**Title: Ideas, institutions and the World Bank: the social protection and fragile states agendas**

**Short-form title: Ideas and the World Bank**

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***Abstract***

*Ideas and institutions are frequently used as explanatory concepts regarding policy development and change. There is an on-going debate as to the explanatory weight that each should be afforded; Weiss and Carayannis (2001) identify a spectrum of opinions, with ‘institutionalist’ approaches that embed ideas within institutionalist frameworks at one end, and ‘constructivist’ approaches which argue that ideational concepts should be dis-embedded from institutional considerations at the other. Drawing on 43 interviews with senior World Bank staff and a documentary analysis, this paper traces two policy agendas – social protection and fragile states – to identify the institutional and ideational features of the World Bank that a developmental agenda must navigate to achieve prominence in the Bank’s work. It finds that the success of a policy agenda is determined by whether the ideas fit with a macro-ideational dominant paradigm, and identifies several institutional features such as the incentive structure and lending mechanisms that influence an agenda’s success.*

* **Review and revise the internal incentive structures within the World Bank that discourage cross-departmental working**
* **Take steps to ensure that Cross-Cutting Solution Areas (CCSAs) in the World Bank are afforded equal weight and power as the Global Practices (GPs)**
* **Make space for discourse within the Bank that challenges the prevailing institutional philosophies**

**Introduction**

The World Bank is the world’s leading development institution. Its power and influence is such that it shapes the parameters of the discourse and practice in development, and its ideas about policy and development initiatives have global ramifications. The way that these ideas about policy approaches and best practice are introduced and developed within the Bank is therefore a key analytical consideration in terms of understanding why particular ideas are taken up by the Bank. The Bank situates itself as a leader in terms of ideas around development policy (Stern & Ferreira, 1997; McNeill, 2004), and has rebranded itself as a ‘Knowledge Bank’ (Kramarz & Momani, 2013) driven by its apolitical mandate and evidence. Many scholars dispute this, highlighting influential features such as the hegemonic power of the US in World Bank policies (Wade, 2004; Stein, 2008) and the disciplinary dominance of neoclassical/new institutional economic theory (e.g. Stein, 2008; Cammack, 2002). However, few studies explicitly address how the internal workings of the World Bank affect the introduction and development of its policy ideas. Notable exceptions to this are Wade (2004), McNeill (2004), and Sindzingre (2004) who examine how the policy ideas around the environment, social capital and poverty respectively were introduced to the Bank. Analysing individual policy agendas[[1]](#endnote-1) they identify several features of the Bank, such as how its change processes are often driven by external actors, particularly major stakeholders or political pressures from NGOs (Wade, 2004). Sindzingre (2004) highlights how the Bank is able to respond quickly to these external pressures, but that the resultant changes are often ‘at the margin’, due to internal constraints of the Bank which are resistant to change and the large size of the Bank. McNeill (2004) emphasises the importance of powerful individuals within the Bank in introducing new ideas, and highlights that the Bank’s desire to remain at the forefront of new development ideas encourages its active participation in the marketplace of ideas. He also draws attention to the ‘gap’ between researchers and policy makers, in that the former prefer complexity whereas the latter need simplicity; that the importance of ‘operationalisation’ is key.

This paper contributes to this literature by offering a comparative perspective; it looks at two policy agendas within the Bank – social protection and fragile states – to establish particular features of the Bank that are influential (both positively and negatively) in shaping policy development and change. Ideas within the two different agendas offer an interesting comparison. Both were introduced into the Bank at the same time in the 1990s, their acceptance, institutionalisation and transition to policy demonstrate very different journeys through the Bank’s institutional architecture. The social protection agenda, although it struggled to gain initial acceptance within a Bank environment that was preoccupied with macro-economic growth, has become one of the largest dimensions of the Bank in terms of resource and lending. The fragile states agenda, however, although it has had significant ‘lip service’ in terms of what the Bank is doing to address the problem of development within states deemed fragile or conflict-affected, has remained small and peripheral to the Bank’s ‘core’ work until relatively recently. A comparison of the two therefore enables us to identify empirically the political, ideational and institutional features of the Bank that any policy idea will come up against, and must navigate in order to become accepted and institutionalised.

The study draws on the theoretical body of work that is concerned with ideas and institutions, concepts that have become central in analyses of policy change in policy studies and the comparative political economy field (Campbell, 1998; Hay, 2004). ‘Ideas’ in this context follow Bøås and McNeill’s definition whereby an idea is a concept that powerfully influences development policy: ‘[an idea] is more than simply a slogan or ‘buzzword’ because it has some reputable intellectual basis, but it may nevertheless be found vulnerable on analytical and empirical grounds. What is special about such an idea is that it is able to operate in both academic and policy domains’ (Bøås & McNeill, 2004: 1). A popular definition of institutions is offered by Keohane (1989: 3): ‘persistent and connected sets of rules (formal and informal) that prescribe behavioural rules, constrain activity and shape expectations’. However, it is important to realise that ideas can be contested within these institutions – as Bøås and McNeill (2004: 4) argue: ‘multilateral institutions can thus be understood not only as socially constructed arenas for the facilitation of international order and cooperation, but also as battlefields between different actors’.

