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**LEARNING FROM DEVELOPMENT SUCCESS:  
SOME LESSONS  
FROM CONTEMPORARY CASE HISTORIES**

by

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### SUMMARY ANALYSIS

The development literature is not known for an abundance of success stories. Indeed much of the research reported to date has done a poor job of defining either development or success. This is not, however, a reflection of global development experience as a whole. In that larger universe, both success and development do have definitions. There are some successful cases. This paper discusses 18 such cases and points to a number of others. In this initial section I shall also use a demanding definition of success and note the crosscutting themes of the examples as a whole. As these cases show, improving life quality in a broadly-defined and self sustaining manner requires politically and economically effective citizens and local organizational capacity.

A few words are in order first about materials, evidence, and methods. This project involved a very few weeks and was thus limited primarily to cases for which material was immediately available. There were other cases beyond reach: new books on them were unavailable (Siy, 1983 or Walt and Melamed, 1983) or no material was at hand whatsoever; in the UNICEF journal Assignment Children, Grassroots Development--Journal of the IAF and some voluntary agency reports, information was often too limited or the cases were of too short a duration; and parts of the global literary universe, like reports of FAO/ROAP in Asia or collections from the Society for Participatory Research in Asia, are not available in Washington yet. With two exceptions, the 18 cases are not of long duration, usually 5 to 10 years old. Naturally material on them varied, and presentations were not designed for comparative use. Most consistently helpful were those reports by the Development Group for Alternative Policies in Washington. Statistical evidence was not usually very satisfactory on issues of either quantity or

quality. But the creation of and participation in specific new institutions that enhance the capacity of the poor is pretty concrete evidence of key aspects of development success. Using indicators of any complexity involves inevitable tradeoffs. Information is not free; there are financial and political costs to collection and analysis.

The world of evaluation of development programs can be divided into three methodological camps. There are those, like many World Bank evaluations, which take an auditing approach to assessing development programs. For example, reports from the Bank's Operations Evaluation Division (OED) ask whether projects met predetermined implementation schedules, budgets, and rates of return, not whether they effectively involved the poor. A second school of thought is directly concerned with growth and tries to measure gains in quantitative terms--rise in average income, rise in production, rise in number of service users. Such indices say little about quality or spread. Growth is part of development success, but not its essence. In recent years a third group, practitioners and analysts in Europe, in the global IFDA network, in parts of UNICEF, ILO, UNRISD, and in a few locations in North America, have jointly worked out an operational definition of development as a function of authentically democratic political and economic processes. This model, participatory development, is the subject of Gran (1983); its bibliography and that in Assignment Children (1982, 59/60), lead to that literature. This exercise expands on that definition to include more of the concerns of management effectiveness.

Success in the following cases is measured in four basic areas: management effectiveness, resources and services, spread and equity, and local capacity-building. Cases had to report evidence of concrete success in all four areas to be included.

The four areas are examined in terms of the following elements. Management effectiveness is not just planning and setting goals but creating an incentive environment conducive to development implementation, which in turn involves permanent organizational learning, internal and external conflict resolution, relating quality of work life to desired goals, and questions of values and cognitive respect. Resources and services here involves not

just the production of goods or delivery of services but also resource mobilization, personnel recruitment, and organizational development. Spread and equity entail effective degrees of mass participation in project, design, implementation, and evaluation as well as in the administration of activities and the distribution of goods and services. This is the issue of building citizens, of democratic politics and economics. The last and most crucial area to development success is capacity building. Without institutional development at the local level toward self-sustainment, self-reliance, and self-directed learning, it is difficult to see how the quality and value of other kinds of gains can be protected over time.

Dividing real world social processes by neat social science models does not, of course, work well in practice. Case material was uneven. Some overlapping occurs in the summaries, and some arbitrary choices were inevitable. The paper does, however, seek to organize the available material on the cases by this general four-part definition of success. I was asked to identify and assess a sample of success stories involving a mixture of regions and sizes. The results afforded ranges in several ways: sizes from sub-village to the national levels; geographical focus on urban, rural, and both; and institutional variations of public, private, and third sector forms. It was far easier to locate documentation on satisfactory Asian and Latin American examples; African cases that were available are not up to the same standard, as specific comments indicate. My brief survey revealed no plausible possibility from the Middle East. Yet for all this variation, as well as the disparities of culture, ideology, and political systems represented, development success is not a mystery. Common themes do cut across many or most of these cases. The summary analyses are perforce too brief to show this in conclusive detail in every case. But these dozen themes reoccur.

(1) Committed people and their values matter. In many cases single individuals or small groups were able to overcome hostile environments and win mass support by demonstrations of consistent integrity and social conscience rather than the use of material lures. One finds in the following pages the doctor Pham Ngoc Thach who led Vietnamese health development, Arizmendi the founder of Mondragon, and Kaluram the major catalyst in Bhoomi Sena; there

are in addition many unknown and uncounted social workers and community organizers who are the heart of effective development effort.

(2) Social vision in the leadership was typical. So, often was continuity of leadership. Arizmendi's work is legendary. In most of the other cases, such as the national development foundations that SOLIDARIOS assists in Mexico and Bolivia, one or a few individuals were key for the formative years.

(3) The organizations involved developed processes for continuous internal learning. Less complex groups did not have the educational system and R&D cooperative of Mondragon, but there seemed to be a fair amount of lateral and up and down communication that led to policy changes. NOCK/UNIP in Kenya, for example, changed several very basic policies in a few years. If the practitioners at different levels of Vietnam's primary health care system did not communicate well, the whole referral system would collapse.

(4) Organizations had respect for and learned from their clients and from their environment. In many cases service organizations had field workers who were involved in regular learning and participatory research wherein local people designed and implemented some or all of the program. Responsiveness was a word often used.

(5) Decentralized structures and processes made such learning practical. Bottom layers were often reported to have carried on day to day activities without top-down direction. Cooperative efforts also decentralized processes so that many or all members would develop capacities.

(6) Organizations were relatively or completely autonomous from the larger environment. SIDO, for example, may be a Tanzanian parastatal, but it is loosely attached to the Ministry of Labor. One common pattern was an independent national or regional PVO with multiple funding sources that could in some measure be balanced off against each other. Few if any cases reflected major dependence on a single outside funding source.

(7) The poor were involved in some sort of organization in which they felt some sense of ownership and responsibility. The poor mobilized to create their own organization, whatever the mix of outside catalyst and local initiative. Cooperatives work groups, and local development committees were common. Passive receivers of services were uncommon.

(8) In every case new and more participatory local organizations were developed. In many cases this permitted empowerment without immediate conflict with elite interests. As Leonard (1982) and others comment, the willingness to abandon hierarchical traditional organizations for new, more democratic ones is crucial for success.

(9) Flexibility of processes and procedures was reported in many ways. In the Kenya NCKK/UNIP credit program the loan forms were adapted to the literacy level and particular circumstances of the individual on a case-by-case basis.

(10) Most of the cases started quite small and built organizational capacity layer by layer or region by region. Many are still in the second or third stage, but Mondragon has evolved further with many useful lessons.

(11) Creativity in funding mechanisms to multiply actual resources was common. In a number of cases the combination of group effort and multiple guarantors was able to attract credit for the poor from private sector sources heretofore unavailable. Mondragon's credit co-op bank is a valuable model for small groups to consider in the process of initial networking.

(12) Group effort was more efficient and effective than social service programs aimed at individual poor. One might expect such a conclusion in socialist environments where mass mobilization has taken place but it also resulted in programs in places like Kenya. With limited manpower and resources it is clearly more sensible to offer technical services to groups than to individuals. For the poor to make effective demands for social services or anything else, they have to organize.

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Individual cases revealed a number of other creative organizational solutions which could use more investigation. The brief summaries that follow can just skim the surface. Any set of cases contains peculiarities as well as the unavoidable biases of anyone's social research. Given all such limits, I suggest this set along with the above 12 themes and general evaluation framework (management effectiveness, resources and services, spread and equity, and capacity building) as a small contribution to understanding and implementing a more equitable and productive path for social change. Such an alternative path is the only practical one in an era of very meager material resources and enormous human needs.

**ORGANIZATION:** Hyderabad Urban Community Development Project (1967--)

**FUNDING:** National, State, Local Government and UNICEF

**REPORT:** UNICEF (1981) "Hyderabad Urban Community Development - A Case Study of Community Involvement." New Delhi: UNICEF, Urban Development Section and Singh, A.M. (1980) "Income generation and community development in Hyderabad," Assignment Children, 49/50:173-95

**INIRO:** Hyderabad was one of 20 cities selected by the Indian government for urban community development after several pilot projects. National policy was shifting from slum eradication to slum improvement. HUCDP became a multifaceted intermediate organization working to assist local self-help activities. Some 160 projects focus on child, youth, and women's welfare, on housing, and dozens of other issues. All projects are multipurpose, seeking to build local capacity. The 1981 claim is that 80% of about 500,000 slum dwellers are affected by one or more of these projects. HUCDP is blessed with conducive national and local political environment. The Indian Sixth Five Year Plan (1980-85) very explicitly supports the HUCDP approach and the use of community organizations.

**MANAGEMENT EFFECTIVENESS:** The HUCDP staff runs the gamut from experienced rural development cadre to part-time volunteers. The early staff was better trained. Women were equally represented. As of 1981 the staff had grown to about 150 paid positions and about 300 community volunteers, mostly women. Many of the volunteers receive honoraria. Lack of formal training is offset by daily and weekly meetings among all levels of staff, volunteer, and community citizens involving a lot of democratic exchange.

Key to overall effectiveness appears to be organizational flexibility. Resources can be applied quickly as needs are expressed; UNICEF cash grants and honoraria have helped greatly. Volunteers are not government employees

so very good people have been attracted very efficiently without red tape. Many specific projects have gotten off the ground or overcome trouble spots by ad hoc meetings; adjusting initial plans for self-help housing colonies is one example.

**RESOURCES AND SERVICES:** As part of the Municipal Corporation the HUCDP is able to link community organizations to other government agencies and vice versa. It has become the key to getting local needs expressed, to forestalling or resolving state/people conflict, and to accelerating program implementation. For example, the State government gave out 13,000 land deeds, but the families could not have gotten resources for house construction without HUCDP linking groups to government agencies and the nationalized banks.

