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World Development Report, WDR 2015, Progress and Limits

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World Development Report, WDR 2015, progress and limits

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Summary

The innovative World Bank Report *Mind, Society, and Behavior* (WDR 2015) offers great prospects, focusing on the way in which human beings act according to the meaning they give to situations in which they find themselves. It does consider this way of acting as obeying forms of rationality that experts should take into account. It even includes development experts in its human behavior analyses, as they can also take as being self-evident what, in fact, is simply the result of the filters that their mental models place between them and the world in which they are taking action.

In this paper we discuss that there has been unequal progress in the revolution initiated by the Report, depending on the fields it concerns. One of its strong points concerns the ways of going about changing what can be considered as bad habits. But, there are some concerns in the way the report is using the same term of mental model (or that of culture), to mention general mental models, related to broad concepts of existence, the organisation of living together – what one could call macrocultures, concerning an entire country – in contrast to microcultures which are generally at issue. We question the reasons for the contrast between the strong emphasis that the report places on what relates to experiences of the transformation of mental micromodels and a certain reluctance towards an informed and creative consideration of macromodels.

Keywords: Development, Mind, Society, Behavior, Culture, WDR, World Bank, Mental model.

JEL Classification: C90, D01, D03, D23, E03, L23, O20, O35, O57, Z13, Z18.

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I. Introduction

The innovative World Bank Report *Mind, Society, and Behavior* (WDR 2015) offers great prospects, which still require a tremendous effort for them to be implemented.

The major contribution made by the report is that it focuses on the way in which human beings act according to the meaning they give to situations in which they find themselves, and that it does not consider this way of acting as being due to irrational behaviour which it would suffice to criticise, but as obeying forms of rationality that experts should take into account. The report states: “*The decision-making processes, languages, norms, and mental models of development professionals, whether foreign or domestic, differ from those of their clients and counterparts. To address these differences, development professionals can engage in more systematic efforts to understand the mindset of those they are trying to help*” (p. 190). It involves integrating into the representations underlying the action the difficulty that human beings have in finding their bearings in a complex world, their dependence in terms of ways of acting that seem legitimate to those around them, and the fact that their way of thinking is guided by mental models rooted in a culture.

Another groundbreaking feature of the report is the fact that it includes development professionals in the way in which it looks at our common humanity. It notes that experts can also be overwhelmed by the complexity of situations, be influenced by the biases of their environment, take as being self-evident what, in fact, is simply the result of the filters that the mental models they are imbued with place between them and the world in which they are taking action: “*Experts, policy makers, and development professionals are also subject to the biases, mental shortcuts (heuristics), and social and cultural influences described elsewhere in this Report. Because the decisions of development professionals often can have large effects on other people’s lives, it is especially important that mechanisms be in place to check and correct for these biases and influences. [...] Perhaps the most pressing concern is whether development professionals understand the circumstances in which the beneficiaries of their policies actually live and the beliefs and attitudes that shape their lives. A deeper understanding of the context yields policies that more accurately ‘fit’ local conditions and thus have a higher probability of succeeding.*” (p. 180).

We know that a revolution is never victorious the first time round, that it takes time to draw conclusions from the principles it establishes. The report, for its part, realistically presents itself as a beginning: “*This Report is only the beginning of an approach that could eventually alter the field of development economics and enhance the effectiveness of development policies and interventions*” (p 21). In its current state, there has been unequal progress in the revolution initiated depending on the fields it concerns.

II. Solid knowledge base acquired; how to effectively go about changing bad individual habits

Beside the general thrust of the report, one of its strong points concerns the ways of going about changing, in diverse fields, what can be considered as bad habits: ways of acting that are simply ineffective in that those who adopt them – farmers, employees, parents – could very well better achieve their own objectives, their own interest, by acting differently. These ways of acting are not perpetuated because they really matter to those concerned, because they really want to act in such a manner, but because they have an overly myopic vision of the opportunities available to them, are trapped in routines, or recoil from the complications that are inherent to change.