The debate over the explanatory power of ideas and institutions in the development and change of policies is complex and on-going, and is often driven from differing epistemological perspectives. This paper empirically examines the influence of ideas and the institutional structure to examine their explanatory weight, and consequently argues that agendas that fit with the dominant ideational paradigm and certain institutional features (such as the incentive structure) are more likely to become prominent within the Bank. This is not to say that the paper argues that the World Bank is a static organisation – indeed, the empirical contribution demonstrates how the Bank has changed over the period under study, not least by powerful ideational processes. However, there are historical and structural factors that are resistant to change which significantly contribute to the opportunity structure and constraints that policy ideas must exploit or navigate. In doing so, the paper offers insights into the political and structural processes by which policy ideas in development are shaped at the global level, challenging the Bank’s claim that it is a ‘knowledge Bank’ driven purely by evidence and its apolitical mandate.

The paper is structured as follows. In the following section the literature on ideas and institutions is briefly reviewed and the analytical framework is set out. The subsequent section outlines the methods of the study, which included 43 interviews with senior World Bank staff and a documentary analysis. The two following sections present the empirical findings, which trace the development of the social protection and the fragile states agendas respectively. The discussion section identifies the ideational and institutional features that are influential in an agenda’s success.

**Ideas and institutions**

Neo-institutional approaches see institutions as the key factor in setting the conditions of political opportunities (Hall and Taylor, 2003). Ideational scholars criticise such an approach, arguing that a focus purely on institutions relegates ideas from theoretical consideration, and that ideas have analytic usefulness in explaining actor agency and institutional and political change (Béland, 2005; Hay, 2011; Schmidt, 2010). They offer a wide variety of types of ideas, from macro ideas (such as paradigms and zeitgeists), to micro ideas that focus on a particular policy problem – three different conceptualisations of these ideas are presented in Table 1.

[INSERT TABLE ONE HERE]

Ideas, then, can be categorised in myriad ways, which complicates the debate over the relative weight of ideas and institutions. Weiss and Carayannis (2001) provide a typology of ideational approaches that is useful to demonstrate the spectrum of opinions with regard to ideational relationships with institutions. At one end is what they term ‘institutionalist’ approaches, which seek to embed ideas within institutionalist frameworks. At the opposite end are ‘constructivist’ approaches, which argue that ideational concepts should be dis-embedded from institutional considerations.

At the institutionalist end are scholars who remain wedded to the principles of institutionalist conceptualisations, but who use the toolkit provided by ideationalists to explain change and agency. For example, Goldstein and Keohane (1993) insert ideas into their rational choice institutionalist approach by suggesting that ideas can be used as conceptual ‘road maps’, which can be used at moments of upheaval to organise action and navigate changing preferences and definitions of interests. However, this delicate insertion of ideas into an institutional framework has received criticism from ideational scholars from the constructivist school who put weight on the substantive content of ideas and their causal influence (e.g. Blyth 1997).

The constructivist school, at the opposite end of the spectrum of ideational scholarship, presents a variety of approaches as to how ideas and institutions should be treated within analyses. At the purest end of the constructivist school are scholars such as Hay (2011) and Schmidt (2010) who argue that ideational approaches should be separated from institutional concepts. Hay (2011) suggests that a fourth institutionalism is necessary, which he terms ‘constructivist institutionalism’. He maintains that the material interests that are the foundation of grand theories are not objective facts, but are social, historical and political constructions. Arguing that rational and material arguments are insufficient in explaining post-formative change, he suggests that the intended and unintended consequences of political agency – which he terms ‘path-shaping logics’ – need to be put centre stage within analyses. He claims that the motives of an actor cannot be explained by their background or by their material interests, and that the only conclusion is that they are socially constructed.

Schmidt (2010; 2011) similarly argues for a fourth institutionalism, terming her contribution as ‘discursive institutionalism’. She maintains that discourse is the principle factor in explaining how ideas gain traction within a political setting, defining discourse as *an exchange of ideas*, which is ‘not only about what is said, but also about who said what to whom, where, when and why’ (2011: 56). Without this, she argues, it is impossible to see how collective action is created from ideas, so the ‘logic of communication’ is therefore crucial to explaining policy change, as it acknowledges the ability of actors to think outside of the institutional setting within which they are placed. The empirical implication is that the analysis should be focused less on the institutional context and more on the communication between actors at the policy, political and public level.

While this is a convincing argument in explaining change, and highlighting the importance of actor interaction, there are several shortcomings to a purely constructivist approach. Schmidt (2011) herself acknowledges that power-distributional considerations are lacking, despite such considerations having a considerable impact on the logics of communication. Such approaches also have a tendency to neglect other considerations outside of ideational factors, including institutional factors.