The basic HUCDP approach to providing resources and services is summed up in the phrase self-help. This philosophical orientation is reinforced by the near absence of external resources to proceed any other way. The Municipal Corporation mandate allows the broadest conception of services, and HUCDP responds to almost any felt need: nursery schools, supplementary child nutrition, women's organizations for income, youth clubs, self-help housing, slum welfare committees on drinking water, etc. In each is the idea of community development; with a minimal support framework (even without) people will work for things they really want. There is no evidence of extended community organizing in such efforts.

**EQUITY AND SPREAD:** In many ways this is a broadly based program, as the number and nature of the projects attest. Specific program reforms have assured greater spread. Takeover of the Special Nutrition Programme by HUCDP, for example, led to organizational development of the Maternity and Child Welfare Centres; resulting routinization of the procedure of medical check-ups and health cards is insuring better use of any available food supplement by the child. It is difficult, however, to reach all groups in such socially varied communities; low income Muslim women, for example, do not appear to benefit equally.

**CAPACITY BUILDING:** This leads directly to reflection on the nature of local capacity building taking place. HYCDP has been a catalyst for a great deal of citizen effort and local organizational development. But such development has not progressed to second level organizations ready to tackle questions of access to substantive resources or power. There was no available evidence on what limits the growth of such abilities in Slum Welfare Committees, for example. So far, therefore, HUCDP is building capacities for the poor to cope more effectively with the status quo, not to change the conditions that created it.

**IN SUM:** HUCDP has become a better and better intermediate organization in terms of meeting expressed local needs for social and economic improvement in an era of scarce resources. Keys to this appear to be three factors: relative autonomy from its funding agencies; inherent flexibility of procedures to be able to fulfill its mandate of responding to local expressions of need; high incidence of volunteer effort sustaining enthusiasm over time. More sophisticated organizational development skills will be necessary, however, to help local groups beyond improved social service, housing and small income-generation activities. More staff training was recognized as part of the answer.

NATIONAL/VIETNAM

**ORGANIZATION:** Ministry of Health, Democratic Republic of Vietnam  
(1954--)

**FUNDING:** Local, Bilateral, NGO, and UN System

**REPORT:** McMichael, Joan ed. (1976) Health Care for the People:  
Studies from Vietnam. Boston: Alyson Publ., Inc.

**INTRO:** In the 1950s and 1960s the Democratic Republic of Vietnam developed a primary health care system that effectively overcame enormous obstacles created by war and poverty in a tropical climate. As an exercise in social reorganization to meet mass needs in a situation of scarce resources, it has had few parallels in recent decades. A dissertation in progress at the New School (in New York) will shed more detailed light, but some comments on its implementation and organizational issues are possible now.

**MANAGEMENT EFFECTIVENESS:** Planning in the Vietnamese system is based on preventive rather than curative medicine. Health care is viewed as involving three issues: "measures of general hygiene to ensure a healthy social environment; massive inoculation against specific diseases; and diligent care and appropriate treatment for the sick." To account for such a philosophy and its socially based implementation one must assess first the obvious factors: Pham Ngoc Thach, the first Minister of Health (until 1968) was not only a world class scientist but a capable educator and administrator; scarcity of trained personnel meant less room for avoiding merit appointments; a social component to socialist ideology made it difficult to avoid facing the nature and size of mass medical needs; and material scarcity led inevitably to maximum use of local efforts. War time experience in rural poverty was the formative education for many involved in health policy and implementation in the early years of independence. Leadership and overall policy continuity helped, but the logic of the policy of preventive primary health care is unassailable. And once started participatory development in health provides continuously reinforcing management learning of high quality; the referral system demands consistent communication and cooperation between levels to insure patient care.

Naturally, the initial implementation of such a program produced conflict. At the local level this was reduced by mass education campaigns (on personal hygiene, for example) and advances in appropriate technology. Recruiting local people and training them as village health workers and assistant physicians made government/citizen relationship easier. Conflict was also avoided by integrating practitioners of traditional medicine in at each level; if herbal remedies worked as well as expensive imported drugs, it was clearly preferable to use local solutions. Conflicts were faced in mid-1950s when urban, French-trained physicians without wartime experience met this alternative health development system. Political education and the absence of a sufficiently wealthy clientele served to alter consciousness.

**RESOURCES AND SERVICES:** The central approach to provision of services reflected the logic of scarcity: transforming medical technology to the situation, with the BCG anti-tubercular vaccine the most notable example; adapting and simplifying treatments; creating a pyramid organization so that all villages had health stations and clinics, and hospitals were placed to receive easily the referrals of more complicated cases; training and promotion from within which must have provided great incentive to nurses and midwives who saw that they could advance on merit; and mobilizing local people against one disease after another to instill self-responsibility and break the back of frequent epidemics. Organizational flexibility was further developed by wartime disruptions. But key elements of flexibility were built into the logic of the referral system and the collaborative community effort that natural bureaucratic ossification could not easily diminish.

**SPREAD AND EQUITY:** From the general policy goals to the health network linking villagers to national teaching and research centers, there is every indication of maximum conceivable spread and equity. Local material inequalities among families or regions may mean unequal abilities of specific families in taking on major installations: the double septic tank, the well with a curb, and the bathroom. But the discussions of specific health programs--birth control education, mother and child welfare system, the participatory medical research process, etc.--suggest that many small inequalities diminish over time.

**CAPACITY BUILDING:** As has been noted in many ways, the central purpose of the effort was building local and individual capacity. Even the comparatively high state allocations to health could never alone meet mass needs, and building local capacity was inevitable. Further examples are possible. Families and villages raise their own medicinal plant. Regular refresher and study courses are offered at all levels (training that includes politics, economics, organization studies and implementation studies as well as medical topics). It should be clear that this is a systemic approach to health development.

**IN SUM:** Parts of the Vietnamese experience are not easily transferable, but the overall logic of participatory development in health is now globally recognized as the only rational strategy for poor countries. Whether such a strategy can be implemented outside of a revolutionary socialist situation will always depend partly on the vision, will, and creativity of health professionals and community organizations. Parts of the system are, however, easily adaptable even in politically inhospitable situations.

RURAL/PHILIPPINES

ORGANIZATION: Kagawasan people organizations - MARSILA, ROKLURU, and a women's group KMI (1975--)

FUNDING: Minimal, episodic, in-kind--including UNICEF

REPORT: Institute of Philippine Culture (1979) "Kagawasan: A Case Study on the Role of Law in the Mobilization and Participatory Organization of the Rural Poor." New York: International Center for Law and Development

INIRO: Kagawasan is the pseudonym for a town in NE Mindanao where a series of conflicts in the middle 1970s between local citizens on the one hand and government officials and elite interests on the other led to the creation of a small federation of peoples organizations to pursue security, justice, social services, and economic betterment.

MANAGEMENT EFFECTIVENESS: In this case one is speaking so much of organization as process that effectiveness must be viewed in terms of an accumulation of specific "services" rendered rather than the formalization of structure and routinization of activities. MARSILA, ROKLURU and KMI are vehicles in an ongoing struggle for empowerment being waged on many issues at the same time. The initial focus was political efforts by poor farmers to preserve their lands from the Kagawasan mayor (acting, one has reason to suspect, on behalf of outside corporate interests). Successful mass confrontations in 1974 and 1975 led to creation of local action committees. These grew in confidence by successful local conflict resolution and by efforts of a handful of community organizers from the Philippine Ecumenical Council for Community Organization (PECCO). Formal federation came in October 1975 as 300 members of three groups met and selected a governing board of 12 on the basis of their leadership in recent struggles. The other groups followed similar paths between 1975 and 1977.

Reflection on organizational development in 1979, after the community organizers left, indicated three weaknesses in emphasizing process over structure. Momentum seems to have slowed a bit; the staff could probably have

used more or recurrent training. A great deal of leadership effort went to the land issue; the nature of that work led to concentration of power in the hands of a few. Not enough effort went to systematic education of federation members. Yet even with such weaknesses, an enormous shift in power at the local level took place, many grievances were righted, and many types of local capacity building took place which bode well for further material and political advance by the poor.

**RESOURCES AND SERVICES:** The power of service delivery in the Kagawasan movement came from the melding of popular energy, competent and skilled community organizers, and a community lawyer with unusual social conscience and political skill. Some issues were addressed by large groups traveling significant distances, confronting government officials en masse, and insisting on proper application of laws or regulations. Many other legal and quasi-legal means were experimented with. The fruit of these efforts was tangible: help in securing land tenure; diminishing oppression by local policemen; curbing unexplained surveying by the National Power Corporation; filling a church position; gaining restitution from a bus company for an unnecessary fatal accident; acquiring medicine, health service, and training; getting a local rice marketing station from the National Grain Authority; and advancing community education by a blackboard newspaper.

**EQUITY AND CAPACITY-BUILDING:** In this case the latter consistently created the former. Group efforts on health led first to barrio sickness committees, then to formal associations able to elicit outside help including supplies and the training of paramedics by UNICEF. Group efforts on food buying created neighborhood buying co-ops to get around prevailing monopoly prices. The development of people's legal resources meant, for example, assistance to farmers in applying for loans through existing credit institutions. Less tangible gains in the development of mass critical consciousness were probably more important. There were many indications that group efforts transformed the popular perception of law as a collection of negative prescriptions to a view of law as a tool for empowerment. Healthy irreverence for procedural law and authority was joined by the understanding of the links between property, power, and domination. By the end of the 1970s the de facto workings of local government had become far more democratic in obvious ways.

**IN SUM:** Without developing a cooperative fund and independent material base, it is difficult to see how much further institutional or material advance could take place. But over the latter 1970s the local peasant organizations in Kagawasan have developed a range of legal, political, and organizing skills and exercised them effectively for concrete and visible community gains. Given the atomization and powerlessness of poor barrio residents at the beginning of the decade, this is a remarkable example of revolution within the system by building local capacities to raise critical consciousness and meet felt needs.

URBAN/SRI LANKA

ORGANIZATION: Government of Sri Lanka, Ministry of Local Government,  
Urban Development Authority (1979---)

FUNDING: Government and UNICEF - Environmental Health and Community  
Development Project

REPORT: Cassim, Jehan K., et al. (1982) "Development councils for  
participatory urban planning, Colombo, Sri Lanka," Assignment  
Children, 57/58: 157-87.

