projected to rise above 50 per cent by 2030 (World Bank, 1988a). The need for poverty-reduction mechanisms such as social protection is therefore particularly acute within these contexts. However, FCAS by definition suffer from a lack of institutional capacity, meaning that the “traditional” mechanisms and instruments used to provide social protection in developing contexts are difficult to implement.

Social protection has come to be considered a key tool in the fight against poverty in developing countries, with an increasing number of countries adopting social protections strategies (Barrientos & Hulme, 2008). A frequently cited definition is offered by Conway, de Haan, & Norton (2000, p. 5): “social protection refers to the public actions taken in response to levels of vulnerability, risk and deprivation which are deemed socially unacceptable within a given polity or society.” The mention of “public” actions within this definition highlights the problem of implementing social protection within fragile and conflict-affected contexts; the capacity issues within public actors in FCAS present a particular problem, as the state is unable (or unwilling) to provide social protection through its own institutional architecture. Provision of social protection is consequently usually provided by other actors, often external, such as non-governmental organizations (NGOs) (Carpenter, Slater, & Mallett, 2012).

The move away from public provision of social protection, however, can create a vicious circle; external provision undermines the state and prevents the opportunity for state capacity to develop, as the public actors' incentive to address the issue is taken away by the actions of external actors. The subsequent legacy of NGO delivery of social protection mechanisms can be a path-dependent parallel structure that leaves state institutions weak, ineffective and under-resources (OECD, 2008), and reliant on external provision that can be fragmented, short-term and inadequate in tending to chronic needs (Harvey et al., 2007). The undermining of "public" provision of social protection is detrimental to the progress of "state-building" policies within FCAS and the political contracts between state and citizens (Carpenter, Slater, & Mallett, 2012).

There is a need then, for an explicit focus on capacity- and institution-building for social protection provision in FCAS. The literature on conflict and fragility is centred around the concept of "capacity." "Fragile states" first became a development issue in the 1990s, when a new era of international interventionism emerged in response to the wave of wars that followed the end of the Cold War. The release of international organizations such as the World Bank from the political stalemate of the Cold War yielded a new development paradigm that put the capacity of the state and its institutions at the centre of policy approaches and prescriptions. The 9/11 terrorist attacks on the United States in 2001 drew further attention to state capacity, as states perceived to be "failed," "fragile," "weak," or "collapsed" were highlighted as a threat to international security (von Engelhardt, 2018; Young, 2004). Development approaches based on the idea of "state-building" consequently evolved, which argued for technical policy prescriptions that focussed on aspects of state capacity from a normative Western assumption of statehood (Fukuyama, 2004), built around notions of security, economic liberalization, democratization, and the rule of law.

Within this literature has emerged a focus on "service delivery," which emphasized the point that the perceived "illegitimacy" of governments in fragile contexts compromised the state-society relationship, which in turn compromised state capacity. This conceptual linkage was based on the premise that a state that provides basic services is indicating its willingness and capability to respond to the needs of its citizens (Whaites, 2008; McLoughlin, 2015). This is pertinent to discussions for social protection in fragile states; however, within these service delivery discussions and practices, social protection is notable by its absence. The OECD's policy guidelines on service delivery, for example, focusses on four key service sectors: justice and security, healthcare, education and water/sanitation (OECD, 2008). The omission of social protection raises questions therefore as to where social protection fits in within the state-building agenda, if at all, as there is a need for capacity-building within social protection in FCAS, and social protection can help achieve state-building objectives.

As there are mutual objectives within the two developmental agendas of FCAS and social protection, therefore, it could be argued that there is potential in considering their policy objectives in parallel, particularly considering the fact that poverty within FCAS is an acute problem. However, the two research and policy areas are usually considered separately, with little interaction or integration between them. Lack of integration between sectors within development has long been considered a problem; as Le Blanc (2015, pp. 176–177) highlights, "insufficient understanding of and accounting for trade-offs and synergies across sectors have resulted in incoherent policies, adverse impacts of development policies focussed on specific sectors on other sectors, and ultimately in diverging outcomes and trends across broad objectives for sustainable development." Barriers to integration can arise through "soft" elements such as values, norms and ideologies (Giddings, Hopwood, & O'Brien, 2002) or "hard" elements such as organizational structure. This paper seeks to examine the extent of the integration between the FCAS and social protection sectors since the 1990s, to analyse the extent to which they have interacted, and if so, the positive or adverse effects that have resulted from the interaction.

The paper traces the development over time of – and interaction between – the fragile states and social protection agendas in the World Bank, where the two policy areas are addressed by separate departments. In so doing, the study contributes to both the social protection and fragile states literatures by tracing their historical evolution within the Bank, and also puts a spotlight on the internal political economy of the Bank and how its politics and infrastructure facilitates the evolution of different ideas and discourses within development and their interaction.

The paper is structured as follows. The "Methodology" section sets out the study's methods. The "Evolution of the social protection agenda within the World Bank, 1997–2017" and "Evolution of the fragile states agenda within the World Bank, 1997–2017" sections trace the evolution of the social protection and fragile states agendas respectively since the 1990s. "The interaction of the social protection and fragile states agendas in the World Bank, 1997–2017" section analyses how the agendas have interacted during that period, and "Institutional barriers to the development of an integrated agenda" section considers the role of the Bank's institutional architecture in shaping this.

Methodology

The World Bank was selected as a case because it is a leader in development discourse, and situates itself as a "knowledge institution" (World Bank, 2017), identifying "best practices and policies" concerning development around the globe. Given the Bank's profile and influence, it is a suitable case study to examine the interaction between the two agendas. However, although the Bank argues that its policy prescriptions are driven by evidence from an apolitical perspective, it is a highly political institution meaning that any agenda must navigate its way through the Bank's global, national and internal politics, which have an inevitable impact on the policy prescriptions that emerge from the Bank (Sindzingre, 2004; von Engelhardt, 2018; Wade, 2004). In order to examine how the Bank considers social protection within fragile states policy prescriptions it is necessary to examine how the institutional architecture of the Bank influences the development of individual agendas and wider "development" discourses.

