

Development Alternatives, Inc.

**Fishing for  
Sustainability:  
The Role of  
Capacity Building  
in Development  
Administration**

***IRD Working Paper No. 8***

George H. Honadle

Prepared under the Organization and Administration of  
Integrated Rural Development Project (number 936-5300)  
for the Office of Rural Development and Development  
Administration, Agency for International Development

June 1981



Development Alternatives, Inc. 624 Ninth Street, N.W. Washington, D.C. 20001

Give a man a fish  
and he can eat that day;

Teach a man to fish  
and he can eat for the rest of his life.

But,

Who owns the fish?

## TABLE OF CONTENTS

	<u>Page</u>
<b>CHAPTER ONE</b>	
<b>FOCUSING ON CAPACITY: AN OVERVIEW</b>	
INTRODUCTION . . . . .	1
BEYOND ARTIFACTS AND ATTITUDES . . . . .	2
INSTITUTIONAL LITERATURE AND INSTITUTION	
BUILDING . . . . .	4
THE CAPACITY-BUILDING IMPERATIVE . . . . .	7
SUMMARY . . . . .	8
<b>CHAPTER TWO</b>	
DEFINING CAPACITY: THE OBJECTIVE . . . . .	11
AN INVENTORY OF APPROACHES . . . . .	14
Static/Internal Approaches . . . . .	15
Boundary-Spanning Approaches . . . . .	17
Dynamic/Impact Approaches . . . . .	19
MEASUREMENT DIFFICULTIES . . . . .	32
SUMMARY . . . . .	34
<b>CHAPTER THREE</b>	
BUILDING CAPACITY: THE MEANS . . . . .	35
CRITICAL ELEMENTS TO BUILDING CAPACITY . . . . .	35
Risk Sharing . . . . .	36
Multiple Levels . . . . .	37
Incentives . . . . .	37
Demonstration . . . . .	38
Collaboration . . . . .	39
Resource Base . . . . .	39
Learning Emphasis . . . . .	41
IMPORTANCE OF SEQUENCING . . . . .	42
THE LEARNING CURVE . . . . .	43
MULTIPLE STRATEGIES . . . . .	45
Model A . . . . .	46
Model B . . . . .	47
Model C . . . . .	47
ROLE OF DONOR AGENCIES . . . . .	48
SYNTHESIS I: OBJECTIVES AND MEANS . . . . .	53
SUMMARY . . . . .	54
<b>CHAPTER FOUR</b>	
IMPLEMENTING CAPACITY: SELECTED FIELD EXPERIENCES . . . . .	55
LIBERIA . . . . .	55
Project Background . . . . .	56
Capacity-Building Activity . . . . .	57
Observations . . . . .	59
JAMAICA . . . . .	61
Project Background . . . . .	61
Capacity-Building Activity . . . . .	64
Observations . . . . .	69

INDONESIA . . . . .	71
Project Background . . . . .	71
Capacity-Building Activity . . . . .	72
Observations . . . . .	84
SYNTHESIS II: IMPLEMENTATION, OBJECTIVES, AND MEANS . . . . .	86
Learning Process . . . . .	86
Technical Assistance . . . . .	86
Sequencing . . . . .	87
Empowerment . . . . .	87
SUMMARY . . . . .	88
CHAPTER FIVE	
FISHING FOR CAPACITY: SOME CONCLUSIONS . . . . .	89
Process and Substance . . . . .	89
Donor Implications . . . . .	90
Sustainability and Arrogance . . . . .	91
A Final Word . . . . .	92
NOTES . . . . .	95
REFERENCES . . . . .	97

## LIST OF TABLES

Table	Title	Page
1	Examples of Inputs, Outputs, and Outcomes . . . . .	20
2	Proxies for Identifying Institutional Impact of PDP . . . . .	26
3	Summary of the Measurement of Village Unit Capability . . . . .	30
4	Summary of the Measurement of Rural Benefits . . . . .	31
5	Characteristics of Three Change Strategies . . . . .	49
6	An Intermediate Point in Development Committee Evolution . . . . .	68
7	Illustrative Issues in Assessing and Building Organization Capacity in PDP . . . . .	74
8	Institutional Capacity in NTT . . . . .	79

## LIST OF FIGURES

<u>Figure</u>	<u>Title</u>	<u>Page</u>
1	Process and Performance Dimensions of Administrative Capability . . . . .	21
2	Dual Focus of the Provincial Area Development Program . . . . .	23
3	Independence of Development Committees, A Force Field Analysis . . . . .	66
4	Force Field Analysis Strengthening Village LSD's . . . . .	78

## ACKNOWLEDGEMENTS

The field visits reported in this paper were conducted through the "Organization and Administration of Integrated Rural Development Project" (number 936-5300) of which the author is codirector. The project is funded by the Office of Rural Development and Development Administration of the U.S. Agency for International Development. The IRD project also provided partial support for writing and producing this paper.

The author wishes to thank Professor John D. Montgomery of the Kennedy School of Government, Harvard University for his invitation to write the monograph and to present it in Cambridge on March 6, 1981. Support from the Lincoln Institute of Land Policy is also gratefully acknowledged.

An abbreviated version of chapters 1, 2, and 4 was presented to the national conference of The American Society for Public Administration in Detroit, Michigan in April 1981. It was titled "The Art of Fishing Is Not Enough: An Examination of Capacity Building for Rural Development".

David Gow, Gene Owens, Tjip Walker, and John Hannah of Development Alternatives, Inc., Jerry Van Sant of Research Triangle Institute and Beth Honadle of the U.S. Department of Agriculture critiqued draft sections. Tjip Walker also made inputs to chapter five and smoothed the rough edges throughout. Typing and wordprocessing assistance was provided by Cereta Dudley, Carol Kulski, Marie O'Connell, and Amy Reichel. Their contributions are appreciated and noted. Of course, the opinions and conclusions included in the paper are solely those of the author and should not be attributed to any of the individuals or institutions noted above.

## CHAPTER ONE

## FOCUSING ON CAPACITY: AN OVERVIEW

## INTRODUCTION

Capacity building is the guts of development. If we cannot figure out how to do it, then the legitimacy of applied social science is undercut. Moreover, an inability to build capacity suggests that "development," as opposed to the transfer of assets, is an ideology without a technology.

This monograph traces the evolution of capacity building thought and examines field experiences in Africa, Asia, and the Caribbean. Throughout the focus is on the difficulty of both defining and building capacity. This first chapter argues that development practitioners need to look beyond the implantation of physical infrastructure and focus on the role of organizational capacity as the means of ensuring that investments lead to self-sustaining development. This chapter also examines several perspectives on development and their weaknesses. These weaknesses lead to the imperative of defining and building organizational capacity.

The second chapter examines the different ways that observers have defined capacity. Three basic approaches are presented as frameworks which offer starting points for those who wish to identify capacity levels and monitor changes in those levels. Measurement difficulties are also noted and an approach to capacity identification is suggested.

The third chapter draws lessons from experience. Seven factors are presented as necessary to successfully build capacity. These seven factors are also placed into a temporal, impact-oriented framework consistent with the identification approach suggested in chapter two.

The fourth chapter takes the definitional discussion and the seven factors and applies them to three specific field exercises to see if the strengths and weaknesses of the exercises are revealed. Finally, in the fifth chapter, the state of the art is summarized and future directions for both action and research are suggested.

The basic argument of the paper is two-fold. First, development programs which do not build local capacity cannot be considered development--they are merely temporary asset relocations. Second, measures of capacity must go beyond static asset calculations to assessments of action and impact, which, in turn, require a structural emphasis on incentives, resource bases, and questions such as "who owns the fish?" Thus successful development requires actions designed to address structural constraints.

## BEYOND ARTIFACTS AND ATTITUDES

The success of the Marshall Plan in reconstructing the war-ravaged infrastructure of Europe gave birth to an optimism about the ability of such programs to develop the untamed and unproductive areas of Africa, Asia, and Latin America. This optimism also provided a new challenge for institutions such as the International Bank for Reconstruction and Development and the Organization for Economic Cooperation and Development. Worldwide frontiers offered these institutions both a chance to flex and build their technical muscles as well as a rationale for institutional survival. Thus, the development industry was born.

Soon, however, it became apparent that the initial construction of the social and physical infrastructure necessary for self-sustaining economic growth was a far different matter than simply rebuilding the factories, roads, and ports of industrial nations. Where entrepreneurial attitudes, management skills, and cultural support for individual achievement were lacking, the construction of physical facilities soon appeared to be the transfer of engineering artifacts into nonsupportive environments: tractors went unoiled; fertilizer was used as medicine or was misapplied to crops; bridges were not maintained; stores and factories were used to satisfy social needs rather than to provide commercial services and other facilities went unused. Although road networks certainly stimulated growth, the ability for physical capital investments to achieve a critical mass and to promote self-sustaining increases in human wealth appeared to be very limited. Dams, docks, and mechanical equipment simply were not enough.

Partly in response to this experience, and partly due to the ideologies of the "Cold War"; attempts were made to identify the missing element in the development equation. A notable example at a societal level was Rostow's hypothesis concerning the stages of economic growth and the need to accumulate a critical rate of savings before growth could become self-sustaining (Rostow, 1960; Johnson, 1964). Economic models focusing on other missing elements such as decision making skills (Hirschman, 1958) or savings and foreign exchange (Chenery and Stout, 1966) have also been presented.

Other examples of the search for the "residual factor" tended to reflect the biases in the disciplines of those others conducting the search. For instance, psychologists found motivation to be a major constraining force (McClelland and Winter, 1969), while educators and educational economists pointed to human resources as the missing element (Schultz, 1961; Harbison, 1973). Others focused on the evolution of entrepreneurial skills and the catalytic role of people who were marginal to traditional society (Kilby, 1971; Hagen, 1962). Those

with an interest in communication emphasized the role of the media (Lerner, 1958). Such depictions can be characterized as unidimensional, a continuum along which individuals make jumps or pass through thresholds. The direction of change was from "traditional" to "modern." In a very real sense, it was from "like them" to "like us." The lack of development capacity was simply the lack of knowledge.

That is, poor, illiterate, communal, and uninformed peasants whose lives were seen to be regulated by status and myth would be transformed into comfortable, literate, entrepreneurial, and informed cosmopolitans whose lives are regulated by contract and science. The problem was presented as a need to change traditional fatalistic attitudes into modern attitudes which responded to incentives and supported human initiative. Education was the solution to deficient capacity to manipulate the physical environment.

During the 1960s and the 1970s, however, this attitudinal view was challenged by political economists (including, Baran, 1979; Cardoso, 1977; Griffin, 1979). The challenge was based on the structure of interactions between the metropolitan and recently independent nations on the one hand and between peasants and elites within the emergent states on the other (Van Hekken and Thoden Van Velzen, 1972; Shanin 1971). Case studies also examined the link between international dependency relationships and the internal political economies of former colonies (C. Leys, 1975). The conclusion was that concentrations of power and resources tended to retard development by strengthening the capacity of the "haves" at the expense of the "have nots." Thus attitude changes were not enough. Moreover, "neutral" programs that did not directly challenge the status quo could be expected to reinforce it.

This structural emphasis penetrated the objectives and techniques of development administration. As "social soundness analyses" became standard rituals in the project design exercises of the U.S. Agency for International Development (1973; Cochrane, 1979), a focus on land tenure systems and the need for agrarian reform became recurrent themes in both the development literature (Dorner, 1972) and integrated rural development projects.

The agrarian reform emphasis provides a useful illustration of the contribution of a structural interpretation of development processes. In situations where estate crops were bypassed and resources were earmarked for the rural poor, agrarian reform often became the prerequisite of rural development--a farmer could not be expected to risk scarce capital to buy fertilizer or devote much more time to new cultivation practices if the major beneficiary of the investment and extra work was to be the landlord. Thus a prerequisite for local response to project initiatives would be a realignment of the relationship between peasants and land. This also involved adjustments in relationships among people and an increase in the farmer's control

over the fruits of his labor. Thus attitudinal views of the progression from traditional peasant to progressive farmer gave way to an awareness of the need to understand the network of social relationships touching rural people. Moreover, "capacity" in this new view is the ability to affect the structure--the network of relations and the resources which flow through it.

At the same time that structural arguments were emerging, new versions of the attitudinal, or cognitive, argument were also appearing (Berger, 1974; Schumacher, 1973; Freire, 1969; Goulet, 1971a). These arguments were based on cultural relativism and phenomenological perspectives. That is, there was less certainty in the superiority of western worldviews and more appreciation for the value of peasant experience and knowledge. In fact, there was an emphasis on better understanding of peasant worldviews rather than lumping them together under a heading of "traditional," (Scott, 1976; Popkin, 1979). Nevertheless, these perspectives posited perceptual changes or consciousness-raising as a prerequisite to capacity building (Freire, 1973). Although the status quo was challenged, the beginning point was still individual attitudes.

These two strains--the structural and the cognitive--persist today as influences on capacity-building perspectives.<sup>2</sup> As a rule, the more radical approaches to capacity building tend to emphasize changes in structural factors while incremental approaches tend to emphasize changes in cognitive factors (attitudes and skills) that constitute those "residuals" which inhibit the take off into self-sustaining development.

The emphasis on active change--be it the alteration of social structures or residual factors--rather than an emphasis on simply documenting the presence of impediments is an important facet of capacity building. The logic of this emphasis requires both an understanding of institution-building perspective and its influence on development administration and a recognition of the need to go beyond examinations of individual motivations to an understanding of organizational dynamics.

#### INSTITUTIONAL LITERATURE AND INSTITUTION BUILDING

The tradition of describing and analyzing nonwestern institutions is long and deep in the fields of legal and social anthropology. Much of the work described and documented social practices among traditional societies (Gluckman, 1969; Evans-Pritchard, 1940). Although most of this literature dealt with small, decentralized, sedentary, or nomadic groups, some early studies emphasized large-scale indigenous bureaucracies and administrative systems (Fallers, 1965).

Eventually institutional description gave way to examinations of institutional change. Sometimes this new focus emphasized slow or fast alterations in traditional institutions such as land tenure (Gulliver, 1958; Mayer and Mayer, 1965; Barnett and Njama, 1966). In other cases the implications of the penetration of the market economy into existing social relationships were noted (Jones, 1970). At other times, the dual systems resulting from colonialism were stressed (Owens and Shaw, 1972). Dualism<sup>3</sup> was sometimes political, sometimes economic, and sometimes legal.

This focus on dualism reinforced the them/us distinction noted earlier. The imposition of monetary economies on barter economies, European laws and procedures on African customary practices, and rational administrative systems on personalistic ones supported the literature of separate and different. This produced an enclave mentality (Singer, 1970).

The apex of an enclave mentality may have been reached in the institution-building literature.<sup>4</sup> The focus of this literature was on the introduction of a new institution into an environment dominated by old social forms. The question was how to plant an enclave of modern practices into an environment of traditional ones and have it survive. Since success was defined as the recognizable perpetuation of the new institution, the literature was preoccupied with those factors which would cause the implant to live or die. They were called "linkages."<sup>5</sup>

Parallel to this intellectual focus on survivability, development practitioners were busy constructing such administrative enclaves. In some cases they were similar to the organizations inhabited by the intellectuals--local universities, institutes of public administration, administrative staff colleges and institutes of tropical agriculture come to mind (Esman and Montgomery, 1980: 209-216). In other cases they were autonomous administrative entities which served as channels for outside funds and which were entrusted with the task of replacing the existing administrative machinery in rural areas as part of a strategy for increasing agricultural production. This second type of administrative structure came to be called a "project management unit" (PMU).<sup>6</sup>

During the 1960s and 1970s there was a discernable shift in thinking about development. That shift was toward a belief in the value of decentralized, participatory, bottom-up processes for promoting self-sustaining development. That belief was supported by comparative (Morss and others, 1976; Tendler, 1976; Uphoff, Cohen, and Goldsmith; 1979) and case (Leonard, 1977) studies of rural development. Moreover, it was enshrined in policy--the government of Tanzania promoted it with the Arusha Declaration of 1967 and the United States Congress wrote it into legislation with the passage of the "new directions mandate" of the Foreign Assistance Act of 1973.

An important dimension of this thinking involved the role of organizations in supporting grassroots participation. This consideration also triggered a return to the issue of the PMU--should a new or an old organization be used as the vehicle for development? For example, one influential study concluded the following:

We found local organizations to be important in mobilizing local resources to support development projects. However, it was impossible to trace the dynamics of organizations or to do more than rudimentary analysis of the process by which they played useful roles in project activities. Thus, while it is clear that groupings of small farmers can provide strong impetus to development, we cannot offer detailed operational guidelines which are generally applicable. At this time there is no clear way to explain, in terms of a model of development, when and how to initiate new organizations as opposed to working with existing local institutions (Morss and others, 1975: 154).

Since 1975, when the study was completed, this issue of creating new organizations versus strengthening existing organizations has been the subject of much attention. The focus has been on both beneficiary-level and project-level choices between a fresh start, on the one hand, and an established power base, on the other.

Arguments in favor of new organizations stress the advantages of a fresh start (Livingston, 1979; Montgomery, 1979) for achieving the following objectives:

- Supporting the participation of rural people in project decisions and activities;
- Side-stepping permanent agencies or local organizations which may be hostile to the intended clientele;
- Avoiding oppressive bureaucratic controls and getting the job of delivering goods and services done;
- Providing a training ground for creative leadership which otherwise could be stifled in overly bureaucratic settings;
- Allowing measurement of impact in a target area and providing accountability; and thus
- Simplifying the funding process and reinforcing donor control.

Opponents of this model, however, consider both the approach itself and the thinking behind it to be major weaknesses in

present policies and strategies. Critiques of new organizations (Korten, 1980; G. H. Honadle and others, 1980b; Massing and Seibel, 1974) stress the following:

- Independent units are outside civil service regulations and their higher salaries drain line agencies of their most qualified personnel, thus further weakening already weak organizations;
- New organizations do not have established public clienteles or the ability to defend themselves against the encroachment of permanent institutions and thus interorganizational conflict and greater inefficiencies may result from their creation;
- Discrete projects are temporary efforts which are not capable of producing long-run improvements in the capacities of permanent institutions and thus they reinforce short-term direct action at the expense of true development;
- Rural landscapes are already crowded by an excessive number of agencies and organizations thus the challenge is to make them work rather than to increase the competition for resources and clients;
- Temporary projects perpetuate a dependence on outsiders bypassing the system thus reinforcing disbelief in the ability of the system to deliver the goods; and
- Time-bound projects cause personnel management problems because staff see their positions more as stepping-stones than as long-term commitments.

Proponents of using existing bodies to implement rural development programs focus on the need to build local capabilities so that development can become a self-sustaining enterprise. Moreover, they see the "quick results" mentality of the independent management unit as one of the obstacles to eventual success. In their minds, established institutions must be used to ensure that creative initiatives become a more permanent feature of rural environments. Thus the emerging argument for using established entities provides the basis for capacity building as opposed to the institution-building school's emphasis on introducing new forms.

#### THE CAPACITY-BUILDING IMPERATIVE

The objective of capacity building is to strengthen local institutions so that they can absorb new resources and use them to sustain development dynamics after the initial resources have been

exhausted. Thus capacity building is simply a strategy for achieving sustainability of development efforts.

For capacity building to succeed, however, two conditions must be met. First, it is necessary to have some idea of what capacity is. Without this there is little chance for analysis, prescription, or evaluation. For example, in the beginning of this paper the saying about giving a fish versus teaching the art of fishing was amended to include the question "who owns the fish?" This highlights the need to define capacity, because in a situation where the landlord has a claim on all fish, teaching a sharecropper to fish will not improve his ability to obtain them in the future. Thus capacity must be carefully defined in order for practitioners to identify obstacles to capacity building as well as to allow an evaluation of the impact of a capacity-building effort.

The second prerequisite is the specification of a process (or processes) which does not itself obstruct capacity building--the administering medicine should not create circumstances worse than the original disease. For example, poor farmers in the Philippines have been made worse off by reforms which introduced freehold land tenure. By destroying patron/client relationships, the rural poor lost the assistance they received during typhoons (Mangahas and others, 1976).

The foundation for a policy of breaking up estates and converting tenants to owners made sense at the time--tenants could not be expected to risk scarce capital for inputs or increase their labor in the use of new methods if most of the proceeds would go to the landlord. The problem, however, is that outside observers often mistake anchor chains for prison chains. That is, what appears to an outsider as a constraint to accumulating material wealth or implementing a specific policy may appear to insiders as a price that is paid for a different social privilege, material good, or religious comfort. From the indigenous calculus, the trade-offs may be worthwhile. Thus a shallow understanding of the social system surrounding a development effort often leads to false judgments about the implications of alternative actions. In the case of land reform, the welfare implications of new tenurial relationships can be negative. Thus outsiders tinker while insiders suffer.

For capacity building to succeed then, it must be defined as a learning process which empowers those who will continue the process. Additionally, local participation in that process must form the basis for a partnership between outsiders and insiders.

#### SUMMARY

This chapter has introduced capacity building as an alternative to dualistic, enclave approaches to institution

building. It has also been suggested that there are two perspectives which dominate the capacity-building literature. The first emphasizes attitudinal change as the key to developing self-sustaining processes whereas the second emphasizes structural change.

The tendency for outside "experts" to mistake anchor chains for prison chains and the inherent learning dimension of capacity building means that effective processes will be participatory ones. Thus an additional characteristic of capacity building is a participatory bias.

INTENTIONALLY  
LEFT BLANK

## CHAPTER TWO

## DEFINING CAPACITY: THE OBJECTIVE

The preceding chapter specified two preconditions for successful capacity building--clarity of objectives and understanding of means to those objectives. This section identifies trends and difficulties associated with defining capacity.

The approach is first to present statements of the ideal image of capacity, then identify its constituent elements and ways of measuring them, and finally to discuss measurement problems. This should highlight both some of the vagueness associated with discussions of capacity and some of the frustrations associated with attempts to build capacity.

The focus of this paper is on the capacity of formal and informal organizations to perform development-related functions. Thus, it goes beyond the cognitive skills of individuals to address the skills held by units which extend beyond the individual in both space and time. Nevertheless, many of the images associated with individual human capabilities pervade any discussion of group capacity. For example, Denis Goulet offers the following view of what he calls "authentic development:"

Authentic development aims at the full realization of human capabilities, men and women become makers of their own histories, personal and societal. They free themselves from every servitude imposed by nature or by oppressive systems, they achieve a rich symbiosis between efficiency and free expression. This total concept of development can perhaps best be expressed as the "human ascent"--the ascent of all men in their integral humanity, including the economic, biological, psychological, social, cultural, ideological, spiritual, mystical, and transcendental dimensions (Goulet, 1971b: 206-207).

