

Second Conference on Hirschman's Legacy: A Bias for Hope Abstracts

October 25, 2018

9.45-11.15 Session 1: Hirschman and the World Bank

Chair: Brian Levy

- John Heath - *A necessary incompatibility: Hirschman and McNamara's Bank - The evidence from oral history*
- Nicoletta Stame - *Some observations on Hirschman's production line on projects and programs*
- Osvaldo Feinstein – *Uncertainty as opportunity*
- Vijayendra Rao - *Implementing Hirschman: The Social Observatory experience*

John Heath: *"Inherently Incompatible"? Hirschman's Thinking on Projects from the Perspective of the McNamara Years at the World Bank (1968-1981)*

When Robert McNamara became President in 1968, Albert Hirschman was no longer collaborating with the World Bank. His observations on World Bank projects had been dismissed by the staff as 'operationally useless.' Duncan Ballantine, Director of the Education Department, said that Hirschman had attempted to marry "two inherently incompatible points of view – that of the decision maker and that of the academician or seeker of truth." Using the evidence from the World Bank Group Oral History Archives—including 60 recent interviews with staff active in the Bank during the McNamara years—the panelist will ask, if indeed, Hirschman's emphasis on the role of uncertainty in projects, his skepticism about cost-benefit analysis and his skepticism about 'pseudo-comprehensive programming' found little or no echo in the approach that the Bank's staff took to their work in the 1970s.

Nicoletta Stame: *Some observations on Hirschman's production line on projects and programs*

As Hirschman put it, his cognitive style – and his "talent" - was "not just to come up with an interesting observation; it is more a question of going to the bottom of such an observation and then generalize to much broader categories". While the starting observation was also combined with "disagreement with prevailing doctrines", this did not mean entering into structured debates. In fact, when he was dealing with a topic that was the object of a controversy, Hirschman did not opt for one side vs. the other, nor tried to make them converge, but contributed laterally, presenting his own take, that was usually derived from some of his more general concerns.

This presentation will follow Hirschman's dealing with development interventions, in the form of projects and programs. It will illustrate how he moved from an original observation to the bottom of it in subsequent works, in some cases even to self-subversion.

In the first part, it will acknowledge Hirschman's own take on debated topics such as: projects vs. programs, qualitative vs. quantitative research. He thought that working on the small, beyond helping discovering unforeseen alternatives, allowed to "catch up anything general".

In the second part, it will analyze how working on the small as he did in Development Projects Observed (DPO) and Getting Ahead Collectively (GAC) has helped going to the bottom of, and generalizing, ideas worked out, respectively, in The Strategy of Economic Development and Shifting Involvements.

In fact, from the principle of the Hiding Hand to the various instances of "incertitude", to the "centrality of side effects", all main topics in DPO are further elaborations, based on field work and on the knowledge and rationality of local people, of more general observations that had made the bulk of his theories on linkages, latitude for poor performance, inducement mechanisms.

Similarly, with the principle of the "conservation and mutation of social energy", that he worked out in GAC, he went to the bottom of the idea of the oscillation between private and public concerns elaborated in Shifting Involvements.

Osvaldo Feinstein: *Uncertainty as opportunity*

The usual approach to uncertainty is to reduce it to risk. Uncertainty is perceived as a negative factor that should and can be eliminated. An alternative approach recognizes that radical uncertainty is irreducible. It addresses situations where "we just don't know". In such cases, uncertainty should not be reduced to risk. Yet, the conflation of risk and uncertainty is widespread due to a pervasive fear of the unknown and a strongly held belief that sophisticated methods can transform all uncertainty to risk. Attempts to quantify uncertainty and isolate their antecedents using a variety of causal inference methods ignores cases where neither outcomes nor their causes are known (unknown unknowns). To address such cases this paper proposes a Hirschmanian "subversion" or inversion of the 'uncertainty aversion' syndrome and identifies a positive dimension of uncertainty that can be marshalled through evaluation.

Vijayendra Rao: Implementing Hirschman: The Social Observatory Experience

The World Bank's Development Economics Research Group's Social Observatory was established seven years ago as an attempt to "implement Hirschman." It designs and implements systems such as better decision-support systems, and "embedded" research projects, for large-scale micro-level interventions to learn-by-doing and operationalize the "hidden hand." It also develops methods, such as Participatory Tracking, to improve the exercise of voice and agency by giving citizens the ability to make better collective decisions and gain control over their own lives. This talk will draw on the experience of the Social Observatory to demonstrate the practical challenges of operationalizing Hirschmanian ideas within large organizations. More information about the Social Observatory is available here (please view the site in Google Chrome): <http://socialobservatory.worldbank.org>

11.30-13.00 Session 2: Development interventions observed

Chair: Osvaldo Feinstein

- David Ellerman – *Transforming the Old into a Foundation for the New: Lessons of the Moldova ARIA Project*
- Dan Honig - *Going out to the country: World Bank staff decentralization and aid project success*
- Michael Woolcock - *Strategies for improving the quality of implementation of complex development interventions*
- Tom Kenyon – *Some thoughts on the World Bank's attempts to address long-term complex development problems*

David Ellerman and Vladimir Kreacic: *Transforming the Old into a Foundation for the New: Lessons of the Moldova ARIA Project*