Data were sourced through elite interviews with current and former World Bank staff who had been involved with (or had close knowledge of) the strategic decisions of the fragile states and social protection agendas. Interviews were chosen as the most appropriate method to uncover processes and development of ideas regarding certain policy agendas, as they could yield "behind closed doors" processes regarding how strategies and policies came about, and the debates and discourses that surrounded them (Lilleker, 2003). However, an important limitation is that relying on participant perspectives can be unreliable, whereby information provided could be biased, not grounded in fact, or based on faulty memory. This study has attempted to mitigate these shortcomings by triangulating the data across participants, and by using a documentary analysis to strengthen this triangulation further. However, while the elite perspectives provide valuable insights into the strategic and decision-making processes, it is important to consider this limitation within this analysis.

Interviews took place from August 2016 to February 2017. In order to gain access to actors most able to provide insights into the processes under investigation, participants were sampled purposively, identified through job titles, authorship of key documents and a website search. A snowball strategy augmented the initial purposive sample, as participants identified other key staff members who may be beneficial to the study.[1] Overall, 43 interviews with senior Bank staff took place, approximately half in Washington, DC at the Bank's headquarters, with the remainder undertaken over Skype or phone. Each participant was provided with an information sheet and consent form prior to the interview, which included options regarding anonymity.[2]

A documentary analysis of key documents such as World Development Reports, strategy documents, policy documents and research reports supplemented the interviews. Documents were sampled through Google Searches and searches on the World Bank website; 29 documents were identified that addressed key concepts across the period under study. A snowball element linked to the interviews was also included within the documentary analysis, as interviewees were able to highlight documents that were particularly pertinent and influential within the development of the agendas, and which best reflected the

[1]The snowball sampling technique went someway to mitigate the limitations of a purposive sample, whereby certain participants or bodies of participants could be excluded; however, this (combined with the fact that some key actors declined to participate) remains a limitation of the research.

[2]Participants' quotes in subsequent sections are indicated by square brackets; those who wished to remain anonymous as indicated as 'anon'. Documents included within the analysis are indicated by "Document X" within the reference.

https://doi.org/10.1017/ics.2020.17 Published online by Cambridge University Press

approach of the Bank. Both the interviews and documents were analysed temporally, to highlight key events and periods of time significant to the development of the ideas around the two concepts of fragile states and social protection.

Evolution of the social protection agenda within the World Bank, 1997–2017

The economic crises of the 1980s drove the Bank to reflect on social protection as an idea, as the impacts of its structural adjustment programmes (SAPs) put it in the firing line of extensive criticism about the social cost of the SAPs (Cornia, Jolly, & Stewart, 1988). The Bank consequently began to develop programmes to address these impacts, mainly "safety net" programmes that targeted those that had been affected by structural adjustment. Both the interviews and documents suggest, however, that social protection was "brought to the forefront of the Bank's work" (Document 1: World Bank, 2001) in the 1990s, with two key catalysts for this shift. The first was the Bank's heavy reliance on social funds to alleviate the impact of continuing financial and policy-induced crises in Latin America (World Bank, 2001). The second was the collapse of the Soviet Union and the transition of Eastern European countries to capitalism. These countries had extensive social security schemes which the Bank deemed unsustainable, seeking to replace them with targeted transfers. These developments took place against a backdrop of a new wave of thinking on poverty reduction and the role of social protection within it, culminating in a UN-led world summit in Copenhagen in March 1995 that identified social policy and social protection as a "cornerstone of development" (UN, 1995).

Interviewees pointed to the influence of James Wolfensohn, President of the World Bank Group from 1995 to 2005, in introducing social protection into the Bank's work. A department dedicated to social protection was introduced as part of a large restructure in 1997 with Robert Holzmann (an academic economist with a specialism in pensions) recruited as its first director and Steen Jorgensen (a long-term Bank employee with a specialism in human development) as his deputy. The department expanded quickly, not least in response to the East Asia crisis in 1997. Holzmann and Jorgensen drew on their respective experiences to develop the first Social Protection Strategy (Document 1: World Bank, 2001); it pulled together a framework that unified "a whole bunch of things inherited [by the department] that were human-development related but that did not fit neatly in [other departments]" [Steen Jorgensen]. The proposed approach to social protection was not immediately embraced by the Bank; the agendas' proponents had to work hard to persuade the wider Bank community which still viewed social protection as "hand-outs." Interviewees identify several factors that helped change this attitude, such as the inclusion of monitoring and evaluation (M&E) within the programmes which proved their efficacy, and the decision by the directors of the 2000/1 World Development Report (WDR) on Attacking Poverty (Document 2: World Bank, 2000) to include Holzmann and Jorgensen's concept as a poverty-reduction device (as one interview put it "not many people read sector strategies, whereas WDRs are read around the world" [anon]).

The strategy was published in 2001, and the social protection department grew and evolved gradually over the next few years. While Holzmann's strategic direction had broken from the previous reliance on pensions and labour market instruments and included social assistance in the form of cash transfers to the poor, over time this social assistance toolkit expanded to make it more "productive," ie. to provide social assistance interventions such as public work programmes that built on human capital. Significantly, the initial years of the social protection initiative in the Bank focussed exclusively on middle-income countries (MICs) – the prevailing belief in the department at the time was that without strong institutional architecture, social protection initiatives that required broader integrated systems were untenable.