An impressive body of experiences conducted in a number of countries and in an extremely wide variety of areas of life – health, agriculture, education, etc.¹ – shows that in many cases there are ways to change these manners of behaving, provided we go about it in an appropriate manner: “*Seemingly small details of design and implementation of policies and programs can have disproportionate effects on individual choices and actions.*” (p. 194). These experiences show that just as it is generally ineffective to simply tell those concerned that they should act differently, so too are there ways of going about it that make them more rational: “*Policy interventions may be able to expose people to experiences that change their mental models*” (p. 72). Numerous examples are presented. The experiences conducted are all the more conducive to convincing as they have led to a comparison between the ways of acting of a group of individuals exposed to actions that influence their behaviour and those of a control group that is not exposed to these actions, and have included the measurement of the statistical gap between the ways in which the two groups act.

Consequently, for example, a series of experiences concerning access to clean water in rural Kenya led to measures being taken to tackle the pollution of water at its source, then its pollution during the transport and storage phases and, ultimately, develop a method that has reduced the rate of childhood diarrhoea: “*This insight led to the design of free chlorine dispensers next to the water source, which made water treatment salient (the dispenser served as a reminder just when people were thinking about water) and convenient (there was no need to make a trip to the store, and the necessary agitation and wait time for the chlorine to work automatically occurred during the walk home). It also made water treatment a public act.*” (p. 194). Or again: “*In Kenya, allowing farmers to prepay for fertilizer during the harvest and get it delivered during the next planting season proved as effective as offering a 50 percent subsidy at the time fertilizer was applied.*” (p. 192).

¹ See p. 197 for the number of experiences conducted in a range of areas.

III. Very little account taken of macrocultures

Most of the concrete situations mentioned in the report concern transformations of mental models related to well-defined situations and the routines that are associated with them: whether or not to put a disinfectant in water collected from a well, whether or not to put fertiliser, whether or not to look for new clients, etc. But the report, using the same term of mental model (or that of culture – see p. 12), also mentions much more general mental models, related to broad concepts of existence, the organisation of living together – what one could call macrocultures, concerning an entire country – the term national culture is commonly used – in contrast to microcultures which are generally at issue. And the report thus becomes much more hesitant.

These general mental models are mainly referred to concerning questions of confidence. The report notes that *“Some of the best evidence of the impact of mental models on development is that changes in exposure to alternative historical institutions appear to change trajectories of growth, holding constant all other factors (Guiso, Sapienza, and Zingales, 2013; Nun and Wantchekon, 2011)². Much of this work focuses on the effect of historical institutions on interpersonal trust. The weight of a large body of evidence is that trust in people outside one’s own family or social group is strongly positively related to economic growth. [...] In the absence of trust, microevidence shows that parties will also be less willing to delegate responsibilities and less willing to specialize, which can result in inefficiency within a firm and a reduced growth within a country (Bloom, Sadun, and Van Reenen, 2012).”* (p. 65). The negative effects of a culture of honour are also mentioned (p. 67) and the stability of such cultures, transmitted from generation to generation, is highlighted (p. 65).

It is striking that in both cases, it is assumed that the effects of culture are inevitable, as if we were disarmed faced with the inevitabilities that it may carry. It is not a question of the fact that very different types of cooperation may be obtained within a company or institution, within a given society, depending on the management system it establishes. Yet experience shows that even within societies in which one generally finds uncooperative behaviour in companies, there are companies that deviate, within which one finds, on the contrary, a high quality of cooperation and a great productive efficiency. The functioning of such companies and the way in which they go about taking advantage of the cultural context has been studied, for example, in Argentina, Cameroon, Mexico and Morocco.³ Consequently, for example, in

² Cf. Guiso, Luigi, Paola Sapienza, and Luigi Zingales (2013), “Long-Term Persistence”, Working Paper 23/13, Einaudi Institute for Economics and Finance, Rome. Nunn, Nathan, and Leonard Wantchekon (2011), “The Slave Trade and the Origins of Mistrust in Africa.” *American Economic Review* 101 (7): 3221–52.