The difficulty of measuring such an all-encompassing definition is readily apparent. Nevertheless, the idea of unfettered, self-sustaining "ascent" lies behind many discussions of capacity. It is also integral to the idea of social development, as opposed to "mere" economic growth. For example, this point is elaborated by James Coleman, who says:

Conceptually, developmental capacity goes beyond this broad notion of adaptation. It includes, in addition, the power constantly to create new and enhanced capacity to plan, implement, and manipulate new change as part of the process of achieving new goals. It is, in short, a "creative" and not just a "survival" or "adaptive" capacity that is the hallmark of a developing polity (Coleman, 1971: 74).

This is an image of an artistic individual applied to the character of an institution. A recent report by Development Alternatives, Inc., geared to the organization and management of integrated rural development projects, uses a similar image at a group level:

The ultimate goal of the implementation process is to create self-sustaining improvements in beneficiary well-being...that is, rural development is ultimately a process of raising the ability of villagers to manage their own lives in ways consistent with their values. This requires an increase in the knowledge and power residing in individuals and institutions...The true test of capability lies not in the mastery of the mechanics of a technique but rather in the ability to identify when a technique is not appropriate for the problem at hand and to search for new alternatives. It is this ability to go beyond routine replications to creative responses that is at the heart of benefit growth. It is often exemplified as the difference between "training" and "education." It is also the essence of development (G. H. Honadle and others, 1980b: 163, 193, 195).

This is elsewhere called a "social learning process", which C. West Churchman (1971: 275) defines as "the creation of an ability of the human being to solve his problems, to discern better pathways to goals, no matter how the environment may change."

The goals of the "institution-building" literature have been interpreted in a similar way. For example, Dennis Rondinelli and Marcus Ingle (1981: 5) believe that the aim of institution building is to:

Create "viable development institutions", those with the ability to deliver technical services, to internalize innovative ideas, relationships, and practices within the staff of the organization, and to continue to innovate so that new technologies and behavior patterns would not be "frozen" in their original form.

Thus the fishing metaphor from which this paper derives its title is appropriate to the image of capacity--an individual artist able to learn from others how to obtain new resources. However, the leap from individual artist to institutional innovation can drastically change the image. For example, a fly-casting fisherman on the shore of a Scottish lake becomes a factory ship in the mid-Atlantic or a spear fisherman in a dugout canoe becomes a fleet of motorized canoes with nets. Although the individual picture is romantic, the institutional reality may not meet the ideal. This is one aspect of the problem encountered by those who have attempted to specify and measure the dimensions of organizational capacity--measures of individual cognitive skills

may be inadequate indicators of institutional strength or weakness. Although the factory ship may be staffed by bright and skilled individuals, ethnic rivalries, inequitable division of the catch, lack of equipment, and numerous other organizational factors can thwart the use of skills. Thus measurement requires an examination of organizational attributes rather than just an aggregation of individual ones.

But a measurement of capacity that looks only at one organizational attribute is as likely to be as deceptive as an aggregation of individual attributes. For instance, one common view of organizational capacity is the ability to attract and absorb outside resources. This has often been stressed in domestic U.S. literature, where it is called "grantsmanship" (B. W. Honadle, 1981a). This same view has been applied to the relationship between international donors and developing country governments--where it is often described as a "pipeline" problem. For example, in Malawi, funds available through the European Economic Community were unused due to an inability within the recipient government to program the resources (G. H. Honadle, 1980).

However, there are major problems with this single measure of capacity. First, it can be used to prolong the "blame the victim" syndrome (Ryan, 1971). This view, absolves donors from responsibility for adequate program design and management and lays the backup in the pipeline at the feet of the developing country governments. Alternatively, pipeline backups can be used to justify the placement of expatriate technicians in local bureaus to temporarily provide the programming capacity. Such operational experts (opex) usually have direct responsibility for performing the function, but no requirement for building local skills. Thus this measure of absorptive capacity is sometimes used as an excuse for a technical assistance strategy that perpetuates the original problem or even as an excuse for inaction due to inadequate capacity within the recipient.

Another major problem with this measure is its tendency to overlook less obvious attributes, such as the ability to mobilize internal resources. For example, Robert Iversen suggests there may be a wealth of untapped traditional group capabilities which he labels the skills of "folk management." He observes:

It is widely assumed that the failure of development projects largely results from a lack of managerial capability, and feasibility studies now pay particular attention to "capacity to implement." While management is unquestionably critical to development, its quality, scarcity, and effectiveness are too often stated in western terms. If rural development were limited to projects which could be implemented only by westernized managers, development would be slow indeed. To achieve any momentum or critical mass of development--particularly among the rural poor--a program must be designed

for implementation by indigenous managers, this means reliance upon an ill-defined but nevertheless proven reservoir of "folk management."

Folk management is that collection of skills that have, over the years, arisen as needed to guide a community or group in its efforts to survive unforeseen challenges. At the most rudimentary level, the skills that are needed for producing and distributing the food, clothing, housing, and security necessary for family survival are management skills. At the community level it becomes known who can be depended on for dealing with the effects of drought, fire, or flood, who has the skills needed to organize the construction or repair of common facilities such as wells, roads, and storage; who can round up the people and direct the undertaking of a task that exceeds the capacity of any single individual, such as a site clearing, harvesting, or roof raising. The community knows its own people, and leadership specialties have arisen to deal with almost any kind of problem. It would be foolish for any development effort concerned with improving community well-being to ignore this body of expertise simply because it lacks Western training or credentials (Iversen, 1979: 90).

Thus attracting external resources does not necessarily identify organizational capacity. Not only is this measure inadequate, but most observers consider any single factor unable to capture the multidimensional, complex nature of capacity. Thus most activities devoted to the definition of this elusive quality tend to identify composite characteristics.

#### AN INVENTORY OF APPROACHES

An inventory of approaches to defining capacity is useful for clustering the various views. Existing perspectives cluster around three definitional characteristics:

- Static/Internal;
- Boundary-Spanning; and
- Dynamic/Impact.

As each cluster is discussed several complications must be kept in mind. First, organizational longevity is not a sufficient measure of capacity. The survival of some organizations is undesirable. Moreover, survival is an end test and a common justification (the fittest are those who have survived in the Darwinian tautology!) and not really a capacity dimension. Even so, the ease of measuring survivability makes it a tempting indicator of success.

Second, the battle between cognitive and structural views remains. Although most observers accept the need for both types of strategies, observer preference for incremental cognitive changes versus more radical structural changes is likely to affect attitudes toward the capacity dimensions which have been identified.

Finally, capacity building requires a focal point. Nevertheless, no one seriously contends that the strength of an organization is independent of the political, cultural, and physical environment in which it exists. Even so, since a particular organization is likely to be the basket into which capacity builders put all their eggs, viewpoints may overemphasize the importance of a single organization or unit. Thus while the desire to act supports a single focus, a desire for understanding supports a diffuse one.

Recognizing that these three factors are likely to influence definitional exercises, the three perspectives can now be discussed.

#### Static/Internal Approaches

When a university, private firm, or institute submits a proposal to obtain funding for an activity it reveals "capacity," according to one definition. That definition is likely to be internally oriented as it focuses on the resources commanded by the institution. The resource base is both human (education and experience of personnel) and physical (telex machines, word processors, airplanes, endowment, office space, and so forth). An additional static resource may be the management structure (regional offices, procurement section, staffing level, and so forth). To show the strength of these resources, past activities are usually paraded forth to document the experience base. Thus an implicit view of capacity is founded in the dimensions of:

- Staff;
- Physical resources;
- Management structure; and
- History.

Iversen's view of folk management capabilities is parallel to this approach. His focus is community-wide and he suggests that history provides the key to uncovering the existence of the other three.

Similar perspectives have been the basis for examinations of capacity building in government agencies. For example, a review of efforts to develop the administrative capacity of provincial

governments in the Philippines (de Guzman and others, 1973: 355) used the following three dimensions as the elements of capacity:

- Internal organizational structure (coordinating committees);
- Leadership and personnel capability; and
- Management of fiscal resources.

These viewpoints stress cognitive factors. For example, with the folk management approach there is an assumption that if people did it (or did something similar) before, they know how to do it now. But the questions are, will they and can they? Changes in land tenure systems or new methods for choosing village heads or numerous other structural shifts can leave the cognitive skills but remove the power or incentives to use them.

The Philippine example combines efficiency measures (fiscal management) with cognitive (personnel) and communication (committee) attributes to suggest overall capacity. However, resource flows between provinces and other organizational levels may constrain internal fiscal management and more than compensate for any improvements expected as a result of raising personnel skills. Thus an overly internal orientation can overlook the importance of structure and environmental factors by readily embracing easily identifiable formalistic and cognitive factors.

A different tack was taken in a report which referred to capacity as:

The likelihood that a particular unit can perform a specific task up to a certain standard. For example, could Bank X operate a credit program for poor farmers in a way that disbursed funds quickly and to the right people without losing money from either diversion or non-repayment? The answer reveals the bank's task capability. (G. H. Honadle and others, 1980b: 182-83).

To provide that answer, a number of factors were examined:

- History of performance;
- Organizational structure;
- Information flows;
- Physical facilities;
- Quality of personnel;
- Quantity of personnel;
- Legal charter;

- Capitalization;
- Funding sources;
- Communication and travel equipment;
- Scale and type of present operations;
- Operational procedures;
- Degree of control over (or types of relationships with) other organizations that affect the performance of that task; and
- Expected environmental changes that will affect any of the above items.

Although this list emphasizes present internal characteristics, it does go beyond a cognitive approach as it recognizes both change overtime and relationships with other organizations.

#### Boundary-Spanning Approaches

When an organization exchanges resources or information with an organization or individual in its environment, the exchange is an example of boundary-spanning. That is, the activity spans the organizational boundary. Since most organizations obtain some critical items from other actors, boundary-spanning can be depicted as a major activity.

A recent paper by Beth Walter Honadle (1980) reinterpreted the U.S. literature on local government management improvement to identify the interactions between internal capacity and boundary-spanning activity. She defined capacity itself as the ability to:

- Anticipate and influence change;
- Make informed decisions;
- Manage resources to achieve objectives.

To realize these capabilities, people form informal groups and formal organizations. The latter also allow capabilities to continue independently of the individuals who constitute the organization at any one period. Such organizations may be governmental or they may be community-based. More specifically, according to this view, the requirements of a capable organization include, but are not limited to:

- Organizational skills, such as the ability to forge effective links with other organizations and to make it possible for local residents to participate in decision making;
- Information for decisionmaking, and the ability to utilize those data;
- Staff or a stable membership; and
- Processes for solving problems and implementing.

Thus, organizational capacity building requires a focus on administrative structures, interorganizational relationships, and management procedures as well as individual and group skills.

Another study constructed the beginnings of a theory to explain under what circumstances different organizational characteristics supported or obstructed the delivery of goods and services to the rural poor (G. H. Honadle, 1978). The conclusion of the study was that capacity is both task-specific and target-group specific. For example, a spit-and-polish department of agriculture packed with highly paid Ph.Ds may be very unlikely to deliver extension services to the most rural and most needy farmers. In fact, in some cases sparkling new facilities established a psychological distance between farmers and civil servants. In other cases, higher education and motorized transport served the peer group. Although the extension task was supported by these assets, a different target group tended to be served. Thus, rather than just the state of internal assets, the structure of interactions between clients, tasks, and organizational resources is seen to be the appropriate beginning place for any assessment for performance capability.

A third (Ingle and Rondinelli, 1980) approach to boundary-spanning activities focuses on three dimensions:

- Image;
- Connotation; and
- Purchasables.

Image refers to people's knowledge of what an organization does and why it exists. Connotation goes beyond recognition to suggest people's attitudes toward the organization. Purchasables are the resources (human, financial, physical, and informational) possessed by the organization. This "institutional viability model" is proposed as a framework useful for determining the type of support required by, and the appropriate investment for donors to put into small industry support organizations. However, this view is cognitive in the extreme. Though purchasables imply

organizational stock (the resources which flow through structures), the other two categories consist wholly of cognitive measures--knowledge and attitudes.

Although most of these boundary-spanning perspectives enlarge the more traditional internal organizational focus (such as Levinson, 1972; Melcher, 1976; Burack, 1973) to include environmental interactions and structural considerations, the implications for the environment of the focal organization's successful survival is not made explicit except in the task/target group focus. This concern occupies a more prominent place in the dynamic/impact approach to capacity definition.

### Dynamic/Impact Approaches

In the search for indicators of administrative capability, Norman Uphoff (1973) put forth an analytical model focusing on process and performance, with the first dimension including internal administrative variables such as budget, personnel, equipment, and information used to produce goods and services. The second dimension referred to the outcomes of those goods and services being produced and delivered. Thus an assessment of capability could not be made without examining the impact of an organization's activities on its environment.

Examples of inputs leading to outputs (process) and the resulting outcomes (performance) are noted in table 1. To help focus the discussion, Uphoff developed a diagram to display the various types of organizational component activities, modes of action, instrumentalities, and sources of change initiatives. That diagram is included as figure 1.

This approach, then, begins the definition of capacity with an assessment of the impact that organizational operations should have on the local environment. In Uphoff's (1973: 372) own words:

Outcomes are the "name of the game," the criteria by which...capability must be judged. Efficiency in producing outputs, such as miles of road built or maintained, or the number of students in schools, or the number of applications processed, tells us little about what effect these have on people's well-being or the regime's substantive objectives. Concern with outcomes leads to more qualitative and more structural comparisons of change over time.

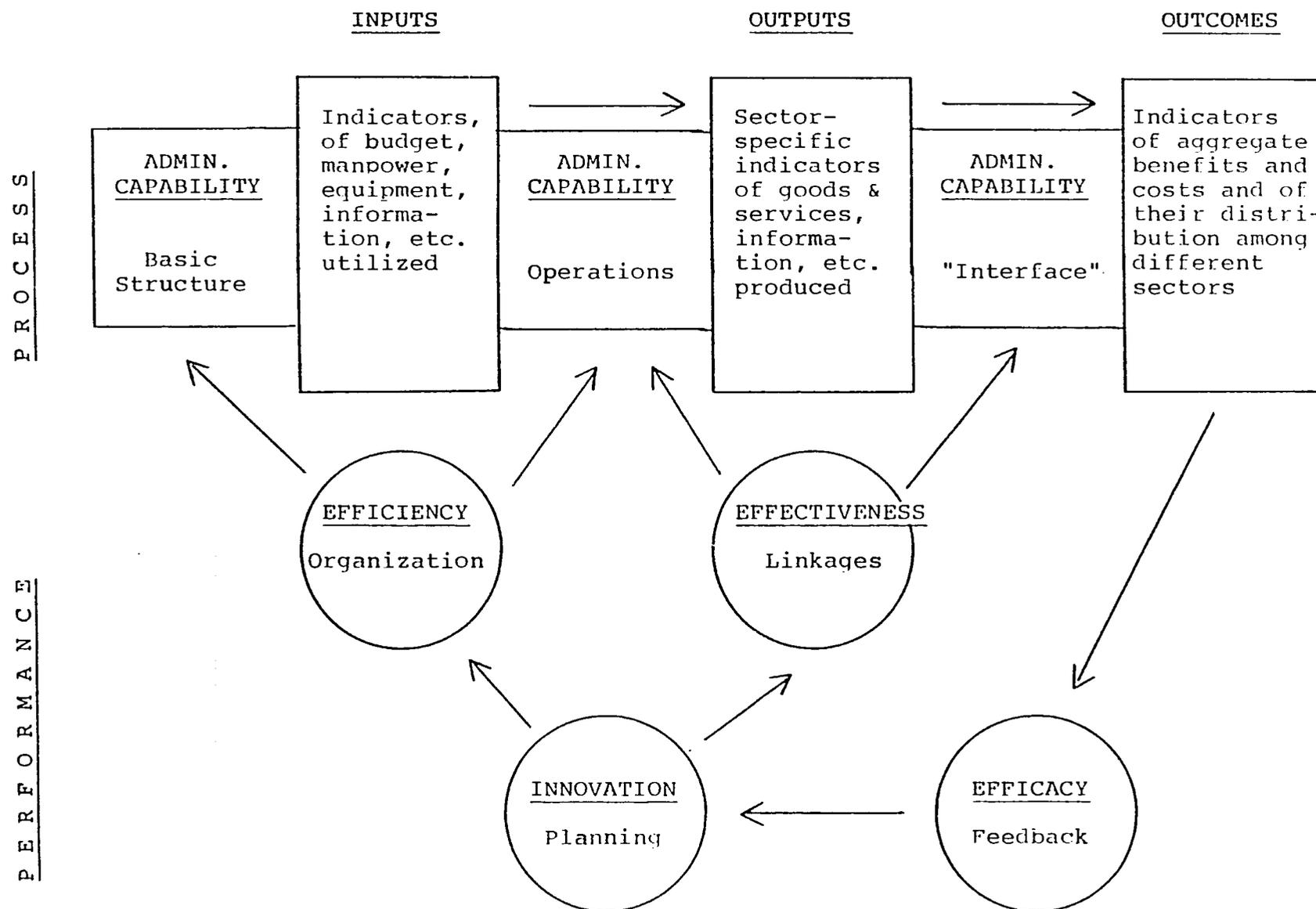
A similar analytical model was used as the beginning point for measuring the achievement of the capacity-building objectives of the provincial area development program (PDP) in Indonesia (G. H. Honadle, 1979b). The model introduced two intermediate stages between resource application and improved rural well-being. The first of those intermediate stages was goods and services delivery and the second was a behavior change in response to the availability of those goods and services.

Table 1. Examples of Inputs, Outputs, and Outcomes

Inputs	Outputs	Outcomes
Financial inputs Salaries Operating capital Investment capital	Infrastructure Farm-to-market roads Irrigation systems	Production Effects Increased yields Improved nutrition
Labor inputs Supervision and planning Skilled personnel Unskilled manpower	Extension education  Seed multiplication  Marketing and storage	Income Effects Higher rural living standards Increased demand for domestic manufactures More govt. revenue?
Material Inputs Equipment (construction, roadbuilding, and irrigation) Seeds, fertilizer, etc.	Agricultural research	Balance of payments Decreased imports or increased exports  Employment effects  Closer links between rural and urban areas  Political support

Source: Uphoff (1973): 373

Figure 1. Process and Performance Dimensions of Administrative Capability



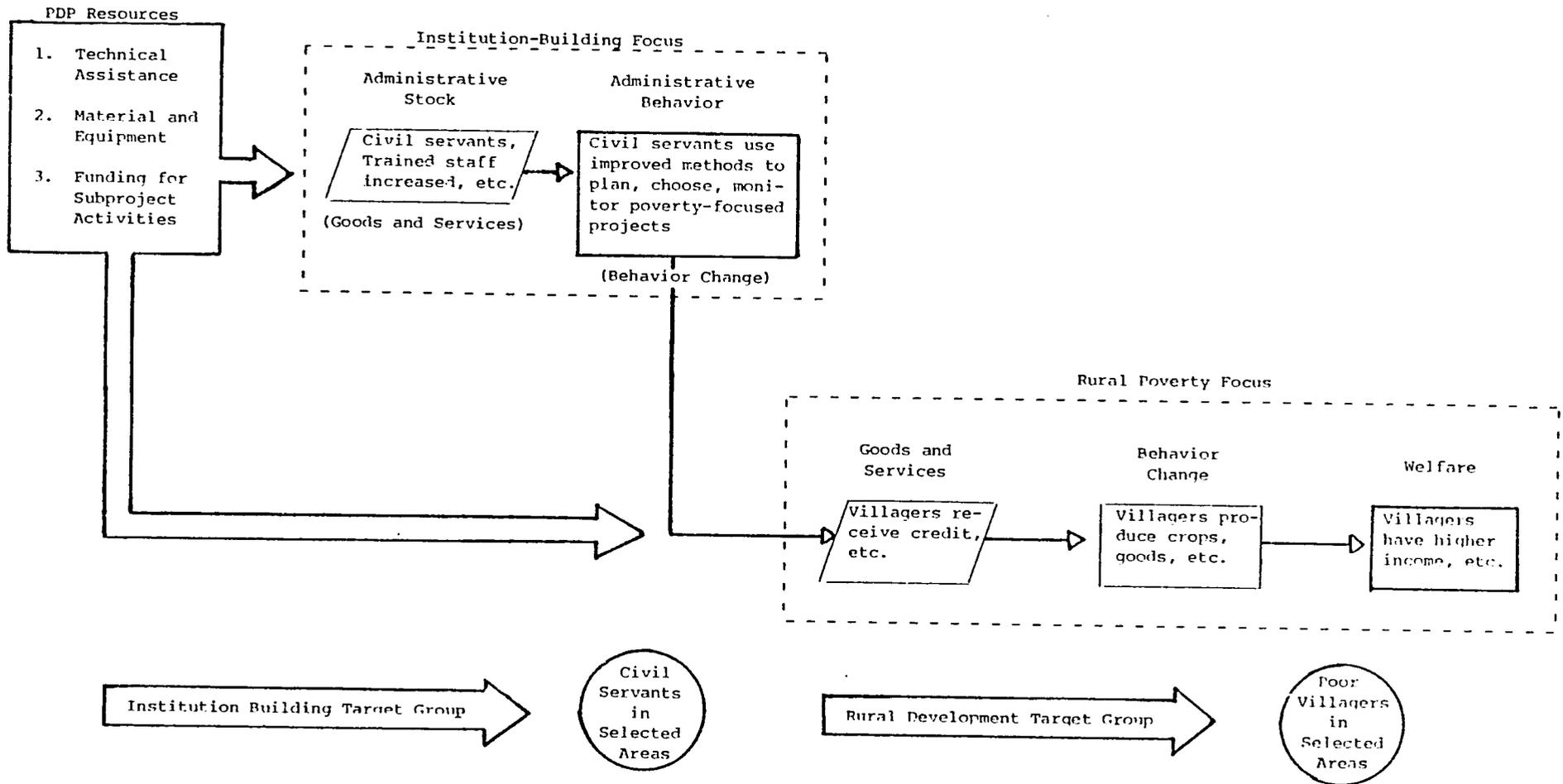
Although it was called "institution-building" in PDP documents, the project strategy of upgrading the capabilities of existing provincial planning bodies and line agencies qualifies it as "capacity building." PDP's objectives go beyond increasing personnel, vehicles or money spending ability to building a self-sustaining capacity for integrated, poverty-focused rural development activity at subnational levels of government. Capacity building in this context is more complex than just raising the stock of administrative resources--it is also concerned with creating new relationships and behavior patterns between government levels and within civil servant target groups. Furthermore, it is this new behavior by civil servants which is expected to deliver higher levels and new mixes or types of services to rural villagers. After all, it is the improvement in villager welfare that justifies the expenditures to change administration behavior.