This changed in 2005, when a Productive Safety Net Programme (PSNP) was established in Ethiopia. Chronic poverty, driven by continuing droughts and famines, had made Ethiopia one of the poorest countries in the world, triggering a massive humanitarian response. The Ethiopian government consequently sought to work with the Bank to establish a way to transform the aid money coming in into a "more productive development-focussed aid" [anon]. This was a significant development, as a comprehensive, national-level programme had been introduced into Africa, where, until that point, the

https://doi.org/10.1017/ics.2020.17 Published online by Cambridge University Press

social protection approach of the Bank had relied on social funds. Interviewees claim that the new initiative in Ethiopia was to "open the floodgates" [anon] to social protection programmes being introduced throughout the region.

Shortly after this development, the 2008 financial crash occurred. The Bank responded quickly, with social assistance lending increasing five-fold in the aftermath of the crisis (Document 3: World Bank, 2012); however, the vast majority of this new lending still went to MICs. In 2009, Arup Banerji took over from Robert Holzmann as director of the department. Respondents point to the period after his arrival as one of evaluation and examination of how far the agenda had come, not least as the recent inclusion of lower income countries (LICs) into the portfolio was under scrutiny:

> *There was at the time a combination of the Bank committing to use our tools to really address poverty as the primary objective, and the set of evidence that was appearing. The question we had was will this work outside the middle-income, high-capacity contexts that this evidence came from* [anon].

An evaluation of the Bank's work on social safety nets (SSNs) was published in 2011 (Document 4: IEG, 2011); it critiqued its engagement and implementation strategies, including: (1) that the Bank had neglected the issue of how SSNs respond to shocks; (2) that LICs were a much less significant part of the agenda than MICs; (3) the donor support in LICs was often fragmented; and (4) that political economy in LICs was a particularly important issue. This final finding was particularly pertinent for fragile states:

> *The Bank must tread a fine line within the state-building agenda: on the one hand, state building is essential for the country's prospects for economic development and poverty reduction; on the other hand, the Bank does not support political groups.* (Document 4: IEG, 2011, p. 65)

Relatedly the Bank's own political economy was critiqued, the report arguing the Bank should have engaged earlier in LICs rather than waiting for the financial crisis. While safety nets had been raised within poverty-reduction strategies they had gained little traction when it came to implementation, as they were placed too low down the priority list to be funded within tight budgetary constraints. Importantly, the report also found that the Bank's internal organization limited progress, pointing not only to how Bank budget and lending processes limited resources to LICs, but also to how the incentive structure of the Bank discouraged cross-team working. The report found that less than half of the total SSN project spending fell under the remit of the social protection department, resulting in a competition between departments for "turf." These battles were typically won by those with the largest sources of demand and resources, thus removing the incentives for units to focus their work on less well-resourced LICs and fragile state programmes.

The second Social Protection strategy was released in 2012, shortly after the IEG report. The influence of the report is easily identified within the strategy; it places as its core focus the need to develop "systems" in order to improve institutional capacity. Systems are interpreted as "[moving] SPL [Social Protection & Labor] from isolated interventions to a coherent connected portfolio of programmes" (Document 3: World Bank, 2012: v). This is an important development, as it demonstrates the first time that the agenda is explicitly looking to develop institution building for social protection, and to move away from a project-based focus. As one respondent put it:

> *If you want to build more inclusive institutions then you need formal institutions, and to build formal institutions that directly and overtly touch the lives of the citizens is partly what this social safety-net revolution is trying to do.* [anon]

The strategy's goal to extend social protection programmes to LICs and fragile states took off quickly; by 2014 lending for social protection in LICs exceeded that provided to MICs. As one respondent put it:

> *Now everything we do is in Sub-Saharan Africa, as opposed to five years ago.* [Steen Jorgensen]

https://doi.org/10.1017/ics.2020.17 Published online by Cambridge University Press

In the aftermath of the strategy, work was done within the Bank on what the extension of social protection to Africa would mean and how it could be delivered [anon]. While the "systems" agenda developed in the strategy was linked to the work in Africa, a different approach was necessary in many contexts, particularly those that were fragile, not least because the World Bank's standards in terms of procurement safeguards and other anti-corruption processes made using the MIC model unfit for purpose [anon]. The subsequent approach was therefore framed around "what exists" already in terms of social protection, whether that was humanitarian interventions or existing government systems:

> *I think basically in most fragile settings you start with some work on safety nets, usually it's around cash for work, or just straight cash. So it sort of fits in the safety nets or labour side of social protection work. We don't get into social insurance in the beginning – because there are no social insurance institutions. Unless there are some fragile states, like Zimbabwe, which have a huge overhang of civil service pensions which are basically draining the economy, so there are times when there is not a new state being created, where you've got some dismantling to do of old systems. But I think that's basically what ends up happening. So you've got a focus on short-term job creation, a focus on safety nets – they tend to be unconditional in the beginning and then you can move them towards trying to incentivise people to invest in human capital.* [anon]

The labour side of social protection has taken a significant prominence within LICs and fragile states, not least because of the prevailing welfare mentality that makes countries reluctant to embrace comprehensive social protection systems. Governments are consequently keen to adopt programmes that are linked to public works or other jobs programmes. The WDR 2013 on Jobs (Document 5: World Bank, 2013) was particularly important in terms of social protection in fragile states, not least because it argued – contrary to usual Bank economic principles that it should be the private sector that provides jobs – that public works are important for social protection in fragile states. There was some pushback to this suggestion, but this was overcome by evidence that proved their efficacy [anon].

The social protection agenda therefore seems to have been revolutionized in recent years, through an enormous shift in focus towards LICs and fragile states. The agenda is currently still powerful, with extensive experimentation and evaluation being undertaken to continue building an evidence base on which to apply social protection to more challenging contexts.