This paper is a joint DEC-ECA case study of what is recognized as one of the more successful projects in any country of the ECA region, not to mention in the poorest country of the region. The ARIA project showed new ways to attack some of the most intractable problems of private sector development in ECA: how to facilitate reorganization as well as liquidation bankruptcies, how to promote SME spin-offs as well as new start-ups, and how to promote new learning at the enterprise level both in the form of "Marshall Plan" programs with more advanced post-socialist countries as well as continuous improvement programs (e.g., adapted from Japanese programs). The "prime mover" for these programs was the quasi-public restructuring agency ARIA established as part of the Moldova PSD I loan. ARIA was structured in a way to try to combine private sector entrepreneurship with a public function in the process of restructuring and bankruptcy. The case study tries throughout to account for the specific strategies and innovations that lead to the results. Finally the case study tries to connect the ARIA strategy to the older development literature by viewing the case through the lens of Albert Hirschman's work on social learning and change.

Dan Honig: *Going Out to the Country: World Bank Staff Decentralization and Aid Project Success*

Decentralization of an organization's staff does (at least) two things: it changes information flows and it changes decision rights. Foreign aid agencies have long preached the value of locating their staff in their "client" developing countries. Locating staff overseas is framed as giving staff access to local knowledge and context, with presumed benefits for project success. This paper sheds light on the net effects of World Bank staff decentralization as well as the mechanisms. In doing so, it provides a rare opportunity to understand how country features mediate the effects of an identical decentralization effort. Changes in the decision rights of field-based personnel in the late 1990's also provide leverage on the independent effect of information flows and decision rights. Using finegrained individual level data on staff rotation from 1947 to 2005 allows the analysis to capture the effect of different levels of decision-making power while stripping away any fixed features of staff via individual fixed effects. I find that merely placing World Bank staff in developing countries has little effect on the success of development projects. Combining physical presence and decision rights does, however, yield an impact on projects. In the most fragile states, the presence of senior personnel (World Bank country directors) with authority is

associated with greater project success. However—consistent with a bargaining model in which greater World Bank authority is at odds with recipient country direction and project ownership—as countries become wealthier, the net effect of the presence of country directors becomes negative. The impact of decentralization in this context is mixed and flows from the exercise of power, not just information.

Michael Woolcock: *Strategies for improving the quality of implementation of complex development interventions*

My presentation would be on 'the general theme of development', with a particular focus on strategies for improving the quality of implementation of complex interventions. As Hirschman astutely put it in *Development Projects Observed* (1967, p. 35), "The term 'implementation' understates the complexity of the task of carrying out projects that are affected by a high degree of initial ignorance and uncertainty. Here 'project implementation' may often mean in fact a long voyage of discovery in the most varied domains, from technology to politics." Some 50+ years later, development practitioners are beginning to flesh out what implementation might actually look like when one embarks on "long voyages of discovery" (as opposed to merely copying global 'best practices', engaging in expensive 'capacity building' exercises or promoting fancy technological upgrades); I will explore the operational characteristics of these approaches, explain why multiple decades of critique along Hirschmanian lines has largely failed to dislodge orthodoxy, and why today's efforts might stand a better chance.

14.00-15.45 Session 3: Hirschman and development

Chair: Leslie Obiora

- Brian Levy - *The 21st century relevance of Albert Hirschman's 'tunnel effect': The case of South Africa*
- Paola Ridolfi - *The global migration crisis through the lenses of Hirschman's Voice and Exit paradigm*
- Shalini Randeria - *What kind of Voice do the poor in India have*
- Elena Saraceno - *Development in rural areas*
- Norman Birnbaum - *What Is The Twenty-First Century? A Ninety-two year old survivor of the twentieth seeks an answer*

Brian Levy: *The 21st century relevance of Albert Hirschman's 'tunnel effect': The Case of South Africa*

In the 1970s, Albert Hirschman wrote two seminal papers in response to Latin America's economic and political turmoil, and turn to authoritarianism. The proposed paper will explore the contemporary relevance of two of the core ideas in these papers, illustrating with the example of democratic South Africa.

The first idea (laid out in the 1973 paper) comprises the 'tunnel effect' – Hirschman's metaphor for capturing how tolerance for inequality changes over time. The first fifteen years or so of South African democracy offers a powerful illustration of the 'benign' phase of the tunnel effect in

action. A surge of optimism followed the 1994 accession of Nelson Mandela to the presidency, and the electorally victorious African National Congress's promise of 'a better life for all'. However, the ANC's (left-of-center) approach to addressing South Africa's challenges was 'neo-liberal'; it did not grapple systematically with the deeply-rooted structural patterns of inequality which the ANC government had inherited. The result was an accelerating shift in the latter 2000s to the 'malign' phase of the tunnel effect, with South African politics becoming increasingly polarized, and governance increasingly predatory.