The dual focus of PDP and the two aspects of "institution-building" (administrative stock and administrative behavior) are summarized in figure 2. This diagram also notes the sequential and dependent nature of the relationship between the two PDP target groups.

With this analytical model in place, nine key concepts were defined to provide the basis for indicators of the different dimensions of PDP's impact on multiple dimensions of the capacities of local organizations and institutions:

- An organization is a system of interacting people and roles.
- An institution is an organization which is populated by people who did not witness the origin or creation of the organization.
- Administrative capability is estimated on the basis of both administrative stock and administrative behavior and it suggests the likelihood that an organization can complete a particular task up to a specific standard.
- Administrative stock is a static inventory of resources (human, material, and so forth) controlled or used by an organization.
- Administrative behavior is what organization members are doing that results in goods and services being delivered during a given period of time.
- Targeted administrative behavior refers to the consciously determined behavioral objectives of capacity-building

Figure 2. Dual Focus of the Provincial Area Development Program



- Behavioral outcome is that administrative behavior which results from a combination of capacity-building efforts and environmental dynamics whether that behavior is targeted or not.
- Institutionalization has occurred when external resources have been withdrawn and when behavioral outcome has been adopted by persons who were not part of the original target group--and thus the outcome is self-sustaining.
- Institutional progress is institutionalization which supports self-sustaining improvements in the welfare of rural villagers.

These terms were used to clarify the multiple dimensions of improved capacity which might result from PDP activity. PDP is an attempt to raise the level of administration stock (absorptive capacity) of selected provinces. One measure of success would thus be higher levels of future central government investment in PDP related activities and successful absorption of this investment. However, this absorption must be measured not only by spending, but also by service delivery on the part of government staff. This is administrative behavior.

For the goal of PDP to be met, this behavioral outcome must be consistent with institutional progress. However, measuring goal achievement cannot occur until well after project assistance has been withdrawn. Thus the more immediate objective must be targeted administrative behavior. For example, in the PDP context, one behavioral target would be developing and using operational criteria for selecting subprojects aimed directly at the rural poor. To do this, however, it is first necessary to be able to identify the rural poor.

The problem of raising the ability to identify target groups must be attacked directly. In fact, this is being done by PDP staff in Central Java, where an inventory of situationally appropriate "prosperity indicators" has been developed (Soetoro, 1979).

However, establishing a set of prosperity indicators does not automatically lead to their use. If supervisors discourage staff from using these indicators and instead reward them for using other criteria (such as friendship or contributions) then there is less chance that targeted administrative behavior will be achieved. Thus organizational incentive systems can be expected to play a very prominent role in capacity-building.

Many different factors can influence performance incentives. For example, inadequate salary levels (which make two or three jobs necessary) can introduce conflicting loyalties, lower organizational commitment, and decrease the time spent on the job.

In other situations, management procedures can actually provide disincentives for performance. For example, in Aceh Province of Indonesia, responsibility for a vehicle (administrative stock) is given to one person. This identifies the person accountable for the vehicle's condition and thus simplifies management. However, when this assignment is combined with certain financial management procedures, it rewards people for non-performance and it can penalize them for following targeted administrative behavior. In particular, when the responsible staff member receives, in cash, a standard monthly allotment to cover the cost of gasoline and routine maintenance, there is an incentive not to make frequent visits to isolated rural areas because this increases gasoline costs and raises the probability of minor repairs and other maintenance. Since anything over the allotment must come from the civil servant's own pocket, such a procedure can be an effective deterrent to delivering services to rural areas, monitoring field activities, or incorporating villagers into project decision making.

Thus, a necessary step in improving capability is targeting general types of staff behavior and examining existing incentive systems which either support or discourage such behavior. Supportive incentives would then be reinforced or expanded, while disincentives would be discarded or suppressed. Using this discussion and the ten key terms as reference points, 21 indicators were developed to evaluate the capacity-building impact of PDP. Those indicators are displayed in table 2.

The different stages of impact and the crucial stock/incentives/behavior flow qualify the above approach as both dynamic and impact-oriented. A more recent dynamic perspective has been set forth by David Korten. Based on a review of community organization experiences in five Asian countries, Korten (1980: 480-511) articulated a three-phase model of capacity. In his view, organizations (if they are lucky) pass through three stages of learning:

- Learning to be effective;
- Learning to be efficient; and
- Learning to expand.

From this perspective, organizations first must learn how to deliver goods and services to their clientele. If they successfully do this, they can advance to the stage of learning how to deliver more with less and thus obtain a competitive edge over competing organizations. Finally, once secured survival has been obtained, they can learn to expand their functional or spatial coverage. Those who make it have learned how to learn and are thus viable institutions.

Table 2. Proxies for Identifying Institutional Impact of PDP

Indicator	Impact Dimensions
Streamlined financial management procedures continue and they result in maintaining quick disbursement times	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Administrative capability</li> </ul>
Adoption of forward planning techniques (networking, etc.) as routine practice	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Administrative capability</li> </ul>
Central government investment in target areas continues	<ul style="list-style-type: none"> <li>● Administrative stock</li> <li>● Behavioral outcome</li> </ul>
Expenditure pattern reflects rural poverty-focused priority	<ul style="list-style-type: none"> <li>● Administrative stock</li> <li>● Institutional progress</li> </ul>
After technical assistance withdrawn former local staff of PDP-I function as consultants, directors or initiators of administrative reforms based on PDP innovations	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Administrative capability</li> </ul>
Complementarity of line agency projects demonstrated in written form and reflected in yearly provincial budgets	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Administrative capability</li> </ul>
High attendance at "integrated" planning meetings and monitoring exercises show inter-departmental participation	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Administrative capability</li> </ul>
Continual use and improvement of documentation system (DIPs, DUPs, etc.) based on PDP experience and experimentation	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Administrative capability</li> </ul>
Activity and/or policy stressing "targeted administrative behavior" and which uses substance or terms emanating from PDP	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Administrative stock</li> </ul>
Policies and/or behavior and/or planning or operational documents reflect content of "concept papers" prepared by technical assistance staff	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Administrative stock</li> </ul>

Table 2. Continued

Indicator	Impact Dimensions
Development and use of prosperity indicators in project design, selection, evaluation	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Institutional progress</li> </ul>
As initial village target group income rises, projects shift to less advantaged groups	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Institutional progress</li> </ul>
Target group shift criteria established and followed	<ul style="list-style-type: none"> <li>● Administrative capability</li> <li>● Behavioral outcome</li> <li>● Institutional progress</li> </ul>
Rural villagers incorporated into planning decisions/implementation processes through mechanisms initiated or inspired by PDP	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Institutional progress</li> </ul>
Beneficiary-level credit funds <u>continue</u> to revolve (or in the case of <u>initial failure</u> they <u>begin</u> to revolve) based on FDP recommendations	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Institutional progress</li> </ul>
Periodic examination of appropriateness of incentive system and adoption of new procedures when necessary	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Administrative capability</li> </ul>
Effect on rural poverty focus used as criteria for targeting administrative behavior and examining incentive system	<ul style="list-style-type: none"> <li>● Institutional progress</li> <li>● Behavioral outcome</li> </ul>
Routine assessments of administrative stock in relation to targeted administrative behavior incorporated into staffing requests forward planning documents, etc.	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Administrative capability</li> </ul>
National government confidence in provincial capability demonstrated by: <ul style="list-style-type: none"> <li>a. promotions of people with PDP experience</li> <li>b. increased autonomy for local staff</li> <li>c. use of provincial personnel as instructors in national level seminars on poverty-focused rural development</li> </ul>	<ul style="list-style-type: none"> <li>● Behavioral outcome</li> <li>● Institutional progress</li> </ul>

This mention of survival should not be confused with the institution-building school's central concern with it. Survival in the capacity building sense is only instrumental, an indicator of efficient provision of services, and not and an objective. In fact, it may be desirable to design government organizations which disappear after they have devolved their functions to private sector or community-based organizations. Institution-building maximizes chances for organizational perpetuation, whereas capacity building maximizes client responsiveness. These are two very different orientations (Fox and others, 1976).

Korten (1980) also suggests that successful capacity building within community organizations results from a high degree of fit between the program, the organization and the beneficiaries. The program must provide goods and services that meet beneficiary needs and its task requirements must match the distinctive competence of the organization whose capacity is being built. Additionally, the beneficiaries' way of expressing demands must be compatible with the focal organization's decision processes.

In his discussion of ways to achieve this fit through a "learning process approach", Korten conjures up the conceptual ideal as he proposes that an indicator of capacity is the willingness to embrace error:

The learning organization embraces error. Aware of the limitations of their knowledge, members of this type of organization look on error as a vital source of data for making adjustments to achieve a better fit with beneficiary needs. An organization in which such learning is valued is characterized by the candor and practical sophistication with which its members discuss their own errors, what they have learned from them, and the corrective actions they are attempting. Intellectual integrity is combined with a sense of vitality and purpose. Such a climate in an organization is an almost certain indication of effective leadership (Korten, 1980: 498).

From this perspective, a major objective of capacity-building is to achieve this self-critical quality as a means for determining and creating adequate fit and as a method for propelling the organization through the three stages of the learning process approach.

All of these approaches go beyond the internal and boundary-spanning viewpoints to consider either the time frame or sequence of capacity formation or the impact of capacity on the organization's environment. However, they do tend to emphasize the distinction, through both time and space, between the focal organization, or project, and its environment.

Work in Egypt by Donald Mickelwait and Gary Eilerts, (Mickelwait and others, 1980) however stressed the artificiality of that distinction. Their study, which examined ways to monitor and evaluate the process of decentralization through the basic village services program, emphasized the interactive nature of the capacity-impact relationship. Their focal organization was the village and their discussion of how to measure village capacity was introduced by the following:

Indeed, the line between many of the measures of "capability" and those of "rural benefits" will often be very ragged and difficult to separate into distinct measures. This is particularly because, at some point, village level capabilities are being affected by, as well as affecting, the transformation of decentralized programs into rural benefits. Capability, then, becomes not only an intervening variable but, to some degree, a rural benefit (Mickelwait and others, 1980: 128).

Recognizing that many capability indicators can fall on either side of the organizational boundary and confound the measurement of cause-effect relationships, Mickelwait and Eilerts suggest that, through time, input/output project data, inter-village comparisons of the per capita volume of resources locally managed, and the profitability of income-generating projects, can be used both to indicate village capacity and to measure the volume of program consequences and project impact ("rural benefits"). One way of recasting this is to say that impact implies supportive structure. That is, if the village gets the fish, the structure is all right.

They go on to say that other, "softer," cognitive measures of village unit managerial capabilities can provide supplemental data. These measures include background and qualification characteristics of a village's local popular council and executive council and subjective estimations of capabilities by informed local observers. Thus, from their perspective, the existing condition of "administrative stock" cannot be separated from the overall environment. Moreover, raising the stock will itself affect the environment.

Their "performance" measures, which become "efficiency benefits" on the other side of the equation, tend to focus on administrative behavior. Thus their approach has much in common with that used in Indonesia although it uses major categories of "village unit capability" and "rural benefits" rather than a dual focus on "institution-building" and "rural poverty". A summary of measures proposed by Mickelwait and Eilerts is presented in tables 3 and 4 (also see Mayfield, 1980).

The theme unifying the authors with the dynamic/impact orientation is the expansion of the internal-focused and boundary-spanning perspective to include a dynamic dimension and

Table 3. Summary of the Measurement of Village Unit Capability

<u>Variable</u>	<u>Indicator</u>	<u>Location of data</u>	<u>Data collectors</u>
Past history of management of discretionary funds	Efficiency of resource use -- input/output measures, by type and location of projects;	Village unit area.	Evaluation team working with basic records of village; interviews and observations.
	Rapidity of implementation of locally managed projects;		
	Critical decisions and actions (CPIA) taken locally;		
	Volume of LSF activities (per capita and by project);		
	Volume of locally generated contributions to service projects;		
Adequate background of elected and appointed members of the two village councils	Net profit of income generating projects; and		
Observer estimations of village council capability.	Loan repayment record.		

Source: Mickelwait and others (1980): 127

Table 4. Summary of the Measurement of Rural Benefits

Variable	Indicator	Location of data	Data collectors
Allocation/selection benefits	Project selection index	Village council unit	Local authorities working with assistance of evaluation team
Efficiency benefits	Elapsed time to project completion		
	Cost reductions from local contributions;		
	Cost reductions from increased supervision;		
Effectiveness benefits	Cost reductions from more competitive bidding; and		
	Cross project comparisons of benefits generated		
Continuation benefits	Measurements of benefits over time		
Multiplier benefits	Measurements of indirect benefits of project implementation		

Source: Mickelwait and others (1980): 132

emphasize the impact of the focal organization on the larger environment. This expanded perspective is important for two reasons. First, both the definition and substance of capacity are constantly evolving and thus a dynamic orientation is needed. Second, the purpose of capacity building is to enhance human well-being and not to perpetuate an organizational form. Thus the impact of organizational activities must be considered. Moreover, organizational capability cannot be separated entirely from characteristics of the local environment. As Coleman articulates it:

Polity capacity is not solely a function of organizational technology or the efficiency of bureaucratic personnel and machinery; it is also a function of the extent to which the society itself--the economic, social and political infrastructure--can absorb, deflect, or respond to the wide range of demands generated in a modernizing country and thereby minimize or obviate explicit government involvement (Coleman, 1971: 99).

Therein lies much of the difficulty and frustration of capacity building and its measurement.

#### MEASUREMENT DIFFICULTIES

Field experience is a rich source of materials to document the rudimentary nature of capacity definition and the contextual nature of measures. For example, in the attempt to evaluate the success of provincial capacity building in the Philippines, organizational structure was found to be unrelated to leadership capacity or fiscal management (deGuzman and others, 1973). Thus one measure (existence and use of coordinating committees) was found useless.

In another situation a factor considered detrimental to capacity building was suggested as an element of capacity. Korten (1980) presented the time-bound project focus of international donors as being at odds with the long-term cumulative process of social learning. Yet interviews by the author with field staff in Botswana supported the contention that the management capacity of the Ministry of Agriculture was improved by an AID project which forced staff to place diffuse bureaucratic objectives into a coherent time-bound framework. Thus it is very difficult to be sure we are measuring appropriate aspects of capacity. In fact, the tendency to miss the "folk management" dimension and to concentrate on behaviors and roles parallel to those which are familiar to developed country consultants suggests that capacities are missed when they do exist and they are imputed when they are nonexistent.

Moreover, indicators are contextual. For example, personnel turnover rates in an environment characterized by high unemployment may not reflect the same phenomenon as similar rates in a time or area of low unemployment (G. H. Honadle, 1979c). Thus care must be taken to fully appreciate the way variations through time and space affect factors that are thought to signify capacity.

This problem is further compounded by two additional factors. First, measurement of capacity is likely to be indirect. It is seldom possible in the social sciences to directly monitor phenomena of interest (Adelman and Morris, 1972). Second, theoretical clarity on the components of capacity is noticeably lacking. The "list-building" rather than "model-building" approach often taken to defining capacity is one of the many pieces of evidence supporting the lack of clarity. If the state of the art were advanced to the point where it was possible to specify the critical factors in a given situation, there would be less tendency among capacity definers to cast their nets so widely. The theoretical vagueness promotes a fear that something has been missed, which in turn leads to an attempt to build the longer and most comprehensive list.

In chapter three, this problem will be tackled directly. A "short list" of seven essential practice elements will be combined with three strategies into a temporal framework which suggests a "model" for inducing desired effects. This does not, however, solve all measurement problems.

There is also the problem of specifying cause-effect chains. Mickelwait and Eilerts abandon the attempt to specify a linear model. Although this may be sensible for measurement it does not assist building efforts. In fact, except for Uphoff, Honadle, and Korten, no one suggests the temporal dimension. This leads to an imprecise understanding of the relationships among factors.

Imprecise concepts can be made even more fuzzy by data collection approaches based on outsiders' attitudes and images rather than organizational behavior and assets. The "institutional viability" approach presented earlier is an example of such an exercise. By basing capacity estimates on amorphous and totally subjective categories, it both invites sampling problems and further removes field exercises from the definitional clarity which is so desperately needed.

In addition to technical problems of measurement and data collection, there is also an incentive problem--in the daily administration of rural development, the long-term, diffuse objectives of capacity building are often pushed aside to make room for the more short-term, direct, and focused production objectives. It is easier for donors to spend money fast by building infrastructure, and it is easier for technical assistance personnel to measure their accomplishments and legitimize their

costs by gauging increases in agricultural production or by displaying kilometers of new road, than it is to assess whether or not their work is leading to long-term improvements in local practices. Thus the practice of rural development is itself often opposed to the thoughtfulness which is required to improve the state of the art of capacity building.

#### SUMMARY

Consensus on the definition of capacity exists only on an abstract level. That consensus stresses an "unfettered", "creative," and idealistic image of an individual artist which pervades the rhetoric but offers little concrete guidance to those involved in the capacity-building process.

Most observers, however, recognize that capacity is contextual and that organizational boundaries are open. Thus internally-focused probings are by themselves unlikely to identify capacity accurately. Rather, perspectives based on boundary-spanning and impact observations are more likely to identify critical dimensions. Moreover, multiple indicators are needed to capture the essence of such an elusive and multidimensional phenomenon as organizational capacity.

The tension between cognitive and structural approaches also permeates the definitional arena. At higher levels of abstraction, the cognitive view dominates, but at a more concrete level the structural view plays a larger role by identifying reasons why very little seems to work. In fact, at the practical level, only the "institutional viability model" is wholeheartedly cognitive.

Of the small sample of approaches reviewed here, those classified as dynamic/impact appear to be most capable of providing practical guidance to practitioners. By placing capacity building into a temporal, sequential framework and by identifying impact dimensions these observers suggest avenues of action.

## CHAPTER THREE

## BUILDING CAPACITY: THE MEANS

The introduction to this monograph identified two necessary ingredients for building organizational capacity--clear objectives and means which do not themselves thwart the attainment of those objectives. This chapter looks at the means.

This examination will occur in the following way: first, those elements which seem to be critical to successful experiences will be identified; second, the importance of the sequential nature of capacity building will be discussed; and third, appropriate roles for donor agencies will be identified.

Before plunging into this examination, however, a few caveats are warranted. The lessons have been extracted from a wide range of experiences in North America, Africa, Asia, and Latin America. For such lessons to be used in specific times and places requires making adjustments for contextual and historical conditions.

Not only do the experiences draw on a geographically varied sample, they also represent multiple levels of intervention. The literature on administrative reform, community organization, and group dynamics all contribute some insights into what has worked in practice. Since the focus of capacity building may be on governmental agencies, beneficiary or community organizations, project management teams, or even private sector, nongovernmental organizations, the desire should be to synthesize lessons which may be generally applicable. Nevertheless, there is a concurrent need to keep in mind the fact that where the client sits in the web of power relationships will certainly influence the appropriateness of different sequences and speeds of implementation, and it will affect the relative importance of each of the critical elements identified in the following section. The best way to ensure that this fact is incorporated into field action is to involve the client in a collaborative effort, which is itself one of the critical elements.

## CRITICAL ELEMENTS TO BUILDING CAPACITY

In addition to the documentation of specific experiences, the following sources were tapped: summaries of domestic U.S. lessons (B. W. Honadle, 1981a; Office of Management and Budget, 1975; Rothman, 1974), overviews of international experience (Korten, 1980; Gow and others, 1978; Holdcroft, 1977; Morss and others, 1976; Uphoff and Esman, 1974) and collections of readings or propositions focusing on induced change (Kotler and others, 1972; G. H. Honadle and others, 1980b).

Examination of this documentation produces seven important elements which characterize successful capacity building:

1. Risk sharing;
2. Involvement of multiple levels;
3. Existence of appropriate incentives;
4. Demonstrated success;
5. Collaborative activities;
6. Use of an existing resource base; and
7. Emphasis on learning.

Each of these items is presented and discussed below.

### Risk Sharing

An empirical study of rural development projects in Africa and Latin America concluded that when beneficiaries contribute to project resources, there is a higher probability of project success (Morss and others, 1976). That is, when the client and the service provider share the risk of failure, the commitment of the client is higher and there is a greater chance that innovations will become self-sustaining.

A similar finding emerged from the domestic U.S. experience. When state and local government officials were willing to use some of their own resources to augment Federal capacity-building programs, those officials were more committed to the program and more motivated to make it work (Office of Management and Budget, 1975). Thus one aspect of risk sharing which builds commitment is multiple-funding sources.

Another aspect of the risk dimension which reduces the chance of failure is to implement the capacity-building process in a phased, incremental manner. (B. W. Honadle, 1981b). A step-by-step approach not only lowers the risk of failure, it also lowers the appearance of risk and thus overcomes some resistance to change. Moreover, since a phased strategy does not require the powerless to expose so many of their finite political resources in the initial phase, they are made less vulnerable to organizational predators. Thus risk sharing displays both cognitive and structural characteristics.

## Multiple Levels

Multiple funding also suggests involvement of multiple levels or actors. In fact, a cross-national study of local governance in Asia found that successful development was related to a division of labor, allocation of responsibility, and involvement among multiple levels of government (Uphoff and Esman, 1974). A similar finding holds true of attempts to build project-related and community-based local organizations. Attempts to by-pass elites and deal only with peasants are bound to be nonsustainable (Gow and others, 1978). This raises that familiar question of "who owns the fish?"

Given these experiences, there is no reason to believe that capacity-building efforts focusing on management teams or administrative units would be any different. For instance, if extension staff capacity is to be improved, supervisory personnel and project leadership should be involved, because if they do not support targeted behavior there is little chance that initial changes will continue for long. Thus capacity-building activities which focus only on one organizational or societal level can be expected to fail without incorporating higher levels into the capacity building process, the existing power structure will block changes which threaten that structure.

This also suggests that capacity building will be a conflict-ridden process. The involvement of different levels will often require the participation of actors with opposing agendas: tillers and landlords or district staff and national officials will often have interest which conflict. In such situations improved communications and clear objectives will not remove the conflict. Rather, a concurrence on means may be set as the minimum precondition for collective action.

Such a multi-level orientation requires an understanding of the two-way nature of hierarchical relationships and an appreciation of the constraints faced by one set of actors due to the policies, procedures, and actual practices of the other set. That is, it is necessary to focus directly upon the role of organizational and social penalties and incentives for alternative behaviors.

## Incentives

A classic story is often told by Elliott Morss of Tanzanian officials who had been trained in "rational" methods for designing and documenting village-level projects. At the end of the training the field staff praised the instructors and agreed it had been a good experience. However, they raised one central question--why should they use new methods when they knew that players at higher levels in the budgetary process did not use the criteria imbued in these techniques to choose the projects to be funded?

Indeed, a focus on incentives supports the contention that, by itself, a cognitive-based skill training strategy is doomed to failure. New skills are not used for good reasons; power structures make a difference.