³ Cf. Philippe d’Iribarne and Alain Henry, *Successful Companies in the Developing World: Managing in Synergy with Cultures* (2007), AFD, Paris.

Mexican society there is a social form, the family of brothers, within which a strong solidarity and high quality of cooperation reign. The operating method that prevails in companies is generally far from giving their members of staff the impression of belonging to a group of human beings where one finds ways of being that are specific to such a family, and where there is a need to take action accordingly. But these companies thereby make an inappropriate use of the resources of Mexican culture. When an appropriate use is made of them, there is not a change in the mental macromodel that is specific to the culture of the country, but a change in the mental micromodel concerning a specific company.

In fact, the existence of opportunities to take advantage of the resources of a culture is well recognised in Spotlight 4, “Using ethnography to understand the workplace” (p. 144-145).⁴ While this spotlight concerns an African environment, it refers to research which shows that these opportunities are much wider. The summary of the report mentions the benefit that could be drawn from this type of approach. It indicates that “*The processes of devising and implementing development policy would benefit from richer diagnoses of behavioral drivers (see spotlight 4)...*” (p. 5). This spotlight is mentioned again in the conclusion (p. 194): “*Thick description, for example, and other forms of ethnography (spotlight 4) can be used to understand decision-making contexts*”. However, the approach that is thus offered is seen as a promise for the future more than being included in the main report.

Furthermore, the report recognises that “*solutions to a challenge in one context may not work in another*” (p. 18), and that “*An approach that works in one country may not necessarily work in another*” (p. 194). It is a question of policies that “*‘fit’ local conditions*” (p. 180), of “*contextual idiosyncrasies*” (p. 190), of “*what will matter in which context, which population*” (p. 192). The particular meaning that a given situation takes on in a specific context is sometimes mentioned, for example, with regard to Lesotho (p. 187): “*The mental models of the development professionals regarding the ‘value’ of various agricultural practices failed to take account of unique but critical features of Lesotho economy. Planners viewed animals as simple commodities. But community members saw them very differently. Grazing animals were excluded from the otherwise modern and highly monetized economy, carrying an intrinsic value of their own that was embedded within a very different set of rules—sometimes referred to as ‘the bovine mystique’—that prioritized owning cattle over cash.*” However, the report generally addresses this aspect of things very little. The examples of success that it quotes are not linked with the characteristics of the context concerned, and in particular the cultural context. Consequently, we find, on the one hand, a sort of hesitation between the hope that the success achieved in a specific context could be generalised and, on the other hand, the conviction that it is necessary to adapt to the local context, which requires taking into account the overall logic that prevails in this context.

⁴ This spotlight corresponds to an Agence Française de Développement contribution to the report. It is mainly based on a text written by Alain Henry.

This reluctance to take realistic account of cultures that are specific to a large geographical area, such as a country, appears to be closely related to a general problem of conceptualising what these cultures are in the specific contemporary intellectual context.

A totalitarian vision of culture, described as “culturalism”, is rightly accused of neglecting the ability of human beings to act in a creative manner.⁵ Many attempts have been made to develop a conception of culture that is less deterministic than the one that for a long time prevailed, related to the mythical image of immobile societies. Culture has been seen as a musical score, the performance of which leaves some margin for interpretation.⁶ The ability of actors to transform the routines that govern their action has been highlighted.⁷ It has been a question of a toolkit of possible actions and not an unequivocal way of acting.⁸ But these approaches do not make it possible to take full account of the diversity of behaviours found in a global society. When the report speaks of “mental models”, it adopts a highly deterministic vision of their effects on behaviours. This vision does not pose a problem when one considers a mental model with a certain plasticity, associated with a specific behaviour. But when one is dealing with much more rigid mental models concerning an entire society and an orientation focused on action, we are led to avoid paying too much attention to it.

A crucial point in this conceptualisation of cultures lies in the difficulties associated with the use of the same word, “culture” or “mental model”, to describe very different types of sociological entities. A “culture” that is specific to an organisation, a social group, a particular field of action, is one thing. A national “culture”, common to a very diverse range of social groups and fields, corresponds to quite another sociological entity.

