# Capacity building and social development: engaging with local contexts and processes

## By Mary McNeil
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## I. Introduction

"The single most common source of leadership failure...in politics, community life, business or the nonprofit sector...is that people, especially those in positions of authority, treat adaptive challenges like technical problems."
Ronald Heifetz and Marty Linsky (2)

Development organisations are increasingly recognising the importance of seeking a closer client orientation in their attempts to "build capacity", shifting from training individual professionals to meeting each country's particular needs and priorities. Doing so implies continuity and ongoing engagement with clients and programmes. In this context, short training modules continue to be central but are increasingly part of a range of services that includes enhancing diagnostic and advisory work, strengthening learning organisations and service delivery and capacity enhancement consultation. This gradual change in emphasis implies a radically different approach, especially for older and larger agencies.

The focus of this paper is on the implications of these trends for capacity enhancement in social development. We define capacity as "the ability to access and use knowledge to perform a task," and capacity enhancement as "focusing on performance in carrying out change".

Capacity building has many applications, such as those in the fields of engineering, accounting and health, with relatively clear and transferable technical aspects. Less clear, however, are the applications for social development policies and projects (especially those focusing on indigenous populations or marginalised groups) and for putatively "non-social" sectors (such as infrastructure) with a vital social component (e.g.,resettlement), aspects that are not technical per se but rather adaptive,(3) requiring the skills of negotiation and mediation. What is analytically distinctive about enhancing capacity in social development and what are the recommendations for those directly and indirectly engaged with it?

## II. Why capacity enhancement mattersfor social development

Despite the widespread recognition of the importance of capacity building there has been little attention paid to important differences between development sectors and whether this demands a corresponding variety of capacity building responses. An emphasis on incorporating local knowledge, for example, requires listening and building in-country expertise before project design and implementation. It emphasises understanding cultural, historical, and sociological aspects, with monitoring and evaluation mechanisms involving clients and stakeholders. Such feedback loops ensure there is an iterative process of learning but the skills required to do this are qualitatively

different from those that involve training accountants and engineers - technical knowledge alone cannot address decision-making and problem solving tasks requiring face-to-face negotiation, debate and cooperation.

Distinguishing between forms of decision-making in public policy and development helps to locate them conceptually. Two key dimensions can be identified: the first concerns the degree of discretion decision-makers have when confronted with a given problem; the second with how much an outcome requires extensive face-to-face interactions (e.g., between clients and providers in health care, or teachers and students in education). Discretion refers to decisions requiring specific professional knowledge; for example how to diagnose the cause of crop failure, while transaction intensity refers to the number of outcomes requiring face-to-face exchanges, such as curriculum design, (few), versus classroom teaching, (many).

Low discretion decisions with few transactions may be mechanised (e.g. cash withdrawals from a bank). Those involving many transactions are "programmes" which can be readily standardised and are well-suited to implementation and oversightby large bureaucracies. Programmes may have important goals, such as polio eradication but in corrupt or unaccountable hands, may be instruments of coercion. High discretion decisions with few transactions

("policies") also suit modern bureaucracies, as they give power, privilege and prestige to elites (experts). Certain decisions, e.g. adjusting interest rates to curb inflation, should be made this way, but many other development problems (such as ending civil wars and engaging with customary legal systems)may not be amenable to this type of technical approach. Indeed, as the opening quote suggests, taking a technical approach to solving these problems may itself be the problem.

Large organisations struggle in the fourth realm, namely those problems with both high discretion and many transactions (practices), because they entail decisions that lend themselves to neither technical analysis nor standardisation. Classroom teaching, curative health care and agricultural extension are examples, requiring lengthy client-provider interaction. Practices are often the weak link in the chain of service delivery activities and decisions; without them the credibility, effectiveness and responsiveness of the enterprise is under threat.(4) Incorporating practices into a broader capacity building strategy is likely to involve the devolution of tasks and accountability to local intermediaries, while harnessing the resources and reach of larger institutions. This requires offering far more than just better technical training for senior managers (as important as this is).

### The "how" of local capacity

Building on local capacities with adequate space for practices takes time and does not fit many standardised systems. Such tasks are likely to be context specific and the agents must be willing to build upon these local capacities. "Reliance on local knowledge and experience may result in higher upstream costs (building in time for input, consultation, education, and conflict resolution), but ... the improved sustainability of projects where stakeholders are sufficiently involved made up for this". (5)

Context dictates the starting point of the "how" of service delivery, often when a project or programme meets the community or clients. What are their needs? How well can they manage resources, participate in project design, demand services from local and central governments? Social development argues that understanding this is essential and that the values, power dynamics, culture and formal and informal rules dictate whether positive social and economic change is possible or desirable. As one recent evaluation states, learning about behaviour and opinions is essential to ensure project objectives are relevant to people's needs; implementation must take account of loca lrealities.(6)

This emphasis was first apparent in the water and sanitation sector, where studies showed the failure of water supply services"in which a universal need was met by a technical (supply) solution, and then implemented by an impersonal, rules-driven, provider".(7) The complexity of delivering such services makes a purely technical approach inadequate. Technical skills (reading, writing, fixing machinery, maintaining budgets, drafting a contract) are crucial and capacity enhancement must recognise them, but as part of, not a substitute for, a capacity enhancement strategy that integrates both technical and adaptive skills.(8)

How can adaptive skills be integrated with technical skills? (9) Adaptive problems require changed attitudes, perceptions, values, and behaviour. The answers are rarely discernible ex ante and incomplete data often compound the task. An answer reached through an adaptive process is qualitatively different to one delivered through technical means, because it has a degree of ownership and legitimacy. Take peace accords: a group of lawyers could draw up a statement acceptable to both sides, but the same outcome reached through negotiation and involving the key players is more likely to endure. It is possible to assess war, crime, teenage pregnancy, HIV/AIDS prevention and many other issues using technical means, but their very complexity also requires adaptive skills. Adaptive problem-solving can be taught and all team members need it, not just senior managers.