Moreover, collective actions will not be taken when such actions will be penalized. In this regard an Indonesian example comes to mind. An expatriate had been criticizing the "fatalism" of Indonesian villagers and illustrated the point with the case of a bridge that had been destroyed by a flood and the unwillingness of the community to band together and reconstruct the bridge. Upon closer examination, however, community inaction was hardly related to fatalism. Instead, it was based on a sound understanding of power relationships. As long as the bridge was unattended those with boats would gain from ferrying people back and forth across the river. Since the village head was benefiting by having relatives provide the service, villagers were unwilling to confront him until the burden became intolerable. Clearly a concern for incentives necessitates an examination of the distribution of resources and power.

The question of incentives also requires an understanding of the different agendas held by powerful actors. For example, attempts to build village group capacities in an irrigation scheme are likely to be thwarted if the purpose of the scheme from the central government perspective is to weaken village leadership by transferring land allocation authority from the village headman to a line agency.

Both U.S. experience (Office of Management and Budget, 1975), and international experience (Hannah, Owens and Mickelwait, 1981; G. H. Honadle and others, 1980b) with capacity building supports the need to have performance incentives in line with the intended outcome of capacity-building exercises. Moreover, successful exercises tend to specifically incorporate incentive data into their design. Unless it can be demonstrated that expected behavior changes will be accepted by the environment, there is no reason to believe that the expectations will be fulfilled.

### Demonstration

Unless new behavior is demonstrably more effective than old, there is no reason to anticipate that skeptical peasants or bureaucrats will adopt them. The success of the "Green Revolution" has been largely due to the ability to show the superiority of new technologies. The success of the U.S. Department of Housing and Urban Development's Financial Management Capacity-Sharing Program has been attributed to a similar ability (B. W. Honadle, 1981a), successful work with the Provincial Development Program in Indonesia exhibits the same characteristic (Hannah, Owens, and Mickelwait, 1981), and work with the National Irrigation Administration in the Philippines follows the same

pattern (Korten, 1980). It appears that a demonstration (or testing) phase should be an integral part of capacity-building programs.

This emphasis on demonstration should not be confused with replication. The idea is not to import the latest gimmick, but rather to show (or discover) something that is workable in the particular local situation. This also implies that when training is a major component of a capacity-raising program, that training will be for actual work groups and problem-solving teams and not a prepackaged program given to participants drawn from the corners of the globe. In the latter case, demonstration would be based on inference and would not be real. Since cognitive change is sought through demonstration, local settings must provide the experience base. And to ensure that the demonstration is related to local settings, the demonstration should be conducted in a collaborative fashion.

### Collaboration

If the receiver of capacity-building assistance does not trust the provider, it is unlikely that critical data will surface and it is unlikely that the assistance will be successful. One function of a collaborative style of assistance is to establish a necessary level of trust.

Another function of collaborative activities is to transfer "ownership" of outputs, strategies, and recommendations to the client. When activities are undertaken jointly, there is a mutual learning process which occurs through the sharing of ideas, the exploration of alternatives, and the specification of decision criteria. This is often, in itself, a transition between cognitive states and a necessary precondition for examining structural constraints.

Additionally, collaboration provides an initial testing ground for ideas and a demonstration of "open management" (see Van Sant and Weisel, 1979). An open approach not only builds a bridge between the adviser and client, it also provides the client with a greater understanding of the substance of the intervention and allows the transfer of that knowledge to new people and other situations. Thus a joint effort should characterize field work in capacity building if it is to succeed.

### Resource Base

Capacity building is distinguishable from institution building partly by the emphasis on strengthening existing entities rather than creating new ones. The assumption is that some continuity with the past will improve the chances that new practices will continue into the future. This distinguishing attribute also extends to a preference for enhancing existing resource bases and building on locally defined needs rather than the wholesale importation of resources or ideas about what is needed.

The local resource base includes community "folk-management" skills (Iversen, 1979) and informal networks which are used to make things happen. This is recognized by Dennis Rondinelli, who contends:

Building administrative capacity often implies...the need for change in traditional practices and behavior... At the same time, the changes required cannot be so foreign to local customs and traditions that they will inhibit acceptance or impose obstructive practices. Special recognition must be given to designing administrative arrangements that utilize informal methods of decision making and interaction. Coordination and cooperation in most developing nations are achieved through informal, personal networks of interaction. They are usually dependent on complex patron/client and person obligation-and-exchange relationships that cannot, and probably should not, be replaced quickly with formal administrative or organizational mechanisms. Understanding these processes and using them in project implementation are an essential part of effective design (Rondinelli, 1979: 46-47).

The resource base has a physical and financial aspect as well as a human and organizational one. In instances where physical and financial resources already exist, so much the better. In the more frequent case where a new resource base is being provided (be it increased income from agricultural production or local taxing power), the nature, source, and reliability of the new base must be examined carefully. For instance, if taxing power is to be given to a village-level entity, the question of the certainty of future income streams of the citizenry and the predatory inclinations of higher government levels must be evaluated in measuring the adequacy of future revenue for village projects. In addition, the nature of the resources themselves should be considered. For example, project-related capitalization for a cooperative or a line item in a provincial budget is not a reliable source of funding for an organization without previous power. On the other hand, a monopoly over physical resources such as irrigation water, wells, a forestry preserve, or a village woodlot provides a much sounder financial basis for future activities. In fact, it can be hypothesized that, when dealing with nondominant groups, an essential element of successful capacity building is likely to be the acquisition of control over a central set of natural resources. Thus capacity-building efforts based only on providing social services or improving management are unlikely to be sustainable. Success requires some kind of a link to income producing activity and sufficient control over the disposition of that income.

This discussion of the resource base highlights the political economy of capacity. Since organizational resource control (stock, if you will) is an essential aspect of capability, the

core issue is one of empowerment. This is why cognitive and exclusively training-oriented approaches are likely to appear peripheral during a time of crisis. Resource bases and structure count. Only when there are some fish in the sea will teaching fishing make any sense, and further, only when the trainee own the fish is capacity truly enhanced.

### Learning Emphasis

Another element which seems to be critical to successful capacity building is an emphasis on mutual learning rather than squeezing facts to fit them into a preconceived solution (Korten, 1980). This reverts back to the conceptual ideal of capacity, the dream of learning and growing. Yet it is more than a dream. When the capacity-building process is unable to generate a learning excitement, it is not likely to work.

One way to generate a learning excitement is to legitimize a self-conscious focus on learning why things worked and why they didn't. From this perspective, learning and recording why something failed may be as important, in the long run, as making it succeed. In fact, it may be a prerequisite for making it work (G. H. Honadle and others, 1980b).

An essential part of this approach is an ongoing data collection activity such as an information system (Development Alternatives, Inc., 1978) or the use of what Korten calls a "process documenter" (Korten, 1980). Another method which has been used in numerous locations by John D. Montgomery is the "decision seminar" (Montgomery, 1974; 1979b).

The learning emphasis has implications for the way that training, counseling, and other methods will be applied. When the focus is on mutual learning and enhancing existing knowledge and skills rather than transferring an established technique or skill package, then the application will stress the knowledge already held by the client (Hannah, Owens, and Mickelwait 1981; Armor and others 1979; Armor, 1981). Thus a learning orientation requires some use of a process consultation approach which includes the embracing of error and knowledge building related to an experiential, experimental process. This is a cognitive emphasis.

In sum, then, field experience indicates that there are seven critical elements required for capacity building to succeed. This does not mean that all will be equally important in any given case, but that during the capacity-building sequence all must appear.

## IMPORTANCE OF SEQUENCING

In discussions of development, strategy choices have often dominated the agenda. Issues are often posed as discrete alternatives encountered at a crossroads; a road taken versus a road untaken. Among these strategy forks are:

- Investment in agriculture versus investment in industry;
- Bottom-up versus top-down;
- Old institutions versus new organizations;
- Private sector versus public sector;
- Functional agency versus integrated development;
- Project approach versus community approach;
- Trickle-down versus poverty-oriented;
- Balanced growth versus imbalanced growth; and, of course,
- Cognitive versus structural.

Such depictions confuse the issue because they miss the fact that development is not a one-time choice--it is a process. When the temporal dimension is eliminated, insights become shallow and dogma replaces understanding. This critique also applies to capacity building which must also be viewed as a process or sequence rather than as a one-time choice among alternatives.

This perspective was stressed in a recent report on integrated rural development (G. H. Honadle and others, 1980b). In a section dealing with organization design, the point was made that organization design must be seen not as a single determination of an optimal strategy, but rather as a sequence of organizational forms adapting to emergent conditions; what begins as a PMU might become a permanent agency attached to a provincial planning body. The scenario, however, should be stated during design while implementation workshops should be used to elaborate or modify the initial idea. Thus each adopted strategy is merely a temporary emphasis within a learning experience.

A parallel situation exists with regard to structural versus cognitive strategies for capacity building and in terms of which of the critical elements should be stressed at a particular time. For example, it has been contended that:

There are discernible patterns of environmental contingencies that influence the relative effectiveness of different interventions. Among these factors, the

scale of the problem, the position in the organization of the person defining, the problem and the resources of those who do not see the situation as problematic are all contingencies. In fact, these contingencies help identify the relative desirability of either development administration or organization development strategies.

Administrative reforms often fail for reasons of interpersonal dynamics. Therefore, the installation, adoption, and continuing use of new procedures requires a sensitivity to an organization development process approach. In fact, a development administration analysis, followed by an organization development intervention, may be the most effective sequence for implementing some reforms.

On the other hand, before consensus is reached on the need for a reform, it may be infeasible to attempt to determine the substantive nature of the change. Thus, organization development activity may be a prerequisite for development administration efforts. Local factors, then, may partially determine the impact of different sequences (Honadle and Klaus, 1979: 210-211).

Adopting this view, capacity builders would not be expected to stress all items in the initial phases of work, but instead they would be expected to gradually ease into those areas containing higher levels of resistance. Such factors as multiple level involvement, incentives, and resource bases might be expected to be rallying points for resistance, and thus they might be less evident in the initial stages of a capacity-building program. These are more threatening, because they most directly confront the empowerment issue. Eventually, however, these factors must be integrated into the effort or it will fail--the fish will still belong to someone else.

Field experiences, then, can be best appreciated when they are set into a dynamic framework. Capacity-building efforts can be expected to follow a life cycle; each of the seven elements will dominate various phases of that cycle. No single correct sequence can be specified, but a knowledgeable observer will expect the practice to reflect a sequential use of different strategies and an appreciation of the nature of learning curves.

#### THE LEARNING CURVE

People and organizations do not perform or learn at a constant rate. Although there is much variation among entities, a general tendency has been recognized for many decades. That tendency has been characterized as an S-curve.

For example, when engineers plot expected performance, such as kilometers of road completed, they expect a cumulative record resembling an "S", rather than a straight line. In the beginning

progress is slow, it picks up and peaks, and finally it tapers off. Given such a tendency, a monitoring system based on an expected straight line performance would falsely signal early progress as lagging and midterm performance as outstanding. Thus knowledge of the S-curve avoids inaccurate progress reports.

Since a similar phenomenon can be expected in the growth of organizational capability, well-designed capacity-building efforts will anticipate the curve and not expect too much in the beginning or be falsely assured by the bulge in the middle. In fact, activities might be planned to be low-key at first with visibility gradually increasing. Attempts to push too quickly too soon can be expected to fail.

Korten's study also suggests that successful organizations pass through a sequence of three S-curves (Korten, 1980). First, they learn to be effective in their internal tasks and in their interactions with the environment. Next, they learn to be more efficient in those activities. And finally, they expand their portfolio either by entering new geographic areas or by engaging in new functions.

The sequence of these learning curves is important. If expansion is attempted before effectiveness and efficiency are reached, the result may be disintegration. Thus, even though multiple functions may be necessary to organizational survival, capacity building should initially focus on effective performance of a single critical function (Tendler, 1976). This avoids overtaxing the absorptive and performance capabilities of the client organization, and it improves the likelihood that the function will be mastered and success will be demonstrated. Successful efforts, then, can be expected to:

- Start simple;
- Focus on structural constraints;
- Progress incrementally;
- Respond to new demands as they occur; and
- Use pilot projects and learning laboratories to build capacity.

Moreover, a three-phase process can be expected to use different resource mobilization and change agent strategies during each phase.

## MULTIPLE STRATEGIES

Different basic strategies can be used to build organizational capability and to empower clients to gain access to, or manage, resources. Earlier discussion emphasized differences between cognitive and structural worldviews and the concomitant tendency to stress communication, image, attitudes, and information on the one hand versus power, incentives, and resources on the other hand.

When a cognitive path is being taken, there are numerous tactics available. For example, pedagogical tools stressing the prison chains imposed by cultural/perceptual blinders have been developed and used by Paulo Freire, (1969, 1973) in Brazil and by Ivan Illich (1974) in Mexico.

More conservative, incremental tactics have been used by organizational development (OD) consultants (Sherwood, 1972,; Armor, 1981). In addition to both formal training courses and nonformal training workshops (Coombs and Ahmed, 1974) these tactics includes the following (Armor, 1981: 6):

- Confrontation meeting. This problem-solving activity is used when problems have been already identified. The entire management group of an organization is brought together, problems and attitudes are collected and shared, priorities are then established, and commitments to action are made by setting targets or assigning task forces.
- Third-party facilitation. The use of a skilled third party to assist in the diagnosis, understanding and resolution of difficult human relations problems is often a useful catalyst in the process of organizational introspection.
- Process observation and feedback. Through observation of group and interpersonal relations and through insightful critiques based on those observations, a third party can help people to work more effectively together.
- Team building. This focuses on early identification and solution of potential problems, particularly interpersonal obstructions. Often they can be avoided by working on communication skills, problems of hierarchy, trust, respect, and conflict management.
- Intergroup problem-solving. Groups are brought together for the purpose of reducing unhealthy competitiveness, to resolve intergroup conflicts due to such things as overlapping responsibilities or confused lines of authority, and to enhance interdependence when it exists and is appropriate.

- Goal setting and planning. Supervisor-subordinate pairs or teams throughout the organization engage in systematic and periodic target setting and performance evaluation. With mutual commitment to this procedure, joint goal setting becomes ingrained in the organization's dynamics.
- Role negotiation. Through a systematic series of steps, members of an organization can realign their mutual expectations and commitments to avoid redefining the role relations between organizational units as well as those between individuals.
- Coaching and counseling. Often people can benefit from a close and continuing relationship with someone with whom they can share their problems, and who will help them to identify possible causes and solutions in an effort to improve their effectiveness.

These approaches can help to set the stage and get people ready to deal with the larger issues. At the same time, they may be used to build the trust which is so necessary for effective capacity enhancement.

If problems of empowerment and resource bases have been solved prior to the use of these methods, they can be very effective in promoting sustained efforts to improve capacity. However, if these problems have not yet been confronted, such tactics soon reach a roadblock. Eventually, there is the question of "who owns the fish?" As with other strategies presented earlier, there are alternative ways, and alternative sequences for dealing with this issue which fall between the two extremes of avoiding the issue and doing nothing, and resorting to violence.

Various applied tactics for promoting social change have been developed and examined (Kotler and others, 1972). One of the more useful discussions presents three basic models of social change practices (Rothman, 1972, 1974).

#### Model A

Model A emphasizes participation of a wide spectrum of people in goal determination and action. One manifestation of this approach is called "community development." At an organizational level, it goes by "organization development" (Armor, 1981). This approach can be useful in initial phases of capacity building where a non-threatening, low-key style is necessary to begin the process. It might also be helpful in a setting where capacity has already been built and expansion is contemplated. However, self-help, mutual commitment, and participatory decision making can hide the fact that such an approach can expose vulnerable actors and undermine their organizational resource.

Speaking of community development (CD), Holdcroft concluded:

Politically, CD was ineffective because in most developing countries, basic conflicts were too deep to be resolved simply by the persuasive efforts of CD workers. Factors such as distribution of land ownership, exploitation by elites, or urban domination could neither be ignored nor bypassed. CD's attempt to proceed smoothly without friction toward general consensus was unrealistic...Economically, CD displayed a double weakness. First, it enlarged social services more rapidly than the production of rural incomes. Secondly, it could not significantly improve the condition of the distressed poor, the sharecroppers and laborers. (Holdcroft, 1977: 27).

Capacity-building efforts which rely solely on organization or community development approaches can be expected to share this fate. Nevertheless, given the seven critical elements and the need for phasing, CD and OD practices may be usefully combined with substantive assistance.

#### Model B

Model B is a social planning approach which emphasizes a substantive, technical problem-solving view. A danger here is that external actors will provide stop-gap solutions rather than supporting long-term development (Brown, 1980) since the focus is less on actual capacity building and more on service delivery as a prelude to the focus on new capacities. The emphasis is on technical problem definition which can depoliticize some issues of empowerment but only if dominant groups see themselves gaining from a wider application of the "objective" problem definition (Leonard, 1977).

When client expectations are purchase-oriented, this tactic can be used to gain entry. But by itself it is not likely to improve local abilities. Likewise, the absence of substantive advice is not apt to improve the situation of an exploited or inept group.

#### Model C

Model C assumes a disadvantaged segment of society "that needs to be organized, perhaps in alliance with others, in order to make adequate demands on the larger community for increased resources or treatment more in accordance with social justice or democracy," (Rothman, 1972: 475). The focus here is on redistribution of power or resources, changed decision-making practices or basic policy shifts. This approach has a large experience base (Raskin, 1972) but a mixed record. The skills needed to articulate demands and confront exploiters are not necessarily the same ones needed to sustain long-term gains.

Nevertheless, a confrontive, conflict-inducing effort may at times be needed to deal with structural or policy impediments. In fact, it may be a test of the willingness of the capacity builders to share risk with the client, and it may be that the fires of organizational battle are where the truly collaborative ties are forged.

Attributes of these three approaches are set forth in table 5. No one is adequate, but all have characteristics which might be useful in different situations and a sequence of mixed strategies might be an appropriate way of viewing the practice of capacity building. Moreover, the variety of technical assistance styles called for suggests that no single individual is likely to have either the personal flexibility or the skill mix to perform well at all points in a capacity-building program. This introduces a conflict between trust and continuity on the one hand and competence and changing needs on the other. The most common way of dealing with this is to use technical assistance teams which combine multiple skills and both short-term and long-term personnel.

The discussion above has dealt with capacity-building at the field level. The general importance of phasing, an appreciation of the S-curve, and an understanding of the need for sequential mixtures of development tactics has been noted. There are also broader programmatic strategy issues which must be addressed. Capacity-building assumes "outside" assistance can play an important role in strengthening the ability of local organizations to carry on development after initial outside investments have terminated but there will be great variations in the types and sequences of technical assistance provided (Mickelwait, Barclay, and Honadle, 1980). Given this, the role of donors should be introduced since their policies and practices can be expected to affect the performance of field-level technical assistance personnel.

#### ROLE OF DONOR AGENCIES

Projects can be better designed to emphasize capacity building or organizational learning as an explicit objective. Donor reimbursement procedures should reward creative and experimental organizational behavior rather than just success at reaching preprogrammed production targets.

Furthermore, simple resource transfers such as block grants are not likely to build improved capacity because as soon as funds are released they will be engulfed by those who already have the capacity; the fish will be taken away. Although capacity-building activities may be centered on one focal organization, it is also necessary to involve more than a single hierarchical level in the activity, it is impossible to ignore boundary-spanning requirements, and it is necessary to program and monitor the

Table 5: Characteristics of Three Change Strategies

Characteristics	Model A (Locality Development)	Model B (Social Planning)	Model C (Social Action)
Goal categories of community action	Self-help; community capacity and integration (process goals)	Problem solving with regard to substantive community problems (task goals)	Shifting of power relationships and resources; basic institutional change (task or process goals)
Assumptions concerning community structure and problem conditions	Community eclipsed, anomie; lack of relationships and democratic problem-solving capacities; static traditional community	Substantive social problems: mental and physical health, housing; recreation	Disadvantaged populations, social injustice, deprivation, inequity
Basic change strategy	Broad cross-section of people involved in determining and solving their own problems	Fact-gathering about problems and decisions on the most rational course of action	Crystallization of issues and organization of people to take action against enemy targets
Characteristic change tactics and techniques	Consensus: communication among community groups and interest; group discussion	Consensus or conflict	Conflict or contest: confrontation, direct action, negotiation
Salient practitioner roles	Enabler-catalyst, coordinator; teacher of problem-solving skills and ethical values	Fact gatherer and analyst, program implementer, facilitator	Activist-advocate: agitator, broker, negotiator, partisan
Medium of change	Manipulation of small task-oriented groups	Manipulation of formal organizations and data	Manipulation of mass organizations and political processes
Orientation toward power structure(s)	Members of power structure as collaborators in a common venture	Power structure as employers and sponsors	Power structure as external target of action: oppressors to be coerced or overturned
Boundary definition of the community client system or constituency	Total geographic community	Total community or community segment (including "functional" community)	Community segment
Assumptions regarding interests of community subparts	Common interests or reconcilable differences	Interests reconcilable or in conflict	Conflicting interests which are not easily reconcilable: scarce resources

Table 5. (Continued)

Characteristics	Model A (Locality Development)	Model B (Social Planning)	Model C (Social Action)
Conception of the public interest	Rationalist-unitary	Idealist-unitary	Realist-individualist
Conception of the client population or consistency	Citizens	Consumers	Victims
Conception of client role	Participants in interactional problem-solving process	Consumers or recipients	Employers, constituents, members

Source: Rothman (1972): 477

effort. Thus donor-funded activities which focus only on the efficient management of a project team are unlikely to develop or enhance local organizational capacity.

Recognizing the multiple pressures faced by donor agencies Judith Tendler (1976) has suggested four ways for international donors to improve their practices to support success:

- Conditions precedent should be enforced;
- Phased disbursements with incentives or penalties should be built into designs;
- Local contributions should be standard, with more reliance on loans and less on grants; and
- Donors should be willing to terminate projects where non-cooperation is evident.

Tendler's work in Latin America also examined field-level experience and concluded that many donor practices inhibited self-sustaining processes by overwhelming local capacities or supporting enclave mentalities. It was summarized by Dennis Rondinelli in the following way:

Experience with creating and using small-farmer organizations for implementing agricultural development and credit project in Ecuador and Honduras has been that they are most effective when they are organized to accomplish specific and tangible goals, they begin with a single achievable task, rather than multiple objectives; tasks can be carried out with skills farmers currently possess, minimizing the need for nonagricultural skills; cooperation is required to accomplish the task and cannot be done by individuals working alone; and the groups are small and not closely related to or dependent on other groups. These characteristics provide important design implications for agricultural and rural development projects and indicate that, ...attention should be focused on activities that build or strengthen organizational capability for implementation. (Rondinelli, 1979: 46).

