Lessons from Emerging Practices

Country Engagements: Social Contracts and World Bank

The World Bank’s coherence varies significantly depending on the type of reform. Social contract issues that pertain to the state’s side of the contract, such as improving service delivery and enhancing the enabling environment for businesses, are more frequently translated into operations, despite SCDs calling for this. Issues that reinforce society’s capacity to honor its side of the contract, such as citizen engagement or government accountability mechanisms, are less frequently translated into operations, despite SCDs calling for this. The evaluation identified three sets of conditions that the World Bank could take into account to gain traction on social contract issues:

1. The nature of the country’s social contract bargaining. This includes whether the social contract is more or less contestable. In a fully contestable social contract, accountability mechanisms are easily achievable and the state’s capacity to effectively deliver on social contract issues is strong. Conversely, in a less contestable social contract, accountability mechanisms embedded in projects can help mobilize support for reforms.

2. The nature of institutional space where social contract bargaining takes place. The World Bank can help societies reshape social contracts through its engagement with external actors. The World Bank’s comparative advantages depend on the local contextual conditions, such as fulfilling demands on citizens’ social contract demands, and whether the state has the capacity and legitimacy to fulfill these demands. The nature of the country’s social contract bargaining. This includes whether the social contract benefits the few or the many, whether it relies on corruption and clientelism, whether citizens' social contract demands, and whether the state has the capacity and legitimacy to fulfill these demands.

3. The World Bank’s comparative advantages depend on the social contract conditions, such as the World Bank’s positioning compared with other development partners on social contract issues and its reputation and social capital among citizens and civil society. The nature of the institutional space where social contract bargaining takes place. The World Bank’s comparative advantages depend on the local contextual conditions, such as the World Bank’s positioning compared with other development partners on social contract issues and its reputation and social capital among citizens and civil society. The nature of institutional space where social contract bargaining takes place. The World Bank’s comparative advantages depend on the local contextual conditions, such as the World Bank’s positioning compared with other development partners on social contract issues and its reputation and social capital among citizens and civil society.

Overcoming Operational Challenges

Redefining what success looks like: World Bank senior management and Board should ensure coherence between the Bank’s portfolio of operations and its social contract diagnosis. This may include flexibility on the length of loans and CPF periods, and the provision of additional resources to address social contract issues. Given as program recommendations, this includes introducing some flexibility on the length of loans and CPF periods, and the provision of additional resources to address social contract issues.

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Opportunities to Maneuver

Citizens
Commitment
Non-state actors
Representation
Interest
Resources
Exit, Voice, or Loyalty
Legitimate or Cohersive Authority
Level of contestability
Exchange rates
Upper and lower bounds
Level of institutional formality
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