The second idea (explored in the 1979 contribution) comprises the interplay between a growth-oriented 'entrepreneurial function' and a distribution-oriented 'reform function'. As Hirschman emphasizes, the two functions are complements over the longer-run - but the protagonists of each are all-too-often sworn enemies. This interplay suggests the following interpretation of recent political events in South Africa: The dysfunctions and conflicts of the past decade reflect growing social awareness of the 'imbalances' associated with a de facto pre-occupation in the first decade+ of ANC rule with the 'entrepreneurial function'. While the years since 2010 saw a rise of Gramscian 'morbid symptoms', the accession of Cyril Ramaphosa to South Africa's presidency in early 2018 offers the prospect of a systematic embrace of the 'reform function' in a way which can facilitate a rebalancing and a new 'entrepreneurial' phase.

Considered together, the above two ideas point to both a challenge and a hopeful possibility for contemporary South African policymakers. The challenge is to provide a framework for reform which citizens will perceive as a sufficiently-credible response to the inequities which continue to be pervasive. As long as this reform framework is credible, a new benign and dynamic phase of the tunnel effect can be set in motion. In today's troubled times, this essentially optimistic framing of the possibility of turnaround is relevant not only in South Africa, but far more broadly.

Paola Ridolfi: *The global migration crisis through the lenses of Hirschman's Voice and Exit paradigm*

1. In *Exit, Voice and Loyalty*, Hirschman extrapolates the dichotomy of consumer's behavior to state level. Hirschman analyzes the pattern of migration flows from Europe to the United States during different stages of economic development of the sending countries. In espousing Jean-Jacques Rousseau's thesis, in that migration operates as a safety valve for stateless societies and it contributes to perpetrating the status quo by exiting dissent, thereby diffusing conflict. Today's migration flows can be interpreted in Hirschman's terms as collective movements of citizens' decisions to opt for exit in the face of unmet expectations of improved welfare, higher levels of income, and better services. The paradigm can be further articulated to analyze states' responses to rising insecurity and citizens opting for an exit solution as a result of late response by the state. Hirschman considers insecurity, conflict and violence among the push factors in the decision to emigrate, and the existence of a state properly defined as incompatible with the systematic exit option as a "routine response to dissatisfaction".

2. The thesis remains valid today. However, the evolution of conflict and violence from intra-state or inter-state conflict to widespread insecurity linked to terrorism poses new challenges for states and international organizations involved in long term development or emergency humanitarian support. It calls for new alliances to build a nexus between security-development-humanitarian actors in support of states. The paradigm applied in today's context assumes the inclusion of security among the public goods, or "attractions" provided by the state in response to citizens' voice. Supporting states to respond to citizens' expectations requires long-term development responses to emergencies like forced displacement and massive migration, and a stronger compact between development and humanitarian agencies. The Sahel, the region south

of the Sahara that extends from Mauritania to Sudan, is at the center of a security crisis and the point of departure or transit of unregulated migration flows to Europe.

(...)

11. Solutions to these challenges undoubtedly necessitate targeting the most deprived populations in high-risk settings and investing in physical security. In other terms, they require states' response that takes voice seriously before exit becomes the default option. For development practitioners operating in areas where state capacity is particularly weak, tailoring humanitarian action and development to local contexts can empower often-marginalized stakeholders and make assistance more relevant to community needs and responsive to opportunities as they arise. This is especially important in the Sahel, where violent groups are dependent on the local population for both support and recruitment. Strengthening programs for more effective response to citizens' voice requires addressing the broad governance spectrum of communication tools, reliable and public statistics are powerful tools to empower citizens' voice. Establishing citizen engagement tools to report on the quality and reliability of services, as well as generating more rapid responses and demand for accountability from governments are critical to enable a shift from exit to voice.

Elena Saraceno: *The role of agricultural and rural development policies in developed and developing countries: better understanding their connections and mutually supportive effects*

I will argue that rural and agricultural policies should be designed together, early on in the development process and be kept together and closely connected. This does not mean that they should be maintained unchanged over time: their respective roles are likely to change both during development and go on changing without ever arriving to a definitive stage. Changes must always be expected in the functions of both the agricultural sector and rural areas. These depend not only on farm structures and population pressure on land, but also on external factors such as demand for food and other rural products, services and amenities, demand for labor in urban centers, levels of income in different areas and cost of living, economic growth or crisis contexts. Agricultural and rural policies have not followed this approach so far: agricultural policies have supported specialization, economies of scale, land amalgamation and exit of peasant families, adding subsidies when it was not enough; while rural and local development policies were introduced much later, implemented by different administrations, not coordinated and mostly competing rather than being complementary and well integrated with agricultural policies. The contribution will briefly consider first the role that agricultural and rural policies have played in the development of what are today advanced economies, using the example of the European Union, comparing it to that of later developing countries, using examples drawn from Latin America (Argentina, Brazil), Turkey, Cambodia, South Korea. The objective here is to compare policy approaches for agriculture and rural areas and show their unstable assumptions and conflictive aims, their unique features but consistent lack of coordination. The second part will consider the observed mutually supportive effects between agriculture and wider rural development and how these are mostly ignored by existing policies, making the case for acknowledging and adapting them to current policymaking. Such mutually supportive effects are different for developing and developed countries and there is a need to better understand how the passage from one to the other has taken place in real processes and draw the policy implications from it.

The link between these issues and A. Hirschman legacy is in the method followed, the approach based on checking theories with real processes and diversity of experiences, then revising policies, knowing that there is no such thing as a definitive stage of development.