Evolution of the fragile states' agenda within the World Bank, 1997–2017

As with the social protection agenda, Wolfensohn's presidency marks the moment when the fragility agenda emerged at the Bank:

> *In the late 90s, in the wake of the post-Cold War conflicts, there were several political/intellectual currents that pushed the Bank to consider the business model to development, in particular in post-conflict or conflict-affected countries.* [anon]

Unlike the social protection agenda, however, the fragility discourse did not emerge as a holistic idea to be implemented; instead it evolved from various pockets of work in the Bank that gradually merged into a coherent agenda. The Bank's new focus on "governance" signalled in a key Wolfensohn speech on the "Cancer of Corruption" (Wolfensohn, 1996) was significant, as by definition fragile states suffer from a lack of "good governance." Governance had been a thorny issue for the Bank for some time, as the Bank's apolitical mandate prevented its involvement in political affairs (Document 6: Lateef, 2016); this speech created a facilitating environment for discussions about governance in development [anon].

Despite this turn towards governance issues, the broader governance agenda struggled to be mainstreamed in the Bank's work. However, some aspects of the governance debate had significant

https://doi.org/10.1017/ics.2020.17 Published online by Cambridge University Press

operational impact on fragile states, notably the "development effectiveness" agenda that, in its simplest terms, suggested development aid was significantly more effective in better policy regimes (Burnside and Dollar, 1997, 2000). From this an aid selectivity model, with several "good governance" criteria, was developed to form the basis of the World Bank's longstanding resource allocation within its International Development Association (IDA) allocation system.[3] This had a significant impact on fragile states, specifically their access to development aid from the Bank:

> *That governance score – because the definition of fragile states was that they were at the bottom of the governance lists, it meant that they got a lot less money than their poverty would have warranted… they got a penalty for being poorly governed. So what it meant was that the IDA allocation was systematically biased against fragile states by definition. It was created to do that.* [anon]

From its earliest stages, therefore, the fragility agenda was on the back foot, as countries considered to be post-conflict, or to have low institutional capacity, were severely hampered in their access to World Bank resources. Conversely, however, other pockets of the World Bank were turning their attention to the "conflict" problem. An important development was the appointment of Paul Collier as the Director of the Development Research Group in 1998; Collier had been working for a decade on conflict issues. He brought this work to the Bank:

> *There's an issue of individuals here, as usual. These issues are partly about the nature of the individual, and partly people who see opportunities and argue the case forcefully. So particularly when Paul Collier was involved… he saw the need, and felt very strongly that a critical explanation for sustained poverty was conflict. Protracted violence. And he did a lot of research at that point that found a link between organised violence and poverty. And he found a lot of sympathetic individuals in the Bank* [anon].

Simultaneously, a new unit arose in Africa called the post-conflict unit (PCU), in response to the post-conflict situation in Uganda:

> *The Ugandan government] was spending 38% of their budget on security, and only a combined 6% on health and education. This is a key point, because […] if you want money from the World Bank, you need to change the public expenditure profile.* [Nat Colletta, Founding Manager of the Post-Conflict Unit]

A team from the Bank profiled the Ugandan army and developed a programme to support combatants to reintegrate primarily into agricultural work, in which a "transitional safety net" that eased the 9-month "limbo" between the planting of crops and their harvest was a key element. Gradually, the initial focus of the project, driven by economic and financial concerns around budgetary realignment, morphed into a programme that addressed social factors at a micro-level. It was realized that this approach could have benefits in other African states, and was soon being implemented in other countries including Mozambique, Sierra Leone and Eritrea. Controversy was prevalent; however, the interviewees detailed an extraordinary number of debates around the new programme as the Bank struggled to fit this new mode of intervention into its legal and operational frameworks. It took the support of high-level Bank personnel such as the Regional Vice-President of Africa, Kim Jaycox, and the Vice-President of External and UN Affairs, Mark Malloch-Brown, to protect the agenda against opposition from the legal, economic and middle-management teams.

[3] IDA is one of two lending arms of the Bank (the other being the International Bank for Reconstruction and Development, IBRD). IBRD lends to middle income and credit-worthy lower-income countries, whereas IDA provides loans and grants to programs to the world's poorest countries. For a more detailed explanation of the Bank's IDA allocation system, see World Bank (1988b).

https://doi.org/10.1017/ics.2020.17 Published online by Cambridge University Press

In 1998, the Bank's evaluation department examined the Bank's involvement in conflict settings (Document 7: World Bank, 1998). It concluded that while the Bank did have a comparative advantage that would be beneficial in conflict environments, it raised a concern that the Bank had been ad hoc in its approach to post-conflict intervention. As 16 per cent of the Bank's lending was already tied up in post-conflict environments by this point, it argued that a more considered and coherent approach to these environments should be considered. The Bank formally took note, and in 2001 it created an Operational Policy, OP 2.3, that provided a strategic framework and set parameters on the Bank's work, and outlined its approach to conflict, or significantly, *vulnerability* to conflict.

A final "pocket" of work related to fragility was the "Low-Income Countries Under Stress" (LICUS) initiative. In the aftermath of the 9/11 attacks, the Bank commenced work on a report that looked not at conflict, but on states with weak institutions and governance. Certain staff at the Bank, including Paul Collier, had shared concerns with each other about a subset of LICs that were not showing signs of development:

> *Around the time that Paul got here, we started saying wait a minute, there's an underlying syndrome here, that gave rise to conflict that in turn led to having to deal with post-conflict demobilisation and so on. There are some systematic patterns, or characteristics of these countries which meant we should perhaps think of them as a distinct group… it dawned on us that we should […] pull out these countries as the countries that we might want to devote some particular attention to.* [Shanta Devarajan, Acting World Bank Senior Economist and Senior Director, Development Economics]

Collier sold the idea to Joseph Stiglitz, then the Chief Economist of the Bank, who in turn "got the ear" of Wolfensohn. An internal commission was appointed in 2001, who produced an important report in 2002 (Document 8: World Bank, 2002) that many interviewees point to as the institutional "moment" of shift within the World Bank with regards to fragility. LICUS are defined in the report as low-income countries with "weak policies, institutions and governance" (World Bank, 2002, p. iv), where aid is less effective due to the lack of capacity or inclination on the part of the governments to use finance effectively for poverty reduction. The strategy for engagement with LICUS had two branches: (1) to gain a substantial and sustained improvement in policies, institutions and governance and (2) to improve basic public services, ie. health and education.

