



# A QUESTION OF DEVELOPMENT

12 SEPTEMBER 2014

SYNTHESES OF AFD STUDIES AND RESEARCH

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## Knowledge production at AFD

### NEW AVENUES FOR DEVELOPMENT

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AFD has a dual mandate of financing sustainable and shared development and producing knowledge. The second strand of its mission is now more necessary than ever before. It needs to find responses to the concrete questions posed by the field and to feed fresh ideas into the international debate.

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#### *Complexity, uncertainty and beliefs*


The global challenges of poverty and environmental risks are considerable and the need to address them increasingly urgent. Globalisation, commonly identified with the increase in world trade, is even more strongly characterised by the growing number of interdependencies and uncertainties. Global warming predictions already exceed the thresholds deemed acceptable and CO<sub>2</sub> production cannot continue at its current rate. Natural balances and biodiversity are under threat. The upcoming climate agreements will need to dovetail with development priorities. Certainly, poverty – measured solely by the "minimum income" yardstick – has declined over recent decades, but inequality is widening everywhere. Whole swathes of the world's population are still deprived of a minimal level of well-being. Their life expectancy is reduced. Their capabilities (in Amartya Sen's sense) are limited. They have almost no access to energy. At the same time, the middle classes in emerging countries aspire to a higher standard of living. To feed the planet in 2050, far-reaching institutional and societal changes will be required. The responses to these challenges need to be found collectively, in a world that is nonetheless marked by growing political, cultural and social divisions.

Over recent years, the body of knowledge on sustainable development has grown. Yet, it remains relatively normative, based on abstract concepts and beliefs. Methodological individualism and a vision in which contractual logic is paramount both permeate the conception of social ties. A recent president of the World Bank (Zoellick, 2010), after recognising

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that there was no perfect blueprint or sacred cow, nonetheless invokes some "basic principles to be followed", such as "a belief" in property rights, the primacy of competition and contracts, the need to set limits on power, community values, etc. These elements form a kind of hidden structure shaping development thinking – they countenance diverse economic models but, at the same time, impose their own logics (and define what is known as *doxa*). It can also be easily conceded, in the same vein as de Tocqueville, that we tend to explain everything and have everything resolved by certain "abstract beings" that are disconnected from concrete situations – "inclusiveness", "competition", "good governance", the "win-win" rule. For example, if the idea of inclusiveness is now so popular – although still ill-defined – this is above all due to the current proliferation of different forms of exclusion.



***"I have often used the word 'equality' in an absolute sense; I have, as well, personified equality in several places, and in this way I have happened to say that equality did certain things or refrained from doing others. ... These abstract words ... enlarge and veil thought."***

***Alexis de Tocqueville (1840), Democracy in America, vol. 3, Trans. J.T. Schleifer, Liberty Fund, Indianapolis, 2010.***

***In this quotation, the reader can at leisure replace the word 'equality' with: inclusiveness, competition, good governance, etc.***

Although some economists have indeed pointed out that development in emerging economies has not followed the models of mainstream thinking, they have written little about what these other pathways owe to the institutional arrangements specific to each case. There is a broad consensus that institutions play a pivotal role in development. Comparative studies, mainly focused on rich countries (the birth of the railway, paid employment, the forms of capitalism or educational systems), have shown in each instance that institutional arrangements are specific to the history and imaginary of the society in question. Observation also reveals that in each country there are patterns, which cut across sectors and domains of activity, in the way its actors frame problems and appropriate rules imported from the outside world; these patterns appear as soon as the focus is directed to what "works" and what "works less well" in a given context. Observing such patterns would doubtless

prove highly useful for designing well-functioning institutions and successfully strengthening them.

Much remains to be done in the area of cross-country studies: what has been produced seems limited, especially when compared to the efforts to diffuse universal good practice. What is needed is to understand how, in each country, institutions create a balance between economic logic and the representation of social relationships. In general, we need to gain a better understanding of the linkages between economies and societies.

### **Knowledge produced by AFD**

The body of donor-supported research on development policy management is vast and diversified. AFD must, with its limited resources, make its own contributions. As a bilateral actor, it can help to ensure that more attention is paid to contexts and their particularities. It is one of the few donors that systematically follow its partners' local procedures. Finally, as a donor operating on the ground, it offers researchers extensive access to the field and helps to formulate research questions.

A key feature of French aid is its systemic approach to development policy. The international mobilisation around the Millennium Development Goals (MDGs) does not truly take all the reality of aid into account: it is not so much a matter of increasing the number of people with access to services but rather of creating services by sustainably interlinking expertise, incentives, regulations and costs. AFD's approach also tends to foster a balance among territories, promote innovation and improve public regulation. The Agency has recognised expertise in various domains such as agroecology, microfinance, public-private partnerships, sustainable cities, energy efficiency, vocational training, innovative financing, etc. Yet regrettably, donors are on the whole unfamiliar with the societies that "receive projects" (an expression in itself paradoxical), which can sometimes result in inadequate project sustainability or even a deterioration of social systems and local environments.

The whole of the Agency needs to be involved in producing knowledge. It almost systematically evaluates the programmes it funds for reasons of accountability and learning. It helps to improve the quality of public policy and draws on macroeconomic analysis tools to inform its country strategies and assess the risks involved. It also participates in the production of economic and statistical data, which is a key issue, particularly in sub-Saharan Africa, given the weak statistical capacities.