Norman Birnbaum: *What Is The Twenty-First Century? A Ninety-two year old survivor of the twentieth seeks an answer.*

The Twentieth Century was expected at its beginning (by a broad spectrum of opinion in the western welfare states and a certain amount nations), to bring a great deal of moral and social progress. It brought a certain amount in the western nations in their welfare states and a modicum of democratization. Outside the west, if often at great cost, old forms of colonialism and imperialism crumbled. However, two devastating world wars, intermittent economic depressions, the failure of the Soviet Revolution, endemic poverty, new forms of imperialism, and the incessant danger of nuclear extirpation also marked the past century. In the present one, we face environmental destruction, problems of migration and survival, the undermining of democracy in the west, endemic wars, deepening the situation poverty, and a generalized regression to cultural and ethnic and religious hatreds, What agency or which agencies can reverse the situation?

16.00-17.45 Session 4: Hirschman and specific policy options - the public sector

Chair: Salo Coslovsky

- Leslie Obiora - *Learning and innovation for governance reform sustainability*
- Raffaele Trapasso and Domenico Marino - *Stimulating policy complementarities in the Regional Development Process*
- Paolo di Nola - *"Causes and effects" in a few key cases of change in the public sector*
- Tito Bianchi - *The sustainability of public sector innovation: the dilemma of maintaining Good Government over time, based on Italian experiences*
- Fabio Zilberstein - *Trust and communication in citizen dialogue*

Leslye Amede Obiora: *Learning and Innovation for Governance Reform Sustainability*

Why is it that State sovereigns seldom prioritize learning capacity, let alone institutionalize and mainstream Research & Development into the apparatus of governance like the private sector where there is greater insistence on bottom-line accountability to shareholders? Why do citizens allow successive administrations to sweep away or set aside hard-won investments in the heat of political passion, particularly given the forgone alternative for such public expenditure? To what extent does such waste contribute to the enabling environment for corruption? What would it take to orient the society to buy into a set of core principles and normative values to foster good governance consistent with the *raison d'état* for the state and how can the state be trained to foster the discipline to systematically align with these parameters? How can popular sovereignty enliven the pursuits of state sovereigns in a way that makes leaders valorize long-term strategies to trump incentives determined by narrow self-interest or episodic political calendars?

Recurrent talks about reforming governments to run more efficiently underscore the abiding need for closer attention to the conditions for sustainability, illuminating the expedience of an ethos of learning for optimizing the investments of finite resources and for helping bureaucracies cultivating greater capacity for accountability. Common practices deferring to the conventional wisdom that a failure to plan is a plan to fail tend to prioritize forward-looking strategies to the exclusion of retrospection as captured by the popular understanding that is 20/20. Perhaps, institutionalizing measures to advance the appeal and purchase of an R&D-like mindset for the apparatus of state could help stem the incidence of politicizing and coopting as political capital hard-won measures that task finite resources for public good. Perhaps, it is worth outsourcing vigil to institutions and processes that are relatively autonomous and outlast transient political tenures.

My heightening interest in active learning approaches fueled my attraction to this proposed research. The underlying premise for the intervention is that we can learn our way out of some of the daunting challenges constraining the global governance agenda by organically building on incremental and fundamental gains, rather than succumbing to the proliferation of bureaucracy that risk entrenching inertia for governmental stakeholders tasked with implementing programs. In lieu of privileging mechanically engineered socio-legal solutions, my perspective foregrounds a learning objective attuned to feedback about pertinent gaps between objectives, processes and outcomes. This is with a view to enrich understandings about how to measure how the system is disposed to act and capture evolutionary potentials of the relevant ecology to modulate conditions, manage constraints and stimulate enabling environment to strengthen capacity for learning.

Raffaele Trapasso and Domenico Marino: *Stimulating policy complementarities in the Regional Development Process*

What it takes to generate sequential solutions to policy challenges and bottlenecks hampering regional development? This research paper explores the possibility to generating temporary or long-lasting synergies between policy sectors that affect regional development. The idea of promoting such synergies between policy sectors should not be confused with a strategic approach in which all actions are carefully designed a priori and implemented at once. Evidence illustrates the limits of a “blue print” approach to regional development. Wide policy processes have often failed due to the lack of important policy “pieces”, the non-cooperation of key policy sectors, or the reluctance of key stakeholders.

Conversely, by recognizing the need to negotiate each step while deploying an incremental policy that evolves according to the exogenous and endogenous conditions it meets, this approach may have the advantage of promoting the structural changes needed to trigger development. In other words, the objective is regional development, but the path to it is the product of a self-discovery process in which many stakeholders cooperate, in a single iteration or in more iterations. Importantly, all negotiations should aim to obtain a first best-policy solution to a given challenge, including those that are considered marginal or not relevant. The policy system should always perform at its best and people involved in the negotiation process (policy makers and “stakeholders”) should always care and work to obtain the best possible outcome.