Other scholars who situate themselves within the constructivist school are less dismissive of institutional factors. For instance, Béland (2005) and Lieberman (2002) claim that the study of ideas is compatible with institutionalist concepts, and that analytical approaches should seek to create a model that acknowledges the impact of political institutions and path-dependent legacies, but also understands and incorporates the roles of ideas, considering them to be integral, endogenous explanatory elements (Lieberman, 2002). Béland (2005) demonstrates this point by analysing ‘framing’ techniques, which are by necessity embedded in broader ideological perspectives and historical processes, in order to make strategic and deliberate choices to generate public and political support. His overarching point is that ideational forces are significant *within an institutional context*, as they are conceptually linked with the necessity of ‘framing’ for political and public approval. He demonstrates how ideational forces can both generate change *or* reinforce the existing institutional paths, and it is important to understand their content in order to discover why some issues gain ascendancy over others, and why public views become embedded or shift.

Lieberman (2002) similarly argues for ideational analysis to be inserted into existing institutional approaches. He argues that without embedding ideas within broader institutional frameworks, ideationalists can fall into the same traps as their institutionalist counterparts, and focus exclusively on regularity and stability, regarding change as exogenous. He argues convincingly that ideas need to be attached to frameworks of structure and power, as the interaction effects between ideas and institutions are the genesis of political change. He demonstrates that ideas must navigate the institutional architecture in order to become influential, and that the institutional architecture is in constant flux. Analytically speaking, he suggests an approach that strips a political order into its ‘component parts’, whether ideational or institutional, and analyse how they interact or influence each other. This paper takes this as its starting point – it seeks to empirically identify institutional features of the Bank and ‘macro-ideational’ ideas (e.g. paradigms) that have become institutionalised within the Bank, which have impacted either positively or negatively the progression of both of the two policy agendas.

**Methodology**

The analysis draws on 43 interviews with Bank staff and key strategic Bank documents. Interviews were sought with senior Bank staff who had been involved in some way with either the social protection or fragile states agendas (or both). Interviewees were sampled purposively, to gain access to actors in the best position to provide insights into how the ideas developed. A snowball sampling strategy complemented the purposive sample, as participants identified other key actors who would be beneficial to the study. The interviews took place in Washington D.C. or over Skype and phone. Participants were provided with an information sheet and consent form, which included options regarding anonymity. Participants who requested anonymity are identified as [Interviewee X] in the following sections. Ethical approval was provided by the author’s institution.

The interview data was complemented by a documentary analysis of Bank documents such as World Development Reports (WDRs), strategy and policy reports. Documents were sampled through searches on the World Bank website and Google searches, using key terms such as ‘fragile states’, ‘social protection’ and ‘state-building’. A snowball element was also included within the documentary analysis as interview participants provided or recommended important documents that were influential in the development of the ideas.

Interviews were coded using a hybrid of deductive and inductive codes; the deductive codes sought to capture the concepts of ‘ideas’ and ‘institutions’, while the inductive codes were driven by the data to capture the content of the ideas.

**Social protection**

The fact that social protection has become such a powerful tool within an institution such as the World Bank could be considered surprising, given the Bank’s over-arching belief that liberalising economic policies were the key to the eradication of poverty. The interviewees highlight that in the earliest stages of the agenda’s introduction into the Bank, this belief did indeed pose problems. The idea was first introduced with the development of a new social protection department in 1997, when then-President James Wolfensohn created it as part of a large restructure; interviewees point to his leadership as influential in creating an ‘enabling environment’ [Interview 1; 12] for such ideas to be introduced. Robert Holzmann, an academic economist, was recruited to lead the department, with Steen Jorgensen, a long-term Bank specialist in human development, as his deputy. They worked together to create the first strategy, built around the concept of ‘Social Risk Management’ (SRM) (World Bank, 2001). However, it was difficult to persuade the wider Bank that a micro-economic focus on individuals and their vulnerability to risk was useful, as the general response was that ‘the poor are poor because they have no money, it’s nothing to do with risk!’ [Holzmann].

The interviewees highlighted several factors that helped the social protection agenda overcome this initial hurdle. First, the concept was framed very carefully; Holzmann recalls how he came up with the name before the concept, in order to create a pro-active image that distanced the idea from the preconceptions of social protection as ‘welfare’. Relatedly, Holzmann’s economic background was seen as significant in the concept being expressed in language acceptable to the Bank’s economists:

*It didn’t seem as dangerous as it potentially was, because the political message was well packaged in standard neoclassical terms* [Interview 2].

Third, strong monitoring and evaluation (M&E) was factored into every programme from the earliest stages, to build a powerful evidence base that ultimately proved the idea’s efficacy. The final factor was the inclusion of the concept in the 2000/1 World Development Report (WDR) on Poverty (World Bank, 2000):

*When the WDR was written [the directors looked around to see where they could borrow something that is useful. The lucky part is that the person in charge was open [to the SRM concept], so immediately gave it the OK […] So it was the coincidence of the timing as well as the personalities – I’ve come up with other ideas that didn’t find takers* [Holzmann].

The final strategy (World Bank, 2001) was published shortly after the publication of the WDR.