After the publication of the report, the Bank set up the "LICUS initiative" as a follow-up to the report's findings. A unit in the Operational Policy and Country Support (OPCS) department was set up to coordinate the initiative. It was therefore not a sectoral department – it was a "policy shop" that looked to coordinate the new operational policies put in place for these countries. Its small status, and lack of funding (until a trust fund was initiated in 2004), meant that the influence of the LICUS initiative was limited; although fragility and conflict had broken through into the Bank's consciousness, it still was far from an important priority.

Two documents published in 2005 demonstrate how Bank's attitude to fragile states evolved in the first few years after its introduction: *Fragile States: Good Practice in Country Assistance Strategies* (Document 9: World Bank, 2005a) and *Low-Income Countries Under Stress Update* (Document 10: World Bank, 2005b). The rhetoric in these documents had shifted from the "aid effectiveness" discourse seen in the LICUS report towards a lexicon of concepts such as "state-building" and "peace-building," indicating that the remit had expanded to include state-wide capacity and improvements in accountability. A third document, an internal evaluation of the LICUS initiative published in 2006 (Document 11: World Bank, 2006), outlined that the initiative had given the agenda prominence within the institution, and new analytical approaches had improved the Bank's operational readiness to deal with LICUS states. However, it also contained strong criticisms; it argued that the initiative's turn towards state-building was weak, and did not employ "political intelligence" in that the Bank had done little to move away from the business models and instruments that they used for non-fragile contexts. The report therefore suggests that although the unit was speaking the rhetoric and raising the profile of the agenda, it was not implementing coherent "state-building" strategies, compromising its efficacy.

https://doi.org/10.1017/ics.2020.17 Published online by Cambridge University Press

The Bank took this criticism on board to some extent, merging the PCU (which had been re-named the Conflict Prevention and Reconstruction Unit) and LICUS units in 2007 to become the "Fragile States Unit" (FSU). One interviewee describes this period as follows:

> *The whole movement surrounding conflict had gone a long way to initiating a more vibrant debate in the Bank, but it got stuck rather on the post-conflict reconstruction side, where most of the consciousness was on what you do after a conflict ended, and had been firmly resolved – it was sort of a sequential concept […] and we had this group dealing with conflict [and LICUS] recognising that there were too many similarities to have two separate entities… it became clear over time that it was more helpful to bring these together.* [anon]

The interviewees also point to the Bank's engagement with Afghanistan as a particularly significant learning curve; the Bank was pushed far out of its comfort zone in the country in terms of its engagement strategies [anon]. Its instruments (such as its mechanisms for finance) and the assumptions around fragile states were challenged, which created what one interviewee described as a "sea-change" in how the Bank viewed post-conflict and fragile instruments.

Partly in response to the challenges experienced in 2008, the then-President Robert Zoellick and the Bank's Board decided that the Bank would release a WDR on Conflict, Security and Violence. This was viewed unanimously by the interviewees as a highly important moment in the fragility agenda; it was the first time that the Bank had addressed any issue related to conflict, security, human rights or justice in a WDR.

> *Having the World Bank release a major report on conflict urging inclusive political institutions and confidence building in fragile situations as something that concerns development actors – it's not new, but it's revolutionary.* [anon]

The process of the WDR's development, however, was difficult, as although the report and Zoellick's support had opened the door to the Bank addressing these issues in a more high-profile manner, there remained unease throughout the Bank at addressing such contentious topics:

> *The number of review meetings, with hundreds of pages of comments […] lots of meetings that were not necessarily at the beginning very comfortable with the links with politics, security and justice.* [anon]

A theme that runs throughout the contention demonstrates the struggle to break away from the Bank's traditional economistic model; despite the conflict agenda that had embraced broader state-building objectives such as legitimacy and accountability, and a governance agenda that stressed the importance of context within interventions, the "mainstream" Bank still baulked at an approach that drew on political science and the inclusion – and promotion – of political concepts such as security and justice:

> *The Bank is very data driven, very econ driven, and the economists have a very specific way of approaching problems that for example sociologists and anthropologists don't […] for example, there was a big push to create a typology of the different types of conflict, which [the team] did not want to do, because you get stuck in a box.* [anon]

The analytical framework of the report was another area of tension, and the interviews report that it took a while to develop it. The final framework was based on citizen security, justice and jobs, specifically looking to restore confidence in the institutions that provided these and transform them to prevent relapse into violent conflict (Document 12: World Bank, 2011a). The framework therefore calls on institutional development and good governance as central to the processes of confidence-building and transformation, but emphasizes again the need to work differently in these contexts.

Despite the overwhelming assertion that the WDR was influential, there are mixed messages that emerge in terms of its impact on the day-to-day functioning of the Bank. Some interviewees are keen to stress that its impact was significant and that the learnings from the WDR filtered through into operational work, eg.:

> *Even five years later it still is being used operationally, and in academia, it is still reference to this day […] you rarely see that with WDRs, they usually have a very short shelf-life.* [anon]

However, other interviewees experienced little change to the status quo after its publication:

> *There was no new operational policy that was issued, it didn't fundamentally change the way we operate.* [anon]

Context seems to be significant in terms of its impact – the interviews demonstrate different experiences, dependant on factors that include (but are not limited to) country context, Bank regional management, the priorities of the national government, and the individuals working within that context. However, while there are different experiences as to the impact of the WDR on operational work, there was an undeniable impact at the senior management and Board level of the Bank. This reception may have been helped by recent global events, in particular the Arab Spring, which occurred around the time of publication of the report:

> *The Arab Spring, which was happening as the WDR was published, tended to increase its resonance, because this message of legitimate politics, security, justice and jobs of course is generally considered to be fairly fundamental to what drove the Arab Spring.* [anon]

This led the Board to request – again a first for a WDR, and one that subsequent WDRs have followed – an operationalization paper (Document 13: World Bank, 2011b) to be produced on the findings. The paper listed six recommendations or commitments that the institution would undertake to improve its engagement in fragile states: (1) making country strategies more fragility-focussed; (2) strengthening partnerships on development, security and justice; (3) increasing attention to jobs and private sector development; (4) realigning results and risk management frameworks for FCAS; (5) seeking less volatility in funding; and (6) striving for global excellence in FCAS work.