The paper introduces the issue of policy complementarities and tailors it to regional development policy. It presents a complementarity matrix – a heuristic device – that can help policy makers and stakeholders in their policy negotiations. It reasons on the advantages related to adopting an approach that does not scare off reluctant actors (those that have lost faith in the possibility to

trigger development) and that may generate its own "implements" (important enabling conditions such as social capital) when deployed. Finally the paper presents some limits of the approach and discusses the problem of generating a common will towards socio-economic development

Paolo di Nola: *Cases of reforming in the Public sector: causes and effects*

The improvement of the Public sector in Italy, remains a permanent purpose, cause its economic relevance.

Attempts and efforts to improve the Public Administrations have recorded some success but also, and often, difficulties in promoting their own development.

The activities of "A Colorni-Hirschman International Institute" and of the researchers put together by Luca Meldolesi, have always focused on the empowerment methods of Public Administration. Since the publishing of "Spendere meglio è possibile" (1992), they directly deal with Public Administration organization.

This work seeks to explain how it is possible to trigger processes of development and to obtain improvements even in complexity conditions, such as those observed during the implementation of local development interventions.

However, some operative stressing conditions facilitate the achievement of objectives in improving the effectiveness and efficiency of the operational structures. This happens also by discovering the organization's pride, by achieving "self-awareness" (i.e. awareness of the contents, strengths, weaknesses, potentials of the organization) and by the strength of collaboration between different functions and roles.

The experiences, lived first-hand by the author, in the cases of two projects management (Great Pompeii Project, which has carried out the restoration of the archaeological site; the operations for Matera European Capital of Culture 2019) can explain how these improvement processes can work more or less.

Therefore, the most important phases of these experiences will be underlined in order to reach indications and lessons on how the organization of Public Administration can react to change of scenarios, objectives and work methods.

The search for possible keys to break through the resistance to change of Administration requires the knowledge and analysis of its reactions, reasons and mechanisms. By this analysis, one may discover that, sometime, tools designed to create synergies among different administrations lead, on the contrary, to the entrenchment of positions and interests.

Often, the solutions are implicit, they just need to be released, as A.O. Hirschman would say.

Tito Bianchi: *The sustainability of public sector innovation: the dilemma of maintaining Good Government over time, based on Italian experiences*

Any success with public administration reform or innovation is defined with reference to a limited time horizon. What at a given time appears to be an undeniable advancement in the quality or effectiveness of the services delivered by public organizations, a few years later may be found to have left behind little permanent value, and may no longer be perceived as a success. This is true also of the cases studied by Albert Hirschman and by his intellectual follower Judith Tendler: the very real economic and social advancements reported in many of their seminal studies, did not survive for many years. For example, the remarkable examples of innovation in public service in

the Brazilian state of Ceará that Tendler presented in her "Good Government in the Tropics" could no longer be observed few years later. Do these reforms or innovations add something permanent to the quality of public service, or public institutions?

This paper tries to confront this issue based on case material taken from a very different context: within the framework of regional development policy, inside the Italian public administration, in the early years of the twenty-first century. Based on three instances of public sector innovation that the author was directly involved with, some of the forces that can help public administrations sustain reformist processes and absorb innovative ideas and practices, are identified and discussed. While political backing is found to be behind some of the innovative discontinuities introduced in public sector, political support is short lived and cannot provide sustainability over time. Reformist change needs some kind of support from outside the Public sector, in order to be maintained over time. "Innovators" as a separate class of agents within the administration who face specific incentives, are also singled out as a potential critical force impinging on the sustainability of such efforts.

Fabio Zilberstein: *Trust and communication in citizen dialogue*

What a public administration can do to serve and dialogue with their constituency, the citizens? As an observer of European Communication I can testify of few examples that have opened the Voice to citizens via online platforms. While the audience has not been always large and extensive, yet the response showed a need for being involved in European matters and having a say. A recent online survey on summer/winter times giving citizens the possibility to show their view and giving a clear policy indication registered a record response of about 5 million votes.

It's a time in which our society struggles with the phenomenon of increasing disinformation (aka, fake news) amplified by the digital media; a time of society unrest toward perceived and real problems. At this same time, we note more and more willingness from citizens to have a say, to Voice their opinion and change for the good.

This presentation will show some examples I observed in EC communication to raise citizens' voice.

October 26, 2018

9.00-10.45 Session 5: Hirschman and social science in the field of development

Chair: Fonna Forman

- Ilene Grabel - *It's a mess, and that's (mostly) a good thing: Global financial governance in the current Hirschmanian conjuncture*
- Philipp Lepenies - *Teaching and applying Hirschman - Thoughts from a practitioner turned academic*
- Luca Meldolesi - *How to complicate Economics: a few observations*
- Adriana Mica - *What's Theory Got to Do With It? Coming to Terms with Possibilism in Sociology and Related Social Sciences*

Ilene Grabel: *It's a mess, and that's (mostly) a good thing: Global financial governance in the current Hirschmanian conjuncture*

The presentation draws on the arguments advanced in the recently published book, *When Things Don't Fall Apart: Global Financial Governance and Developmental Finance in an Age of Productive Incoherence* (Ilene Grabel, The MIT Press, 2017).