From this point the social protection department grew from strength to strength, both in terms of personnel and its volume of lending. Demand for social protection products grew, as the M&E that had been built into the strategy demonstrated its potential in reducing poverty. The strategic emphasis did not remain static; the approach gradually moved from one that focused on cash transfers for the poor to include other mechanisms that built on human capital, such as public works.

For the first decade of social protection work in the Bank, the focus was predominantly on middle-income countries (MICs), as a high institutional capacity was considered important for the success of the instruments:

*The capacity to implement social protection instruments is so low (except when done in partnership with communities through social funds) that even when a social protection instrument would be the ideal solution, the costs of providing it would be prohibitively high* (World Bank, 2001: 40).

This changed in 2007, when the Ethiopian government approached the Bank in the midst of famine, seeking to work with the Bank to establish a way to transform aid money into productive development aid [Interview 3]. The result was the introduction of the Productive Safety Net Program (PSNP), which ‘opened the floodgates’ [Interview 3] to social protection programmes being introduced into other lower-income countries (LICs).

In 2008 the global financial crisis hit, and demand for improved social protection mechanisms grew. The Bank responded quickly, with lending increasing five-fold in the aftermath (World Bank, 2012a). The vast majority of this new lending went to MICs, but 15 LICs approached the Bank for assistance (ibid.), cementing the new role of the Bank’s social protection products in LICs. As work began on the second Social Protection Strategy this new ‘market’ was an important consideration, and the strategy was built in part around the need for strong engagement in LICs.

The department today has a prominent profile in the Bank – ‘social protection is front and centre [Interview 4]’, and reticence to engage with the philosophy of social protection has disappeared:

*There has been a change in the institutional understanding of why these programmes are important, outside of our [department], which wasn’t there before. Now there is an understanding that they’re part of an effective poverty-reduction strategy* [Interview 5].

In sum, the social protection agenda achieved success due to several important features that were deliberately built into the agenda from its earliest stages. From its introduction the concepts were carefully framed to make them acceptable to the economists in the Bank who were concerned with macroeconomic growth, and a rhetorical association with welfare hand-outs was deliberately avoided. The inclusion in the WDR helped cement its acceptance, and from this point the agenda grew in profile as the M&E yielded results that empirically fitted the Bank’s economistic quantitative philosophy and proved the agenda’s efficacy as a poverty-reduction tool.

**Fragile states**

Despite the fact that fragile states present some of the most complex and urgent development challenges, they were generally not considered in the Bank until the 1990s. Paul Collier, Head of Research (1997-2002), replied when asked what the Bank’s approach was at that time:

*It didn’t really have one. It wasn’t working on that subject basically […] the concept of fragile states wasn’t really there.*

This changed under Wolfensohn’s tenure – again his influence in creating an ‘enabling environment’ for new ideas is considered significant to the agenda’s introduction [Interview 13]. However, unlike social protection, the concept and ideas around fragile states did not emerge in a coherent manner that was focused in one department; instead, it emerged in different pockets around the Bank. The first was a research agenda that Collier brought to the Bank; he had been working in academia on bringing economic theory to conflict issues for over a decade:

*I was brought in by Stiglitz, and the reason Joe brought me in was because he wanted the research department to work more in Africa, because that’s where the big issues are* [Collier].

Collier’s appointment therefore indicated a shift in direction in terms of the Bank’s engagement with the issue:

*It is clear that Collier’s work changed the nature of the discussion on conflict* (World Bank, 2004: 6).

The second ‘pocket’ was a Post-Conflict Unit, which emerged in response to a budget realignment exercise in post-war Uganda whereby there was a need to demobilise and reintegrate soldiers and their families and reduce the government’s security budget [Nat Colletta, Founder of the PCU]. This developed into a unit that undertook other post-conflict transition programmes; its development was strongly opposed by many in the Bank who did not see conflict work as within the Bank’s remit, and it took the protection of a Bank Vice-President for External Relations, Mark Malloch-Brown, to overcome this opposition [Colletta; Malloch-Brown].

A third ‘pocket’ of work emerged through conversations between Collier and Shanta Devarajan (then a division chief in the research department, who would later go on to be Chief Economist of the Africa Region), who shared concerns about a subset of LICs:

*Around the time that Paul got here, we started saying wait a minute, there’s an underlying syndrome here […] there are some systematic patterns, or characteristics of these countries which means we should perhaps think of them as a distinct group* [Devarajan].

