

BACKGROUND PAPER

**GOVERNANCE *and* THE LAW**

# The Cultural Roots of Effective Institutions

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# The cultural roots of effective institutions

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*In many countries, the resistances that obstruct the setting-up of development-enhancing forms of governance are problematic. In many cases, these resistances are linked to firmly anchored beliefs that have to do with to the proper ways of acting in society. For many years, much was expected from a cultural modernisation that was to bring about a radical change in attitudes and beliefs. But in many places, the positive behavioural changes observed seem to relate more to making the most of the potentialities inherent to the cultures concerned. This paper begins in analysing how the appeal of such positive potentialities has materialised in the countries that served as the laboratories of modernity. The second part is grounded in observations made in emerging countries, identifying modern institutional systems that best take advantage of the cultural context. We show that successful organisations make good creative use of the local cultural context.*

## **The cultural roots of effective institutions**

by Philippe d'Iribarne (CNRS) and Alain Henry (AFD)

### **1. Introduction**

In many countries, the resistances that obstruct the setting-up of development-enhancing forms of governance are problematic. Certainly, we encounter actions either by individuals or groups whose interests are threatened by reforms that seem necessary. But in many cases, these resistances appear to have deeper roots. They are linked to firmly anchored beliefs that have to do with the proper ways of acting in society, whether one is an ordinary citizen or someone in a position of power. These beliefs nurture visions, also firmly anchored, that relate to the good ways of organising society and, more specifically, to enabling individuals and groups to cooperate with one another. Given that the same type of difficulty is very widely found within the same geographic area, country or group of countries, we are clearly not simply dealing with ways of being that are specific to a few individuals, but rather with what pertains to a population at a very general level. The way of responding to this situation indeed poses a problem. For many years, much was expected from a cultural modernisation that was to bring about a radical change in attitudes and beliefs. But in many places, the positive behavioural changes observed seem to relate more to making the most of the potentialities inherent to the cultures concerned than to an evolution of the major references characterising these cultures.

The question is how can the will to change in the direction of progress be combined with a realistic appreciation of the ways in which cultures resist.

To begin with, it would seem highly useful to analyse how the appeal of such positive potentialities has materialised in the countries that served as the laboratories of modernity: countries that each followed their own path to gradually give concrete form over the last few centuries – and endogenously for the most part – to the rule of law, to a competent administration committed to the public good, to reasonably cooperative societal relations, to a degree of respect for minorities and to a well-run economy. An analysis of what differentiates the institutional systems set up, as well as the history of these processes, shows that they are all strongly marked over time by the culture specific to each of the countries concerned. This approach gives us insights into the processes that produced the combination of continuity and change and of resistance and creative innovation characterising this modernisation. The first part of this paper will explore the lessons to be drawn from such analyses. We shall see that there are different ways of conceiving the overall organisation of living together that are linked to deep-rooted forces or beliefs. Within the same country, same broad conceptions are found in highly diverse institutional areas, such as in the functioning of organisations. These conceptions are markers that give a framework of meaning, and not constraints that mechanically determine conduct. It is around these frameworks of meaning that compromises between antagonistic social forces are reached, social relations pacified and an efficient production apparatus is built.

The second part of the paper is grounded in observations made in countries where our focus is on identifying modern institutional systems that best take advantage of the cultural context. We shall see that, in these countries, some key lessons can be drawn by analysing the functioning of organisations that stand out both by the quality of the relations between leaders and the led –

leading to peaceable social relations – and by the successful coordination among actors, along with the collective efficiency that results. We shall see that these organisations make good creative use of the local cultural context.

## **2. Experience of countries whose institutional system was modernised endogenously**

The rule of law, democratic institutions and an impartial administration committed to the public good developed endogenously over recent centuries in a group of countries that paved the way for the emergence of modernity. Abundant research with a particular focus on some of these countries, such as the United Kingdom, France, the United States, Germany and the Netherlands, has looked at the forms of organisations and governance that this evolution has produced.<sup>1</sup> These studies contain insightful lessons on how the cultures specific to the various countries have influenced their forms of cooperation and thus their forms of organisation and governance.

### *a. From labour relations to the diversity of conceptions of living together*

The numerous studies showing the differences between the institutional systems of countries that entered modernity a long time ago generally focus on a particular field of social life. Yet, for each of the countries studied, when these fields are considered as a whole, we can identify some cultural characteristics common to all the fields concerned.

When we try to understand the diversity of the forms of cooperation found worldwide, it is particularly informative to pay attention to the cross-country differences concerning the institutions that organise labour relations, be it the legislation touching on these relations or the way in which companies are organised. Importantly, in all the countries marked by the development of democratic ideas, it has proved difficult to make a connect between, on the one hand, the figure of the citizen who is master of his or her own destiny and equal to all other citizens and, on the other hand, the condition of the paid employee subject to an employer's authority. In the early days of democracy, paid workers were not deemed sufficiently autonomous to be accepted as full citizens. Then, over the course of a history spanning the late 18th century, the 19th and a good part of the 20th, an organisation of labour based on both law and custom led to the citizen's dignity becoming compatible with the worker's condition (Foner, 1998; Castel, 1995). In each country, this organisation gradually came about driven by a mix of reformers' actions and social struggle. The path taken by this evolution was conditioned by the beliefs that shaped the prevailing conception of freedom. Moreover, this conception proved to be very different in the Anglo-Saxon, Germanic and French worlds (Iribarne, 2003). The cultural logic that characterised the organisation of labour in the different countries concerned is thus not specific to this one field of social life. It also very broadly marked the organisation of social life and the prevailing forms of coordination.

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<sup>1</sup> To cite the historical research of E. Foner (1998) on the United States and W. Sewell (1980) on France, and the comparative studies of R. Biernacki (1995) on labour in Britain and Germany, F. Dobbin (1997) on the regulation of railways in Britain, the United States and France, A. Garapon (2003) on criminal justice in the United States and France, Ph. d'Iribarne (1989) on the functioning of organisations in the United States, the Netherlands and France.

*b. An Anglo-Saxon approach*

A landmark study comparing English and German work environments from the mid-17th to the early 20th century examines in great detail the difference in the conceptions of labour in the two countries (Biernacki, 1995). It shows how the contract-based conception of labour relations, which sees these as a commercial relationship between a seller and a buyer, is rooted in a particular vision of freedom specific to the Anglo-Saxon world and not found in either Germany or France.

This research focuses on the world of work without seeking to explain its observations in terms of general pre-defined cultural factors: “My approach...identifies culture in the order of practice at a single locus, the point of production, not in practices reaching across many institutional domains and not in an overarching world view.” (p. 36). It does however establish a relationship between what touches on the sphere of work and a cultural element that is much more general in scope: the conception of freedom specific to each society, together with what this induces in the way that the opposition between free labour and servile labour is conceived.

This link between the organisation of labour and the general conception of freedom is clearly highlighted for Great Britain, where the conception of free labour as opposed to servile labour is associated with the notion of ownership.