Other observers have stressed the need to reward implementation, management, and collaboration rather than emphasizing control measures, placing total faith in design, or considering success to be pushing money out of the agency (Mickelwait, Sweet, and Morss, 1979; Korten, 1980). Such needs require that projects be reconceptualized not as rigid blueprints, but as scenarios or processes which build the foundations for local capacity.

This view has been set forth by Charles Sweet and Peter Weisel who advocate a flexible "process model" for designing development programs, as opposed to a "blueprint model." They believe that:

The process approach begins with the notion that, more often than not, we have little knowledge of which specific interventions are tried, field tests are frequently conducted, and project activities are redesigned in accordance with what is learned. Projects are modified and adapted as knowledge is gained about their specific environments. Thus, the process model is based on a dialogue with the people in the area. Ideas are shaped into project components with the participation of the local officials who will be responsible for implementation, and consensus is sought on the roles of participants, merchants, and officials at different decision-making levels. (Sweet and Weisel, 1979: 130).

When the uncertainty of social technologies and rural environments is combined with a capacity-building view of rural development, a flexible, adaptive, learning-oriented approach is needed. The elements of a process model vary among individual programs. Nevertheless, general characteristics of a process orientation include the following:

- A design broken into discrete phases;
- A large amount of short-term technical assistance;
- An emphasis on action-oriented training among both staff and beneficiaries;
- A use of temporary task forces;
- A reward system consistent with a learning orientation and a collaborative mode of operation;
- An information system;
- A learning component, such as a "rolling" regional plan; and
- A redesign orientation, such as periodic revisions of project organization, project objectives, and job descriptions of project personnel.

Thus if donors are to facilitate the enhancement of indigenous capacity, they should be sensitive to the need to support flexible activities which augment existing social practices and which are designed to reward learning rather than just narrowly defined performance. Moreover, projects should often either be small scale (Chambers, 1978) or they should contain small-scale, semiautonomous components (G. H. Honadle and others, 1980b) which specifically focus on capacity building. As has been noted earlier, some component should involve the management of a real resource base and thus such elements as irrigation water management, agricultural productivity, or forest

development can be expected to appear as the core of capacity-building programs. In fact, all of the seven critical elements and the importance of sequencing should receive thorough consideration in the design, implementation, and evaluation of donor-supported programs.

### SYNTHESIS I: OBJECTIVES AND MEANS

The seven critical elements can be reduced to two general categories--process and substance. Two elements (incentives and resource base) fill the substance category. The other five factors constitute the process dimension.

Not suprisingly the process factors are also the furthest removed from the empowerment issue. They are the most incremental and least threatening to existing structures. They are also the most central to the Model A strategy for inducing social change.

The substance factors, on the other hand, are most central in the Model C strategy, which is also the most threatening and conflict-ridden of the three. Thus succesful capacity-building experiences seem to combine elements of the most conservative and the most radical approaches.

Of course, if a focus on incentives and an examination of resource bases are depoliticized and treated as technical issues, then the substantive elements also fit nicely into the Model B approach. Given this, it might not be unrealistic to expect successful programs to follow an A-B-C sequence. This would suggest a learning curve as well--a slow, unthreatening beginning building up to a "technical" consideration of incentive systems and resource management followed by a confrontive test of successful empowerment.

The sequence can also be seen as successive definitional emphases. First, an internal, single organizational view would dominate. This would then be superceded by a boundary-spanning view which emphasized environmental interdependencies and ways for the focal organization to wrestle initiative from competing groups. This would then lead to direct acknowledgement of dynamic impact dimensions.

Specific interventions by outside donors or consultants might start at different stages, but to succeed they would always progress in the same direction. The end point would be empowerment, which is itself, of course, a never ending struggle.

## SUMMARY

This chapter has searched the literature to identify characteristics of successful capacity building. Seven critical elements were noted. Five of them (1. risk sharing, 2. multiple levels, 3. demonstration, 4. collaboration, 5. learning emphasis) characterize aspects of the process of capacity building. The other two (1. incentives, 2. resource base) define substantive elements which have to be present.

These characteristics were then placed into a temporal framework where sequential strategies and the S-curve were used to elaborate on the incremental nature of capacity building. However, it was also noted that unless activities advanced to a point where the substantive, structural issues could be engaged there was little chance for success.

## CHAPTER FOUR

## IMPLEMENTING CAPACITY: SELECTED FIELD EXPERIENCES

This section presents three different field experiences with the provision of technical assistance to build the management capacity of civil servants and villagers. These experiences occurred in Liberia, Jamaica, and Indonesia in 1979 and 1980.

The three experiences can be seen as occurring along a continuum ranging from "process consultation," (Model A) where there is a minimal reliance on outside expertise and a maximal use of local knowledge, to a "purchase model," (Model B) where the content of a report and the knowledge of an outsider is given more weight than the consultant's ability to facilitate problem-solving processes among local people (Armor and others, 1979). In such a scheme, the Liberia case would be the most process-oriented, the Indonesia case would be the most purchase-oriented, and the Jamaica case would lie between them.

This is not to suggest that any case provides a pure example of a given model. Obviously, the very presence of outsiders imposed some problem definitions on the Liberian situation and working in Indonesia required an acute sensitivity to the process of data collection, personal interaction, and developing an environment supportive of the perspectives and recommendations contained in the report. Nevertheless, such a scheme does offer a beginning point for contrasting the three approaches.

In addition, these field experiences can be assessed in terms of the other perspectives presented thus far: the cognitive structural/debate, the alternative approaches to capacity definition, and the seven critical elements. Although cognitive and staff-centered (internal) views play a major role in all three cases, the Indonesian example clearly places more emphasis on structural, boundary-spanning and, impact factors. This becomes noticeable as the seven critical elements are used to highlight characteristics of each experience.

## LIBERIA

This case study focused on management assistance provided to the Lofa County Agricultural Development Project (LCADP) in March 1980. The material is based on a field report produced through the "Organization and Administration of Integrated Rural Development" project funded by AID and implemented by DAI (G. H. Honadle and Armor, 1980). The format followed in each field example is to describe the project, present the capacity-building intervention, and then draw some observations from that experience.

## Project Background

The Lofa County Agricultural Development Project is designed to improve the welfare of some 8,000 farm families residing in Upper Lofa County in Liberia through a program of integrated rural development (U.S. Agency for International Development, 1975). The project attempts to increase agricultural production through the improvement of upland rice cultivation, rehabilitation of rice swamps, and development of coffee and cocoa farms. The LCADP also provides for infrastructure improvement, cooperative development, disease control, credit extension, and the provision of farm inputs and marketing services.

The project is jointly financed by an AID loan (\$5 million), by a World Bank loan through an IDA credit (\$6 million), and by the Government of Liberia (\$5.9 million). Farmer contributions of labor and cash for input purchases raise the total project budget to \$18 million.

The administrative structure of LCADP consists of a PMU placed within the Ministry of Agriculture but with a high degree of financial and managerial autonomy. The PMU is located in Voinjama, a six-hour drive from Monrovia. The project manager is responsible to a steering committee at the national level headed by the Minister of Agriculture. A county-level coordinating committee provides project management with a liaison with governmental and traditional leaders within the project area.

Cooperative development, especially the organization and training of village farmer groups, is a major mechanism for directly engaging small farmer participation. Credit is to be distributed to small farmers with an average holding of four hectares. By the end of the project, however, it is expected that credit management will devolve from the PMU to the cooperatives.

Changes in leadership can complicate management processes. When new leaders take charge, many of the informal understandings and procedures which regulated staff interactions are lost, misunderstood, questioned, or consciously changed. Thus transition dynamics add to management problems. The LCADP, then, was at an important juncture in early 1980 when the field visit occurred. At that time project leadership being transferred from an expatriate adviser to a Liberian national.

In late 1981, a similar juncture was anticipated. At that time, LCADP was expected to enter a second phase which would approximately double its staff and area of coverage. This was to be accomplished by extending project activities to lower Lofa County and by incorporating the Liberian Produce Marketing Corporation (LPMC) field staff into the project. Given the geo

graphic isolation of lower Lofa County from Voinjama, a semi-independent, subproject PMU, responsible to the PMU in Voinjama, was to be created. Guiding this expansion and establishing this new PMU could be expected to further tax LCADP management capacity.

Given the project's complexity, scale, isolation, and transitional characteristics, it was deemed appropriate to provide field staff with management assistance. The approach to this assistance, however, was not to analyze the situation and propose optimal solutions, but rather to refine the project staff's own ability to diagnose evolving situations and generate their own solutions. To implement this approach, methods of organization development (OD) were used to provide management assistance.

### Capacity-Building Activity

A team of four consultants visited the Lofa County Agricultural Development Project for two weeks in mid-March 1980. This visit focused on the management and organizational development needs of the project and was a direct outgrowth of a similar activity in August of 1979 (Armor, 1979; Miller, 1979). The 1979 work had been a series of workshops with the middle level of the project's staff while the 1980 work was with the manager and deputy manager level. This second effort went beyond the workshop format to include individual consultation.

Upon completion of the August 1979 exercise, it was agreed that a questionnaire would be used to collect information prior to a second visit in 1980. This data collection effort had been suggested by correspondence with the project manager.

The anonymous responses of the participants were reproduced and distributed at the first meeting. Not only did these data provide the basis for identifying the management topics of greatest interest, they also began the problem-solving process itself. The feedback data were used to help determine the nature and substance of the OD intervention to be used with the senior management of LCADP. For example, issues perceived as important by only a few people might be amenable to individual counseling or two-party meetings, while commonly shared concerns might be dealt with in a group exercise or workshop session.

Since the terms of reference for the counseling and workshop called for developing the ability of staff to solve their own problems rather than providing solutions to present situations, a standardized workshop approach was not used. Instead, an attempt was made to respond to staff definitions of issues and to create an environment where mutual learning could occur. This was accomplished by using the conclusions of counseling sessions to choose analytical frameworks, exercises, and formats for workshop ses-

sions. In so doing, the LCADP senior management workshop was following a capacity-building approach characterized by a flexible, evolving design rather than an imposed, standardized curriculum.

The combination of questionnaire responses and capacity-building approach led to a set of activities which involved working with the project division manager, deputy managers, and other senior project staff (total of 23) as a single group in the afternoons, while the mornings were left open with time available to meet privately or with the various divisions. The afternoon sessions dealt with general aspects of management, among them:

- Role of managers;
- Management principles and theory;
- Time management;
- Planning;
- Communications and coordination;
- Motivation;
- Decision making;
- Delegation;
- Staff selection and development;
- Performance evaluation; and
- Professional and interpersonal relations.

In addressing these topics, the consultants sought to relate exercises and specific readings (hand-outs and a management textbook were provided) to the participants' own experience in the project. When appropriate, a link was forged between these topics and the issues being dealt with in the morning consulting work.

Each division was asked to meet separately and identify intra- and interdivisional issues they felt the consultants could help them to understand and to begin to resolve. Although the questionnaire data might provide the background for these issues, they were not shared beyond that particular division except as specifically agreed upon during the consultations.

Six of the seven divisions requested the consultants to work with them to address organizational and managerial concerns. These included highly interpersonal issues as well as organization designs for future activities, interdivisional problem solving

meetings, substantive input regarding functional responsibilities, coaching, counseling with staff, and reviewing future action plans developed by each division as part of the overall two-week activity.

One request was for assistance in developing a format and process for reviewing job descriptions. The project manager had previously asked each division manager and deputy manager to prepare such a review of their jobs for discussion with him. Lack of clarity about how this was best done had effectively prevented any division from going forward with the assignment. This concern became an early issue in both the general sessions in the afternoons and in the specific divisional work in the mornings.

Key project staff also expressed a desire to develop more participatory methods of contact with the project beneficiaries. Operational plans were discussed with the training division to emphasize participation and involvement of the farmers in both their own training and that of the agricultural and commercial assistants.

Thus, results were generated by a process of individual, confidential consultations with division heads combined with group workshop sessions.

### Observations

The LCADP staff were very receptive to the work of the outside consultants. Moreover, such a gradual sequence of data collection/intervention/assessment/data collection/intervention did appear to be an appropriate process for increasing management sensitivity among the staff. The confrontational nature of Liberian culture also provided a fertile ground for the use of interactive workshop techniques.

The fieldwork occurred at a critical juncture in the project life-cycle. Staff were acutely aware of the difficulties which would arise as the project area was expanded. As a result, they were very supportive of any effort to help them cope with the problems looming ahead. Their attitude was undoubtedly an important contribution to the immediate success of the exercise. Without participant commitment such an effort is unlikely to work.

However, the cognitive, process consultation experience described here was not expected to be the final intervention. A return trip was expected to focus on the development of cooperative staff incentives, extension practices, and financial management. Two weeks after the workshop, a coup altered the Liberian political environment. As a result, project activities came to a standstill and plans for future work with LCADP were set aside. Even so, several observations can be made about the seven critical elements noted in chapter three:

- Risk sharing. In this specific exercise there was no risk sharing, all costs were covered by AID. However, negotiations were begun to partly fund future activities with project resources. The project manager was very receptive to this idea since it could be built into the phase II budget.
- Multiple levels. Several levels were involved; this trip focused on senior management, a previous one was geared to middle management, and a follow-up was expected to focus on field staff and villagers. The project manager was involved in counseling sessions and data gathering for this field visit though beneficiaries were not.
- Incentives. Incentives within the management team were noted but this did not receive great emphasis.
- Demonstration. The previous trip had demonstrated the immediate value of some of the exercises.
- Collaboration. A collaborative mode was followed with the training section.
- Resource base. The approach built on the existing knowledge base of project staff but did not deal with physical or financial resource flows; neither did it probe the tenuous resource base of the cooperatives.
- Learning emphasis. The style of the intervention definitely emphasized the idea of project implementation as a learning process. The exercises were presented as steps in a long-term commitment to consultation and knowledge building.

Although all the critical elements were not equally satisfied, the plan was to use a third trip to deal specifically with the resource base of the cooperatives so that project functions could be devolved to them and sustained benefit flows could ultimately be achieved. In fact, until functional devolution and cooperative viability were addressed this work could be characterized as focusing on staff dynamics and service delivery and not directly confront the problem of sustainability. Unfortunately, the sequence was not completed and the underlying issue was left unaddressed.

If this exercise was to be evaluated as a discrete unit and not as one step in a sequence, the implicit definition of capacity which characterized the effort would be an internal one. The focus was on the project management team alone. Neither boundary-spanning nor impact dimensions were considered.

If the entire planned sequence is considered however, this trip would be depicted as the last of the series to stress staff interaction. The next trip was to emphasize capacity building within the cooperative societies as part of the LCADP devolution strategy.

As an entry tactic using incremental methods, the exercise worked. In fact, the five process elements were well in place. It was the two substantive elements which were most lacking and, unfortunately, as a result of their absence the exercise, did not reach the point where the most basic failures of the LCADP were addressed or remedied. Given the fact that staff capacity building tended to increase project hegemony at the expense of the cooperatives (U.S. Agency for International Development, 1980), it would have been unrealistic to think that OD methods could turn around a project that was being used more to control local initiatives than to support viable local organizations.

## JAMAICA

This case study focuses on capacity-building assistance to the Second Integrated Rural Development Project (IRDP) in Jamaica. That assistance was provided in May 1980, through the same project which assisted the LCADP. The material here is based on a field report issued through that project (G. H. Honadle and others, 1980a).

### Project Background

The Jamaican Integrated Rural Development Project is a four-year project jointly financed by AID and the Jamaican Government, involving a combined US\$26 million in loans, grants, technical assistance, and host-country investment. Approximately half of the project's expenditure is earmarked for erosion control activities. These include a soil conservation program requiring terracing, ditching, and pasture-land treatment; reforestation of over 7,000 acres of project area; and engineering works, including road construction and rehabilitation, of and stream control (embankment protection).

Credit and marketing components are included in the project plan. An agricultural extension program is expected to provide one extension agent for every 200 farmers. Improvements in housing and the provision of electricity and water are also included as part of an ongoing effort to increase rural infrastructure. Further, programs for home economics and the strengthening of local organizations have been added during the initial stages of implementation.

The IRDP focuses on two noncontiguous watersheds in the interior highlands of Jamaica. These watersheds, Two Meetings and Pindars River, contain approximately 4,000 small hillside farmers (averaging 2.9 hectares a piece). Though placing the project in noncontiguous watersheds increases the administrative difficulties, it nevertheless directly addresses the priority problems of two of the most important of Jamaica's 18 severely eroded watersheds (U.S. Agency for International Development, 1977b).

In the context of the IRDP, capacity building requires two basic emphases. The first is to train project staff in the skills necessary to carry out project functions and respond to the changing needs of the project's beneficiaries. Such skills involve not only the technical expertise necessary to implement the design, like soil conservation and farming techniques, but the management ability necessary to achieve these objectives as well.

Since beneficiary participation is one of the key elements in the success and continuity of an IRD project, a second need is to provide training to the beneficiaries themselves. This is necessary to help them to take advantage of the services offered, to develop their own capacity to identify problems and solutions, and to work cooperatively to implement the solutions generated.

Training of staff personnel can take several forms. One mechanism for training use in the IRDP has been the creation of counterpart relationships between host country nationals and long-term expatriate technical advisers. Long-term formal training of project staff, both overseas and in-country, and short-term training workshops are also provided by project funds.

Much of this staff training concentrates on specific technical skills, such as soil conservation, agricultural extension, and agricultural economics (almost all of the approximately 40 man-years of training planned in the project paper has such a focus). Equally important, however, is the need for training to improve management and organizational skills. In part this involves increasing the ability to work in teams, set realistic goals, measure progress, and resolve intergroup conflicts.

The initial effort to explore project objectives and build staff teamwork occurred in August 1979. At that time, the senior project staff met at Eltham--away from the project site--to hold a workshop. This exercise, which has since become known as the "Eltham Retreat," used small group exercises to build consensus and articulate objectives. In fact, this retreat run by, and for, senior staff established the pattern followed during the field visit described here.

The second major capacity building need in IRDP is to raise the abilities of the beneficiaries themselves. Agricultural projects often fail to achieve their goals, because they do not adequately involve local people in the project's planning, implementation, management, and evaluation. In the absence of local participation, a development project will find it difficult to bring about the behavioral change necessary for its success. Moreover, development activities supported solely by government agencies and devoid of local participation and support will be unlikely to survive the termination of outside funds. According to Goldsmith and Blustein (1979), local organizations serve several essential functions:

- Facilitating communication between the beneficiaries and project personnel;
- Lessening beneficiary distrust and providing legitimacy to a project's activities;
- Providing a means of mobilizing popular support and cooperation among the beneficiaries; and
- Encouraging self-reliance.

In the IRDP, an awareness of the importance of local organizations to the success of the project has been increasing with experience. This has been an evolutionary process, beginning with the search for compatible existing organizations, such as the Jamaican Agricultural Society (JAS), and leading to the creation of the more project-oriented Development Committees. Since the Development Committees are based in the JAS but strongly linked to the IRDP, their survival after the dissolution of the project is not certain. It is, therefore, very important that they become vital and effective organizations prior to that event. As a result, capacity building within the Development Committees is extremely important.

This capacity building may initially concentrate on local leadership and Development Committee officers, increasing their ability to identify and address local needs and mobilize local resources towards feasible solutions. Improving the effectiveness of such activities will increase the benefits perceived by farmers within the organization and, consequently, encourage their participation and support. Later, capacity building among the general membership of the Development Committees could lead to more effective local control and direction; that is, increased capability to generate resources, select officers, and guard their own interests. This should increase the value of the Development Committees in the eyes of local farmers and provide a firmer basis for them to operate during the project period and after the expiration of the IRDP.

In sum, capacity building is necessary for the IRDP to succeed. In the short run, this means that the project staff must obtain and use the skills necessary to marshal their efforts in delivering services to local villagers. This includes the establishment of effective management procedures. Short-run efforts will also be influenced by the ability of the Development Committee to provide the connection between staff and beneficiaries when coordinated efforts are required for implementation of tasks such as the entombment of springs.

In the longer run, this means that villagers must gain the individual skills and group capabilities necessary to carry on project initiatives and respond to evolving community needs. The IRDP strategy is to build staff and beneficiary management capacity, while simultaneously introducing soil conservation and crop production technologies as well as direct services such as marketing assistance.

#### Capacity-Building Activity

During May 1980, two three-day "Management Skills Workshops" were held for project staff and a one-day workshop on running meetings and managing committee/project interactions was held for Development Committee leaders. The terms of reference for the consultant team specified a workshop format to enhance local skills.

Since the objective of the management skills workshops was to develop the ability of staff to solve their own problems rather than to provide solutions to present situations, a standardized workshop approach was not used. Instead, an attempt was made to respond to staff definitions of issues and to structure an environment where mutual learning could occur. This was accomplished in the following way:

- Prior to the workshops, one week was spent interviewing staff and identifying issues and events that provided insights about implementation dynamics.
- The results of the interviews were used to categorize issues that the workshop might address and to design the first day of the workshop.
- The morning of the first day was used to generate, from the participants, specific problems under each issue category.
- These problems were then used as examples for the application of techniques and as a data base for selecting the skills to be addressed in the remainder of the workshop.

This procedure insured that the exercises were based on actual situations occurring during IRDP implementation, they involved project staff in the generation of plans for their own action, and they focused on raising the ability of project personnel to deal with new situations as they arise. Furthermore, although the visiting consultants provided a framework for confronting problems and a process for generating group initiatives, the workshops were--in a very real sense--self-designed by the participants.

Capacity building is not just something that happens to a project. Rather, it is a dimension of the work done by the project staff with local leaders. Thus, an important precondition to project capacity building is the articulation of a strategy for doing it. A strategy, in turn, requires a formulation of objectives, an assessment of the present situation, and some understanding of the barriers to closing the gap between the desired conditions and present ones. Without a conscious strategy, capacity building is less likely to occur.

One of the objectives consistently articulated by project staff was the self-reliance of the Development Committees. Furthermore, a commonly noted problem was the lack of self-reliance.