Collier sold the idea to Joseph Stiglitz, who in turn ‘got the ear’ of Wolfensohn [Collier], and from this a Lower-Income Countries Under Stress (LICUS) Taskforce was created to look at development problems in these states. When asked how difficult it was to introduce ideas around conflict and LICUS, Collier outlined how his position facilitated their introduction:

*It wasn’t, it wasn’t [difficult]. The Director of Research is a great position. I was high enough up that I was in charge of a big budget, I was very close to Joe Stiglitz, Joe was Senior Vice President directly liaising with Wolfensohn every week […]. So it was easy actually […]. It was institutionally easy.*

The consequent LICUS Report (World Bank, 2002) defined these countries as having ‘weak policies, institutions and governance’ and it argued for a bespoke Bank approach whereby it engaged with these countries using knowledge instruments – not financial instruments – to address the institutional problems these countries were facing. This was to have significant implications, not least as a lack of lending creates a disincentive for states to engage. A renewed focus in the Bank on governance was emerging in parallel with this development; the LICUS Taskforce drew on these new discussions to ‘diagnose’ the LICUS, defining them as countries with ‘weak policies, institutions and governance’ (World Bank, 2002: iv). From this report the LICUS Initiative emerged; a small ‘policy-shop’ situated within the Operations Policy and Country Services (OPCS) department in the Bank, which advised on work in countries deemed to be ‘under stress’.

So in the late 1990s and early 2000s work was emerging in these ‘pockets’ throughout the Bank. However, the ‘development effectiveness’ agenda emerged concurrently, in part in response to the new discourse around governance that was occurring, whereby a ‘governance factor’ was built into the Bank’s aid disbursement formula, significantly restricting fragile states’ access to loans:

*That governance score by definition – because the definition of fragile states was that they were at the bottom of the governance lists, it meant that they got less money than their poverty would have warranted… they got a penalty for being poorly governed* [Interview 6].

So while the Bank had taken conflict work into consideration, the ideas were severely hampered in the earliest stages due to the lack of resource that they were afforded.

The PCU and LICUS teams continued to develop in the early 2000s; however, they remained very small units that were peripheral to the Bank’s core work. In 2005, two internal reports were published (World Bank, 2005a; 2005b) which reviewed the Bank’s work thus far. While they highlighted several positives (for example, that the work had given the agenda prominence and that new analytical approaches had improved the Bank’s operational readiness), they also argued that despite the LICUS group having adopted the rhetoric of ‘state-building’ seen in other organisations (such as the OECD), it was not implementing coherent strategies in line with this rhetoric. This disconnect had been exacerbate by the siloed work on conflict that was happening in the Bank, the PCU (now called the Conflict-Prevention and Reconstruction Unit, CPR) being situated in one department and the LICUS team in another. In 2007, these units merged to create a Fragile and Conflict-Affected States (FCAS) Unit.

While these conceptual and analytical developments were occurring in the ‘knowledge’ area of the Bank in Washington D.C., the Bank was engaging with Afghanistan – an engagement that interviewees point to as significant in terms of the Bank re-thinking how it deals with fragility. Interviewees reported how the ‘chaotic’ situation in Afghanistan, with myriad different international actors being involved, drew the Bank into areas of work that it would previously have never considered, such as the justice sector [Interview 7]. The engagement challenged its assumptions with regard to fragile states, creating a space where concepts such as security and politics became relevant to development, creating a ‘sea-change’ [Interview 7] in the Bank’s conflict work.

Arguably the most significant moment in the fragile states agenda was the decision, taken in 2008 in part in response to the Afghanistan situation, to dedicate a WDR (World Bank, 2011a) to the concepts of conflict and fragility.

*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* [Interview 8].

Respondents detail the contentious development of the WDR; critics ranged from those who believed that the Bank should not be involved in conflict work, others who baulked at the inclusion and promotion of concepts such as politics, security and justice, to others who urged the conceptualisations within the report to be expressed in economistic terms (e.g. through the presentation of a typology of fragility) [Interview 2; 8]. The process of consultation consequently saw a ‘watering-down’ of the ideas within it; however, respondents consider the report to have ‘changed the game’ in terms of the Bank’s engagement with fragile states.

There was an undeniable impact at the senior management level of the Bank; the Board requested an operationalisation paper (World Bank, 2011b) to be produced based on the findings, to establish how they could be incorporated into the Bank’s work. Through this operationalisation paper a new unit was set up in Nairobi, called the Fragility, Conflict and Violence (FCV) Unit, which replaced the FCAS Unit. Joel Hellman, a Bank governance specialist with expertise in fragile situations, was recruited as director. It was a HQ-level department – the first time one had been situated outside of the USA – and its remit was to strengthen operational capacity and knowledge transfer across the regions, translate the recommendations and ideas of the WDR into change in the Bank, lead on the Bank’s partnerships with other agencies in fragile environments, and take a leading role in research on conflict.

One particular area of advocacy and lobbying that the Unit undertook, which was to change fundamentally Bank engagement in fragile states, referred to the IDA allocation system, and the bias against fragile states in the formula. Hellman, and other supporters within the Bank such as Devarajan, felt strongly that the formula needed revising in order to increase resource to the countries. The idea was strongly opposed by the team in charge of the formula, as they forcefully argued that it was not a good use of resources, and that as the majority of the world’s poor were in highly populated countries approaching middle-income, that the majority of loans should be to those countries [Interview 6]. Hellman developed empirical arguments that disputed the objections; he demonstrated that while this was the case now, future projections revealed that every year the proportion of global aggregate poverty grows in fragile states, and that by 2030 they could consist of 40% of the global poor, with some estimates reaching 70% [Hellman].