The points raised by the critics of the old order, where servile labour played a major role, centre on the question: who owns a person and the activity of that person? The person himself or someone to whom he has sold his capacity to act? It is a question of “the proprietorship of one’s person and capacities that the dependant wage laborers, by contrast, had in the popular opinion forfeited once and for all.” (p. 222). Someone who has sold his capacity to work<sup>2</sup> is no longer a free man: “People who sold their labor power for a wage lost their birthright and claim to freedom, as if they have permanently alienated a piece of land.” (p. 223). On the contrary, someone who sells only the fruits of his labour remains a free man: “By the same logic, independent artisans, however penurious, sold only the produce of their labor and thereby retained a claim to freedom and voice to government.” (p. 223). This belief was widely shared: “division of producers into feudal slaves and masterless workmen illustrates the prevailing assumption that labor entered the market as a free commodity only when it was incorporated into a finished good and vended by independent manufacturers.” (p. 232)

Reconciling the dignity of a free man and the condition of paid worker implied developing a fresh perspective. The paid worker was no longer to be considered as someone who sells the proprietorship of his person, but only his labour, which is quite distinct from his person. The labour relationship was subsequently assimilated to a commercial contract: “the repressive yoking of wage labor in this era of transition shifted the commercial model to the independent producer as the celebrated, mythologized seller of labor products, the only free vendor of labor in a precociously founded market regime” (p. 258). “Every person who sells his labor, Smith says, ‘becomes in some measure a merchant’, a turn of speech that places the laborer and the tradesman (who merely deals with finished products) in similar roles (p. 253). The worker is seen as the “the contractor of his own work” (p. 86).

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<sup>2</sup> In this and subsequent quotations, the underscores have been inserted by the authors of this paper.

This vision of free labour was not nurtured by ideas alone, but also by highly diverse practices relating to customs, legislation, labour organisation, trades union practices, etc. “The cultural definitions of labor in Germany and in Britain did not survive through sheer inertia or through the might of intellectuals’ discourses. They were sustained by a constellation of practices at the factory – from the small rituals of entering the mill to the fining system for defective cloth – that gave them palpable forms” (p. 480). The law itself linked the status of independent worker, as opposed to someone reduced to an inferior status, to the fact that he provided a product rather than engaging his own person: “Until 1867, British law treated the worker either as an inferior, subject to imprisonment merely for failure to deliver labor, or as an independent contractor who delivered products” (p. 256).

How can one differentiate between someone who sells all of himself and thereby ceases to be a free man, and someone who only sells his labour power, while retaining ownership of his own person? The free man provides only what he has undertaken to provide under a contract that specifically limits his obligations, the provision of a service being assimilated to provision of a product. For the rest, he is master of his life. For Locke (1690, p. 322), “A Free-man makes himself a Servant to another, by selling him for a certain time the Service he undertakes to do, in exchange for Wages he is to receive: and though this commonly puts him into the Family of his Master, and under the ordinary Discipline thereof; yet it gives the Master but a Temporary Power over him, and no greater than what is contained in the Contract between’em. But there is another sort of Servants, which by a peculiar Name we call Slaves, who ... are ... subjected to the Absolute Dominion and Arbitrary Power of their Masters.”

As things evolved, the belief that likened the free man to the figure of the proprietor remained unchanged. What was new, however, was to develop the vision of the paid worker as a proprietor and to organise labour relations accordingly.

This vision of freedom linked to that of proprietorship is not limited to the field of labour. It is found many other spheres of life in Great Britain. For Locke (1690, §87), freedom in general is part and parcel of the property that each individual owns: “Man ... hath by Nature a Power ... to preserve his Property, that is, his Life, Liberty and Estate, against the Injuries and Attempts of other Men”.

This conception is widespread in the Anglo-Saxon world, notably in the United States, in very diverse areas of societal life.

In the United States, the citizen was modelled from the outset on the figure of the proprietor: “A man”, declared Madison at the Constitutional Convention of 1787, “has property in his opinions ..., he has property in...the safety and liberty of his person.” A few years later, he spoke of “a citizen’s ‘property’ in his rights” (Foner, 1998, p. 17).

Based on this belief that assimilated the free man to a proprietor, the contractual relations between a supplier and his customer came to provide a model for very diverse relationships both in field of labour and beyond.

The attachment to a contract-based ideal is what characterises the American labour laws. The law is careful not to stipulate, in the stead of employers and workers, what is by right theirs to agree on freely (e.g., the amount of vacation) in the contractual terms binding them. On the other hand, the law seeks to ensure that the conditions of the negotiation lead to a fair outcome. This illustrates the

American attachment to the idea of a level playing field to ensure that none of the opposing parties have the advantage.<sup>3</sup>

Likewise, the specific features of the American education system are in tune with the fact that American society brings together individuals united by contractual relations that are conceived on the model of a client-supplier relationship. In the United States, education has the seemingly self-evident role of improving the position one holds as a supplier on the labour market.<sup>4</sup> It is worth undertaking education if it is profitable. Seen as an investment, the fact that it is fee-paying in no way shocks people, as long as the quality of service provided justifies the asking price (Lamont, 1992). The fact that the education pathways are differentiated by their capacity to increase the market value of those who enrol on them reflects the normal functioning of a market. And the public authorities must not cause obstruction. It is their responsibility, however, to ensure that access to the market offerings is not skewed by factors that would create unfair competition between those who wish to access highly sought-after goods. The fight against the various types of discrimination likely to affect student selection and faculty recruitment relates to this perspective.

Contractual logic even occupies a sizeable place in a field where we would hardly expect to find it other than the United States: the workings of criminal justice (Garapon and Papadopoulos, 2003). Plea bargaining is applied in more than nine-tenths of criminal proceedings. "In federal court, for example, plea bargaining is authorized by subsection (e) of rule 11 of the Federal Rules of Criminal Procedure. Under rule 11(e), a prosecutor and defendant may enter into an agreement whereby the defendant pleads guilty and the prosecutor offers either to move for dismissal of a charge or charges, recommend to the court a particular sentence or agree not to oppose the defendant's request for a particular sentence, or agree that a specific sentence is the appropriate disposition of the case."<sup>5</sup> Here the different elements of a contractual relationship clearly appear: a negotiation in which the parties try to define what each is willing to give in exchange for what they obtain: a duly signed agreement that specifies the terms of the exchange.

The cultural dimension of this conception of society is evidenced by the resistance it can create to the introduction of forms of organisation that the Americans themselves recognise as being more effective than strictly contractual relationships. This was clearly the case in the early 1990s, when the success of Japan's automotive industry led to advocacy for the Japan-inspired lean production mode of organisation. An extensive MIT study of the global automotive industry posited that this method of organisation could and should be implemented across the whole planet, regardless of cultures (Womack et al., 1990). However, the authors were indeed forced to acknowledge that in the United States there was a gap between the in-principle enthusiasm for some of the practices that they recommended and the reluctance to put these into operation. This gap was particularly clear when it

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<sup>3</sup> Cf. The chapter "Unfair labor practices in perspective", in F.W. McCulloch and T. Borstein (1974). The legal definition of unfair labour practices is found in the United States Code, title 29, "Labor". Successive amendments have endeavoured to come closer to ideally balanced contractual relations by prohibiting additional unfair labour practices both on the employer-side and employee-side.

<sup>4</sup> This leads to the seemingly obvious conclusion that questions of education are best addressed using the theories of human capital. These consider education as an investment that increases the market value of the beneficiary, with this value being estimated on the basis of the income that he or she is likely to receive from their work. On the relation between the American model and these theories, see C. F. Buechtemann, 1998.