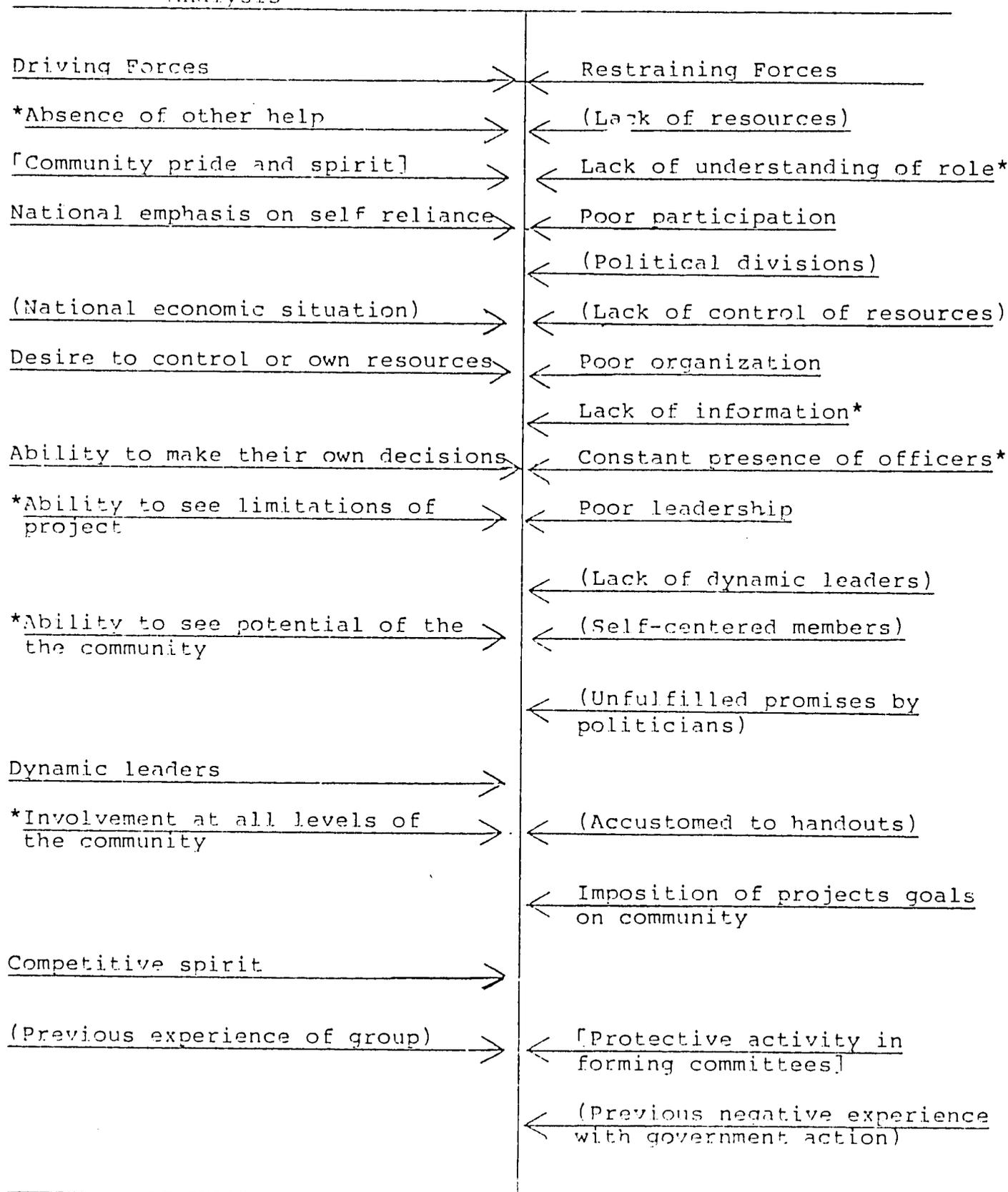
To address this issue, IRDP staff conducted an analysis of the forces pushing toward self-reliance and those inhibiting it. The result of this "force field analysis" is displayed in figure 3. This is useful because it provides an initial articulation of the problem and the identification of some items that staff could concentrate on changing.

However, this does not constitute a strategy. It neither suggests how to measure independence nor presents actions to be taken to promote independence. Additionally, it only focuses on one general idea about the characteristics of an effective development committee--self-reliance.

To enhance the strategy development process, the final morning of the Christiana staff workshop was devoted to identifying the present condition of Development Committees, articulating what they should be like at the end of the project and suggesting some ways to reach an intermediate point. This exercise focused on four elements:

- Membership;
- Resource base;
- Functions; and
- Skills.

Figure 3. Independence of Development Committees, A Force Field Analysis



Notes: ( ) Things we can't control.

[ ] Things we may not be able to change.

\* Things we could concentrate on changing.

In the first phase of this exercise, the attitude of most Development Committee leaders was depicted as "dependency on IRDP." More specifically, the present status of the Development Committees was described as follows:

- Membership. Older, male, wealthy landowners, JAS members, varies from place-to-place, not representative of their community;
- Resource base. Dependency upon IRDP funds and skills, reluctance to use their own individual resources, lack of collective resources;
- Functions. Grousing (complaining) forum, public relations assistance to project, identification of community needs, two-way communication, providing advice on IRDP fund use, helping farmers to organize themselves; and
- Skills. Some craft skills, traditional farming skills, limited management and organizational skills, highly skilled at begging, low membership skills, little ability to identify and act on their own needs (varies), some communication skills.

By the end of the project, however, the goal was to have the Development Committees look very different from their existing configuration. The ideal was to have them achieve a heightened sense of community awareness and responsibility. More specifically, the objectives for each dimension were depicted as follows:

- Membership. Broad-based, revolving, separate from JAS;
- Resource base. Drawn from other organizations, community contributions, financed from operations, organized with Treasury Committee;
- Functions. Seek solutions to community problems, become independent of government/foreign donor funds, provide information to the community, identify their own purposes and develop programs to achieve them; and
- Skills: Organization and management, leadership, financial management, technical (agricultural) education/communication, creativity and ability to respond to new ideas, ability to accurately identify community needs.

To help close the gap between the immediate reality and the long-term ideal, the project staff generated some indicators for intermediate objectives and some actions that could help to achieve the intermediate stage. These objectives and actions are displayed in table 6. This can be seen as a first step toward the creation of a strategy for building the capacity for post-project survival within the Development Committees.

Table 6. An Intermediate Point in Development Committee Evolution

Dimension	Characteristics	How to get there
Membership	Increase turnover in membership, meetings consider fewer individual problems and more community ones; balanced membership.	Monitor meetings, integrate local extension staff into formation of committees; develop rules for revolving membership and interest group; geographical area representation; increase numbers; farmers without farm plans.
Resource base	Fund raising activity beginning; begin to systematically identify their own resources; fewer demands on the project; non-project funded activity occurring; 60/40 farmer project participation in resources used.	Train/educate committees; NCLP committees to begin their activities.
Functions	Accomplish community tasks with little help from project; committee passes technical information to farmers not directly contacted by the project.	Training in carrying out the tasks.
Skills	Improve organization and leadership; ability to select new members, takes less time to do things; fund raising.	Give them experience with guidelines; let them develop their own proposals for solving problems and identifying community needs instead of just individual ones; training; demonstrations; field days; fund raising assistance.

## Observations

The Jamaica experience was more "purchase-oriented" than the Liberian example since an external substantive contribution was used to focus staff attention on the relevant dimensions of local organizations. Moreover, that focus extended the discussion beyond internal communication issues to external dynamics and sustainability considerations. Thus the implicit capacity definition included the boundary-spanning emphasis.

However, the style of this work was still "process consultation." That is, an attempt was made to tap the knowledge and skills of project staff rather than impose prescriptions based on analyses conducted by technical consultants. Although this approach did have a catalytic value and it was enthusiastically received, the consultants' resistance to prescribe may have limited the impact of the intervention. For example, one major organizational impediment to implementation was the unfilled position of deputy project manager. This vacancy caused project management to suffer by simultaneously pulling the project manager's attention toward both external/political boundary-spanning activities and toward internal procedural and substantive issues. This fact was recognized by the consultants, but due to the bias toward extracting staff knowledge and due to staff interest in other issues, the importance of the vacancy was not explored. A chance to have a greater impact may have been missed.

Even so there is a trade-off which must be made explicit. On the one hand, if clients are not interested in, and committed to, consultant recommendations, there is little chance that those prescriptions will be implemented.

Another characteristic of this situation also separates it from the Liberian experience. That is the nature of historical associations between the consultants and the project and the role of long-term consultants attached to Jamaica's IRDP.

The consulting firm represented by the field team was on record as not agreeing with the extension strategy and information system adopted by the IRDP. In fact memories among the long-term consultants, representing another firm, were not all positive. Additionally, the visit was seen by the donor as part of the attempt to rectify problems which had been noted in a donor evaluation of the project (Curtis and others, 1979). Thus the visit recorded here occurred in a mildly hostile environment. The purpose of this visit, then, was to gain entry and to establish the basis for a series of involvements. Although all the important issues were not tackled, the intention was to build trust so that subsequent visits could occur.

In terms of the seven critical elements, the following points arise:

- Risk sharing. Although all costs for this trip were covered by outside funds, negotiations for cost-sharing preceded the substantive trip; moreover a letter from the host country project director proclaimed a willingness to use loan funds to support future trips.
- Multiple levels. All levels of the project staff were involved and the leaders of beneficiary organizations were included in one workshop.
- Incentives. Both project staff and Development Committee incentives were touched on, in terms of watershed central office communication procedures and subwatershed team management; however, the discussion was not central to the workshops;
- Demonstration. The usefulness of techniques was shown as they were applied to real problems such as entombment of springs; mutual-support-sharing exercises showed the value of group work, but the real demonstration of improved performance was expected to follow the visit and lay the groundwork for a future visit.
- Collaboration. A senior project staff member who was a confident and "batch mate" of the project director became an integral member of the consulting team during the second and third workshops; long-term technical assistance staff were also continually consulted.
- Resource base. The lack of an adequate resource base for the Development Committees was tackled directly and a strategy was identified for building it, however prospects are grim and the strategy is not realistic.
- Learning emphasis. The tone of the entire exercise was learning by doing and overtones of "teaching" or imposing knowledge were consciously avoided; in the final workshop session, the head of the long-term technical assistance team praised the effort and said the consultants "helped people to solve their own problems" and instead of trying "to fill people's cups, they followed an approach of lighting their candles." Additionally, the recommendation for model Development Committees was intended to extend the learning emphasis at the beneficiary level.

Once again, the presence of all the elements was not equally strong. However, this exercise did go beyond the Liberian case's single focus on internal definitions to incorporate boundary-spanning and resource base considerations into project staff

deliberations. Such considerations raised some serious questions about the project design that required the capacity building to adopt a community-based, that sustainability orientation as opposed to the staff-centered view that characterized the Liberian intervention.

A second trip occurred in early 1981 and addressed more substantive management and technical issues (VanSant and others, 1981a). The crucial questions remaining, even after that visit, relate to incentives and resource bases. Until these two topics become targets for action, the chances for sustainability will not be improved (VanSant and others, 1981a: 30).

## INDONESIA

This case study focuses on the institution-building dimension of the Provincial Development Program (PDP) in Indonesia. It is based on work done in 1979 and 1980 by three sets of actors--a three-person team conducting a formative evaluation of PDP-Phase I (G.H. Honadle 1979); a team from USDA providing management training (summarized in Hannah, Owens, and Mickelwait, 1981); and a team working through the contract which funded the Liberian and Jamaican work (VanSant and others, 1981b). This third visit looked at phase II of PDP, which is located in a different set of provinces from phase I. PDP I operates in Aceh and Central Java provinces, PDP II in East Java, South Kalimantan, Nusa Tenggara Timor (NTT), and Bengkulu. Since the visit grew out of the 1979 work which was presented in chapter two, those comments are of particular relevance to this example, though they will not be repeated here.

### Project Background

The objective of this program is to improve the design and implementation of "integrated" approaches to rural development. To accomplish this, technical assistance is provided to the Bappedas, the provincial planning bodies responsible to provincial governors.

PDP has a dual focus. On the one hand, PDP is designed to fund small-scale, quick-impact, subproject activities which contribute directly to raising the income of poor villagers in the project area, while on the other hand, PDP is expected to strengthen the ability of provincial agencies to prepare and undertake integrated area-based strategies for poverty-focused rural development. This suggests that PDP has two distinct and very different target groups--rural villagers and civil servants (see figure 3, above).

This fact presents an immediate management problem. If two separate clientele groups are served by the same organizational unit, then the level of conflict and confusion is raised and the manager's job is made more difficult. The most common, and most successful way to handle this problem is to assign the responsibility for each target group to different subunits. For example, one agricultural extension team could focus on services to rubber estates while a second team could concentrate on smallholder rubber schemes. This allows each group to concentrate on the particular needs of its clientele, and it lowers conflicting demands on the strategy, time, and limited resources of each unit. In other words, an effective response to this problem is specialization by target group.

However, PDP has characteristics which further complicate the management situation. First, the technical assistance team is so small in each location that dividing responsibility along the lines of the client group is not appropriate. Second, the time frame for impact is very different in the two target groups: capacity building is a long-term enterprise while the rural poor subproject activities stress a quick impact on beneficiary income. Consequently, the psychological rewards resulting from direct technical assistance to subprojects are likely to be far more appealing to consultant teams than the frustration attached to slowly developing organizational capability. When this is combined with the third characteristic--short staff assignments ranging from two to three years--the result is a built-in bias against the capacity-building focus.

### Capacity-Building Activity

Since institutional strengthening is a major focus of this project, many resources have been used for capacity building. For example, the "model" with indicators of PDP impact which was presented in chapter two was developed as part of a formative evaluation of PDP I (G.H. Honadle, 1979). Also, an organizational development/training approach was used by a team from the U. S. Department of Agriculture's Development Project Management Center to build an improved documentation system for province-and subprovince-level planning in PDP I areas (Hannah, Owens, and Mickelwait, 1981).

The discussion below is based on a visit to PDP II provinces in September 1980. The trip was seen as an extension of the 1979 formative evaluation of PDP I and as being able to benefit from both the "model" developed in 1979 and the "process consultation" approaches used by the USDA team. The terms of reference were to assist and assess the implementation of the capacity-building component of PDP II.

The September 1980 work was carried out in three provinces by a six-person team consisting of three American and three Indonesian consultants. The full team conducted preliminary fieldwork in Madura, split into three groups of two and then reassembled and worked together in Jakarta.

The focus of the work was on categories of administrative stock, administrative behavior, and the link between them--incentives. This emphasis built on the model developed in the 1979 report (and presented in chapter two), and it helped to organize the data and structure the field work. Initial team-work introduced the capacity-building perspective to the local consultants and tested the categories by submitting them to their scrutiny. The Indonesians quickly accepted the usefulness of this approach and began to use it in presentations and interviews.

The process of establishing a team consciousness among all six consultants began with the preparation of a strategy document which articulated the approach to be used in the field. One component of this document was an illustration of factors to be examined within the categories of stock, behavior, and incentives. This is presented in table 7.

With the document in hand and a week of interaction as background, the team traveled to Surabaya. The purpose of this common field experience was to establish a more solid mutual understanding of the way group exercises could be used as data collection methods and to demonstrate methods for capacity-building as opposed to just evaluating local efforts to strengthen provincial and district institutions.

The choice of exercises was to be based on each local situation but was expected to fall into three categories:

- Force field analysis in which a targeted objective is subjectively examined from the standpoint of driving forces and restraining forces. Once these forces are identified, those most amenable to management action are selected and strategies developed to take advantage of positive factors and to overcome constraints.
- Mutual support-sharing in which groups whose coordination is needed express separately, in concrete terms, what they can do to support each other, and what support they need from each other. Subsequently, they met together to discuss the points raised and assess priorities. Out of this comes a set of specific planned actions.
- Goal-setting in which the present situation, end of project goals, and intermediate objectives are identified for a particular program objective. The key to this

Table 7. Illustrative Issues in Assessing and Building  
Organizational Capacity in PDP

---

1. Organizational Stock

A. Staffing

- Adequacy of staff
- Understanding of role/task
- Recruitment procedures
- Staff interaction (especially key personnel)
- Constraints to effective performance
- Training:
  - processes
  - how institutionalized
- Sources of staff: local and external

B. Administrative support

- Government commitment to PDP focus
- Operational documents/procedures
- Management/planning procedures
- Information systems
- Recordkeeping
- Impact of PDP on existing systems
- Adequacy of physical facilities: vehicles, office equipment
- Role of technical assistance

C. Organizational capacity

- Service delivery systems
- Support base
- Staff understanding of goals and procedures
- Planning and budgeting
- Capacity to assume new functions
- "Opportunity cost" of staffing PDP organizations
- Factors in the organization's environment
- Appropriateness of existing organizations for PDP role

D. Organizational linkages

- Communications networks
- Machinery for collaboration
- Distribution of essential PDP processes
- Information sharing
- Resource sharing
- Service coordination
- Clarity of organizational boundaries
- Linkages to nonformal leaders in rural communities

(Continued)

Table 7: (Continued)

---

 2. Organizational Behavior
A. Consistency with PDP objectives

- Inter-sectoral cooperation
- Assumption of new PDP responsibilities
- Attitudes toward PDP sub-projects
- Use of resources
- Application of PDP approach to non-PDP projects
- Criteria of project selection
- Planning criteria
- Hidden agendas
- Commitment to capacity-building objectives

B. Support for involvement of rural poor

- Staff-beneficiary communication
- Evidence of joint planning
- Method of need identification
- Project criteria
- Beneficiary perceptions of PDP organizations
- Staff attitudes toward local decisionmaking
- Criteria for identifying poor
- Skills necessary for organizational participation

3. Organizational IncentivesA. Resources

- Distribution among PDP levels
- Distribution among PDP activities
- Guidelines for project reimbursement
- Basis of access to additional resources

B. Staff

- Incentives/rewards for targeted performance
- Disincentives in system
- Accountability - direction and mechanism
- Opportunities for on-the-job learning
- Promotion expectation
- Bases for performance evaluation
- Bases for attracting quality staff at lower levels
- Building flexibility in staff

(Continued)

Table 7: (Continued)

---

C. Organizations

- Accountability of those using organizational resources
- Knowledge/skills required for participation in organizations
- Procedures to motivate broad participation
- Nature of organizational cooperation
- Rewards for interorganizational cooperation
- Costs of interorganizational cooperation

---

Source: VanSant and others (1981b): 4-6

exercise is the setting of short-term objectives in as precise and measurable terms as possible. The process encourages collaborative planning and provides indicators for future assessment.

In general, conduct of this exercise utilizes small group sessions to capture the knowledge held by participants and large group sessions to introduce, compare, and discuss the products of the small groups. Such exercises complement normal data collection through document review, interviews, and observation. It was also expected that the exercises would demonstrate joint planning methods which could be used in the future by PDP staff.

From Surabaya, the full team traveled to the island of Madura. There the approach was tested. Assembled district-level staff conducted a force field analysis of those factors supporting and obstructing the strengthening of a village-level organization, the LSD. The results of that group-based, subjective examination are displayed as figure 4.

This, then, provided an experimental base for the team and a demonstration to the Indonesian consultants. After two days together in the field, the full team split into three pairs. Two stayed on Madura, two went to NTT, and two traveled to Kalimantan. The three teams spent a week to ten days in each field location.

After the conclusion of fieldwork in each province, the full team reassembled in Jakarta to prepare a presentation for a group of national staff and officials from each of the PDP I and II provinces. The presentation and reactions provided a basis for the ensuing report (VanSant and others, 1981b).

The reaction to the field teams varied in the different field settings depending upon the isolation of the subproject areas and the poverty of the location. In NTT, a high level of local elite facilitated going beyond consultant assessment to actual capacity building. In Kalimantan there was a balance between the two approaches, but on Madura most of the remaining work was constrained by the expectation that the consultants would evaluate the situation and provide expert advice on how PDP staff could improve their capacity-building activity.

Both types of activities generated some fascinating data. For example, the NTT team produced an assessment of the situation in that province. The assessment is presented in table 8.

The Madura fieldwork also produced numerous examples of practices and relationships inhibiting project sustainability, capacity enhancement, and successful PDP impact. In particular, data was generated on how management styles, administrative interpretations of policy, dispersion of subprojects, and the scale of benefits can affect the long-term sustainability of local capacities.