**INTRO:** The current population of Sri Lanka's capital, Colombo, is estimated at 600,000, with about half living in slums and shanty settlements. Surveys in 1978 indicated all the predictable aspects of urban poverty: high birth rate and infant mortality; early school leaving; lack of clean water and sewer facilities; and widespread under and unemployment especially among women. These settlements form inter-ethnic communities with both factionalism and intergroup linkages. Yet even the harbor workers with outside organizer assistance had not been able to build competent local capacity to ameliorate social and economic conditions. Government bureaucrats seeking to extend services faced the problem of maintenance in the late 1970s and realized that local group consciousness and group capacity had to rise. Beneficiaries had to contribute to basically self-help exercises. This would mean community education and the cooperative efforts of diverse agencies.

**MANAGEMENT EFFECTIVENESS:** The Environmental Health and Community Development Project was designed to recruit, train, and fund Health Wardens to serve as multipurpose community organizers who would mobilize the communities to create local development councils. Representatives of local councils would take part in district level councils; in turn some members of district councils would get a major say in overall city planning through a City Development Council. Four agencies play key roles in implementation: the Public Health Department of the Municipal Council; the Common Amenities Board; the Women's Bureau; and the National Youth Services Council.

Coordination of such a process naturally presented problems, in part resolved by Annual Work Plans. Agencies and peoples' representatives create and adjust the plan on the basis of monthly progress reports from the agencies and from comments and preferences by community councils. The system is still evolving, but there appears to be a concrete process for continued feedback and management learning. Disagreements among some agencies involved delayed the seating of community leaders on the City Development Council; the leaders threatened to boycott the whole project, and appear to have succeeded. Other early coordination problems were resolved by new bureaucratic steps such as a process sheet to verify a specific site as suitable for permanent upgrading by the Common Amenities Board. Creation of a project coordination committee meeting every six months and chaired by the mayor also helps resolve conflicts. Problems in motivating government field officers have also surfaced. Necessary communication with local citizens can only take place effectively after working hours when residents have returned home. Incentive schemes are under consideration, and a competitive points scheme is probably now going into effect.

**RESOURCES AND SERVICES:** To date (i.e., c1979-1980) 291 community councils have been created, covering about 15% of the slum population. About 100 Health Wardens have received both pre-service and residential week-long training courses. As many as 1,000 local leaders have received some sort of training. This is not enough education, naturally, for effective community organizing. Local religious institutions and others may be contributing more. Major progress has been made on the construction of standpipes, latrines, and bathrooms; these represent tangible self-help community efforts, building local capacity. Immunization, health, and nutrition education programs have begun.

**SPREAD AND EQUITY:** In obvious ways many of the social services and women's programs are effectively reaching the poorest. Despite the lack of mass participation in the original planning, processes were started which have led to local representation redirecting programs to local needs. Research needs to be done on representative community councils to see how democratic they really are. Visible results so far, however, look fairly equitable.

**CAPACITY BUILDING:** Training health wardens and creating local councils has and will continue to unleash local potential and make it ever more

obvious to the poor that they can and should take control of their own lives. A few specific examples were cited, but even more hopeful is the local institutional growth and how it is expanding through school health councils, women's groups, etc. Such exercises in building confidence and organizational abilities are the heart of capacity building.

**IN SUM:** This project is at an early stage, and quality of implementation may well be uneven. Yet it is putting into place physical facilities and political organizations which bode well for a more democratic and developmental future. There is particularly hopeful dialogue between government and people which contains a built-in dynamic to continue to improve that relationship. Not many projects can claim this.

ORGANIZATION: Proshika, Bangladesh (1976--)

FUNDING: CIDA (Canadian International Development Agency) through CUSO (Canadian University Service Overseas)

REPORT: Hossain, M. (1982) "Conscientizing Rural Disadvantaged Peasants in Bangladesh: Intervention Through Group Action - A Case Study of Proshika." Geneva:ILO/WEP 10/WP.27

INTRO: Proshika is a national private voluntary organization working with landless and marginal families. Its central tasks are creating participatory development processes so the poor can take part, training local leaders and animators (kormy) for group mobilization, and supporting income generating activities begun by such groups. After five years it is active in about 1,000 villages, working with some 4,000 organizations.

MANAGEMENT EFFECTIVENESS: Key to effectiveness and growth has been Proshika's ability to maintain an informal management style and process. Democratic values are put in practice as participants argue, discuss and disagree. This extends throughout the organization, insuring high quality learning at the top about the variety of local contexts and local views of poverty issues. Proshika has overcome the middle and upper class social origins and urban education of its cadre by three specific organizational development choices: almost all people selected came from rural roots and have done some social welfare activities; people are not recruited by advertising and interviews but by undergoing training and six-month field trials as volunteers; and kormy go through regular training thereafter, continually sharing cumulative experiences. Leadership qualities, communication skills, democratic habits, and understanding of the social process all flourish. Conflicts inside the organization can thus be viewed as positive learning and channeled effectively. Bangladesh is, of course, very conflictual, but early Proshika activities have sought to right grievances and to build local capacity; small challenges to vested interests have not produced violence. Kormy have proven to be adept mediators and facilitators.

**RESOURCES AND SERVICES:** Proshika develops its local organizations by a five-step process: (1) kormy identify individuals or groups expressing interest in development activity, (2) the people then visit a Proshika development center, (3) they get a bit of training in organizational and leadership skills, (4) Proshika then encourages group formation with members of homogenous characteristics, and (5) Proshika urges from the beginning the creation of a cooperative saving fund. Proshika has not had and does not expect large amounts of foreign funding. It is logical for many reasons to develop local resource mobilization and management as fast as possible. Proshika services cover social and political needs as well as economic and organizational; it helped interested groups successfully approach the national government for tubewells, for example.

**SPREAD AND EQUITY:** The kormy seek to organize the poorest and to engender their participation in all aspects of the group processes. Departures from stated goals, not widespread, in the early years included the tendency of kormy to organize their own villages first and accord benefits like tubewells to the most organized group. Problems also arose when those left out of a first group (of 15-20) were not numerous enough to form a second. Political and cultural and sensitivity continues to grow as kormy and Proshika administrative staff mature, so such problems seem likely to abate.

**INSTITUTIONAL CAPACITY BUILDING:** Proshika is acutely aware of and focused on building local capacity and linking it in effective networks. Early income generation efforts were not as lucrative as hoped, but they built self-reliance and social consciousness. Group choices to regain mortgaged land are not as easily accountable as initial marketing efforts. Early project selections have been largely conservative small scale activities to supplement daily work (usually as day laborers). As common funds, credit facilities, and organizational capacities grow, more innovation will be possible.

**IN SUM:** Proshika is one of the most impressive development experiments in the world. Its ability to balance and pursue economic and non-economic goals in an intelligent sequence, to generate group activity among the poorest, and to build local capacity for participatory development across

cultures and classes is amazing. Having internalized conflict resolution and development at this stage, one can expect it to begin working out more elements of a larger world model to see how local groups will go about acquiring productive assets.

ORGANIZATION: Bhoomi Sena (1970--)

FUNDING: Self-funded (through 1978)

REPORT: de Silva, G.V.S. et al. (1979) "Bhoomi Sena: A Struggle for People's Power," Development Dialogue, 2:3-71

INTRO: Bhoomi Sena is a movement of adivasis (tribals) in an area of Jungle-patti, Maharashtra State. Unlike most of the other development efforts surveyed here, it is a purely local creation. A few outside social workers were active in the area in the 1972-5 period, but the 1975-8 rebirth of Bhoomi Sena came not from outside initiative or resources but in reaction to the failures of the noninstitutionalized confrontation period (1970-72) and the externally inspired farmers associations in the years thereafter.

The area of Bhoomi Sena is in a hilly part of Palghar subdistrict where the adivasis, India's non-cast tribals, comprise 65% of a population of 90,000 in about 100 villages. The adivasis in this region in the mid-70s owned about 7,000 of the 38,000 acres under cultivation; the vast majority were day laborers. Collectivist communal traditions help them survive feudal conditions. Brutality, bonded labor, and near slavery conditions are common. An adivasi revolt of 1945-7 made inroads on sawkar (landlord) power but a new generation of sawkars, now traders and moneylenders, corroded these advances in the following decades, reinstalling exploitation via usury and low wages. The struggle was reborn in 1970 as part of the national land grab movement.

MANAGEMENT EFFECTIVENESS: Bhoomi Sena has been led by an informal council of adivasis. Most discussed is Kaluram who had escaped original poverty via some education and a career as political organizer begun in his school years. Over three stages (1970-78) the movement gained some degree of organizational stability and form. It also managed continuous conflict and learning as the adivasis worked to diminish the power of sawkars and kunbi (small landholders).

In the initial stage approximately 800 adivasis joined in a series of struggles to recover illegally occupied lands. The initial tactic was to move in, cut the crop, and store it in new village grain banks. Sawkars, police, and hired thugs fought back. The banks were not secure, sawkars withheld seeds, and lack of organizational continuity hurt. The movement flagged. In 1972 a social worker from Bombay introduced a small cooperative farming venture in one village. Sense of participation was shattered when the sale of the crop was handled by the outsiders. Nevertheless the program was expanded and formalized in farmers' organizations (shetkari mandal). Bhoomi Sena cadre, including Kaluram, were enlisted as leaders. The social worker, however, controlled the direction of the change, led the shetkari mandal into banking and trading schemes and ill-designed local irrigation ventures. Villagers' opposition ended this program formally by 1976, but Bhoomi Sena leaders had by 1975 admitted to errors in participating in the shetkari mandal and begun to plan a new path.

The third stage started by formalizing an office (in a hut) and carrying out specific actions in 1975-6 to redress local grievances. Cumulative experiences showed the need for systematizing learning. This gave birth to the shibir, camp for collective reflection, which took place fairly regularly from February 1976 on. Meantime the poor in certain villages had begun on their own to form a forum, the Tarun Mandal (Youth League). Informal linkages were built as the Tarun Mandal chose issues to fight for and Bhoomi Sena cadre contributed ideas and methods of mobilization, consciousness raising, and organization. Successes led to the identification of new targets of injustice, and the movement gained momentum for steady expansion in this form.