This final recommendation triggered a significant operational shift in the Bank; the Fragile States Unit was reconfigured into a "hub," called the Fragility, Conflict, and Violence (FCV) Unit which was situated in Nairobi, to address the principles outlined in the operationalization paper. The new unit was a headquarters-level department; the first time such a had been situated outside of Washington, DC. The Bank's institutional focus on fragility had therefore moved from being a small "policy shop" into a department in its own right, reflecting the Bank's intention to break away from the usual mode of operations to one more tailored to fragility. Joel Hellman, a Bank governance specialist with expertise in fragile situations, was recruited as director of the hub.

Within the extended power and reach of the new unit, Hellman and his team argued that the "nuts and bolts" of operations, such as procurement, financial management, safeguards and environmental issues, needed to be radically different from the standard Bank practice in non-fragile contexts, with more flexibility and "exceptionalism" allowed to cater to specific contexts. The team also sought to engage far more heavily with the country teams than previous units had done, to include a "fragility lens" to the Bank's work more broadly (World Bank, 2018).

One particular area of advocacy and lobbying that was to change fundamentally Bank engagement in fragile states, referred to the IDA allocation system. The bias against fragile states in the IDA fixed formula went against what the hub was advocating in terms of getting more resources for in fragile environments. However, the initial reaction when the hub brought this suggestion to the table was strong opposition, particularly from the IDA team who oversaw aid allocations and who maintained the relationship with the donor countries:

> *The tension was with the IDA team – they were the ones from whom we got most resistance, because they don't like any deviation from the formula. Because for good reason, they prefer rules rather than discretion.* [anon]

> *It was a perfectly legitimate argument for a World Bank person to say, well 83% of the world's poor are still in highly populated countries approaching middle income, so 83% of our portfolio should be in those countries.* [Joel Hellman]

Hellman, however, developed various empirical arguments that demonstrated that future projections of growth rates revealed that every year the proportion of global proportion of global aggregate poverty grows in fragile states. By not taking future growth rates into account, he argued, the Bank would constantly be playing "catch-up" to the changing demographic of global poverty. He was also able to demonstrate that the principles behind the aid efficiency argument were flawed, and that in fact marginal returns of aid in fragile countries were extraordinarily high, and that investment could help them break out of the fragility trap.

Hellman presented these findings to the donor countries, who responded positively:

> *The donors were saying 'this changes everything!'. Because if the projects were just as effective, and the poverty is going to be there [in the future], then we should be giving them more money.* [Joel Hellman]

As more donor countries were persuaded by the arguments, the opposition within the Bank fell away. Consequently, alterations were consequently made to the IDA allocation system that facilitated increased resources to fragile contexts (see World Bank, 2014, p. 39).

The agenda had catapulted into the Bank's consciousness. Interviewees strongly emphasized it is now considered an "incredibly important issue." However, there is still some frustration with the agenda; there is still no appetite to establish a concrete definition of state-building [anon], and there is a frustration that a theory of change in fragile states is still lacking [anon]. Ultimately, there is also an over-arching concern that fragile states discourse is still contained within a "silo" of people who are interested:

> *There is the issue that I worry about a little bit that you get a cohort of people who deal within the Bank in fragility issues, and everybody else doesn't, right? If you work in fragility you see the same sort of faces popping up again and again which is nice, but you know one of the key things that we and everybody – I mean this again is not new – but something that was pushed against in the WDR was this idea of siloes. You don't want the peace guys to be sitting in a silo talking to themselves – it's about getting conflict sensitivity into our entire portfolio. And that's where I worry about people dealing exclusively with fragility issues, and people basically saying 'yeah, OK, that's being done by somebody else'.* [anon]

The interaction of the social protection and fragile states agendas in the World Bank, 1997–2017

The interviews suggest that the staff who were promoting the fragility agenda were keen to break out of their siloes to gain more influence in broader Bank discourse, but they were hampered in their efforts to do so through the apparent "weaknesses" of the agenda in terms of the Bank's interests and incentives. This is not to say that social protection considerations are not visible within the discourse and operations within fragile states – the work of the PCU, eg., took the form of safety-nets and "hand-outs," and the LICUS Taskforce and consequent Initiative used social funds to meet urgent welfare needs in fragile states, and to deliver "quick wins" that could be perceived to help build the state-society relationship. However, while social protection mechanisms were being used within the fragile states discourse, there appears to have been minimal "official" engagement with the social protection agenda being established in the social protection department. The little engagement there was between the two agendas took place within the context of document production, eg. during the production of the LICUS Taskforce Report or WDRs. This demonstrates that documents, as well as being both an instrument of power in terms of ideas and a locus of ideational struggle, also represent a space for staff members promoting an agenda to escape from their siloes to interact with other agendas.[4] However, the main "business as usual" processes exist within the siloes.

Indeed, there seems to have been little desire from those leading the social protection agenda to break out of their silo either, work appearing to have been self-contained and operating within its own parameters. This does not mean that those working on the agenda were not striving to improve and evolve, but that they did so through their own evaluation mechanisms and insights from country contexts. During the 2000s, the agenda was for the most part deliberately not considering LICUS/fragility contexts, as the approach was conceptualized within an assumption of robust policy environments more frequently found in MICs.