Figure 4. Force Field Analysis Strengthening Village LSD's

Driving forces	Restraining forces
Training activities for LSD (special project of Kabupaten Bangkalan) →	Low education level resulting in inadequate skills ←
Careful balancing of project activities with needs/under- standing of people →	Lack of capital ←
Involvement of various groups of people in projects →	Attitude that members of LSD have little to contribute to actual planning ←
People's desire to improve their quality of life →	Political tensions at village level ←
	Lack of time for optimum communication with villages ←
	Risk of projects violating traditions in certain sectors ←

Source: VanSant and others (1981b): 10

Table 8. Institutional Capacity in NTT

Category	Government Level	Findings	Recommendations
Organizational Stock	Village	Local resources--administrative, organizational, and financial--are extremely limited in NTT. Thus there is virtually no base from which capacity building may take place. The PDP village motivator system is an innovative attempt to fill this gap but there is some risk that it will supplant efforts to build capacity in the regular administrative apparatus. Beneficiary involvement in project planning and resource commitment is very limited so far. Implementation of both project and capacity-building objectives is constrained by the isolation of many PDP villages and the attendant communications difficulties.	<ul style="list-style-type: none"> <li>• Broaden motivator training to include human relations and organizational dynamics issues.</li> </ul>
	Kecamatan	There is also virtually no organizational base at this level but the Camat met by the team in Biboki and Lamaknen were impressive. The PDP coordinator attached to each Kecamatan will strengthen administrative capacity at that level but there is a risk of inadequate coordination and of the Camat being bypassed in the reporting network.	<ul style="list-style-type: none"> <li>• Provide training for kecamatan and village administrative personnel.</li> </ul>
	Kabupaten	Kabupaten Rappedas are newly formed and, as yet, are not functioning organizations. There exists, however, a positive momentum and a significant role in FDP has devolved to the kabupaten level which will require the active participation of both the new Rappedas and Kabupaten Sectoral Service personnel. There is a potential reservoir of skill at the kabupaten level but important organizational tasks remain.	<ul style="list-style-type: none"> <li>• Develop information systems incorporating the formal sub-kabupaten apparatus and beneficiaries.</li> </ul>
	Provincial	The NTT provincial Rappeda consists of a number of well-trained and experienced personnel. Furthermore, political support for FDP is very strong from the governor's office. Therefore, the potential for the program in NTT is very high. The key task is to effectively mobilize and coordinate the personnel and organizational resources already available. At present, the administrative stock in Kupang is not being fully utilized.	<ul style="list-style-type: none"> <li>• Utilize non-PDP organizational resources and personnel through an advising group or as members of PDP administrative committees.</li> </ul>

(Continued)

Table 8. (Continued)

Organizational Behavior	Village	<p>PDP efforts to incorporate village aspirations and needs into project planning represent a major step forward but should not be confused with the real bottom-up planning that is a longer-term objective. Village level projects subsidized by PDP may not be sustainable unless some benefits are recycled into them as a form of local resource commitment. Motivators may be focusing on project, at the expense of local, organizational development.</p>	<ul style="list-style-type: none"> <li>• Increase institution-building focus at sub-kabupaten levels, especially in role of village motivators.</li> </ul>
	Kecamatan	<p>Understanding of PDP capacity-building goals is limited at sub-kabupaten levels with the result that the focus is mainly project oriented. There is some risk that the role of the kecamatan coordinator will impede development of capacities in the regular administrative structure and that conflict may develop over division of responsibilities. The Camat is also given little role in project planning in PDP.</p>	<ul style="list-style-type: none"> <li>• Review PDP administrative guidelines at all levels to increase flexibility and appropriateness to local conditions.</li> </ul>
	Kabupaten	<p>Commitment to PDP objectives and to developing the necessary organizational mechanisms is high. The role of the PDP kabupaten-level coordinator is somewhat unclear, particularly the nature of his connection to the kabupaten Rappeda and the degree to which his program control will supplant the regular government apparatus.</p>	<ul style="list-style-type: none"> <li>• Enlarge role of Nusa Cendana University and private agencies in NTT in a mutual exchange of learning and experience with PDP.</li> </ul>
	Provincial	<p>The Provincial Rappeda gives high priority to PDP but with the effect that some Rappeda staff not assigned to PDP feel somewhat left out of the the action. An ambiguous overall administrative structure leads to some confusion and conflict over roles. The quality of technical assistance is high but the adviser's role in actual program management seems more visible than may be appropriate.</p>	<ul style="list-style-type: none"> <li>• Institute joint planning procedures which include Camats and Village Chiefs in high-level planning meetings.</li> </ul>

(Continued)

Table 8. (Continued)

Incentives	Village	Incentives for beneficiary participation depend on access to externally supplied resources and the basis for sustainability is limited. Motivator's training and expectations are keyed more to project performance than to organizational development and administrative accountability is at higher levels, not the community.	<ul style="list-style-type: none"> <li>Emphasize development of local resource commitment, at least through some recycling of project benefits.</li> </ul>
	Kecamatan	Kecamatan coordinators are accountable to the PDP structure, not the kecamatan structure, and measurement of their performance is keyed to project activities more than capacity building. Camats may see the PDP administrative chain as a threat to their own control and perceive little incentive to cooperate closely.	<ul style="list-style-type: none"> <li>Clarify PDP capacity-building objectives and match incentives for staff to serve of those objectives.</li> </ul>
	Kabupaten	PDP resources provide a strong incentive to the appropriate Kabupaten agencies through honorariums for project managers, study opportunities, and civil service status for new staff needed for PDP administration. Activities are guided by instructions from higher levels which do not always encourage the flexibility needed for innovation. Planning in accord with guidelines takes precedence over encouragement of a greater planning role at lower levels.	<ul style="list-style-type: none"> <li>Review evaluation criteria to bring them into accord with capacity-building goals.</li> </ul>
	Provincial	Incentives for junior staff are reduced by feelings that rewards such as training are available only for senior staff. As at other levels, innovation is constrained by fears of violating guidelines or risking reimbursements from Jakarta. Administrative guidelines are seen as inflexible. There is no apparent incentive for broader cooperation and coordination with non-PDP personnel (even with Bappeda) or organizations.	<ul style="list-style-type: none"> <li>Broaden access within PDP staff to PDP rewards.</li> <li>Clarify administrative guidelines from PUOD with sufficient flexibility to allow local initiative.</li> </ul>

Source: VanSant and others (1981):

For example, in two different kabupaten (districts) there were PDP subprojects supporting motorized fishing. In both cases, boats, motors, and nets were supplied through the project. The two subprojects were identical except for one fact--in one kabupaten the villagers received two nets and in the other the villagers received three. That difference is important, because during the three months of the year when fishing is poor, the only catch is one large fish preferred by restaurants in Surabaya. The two nets may be used for fish and shrimp, but only the third type of net is useful for catching this large fish.

Further examination revealed that, in the case where three nets were provided, the villagers were consulted about the content of the subproject during design. In the other case the villagers were not consulted--once the nets were approved the villagers were simply informed and told to use them.

The connection between this behavior and management style lies in the operational styles of the two bupati (district commissioners). One bupati was very proud of his participatory management style which he called "collective responsibility" while the other one displayed a much more authoritarian approach. The subproject without the third net was in the area of the authoritarian bupati, and it was evident that sectoral agency personnel in that area were less interested in villager participation. This example supports the proposition that when project staff share a collaborative management experience, there is a greater likelihood that staff/beneficiary interactions will be characterized by participation and that participation can improve program impact (G.H. Honadle and others, 1980b: 144, 180).

Administrative interpretations of policy objectives can also make a difference, especially when there are multiple objectives. A case in point was identified on Madura. The PDP project focuses specifically on institution-building and self-sustaining development. An explicit objective of the Indonesian Government's most recent five-year national plan (Repelita III) is equity. Expenditure per province is allocated on a per capita basis; the objective is to reach the poorest. The way this equity objective is implemented, however, makes the prospects for sustainability questionable.

To achieve equitable distribution of funds over the entire island of Madura during the present plan period, all villagers not yet receiving direct assistance were divided into three groups with each village to receive assistance during only one of the remaining three years of the plan. A PDP-funded gardening project fell victim to this decision.

The gardening project was established with a revolving fund to pay for the cost of two new extension agents. A percentage of the revenues generated by vegetable sale would pay for inputs,

another portion would replace the fund monies used to pay the agents' salaries, and the rest would remain with the growers. To keep the revolving fund solvent, a slightly more than 50 percent success rate was required.

The actual success rate, however, was less than 35 percent. Moreover, the rule requiring the extension agents to move onto different villages each year practically guaranteed that the target would not be reached, the fund would not revolve, and the extension services would not pay for themselves. In this case, then, an administrative interpretation of an equity objective produced resource dispersion which made sustainability less probable. Moreover, the resource base for a subproject was tenuous--although beneficiaries controlled gardens, the lack of sustained service delivery was leading to low impact.

Related to equity considerations, and the difficulty of managing geographically dispersed resources, there appears to be a phenomenon which might be called the "new development machismo." That is, the proof that the rural poor are being reached is related to the difficulty of access to the project site: the more kilometers of bumpy trails, the more fords of flooding rivers, the more hours in small boats, the more mountains scaled, or the more days of walking, the better the project and the more status accorded to the expatriate providing technical assistance.

In some cases this may be good, because it does lower the willingness of national elites to divert project benefits. Moreover, it requires decentralized decision making and builds local (very local!) autonomy. On the other hand, as part of a larger effort, this approach can make management almost impossible. When scarce management or technical assistance talent spends most of its time either traveling among remote sites or recuperating from the effects of the travel, little capacity gets built.

This relates to the previous section since it points out the fact that some present ways of emphasizing equity may make management difficult and sustainability impossible. Technologies, political dynamics, geography, existing infrastructure, and human resource bases can all be expected to affect both the importance and the results of this new machismo. The imperative when providing technical assistance, however, is one of maintaining a grasp of common sense rather than succumbing to the newest fads.

Another bit of anecdotal information pointed to the role of project scale in benefit diversion. Large scale efforts generating huge financial benefit levels may be too tempting for predator organizations to ignore. Thus benefits get diverted. For example, as a cattle raising subproject became defined, it appeared that it could generate a potential daily profit equal to

the price of more than one cow. This magnitude of benefits caused the animal husbandry ministry to resist having a cattle-growers association manage the operation and provide benefits directly to villagers. Instead, it was suggested that the civil servants' own association (Korpri) should be the focus of the effort and the reaper of the benefits.

Although this issue has not yet been resolved, the example documents a situation where benefit diversion was contemplated only after the scale of the potential benefits became obvious. The issue of the who owns the fish may be raised only when owning fish is lucrative. Or, put another way, empowerment and structure are important elements in capacity building.

### Observations

The Indonesian activity was more purchase-oriented than either Liberia or Jamaica. Although there were definitely Model A or process consultation dimensions, there was also a strong element of the Model B approach.

The substance of the exercise also departed from previous examples. In this case the focus was specifically on boundary-spanning, resource bases, and incentives. Two items help to explain why this was so. First, this was the only one of the three projects which was specifically designed to strengthen existing subnational government entities. The Liberian and Jamaican projects were both based on PMUs. Second, previous work with PDP I had introduced an evaluation model which emphasized resources, incentives, and behavior. Thus the structural focus had already been presented in a technical and legitimized through a Model-B-type exercise. Thus this intervention started from a different point than the other two cases. This difference is reflected in the relative emphasis on the seven critical elements of capacity building.

- Risk sharing. The Government of Indonesia funded the local consultants and the PDP project covered local travel costs for the three Americans. Since the focus of the work was on what made things work or not work, there was also a perceived risk involved in providing information and participating in the exercise.
- Multiple levels. National, provincial, district, subdistrict, and village-level officials were all involved.
- Incentives. The role of incentives was a central concern of the interviews, exercises, and group discussions at all levels.

- Demonstration. Preliminary exercises with the Indonesian consultants and the government staff were perceived as useful demonstrations, but acceptance of exercise approaches varied from province to province and from group to group.
- Collaboration. The use of consultant counterparts required collaboration and an effort was made to involve staff at the various levels.
- Resource base. The resource base was a central concern of the visit.
- Learning emphasis. The idea of mutual learning was stressed, but sometimes local officials balked at any exercise which departed from a more paternalistic, status conscious purchase model.

This example, like the others, consists of one visit in a sequence. Unlike the others, however, both earlier and later visits emphasized the substantive elements of incentives, resources, and measurement of capacity. Thus PDP contains more of a structural orientation than either LCADP or IRDP. Moreover, due to the use of an existing institutional base and an existing project emphasis on capacity building, there is a greater chance that PDP innovations will lead to self-sustaining improvements. This is not to suggest that problems do not exist. In fact the very structure of central government/local government relations contains contradictions and impediments. Nevertheless, the willingness to address structural issues is far more advanced in Indonesia, and the field visits were able to build on this foundation.

It is worth noting that some progress has been made since the September 1980 visit, particularly in NTT where:

- The PDP kabupaten coordinators have become members of the kabupaten Bappedas. This is an important step to improve linkages between PDP and the kabupaten Bappedas and, at the same time, strengthen those Bappedas with PDP-trained personnel.
- A workshop on bottom-up planning was held in December 1980.
- The bupati of Kabupaten Belu has issued a planning procedure spelling out the inputs from village to province. The system articulated in these instructions indicates a significantly greater role for both village heads and subdistrict (kecamatan) officials than was evident during the September visit.

These steps suggest both a positive impact resulting from the consultant visit and a local commitment to enhancing local capacity and making PDP work. Furthermore, this provides evidence that at least some field-level structural impediments are being confronted.

## SYNTHESIS II: IMPLEMENTATION, OBJECTIVES, AND MEANS

Although these three examples of capacity-building activities provide only a limited, and probably unrepresentative, sample of general practices, they do underscore points made in previous chapters and they suggest some general lessons. These lessons fall into four categories: the nature of the learning process, the role of technical assistance, the importance of sequencing, and the centrality of empowerment.

### Learning Process

There appear to be two dimensions necessary to the learning process--engagement and reflection. Engagement involves learning by doing, enlightenment through action. Analysis, abstraction, and prescription are not enough. Unless capacity builders are willing to become players in the drama, they are not likely to succeed because their immersion both demonstrates a collaborative spirit and it reinforces how little they, as outsiders, actually knew about the harsh realities of the situation. The learning process is mutual.

Reflection is equally necessary. Activity will implicitly define capacity, unless the definition is made explicit and scrutinized, the larger issues will be lost. For example, the emphasis on staff interactions in the Liberian case may have helped to legitimize ignoring the cooperatives and not devolving functions to them. Internal capacity definitions are inadequate. Moreover, engagement without reflection can produce euphoria over apparent cognitive progress which is actually very superficial, while more important structural obstacles are missed and possibly even reinforced.

### Technical Assistance

As noted in chapter three, simple resource transfers such as block grants are not appropriate as methods to build capacity. Technical assistance (TA) will be required. However, the type and role of that assistance is important.

The three cases examined exercises conducted on short-term visits. The average length of a visit was three and one half weeks. In the Jamaican and Indonesian cases, there was also a long-term technical assistance team on site, and the short-term people were programmed to supplement the long-term advisers. This is the most desirable situation--combinations of short- and long-term TA personnel are likely to work best. In tandem the two types of TA can exert both a low-intensity long-term pressure and introduce a high-intensity spotlight on critical and controversial issues (Mickelwait, Barclay, and Honadle, 1980).

Moreover, there is a need for counterparts. The Indonesian exercise was most desirable in this regard. Although there were attendant frustrations, the six-person mixed team both prevented isolation from local realities and reinforced mutual learning by requiring collaboration. Furthermore, it forced the outsiders to reveal their implicit objectives and have them tested by insiders who would carry on the practice.

### Sequencing

The cases also cast some light on the strategy sequence introduced in chapter three. Liberia and Jamaica were unable to move beyond a Model A emphasis, and the likelihood for success is low. Indonesia, on the other hand, began at a point further along the continuum. The chance for this case to move from Model B to C is also doubtful at present, but at least the foundation for a consideration of structural issues is being laid. In Indonesia another aspect was notable. Much of the resistance among local officials to "process consultation" practices indicated an unwillingness to move backward from Model B to Model A.

All three of the cases were based on an S-curve assumption. Momentum was expected to build, with initial interventions being low key and incremental. Without a vision of the nature of the capacities being built, however, the chances for success appear to be lower and consultant energies are more likely to be expended on peripheral emphases. That vision must also extend beyond an internal definition to encompass boundary-spanning and impact dimensions.

### Empowerment

The central concern which emerges is one of empowerment: until the Liberian Cooperatives, the Jamaican Development committees, and the Indonesian Local Government staff and village organizations obtain control of their own resource base the dream of enhanced capacity will remain just that. Although engagement is necessary, it is insufficient. The question must be answered of "who owns the fish?" And at base this is a structural question involving incentives, resource bases, and empowerment.

## SUMMARY

Examples of fieldwork in Liberia, Jamaica, and Indonesia reveal varying degrees of the seven essential factors. Those experiences also supported the general lessons presented in chapter three.

The seven elements, the various approaches to capacity definition, the three tactical models, and cognitive versus structural orientations all helped to identify strengths and weaknesses in the practice. The emphasis on phasing added an important perspective. Several lessons can be distilled from the field experiences. These lessons include the need for both engagement and reflection to be part of the learning process, and the fact that technical assistance strategies have an impact on capacity initiatives. However, the central issue which emerged was also that of empowerment, structure, resources, and incentives--the question of who owns the fish.

## CHAPTER FIVE

## FISHING FOR CAPACITY: SOME CONCLUSIONS

The image that has permeated this paper is the axiom about teaching a man to fish. It is a powerful image. To begin with, it conjures up the ideal of capacity building--that it is a creative activity that leads to increased welfare. The image also indicates the cognitive dimension of capacity building. There is an act of teaching involved.

The image presented here goes beyond the axiom to raise the question of who owns the fish. This issue of ownership underscores the structural component of capacity. Indeed considerations of resource bases, incentives, and empowerment are the essence of capacity-building practice.

While the fishing image delineates the cognitive and structural dimensions of capacity building, it is limited to describing an individual capacity when the chief concern of development is with organizational or societal capacity. Still, not far behind these aggregates of individuals is the ideal of creative activity and increased welfare. To reiterate, capacity building is the guts of development.

With this image firmly in mind, this paper concludes by reconsidering three topics that have been raised in previous chapters: the relationship between the process and substance elements of capacity building, the implications of a capacity-building orientation for donor and technical assistance organizations, and the inherent arrogance of capacity builders.

#### Process and Substance

Seven elements critical to successful capacity building were identified in chapter three. Five of the seven are process, or cognitively oriented:

- Risk sharing;
- Multiple-level involvement;
- Demonstration;
- Collaborative activities; and
- Learning emphasis.

The other two elements--resource base and incentives--are substance or structurally-oriented. All seven of the elements are important to successful capacity building. Even so, while the absence of one of the process elements may dampen the impact of capacity-building efforts, individually they do not seem capable of completely disrupting such an effort.

However, the absence of the substantive elements, the needed resource base, or the appropriate incentives, can completely derail any capacity-building initiative. If either the incentives or the resource base is aligned against those receiving capacity assistance, there is nearly no chance for success. The ownership of the fish is critical, and to forget this is irresponsible, because it can expose the socially or politically vulnerable and lead to their further incapacitation.

There is a corollary to this orientation. Those involved in building capacity are only doing so if they are engaged in the issues of empowerment. Neutrality on this issue is impossible, and it is far better for development practitioners to recognize this fact because trying to ignore or avoid the issue will ultimately contribute to stifling capacity-building efforts. Besides, issues of empowerment cannot be ignored in providing capacity-building assistance. Those to whom the assistance is being given will undoubtedly be those most vulnerable to predatory organizations and least able to articulate resistance: one builds capacity in peasants, not presidents.

The field experiences viewed in chapter four support the contention that capacity building must look outside organizational boundaries to the political economy of the environment. Only then is it likely that donor interventions will have positive, self-sustaining consequences.

### Donor Implications

Capacity building is the guts of development. To be sure, the issue of whose capacity should be built will differ according to political ideology, but those supporting unfettered, nondependent, and sustainable social and economic development should opt for an explicit capacity-building orientation. By the same token, the structural orientation of capacity building should not be perceived as an impediment to adopting a capacity-building perspective. Any policy recommendations, be they conservative (decontrol prices) or radical (deconcentrate landholdings), have resource base and incentive implications--it is inevitable. One cannot be engaged in development and not come across issues of building capacity or altering structure. To do so is to ignore reality and return to the follies of the era of artifacts and attitudes. Hopefully the lesson has been learned that technology transfer programs are not likely to work unless they contain capacity-building elements.

This integral link between capacity building and development suggests two things. First, simple resource transfers such as block grants are not likely to build improved capacity, because as soon as funds are released they will be engulfed by those who already have the capacity. Second, although capacity-building activities may be centered on one focal organization, it is

necessary to involve more than a single hierarchical level in the activity. As one example, agricultural research is not neutral to institutional connections among policy makers, farmers, markets, and resource bases.

It also appears that projects can be better designed to emphasize capacity building or organizational learning as an explicit objective. Donor reimbursement procedures should reward creative and experimental organizational behavior rather than success at reaching preprogrammed production targets. Additionally, in resource-scarce environments, managerial resources should not be so dispersed that capacity will not be raised. This may mean fewer, more concentrated projects. They will most likely also be more administrative-intensive, longer term, and proclaim less staggering goals. However, a total retreat to incrementalism is also unlikely to change structural constraints.

Effective capacity building will be based on resource management initiatives combined with organizational strengthening (Klee, 1980). Moreover, a combination of engagement and reflection will be required. This implies designs which avoid giving capacity builders a membership in the "village-a-minute club" and instead concentrate efforts and build lasting relationships. It also implies that linkages among institutional networks (McDermott, 1981) will receive simultaneous attention along with internal emphases.

Although process, learning-oriented, phased project designs should be emphasized, there should be no retreat from the central role of the design. If the design does not set the tone for structural considerations, it is not reasonable to expect the implementation process to reward such considerations or to tackle important issues. Of course, designs by their very nature are only beginning points and immutable designs are antithetical to both development and capacity building.

### Sustainability and Arrogance

Not only is capacity building the guts of development, it is the guts of development administration as well. If organizational and social settings do not support creative problem solving, then self-sustaining development processes are not likely to occur and any ability to guide the evolution of such processes is extremely doubtful. Thus the true test of the contribution of development administration is not the implanting of particular management practices. Instead, it is the enhancement of existing capacities to support creative processes.

However, creative processes are not spontaneously generated. Only when structural conditions support the empowerment of the creative are consciously designed capacity building efforts likely to work. Thus responsible development administration practitioners are warriors engaged in the battle to remove structural chains.

This battle is partly cognitive. Only when questions such as "why should they continue owning the fish?" are asked is there much chance for empowerment. These questions, in turn, lead to examinations of individuals, social structures, and the interrelationships between the two. In fact, capacity building and structural innovation may be inseparable phenomena.

One of the first to pose the question in just this way was the Italian social philosopher, Giambattista Vico (1688 -1744). He condensed his viewpoint in the statement, "Verum Factum," (I know what I create). By this he not only meant that social institutions are human creations, but further, that as human creations they were capable of being changed to better meet the demands of society (Vico, 1970). From this so-called institutional perspective, which has had a long, and colorful history, capacity building and structural innovation are inseparable (Walker 1979; Walker 1980). This view was well articulated by Sir Geoffery Vickers:

So long as government and its associated class structure were regarded as part of a divine or natural order, criticism focused not on its institutions but on the people who sat in their seats of power...A major change came over this scene when men ceased to regard the "order" which distributed wealth, power, and function as divinely appointed or even defined by "nature" and came instead to regard it as an arrangement devised and imposed by men on men, which men could alter to accord with their ideas of justice or convenience. (Vickers, 1973)

This institutionalist viewpoint identifies the central link between cognitive and structural change. However, there is a danger with an obsession with the ability of outsiders to build a perpetual social motion machine; when structures are challenged by outsiders, including development practitioners, there is the real danger that anchor chains will be mistaken for prison chains. Nonetheless, unless the chains are identified and examined, there is little hope for self-conscious capacity building.

The thought that donors can begin self-sustaining change processes, does, however, contain a certain note of arrogance. In fact, the idea that sustainable change stimulated by outsiders is even possible may be a dream. The practice of capacity building, then, should be tempered with humility, an acceptance of uncertainty, and a great deal of true collaboration.

### A Final Word

If capacity building is treated either as a passing fad or as an independent activity, it is doomed. But the issues at the heart of the matter will remain. In the final analysis this is an

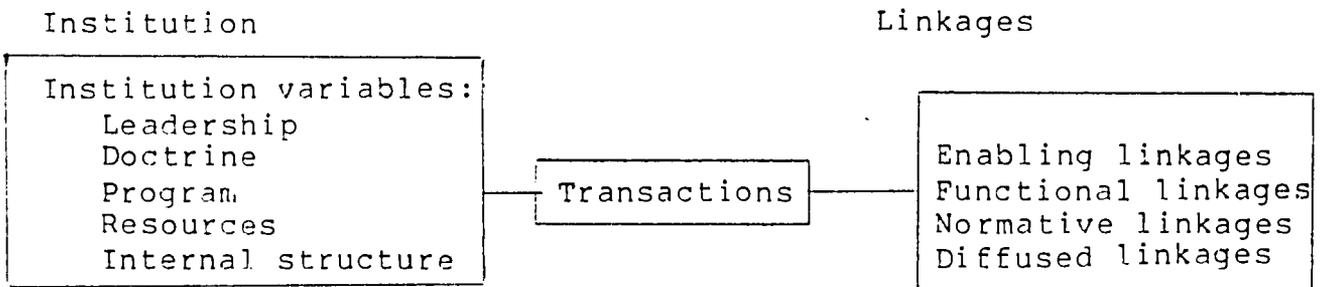
issue of human survival. There is no guarantee that today's dominant cultures have a high potential for survival. If societies are viewed as a cultural gene pool, the importance of capacity building lies not in creating momentary buzz words, but in the slight chance that societies with high survival potential will obtain the capacity necessary to allow them to last to the point where their advantage becomes clear. A focus on sustainable development may be intimately related to the endurance of the human species.