**RESOURCES AND SERVICES:** The movement accelerated between 1975 and 1978 because it addressed specific grievances that the Tarun Mandal themselves selected as important: obtaining legal rights to land and wages and ending landlord and police brutality and oppression. Participation in such activities also brought intangibles: greater knowledge of their situation and confidence in their own abilities and change agents. Bhoomi Sena (through 1978) and the Tarun Mandal do not have outside resources. They mobilize and direct their own human resources.

**SPREAD AND EQUITY:** This is a movement of landless against middle and rich peasants. The movement, after one or two ill-advised adventures, has not sought cross-class links. Women participate in Bhoomi Sena and in the local organizations. They do not have separate organizations nor apparently need them, for in adivasis society women take part in work and enjoy high status in an egalitarian environment.

**CAPACITY-BUILDING:** The heart of Bhoomi Sena's efforts to date has been group effort to build local capacities of all kinds. Shibirs were the first formal learning sessions. Village organizations created credit funds, people's courts, schools, mutual aid efforts and fledgling productive efforts. By all such efforts they gained experience and confidence for self-reliant development. By winning fights with landlords to reduce bonded labor and land usurpation by the rich and insure minimum legal wages, the adivasis moved closer to real control over productive assets--themselves and their land. No development project in this survey more concretely understood and addressed the issue of capacity building for marginalized people.

**IN SUM:** Weaknesses as well as strengths are apparent in Bhoomi Sena's efforts. For expansion to a new stage, more resources and training will be necessary. Bhoomi Sena has challenged not capitalist relations, but the worst excesses of precapitalist (feudal) relations. It is difficult to see how the adivasis could become very productive without first reducing the sawkars' control over land. This will take a new definition of political action. Yet, considering where the adivasis started in 1970, progress to 1978 must be viewed as spectacular. Regular follow-up analysis is certainly in order.

ORGANIZATION: The Mexican Development Foundation (1969--)

FUNDING: Local public and private, SOLIDARIOS, and AID through SOLIDARIOS

REPORT: AID (1981) "Evaluation of the SOLIDARIOS Project,  
Washington: AID, Latin American Bureau

The Development GAP (1979) "Alternative Institutional Approaches to Rural Enterprise Development." Washington: D-GAP for IBRD

INTRO: The Mexican Development Foundation (FMDR) is the largest of a series of national development foundations in Latin America that is partially funded (credit funds) by SOLIDARIOS, the private development federation based in Dominican Republic. The goal of FMDR is "to assist in the organization of campesinos and to increase employment and productivity by providing credit, technical assistance, and managerial and promotional services."

MANAGEMENT EFFECTIVENESS: Sources do not report conflict inside or outside the organization, surely a tribute to the political skills of the management. Executive Director Arturo Espinosa has led FMDR's small staff (10-15) throughout the 1970s. He has fostered a flexible decentralized structure. Regional service centers were developed in 31 areas of 17 states. These centrales work directly with the campesino organizations and help develop individual programs in response to local requests. The centrales are run locally and have the freedom to hire staff and raise resources. That local businessmen contribute to FMDR and to the centrales does not in the Mexican political culture seem to lead to conflict with the desires of micro groups of campesinos.

Overall flexibility has been the key to the success and growth of services recorded. Aid has gone to 600 peasant organizations, facilitating access to

SEDEMEX in the State of Mexico, a region where the poor were accustomed to half-year migration to make ends meet. By late 1978 SEDEMEX had helped start 20 small rural industries by small amounts of credit and counselling. Organizations grew in skill and complexity. By 1981 there were more than 130 local groups, and 60 are now independent in a self-managed regional service center. Officials in PIDER were impressed enough to allocate some funds, and other national ministries have begun to learn about the efficacy of bottom-up approaches.

The reports indicate a wide range in the use of the loans but little about the world of the staff of FMDR or the centrales in terms of their perspectives on this work. Leadership continuity suggests that Espinosa's low key, authentically developmental, reformist approach guides the effort as a whole. Staff in the centrales are likely to enjoy and be motivated by the combination of freedom and challenge.

**RESOURCES AND SERVICES:** FMDR has successfully sought to mobilize credit for campesino groups by using its own funds to attract and guarantee funds from the national bank system and from commercial sources. BANAMEX (Banco Nacional de Mexico) plays a key role, backing 60-80% of each loan; this has facilitated bringing in local banks. Foreign assistance has helped appreciably, because it can be used for bridging loans when commercial banks are slow and because it can be applied to artisan and small business projects. At the end of FY80 FMDR had built up a \$2.3 million fund which had helped secure about \$11.5 million in loans.

**SPREAD AND EQUITY:** FMDR philosophy is that "marginalization and disintegration of the rural sector can only be overcome through collective pursuits in which campesinos together shape their own development." This has translated into a wide range of activities from irrigation well construction (to allow double cropping), to a small industry, to produce soccer-related equipment (to produce more local income and cut down migration). That FMDR is on a solid financial base despite the larger upheavals of Mexico's economy is one indication of the viability of such loans.

**LOCAL CAPACITY BUILDING:** FMDR and its centrales have apparently found it easy to help small groups mobilize on small self-directed tasks. The hope

is that the campesino groups will take over and run the centrales. The first such experiments indicated that more self-management skills were needed than was believed. Further training is in process.

**IN SUM:** FMDR has successfully built bridges between urban power and money and some of Mexico's rural poor. The low key management style and small scale efforts at empowerment have not been seen as threatening in Mexico's political climate. This may change once campesinos run the centrales effectively, but each situation will ultimately depend on local political skills.

**ORGANIZATION:** Institute de Promocion Economico Social del Uruguay (IPRU),  
(1966--)

**FUNDING:** Diverse international including IAF, CRS, PACT, MISERIOR and  
AID through SOLIDARIOS

**REPORTS:** Conversations with the Development Gap, Washington AID (1981)  
"Evaluation of the SOLIDARIOS Project" Washington: AID, Latin  
American Bureau.

**INTRO:** IPRU is an intermediate organization working in rural and urban  
Uruguay to promote and help both base-level organizations and other interme-  
diate organizations. It offers training, feasibility and evaluation studies  
and is now expanding credit promotion efforts.

**MANAGEMENT EFFECTIVENESS:** Reports indicate a highly professional and moti-  
vated staff headed since 1977 by Raul Bidart, an economist with a decade of  
social development experience. Other staff had education and experience in  
rural and urban community development, agricultural economics, cooperativism,  
sociology, communications, and related areas. IPRU staff are sophisticated  
people working in a literate, organizationally rich, relatively developed  
society, one with a long tradition in cooperative efforts.

Communications and learning are very effective. Staff meetings are bi-weekly.  
Much feasibility research precedes decisions. The Board of Directors (seven  
members) and the Assembly of Members (30-40) are active and interested in  
IPRU's work. They meet every three weeks, and discussion with the staff is  
candid.

Managers and staff have met two organizational dilemmas in recent years. The  
internal challenges of expanding staff quickly, from 18 to 26 in 1981, led to  
reorganizing and streamlining of departments from 5 to 2. Individual skills  
were better applied and rural/urban competition for funds was diminished; the  
organization exists on a low budget with most of the staff part-time, so  
resource issues must occasionally cause tension. The external challenge has  
proved much more serious. Uruguay's hyper-inflation and currency instability

has made it extremely difficult to devise credit programs on borrowed foreign money so that base organizations do not lose resources on a large scale over time. IPRU is moving very slowly on this front, looking far and wide for creative alternatives.

**RESOURCES AND SERVICES:** With a budget of \$200,000 a year, IPRU devotes the bulk of its work to capacity building. Such work includes periods of exploration with a group, training programs to raise critical consciousness on self-planning and evaluation, research and direct technical assistance. It is the kind of work that requires creative, sensitive, self-starting individuals; reflections on its sophisticated use of credit in conjunction with other program elements suggest IPRU has that kind of staff quality.

**SPREAD AND EQUITY:** IPRU initially found it politically difficult to work in the cities; most of its program is rural. Its largest program--in the State of Carrelones--works with Rural Development Societies (SFR) composed of predominantly small landholders to get credit for such things as storage facilities and to develop local organizational abilities. The goal is a regional SFR federation capable of taking on agro-industrial processing. As lending progresses in wealthy areas, IPRU will target the types of production in which the poor are particularly involved.

**LOCAL CAPACITY BUILDING:** IPRU's central focus seems to be local capacity building. Using IAF funds, for example, IPRU established a \$75,000 loan fund with the SFR at Durazno; more than 2,000 credits have gone to over 500 producers. Durazno has grown to 800 members with its own input store, animal-feed factory, and technical staff. Some elements of democracy have not been so well preserved in this particular effort. IPRU has worked with other cooperatives to secure funds for processing and marketing ventures. IPRU is not the implementer for most, but the organizational counsellor. Its cassette program is an effective educational tool and one way it communicates quickly to remote groups.

**IN SUM:** IPRU is a group of serious professionals working with meager resources in a difficult economy on relatively intangible aspects of organizational development. That SFR's continue to seek their help and proper in most cases thereafter is reasonably concrete evidence that such services are needed and beneficial.

RURAL/BOLIVIA

ORGANIZATION: DESEC (Center for Social and Economic Development), Santa Cruz, et al., Bolivia (1963--)

FUNDING: Diverse domestic and foreign, including IAF.

REPORT: Development GAP (1979) "Alternative Programs of Credit and Integrated Services in Latin America." Washington: D-GAP, Paper No. 2. Conversations with the Development GAP, Washington.

INTRO: DESEC is an intermediary organization working for and with rural campesino organizations in areas of fundraising, organization development, and project consulting. It operates through several service agencies, notably ASAR, which in turn work with village based groups of poor farmers (ARADO) on potato and seed production, co-op formation, and other projects villagers choose to pursue.

MANAGEMENT EFFECTIVENESS: The founder of DESEC, Juan Demeure, remained its Director through 1981, assuring unusual leadership continuity. The Board of Directors, all former DESEC staff, join in overall policy planning, but top leadership centered on Demeure. This has allowed great flexibility in handling financial ups and downs, but occasionally meant overcentralization and needed oversight foregone. New ASAR leaders are normally promoted from within; management training is on the job. DESEC and ASAR leaders accept and act on constructive criticism from both outside and below. Significant conflicts were not reported. From available reports, the larger environment does not appear to impinge; though clearly it must, as Kevin Healey's dissertation and other studies of rural Bolivia show. From nuances I deduce management motivation to be as much or more normative than monetary. Demeure's democratic vision survives.