<sup>5</sup> Bryan A. Gardner (ed.), *Blacks Law Dictionary*, 7th edition, St. Paul (Minnesota), West Group, 1999.

came to the way relations between the companies and their subcontractors were organised. Traditionally in the United States, these relations offer everyone the guarantee of a contract-based logic: the customer defines its specifications note with no interference from the applicant suppliers; the applicant suppliers then put in their offers without the customer interfering in their internal processes, the customer then makes a choice and a contract is signed. Yet, it is recognised that the most efficient form of organisation is one in which it is impossible to define unambiguously who is responsible for what; this means that subcontractors are informed of their customers' projects at a very early stage, and they allow their customer to take a close look at their production process, as well as disclosing their cost prices. It is this dissimilarity from a contract-based logic that is difficult to accept.

*c. A German approach*

The available research has led us to similar analyses for Germany and the broader Germanic world.<sup>6</sup> They show that the implementation of labour relations compatible with the status of free citizen has followed different logics from those prevailing in the Anglo-Saxon world, and that these logics are characterised by beliefs relating to the conceptions of freedom found widely in each society.

In Germany, employer-employee relations have, as in Great Britain, come up against the question of compatibility between the status of citizen and the condition of paid worker. At the outset, the situation was one that exhibited, as R. Biernacki (1995) indicates, "an essential similarity between wage labor and serfdom or slavery." (p. 297). The position of paid worker was seen as leading to "a relation of servitorship" (p. 84). The capitalist was equated to a "feudal lord" who controlled "the will and acts of workers under his authority" (p. 413). Yet to escape this situation, it was not a matter of following the same path as Great Britain; this path seemed incomprehensible (pp. 56, 87) in the German setting, to the point that the translators of Adam Smith, for example, struggled to come up with a German rendering of his vision of labour relations (pp. 265, 268, 278). The path taken by Great Britain led to the employee being thought of as a contractor who was external to the enterprise and who delivered it a service without engaging his person in a kind of community. This separation of the person and the services provided was perplexing in Germany (p. 266).

The pathway followed in Germany involved continuing to consider the person of the worker as truly engaged in the enterprise, while at the same time developing his status within the work environment by giving him control over the decisions affecting the life of the community. This involved "a larger struggle over the control and valorization of inappreciable segments of time, a contest in which British workers did not so readily engage (p. 375). The workers' demands were centred on the devolution of authority. At stake was "the owners' command over the worker" (454). "German textile workers included among their strike demands requests that employers reform their governance of the work activity. Strikers at a Chemnitz mill told their employer in 1889 he had to ...allow workers to monitor the running of the engine" (p. 457). We see creeping into the workers' demands the "regular consultation between representatives of management and workers" (p. 455). These demands differ from those prevailing at the time in Great Britain: "British workers were no less concerned with authority than their German counterparts, but they focused on defending against

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<sup>6</sup> These analyses could be developed in a longer document. A more detailed presentation of the themes addressed in this note is possible if deemed useful by those responsible for the WDR 2017.

encroachment rather than challenging the governance of production. British textile-factory workers did not propose changes to control the manager's methods of administering production, as did their German counterparts" (p. 458). The way of conceiving labour relations has led in contemporary Germany to forms of co-management (*Mitbestimmung*) that are hard to imagine in an Anglo-Saxon context.

This manner of reconciling the dignity of the citizen with the condition of worker is grounded in a vision of freedom that differs greatly from that prevailing in Great Britain. In the German conception, the free man is someone who, within a community, has a say in the collective decisions he is willing to abide by. For Ernst Troeltsch (1925, p. 97), "the liberty of the German is willed discipline, advancement (*Förderung*) and development of one's own self in a whole and for a whole" For Kant (1796, 2013), a person's freedom comes from being a member of a sovereign collective body formed by all individuals unified into a whole: "There is only the will shared and unified by all, as long as everyone for all and all for everyone decide the same thing, there is consequently only the will of the universally unified people that can be the legislator."

#### *d. A French approach*

In France, the institutions and rules set up to ensure that workers are not subjected to the despotic power of a master give a pivotal place to defending a status (Iribarne, 2006). For a great many questions such as hiring, dismissal, work time, paid leave, salary, retirement, training, etc., a labour law crafted over many years has supplanted the Civil Code. In all of these areas, employee-employer relations are only marginally governed by agreement between the parties (be it an individual or collective agreement). These relations are shaped by the existence of rights inherent to the very condition of employee, whether these involve employees in general or a particular category of employee. These rights, which relate to the notion of public order, are of such importance that the parties are not free to derogate from them, even if they are in perfect agreement among themselves to do so; any contractual clause that would cause an employee or group of employees to agree to diminish some of the rights attached to their status is deemed null (Castel, 1995).

This approach is embedded in a French vision of freedom, very different from the Anglo-Saxon vision. "It would therefore be quite wrong to believe, writes Tocqueville in *The Ancien Régime and the French Revolution* (1856, 2011, pp. 110-111), that the Ancien Régime was a time of servility and dependence. Liberty was far more prevalent than it is today but it was a kind of irregular and intermittent liberty...always bound up with the idea of exception and privilege, which allowed people to defy the law almost as much as the exercise of arbitrary power".

This reference is found very generally in the life of French society, even in areas that the Anglo-Saxon viewpoint would find very surprising, such as the relationship between a development bank and its clients. In this case, what imports to the clients is not the fact that the parties meet together in a market environment but rather that a relationship is being built in which each acts according to what seems "normal" depending on the place one holds in society. To know what one can expect from a partner, the key question is to discover what he **is**: what is his profession, his mission, his vocation? Two contrasted and opposing references structure this question: should a public development bank adopt a way of doing things that is both disinterested and somewhat haughty, as befits an emanation of the State? Or, in competition with other banks, should it behave as a tradesman prospecting customers and disregard the mercantile image associated with this type of conduct – and which is

seen as anything but honourable in French culture. Building cooperative relationships between a lender and a borrower supposes that there is an encounter between what appears “normal” or “logical” for each of the parties to do, given what they are (their status, mission...). The ideal encounter comes about when the supplier (here the banker) seeks to excel by applying the standards of his profession inventively, shows an interest in his customer’s expectations and the provides him with a much better solution than a standard product.

Likewise, the French education system astonishes those who are unfamiliar with it (Iribarne A., Iribarne P., 1999). They remain puzzled by the singular role of the “Grandes Ecoles” (elite higher education institutes) and by the importance that the most reputed among them place on programmes with high-level theoretical content – whereas their role is precisely to train men and women of action. Many other traits are also a source of surprise, such as the low regard in which so-called “vocational” training is held. Various attempts to change these distinctive characteristics have so far met with insurmountable resistance. In France, the questions that the experts of the education system are asking themselves also have a singular slant. They pay great attention to the correlation between the exit “levels” from the education system and entry “levels” into productive sectors, as well as to the issue of “de-skilling”, whereby some labour market entrants do not immediately find a job at the level they should “normally” have in view of their training.<sup>7</sup> Yet, studies focused on the returns to education and on “human capital” in no way hold the importance they enjoy in most countries. The explanation for this particularity lies in the fact that the various educational pathways do not differ simply in the different skills they provide leading to more or less well-paid professions. They also give access to diversified social positions. In France, possessing an “academic title” that, like the titles of nobility in the France of the Ancien Régime, confers a greater or lesser degree of grandeur is a key issue (Bourdieu, 1979).