Partaking in such a process offers both individual satisfaction and social learning; engagement and reflection. This is development administration at its best. While there is much to be learned about administering development and about what capacity is and how to build it, it is nevertheless certain that to a bureaucrat or to a peasant it is not enough to learn the art of fishing. Rather, the state of the art suggests that resources must be focused on those barriers to keeping the fish.

INTENTIONALLY  
LEFT BLANK

## NOTES

- 1 Land reform is a common component of IRD projects. Examples included the Lilongwe Land Development Programme in Malawi, the Bong Country Project in Liberia, the Bula-Minalabac Project in the Philippines, and the Vicos Project in Peru. The perceived importance of agrarian reform for Latin American development also resulted in the establishment of the Land Tenure Center at the University of Wisconsin/Madison. For a project-level analysis of land use, see Bluestain (1980).
- 2 For a prescriptive argument which combines both views, see Armor, and others (1979).
- 3 For examinations of economic, institutional and technological dualism in geographic area, see R. Leys (1973).
- 4 The basis of this literature is the many papers generated by the Interuniversity Consortium on Institution Building. Only two books need be consulted to obtain the essence of a very repetitive, jargonized and limited literature. They are Eaton, (1972) and Blaise (1972).
- 5 The basic model of institution building linkages is attributed to Milton Esman. The diagram and definitions below are taken from his "The Elements of Institution Building" in Eaton 1972.



(a) Enabling Linkages, "with organizations and social groups which control the allocation of authority and resources needed by the institution to function."

(b) Functional linkages, "with those organizations performing functions and services which are complementary in a production sense, which supply the inputs and which use the outputs of the institution."

(c) Normative linkages, "with institutions which incorporate norms and values (positive or negative) which are relevant to the doctrine and program of the institution."

(d) Diffused linkages, "with elements in the society which cannot clearly be identified by membership in formal organization."

- 6 It is easy to take a simplistic approach to the emergence of the PMU as a dominant organizational choice for rural development. Such an approach would lean on the we/them dichotomy and dismiss the PMU as an unenlightened idea resulting from the time-bound project funding and physical engineering approach of international donors. However, such a perspective misses many aspects of local environments which made PMUs attractive to local governments. For example, an area development program with a PMU could be identified as a visible and radical departure from the operations of line ministries inherited from colonial powers. This was attractive to many newly emergent governments of the 1960s. Moreover, the resulting reconfiguration of rural power relationships was appealing to weak central governments attempting to establish control over the periphery. The imposition of a PMU could be used to weaken the roles of village headmen or chiefs in land allocation and it could be used to dismantle line ministries which were unresponsive to central government directives. Thus, to some decision makers, sustainability was not the issue.
- 7 Two comprehensive empirical studies of the role of local organizations in rural development are Uphoff and Esman, (1974) and Gow and others, (1979). See also the more recent study of Goldsmith and Blustein (1980).
- 8 This is an original formulation. However, some of these terms follow precedents while others deviate significantly from previous usages. This definition of "organization" can be found in March (1965). This definition of "institution" is based on Berger and Luckmann (1967). The use of "institution-building" follows common usage except for the emphasis on administrative capability rather than the perpetuation of an organizational form. "Behavioral outcome" is based on the recognition that unintended results are sometimes more important than intended ones. For a good statement of this, see Hirschmann (1967). The use of "institutionalization" is original but it is also the logical result of accepting the definitions of "institution," "institutional building," and "behavioral outcome." The use of the term "institutional progress" is in direct contrast with what the institution-building literature calls success--the longevity of an organizational form. In traditional terms, then, perpetuating an organizational arrangement which exploits rural villagers is success. Given the Foreign Assistance Act of 1973, this definition is inadequate. For the traditional view see Eaton (1972); for a critique, see G. H. Honadle (1979a).

## REFERENCES

- Adelman, I. and C. T. Morris. 1972. "The Measurement of Institutional Characteristics of Nations: Methodological Considerations," 1972. Measuring Development: The Role and Adequacy of Development Indicators (N. Baster, ed). London: Frank Cass.
- Armor, T. H. 1979. Addressing Problems of Middle Level Management: A Workshop Held at the Lofa Country Agricultural Development Project. Washington, D.C.: Development Alternatives, Inc.
- Armor, T. H. 1981. Using Organization Development in Integrated Rural Development, IRD Working Paper No. 6. Washington, D.C.: Development Alternatives, Inc.
- Armor, T. H. and others. 1979. "Organizaing and Supporting Integrated Rural Development Projects: A Two-Fold Approach to Administrative Development," Journal of Administration Overseas. 18(4): 276-286.
- Baran, P. A. 1979. "On the Political Economy of Bachwardness," The Political Economy of Development and Underdevelopment, 2nd. ed, C. R. Wilber, ed. New York: Random House.
- Barnett, D. and K. Njama. 1966. Mau Mau from Within. New York: Monthly Review Press.
- Berger, P. 1974. Pyramids of Sacrifice. New York: Basic Books.
- Berger, P. and T. Luckmann. 1967. The Social Construction of Reality. New York: Anchor/Doubleday.
- Blaise, M. 1972. Institution Building: A Source Book. New York: Schenkman.
- Bluestain, H. S. 1980. Social Aspects of Resource Management in the Second Integrated Rural Development Project (Jamaica). Ithaca: Cornell University Press.
- Brown, A. "Technical Assistance to Rural Communities: Stop gap or Capacity Building," Public Administration Review 40(1): 18-23.
- Burack, E. 1973. Organizational Analysis. New York: McGraw Hill.
- Cardoso, F. H. 1977. "The Originality of the Copy: The Economic Commission for Latin America and the Idea of Development," Toward a New Strategy for Development, a Rothko Chapel Colloquium. New York: Penguin Press.

- Chambers, R. 1978. "Project Selection for Poverty-focussed Rural Development: Simple is Optimal," World Development 6(2): 209-219.
- Chenery, H. B. and A. M. Stout. 1966. "Foreign Assistance and Economic Development," American Economic Review 56 (2): 459-468.
- Coombs, P. H. and M. Ahmed. 1974. Attacking Rural Poverty: How Nonformal Education Can Help: Baltimore, MD: Johns Hopkins University Press.
- Coombs, P. H. 1981. Meeting The Basic Needs of the Rural Poor. New York: Pergamon.
- Churchman, C. W. 1971. The Design of Inquiry Systems: Basic Concepts of Systems and Organization. New York: Basic Books.
- Curtis, R. V. and others. 1980. "Evaluation of Pindar River and Two Meetings Integrated Rural Development Project," prepared for USAID/Kingston. Washington, D.C.: Agency for International Development.
- Cochrane, G. 1979. The Cultural Appraisal of Development Projects. New York: Praeger.
- Coleman, J. S. 1971. "The Development Syndrome: Differentiation-Equality-Capacity," Crises and Sequences in Political Development, L. Binder, ed. Princeton, N. J.: Princeton University Press.
- Development Alternatives, Inc. 1978. Information for Decisionmaking in Rural Development 2 vols. Washington, D.C.: Development Alternatives, Inc.
- Dorner, P. 1972. Land Reform and Economic Development. Hammonds worth: Penguin Books.
- Eaton, J. 1972. Institution Building and Development. Beverly Hills: Sage Publications.
- Esman, M. and J. D. Montgomery. 1980. "The Administration of Human Development," in P. T. Knight, ed. Implementing Programs of Human Development, P. T. Knight, ed. World Bank Staff Working paper No. 403. Washington, D.C.: World Bank.
- Evans-Pritchard E. E. 1940. The Nuer. London: Oxford University Press.
- Fallers, L. 1965. Bantu Bureaucracy. 2nd. ed. Chicago: University of Chicago Press.

- Fox, M. G. and others. 1976. "Designing Organizations to Be Responsive to Their Clients," The Management of Organization Design, Vol. 1: Strategies and Implementation, Kilmann and others. New York: North-Holland.
- Freire, P. 1969. The Pedagogy of the Oppressed. New York: Herder and Herder.
- Freire, P. 1973. Education for Critical Consciousness. New York: Seabury. 1940.
- Gluckman, M., ed. 1969. Ideas and Procedures in African Customary Law. London: Oxford University Press.
- Goldsmith, A. A. and H. S. Blustein. 1980. Local Organization and Participation in Integrated Rural Development in Jamaica. Ithaca, N.Y.: Rural Development Committee, Cornell University.
- Goulet, D. 1971a. The Cruel Choice. New York: Atheneum.
- Goulet, D. 1971b. "An Ethical Model for the Study of Values," Harvard Educational Review 41.
- Cow, D. D. and others. 1979. Local Organizations and Rural Development: A Comparative Reappraisal 2 vols. Washington, D.C.: Development Alternatives, Inc.
- Griffin, K. 1969. Underdevelopment in Spanish America. London: Allen and Unwin.
- Gulliver, P. H. 1958. Land Tenure and Social Change Among the Nyakyusa. Kampala: East African Institute of Social Research.
- de Guzman, R. P. and others. 1973. "Increasing the Administrative Capacity of Provincial Governments for Development: A Study of the Provincial Development Assistance Project in the Philippines," Philippine Journal of Public Administration 17: 354-368.
- Hagen, E. E. 1962. On the Theory of Social Change. Homewood, Ill.: Dorsey Press.
- Hannah, J. P., G. M. Owens, and D. R. Mickelwait. 1981. Building Institutional Capacity for Project Planning in Central Java. Washington, D.C.: Development Alternatives, Inc.
- Harbison, F. 1973. Human Resources as the Wealth of Nations. New York: Oxford University Press.
- Hirschman, A. O. 1958. Strategy for Economic Growth. New Haven: Yale University Press.

- Hirschman, A. O. 1967. "The Centrality of Side Effects," Development Projects Observed. Washington, D.C.: The Brookings Institution.
- Holdcroft, L. E. 1977. The Rise and Fall of Community Development in Developing Countries, 1950-1965: A Critical Analysis and Annotated Bibliography, a Department of Agricultural Economics Rural Development Paper. East Lansing: Michigan State University.
- Honadle, B. W. 1980. "A Capacity-Building Framework," paper prepared for the White House Task Force on Capacity-Building. Washington, D.C.: USDA/ESCS/EDD, State and Local Government Program Area, U.S. Department of Agriculture.
- Honadle, B. W. 1981a. Capacity-Building (Management Improvement) For Local Governments: An Annotated Bibliography. Rural Development Research Report No. 28., Economics and Statistics Service. Washington, D.C.: U.S. Dept. of Agriculture.
- Honadle, B.W. 1981b. "Managing Capacity Building: Some Considerations," draft paper.
- Honadle, G. H. 1978. "Organization Design for Development Administration: A Liberian Case Study of Implementation Analysis for Project Benefit Distribution." Unpublished Ph.D. Dissertation, Syracuse University.
- Honadle, G. H. 1979a. "Implementation Analysis: The Case for an Early Dose of Realism in Development Administration," International Development Administration Implementation Analysis for Development Projects, G. H. Honadle and R. Klaus; eds. New York: Praeger.
- Honadle, G. H. 1979b. "Preliminary Report on Developing a System for Evaluating Institution-Building Components for the Provincial Development Program: Institution-Building in the PDP Context," Report on the Progress and Future of the Provincial Area Development Program, H. A. Muslimin, M. Buchori and G. H. Honadle. A report to the Ministry of Home Affairs, Republic of Indonesia, and the U.S. Agency for International Development.
- Honadle, G. H. 1979c. Rapid Reconnaissance Approaches to Organizational Analysis for Development Administration. Washington, D.C.: Development Alternatives, Inc.
- Honadle, G. H. 1980. "Manpower for Rural Development in Malawi: An Integrated Approach to Capacity-Building." Washington, D.C.: Development Alternatives, Inc.
- Honadle, G. H. and T. Armor. 1980. Supporting Field Management: Implementation Assistance to the LCADP in Liberia. Washington, D.C.: Development Alternatives, Inc.

- Honadle, G. H. and R. Klauss, eds., 1979. International Development Administration Implementation Analysis for Development Projects. New York: Praeger Publishers.
- Honadle, G. H. and others. 1980a. Implementing Capacity-Building in Jamaica: Field Experience in Human Resource Development. Washington, D.C.: Development Alternatives, Inc.
- Honadle, G. H. and others, 1980b. Integrated Rural Development: Making It Work? Washington, D.C.: Development Alternatives, Inc.
- Hudson, M. 1973. "Developing Indicators of Administrative Productivity." The Cross-National Perspective, Philippine Journal of Public Administration. Vol. 17: 330-333.
- Illich, Ivan. 1973. Tools for Conviviality. New York: Harper and Row.
- Ingle, M. and D. Rondinelli. 1980. "Assessing the Viability of Small Industry Support Organization," National Development (March):54-65.
- Iversen, R. W. 1979. "Personnel for Implementation. A Contextual Perspective," International Development Administration: Implementation Analysis for Development Projects, G. H. Honadle and R. Klauss, eds. New York: Praeger.
- Johnson, H. G. 1964. "Toward a Generalized Capital Accumulation Approach to Economic Development," Residual Factors in Economic Growth. Paris: Organization for Economic Cooperation and Development.
- Jones, W. O. 1970. "Measuring the Effectiveness of Agricultural Marketing in Contributing to Agricultural Development: Some African Examples," Food Research Institute Studies 9(3).
- Kilby, P., ed. 1971. Entrepreneurship and Economic Development. New York: Free Press.
- Kotler, P. 1972. "5 C's: Cause, Change Agency, Change Target, Channel, and Change Strategy; The Elements of Social Action," Creating Social Change, G. Zaltman and others. New York: Holt, Rinehart and Winston.
- Klee, G. A., ed. 1980. World Systems of Traditional Resource Management. New York: Halsted Press/John Wiley and Sons.
- Korten, D. C. 1980. "Community Organizational and Rural Development: A Learning Process Approach," Public Administration Review 40(5): 480-511.

- Leonard, D. K. 1977. Reaching the Peasant Farmer: Organization Theory and Practice in Kenya. Chicago: University of Chicago Press.
- Lerner, D. 1958. The Passing of Traditional Society: New York: Free Press.
- Levinson, H. 1972. Organizational Diagnosis. Cambridge, Mass.: Harvard University Press.
- Leys, C. 1975. Undevelopment in Kenya: The Political Economy of Neo-Colonialism. London: Heinemann.
- Leys, R., ed. 1973. Dualism and Rural Development in East Africa. Copenhagen: Institute for Development Research.
- Livingston, I. 1979. "On the Concept of Integrated Rural Development Planning in Less Developed Countries," Journal of Agricultural Economics 30(1): 49-53.
- Mangahas, M., V. Miralao, and R. DeLos Reyes. 1976. Tenants, Lessees, Owners: Welfare Implications of Tenure Change. Manila: Institute of Philippines Culture.
- March, J. G., ed., 1965. A Handbook of Organizations. Chicago: Rand McNally.
- Massing, A. and H. P. Seibel. 1974. Traditional Organizations and Economic Development. New York: Praeger.
- Mayer, P. and I. Mayer. 1965. "Land Law in the Making," African Law: Adaptation and Development, H. Kuper and A. Kuper, eds. Los Angeles: University of California Press.
- Mayfield, J. B. 1980. "Some Considerations for the Establishment of a Monitoring and Evaluation System in Rural Egypt," prepared for USAID/Cairo. Washington, D.C.: Agency for International Development.
- McClelland, D. and D. Winter. 1969. Motivating Economic Achievement. New York: Free Press.
- McDermott, J. 1981. "Institutions in Agricultural and Rural Development," Technical Program Committee for Agriculture Occasional Paper 2. Washington, D.C.: Agency for International Development.
- Melcher, A. 1976. Structure and Process of Organizations. Englewood Cliffs: Prentice-Hall.
- Mickelwait, D. R. and others. 1980. Monitoring and Evaluating Decentralization: The Basic Village Service Program in Egypt. Washington, D.C.: Development Alternatives, Inc.

- Mickelwait, D. R., C. F. Sweet, and E. R. Morss. 1979. New Directions in Development: A Study of U.S. AID. Boulder, Colo: Westview Press.
- Mickelwait, D. R., A. H. Barclay, Jr., and G. H. Honadle. 1980. "Rethinking Technical Assistance: The Case for a Management Team Strategy," unpublished paper, Development Alternatives, Inc.
- Miller, D. W. 1979. Management Assistance to LCDAP Transportation Logistics: Observations and Recommendations, an IRD field report. Washington, D.C.: Development Alternatives, Inc.
- Montgomery, J. D. 1974. Technology and Civic Life: Making and Implementing Development Decisions. Cambridge, Mass.: MIT Press. 1979b "implementing analysis for Development Administrators.
- Montgomery, J. D. 1979a. "The Popular Front in Rural Development: Or, Shall We Eliminate the Bureacrats and Get on with the Job?" Public Administration Review 39(1).
- Montgomery, J. D. 1979b. "Implementation Analysis for Development Administrators," International Development Administration: Implementation Analysis for Development Project, G. H. Honadle and R. Klauss, eds. New York: Praeger.
- Morss, E. R. and others. 1976. Strategies for Small Farmer Development. 2 vols. Boulder, Colo.: Westview Press.
- Office of Management and Budget. 1975. Report of the Office of Management and Budget Study Committee On Policy Management Assistance. Washington, D.C.: National Science Foundation.
- Owens, E. and R. Shaw. 1972. Development Reconsidered. Lexington: D.C. Health.
- Popkin, S. 1979. The Rational Peasant. Berkeley: University of California Press.
- Raskin, M. 1971. Being and Doing. New York: Vintage Press.
- Rondinelli, D. A. 1979. "Designing International Development Projects for Implementation," International Development Administration Implementation Analysis for Development Projects, G. H. Honadle and R. Klauss, eds. New York: Praeger.
- Rondinelli, D. and M. Ingle. 1981. Improving the Implementation of Development Programs: Beyond Administrative Reform, SICR Occasional Paper 10. Washington, D.C.: American Society for Public Administration.

- Rondinelli, D. and K. Ruddle. 1978. Urbanization and Rural Development. New York: Praeger.
- Rostow, W. W. 1960. The Stages of Economic Growth. Cambridge: Cambridge University Press.
- Rothman, J. 1972. "Three Models of Community Organization Practice," G. Zaltman, and others, eds. Creative Social Change. New York: Holt, Rhinehart and Winston.
- Rothman, J. 1974. Planning and Organizing for Social Change: Action Principles from Social Science Research. New York: Columbia University Press.
- Ryan, W. 1971. Blaming the Victim. New York: Vintage.
- Schultz, T. W. 1961. "Investment in Human Capital," American Economic Review 51(1): 1-17.
- Schumacher, E. F. 1973. Small is Beautiful. New York: Harper and Row.
- Sherwood, J. J. 1971. "An Introduction to Organization Development," The 1972 Annual Handbook for Group Facilitators, J. W. Pfeiffer and J. E. Jones, eds. Iowa City, Iowa: University Associates.
- Scott, C. 1976. The Moral Economy of the Peasant. New Haven: Yale University Press.
- Shanin, T., ed. 1971. Peasants and Peasant Societies. Hammondsworth: Penguin Books.
- Singer, H. 1970. "Dualism Revisited: A New Approach to the Problems of Dual Society in developing Countries," Journal of Development Studies 7(1).
- Soetoro, A. 1979. "Prosperity Indicators for Java," a report for the Provincial Development Project, Indonesia. Jakarta: Development Alternatives, Inc.
- Sweet, C. F. and P. F. Weisel. 1979. "Process Versus Blueprint Models for Designing Rural Development Projects, International Development Administration Implementation Analysis for Development Projects, G. H. Honadle and R. Klauss, eds. New York: Praeger.
- Tendler, J. 1975. Inside Foreign Aid: Baltimore, Md.: Johns Hopkins University Press.
- Tendler, J. 1976. Intercountry Evaluation of Small Farmer Organizations. Washington DC: Agency for International Development.

- Uphoff, N. T. 1973. "An Analytical Model of Process and Performance for Developing Indicators of Administrative Capability," Philippine Journal of Public Administration 17: 372-379.
- Uphoff, N. T. and M. J. Esman. 1974. Local Organization for Rural Development: Analysis of Asian Experience. Ithaca, N.Y.: Cornell University Rural Development Committee.
- Uphoff, N. T., J. Cohen and A. Goldsmith. 1979. Feasibility and Application of Rural Development Participation: A State-Of-The-Art Paper. Ithaca, N.Y.: Rural Development Committee, Cornell University.
- U.S. Agency for International Development. 1973. Handbook No. 3: Project Assistance. Washington, D.C.: Agency for International Development.
- U.S. Agency for International Development. 1975. Liberia - Upper Lofa County Rural Development. Capital Assistance Paper. Washington, D.C.: Agency for International Development.
- U.S. Agency for International Development. 1977a. Indonesia: Provincial Area Development I. Washington, D.C.: Agency for International Development.
- U.S. Agency for International Development. 1977b. Jamaica - Integrated Rural Development. Washington, D. C.: Agency for International Development.
- U.S. Agency for International Development. 1980. Problems in Implementing the Integrated Development Project In Liberia. Audit Report #80-82.
- Van Hekken, P. M. and H. V. E. Van Velzen. 1962. Land Scarcity and Rural Inequality in Tanzania. The Hague: Morton.
- VanSant, J. with P. F. Weisel. 1979. Community Based Integrated Rural Development in the Special Territory of Aceh, Indonesia, an IRD Field Report. Washington, D.C.: Development Alternatives, Inc.
- VanSant, J. and others, 1981a. Management Support to the Jamaica Ministry of Agriculture Second Integrated Rural Development Projects an IRD Field Report. Washington, D.C.: Development Alternatives, Inc.
- VanSant, J. and others. 1981b. Supporting Capacity Building in the Indonesia Provincial Development Project, an IRD Field Report. Washington, D.C.: Development Alternatives, Inc.
- Vickers, Geoffery. 1973. Making Institution Work. New York: Wiley.

- Vico, G. 1970. The New Science, T. G. Bergin and M. H. Fisch, trans. Ithaca, N. Y.: Cornell University Press.
- Walker, T. 1979. "The Intellectual Foundation of Institutional Thought." unpublished paper, Wesleyan University.
- Walker, T. 1980. "Play It Again, John: Institutionalism 'Old' and 'New'". unpublished paper, Wesleyan University.
- Zaltman, G. and others. 1972. Creating Social Change. New York: Holt, Rhinehart and Winston.