RESOURCES AND SERVICES: Resource mobilization has occupied a lot of leadership time. Severe financial crunches have been endured, but yearly ups and downs from uncertain foreign funding continue. DESEC is, however, slowly creating financial security by expanding its earnings from consultancies,

by using foreign donations to attract local bank funds and vice-versa, and by building local credit mechanisms. Key to DESEC's vision of service delivery has been local organizational development and networking. One sample of local credit use, the ASAR/Cochabamba potato program, shows how high repayment rates are maintained. Moral obligation and group suasion are supported by the provision of no further loan to the ARADO group until all members have repaid individual credits. Experience in the early 70s in another region had taught ASAR much about the need for a certain degree of supervision of new community groups. ASAR groups have also shown internal capacity for growth and change, ability to discover and remove incompetence and to develop more effective accounting procedures, for example.

**SPREAD AND EQUITY:** Detailed material on specific ARADO groups was not available, but they are said to be built on small farmers. The ARADO are groups of about 20, organized in seven regional federations, with a national headquarters in turn linking them. The hierarchy is democratic, with ARADO representatives meeting monthly in federation assemblies. The local groups choose, design, and implement projects. They play less of a role in areas of administration and distribution, and final decisions on specific loans rest with ASAR and DESEC. The generic bureaucratic potential for authoritarian action is tempered by DESEC's normative orientation and very rapid turnaround on loan applications.

**CAPACITY BUILDING:** Previous discussion has chronicled key ways DESEC seeks to build local self-reliance: fostering capacities for regional planning and for attracting both local and international funding; building up financial resources and credit institutions; trying to lessen foreign reliance by various routes; and, lately, developing accounting sophistication.

**IN SUM:** DESEC has prospered because of the vision, competence, and continuity of its leadership, socially targeted and designed lending through local campesino groups, and the ability to learn from mistakes. To have even survived in the upheavals of modern Bolivia is quite an achievement. Some of the success is clearly a function of leadership, but without the focus on locally articulated needs it could scarcely have gained its current legitimacy, size, and scope.

URBAN-RURAL/NICARAGUA

ORGANIZATION: Fundacion Nicaraguense de Desarrollo (FUNDE) (1969--)

FUNDING: Diverse including IAF

REPORTS: Bruce, Judith (1980) "Market Women's Cooperatives: Giving Women Credit," SEEDS (NYC Carnegie Foundation, et al.).

The Development GAP (1979) "Alternative Programs of Credit and Integrated Services in Latin America." Washington: The Development GAP, Paper 2.

INNO: In the late 1960s liberal members of Nicaragua's business community became aware that poor entrepreneurs in both town and country had no reasonable access to credit. Moneylenders were exploitative, and banks demanded collateral. Thus in 1969 was founded FUNDE as a service and credit institution for low-income people. Early experience taught FUNDE that local group organization was essential to effective use of credit. Building self-sufficient local cooperatives could then be the basis for second level cooperatives which could attract funds from more conventional credit sources. Comments that follow deal with success in the latter 1970s.

MANAGEMENT EFFECTIVENESS: FUNDE has four departments; Finance votes on loan applications and overseas credit operations; a Technical Department oversees all FUNDE inputs to co-ops, meeting their representatives at least monthly; a Department of Capacity Building conducts training classes and seminars; and the Department of Social Promotion works on developing critical consciousness in specific situations. FUNDE is thus a relatively decentralized entity in which members of all sections are in frequent contact with the local cooperatives and associations on a broad range of issues. With this quantity and quality of organizational learning it is not surprising that the credit and organizational building model FUNDE follows is so politically and economically sensitive and sensible.

These reports do not discuss staff background or motivation. Internal conflict is not apparent, but addressing external conflict is inherent to the

situation. The prestamistas (moneylenders) do not sit by passively. FUNDE staff has discovered that they will spread rumors about co-ops stealing money, for example. FUNDE has learned that building trust for cooperation requires a cumulative record of education and tangible acts; this slows the development process down to a pace outsiders are frustrated with but one more adapted to local cultural ecology.

**RESOURCES AND SERVICES:** FUNDE's central work is to assist in the effective institutionalization of small group activity. The process begins with meetings and discussions with market women, for example, to build ideas about cooperative work. When 30 or more are willing to begin in any area like a market town, FUNDE helps draw up the papers to incorporate the group as a legal entity. Members buy a share and contribute to administrative costs. Representative leaders are selected and a manager hired by the group. FUNDE provides major initial funding: up to \$10,000 at 12% to the credit loan fund and perhaps \$3,000 for start-up costs. Technical assistance continues episodically thereafter as the co-op grows; FUNDE also helps broker loans from commercial sources. In the five years ending in 1979 the initial 58 co-ops saw their savings rise from \$74,500 to \$1.64 million and assets from \$126,000 to \$623,000.

FUNDE found that while networking working--working with the volunteer network of small business people INDE and developing effective dialogue with private banks--was important, it was steady technical assistance and training to develop local capacity for self-management that was crucial to the effective use of available resources.

**SPREAD AND EQUITY:** The program focus as well as actual program developments have demonstrated these characteristics in abundance. Women have been a particular focus; 15 of the co-ops are of market-women, and female membership in the rest ranges from 50 to 80%. FUNDE learned to adapt to hidden bias: the physical appearance and work culture of formal offices alienated the poor; the training classes had to be designed for low literacy levels; continual mobilization was necessary to build groups up from 20-30 to 200-300 and get the less adventurous to take part.

**LOCAL CAPACITY BUILDING:** In theory and practice FUNDE works at this in every program. Coops are designed to elicit members' monetary and

organizational contributions. A credit committee of peers judges loan requests. Annual meetings and reports and many other activities are designed to build trust. Concentrating community economic information in this forum leads to consciousness of, planning for, and undertaking broader programs. Co-ops can see needs and act where outside agencies of any sort cannot. In tangible and intangible ways empowerment grows.

**IN SUM:** FUNDE discovered that decentralized operations and constant contact with local people could give them the quantity and quality of organizational learning needed to promote effective group effort and to help develop financial mechanisms and system links to facilitate their growth toward self-management. In both material and organizational terms this project has been a success for those involved.

URBAN-RURAL/PANAMA

ORGANIZATION: Child and Family Orientation Centers (COIF) (1975--)

FUNDING: Local, Ministries of Health and Education of Panama, and UNICEF

REPORT: Media, L. C. de et al. (1980) "Panama's Child and Family Orientation Centers," Assignment Children, 51/52:75-91.

**INTRO:** Cognizant of the human costs of poverty to child and family development, the Panamanian government adopted an Education Reform Program in 1970. One provision laid the basis for "inter-sectoral, community-level, early childhood education services." Movement began in 1974, and in 1975 a group of mothers in Veraguas took the initiative to set up the first Child and Family Orientation Center (COIF). Mass interest was such that in less than four years, 240 such centers were in operation. Local demand continues. Not all organizational problems have been resolved, and there is naturally a broad range in the quality of local efforts. Yet this social service delivery program appears to be accomplishing a great deal and has some important lessons.

**MANAGEMENT EFFECTIVENESS:** The COIFs are located in all urban, semi-urban, and rural areas. They are directed by at least three types of sponsors: state institutions for their workers; civic associations; and communities. The comments that follow pertain to community-run COIFs, the focus of the report.

The organizational linkage of COIFS to the national government is the Instituto Panameno de Hablitacion Especial (IPHE). Among the several involved agencies and ministries, IPHE was thought to be the best versed in special education. The sheer number of COIFs makes direct supervision by IPHE provincial staff impractical. IPHE may thus feel that staff supervision is inadequate; about 85% of the rural and semi-urban COIFS send in progress reports done by the teachers in charge. However, it is the ongoing dialogue among teachers, mothers, and local communities that is most important for project

quality. Judging by representative comments from involved mothers, that dialogue and the COIFs are going well on average.

**RESOURCES AND SERVICES:** The COIFs focus on children between two and five with varied programs depending on local interests and resources. Community support in a tangible and ongoing form is crucial to getting a COIF started. Contributions vary, and where local resources are limited, several outside agencies have been able to contribute. Even when Ministry of Education or IPHE funds pay teaching salaries, the communities administer the program. Urban areas appear to have more professional staff, more formally trained teachers, and more paid support staff; this bias affects some aspects of quality of service but not the overall number of children served. Greater volunteer involvement of rural mothers is a plus to their political education. The survey did find physical material lacking; many of the buildings were not up to an agreed standard, and nearly 75% of the COIFs reported insufficient teaching material.

**SPREAD AND EQUITY:** Early criteria for site selection--existence of a health center and access to a primary school--appear to have had little impact, as there was nationwide demand. Given the program focus, the presumption is that the equity dimension of the COIFs is very high. Little in the report indicated otherwise.

**LOCAL CAPACITY BUILDING:** This survey tested a representative sample of children and found that those with COIF experience did register higher on three kinds of standard tests. Many comments from mothers attest to emotional and cognitive growth of their children. The programs, especially in rural areas, get women out of the house into group social development work. Psychological, cultural, and political development follow. Degree of community capacity building naturally varied with nature of community contributions and nature and number of community activities.

**IN SUM:** The report indicates several areas where program quality is not sufficient, but it also notes several important positive implications for local and global development. This is a very low cost effort in community/government cooperation. Flexibility in creation and funding has made the

program very adaptive to local realities; having many outside agencies involved does not seem to have created bureaucratic impasses here. The siting of COIFs where people live, as opposed to where the people work, has the effect of building local community consciousness and ability as opposed to propelling processes of social atomization. Last and not least the mothers and children like the program.

RURAL/HAITI

ORGANIZATION: MODECBO (Movement for the Development of the Community of Le Borgne) working with the help of IDEA (1973--)

FUNDING: IAF

REPORT: Maguire, Robert (1979) Bottom-Up Development in Haiti. Washington:IAF.

**INTRO:** IDEA is a Catholic church-supported intermediate organization, an institute for peasant leadership training begun in 1973. It offers four programs of training in animation, conscientization, and group formation. Its most successful protege has been MODECBO which is working to change power relationships and enhance development for the poor in the Parish of Le Borgne. Le Borgne is a community of 9,000 living on 22 square miles of the mountainous northern coast of Haiti; about one-third of the population is in the town itself. It is a highly stratified world of debt bondage, tenant slavery, and patron-client ties; 14 families own 22% of the land. IDEA understands that inequalities must be changed from the bottom-up and with MODECBO seeks to create the local capability to do this.