In order to grasp what these national cultures are, it is necessary to consider the lasting existence, within each society, of a specific type of concern and fears associated with situations that create feelings of unease, anxiety, situations that evoke a peril, a threat, which it is essential to ward off.⁹ What is dreaded and what one seeks to escape from varies significantly from one society to another. For example, in American society, the fundamental fear is to find oneself at the mercy of the actions of others. In French society, what is dreaded above all is, out of fear or interest, to have to bend before those who can harm you or allow you to benefit from their favours. When one travels around the world, one encounters other areas of concern, which sometimes surprise the external observer. In Cameroon, the fear of hostile manoeuvres hatched behind your back by those who appear to have good intentions towards you has a

⁵ Harold Garfinkel, *Studies in Ethnomethodology* (1967), Polity Press, London.

⁶ Clifford Geertz, *The Interpretation of Culture* (1973), Basic Book, New York.

⁷ Anthony Giddens, *Central Problems in Social Theory; Action, Structure and Contradiction in Social Analysis*, University of California Press, 1979

⁸ Ann Swidler “Culture in Action: Symbols and Strategies”, *American Sociological Review*, 1986, vol. 51, April, p. 273-286.

⁹ Philippe d'Iribarne, *Penser la diversité du monde*, (2008), Seuil; English translation, *Theorising national cultures* (2015), AFD.

profound impact on social life.¹⁰ In Bali, the fear of being taken over by chaos caused by a collective loss of control of emotions plays a central role.¹¹

While, in relation to these fears, cultures provide images of ways of being together that one can assess, of a good authority, a proper way of resolving disputes, they also provide images of ways of being together that those concerned reject, of a bad authority, of improper ways of resolving disputes. They in no way mean that the situations experienced correspond to the related “good” or “bad” images. While the frameworks of judgement they offer provide a well-defined context of meaning, the imagination is free to invent ways of organising ourselves that are likely to provoke positive reactions within this context.

IV. Approaches unevenly likely to be accepted by minds educated in economics

One can question the reasons for the contrast between the strong emphasis that the report places on what relates to experiences of the transformation of mental micromodels and a certain reluctance towards an informed and creative consideration of macromodels. Part of the explanation lies in the fact that unequal progress has been made in research concerning these two fields. Yet another part would appear to be due to the mental models that prevail at the World Bank, given the place that economic thinking has there.

The report notes that: *“When development professionals engage with projects and other development problems, they bring with them disciplinary, cultural, and ideological priors, leaving them susceptible to [...] the selective gathering of (or the giving of undue weight to) information in order to support a previously held belief¹² and to the neglect (or discounting) of information that does not support those previously held beliefs.”* (p. 182). During the discussions that were held when the report was prepared, it appeared that it is not too difficult for the research conducted under the banner of behavioural economics to take on meaning for minds trained in economics and marked by the criteria of scientific legitimacy that prevail in it. The fact that it involves statistical tests associated with the measurement of the influence of variables acting individually plays a role in this. However, the research inspired by ethnology aroused a certain reluctance due to the fact that it involves observation and not experimentation: for example, while it is possible to conduct experiments and measurements concerning the influence of the payment date of bonuses given to the most productive

¹⁰Alain Henry, “Revolution by Procedures in Cameroon”, in Philippe d’Iribarne and Alain Henry, *Successful Companies in the Developing World: Managing in Synergy with Cultures* (2007), AFD, Paris.

¹¹ Clifford Geertz, *The Interpretation of Culture* (1973), Basic Book, New York.

¹² Raymond S. Nickerson, “Confirmation Bias: A Ubiquitous Phenomenon in Many Guises.” *Review of General Psychology* (1998), 2 (2): 175.

employees, one cannot experimentally create companies that are overall efficient in difficult environments. One can only observe those that already exist.