This reference to status as a guarantee of freedom acts as a call to order when attempts are made to build institutions on another logic. Thus, in revolutionary France, the contract-based vision of labour relations appeared to triumph for a moment. The privilege-laden corporations were abolished, as were all of the “institutions which were injurious to liberty and equality of rights”, in the words of the 1791 Constitution. The Le Chapelier Law of 1791 affirmed that labour relations had to be settled by “free agreements, between individuals” (Bucchez, Roux, V 10, p. 195). But when it transpired that this contract-based conception was not enough to free the workers from their employer’s domination, a vision of labour placing the privileges of one’s “métier” or profession as the true symbol of freedom returned in full force (Sewell, 1980, Biernacki, 1995). Discussing the workers corporations, R. Biernacki (1995, p. 326) notes: “Their charters and internal organization were similar to those for the universities and learned professions, grouping trade guilds with other associations as upholders of the arts rather than as organizations defined as provider of productive or manual labor per se. ‘Labor’ was recognized as a contributor to social welfare if it was governed by artistic and intellectual discipline. Urban producers supposed that well-ordered activity, not exchange of materialized labor, bonded society together.”

All in all, after a great deal of trial and error, institutional systems and forms of organisation were characterised in each country by the specific conception of how actors should cooperate and how

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<sup>7</sup> It is possible to consult the works on the integration of young people presented in the CEREQ publications, including the revue *Formation Emploi*.

living together should be organised, along with the corresponding beliefs. We find these beliefs in highly diverse institutional fields as well as in the functioning of organisations. It is around these conceptions that the compromises between opposing social forces, the pacification of social relations and the construction of an efficient production apparatus were and continue to be achieved.

*e. The role of cultures*

The observed combination of change and permanence spanning centuries thus raises questions about the processes driving it. In the three worlds considered, what has changed in labour relations is the belief that someone who is engaged in wage labour cannot be regarded as free. What has persisted in each of these worlds is a very general image of a free individual. To bring about a change in the belief concerning the dignity of the employee, each society has had to produce not only a practical way of organising the employee's work, but also a representation of this work such that a link can be made between this activity and the general figure of the free individual. The change in beliefs regarding the particular situation of the employee was bolstered by the permanence of a much more general belief about the figure of the free individual. This form of connecting what persists and what changes is generally one of the core roles of cultures. And to have a clear understanding of this, there needs to be a conception of culture that gives both continuity and change their full place.

A totalitarian vision of culture, often qualified as "culturalism", is rightly accused of taking human beings for sorts of "cultural dopes" (Garfinkel, 1967), as it disregards their ability to act creatively. A good number of studies have tried to take actors' autonomy more effectively into account without however abandoning the notion of culture. The mainstream trend has been to retain the vision according to which culture determine behaviours, while at the same time mitigating the severity of this determinism in different ways. For example, the capability of actors to transform the routines that govern their actions has been highlighted (Giddens, 1979). Culture has been presented as offering a range of possible actions rather than an unequivocal way of acting (Swidler, 1986). The notion of culture has been likened to a music score that offers those who perform it a certain leeway for interpretation (Geertz, 1973). These approaches are fitting as long as the cultures involved are specific to a particular field of social life and considered over a relatively short lapse of time. But they prove inadequate as soon as we consider societies as a whole over long stretches of time and focus on very general patterns to help us understand situations.

When a culture is specific to one people, two layers can be distinguished (Iribarne, 2008).

In each society, we find a sort of ideal vision of how society is organised. This involves a certain conception of authority, freedom, dignity, duty and processes for arbitrating between opposing viewpoints. It defines the frontiers between forms of constraint (obligations), risks, criticism deemed acceptable and criticism that appears unbearable. It translates into a particular way of shaping the ordinary situations of social life. Whether the actors' life experience fits with or diverges from this image, it nonetheless hovers behind their words when they talk about their experience, either to express their satisfaction or complain. Yet they are not fully aware of this or able to explain it. It remains as a sort of implicit self-evidence and it is the researcher's job to identify its contours.

These images, with their attendant affects, point to the existence in each political society – including the most modern – of specific types of concerns and fears related to situations that produce feelings of unease and anxiety, and situations that portend a danger or threat that it is imperative to avert.

The diversity of cultures connects to the fact that what is feared above all else and what people try to free themselves from varies considerably from one society to another. In American society, the central fear is that of finding oneself at the mercy of another person's actions. And to escape this fear one needs to be master of one's own destiny. In French society, the overriding fear is having to kow-tow from fear or self-interest to someone who can either harm you or bestow his favours on you.

The existence of an area of experience that rouses distress, worry and anxiety influences the way in which events and situations are perceived and lived. The meaning they take on (and thus the reactions they spark) is characterised by an interpretive framework that incites one to pay particular attention in one's environment to what is likely to evoke a cardinal threat or the escape routes to salvation. The desire to escape from situations where the most-feared danger actually materialises is a fundamental driver of action, be it the daily action of each of us or the collective construction of institutions.

The ideal images of the good and bad ways of living together that prevail in a given society are closely linked to the type of fear that characterises it. Thus in the United States the ideal of contractual relationships freely negotiated between partners with equally balanced negotiating powers corresponds to a form of organisation of living together that allows each individual to ward off the danger of not controlling his own destiny, by preventing him from becoming engaged in actions he has not agreed to.

The actors acquire this framework of meaning unconsciously and have no control over it. On the other hand, within this framework, they continuously try to influence how situations are interpreted, while at the same time working to change institutions and practices. They are keen to associate positive images with what they want to justify and negative ones with what they wish to denounce. As a result of differing interpretations and conflicts, the meaning given to a given situation thus changes throughout the course of history.

#### *f. Continuity and change*

The idea has often been expressed that a society can be marked by something lasting, whereas the world around it is changing. It was doubtless to evoke this kind of reality that Montesquieu (1748, First Part, Book XIX) talks of the "general spirit...of a nation" and Weber (1905, 1992, p.105) of the "national character...of the peoples ". The terms "spirit" and "character" indeed seem to refer to an element that holds fast within a changing reality, rather than to social forms that never vary. But these terms go no further than suggesting, without precisely defining, what is involved here.

The fact that some differences between societies persist is partly linked to the inertia of institutional constructions. The issue here is the action of those whose lot is tied to the continuing existence of the institutions in place and their resistance to any attempt to challenge them. What also weighs in is the difficulty of changing only one institution when this is part and parcel of a whole. This is referred to as path-dependency (North, 2005) and it can help to explain a certain continuity of institutions and practices in societies characterised by a strong social continuity. But this does not apply when what is involved is a "spirit" that has been embodied over the centuries in a group of institutions and practices that seemingly have nothing in common, apart from this "spirit".

What then needs to be accounted for requires a cultural explanation.

To take the example of France, the social forces that gave rise to the country's post-revolutionary institutions and practices associated with defending status differ from those that bolstered the social privileges under the Ancien Régime. The interests being defended were not the same. It was only after the major rupture caused by Revolution that new forces in a way rediscovered, and innovated, the spirit of ancient forms, without resurrecting the institutions of the past. This all happened as if some invisible force had acted as a reminder. The source of continuity is the belief that assimilates the dignity of the free individual to the fact of not being forced to demean oneself by acting contrary to the customs of the social group to which one belongs – the honourable behaviour expected of a group member. At the same time, the source of change is the fact that what is judged to be honourable is likely to change considerably over time, driven either by reformers or an gradual shift in opinion.