**MANAGEMENT EFFECTIVENESS:** MODECBO has a small native staff of six. Five are local residents, and all are very familiar with local people, culture, and socio-economic and political realities. Each has many kin in the area and thus a good sense of security. The parish priest serves as local advisor but has no veto power; neither IDEA nor the IAF intervene in any critical way. It appears, in sum, that MODECBO has unusual autonomy and support for a local organization.

Naturally organizational development has not been without some conflict. Within MODECBO there has been some tendency for staff of urban origin to lead, as opposed to catalyze, peasant groups; other staff are aware of this as a problem and work on it. More serious is the hostile environment of large landowners. When agricultural sub-groups mobilized by MODECBO sought to rent two-acre plots for collective efforts, landlords raised rents to

absurd levels on such lands. With MODEBO help, the peasants then planned the allocation of parts of their lands to collective efforts. In this and other efforts MODECBO and IDEA have shown a very perceptive grasp of the need to pace development initiatives in relation to the progress of the conscientization program.

**RESOURCES AND SERVICES:** IDEA has little money. Resources for MODECBO in the late 70s came from the IAF. Its grant was to cover four activities: beginning a land rental fund; expanding a seed and tool bank; building a warehouse for storage; and meeting MODECBO staff salaries and seminar costs. Unlike many groups MODECBO did not need to spend much time and energy on resource mobilization. The salary is certainly a motivation, but MODECBO staff were already motivated enough to work as volunteers. As products of IDEA training and selection process, they had brought to the job not just community development experience, but community ideals and the spirit of service.

**SPREAD AND EQUITY:** IDEA's concrete participatory strategy is reflected in all of MODECBO's operations. Peasant groups identify their own needs and do their own planning and management. Peasants who are silent are consciously urged to speak up in meetings. All the activities undertaken--the community gardens, the savings club, the educational program, and the storage and market work--are viewed as steps toward more democratic habits of politics and economics and an end to unequal growth or stagnation.

**LOCAL CAPACITY BUILDING:** Through both training programs and practical exercises, as noted, MODECBO focuses directly on local capacity building. Material advances are seen as a part of a political change strategy. Stress is put on expanding use of existing technology, not on the impact of new technology through uncontrollable markets. Insecurity of tenure cannot yet be attacked directly; but literacy classes are an important building block, as the peasant is then less defenseless when faced with written contracts. Savings clubs begin to lessen dependence on moneylenders. Use of Creole and cognitive respect to peasant organizations and efforts help to instill pride. Sense of self-worth is the most essential building block of human development.

**IN SUM:** MODECBO's early years and small steps have been hopeful. Certain conditions--the quality of the local staff and parish priest--are not universals in rural Haiti. The local political conditions augur more conflict, but this development strategy is the only possibility for mass welfare in Le Borgne in the foreseeable future.

- PROJECT:** Village Polytechnic Program, Kenya (1966--)
- FUNDING:** Local, Ministry of Housing and Social Services, National Christian Council of Kenya (NOCK), and multiple international agencies and PVOs
- REPORT:** O'Regan, F. and Hellinger, D. (1981) "The Village Polytechnic Program (VP) Kenya," pp. 83-99 in Michael Farbman, ed. The PISCES Studies. Washington:AID, Office of Urban Development

**INTRO:** Kenya, like other Third World countries, has been faced with growing rural migration to the cities, burgeoning unemployment of school leavers of all ages, and a modern sector unrelated to productive and job needs. One reasonably effective partial response over most of the last two decades has been the Village Polytechnic Program (VP). Putting the program in context underscores its limited impact on the economy as a whole. In 1979 some 9,000 students were trained by VP. Yet, for example, only 25% of the 225,000 sitting for secondary school slots passed the entrance examination in 1978. That means c170,000, who tried for more schooling but failed, and many many more, who did not try came on the job market. Aspects of the structure and successes of VP even within this context, however, make it a valuable contribution and case study.

**MANAGEMENT EFFECTIVENESS:** The VP program seeks to train primary school leavers in a variety of vocational pursuits, to assist them to find sustained work--ideally self-employed in their home region--and to "promote self-sustaining and local controlled economic development." The program has developed a dual structure. The Ministry of Housing responds to local initiatives from VP management committees. There is no central administrative, executive, or implementing unit. Instead extension work, research and training, and administration and finance are handled separately. Other capital and technical assistance from local, national, and international agencies is coordinated by a Project and Finance Committee. The National Christian Council, initiator of the VP program in 1966, plays a strong advisory role

and continues to promote new VPs. It is the local management committee of a VP which is supposed to play the basic role in creating, funding, and implementing specific projects taken on by a village. This approach is thus very much in keeping with the national efforts embodied in the harambee self-help movement.

Managing by lightly guiding worked fairly well throughout most of the 1970s. The many contributing agents were quite active in promoting workshops, conferences, meetings, etc. The result was much "management" learning. In the last few years government top-down control appears to have grown in two areas: appointment and qualifications of village manager and financial outlays. With so few personnel, however, it is doubtful that Ministry of Housing efforts have much continuous influence on very many of the 280-300 VP programs (c 1980).

**RESOURCES AND SERVICES:** The VP program in training--1,100 trainers teaching about 19,000 trainees at any one time in the 220 government-sponsored centers (60-80 others are on their own or otherwise funded)--is adapted to the possibilities of the particular region or village. Technology, employment possibilities, and resource constraints come to bear. The local VP management committee is supposed to tap local resources to the extent feasible and cannot receive government support until it has shown some success over a 1-2 year period. At the start training was relatively flexible, a 1-2 year apprenticeship graduating to a job; unfortunately there has been a tendency toward a routinized two-year program, more like traditional training. Money has not been there for much post-program counselling. This has hurt the 20% or so who do try to pursue small group efforts and self-employment rather than seeking spots in preexisting firms. Such work groups that have succeeded have usually had ongoing help. A few of the VP programs have developed revolving leaver loan schemes; in practice these have been abused, one recent impetus for tighter top-down control.

Government VP employees and VP managers appear to receive reasonable salaries, but stipends for the instructors are quite low. They are hired directly by local committees and get no additional benefits. The turnover is rapid, and no solution was in sight. This cannot impact positively on the training quality.

**SPREAD AND EQUITY:** Community representatives hold about half of the positions on the 12-14 person VP management committees. These committees have the prime responsibility to initiate, fund, implement and evaluate village efforts. Pressure for funds has led to two nonparticipatory trends--more government funds and \$5-\$25 fees. Naturally local politics affects the working of the committee, and some cases of corruption have been reported. But the average program is in a rural area and, surveys indicate, is enlisting trainees at the bottom end of the economic scale. About 25% of the trainees are women.

**CAPACITY BUILDING:** The program attempts to train people for local jobs so people and the fruits of their labor add to self-reliant local development. In the main the program seems to succeed in this. It has been less successful in getting resources generated by trainee work/study efforts to be applied to funds for tools for the trainees as they leave. The work of the local development committee and of new small cooperative ventures do add to cumulative local capacity.

**IN SUM:** While much of the program appears to be fulfilling vocational training on behalf of private industry and it is hard to measure certain kinds of sub-village impacts, the VP program is significantly enhancing and decentralizing development in Kenya. It is a force for democratizing development and for legitimizing vocational education in local planning and programs. This is no small feat in a region of the world where such education is frowned on when compared to the lures and benefits of the town culture.

RURAL/MALI

**PROJECT:** Mali Five-Year Plan #460/095 (Gao and Tombouctoo Regions)  
(1975--)

**FUNDING:** Government, Euro-Action/ACORD, Private Agencies Cooperating  
Together (PACT)

**REPORTS:** PACT (1983) "Mali Five-Year Plan #460/095" for the June Pro-  
ject Selection Committee Meeting

Gellar, Sheldon (1981 "Village Woodlot Schemes and Peasant  
Survival Strategies in Sahelian Mali," 1981 African Studies  
Association meeting paper.

**INTRO:** Gao and Tombouctoo are regions 6 and 7 in northern Mali comprising  
an area half the size of Western Europe and one of the world's difficult  
environments. Europe-Action (EAA) has been working here since 1975 to rein-  
vigate the existing cooperative structure as the way to move from an emer-  
gency relief program to processes of ultimately self-sustaining long-term  
development. During 1975-9, the project emphasis was on loans through co-ops  
to reestablish individual production; during 1979-84 loans have gone more  
for co-op institutional and capacity development. The project is not without  
flaws, but must be considered of value on at least two bases: The local  
cooperative structure has made considerable advances from its position of  
1975; and the project has sought in constructive ways to surmount some of  
the problems and to lay the basis for solving more.

**MANAGEMENT EFFECTIVENESS:** The project demands a significant amount of large  
scale coordination by a small handful of EAA personnel. They must work with  
regional authorities (DRC) in Gao, with national authorities--the Direction  
Nationale de la Cooperation (DNC), other line agencies, and local groups  
and leaders. One way EAA has sought to lessen the inevitable conflicts is  
to bring in the American PVO network PACT with a small flexible budget tar-  
geted primarily for research and experimentation. PACT has been able to  
use its funds to investigate problem areas, support technical assistance

and training, and provide other kinds of coordination. PACT also takes on studies laying the basis for future program planning and evolution.

Nevertheless by 1980 project dynamism had slowed, and signs of bureaucratization were in evidence. DRC and the technical agencies were competing for resources and control, while DNC policy directives were not helpful. Mali's national development climate was evolving away from social concerns. None of these factors hurt as much as the impact of two years drought on the effective circulation and use of funds inside the co-ops. EAA has been pretty successful in managing the bureaucratic rivalry by balancing its financial support among competing agencies. The program has expanded faster than the bureaucratic capabilities, but this is recognized. More training is part of the answer; IAA has increased use of Malian PVO's and sought Malian and Voltaique rural development training institutions.