The global financial, trade, and political environment of the contemporary "post-neoliberal era" is marked by disorder, conflict, aperture, and incoherence. I focus on one dimension of this incoherence—that which surrounds developmental finance and global financial governance. The chief positive claim is that the East Asian financial crisis of the late 1990s and especially the global financial crisis of 2008 occasioned meaningful though ad hoc, partial, experimental, and uneven discontinuities in the financial landscape. Non-trivial continuities are also readily apparent. Unfolding incoherence in the overall political and policy environment, not least due to the Trump administration, promises to deepen incoherence in the financial realm. I advance the controversial normative claim that emergent incoherence holds significant, promising, and frequently overlooked opportunities for emerging market and developing economies (EMDEs) that were not available in the coherent environment of the neoliberal era. Emergent incoherence is thus (at least partly) productive for EMDEs rather than strictly debilitating. In the age of what I term 'productive incoherence,' a more fragmented, complex, dense, and pluripolar form of global financial governance is expanding possibilities for policy and institutional experimentation, policy space for economic and human development, financial stability and resilience in the face of disturbances, and financial inclusion. The institutional density and "productive redundancy" that mark the emerging environment may yield increased robustness and anti-fragility. Incoherence also poses grave risks. Among the most important of these are "innocent" spillovers, beggar-thy-neighbor strategies, and systemic risk. I argue that the opportunities presented by incoherence and redundancy can be best understood within a "Hirschmanian mindset," by which I mean an understanding of social and regime change informed by Albert O. Hirschman's theoretical and epistemic commitments.

Philipp Lepenies: *Teaching and applying Hirschman - Thoughts from a practitioner turned academic*

For students of the Social Science and project managers alike (in development or elsewhere), Albert Hirschman's ideas and writings can not only be inspiring, but actually practically useful. Hirschman teaches us time and again how the often called for but seldom concretized idea of thinking outside of the box can actually work. This refers to his approach to find contradicting explanations for existing lines of thought and mainstream concepts but also how he had theorized on his own way of doing research or his propensity for transgressing disciplinary boundaries. Not only between political science and economics, but especially the humanities and above all, literature. Yet, in my experience, the most practical resources for students and practitioners are those writings of Hirschman that are mostly overlooked nowadays - specifically his writings on development. In my presentation I will highlight how Hirschman's ideas have guided me through the intricacies of practical development project management, and how I have come to integrate Hirschman text into basically all of the classes I teach, be they in comparative politics, history of ideas, development economics, project management and policy analysis.

Luca Meldolesi: *How to complicate economics: a few observations*

Come complicare l'economia is an anthology (of the series "I grandi economisti contemporanei" - Bologna, Il Mulino) assembled personally by Albert Hirschman and edited by me in 1988. Obviously, its title reminds the reader a well-known article by Hirschman: "Against Parsimony: Three Easy Ways of Complicating Some Categories of the Economic Discourse" (1984). But the book includes 17 articles and chapters; and, in so doing, it implicitly refers to the whole trajectory of the Author. As it were, the bulk of Hirschman's "complication of economics" (that covers more than half of the book) occurred during the 18 years he dedicated, almost exclusively, to development and Latin America. Actually, in that period Hirschman was able to break de facto the traditional turris eburnea of economics and transform gradually the latter. Therefore, his "trilogy" - Strategy, Journeys and Development Projects - and the connected articles, though written to celebrate development (as Hirschman confessed in 1994), may also be observed from the point of view of "How to Complicate Economics". Eventually, intrigued by this conclusion, I decided to put down and present to the "Second Conference on Hirschman Legacy" a list of key points coming from that elaboration that have been indeed "basic" in the welcome metamorphosis of economics into a social science.

Adriana Mica: *The Importance of Being a Fit: Possibility Theory in Sociology and Related Social Sciences*

The article has been brought to life by the observation that the tendency to spot conceptualizations of the possible is recurrent in social sciences. Such meta-level analysis concerns theories of the possible, such as Hirschman's possibilism from the 1970s or the more recent wave of futures and possibility anthropologies that find their echo in Appadurai's ethics of possibility, for instance. In the article we attempt to contribute to this understanding of where does this language of creativity, innovative uncertainty, latent opportunity and hope come from, or what supports it. We show that the meta-level analysis brought the discussion to the point where it acknowledges that for such an account of the possible to catch roots, there should be a compatibility, or a fit. This concerns the broader conceptual and analytical framework where such

possibility perspective is launched, and it can manifest on various levels. The article focuses on this point, articulates it and discusses it based on selected possibilistic approaches to failure in sociology of ignorance. The illustration is relevant because it indicates that the analytical and conceptual fit is not as much a state as it is a state of reference, or something which theorists tend to establish. The fit is important not only in terms of the configuration or the internal coherence of the theories, but also for knowing how to change these.

11.00-12.45 Session 6: Hirschman and specific policy options - the private sector

Chair: Meenu Tewari

- Vincenzo Marino - *Hirschman's Legacy findings in dealing with the private sector*
- Tommaso Di Nardo - *VAT gap, mandatory e-invoicing and a surprising Latin America: where can Hirschman's strategy lead us today?*
- Maria Ariano - *A framework for entrepreneurship education and training programs*
- Yevgeny Kuznetsov - *From exit to voice that creates a lasting song: options diaspora talents (fail to) cultivate*

Vincenzo Marino: *Hirschman's Legacy findings in dealing with the private sector*

Having served as public servant, consultant and manager in dealing with the private sector and with entrepreneurship and enterprises, during my career i've frequently had the occasion to trip over some useful findings of Albert Hirschman's legacy.