In the end, the fact of belonging to the same culture in no way leads to a standardisation of attitudes and behaviours. While cultures provide images of appreciated ways of living together, of a good power and a proper manner of settling disputes, they also furnish images of a rejected way of living together, of a bad power and an improper manner of settling disputes. They in no way dictate that the situations experienced should match these "good" or "bad" images. The frameworks for judgement inherent to these images provide a clearly defined context of meaning, but the imagination is equally free to invent different ways of building institutions and organising practical cooperation likely to inspire positive reactions within this context. Moreover, individuals or social and political currents may well share these frameworks as a sort of unspoken self-evidence and yet oppose each other head-on as to how to go about building a world that is a better place to live in, whether they want to keep the existing one or revolutionise it. A culture conditions the form that both cooperative and uncooperative relationships take. But it does not inevitably determine the degree of cooperation that characterises relationships formed in practice. For those who wish to introduce institutional transformations that lead to attitudinal and behavioural changes conducive to good cooperation, what must be taken into account is both the shared framework of meaning and the diversity of practices this allows.

## **2 Countries undergoing modernisation**

Compared to those countries that have seen the emergence of modern governance principles, the developing and emerging countries are often characterised by more recent, and partly imported institutions at odds with the local values, beliefs and behaviour. In this case, it is not so easy to find points of coherence between these institutions and their cultural context, although finding a coherence would seem useful in order to implement modern public policy more effectively. However, in these countries, there are also examples of well-performing organisations that could usefully serve as inspiration. Analysis of these organisations in fact shows that they have better coherence with their cultural context.

While it seems only reasonable to want to assess the performance of institutions, it is not a question of reducing this to a uniform logic following a single yardstick to measure progress. On the contrary, from one country to another, we observe the prevalence of a broad heterogeneity in the forms of governance, itself linked to the great diversity of cultures. We will see in particular that one of the difficulties encountered in the functioning of emerging countries' institutions is the frequent

preponderance of an ethic of loyalty rather than an ethic of principles which is more favourable for the functioning of a modern administration since it is based on the respect of anonymous norms.

We will then see that, in emerging countries, alongside low-performing institutions, we find effective and legitimate organisations that make the most of the same cultural context. These organisations do not result from an upheaval in the cultural context (for example, a growing ethic of principles), but rather from an intelligent use of local logics based on an ethic of loyalty. This means that it is possible to design institutional organisations differently and resolve some of the difficulties by drawing on cultural resources. And the adapted use of rules shifts the actors' expectations onto a course that proves favourable to an effective application of public policy.

It also happens that the introduction of new rules comes up against strong resistance from the actors involved. In this situation, what is most often counted on is the strong commitment of leaders to see the change through, and then a hypothetical cultural change that only time might bring. Some authors have pointed out that it requires a long time for institutions to adapt – see, for example, Botton et al. (2012). Yet, for want of an understanding of the cultural mechanisms at work, we do not really know either the kinds of adaptation desirable, or under which rules or timeframe a massive change in behaviour could be expected.

We will nonetheless see that, if a change in institutional arrangements makes sense, it can lead to a change in behaviours (for example, lessening the mistrust of others), without however needing to change the categories on which the actors conceive the way of living in society. Resistance can disappear when practical institutional arrangements integrate the way in which the actors make sense of social situations (the categories according to which the actors interpret social situations).

*a. A large diversity of institutions and cultures*

Many plans for institutional reform are still designed as if it were enough to apply a few universal principles derived from developed countries, whereas in reality we are confronted with a large heterogeneity of cultural and institutional contexts.

While it is natural to try to evaluate a country's governance on the basis of measurable indicators, this idea has ultimately spread the belief in a pathway that advances towards a single model of good governance. The fact of assessing the diversity of practices with a single yardstick does not mean, inversely, that these can be reduced to a common principle that all countries would edge closer to. From one country to another, one cannot help being struck by the heterogeneity of institutions and logics of governance, as we have already seen in the case of developed countries. This diversity is also true for the emerging countries, even when their economic levels are similar – for example, India and China, whose institutions would be very difficult to compare closely. This broad diversity of institutions, be they old or very recent, stems from the fact that they are built in line with their own internal logics. It is useful to assess their performance with a common metric, but we cannot deduce from this that they evolve following a common linear principle.

Yet, many institutional reform projects are still designed as if all that was needed was to apply a few universal principles and progress along the common measure of good governance. There is no thought of starting with the logics underlying each society's own conception of the good way of living together, or with the logics that their traditional institutions reflect.

As we have seen for the more developed countries, in which modernity emerged, institutions are not solely the result of a “dependency pathway”. They are the product mainly of the cultural categories that serve to justify change and new conceptions. Although countries are culturally diverse, a certain homogeneity is also visible within each country (or group of countries). We can perceive specific traits in each country that cut across sectors and institutional domains. These traits most likely characterise the country’s internal logics and are sufficiently generalised to be worthy of interest. Some authors have thus noted that India and China are marked by some governance traits that overarch their internal diversity of provinces and sectors: “*India has voice and China has accountability*” (Zhou Yongmei, 2010).

In each cultural space (country or group of countries), it is possible to highlight the cultural categories – themselves linked to deep beliefs – that shape the actors’ interpretation of social relationships. These societal logics can be updated, for example, by examining the permanence of some country-specific institutions. It is also possible to identify the logics that cause inefficiency in organisations, or logics that on the contrary shed light on examples of success.

*b. Diverse levels of performance within a single culture*

In fact, the performance of institutions is variable within each country, even within the same sector, including in the developing and emerging countries.

In many countries, we find well-performing organisations and public policies both in terms of efficiency and of the quality of the societal relations underpinning them. These successes sometimes cohabit with less-performing organisations in the same sector. They are generally the outcome of a sum of enabling actions that can produce a change in the actors’ beliefs (greater trust from customers, greater employee engagement, less propensity for corruption, etc.).

Multiple studies describe examples of successful institutional change without shedding any real light on the mechanisms in play. They go no further than underlining the accumulation of enabling actions, as if it were a question of reaching some critical – but unknown! – threshold of intensity over which the system shifts from an inefficient to an efficient state<sup>8</sup> (Booth, Cammack, 2013). These studies say hardly anything about the surrounding cultural context (at the macro-social level). If the behaviours and beliefs of a given institution have changed, we can suppose that this is not because values and behaviours have changed at the national scale. The logics of interpretation and beliefs shared at this macro-social level remain unchanged. For example, the overall social difficulty of establishing an impersonal norm that goes against the duty of loyalty is still the same.

Our examples will show that, even when the overall cultural context does not change, new organisational arrangements can help people to avoid delicate ethical conflicts. Sometimes the new rules simply take on a positive meaning. The social categories and beliefs that served to give meaning to past weaknesses are mobilised anew but, this time, to give a sense to the new rules and to

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<sup>8</sup> See, for example, the many case studies produced and published by *Innovations for Successful Societies* (Princeton University). These studies give no insight into the mechanisms that foster the acceptance of change. They above all show the intensity of virtuous actions – assumed to be universal – such as the leadership qualities of a new manager, a contract-based approach, the transparent observance of rules, active communication, etc.

behaviours. Ultimately, these changes are able to make the most of the surrounding cultural resources.