**RESOURCES AND SERVICES:** The breadth of support by EAA and PACT can be illustrated briefly: wood stove development for a more fuel efficient model, much in need; flood plain development studies; interdisciplinary research on what blocks women participation in cooperatives; water and pasture management research; cooperative profiles; overall data bases; and technical aid to livestock and forestry services. Ability of the c 61 co-op networks to benefit varies appreciably as do their overall abilities. The ability of anyone to move people and goods about the region is not great. EAA is also aware that some DRC and DNC personnel have private as well as public agendas. Thus the operating EAA strategy is to seek to decentralize the project activities.

**SPREAD AND EQUITY:** Decentralization is also crucial for improving spread and equity in project benefits. EAA knows that the co-ops are too big and heterogenous for effective democratic behavior and that more than half are still predominantly acting on outside advice. Decentralizing alone will not solve other crucial questions of equity. EAA is a bit sanguine about the processes of traditional leadership--which is how stratification is maintained in Songhai society at the local level. EAA is aware that traditional culture marginalizes women, that handicraft projects are not enough, and that women's empowerment will mean cultural conflict. In the short-term progress has indeed been "extremely slow." Finally and as worrisome is the

fragility of local cooperative arrangements between farmers and pastoralists, which seem to work fairly well in times of "normal" rainfall years, but disintegrate into self-interested competition, even violence, in the frequent crisis situations.

**CAPACITY BUILDING:** The combined efforts of the project are slowly building capacity in a number of important ways. The number of co-ops has grown. So has the range of services and technical support they get and the kinds of activities and services they undertake. Many remain dependent in key ways, but a number have taken advantage of a general environment conducive to autonomous action. Institutional strengthening has been uneven, but the overall trend is hopeful. A network of village and community councils is growing more and more skilled in the organizational and financial aspects of development. Building financial security in such a problematic environment is not yet possible; to date about 60% stay even or a little ahead.

**IN SUM:** Interesting and creative management efforts by EAA/ACORD, PACT and the involved Malians has succeeded in "providing measurable benefits to a larger constituency than possibly any rural development program in West Africa." Critical reflection and debate continues among those involved, and local capacity builds. These cooperative efforts have not yet, however, discovered a development process producing creative, critical, and autonomous humans whose consciousness has risen to mount a strategy of combining short-term survival efforts with long-term resource development. If such education does not happen soon, there will no longer be the environmental capital on which to build such a solution. Pastoralists and farmers will then face a grim and final Darwinian struggle.

NATIONAL/TANZANIA

**PROJECT:** Tanzania/UNICEF/UNESCO Primary Education Reform Project (MTUU) (1971--)

**FUNDING:** Local, Government, UNICEF, UNESCO

**REPORT:** Ministry of National Education (1980) "Basic education in Tanzania, a community enterprise," Assignment Children, 51/2; 164-181

**INIRO:** World Bank data indicates that Tanzania has made bigger gains than any other low-income country in enrolling students in primary schools over the last two decades. Efforts toward universal primary education (7 grades) in the 1970s were particularly dramatic: from one million enrolled in 1972 to three million in 1978. The Tanzanian Ministry of National Education has managed this enlargement of social services without raising education outlays unduly (est 5.2% of GDP in 1972/3 to est. 6.1% of GDP in 1977/8) or completely debasing the quality of the system. The program is not flawless, and available material does not explore many of the organizational issues. Yet what is available is worth thought.

**MANAGEMENT EFFECTIVENESS:** This project grew out of the social and philosophical understanding that primary education was both a human right and a developmental necessity. It soon became apparent that colonial educational structure, curriculum, teacher training, and community role were not suited to development. Traditional methods of training teachers, for example, were far too slow and too costly in relation to human need. Such methods also socialized students away from rural life. The program that has developed in response has since 1967 sought to make basic education relevant to the rural world. This project (MTUU) has developed and spread the working model of the community school. The school becomes the focal point of open-ended community learning and of community social services. In return the community invests labor and taxes to the extent possible.

**RESOURCES AND SERVICES:** To meet the demands for quantity and quality teaching, the Ministry of Education and its UN counsellors devised several

different approaches. The need was to produce large numbers of teachers who would be willing to stay in a community. A major part of the answer became the Distance Teacher Training Program. Training took place by correspondence and by village tutors 2-3 times a week. Regular radio programs supplement. Practice-teaching in grades 3 and 4 were supervised. Trainees also get year-end courses at a College of National Education. After a three-year program and a final six weeks seminar, trainees sit for a written exam for certification. Their performance is weighed against grades submitted by tutors. Further checks and balances are provided by the community participation in candidate selection, the stress on character, and on-the-spot evaluations by professionals from the CNE. In 1981 a continuing in-service education program was to be added.

The MTUU program does not see teacher training as a discrete activity but as part of social systems engineering. Other elements must be in harmony. Thus were created reorientation courses for practising teachers. About half the primary school teachers went through four-week courses during the 1970s; on-the-job consultation has been instituted. During the middle 70s a series of efforts redesigned a more development-oriented curriculum for teacher training. In a 1981 Stanford dissertation, P.Y. Ng'Wandu found that these cumulative reforms to make teacher life and village life and needs more compatible still had a ways to go. Situational pressures (transfer rate, school status/size, level of village socioeconomic development) still affected teachers' overall effectiveness. Given the severe limits the government faces, overcoming all local inequalities quickly is impossible.

The MTUU program sought resources in all forms from the community. In return, the community school was to offer education as a lifetime activity of formal, nonformal and informal pursuits, building individual and social capacity. The local teacher is to become a development catalyst, especially in the extension of basic services. For poor villages with young teachers this may not be happening very quickly. The larger environment through the national radio and press as well as government leadership seek to be supportive.

**SPREAD AND EQUITY:** Local communities have a say in teacher selection and in designing locally appropriate curriculum. They also control the direction

and pace of village social and economic development. Dialogues between teachers, villagers, students and regional educational officials assure some cultural and political consensus about the quality and quantity of education and who takes what responsibility. Girls' enrollment in primary schools is nearly equal to that of boys; breakdown by sex of teachers was not immediately available.

**CAPACITY BUILDING:** Local education integrating school and village as an effective and practical development process is the essence of capacity building where local culture and inequalities do not unduly intrude. Tanzania has some class and cultural divisions, but it is reasonable to think that most children will benefit fairly equitably. Organizing curriculum into modules designed around the problems of everyday life cannot help but drive home the idea that life is education. Educating for action and self-reliance is in other terms what social development is all about.

**IN SUM:** One can point to problems that need fine tuning, to material shortages, and to local flaws. But primary education as systems change is in place. In their own words "there is an awareness today that teacher education, curriculum reform, research in methodology and child development, the provision of resource materials, the maintenance of an advisory and supervisory cadre, monitoring and evaluation are all interrelated and inseparable components of reform." Political and financial support also helps.

ORGANIZATION: Small Industries Development Organization (SIDO), Tanzania (1973--)

FUNDING: Government, European Agencies and Volunteers, UNDP, IBRD

REPORT: O'Regan, Fred (1981) "Tanzania Small Industries Development Organization (SIDO)," pp. 107-120 in Michael Farbman, ed. The Pisces Studies. Washington:AID, Office of Urban Development.

**INIRO:** Tanzania has comparatively low urban growth. This is not just because of social deterrents to migration and less rural-urban inequality than many other states but also because of a conscious effort to expand balanced rural development. One part of this strategy is to foster small industry, meeting the consumer and employment needs of the nation and of specific regions and thus promoting balanced participatory development. By Act of Parliament in 1973 and with the continued backing of President Nyerere, the Small Industries Development Organization (SIDO) was created as a parastatal loosely linked to the Ministry of Labor. By the end of the decade it had aided in some fashion about 5,000 small industries (employing about 25,000 people) and was providing yearly technical skills training for some 2,000 people. The program has an auspicious development environment. Although it is not without organizational flaws, aspects of the program are quite important for global development education.

**MANAGEMENT EFFECTIVENESS:** SIDO personnel operate with considerable autonomy at both the top and the bottom of an organization of about 400 civil servants. The senior staff is well trained and experienced. Interviews found both senior and field staff motivated and serious about their work. Since civil service pay is low, one must look to professionalism, political consciousness, and quality of work life. Outreach and service delivery are highly decentralized. Regional and local teams and training staff have the freedom to develop new assistance methods as new local needs appear and also have latitude on the type and amount of aid to program.

One important concrete example of SIDO creativity stemming from its overall flexibility was its response to the red tape of the Department of Cooperatives and to the limited organizational abilities of the fledgling production groups SIDO was trying to help. To overcome such obstacles, SIDO developed an intermediate group form--the worker-partnership arrangement. This quasi-democratic entity was found to be a more flexible way to proceed with bureaucratic blocks and with small group development. Follow-up training and on-site management assistance helped organizational evolution. SIDO has not surmounted all its own bureaucratic problems. There are regional variations in its effectiveness and coordination problems in the delivery of goods; these are, to be sure, common to all large scale efforts.

**RESOURCES AND SERVICES:** SIDO's 1979-80 budget totaled about \$18 million; a greater portion of the \$16 million in project outlays was devoted to larger small industries in industrial estates, and about \$3.3 million went to very small (5-50 people) group efforts. SODI's activities in the latter area begin with promotion of small scale industry, working directly on technical questions as well as marketing and recruitment. Key to sub-projects on both levels is responsiveness to local demands. It tries to help any group of five or more artisans. It will do careful market surveys of consumer needs and demands before acting. Comparable planning goes into the choices of activities for industrial estates. SIDO also serves as a conduit for technology transfer, conducts a loan program of material (facilitating acquisition via hire/purchase arrangements), runs different kinds of technical skills courses in a dozen centers, consults on the spot, and promotes an independent subsidiary for artisan marketing, HANDICO. All of these efforts seek to build local organizational and human capital, rather than transfer capital.

**SPREAD AND EQUITY:** One could point to the allocation of funds between larger small industry and small industry (c. \$32 versus c. \$13 million planned over 1980-1984) as evidence of the common bias termed the talents effect. Yet it can be argued that these larger small industries in the industrial estates are crucial to small industry and consumer welfare: they are labor intensive efforts; they seek to replace expensive imports; and most important many are producing capital goods, building up the potential for balanced self-reliant development. Programs to small work groups and artisans

undoubtedly reach the poor, as virtually all are poor. The hire/purchase loans are one way SIDO facilitates program spread; figures are not available on regional or gender loan allocations.