However, these findings had little traction initially, so Hellman and Devarajan consequently presented them to several important donor countries, to demonstrate the new findings and the consequences for the assumptions under which these donors and the Bank more broadly were currently working. The donors were responsive to their findings, and agreed that more resources should be channelled towards fragile states; as more and more donors came on board and embraced the ideas, the opposition within the Bank fell away. In 2014, alterations were included within the IDA allocation system that loosened the restrictions on fragile states.

The agenda since then has undergone challenges – interviewees report how a restructure in 2014 by then-President Jim Yong Kim weakened the agenda; Hellman departed the Bank (which resulted in a loss of confidence in the Unit’s work), and the new organisational model is perceived to have ‘relegated’ the agenda from a top priority [Interview 9], and ‘disconnected’ the Unit from the Bank’s core work [Interview 8]. There is a worry that other priorities mean that the Bank’s collective interest will move away from the issue of fragile states, further disempowering the Unit and its work. While the fragile states agenda eventually managed to achieve a priority status in the Bank, there is a prevailing belief that the agenda is not secure, and is vulnerable to changes in priorities and leadership.

In conclusion, the fragile states agenda, despite being an area with obvious merits in terms of tackling the most acute development problems, struggled for a long period to become a priority of the Bank, and even when this was achieved through a dedicated WDR, it remains an agenda that Bank staff worry could return to being a peripheral priority. Many of the features that created difficulties for the agenda were the same features that helped the social protection agenda gain rapid prominence; these features are examined in more detail in the following section.

**Discussion**

In their analyses of ideas within the World Bank Wade (2004), McNeill (2004) and Sindzingre (2004) all point to individuals – specifically, senior individuals – as being influential in the promotion of ideas. Key individuals in their analyses are often World Bank presidents or other key figures such as Joseph Stiglitz, who was Vice-President and Chief Economist at the Bank from 1997-2000. The two agendas here reinforce this idea – President Wolfensohn is seen as interviewees as a key figure in enabling the two ideas to be brought onto the Bank’s agenda, and other senior staff such as the Head of Research (Paul Collier), and Chief Economist roles (Joseph Stiglitz, Shanta Devarajan) have some political clout within the institution, not least due to their close association with the Presidency.

Other high-level management roles such as Heads of Department (Robert Holzmann, Joel Hellman) also have a certain level of influence, they are in a good position to promote agendas outside of siloes’ within the Bank (discussed below), and have access to the top-level management. However, their influence is limited; as Holzmann notes, it took buy-in from the WDR production team and a coincidence of timing to get his SRM idea accepted. Top-level management also does not have unlimited influence – Stiglitz, for example, famously left the Bank due to disagreements – but within the overarching authorising environment of the Bank, the support of key individuals is a significant factor in the success of an idea.

The two case studies also point to other potential sources of influence for ideas: documents and donor countries (particularly countries that have the most voting power within the Board). Individuals promoting new ideas can use documents such as World Development Reports (WDRs), or to a lesser extent other high-profile documents such as reports (e.g. the LICUS Taskforce Report) or strategy documents (e.g. the Social Protection Strategies) to formalise ideas and gain prominence for them. The responses demonstrate two different scenarios for endorsement through a WDR. The first is represented by the SRM concept’s inclusion in the 2000/1 WDR on Poverty, where the concept was developed in such a way that it represented and encapsulated the interests of the production team and the Bank more broadly in terms of a concrete mechanism for poverty reduction, resulting in its adoption by the production team. The second is seen in the development process of the 2011 WDR on Fragility, Conflict and Violence, where the WDR represented a forum for ideational struggle. The WDR team also gathered a large body of evidence and had an Advisory Board which created the parameters within which the ideas were competing. However, while the WDR 2011 was perceived to have challenged the Bank’s institutional orthodoxy to the extent that it was considered ‘counter-cultural’, the interviews also show that the document itself was constrained by the Bank’s interests and the interests of influential countries by requiring it to be framed in terms that chimed at least in part with the economistic culture and powerful country interests. Both influential individuals and documents, therefore, while they have some scope to ‘change the game’, their efforts are constrained by the authorising environment in the Bank, that speaks to the broader influence of the economic philosophy. This not only ‘frames’ how influential people (and consequently documents) perceive the policy issue, it also forces individuals to express their ideas in ways that are compatible with it. Refusal to comply can have severe implications, as Stiglitz’s departure from the Bank demonstrates. A significant factor for the introduction of an idea, therefore, is to what extent it can be framed in a way that conforms to the macro-ideational, hegemonic idea of neo-classical economics, which is influential in shaping power structures within the Bank.