Culture is not a landscape in front which institutions are placed. It is the bricks and mortar out of which institutions can be built. The cultural logics that explain institutional weaknesses are generally the same from one domain or sector to another. These are the same logics that intervene in the examples of well-performing institutions. They serve to give meaning to change and new institutional arrangements. They allow us to understand what works and what does not work.

c. *A diversity of ethics of loyalty*

Western countries took several decades if not centuries to modernise, which ensured greater coherence between the institutions and their cultural contexts. Yet, on top of having to modernise at a rapid pace, emerging countries face an additional difficulty due to the pre-eminence of an ethic of loyalty in their environment.

Western cultures give a dominant place to an ethic based on the respect for principles: it is thus relatively easy to establish universal norms to frame the freedom of individuals and groups. Emerging countries are on the contrary characterised by the widespread predominance of an ethic of loyalty. Duties are most often tied to the respective positions of individuals and the type of relations they have, rather than to abstract norms.

The effective functioning of modern bureaucracies and public services greatly depends on the common acceptance that decisions are impartial and made on the basis of normative principles and not interpersonal ties. Organisational arrangements and management systems adapted to contexts where an ethic of principles is predominant come up against difficulties when transplanted into settings where an ethic of loyalty prevails. Here, social situations are judged more on what an individual owes to others according to his or her position within the group. Individuals also come under heavy pressure from their friendship networks in situations of hiring, choosing a supplier or dealing with the non-respect of an obligation (money owed, sanction, etc.). It is thus more difficult to establish the neutrality of a rule or checks and balances, the impartiality of a decision or the neutrality of an opposing opinion.

This point is critical for establishing the rule of law.

On this count, several studies have taken up the idea inherited from the German sociological theories (Ferdinand Tonnies, Max Weber) that see modernisation as being a shift from “community” to “society” (*Gemeinschaft / Gesellschaft*). They have attempted to highlight the systematic transition from a social order based on personal relationships to an order governed by universal principles (North, Wallis, Weingast, 2012; Acemoglu, Robinson, 2012; Khan, 2012). But this path has never been witnessed in the recent history of economic development. Development projects aim to produce behavioural changes, at least within the project’s perimeter. When this is achieved, no cultural change is observed at a national scale. When the ethic of loyalty is already present, its logics persist. So far, the idea that the culture of an entire country can be made to evolve has not found any practical application.

Experience shows that, in contexts where the ethic of loyalty prevails, it is more realistic to introduce arrangements that can protect actors against context-related difficulties by relying on the resources specific to their culture.

The notion of some archaic “community” in itself seems too general. Prevailing family structures, mutual obligations and forms of authority differ across countries, China differs from Cameroon, Morocco from Indonesia, etc. Sometimes, within the same cultural context, we find several images of life in society that allow different types of organisation to serve as reference and to co-exist. Drawing on what makes sense, each culture marks out the individual’s margin of manoeuvre, the type of loyalty expected, the acceptable forms of authority, the kind of disagreements tolerated, etc. Each culture harbours its own specific resources for motivating people.

Just as many forms of ethics of principle exist, there is a great diversity of ethics of loyalty, all rooted in distinctive representations. What is more, these two logics sometimes exist side by side through diverse arrangements that differ from country to country, with either logic being applied to a greater or lesser degree depending on the field: for example, by giving priority to a logic of loyalty in the choice of suppliers, but to the logic of principles for norms relating to objects or safety. The blending of these two logics varies depending on the country and can cause varying degrees of difficulty. Far from a seeing one-size-fits-all model, we are confronted with a broad variety of social representations. A better knowledge of cultures at the macro-social level can make a decisive contribution to understanding how institutions adapt to their context. This means taking an interest in the images that serve as reference, as well as in the main characteristics of the conception of living together. These can elucidate the different ways in which we can expect the actors to interpret a situation, a rule, pressure from a peer or a superior, a type of control, etc. These logics constitute general laws specific to a national context and likely to shed light on questions of organisation and governance in the different institutional and governance fields.

Several examples will show how an understanding of cultural logics and the implementation of adapted arrangements can successfully achieve the targeted levels of performance: establishing an impartial bureaucracy in Sub-Saharan Africa, fighting corruption (Argentina, Africa and Asia) and managing social housing in Polynesia.

*d. Overcoming resistance to a policy for decentralisation*

In Cameroon, a study was conducted in the Société d’électricité du Cameroun in order to understand the obstacles hindering the decentralisation policy that the general manager had been wanting to enforce for several years (Henry, 2007). Despite his repeated demands, the rules introduced for delegating responsibility had not been enforced. In particular, management had had to abandon the enforcement of a classical procedure for evaluating staff on the basis of measurable contractual objectives.

The survey showed that, at all hierarchical levels, the department heads anticipated violent reactions from their colleagues when their decisions took an unfavourable turn. Likewise, they avoided criticising their colleagues, even for the contravention of known rule or proven misconduct, fearing they would be accused of ill intentions or malice. A fortiori, they were reluctant to impose sanctions for fear of receiving barely veiled threats, or even suffering retaliatory measures affecting their personal life. In this situation, everyone would send even the tiniest decision up to the next hierarchical level, causing the company’s management to completely clog up.

Several studies have shown that, in the Cameroonian context, it is difficult to promote the impartiality of management decisions as everyone automatically believes that they are prey to hidden interests or personal feelings of friendship or dislike (Iribarne, 1992;

Henry, 2007; Warnier, 1993; Godong, 2011). This logic of interpretation reflects a stifled fear of malevolent actions that someone in your entourage may take against you, even though he or she puts on a friendly face. At the same time, this fear incites everyone to continuously prove their goodwill.

In the absence of an adapted organisational arrangement, the actors tend to believe that decisions are necessarily influenced by the personal interests of a hidden decision maker or by personal friendship; that professional appraisals are conducted on the basis of the quality of interpersonal relationships; or else that appointments to positions of responsibility depend less on competence than influential political relations. The actors' trust is undermined not so much by verified fact as by shared beliefs.

The study showed that it was possible to use sets of detailed written procedures to temper these beliefs. This system in fact enabled each individual to justify the nature of his or her actions towards others – even actions that were unfavourable. The fact that the employees followed these procedures also stemmed from the tendency in this cultural environment to feel obliged to apply concrete instructions in order to prove one's goodwill. It was found that such fastidious rules were common in the *tontines*, the traditional friendship and financial associations (Henry, 1991). The use of procedures giving precise details on the checks to be carried out and the good behaviour to be followed, together a strict control of their enforcement, reassures people and leads to more trusting relationships at work.

This example illustrates the fact that was possible to modify the high levels of initial resistance to the decentralisation policy. To do so, the more deeply underlying interpretive logics (specific to the macro-social level) that fuelled fears had to be understood and the ways of addressing these had to be identified. Whereas the initial project for individual evaluation of measurable objectives had had to be abandoned, the manuals of written procedures met with great success on the part of the employees. The fears linked to inspecting and criticising colleagues were lessened, while the cultural categories that inspired these fears remained unchanged. The example of the *tontines* shows that the use of fastidious procedures rests on deeper interpretive logics that apply to a broader cultural context. This coherence gives us greater insights into the replicability of this type of arrangement (WDR 2015, Spotlight 4, pp.144–145).