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At a broader level, the Agency produces diverse studies and research both to support its operations and design its future interventions. Some of its work has a more instrumental reach, as in the case of the computable general equilibrium models now being developed for green transitions. But progress in social science research – more so than in natural sciences – comes about through a more comprehensive vision of individual and collective behaviours. The Agency has thus developed work on vocational training, public-private partnerships, the influences of culture, the relationship between the quality of governance and growth, family farming, the informal sector, migrations, countries in crisis, etc. These studies aim to change the way that decision-makers and economic actors see things. These diverse approaches are also applied to the French Overseas Provinces, where special attention is paid to the particularities of each geography.

These studies translate into myriad publications and conferences (organisation of the European Research Development Network [EUDN] and *Comptes économiques rapides pour l'Outre-mer* [CEROM]) conferences, as well as debates (iD4D conferences). Over the past ten years, the Agency has published more than 450 titles in its different collections. It supports the publication of a quarterly journal (*Afrique contemporaine*) and a reference annual (*Regards sur la Terre*) on sustainable development in partnership with the *Institut du développement durable et des relations internationales* (IDDRI). The publications are usually peer-reviewed by independent experts. All publications give rise to a four-page summary document (*A Question of Development*) targeting a wide audience (students, researchers and policy-makers).

### Promoting innovative concepts

In June 2014, AFD approved an ambitious knowledge production strategy in which it affirms its commitment to (i) more systematically directing its research towards operational topics and practical issues, (ii) promoting multidisciplinary work that highlights contexts and institutional specificities, (iii) increasing the academic and literary quality of its publications, as well as their accessibility. The overarching objective is to federate international research efforts – beyond AFD partnerships – that foster innovative paradigms.

AFD will seek to promote multidisciplinary – which is struggling to take shape – much in the same spirit as the Encyclopaedists. This necessitates "breaking away" from a causal and linear reading of how societies evolve. Development trajectories are idiosyncratic and multidimensional. Provided it is driven internationally, a multidisciplinary approach should make it possible to shake off the underlying logics of mainstream thinking. Many disciplines (demographics, geography, management sciences, history, law, sociology and philosophy) are still rarely brought into play. Over recent decades, economics has made considerable headway in developing computing and modelling tools. Today, however, it is being challenged from both within and without: the hypothesis of an individual driven by his or her interests alone no longer suffices. The idea of multidisciplinary, if it is not to remain an abstraction, will take concrete shape at AFD through the creation of a multidisciplinary scientific committee for knowledge production.

The scope of the research themes encompasses a broad range of domains imposed by international debates. AFD will establish an annual programming in line with French priorities (one component will be dedicated to the French Overseas Provinces) based on the following six focus areas:

1. *Natural resources and green transitions*: this encompasses questions on climate (in view of CoP 21), on financing biodiversity, on ecological debt and on the "energy-water-food" nexus.
2. *Social cohesion and growth*: this covers questions on institutional efficiency, gender inequality, resilience, particularly in crisis situations, the fight against corruption, the role of young people and the emergence of a global middle class. The question of governance – i.e. the capacity of States to provide a raft of goods and services that all citizens are entitled to expect – is crucial, especially in sub-Saharan Africa.
3. *Urban growth*: this leverages French expertise in the area of sustainable cities, urban morphology, land tenure, essential services, public-private partnerships, municipal management and financing.

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4. *Innovation*: this helps to promote new technological and social "solutions" (digital technology and networking, renewable energies, agroecology, social business and the Base of the Pyramid [BoP], etc.). This focus needs to involve NGOs and the private sector. In particular, it means exploring the conditions required to move from pilot projects to the mainstreaming of solutions.

5. *Accountability and development indicators*: this includes the demand for increased accountability

for public action, for defining and measuring the Sustainable Development Goals (SDGs) and the relevance of other human development indicators.

6. *New financing*: to better anticipate the future of aid, the use of concessionality, market regulation, the role of emerging economies and the role of vertical funds.

FOUR OBJECTIVES	SIX THEMATIC FOCUSES
<p>Apply Innovate Influence Federate</p>	<p>Natural resources and green transitions Social cohesion and growth Urban growth Innovation Accountability and indicators New financing</p>

Knowledge production is a fundamental source of economic influence. A double strategy is required: one that involves participating in international debates to promote French experience and one that aims to foreground alternative themes unfettered by the prevailing models (agroecological intensification, sustainable cities, family farming, public management efficiency, institutional specificities, measures of vulnerabilities, innovative instruments, etc.).

The quality and scope of the work supported by AFD are linked to the quality of its partnerships.

These will systematically involve research teams in partner countries. The Agency will develop collaborative ties with other donors, notably the World Bank.

Concerted programming will be regularly planned with French research bodies dedicated to development, notably the *Institut de recherche pour le développement* (IRD) and the *Centre de coopération internationale en recherche agronomique pour le développement* (CIRAD), with which AFD has institutional ties. ■

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The complete report can be downloaded at:

<http://www.afd.fr/webdav/site/afd/shared/PUBLICATIONS/RECHERCHE/Scientifiques/Documents-de-travail/140-document-travail.pdf>



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