However, it is clear that the influence of individuals and documents, even when it is wielded in a manner that complies with the macro-ideational philosophy of the Bank, is not enough to ensure an agenda’s success. The interviews highlight many institutional constraints within the Bank that an idea or new concept faces even after its initial ‘acceptance’. These are shaped in part by the macro-ideational philosophy, but also by considerations that emerge from the Bank’s interests and bureaucratic structure. The difficulties the fragile states agenda experienced offer insights into these institutional features. The first is the Bank’s lending mechanisms, which place various different constraints on the adoption of an idea. A sector’s power in terms of the Bank’s incentive structures is equated with its ability to lend, as levels of disbursement are the main parameter for success in the Bank. The fragile states agenda was particularly hampered by this measure of success – there are difficulties in persuading countries to borrow in order to address governance issues, as political elites in that state are likely to be benefiting from the existing governance structure. Rather, countries are more likely to want to borrow in order to improve infrastructure, or to assist sectors such as agriculture or even social protection.

Lending mechanisms also damaged the fragile states agenda in terms of career incentives; for many years working within fragile states was perceived to be ‘career death’ [Interview 10], as success is measured by loan disbursements, and fragile states were limited in their access to them by the IDA formula. Fragile states were therefore not only limited in their ability to secure funding, but also through the career incentives of the Bank that had been skewed by the IDA formula. Lending mechanisms also reinforced the ‘siloed’ nature of the Bank’s knowledge-production area, as there is no incentive to work cross-departmentally. This hampers an idea’s ability to gain traction in other areas of the Bank, or to be considered in broader Bank processes. This is not a problem for an idea like social protection, which can be operationalised within a self-contained unit – for ideas around fragile states, however, this represents a problem as the issues cut all areas of development work. Fragility and conflict can hamper capacity-building efforts in sectors such as agriculture, health and education, and significantly impact a country’s potential for economic growth and global competitiveness.

A further institutional feature of the Bank that impacted the fragile states agenda is the economistic approach of the Bank, closely related to the macro-ideational forces discussed previously. The economistic focus has resulted in a strong reliance on quantitative, technocratic measurements of success, which make complex phenomena difficult to express in terms that are acceptable to the Bank’s incentive structures and evidence mechanisms. This is linked to the issue of time – complex political agendas take a long time to become effective operationally, so consequently there are difficulties in ‘proving’ the efficacy of the approaches, which again conflicts with the Bank’s incentive structures and reliance on quantitative evidence. Without evidence to support its efficacy, any fragile states idea is vulnerable to being replaced by new ideas brought in by new leadership or that emerge within the IDA replenishment cycle.

This is in turn related to a *bifurcation* seen in the interviews between the high profile an agenda seems to receive (and which is promoted by the Bank) and the realities of the agenda in terms of its acceptance, internal profile and operationalisation within the Bank’s structures. It was in the Bank’s interests to be seen to be tackling the issues of governance and fragility, however it was not in its interests to firmly define and conceptualise the issues in a way that was operationally useful, as this could open it up to criticisms in terms of its apolitical mandate, and put it in opposition to other definitions and conceptualisations of a highly complex issue which could also attract criticism.

A second bifurcation within the institution is the disconnect between the ‘knowledge’ section (where ideas are generated) and operational sections of the Bank. This is linked to the problem of McNeill’s (2004) analysis whereby there is a ‘gap’ between researchers and policy makers, the former embracing complexity while the latter requires simplicity. With the Bank’s unwillingness to define the concepts within fragile states in a hard sense, it was near impossible for those concepts to gain traction operationally. Furthermore, the interviews suggest that the links between the knowledge and operational departments of the Bank appear to be weak, meaning that the transition from one to the other is truncated and time-consuming. Additionally, there are many ideas competing within the knowledge area of the Bank to gain traction operationally, further weakening the links.

It is clear therefore that ideas, even after their initial acceptance into the Bank’s discourse, face constraints through the Bank’s lending mechanisms, incentive structures, and bifurcations between discourse and operations in terms of its broader acceptance and operationalisation, as demonstrated by the difficulties the fragile states agenda faced. The social protection agenda did not for the most part come up against these constraints. This provides the opposite perspective – how an idea can become successful within the Bank’s institutional environment. After initial hurdles to the SRM concept becoming accepted, the social protection agenda was much more successful in gaining traction within the Bank’s aid architecture and becoming institutionalised. It does not appear to have come up against any of the obstacles identified as having hindered the fragile states agenda, despite the social protection agenda potentially being perceived as going against the institutionalised economic ideas of the Bank. As seen above, the idea was framed in a way to overcome this initial obstacle. The role of individuals (particularly Holzmann) was important to the success of this framing, and in gaining the support of other influential individuals (e.g. the production team of the WDR) to create a powerful coalition around the idea that demonstrates it is acceptable within the Bank environment. The inclusion of social protection within a key document (the 2000/1 WDR) helped it become accepted as an idea. However, the role of individuals became of lesser importance after the agenda’s initiation. Instead, the agenda evolved, expanded and became institutionalised principally through the use of M&E. Due to the quantifiable nature of the concept it was operationalised easily, which in turn created a body of evidence that, within the Bank’s measures of success, equates to power.