This approach changed in 2011, however, when the social protection department explicitly turned its attention to LICs and fragile contexts. This is significant; it was the first time the agendas overlapped comprehensively, and the move was led by the social protection team, *not* the fragile states team. The move was triggered in part by the internal evaluation (Document 4: IEG, 2011). On the surface, it appears that this shift towards fragile states developed endogenously within the social protection agenda; the expansion of the portfolio into LICs, and the evidence that this expansion yielded (ie. that social protection mechanisms were effective in these contexts) appears to have driven the social protection teams to reconsider previous lack of engagement in these countries. However, the timing of the shift in direction questions this interpretation, as it occurred at a similar moment to the production of the WDR 2011 when the fragile states discourse was enjoying a particularly high profile within the Bank. Therefore, while social protection interviewees and documents points to the IEG evaluation and their own M&E mechanisms as the driving force behind the shift, it is unclear whether the independent evaluation team (who were not interviewed for this study), eg., was influenced by the new high profile of the fragility agenda or the realisation that a more prominent shift towards fragility and conflict was in the Bank's interests in terms of its business model.

There is evidence that the FCV unit and the Social Protection department are now working together; eg., staff from both departments recently collaborated to produce *An Integrated Framework for Jobs in Fragile and Conflict Situations* (von der Goltz et al., 2016). This is indicative of a closer working relationship between the two departments since the social protection team included fragility and conflict within its broader portfolio, and since the fragility unit gained a more high-profile position through the establishment of the Nairobi hub. However, this relationship is in its nascent stages, particularly in terms of the systems agenda – an area for future research is to establish to what extent and how this relationship evolves over the next decade.

Institutional barriers to the development of an integrated agenda

In short, despite the many good reasons for the social protection and fragile states agendas to operate in parallel, there was little interaction between the fragile states and social protection through most of the period under study, and for the most part the fragile states agenda struggled to gain traction outside of the "silo" within which those leading the agenda were situated. It seems clear from the data collected that the institutional architecture was a significant hindrance to the engagement of the fragility and social protection agendas. Indeed, tracing the evolution of the two agendas suggests specific thematic siloes are a path-dependent feature of the Bank's institutional architecture, reinforced through its incentive

[4]It is important to note at this point that there may have been more interaction at the country level, within the operational departments of the Bank. The data did not pick up how the agendas interacted at "ground level," and this could have been a place where the two interacted. This is an area for future research.

https://doi.org/10.1017/ics.2020.17 Published online by Cambridge University Press

structures that offer weak incentives for staff members to work cross-departmentally. "Success" on the whole is measured by the amount of financial disbursements each sector has made through lending, with no mechanism available to credit cross-departmental working.

Despite this strong institutional tendency for siloed working, however, opportunities to "break out" from the silo are available. This study suggests that gaining access to the power of influential documents such as WDRs can help an agenda break out from its silo and in doing so gain some interaction with other agendas; eg., the fragile states WDR coincided with the turn towards fragile states as a consideration within the social protection agenda. However, there is an overarching problem identified in the interview and documentary data that cross-departmental working is difficult in the Bank and compromises the interaction of ideas within it.

This siloed nature of the Bank is acknowledged internally – a restructure by Kim in 2014 took steps to reconfigure the institution in a way that enabled interaction between departments (and consequently, ideas and agendas). The new structure created 14 Global Practices, which brought together the Bank's technical staff on different themes such as Agriculture, Education, Governance and Social Protection, and the five "Cross-cutting Solution Areas" (of which Fragility, Conflict and Violence, otherwise known as the Nairobi Hub, is one), which are smaller teams that focus on "global" development challenges.

As the new structure was a relatively new phenomenon at the time that data collection took place, it is a task for future research to establish to what extent the new structure has facilitated more engagement between departments within the knowledge area of the Bank and the extent to which it will facilitate stronger inclusion of social protection within the fragile states agenda and vice versa. There are some positive early signs, but many of the old incentive structures (eg. the lack of flexibility in terms of the lending mechanisms) remain, so whether Kim's restructuring can overcome the barriers identified here remains in doubt. Kim was replaced as President by David Malpass in April 2019; similarly, it is a task for future research to establish how Malpass's strategic direction will help or hinder the integration of the two agendas.

Conclusion

This paper has analysed how the two policy agendas of social protection and fragile and conflict-affected states have developed over time in the World Bank, and to what extent – and how – they have interacted. The analysis has demonstrated that while both agendas gained a high profile quickly in the Bank in the late 1990s, the social protection agenda was able to navigate the institutional constraints of the Bank relatively easily, and use them to its advantage. The fragility agenda, however, after its initial acceptance, struggled to navigate the same institutional constraints, and for a long period remained a weak agenda that was not integrated into the Bank's core work. The social protection department, therefore, has historically been in a better position to facilitate interaction between the two agendas to address the problem of chronic poverty in fragile states, however due in part the Bank's organizational and incentive structures, there was been little interaction between them until 2011. An explicit focus on social protection mechanisms in fragile contexts has emerged more recently, concurrently with a new attempt by the Bank to facilitate cross-sectoral working. As the Bank enters a new Presidency, it remains to be seen whether the potential for fragility and social protection policies to mutually support each other will be realised.

References

Barrientos, A. & **Hulme, D.** (2008). Social protection for the poor and poorest: An introduction. In A. Barrientos & D. Hulme (Eds). *Social protection for the poor and poorest: Concepts, policies and politics* (pp. 3–26). Basingstoke: Palgrave Macmillan.

Burnside, C. & **Dollar, D.** (1997). *Aid, Policies, and Growth*. Washington D.C.: World Bank. Policy Research Working Paper, No. 1777.

Burnside, C. & **Dollar, D.** (2000). Aid, policies and growth. *The American Economic Review,* **90**(4), 847–868.