In the consolidation of entrepreneurial projects, the role of exit - voice mechanism and interaction has traditionally been recognized... But i've found that some successful management activities are plenty of other less analyzed Hirschman's findings.

Strategies for unbalancing growth are frequently used by entrepreneurs when they run their businesses, reform-mongering strategies are necessities also in the private sector development to protect and empower innovation faced with traditional conservative behaviors and rhetoric, the principle of the hiding hand frequently works as a mean of creating non - planned innovation... Economics to politics and beyond are frequently "normal" oscillation also in the entrepreneurial environment.

My objective is to show up some of these strategies that I've found very useful and effective in both my personal experience and in the observation of some entrepreneurial behavior.

The majority of these findings are frequently illustrated with a different language, specifically originated by business economics... but at the very end of the story, they are the same of some Hirschman's discoveries in the development field.

The idea is that we could learn a lot by these experiences and use these lessons to enlarge our management abilities.

Tommaso Di Nardo: *VAT gap, mandatory e-invoicing and a surprising Latin America: where can Hirschman's strategy lead us today?*

In the current heated debate regarding the introduction in Italy of mandatory e-invoicing, it's a rather surprising fact that the most advanced region in the world in this area is Latin America. This fact has led me to carry out a comparative analysis on the question which, in my opinion, can contribute to the debate in Italy and, most of all, support the planned change. In this regard, I've found the Hirschmanian teaching of "The Strategy of Economic Development" and, in particular, the study of "pacing devices" extremely useful, besides being extraordinarily relevant.

(...)

The main issue is the current difficulty in obtaining also the hidden benefits of the policy or, for example, in admitting that some policies have collateral (and often hidden) effects; above all, such effects are able to trigger secondary mechanisms of change, acting in an indirect way which is impossible to obtain through any other direct policy.

The argument put forward in this contribution, that mandatory e-invoicing employed by the governments of countries with development problems to tackle persistent public financing crises, together with the (direct) effect of reducing the VAT gap, is able to produce other initially unexpected (indirect) effects that can promote the economic development of a country. This occurs, for example, when these effects become a (hidden) stimulus for improving value creation processes through a reduction in administrative costs, benefits at micro and macro level from greater transparency in economic and financial transactions, the possibility of using the data transmitted to improve management control and business performance, etc. ...

Although no detailed studies have so far been carried out on the effects produced by the Latin America experience, it appears evident that such effects have occurred in several countries, starting from Mexico. There is probably a Hirschmanian lesson in all of this, the full extent of which still needs to be understood.

In Italy, there are, as yet, few accountants in favor of mandatory B2B and B2C e-invoicing, sufficiently convinced that it would give them the possibility of offering consultancy of higher added value and allow business clients to benefit from improved business operation and management tools. Their position is strongly opposed both inside and outside the accountancy profession by those who, instead, are convinced that the costs exceed the benefits and that, in any case, accountants will suffer considerable losses as a result of the operation.

It is probable, in this case, that the underlying political approach of the government and of the technicians working on the application of the reform process does not take sufficient account of the range of possibilities available and that, therefore, as currently formulated, the policy threatens to frustrate any obtainable results.

It is clear, therefore, that in such a situation, the Hirschmanian approach referred to can be very useful for fine-tuning the policy in question and for ensuring, in the end, the best possible results.

Maria Ariano: *A framework for entrepreneurship education and training programs*

Interest in entrepreneurship began its current resurgence among academics and policymakers in the 1980s, as new research indicated that some entrepreneurial behaviors could be acquired through education and training. Curran & Stanworth (1989) were among the first to argue that some skill sets and capacities associated with entrepreneurship can be learned, including the cognitive ability to think creatively. During the last 20 years, entrepreneurship education and

training (EET) programs have mushroomed, given their promise and potential to promote entrepreneurial skills and attitudes.

Nevertheless, while the number of such programs worldwide continues to expand, global knowledge today regarding their effectiveness and the magnitude of their impacts remains dispersed, fragmented, and largely inaccessible to policymakers and practitioners. To date there has been no systematic classification or analysis of the diversity of EET programs, which are rarely subject to independent impact evaluations. The lack of information is a critical gap for those looking to design new EET programs or strengthen or scale-up existing ones. The study that I want to present therefore set out to fill that critical knowledge gap by conducting a systematic analysis of EET research and programs, with the aim of developing evidence-based guidance for the programs' design—applicable in a variety of country and economic contexts—going forward.

Yevgeny Kuznetsov: *From exit to voice that creates a lasting song: options diaspora talents (fail to) cultivate*

The talk will draw upon famous Hirschman's dichotomy between 'exit' and 'voice' when analyzing international migration of talent. In general, talent chooses 'exit': it seeks an environment of clusters of talent; this is how innovation clusters emerge. However, 'voice' is also possible: either in a relatively weak one when diaspora talent gets involved with projects in home country, or strong one when the talent comes back to occupy important positions in the government or private sector. The talk will focus on 'high achievers' of talent diaspora -- exceptionally gifted individuals at the top at their professional and options they articulate regarding the engagement and return to their home country. Empirical evidence comes from surveys in MARS (Mexico, Argentina, Russia and South Korea) economies. China and India will also figure in the discussion.