In fact, in the field of natural sciences, there is nothing exceptional about this type of situation where one can observe and not experiment. An astronomer cannot create celestial bodies, but only observe those that already exist. A geologist cannot create differentiated forms of continental drift or of the formation of mountain ranges, but only observe those that exist. There are many situations where one can highlight, through observation, relevant factors to guide action, but not prove the role of these factors by a rigorous experimentation. For example, observation shows that when you jump from a plane, you are more likely to survive if you have a parachute rather than if you do not have one. Yet there has never been a rigorously conducted statistical test to prove this assertion, comparing the fates of two populations, one with a parachute, one without, whose members would have been selected in a random manner.¹³ It is a misbelief that has led to the assertion that only experimental methods are scientific, to the exclusion of those based on observation, thus preventing from paying attention to rigorously conducted observations that are likely to throw light on the action.

This point is especially important because it is often essential to take account of the meaning that actors give to situations in order to encourage them to act differently. This is particularly the case if you want to promote the emergence of companies marked by a good quality of cooperation and a high level of efficiency in cultural environments where this type of company are an exception. They exist because there is a simultaneous presence of a combination of factors that converge to produce overall ways of giving meaning. In order to understand the factors in question, it is necessary to highlight the universe of meanings of actors and to do so, proceed with an analysis of the language used by the persons concerned.¹⁴ Yet such an approach is far from straightforward for those whose mental universe is rooted in economic approaches. The latter tend more to seek to establish stimulus-response relations, as if they were dealing with laboratory animals that are not endowed with language and are therefore unable to evoke what the situations they experience mean to them. This means that the reasons for which such and such a measure is received favourably in the universe of meaning of the people in question are considered as irrelevant.

This approach seems all the more prejudicial as, in the absence of knowing the universe of the specific meaning of the context offered by each cultural area, the only measures that one can

¹³ Cf. Gordon C S Smith, Jill P Pell, "Parachute use to prevent death and major trauma related to gravitational challenge: systematic review of randomised controlled trials" (2003), *BMJ* (British Medical Journal) volume 327, 20–27 December.

¹⁴ Philippe d'Iribarne, "How to Use Ethnographical Case Studies to Decipher National Cultures" (2011), in R. Piekkari and C. Welch, *Rethinking the Case Study in International Business and Management Research*, Edward Edgar, Cheltenham (UK).

think of testing are those that *a priori* appear likely to be effective on the basis of a one-size-fits-all vision of human reactions. There is, therefore, a risk of overlooking measures that would be the most effective in a specific context because they have not been tested. Consequently, for example, how can we imagine, if we have not observed it, the attachment found in Morocco to a collective way of functioning which resembles that of a religious brotherhood, or the way in which an appropriate system of procedures is likely, in Cameroon, to stand up to the fear of what those with whom you need to cooperate plot against you? The contributions of Spotlight 4 on this last point are the result of an attentive observation of the meaning that situations take on for the actors who experience them, and it is hard to see how an experimentation approach would have made it possible to obtain them. We know, moreover, that scientific discoveries are often the result of encountering unexpected facts by chance.¹⁵

Furthermore, the fact of not grasping which processes give an experience positive results makes it impossible to know to what extent it may be generalised, because we do not know in which cases the components for success continue to be present or not in other contexts. For example, a study in Kenya has shown that where a contract teacher programme “*was found to have a positive impact on pupils’ levels of education when applied by an NGO on a small scale (RCT), this positive effect disappeared when the programme was scaled up nationally and implemented by the government.*”¹⁶ The study concludes that this failure is explained by the change in the project operator: carefully selected and highly motivated NGOs on the one hand, government officials and trade unions on the other. In this case, there is a fundamental issue for the generalisation of the results of impact studies by random assignment concerning locally conducted policies.

¹⁵ Robert K. Merton, *Social Theory and Social Structure*, (1957), The Free Press, Glencoe.