*e. Developing arrangements that foster neutrality in Sub-Saharan Africa*

Several observations in Sub-Saharan Africa – including Senegal, Côte d'Ivoire, Mali, Togo, Cameroon, Gabon and the Congo – have shown that the refusal of mutual aid can rapidly give rise to suspicion and very negative interpretations (Iribarne, 1988; Zady-Kessy, 1998; Henry, 2007; Godong, 2005).

A particularly telling example is described by a former CEO of the Côte d'Ivoire water and electricity utilities (Zadi-Kessy, 1998). He describes, as a fairly common cultural fact in his country, the case of a woman sales manager who, with her hierarchy's agreement, had to ask a political figure to pay his arrears. But the politician immediately got angry and accused her of impudence and ill will. The author then describes how the sales manager was forced to negotiate a compromise, acting with "the treasures of diplomacy, kindness and firmness". But on a closer look, he also underlines the uncommon management rules he had to put in place to protect his employees from the pressures they were under.

In this same vein, he explains that the “golden rule” of his management was to reinforce the separation of functions (Zady-Kessy, 1998): any transaction with a financial impact, even minimal, required the intervention of several different staff that had, if possible, no relationship with one another. The company’s software applications were also designed to enforce this logic of repeated internal checks and balances. The company’s management principles were successfully replicated in Senegal and in the Burkina Faso water utility (Bertrand, Géli, 2005) and led in each case to a clear improvement in performances.

It is also worth citing the case of a microfinance bank for small businesses (ACEP) which developed strict mechanisms for assessing credit applications, mainly by encouraging blind double-checks not only on its internal management but also the follow-up of its customers (L’Hériteau, 1998). To protect itself against the social pressures weighing on its borrowers (and the risk of non-repayment), the bank pays its customers two visits during the application appraisal phase: the first one is a scheduled visit and the second impromptu, in order to check the veracity of their applicants’ declarations and investigate their real social situation (the outlays exacted their family, the level of indebtedness in the district, the dependency ties with influential figures, etc.).

These different examples show that applying organisational rules adapted to a cultural context can foster the actors’ positive expectations and virtuous behaviours.

*f. The fight against corruption (East Asia, Sub-Saharan Africa, Argentina)*

The fight against corruption provides a good example of the potential for broadening an approach that so far has only been partly recognised.

Many reports have shown that refusal of corruption has a positive impact on the economy. They have also argued against the objection that in certain cultures compliance rules have met with failure – which, if this were true, would condemn the countries concerned to under-development. A World Bank report on private enterprises in Asia thus advocates that universally applicable good anti-corruption practices be diffused in companies, including codes of conduct, training and reporting mechanisms. Yet, the authors emphasise that these systems “often require significant adaptation” (Arvis, Berenbeim, 2003, p. XX): “for companies operating in industries with substantial local ownership (as is common in China), the need to adapt training, dissemination, and information systems to local customs is more than an intellectual exercise” (p. XX). They devote a whole chapter to the *guanxi* rules in China. On the one hand, they note that “Chinese society distinguishes between proper and improper use of *guanxi* and condemns the latter” (p. 144) and that these networks can also incite good conduct insofar as “engaging in misconduct for personal benefit [...] brings shame to the group or network with which that individual is associated” (idem). On the other hand, the authors note that there are “numerous gray areas [between a gesture of friendship and an attempt to influence] that are open to interpretation” (idem). They particularly point out that “whistle-blowing is relatively rare[r]” (idem) in *guanxi*-based cultures and that the hotline calls most often concern requests for advice.

The avenue opened by this report deserves to be revisited and more deeply explored. But rather than look for, as is often the case, a possible direct correlation between culture and corruption, it would be more effective to focus on the relationships between three poles; culture, organisations and corruption. Introducing rules that make sense within a culture can reduce the risk of misconduct and, on the contrary, foster the idea of a collective observance of virtuous practices.

Some cultural phenomena have an obvious vitality and are not ready to disappear. The authors of the above-mentioned report underline that “[*guanxi*] remains a deeply embedded part of Chinese culture and will, in all likelihood, continue to heavily influence business conduct in the future” (p. 145). It would be useful to take a closer look at systems such as these – like the hotline dedicated to giving advice – which reinforce the combat against abuses induced by a logic of interpersonal relations, without however totally losing the element of trust that they bring.

We have already seen that in Sub-Saharan Africa it is difficult to refuse a request for mutual aid and that organisational rules need to protect employees and allow them to prove that, if they respond unfavourably to an undue request, it is not down to ill will. In this context, it is a matter of encircling the personnel in a strict system of internal checks and balances (separation of functions, audited written procedures, repeated automated checks by IT applications, etc.).

Research conducted in Argentina (Iribarne, 2007) revealed a different situation requiring different responses. The study aimed to enlighten the results achieved in reducing the level of corruption in the subsidiaries of an international group.

The fragility of Argentine society in matters of corruption appears to stem from the problematic coexistence of strong moral references (an attachment to honesty, linked to religion and honour) and a firm loyalty towards the interest groups one feels tied to. This duality blurs the dividing line between right and wrong. It creates a ripe terrain for corruption, as the solidarity of groups of friends leads to the emergence of collusion networks guided by the defence of common interests and the law of silence. Society as a whole seems to lack a set of norms that would elucidate the law and practices, and establish a common vision of the dividing line between what is honest and dishonest. When the actors have to take concrete actions that could take advantage of close ties, with clients or suppliers, they have the strong feeling that clear norms are lacking. Everyone seems to have difficulty in translating the great ethical principles into clear practical rules.

The palette of supposedly “acceptable” behaviour to fit each circumstance seems fuzzy. The survey participants constantly expressed their “doubts” on points that were “not clear”, “things that could be interpreted negatively”, and on what one could “believe”, what “could appear” as good or evil, giving the impression of a subjective vision of ethics. From a practical point of view, the frontier between an acceptable arrangement and corruption is problematic (Iribarne, 2007)

At first sight, the anti-corruption tools put in place in these subsidiaries are very conventional ones: dismissal of employees culpable of misconduct or involved in conflicts of interest, cross audits, the setting up of a “commission” to award contract above a given financial threshold, the adoption of a code of ethics and the appointment of an ethics committee and referent, etc.

Yet, the study showed that the satisfactory results achieved were not only due to the reminder of moral norms backed by a combination of checks and sanctions. They were above all due to the way in which the companies created a synergy between these norms and the moral loyalty felt by the employees towards the companies, akin the loyalty they had towards their family and friends. The companies managed to make the staff feel integrated into an internal ethical network in which solidarity and transparency were the rule, and this enabled a strict interpretation of moral requirements to hold good. More specifically, they offered to help individuals to clarify their doubts and gain a clearer view of the pressures from their entourage.