**CAPACITY BUILDING:** SIDO's policy of assisting only groups of five and up--aside from the impact of lowering SIDO's own unit costs--also facilitates development of group skills. SIDO's goal is to make the groups independent as soon as possible; instead of extending cash credit it works to link new groups up with existing credit sources. Technical training courses are designed to encourage self-financing as soon as possible; trainees begin to produce marketable goods and services after the first three months to help defray costs of the program. Graduates returning home get further help through counselling and the hire-purchase program. SIDO assures quality in all these efforts by frequent local needs assessments. Industries and groups they help are meeting expressed needs; the result is programs with low default rates.

**IN SUM:** SIDO is part of a much broader attempt to help the poor than is the case in most countries. Public rhetoric (and often its policy) supports bottom-up development. The generally high level of development promotion and organizational development at the local level provides a basis for moderately sophisticated service delivery on a continuous basis. SIDO's relative autonomy, decentralized processes, and up-front local demand assessment thus lead to the effective use of small amounts of resources in small industry development.

**ORGANIZATION:** National Christian Council of Kenya (NCKK), Urban Community Improvement Program (UCIP)

**FUNDING:** European and American PVOs, AID

**REPORT:** O'Regan, Fred (1981) "The Urban Community Improvement Programme of the National Christian Council of Kenya (NCKK)," pp. 63-81 in Michael Farbman, ed. The Pisces Studies. Washington: AID, Office of Urban Development.

**INTRO:** Rapid urban migration in Kenya over the last two decades has produced squatter-settlements, peopled, in NCKK's words, by a 'multitude of school leavers frustrated by unemployment, old people isolated from their families, couples whose marriages are under strain, and destitute families living in poverty." Such people provide the cheap food, labor, and services that make the modern sector more profitable. One way to change such human relations is to help the poor become more effective economic and political citizens. NCKK, Kenya's pioneer PVO in urban development seeks to do this by the process of encouraging the poor to identify their most pressing needs and to organize around these needs. NCKK pursues several rural and urban programs; this discussion is limited to the efforts of the Urban Community Improvement Program (UCIP) during the 1970s.

**MANAGEMENT EFFECTIVENESS:** UCIP, one of NCKK's larger programs, offers organizational, small business, and social service assistance through local social workers to urban and periurban poor in Nairobi and other cities. The staff of 50-60 are largely social workers, community organizers, and nutrition workers. Leadership and staff were praised as sensitive, committed, and highly competent. Salaries do not match those of comparable private sector or government jobs. So motivation is more likely a combination of professional and philosophical commitment along with the quality of work life: UCIP, like NCKK, has a decentralized decision-making process and flexibility allowing local staff to respond quickly to meet client needs, devise new programs, and make decisions on financing them. Local staff (organizers and social workers) are usually recruited, trained and returned to their

own locale where they can have a deep sense of contributing to their own community.

UCIP has apparently had relatively smooth, nonconflictual relations with other agencies and local power structures. The latter are enlisted in local level coordinating committees. The actual substance of UCIP activity is on such a small scale that it is difficult to see how local elite could feel very threatened. In any case the community organizers and social workers provide direct continuous contact. This makes for excellent organizational learning and, one suspects, preempts conflicts early on. UCIP has shown much capacity for individual learning. The early crew of social workers thought social problems could be met by individual improvement. They learned otherwise, and UCIP policy now centers on group formation. Faced with client demands for income producing activity NOCK first sought conventional credit sources. It failed, then created its own Small Business Scheme in 1975 and for many reasons realized that group lending was more efficient and effective.

**RESOURCES AND SERVICES:** With its yearly \$2½-\$3 million budget UCIP has sought first to provide community organizing to define problems and build local institutional capabilities to project and implement solutions. UCIP then seeks to delivery services and resources to small business, artisan workshops and others, and thence to enlist government aid for the programs. UCIP does not try to inflict bureaucratic culture on these very poor people. Forms are modified to particular situations. Social workers know loan applicants and when to recommend a next step. Market investigations are usually helpful (handicraft markets prove problematic), and elementary accounting training and follow-up counselling take place. Loan defaults are, not surprisingly, low. UCIP clients particularly appreciate the additional social service programs.

**SPREAD AND EQUITY:** The project obviously touches only a small number of the urban poor--two of Nairobi's settlements have a combined population over 150,000--but appears to reach successfully below skilled artisans to the unskilled women and indigent youth. A great deal of participation by the poor takes place in micro project design and implementation; NOCK itself runs in a more authoritarian style.

**CAPACITY BUILDING:** By creating direct and continuous outreach links in communities, UCIP and NOCK have been able to foster not only effective service programs and community trust but also a decentralized service network, community self-development committees, and small work groups and co-ops building local economic capability and resources. Most of these groups have created democratic internal processes and begun to get control over their social and economic environment.

**IN SUM:** NOCK's efforts with UCIP are slowly laying the basis for a better life for some of the poorest urban dwellers in Kenya. A committed competent staff, working in a decentralized, flexible work process, are using a mixture of community organizing and social work approaches to build small groups of more economically and politically effective citizens. As the efforts grow one can imagine conflict with or preemption by local elites. Even with avoidance of these outcomes at that level, the continued expansion of UCIP does not address the root causes of rural urban migration: the failure of a generation of rural growth policies, the end of the frontier (easy expansion into new lands) in the mid-1970s, and the severe contradictions that are ensuing.

ORGANIZATION: Mondragon (1943, 1956--)

FUNDING: Self-funded

REPORT: Thomas, Henk and Logan, Chris (1982) Mondragon: An Economic Analysis. London: George Allen & Unwin, and The Hague: Institute of Social Studies.

**INTRO:** Mondragon is probably the most impressive and hopeful experiment in worker-management in the world, the prototype for participatory development experiments that move beyond the stage of rural cooperatives to a mixture of agricultural and industrial production. It is the creation of Don Jose Mario Arizmendi (1915-1976) and the cadre he taught during an early, purely educational stage between 1943 and 1956. Arizmendi, a seminarist with a strong social conscience, was both a realist and a visionary. Aspects of Spanish industrialization, Basque nationalism, and the culture of the national labor movement were helpful to Mondragon's growth. The period of formation, 1956-1960, involved the creation of the initial cooperatives and the credit cooperative bank. The 1960s saw rapid expansion and the 1970s years of consolidation. The first co-op in 1956 employed 24 people; in 1979 there were 15,672 jobs in a multilevel co-op federation of 135 institutions. The following comments can but skim a few major issues.

**MANAGEMENT EFFECTIVENESS:** The organizational structure of Mondragon follows Spanish cooperative law but adds new dimensions. The general assembly meets yearly and is assisted by a three-person Watchdog Council. Below them is a Management Council with advisory and consultative powers, meeting monthly; parallel to this is a Social Council with prescriptive and advisory power in personnel issues. Beneath them and elected by the general assembly is the Supervisory Board responsible to co-op members. This Board appoints the co-op management. This indirect accountability of management is one of Mondragon's administrative strengths; having managers directly elected by workers creates practical problems.

Keys to Mondragon success have been the competence and vision of its leaders and the technical and normative education to which both management and

workers have been exposed. Organizational development was slow, but brilliantly conceived. The set of cooperative principles Arizmendi developed had a sophisticated and systemic logic: (1) the open door policy to avoid group egotism; (2) formulas for distribution, interest, inflation, surplus and job measurement; (3) limits to wage differentials; and (4) democratic principles and cooperative spirit. "The members generally, and management in particular, are expected to demonstrate a positive commitment to cooperativism through proper professional behavior, social involvement, and responsibility in furthering its promotion and development" (p. 28).

Despite the unparalleled depth and breadth of management learning, there have been occasional setbacks and conflicts. One co-op got too large for effective communication; workers there became alienated and went on strike in 1974 over job reevaluation and incipient Taylorism. The Supervisory Board's solution was validated by the General Assembly. Political tensions of Basque nationalism combined with global economic recession in 1976-8. The latter spurred further innovation for export competitiveness: more complex integration in the form of Cooperative Groups to try to capture economies of scale.

**RESOURCES AND SERVICES:** The guiding philosophy, particularly the open door policy, facilitated organizational growth and employment creation. Mondragon is now a significant employer in the region. Organizational development first focussed on growth and diversification; agricultural, educational, housing, service, and retail co-ops were added. Five routes of association were developed and a number of capitalist companies converted. In the 1970s more complex groupings or federations were developed for more effective competition. Resources were originally mobilized in the 1950s from the local community against specific commitments to provide jobs for new workers. In the 1960s and thereafter the co-op credit bank played the central role. Mondragon's growth record has been impressive. Henk and Thomas measured it against comparable capitalist firms or sectors with available data and found the following: Mondragon had a high rate of investment (36% of gross value added) between 1971 and 1979; its growth record by a variety of indices was superior to capitalist firms; high comparative profitability was shown in several ways as was overall efficiency.

**SPREAD AND EQUITY:** In brief, profit recycling creates a strong base keeping credit problems at a minimum. Cooperators have a strong financial stake. A complex job evaluation point system creates small defensible job differentials but not second class citizens. There do appear to be male/female disparities with the latter holding predominantly lower weighted jobs. Various experiments in work humanization have been hindered by the need to use certain technology to compete in the larger capitalist universe.

**CAPACITY BUILDING:** Building a worker-managed socio-economic unit is quintessentially an exercise in capacity building, as so many aspects have already shown. Indeed no other development experiment on the periphery of the world-system (as parts of Spain are) has demonstrated this capacity for ever greater self-sustainment and ever greater self-directed learning. Mondragon's drive for self-reliance is marred only by the need for some trading links outside the region and nation. In all of this I find most impressive the institutionalization of continuous learning: there is a co-op devoted exclusively to Research and Development; there is an elaborate network of educational co-ops meeting planning and technical manpower needs; despite the scepticism of some followers Arizmendi's vision of a study and work cooperative eventually became a solvent reality. Quality of life is considered in diverse ways; one co-op, for example, is specifically designed for highly flexible work hours to accommodate women with children.

**IN SUM:** Mondragon has not reached quite all the guidelines for a self-managed economy that state-of-the-art analysts and theoreticians--such as Vanek and Horvat--may desire, but it has achieved growth rates and both tangible and intangible rewards for its participants beyond those of any other cooperative venture recorded to date. There is obviously much here for the Third World, and the rest of the world, to ponder.

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