¹⁶ Florent Bedecarrats, Isabelle Guerin, François Roubaud, “The Gold Standard for Randomized Evaluations: From Discussion of Method to Political Economy” (2015), Working Paper, University of Paris-Dauphine, IRD, p. 11, February. The study quoted is: Bold, T., M. Kimenyi, G. Mwabu, A. Nganga, J. Sandefur, R.J. DiClemente, A.L. Swartzendruber, J.L. Brown, M. Medeiros and D. Diniz (2013), “Scaling up What Works: Experimental Evidence on External Validity in Kenyan Education”, Center for Global Development, Working Paper 321, March.

V. Chapters unequally open to taking cultures into account

The complexity of human reactions, and in particular the role of cultural factors, is taken into account in a very uneven manner depending on the chapters of the report. Unsurprisingly, insofar as questions of productivity are considered as being a matter for economists, the traditional mindset of economists would particularly appear to mark the Productivity chapter (Chapter 7). The latter widely ignores the influence of cultures, which would probably not have been the case if the issue had been dealt with by management science specialists, who are much more open to qualitative approaches.

The perspective taken by the chapter places great emphasis on the theories, which economists are very familiar with, of incomplete contracts and of the efficiency wage related to questions of the sentiment of fairness in relations between the employer and the employee. It is repeatedly a question of giving incentives to make efforts (the term “effort” is repeated almost twenty times in a few pages and “incentive” almost as much). The aim is to improve the productivity of each individual by increasing their commitment to their work. Beyond “monetary rewards”, it is thus a question of taking various factors into account that the most committed mainstream economists tend to neglect. Consequently, *“Peers in the workplace can also exert a strong influence on individual’s effort by enforcing social norms, whether that enforcement is intentional or not. If coworkers see others slacking off, they may do the same, even if this means their earnings may decrease; conversely, people may work harder if others are working harder”* (p. 133). Furthermore, *“Workers may come to the job with a certain amount of intrinsic motivation”* (p. 130). However, we remain in an ethnocentric vision of the rational actor. It is believed that if someone stops working more in order to earn more, it is because they are not aware of the fact that there are opportunities to do so. We do not imagine that this individual may have other motivations, that he may deem that once he has satisfied his needs, it is better to devote time to his family or, more generally, do something other than working more. For example, while they had the opportunity of working to earn more *“Owners of small businesses in Kenya also failed to notice an opportunity to increase their business income”* (p. 135).

The above-mentioned issues of trust, of perceptions of the right way of working together that are specific to a culture, of what results from this in terms of collective efficiency and therefore of productivity – issues that are addressed, albeit in an unsatisfactory manner – in Chapter 3 “Thinking with mental models”, are not even mentioned in the chapter. The following Spotlight 4, which is devoted to these issues, is simply juxtaposed to it. More generally, everything that relates to the issue of the adaptation of management to local contexts is largely unexplored in the chapter.

VI. Converting promising orientations in new success

An immense project is open, with tremendous prospects and major challenges: implement what has been achieved, explore what remains problematic, and overcome resistances.

A central issue concerns the relative weight of two categories of phenomena, with their rich potential for improvement. A first category involves a series of transformations through a case-by-case approach to individual bad habits and a second category, taking account of a creative adaptation to the diversity of cultures (of mental models) which are specific to the diverse societies, both in the management of companies and in the construction and management of institutional systems.

If the first category represented the bulk of what can be expected from taking better account of the reality of human societies, a more informed action could make do with this, at least as a first step. The mental models of certain development actors must undoubtedly encourage them to think that this is the case. Yet to be faithful to the general orientations of the report, these models must themselves be questioned.

At the least, these orientations require approaches that obey scientific criteria other than those favoured by economists not to be excluded *ipso facto* when they are invaluable in addressing promising subjects to improve development policies: What forms of management can one rely on to have efficient companies and institutions in contexts where they are usually few in number? What institutional systems need to be set up to combat corruption and nepotism in places where they tend to thrive? Answering these questions requires making serious progress in the vast issue of taking an informed account of macrocultures. This entails escaping both a falsely deterministic vision of the latter and the illusion of their inexistence, an illusion that fuels the belief in the existence of universally effective forms of organisation.

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