A more detailed examination of the arrangements introduced reveals sometimes unusual solutions. In this case, the code of conduct, which usually gives the main principles, rejected corruption in detailed terms. Aware that a text can never totally cover all situations, the companies appointed an ethics referent who held an unexpected position. Instead of appointing someone independent as a counterbalance to management (deemed a pre-requisite in the United States), the job position was given to the director of human resources, who could consult the management committee in case of doubt. Each employee could nonetheless call him directly either to whistle-blow – but anonymity is waived – or, most often, to ask for advice. The idea is not for employees to address a specialised department staffed by independent lawyers, who are guardians of the rules, as would be the case in the United States, but rather to enable them to escape an eventual solicitation from a corrupt group or a temptation by calling on a higher level of authority willing to listen and help. This organisation is part of the corporate determination to appear as a place of trust and mutual aid. The people interviewed in the course of the research underlined that the system of checks and balances served to bring them help and assistance, as much if not more than to sanction those who go astray. The “contracts committee” is itself considered as a “source of comfort” for those who wish to behave in a proper way, particularly when the decision-making criteria are far from evident or potentially suspicious.

These arrangements clearly responded to the feeling of uncertainty generally felt by the employees. At the same time, as they were given considerable attention, they sought to nurture a feeling of solidarity towards the interests of the company. This organisation, in line with the logics of the surrounding culture, successfully created a feeling of trust towards the company as a virtuous network and thus brought about a positive change in the corporate culture.

From one culture to another, the obligations of friendship depend on different references. It would not make much sense to generalise the rules or arrangements specific to a given culture. On the other hand, in each culture, we can identify the general characteristics of social ties, which can serve in the design of effective responses. A whole spectrum of cultural contexts, with a whole spectrum of ways of investing responsibilities with meaning, and a whole spectrum of ways to strengthen these through specific institutions.

#### *g. Adapting institutions in French Polynesia*

The following example shows how an institutional organisation that is effective in one context can turn out to be inoperative when transplanted into another cultural context. It also shows that low-performing organisations can exist alongside visible successes, the lessons offered by the latter serving to resolve the difficulties of the former.

Social housing in French Polynesia reproduces in every way the institutional logics that apply to the rest of French public space. Yet, whereas elsewhere in France the social housing agencies often obtain good results, the Polynesian Office for many years recorded a particularly poor performance. In 2005, the collection rate for rents was no more than 42%. In 2010, after several energetic action plans, this rate improved to reach 78.5%, which resulted in a deterioration of the Office’s financial capacities. At the same time, it was struggling to enforce the rules of community life among the tenants (improper occupation of collective spaces, failure to comply with co-habitation rules, improper disposal of wastewater, etc.).

A research programme organised by AFD (Iribarne, 2015) had the objective of better understanding the institutional and cultural causes of this situation and proposing solutions. It notably shed light on the specific local forms of social control.

Compared with the French cultural space, Polynesian society is characterised by the fact that social control is primarily exercised through the place given to those in authority. Their scope for action seems all the larger as it is itself barely limited by the norms that frame their competence.

The role of the traditional chief has a sacred dimension, as does the position that an individual holds in society, and both of these symbolise a world order inherited from the founding ancestors. Upsetting this social order is considered to be shameful behaviour. The rules of civility are centred on the symbolic dimension of interpersonal relationships (an unlimited obligation to welcome others) but take little account of actions that create an inconvenience (making a noise, invading a neighbour's space, leaving one's rubbish out). On the one hand, social relationships are highly ritualised (postures of respect, ways of addressing others). On the other hand, social peace depends on a very high level of tolerance of inconvenience. In this context, it is ill thought of to criticise someone, and even more to intervene, if this is not done from a position of authority. Yet, exceeding a certain threshold can lead to violent outbursts. There is very little middle ground between saying nothing or reacting violently.

As a result, only someone who holds authority can intervene to settle disputes. His role is extensive, ranging from approach through mediation to muscled action to bring people back to their senses. The impersonal aspect of bureaucratic rules provides very little reference. No one shows any hesitation to ask influential people for support to obtain side arrangements or exceptions to the rule. At the same time, the prestige and legitimacy of the chief are linked to his personal ability to be of service and distribute favours.

It was thus clear that the main source of the difficulties encountered was the application of what are standard principles in France to this cultural context. The elected officials specifically wanted to highlight their role in the allocation of housing units (for example, during the key-handover ceremonies). The tenants considered themselves indebted towards them, fulfilling their obligation of counter-gift at election time. But for many tenants, this recognition did not have to be expressed twice by paying rents to the Office, whose legitimacy to demand rent could even seem questionable (the rent is not a priority in the budget of some households). The difficulties of the Office were relatively linked to the fact that it does not have the image of a "giver", even having little legitimacy to take legal action. Likewise, the Office seems to have little legitimacy for enforcing discipline in collective spaces.

The survey at the same time found that a mission to upgrade substandard housing had achieved good results. In this case, the organisation appeared to be the initiator of the gift. Counting on the moral and affective aspect of this, the mission established a close dialogue with its tenants – undertaking very far-reaching social support, extending well beyond what would be judged acceptable in French metropolitan culture. Its position of giver conferred on it all the necessary legitimacy, as well as allowing it to enter into a relationship that could implement legal pressures.

The forms of social regulation that characterise the Polynesian society thus play an obvious role in the problems of social housing, given that the institutions do not take this context into account, or may even add to its contradictions. This example is typical of the way in which public institutions

designed in one cultural context can be inappropriate to the representations and reactions of another context. The transfer of metropolitan France to the Polynesian context is the cause of deep-seated difficulties. At the same time, the success of the rehabilitation mission seems to have greater coherence with the Polynesian logics. It shows the main guidelines for a possible institutional reform that would aim to reposition the Office as a “giver” and thus change the representation that the tenants have of it.

### **3 What about implementation?**

One may sometimes wonder how it is that institutional weaknesses that are widely acknowledged in a country are able to persist without any solution being found.

The approach that considers that it is up to local actors to adapt universal principles seems intuitively justified. But, so far, this has borne little fruit. On the one hand, the local actors are caught up in power struggles or conflicts of interest, which limits their capacity to take a distance from the institutional dissonances. On the other hand, foreign experts draw up lists of pluses and minuses evaluated against imported reference models. They find some local aspects contradictory (which would not be the case were they to look through the prism of the internal logics). These evaluations are not much help in interpreting what it is that makes sense. The implicit presupposition is that adaptation carried out locally would be the result of a curious tinkering that obeys no sufficiently general law to be worthy of interest – and referred to as an “idiosyncrasy”. Institutional reforms are abandoned to the accidents of time and short-term game playing.

Yet, one could decide to not just leave the local level to get by alone. The cultural context does indeed offer representational frameworks that apply across quite a broad macro-social space. An understanding of what is at play at this level can help this adaptation. Much greater progress is made when, in a cultural context, we study success stories in order to understand how typical problems have been resolved in this type of context. Often, in a given sector or field, there are no institutional systems that work, but understanding what happens in general in the field of organisations can offer a wealth of lessons that go beyond the initial field, given that they are located within the same culture. For this, we should not make do with superficial observations. It is more a matter of examining institutions in detail and on the ground, and describing the way in which rules are perceived, how they make sense (rather than starting with what foreign experts say about them). This approach means that one can pinpoint the reasons for failure and resistances, and the deepest categories and beliefs on which the actors build their expectations of a given institution.

It is possible to understand what reactions can be expected from the actors and how to facilitate certain changes. But this involves distinguishing conjunctural beliefs – what can be changed by modifying the organisational rules and the form of institutions – and macro-social beliefs on which the actors build their representations of diverse social situations.

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