The social protection agenda was able to utilise the same institutional features that were problematic for the fragility agenda to become institutionalised: lending mechanisms (by creating a product that was easy to package in a way that was appealing to the countries); the quantitative philosophy (by framing the concept in a way that was easily measurable in terms of spending and outcomes); the apolitical mandate (by creating a product that could be expressed in purely technocratic terms); and the bifurcation between knowledge and operations (by creating a product that was easy to operationalise and for country teams to utilise). Social protection was also not affected by the ‘siloed working’ that interviews identified as a significant features of the Bank, as the idea resulted in a concept and product that could be managed and promoted within one sector of the Bank, without a strong reliance on acceptance throughout other areas of the Bank.

This siloed nature of the institution is acknowledged by senior members of the Bank – Kim’s 2014 restructure took place in part to address the problem of ‘siloed’ working, with the aim of reconfiguring the institution in a way that enabled interaction between departments (and consequently, ideas). The new structure created 14 Global Practices (GPs), which brought together the Bank’s technical staff on different themes such as Agriculture, Governance and Social Protection, and five Cross-Cutting Solution Areas (CCSAs), of which the ‘Fragility, Conflict and Violence Unit’ is one, which focused on issues seen as cross-cutting development challenges that required ‘integration and collaboration’ across the GPs. Interviews yielded mixed feelings about the success of the restructure, however; some respondents see the CCSAs as having less power and status than GPs, and suffering from ‘flavour-of-the-month’ syndrome; as seen in the previous section, this is a concern for the fate of the fragile states agenda. Others believe CCSAs are good way of ensuring that certain ‘cross-cutting’ ideas and concepts are built into all the Bank’s work. As the new structure was a relatively new phenomenon at the time of data collection, 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.

**Conclusion**

This paper has empirically traced the development of two agendas within the World Bank to identify important features of the Bank that are influential (positively or negatively) in shaping an agenda’s introduction, acceptance and operationalisation within the institution. It argues that the Bank’s political architecture presents a certain set of institutional features – both ideational and structural – that a set of policy ideas must navigate in order to gain acceptance. Ideas can gain traction in the Bank through a coalition of influential individuals or documents, but a macro-ideational paradigmatic philosophy, the neo-classical economic approach frames how individuals or documents are able to express these agendas; ideas must be framed in a way that conforms to the economic ideas of the Bank. This paradigmatic idea also shapes the power-dynamics within the institution; although the hierarchical organisational structure affords significant power to high-level individuals, their power is limited by the over-arching paradigmatic idea. The study therefore demonstrates how the interaction between the Bank’s organisational and structural features and its macro-ideational paradigmatic ideas create a mutually reinforcing feedback loop, which in turn creates a relatively stable institutional architecture. This architecture creates a particular environment in which certain policies and processes are favoured, while others are hindered.

While powerful individuals are necessary to introduce ideas into the Bank, their support of an agenda does not guarantee its main-streaming or institutionalisation within the Bank’s work. Other features of the Bank’s institutional architecture present obstacles that ideas must navigate; some are related to the macro-ideational level, such as the technocratic approach of the Bank that promotes an evidence-based approach to development whereby the evidence can be presented quantitatively. Others are to do with the institutional structure of the Bank, such as the incentive structures, lending mechanisms, the bifurcation of the knowledge and operations areas of the Bank and the siloed structure of departments. Ideas that are not a good ‘fit’ with these features will struggle to gain buy-in – or at the very least, take a long time to do so – despite their merits in terms of achieving the Bank’s objectives.

In order to overcome these institutional roadblocks, there is a need for reflection on the organisational architecture of the Bank and a focused effort to encourage spaces for new ideas and cross-departmental working. This could include a review of the internal incentive structures which discourage cross-departmental working, or taking steps to ensure that the CCSAs are afforded equal power and status as GPs, to avoid CCSA issues suffering from ‘flavour of the month’ syndrome and ensure that they are firmly embedded within the Bank’s core work. At an individual level, there is a need for spaces to be made within the institutional discourse that challenge the macro-ideational paradigm (through recruitment policies or through a broadening of disciplinary focus), to test, secure or challenge its relevance and validity in modern-day approaches to development.

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**Table 1: An overview of typologies of ideas**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Campbell (1998)** | **Tannenwald (2005)** | **Mehta (2011)** |
| **Macro** | *Paradigms*:  Broad ideas, such as neoliberalism (cognitive) | *Causal beliefs*: Cause-effect, or means-end relationships that provide cognitive understandings of the world | *Public philosophies/ zeitgeist*:  Widely shared assumptions such as Keynesianism |
| *Ideologies*:  Systemic set of doctrines, e.g. fascism |
| **Meso** | *Frames*: Symbols and concepts that help ‘sell’ effectively (normative) | *Problem definition*: How problems are defined |
| *Public sentiment*: Politically acceptable (normative) | *‘Normative’*: Values and attitudes |
| **Micro** | *Programmatic*: Specifically related to a policy problem (cognitive) | *Policy prescriptions*: Specifically related to a policy problem | *Policy solutions*: Specifically related to a policy problem |

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1. The term ‘agenda’ is used in this paper as a short-hand for a set of ideas pertinent to a particular policy issue. [↑](#endnote-ref-1)