14.00-15.30 Session 7: Hirschman and evaluation

Chair: Michael Woolcock

- Tessie Catsambas - *The value of applying appreciative and positive approaches to evaluation*
- Jos Vaessen – *Heeding Hirschman in evaluation - dealing with complexity, context and side effects*
- Laura Tagle and Viviana Fini – *Contribution of evaluation to democratic policy*
- Meenu Tewari - *Sustaining reform: especially pro-poor service delivery reform in budget constrained environments*
- Laura Orlando – *Reflections of a Sanitarian*

Tessie Catsambas: *The value of applying appreciative and positive approaches to evaluation*

Many scientists believe that the “scientific way” must be “unbiased” worrying that Albert Hirschman’s bias for hope is unscientific. In the last 20 years, however, evaluators and scientists have been developing and incorporating approaches that aim to empower evaluation participants shifting the locus of power from “expert evaluators and scientists” to “program participants” and uncovering the shortcomings of the scientific paradigm, and demystifying evaluation for all those involved. These newer approaches have had strong elements of “human-centered design”

focusing on the process and experience of evaluation participants, recognizing that evaluation design and implementation needs to invite participants to share openly, and that evaluation needs to include both structure and flexibility to engage participants and adjust to iterative learning. The application of Appreciative Inquiry and Positive Psychology approaches to evaluation invite participants to have honest and constructive conversations about their work and experience; focusing on what matters to them, and with the support of evaluation experts, participants write the story of their past in ways that uncover exciting possibilities for the future. (...)

Further evidence of the attention to the evaluation that engages and serves people is the effort of several development agencies to continuously improve the relevance, effectiveness and efficiency of the evaluations they fund, and to ensure that their evaluations promote the values of their organizations. In 2014 blog, Caroline Heider, Director General of the World Bank's Independent Evaluation Group (IEG), made the argument that we need to be ensuring value-for-money evaluations. Following a critical review of the World Bank's independent evaluation function, in 2016, the IEG embarked in an effort to improve its engagement of program managers and implementers in a collaborative review of findings and recommendations. This was an important shift in the IEG's policy; it had been a point of pride and independence to conduct its analysis and building of recommendations behind closed doors without involvement of any participants.

Thus, in spite of resistance from some quarters, there is evidence that this positive, human-centered design to evaluation is becoming the new dominant paradigm, even though the literature has not yet caught up. A review of new and emerging evaluation standards and competencies around the world demonstrates a convergence; the expectations of a good evaluation are getting closer to Hirschman's hope that "intellectual imagination may unlock sweeping possibilities." Hirschman believed that "by finding seems in even the most impregnable structures, one might create openings and prospective alternatives." Appreciative and positive approaches to evaluation have found those seems in the previously thought impregnable assumptions of scientific superiority that centralized control and remained unconcerned about the human experience and the needs of evaluation clients and participants. And in breaching those seems, appreciative and positive approaches are making significant contributions to the future of the evaluation profession.

Laura Tagle and Viviana Fini: *Contribution of evaluation to democratic policies*

The presentation explores how evaluations can (and do) contribute to make policies more democratic. We aim at building a conceptual framework for research on evaluation practice. We start from Hirschman's work on development projects and from his reflections on reform mongering. We build on the work of Laboratorio di Valutazione Democratica on the elements of democratic evaluation: designs and methods which include underrepresented groups (democracy in evaluation), institutional arrangements which enhance the democratic responsiveness of policies (evaluation for democracy), or evaluation work on policies aiming at widening participation in the political, social, and economic life of a city, region, country (evaluation in democracy).

The issue of contributing to making policies more democratic requires that evaluators enter a dialogue with clients, commissioners, stakeholders, and policy makers on values, criteria, and goals, rather than accepting them. Under which conditions can this happen? It may also require that evaluation findings be disseminated beyond the group of intended users, through media not

foreseen, or in new formats and languages. Which options do evaluator have? Which conflicts can dissemination ignite?

Laura Orlando: *Reflections of a Sanitarian*

I have been engaged in improving sanitation in the United States and internationally for thirty years. Part of that work falls under the framework of project-based international development. Using typical evaluation methods, I have failed. But that failure is erased when the development project is viewed as a process and not an event fixed in time and space. When the project is explained by relationships through meaning-making, its evaluation is about information and not judgement. The meaning-making asks what interacts with what and how. The object of the effort - the bridge, the dam, the road, the toilet - are just the nodes of interactions. The object alone, without consideration of the always present relationships, makes for reflections that do not tell what really happened and what incremental changes can be made to find the right answers to what is and what could be next. No aspect of a development project suffers from this reification more than technology. Sanitation projects are exemplary of this phenomena. The effort is reduced to things until the obfuscation of relationships is complete. Success is measured by coverage: how many people have access to improved sanitation. Multiple ways of seeing and telling are lost in the counting. But when the evaluation is storytelling it reveals patterns, tensions, and plenty of mystery. It is in these places that Albert Hirschman suggests we look (past the toilet) to bring us closer to what we want (healthier communities).