Carpenter, S., **Slater, R.** & **Mallett, R.** (2012). *Social protection and basic services in fragile and conflict-affected situations*. London: ODI. Working Paper 8.

Conway, T., **de Haan, A.** & **Norton, A.** (Eds) (2000). *Social Protection: New Directions of Donor Agencies*. London: Department for International Development.

https://doi.org/10.1017/ics.2020.17 Published online by Cambridge University Press

Cornia, G., **Jolly, R.** & **Stewart, F.** (1988). *Adjustment with a Human Face, Vols 1 & 2*. Oxford: Oxford University Press.
Fukuyama, F. (2004). *State-building: A new agenda*. Ithaca: Cornell University Press.
Giddings, B., **Hopwood, B.** & **O'Brien, G.** (2002). Environment, economy and society: Fitting them together into sustainable development. *Sustainable Development* **10**(4), 187–196.
Harvey, P., **Holmes, R.**, **Slater, R.** & **Martin, J.** (2007). *Social protection in fragile states*. London: ODI.
IEG (2011). *Social safety nets: An evaluation of World Bank support, 2000–2010*. Washington D.C.: World Bank.
Le Blanc, D. (2015). Towards integration at last? The sustainable development goals as a network of targets. *Sustainable Development*, **23**, 176–187.
Lateef, K. (2016). *Evaluation of the World Bank's thinking on governance*. Washington D.C.: World Bank. World Development Report Background Paper.
Lilleker, D. (2003). Interviewing the political elite: Navigating a potential minefield. *Politics*, **23**(3), 207–214.
McLoughlin, C. (2015). When does service delivery improve the legitimacy of a fragile or conflict-affected state? *Governance: An International Journal of Policy, Administration and Institutions*, **28**(3), 341–356.
OECD (2008). *Service delivery in fragile situations: Key concepts, findings and lessons*. Paris: OECD-DAC. Discussion Paper.
Sindzingre, A. (2004). The evolution of the concept of poverty in multilateral financial institutions: The case of the World Bank. In M. Bøås & D. McNeill (Eds). *Global institutions & development: framing the world?* (pp. 164–177). Abingdon: Routledge.
UN (1995). *World summit for social development*. Copenhagen: UN. Retrieved from https://www.un.org/esa/socdev/wssd/text-version/ [accessed on 13 July 2020].
von der Goltz, J., **Hallward-Driemeir, M.**, **Fernanda, N.**, **Rutkowski, M.**, & **Jha, S.K.** (2016). *An integrated framework for jobs in fragile and conflict situations*. Washington D.C.: World Bank.
von Engelhardt, M. (2018). *International development organizations and fragile states: Law and disorder*. Basingstoke: Palgrave Macmillan.
Wade, R. (2004). The World Bank and the environment. In M. Bøås & D. McNeill (Eds). *Global institutions & development: Framing the world?* (pp. 72–94). Abingdon: Routledge.
Whaites, A. (2008). *States in Development: Understanding Statebuilding*. London, DfID.
Wolfensohn, J. (1996). 'People and development', address to the board of governors at the annual meetings of the world bank and the international monetary fund. Reprinted in *Voice for the world's poor: Selected speeches and writings of World Bank President James D. Wolfensohn, 1995–2005*. Washington D.C.: World Bank.
World Bank. (1988a). *Fragility, conflict and violence overview*. Washington D.C.: World Bank. Retrieved from https://www.worldbank.org/en/topic/fragilityconflictviolence/overview [accessed on 13 July 2020]
World Bank (1988b) *What is IDA?* Washington D.C.: World Bank. Retrieved from http://ida.worldbank.org/about/what-is-ida [accessed on 13 July 2020].
World Bank (1998). *The World Bank's experience with post-conflict reconstruction*. Washington D.C.: World Bank.
World Bank (2000). *World development report 2000/1: Attacking poverty*. Washington D.C.: World Bank.
World Bank (2001). *Social protection sector strategy: From safety net to springboard*. Washington D.C.: World Bank.
World Bank (2002). *World Bank Group work in low-income countries under stress: A taskforce report*. Washington D.C.: World Bank.
World Bank (2005a). *Fragile states: Good practice in country assistance strategies*. Washington D.C.: World Bank.
World Bank (2005b). *Low-income countries under stress update*. Washington D.C.: World Bank.
World Bank (2006). *Engaging with fragile states: An IEG review of World Bank support to low-income countries under stress*. Washington D.C.: World Bank.
World Bank (2011a). *World development report 2011: Conflict, security and development*. Washington D.C.: World Bank.
World Bank (2011b). *Operationalizing the 2011 World Development Report: Conflict, security and development*. Washington D.C.: World Bank.
World Bank (2012). *The World Bank 2012–2022 social protection and labor strategy: Resilience, equity and opportunity*. Washington D.C.: World Bank.
World Bank (2013). *World Development Report 2013: Jobs.* Washington D.C.: World Bank.
World Bank (2014). *IDA 17. Additions to IDA Resources: Seventeenth replenishment. IDA 17: Maximizing development impact*. Washington D.C.: World Bank.
World Bank (2017). *The World Bank – A knowledge institution*. Retrieved from http://www.worldbank.org/en/news/feature/2017/05/03/the-world-bank-provider-of-knowledge [accessed on 12th July 2020].
World Bank (2018) *Maximizing the impact of the World Bank Group in fragile and conflict-affected situations*. Washington D.C.: World Bank.
Young, C. (2004). The end of the post-colonial state in Africa? Reflections on the changing African political dynamics. *African Affairs*, **103**, (23–49).

Cite this article: Mackinder, S. (2020). Tracing the institutional barriers to the integration of the social protection and fragile states agendas within the World Bank. *Journal of International and Comparative Social Policy* 36: 111–124. https://doi.org/10.1017/ics.2020.17