Such skills are vital in the field of service delivery, where there is a clear need to strengthen accountability in three key relationships: between poor people and providers; poor people and policymakers; and policymakers and providers. This is the focus of social development. To strengthen the individual stakeholders through capacity enhancement is one thing; to build relationships between stakeholder groups is another. Capacity enhancement in social development attempts to do both, recognising that the relational aspects are central to achieving effective outcomes.

Building organisational capacity to strengthen weak groups while improving relationships between groups, information flow quality and accountability mechanisms between clients and service providers, is a key challenge for social development. This can be met in part by using the convening power of development agencies to bring together various stakeholders (i.e., government, private firms and civil society) for collective deliberation. This may also increase the likelihood that capacity enhancement strategies are designed in response to client demand rather than to the "supply" imperatives and priorities of Northern-financed NGOs, individual donors, or local elites. The "need for short-term progress in meeting poverty reduction targets against the longer-term objective of supporting local incentives and pressures for change" is still a challenge for donors.(10) Collective deliberation is also important for large-scale coalition building, which in turn can lead to policy change.

## III. Capacity enhancement instrumentsfor social development

Tools with capacity enhancement components for social development include: country or sector social analysis;(11) participatory poverty assessments; poverty and social impact analysis; social and public accountability such as expenditure monitoring; conflict analysis frameworks; and social capital assessments. These tools can be used to respond to the types of challenges we have outlined above pertaining to the importance of understanding contexts and processes. But the very language of "tools" (and "best practices") implies a technical fix, a standardised response devised by experts that can be delivered to clients in a self-contained package. We stress again that we are not arguing against enhancing technical capacities per se but rather that development agencies need to sharpen their understanding of the defining characteristics of social development, and with it the different types of skills - and thus correspondingly different capacity building strategies - required to respond to them. Some of these skills can be acquired through the tools outlined above, but many will not. For adaptive problems of the kind we have outlined, in which a detailed understanding of the idiosyncrasies of context and process is

central, the core skills are listening, mediation, negotiation, and dispute resolution.

These are the skills that have been instilled in the thousands of front-line staff who work for the Kecamatan Development Program (KDP) in Indonesia, one of the world's largest social development projects and one that explicitly relies on its staff to deploy discretionary decision-making and face-to-face interaction with villagers deftly. Key to its success in becoming a nationwide project was its goal of building on and tapping into local knowledge, and reversing the usual dependence on government (and other) technical staff to allocate development resources.(12) The limitations to development agencies implementing this conceptual framework include bureaucratic structures and imperatives which strongly favour standardised "programmes"and technocratic "policies" over idiosyncratic "practices". More prosaically, operational managers often simply do not have the resources, time or expertise for capacity building, while donors and NGOs may have conflicting agendas that make partnering difficult. Even so, effectively resisting institutional imperatives and reconciling opposing interests requires a framework for understanding both why they are so strong and how they can beovercome if the core goals of social development are to be achieved.

Some specific recommendations

Social development professionals need to embrace new ways of enhancing local capacity, upgrading both technical and adaptive skills. The following are some issues to consider in delivering on this agenda:

1. Crucial to project success is a rigorous analysis of capacity enhancement: costs, benefits, time and sustainability. How do social development programmes rate against other types across the agency? What are the lessons of successes and failures? The analysis should distinguish between short and long-term capacity enhancement, develop local language toolkits for short-term capacity measured against new kinds of leadership or long-term capacity enhancement while considering the implications of these approaches.

2. Incorporate adaptive skills building and decision-making as part of staff training, with emphasis on social development in project design and implementation, or the how of project lending. Enhance staff capacity in adaptive as well as technical decision making, while understanding the demands and constraints and explain why social

development activities and skills are distinctive.

3. Pay greater attention to the design of capacity-building project components, especially adaptive decision-making, with piloted tools for mainstreaming capacity enhancement in the projectcycle and impact evaluation over the life of the project, especially prior to design and implementation.

4. Technical assistance should focus more on local context and recognise that the right answer requires merging adaptive information and skills with technical solutions.

5. Design analytical and advisory work to leave space for adaptive problem solving. Focusing on process allows greater dialogue between researchers, policymakers, task managers, and poor people, leading to more effective poverty reduction strategies.

6. Develop better network linkages of local expertise, drawing on development agencies' convening power to facilitate stronger South-South information exchange and build professional capacities.

**IV. Conclusion**

This paper has outlined the importance of context and process in high discretion and transaction-intensive decision-making,decisions which constitute a major part of social developmentinterventions. Context depends on understanding and using local capacity; process relies on a sustained, iterative approach that incorporates feedback from monitoring and evaluation in project design and implementation: together they comprise a learning by-doing approach.

Some general conclusions and implications can be drawn. First, development agencies and line ministries should consider the relational underpinnings of institutions. Second, while highlighting country-specific solutions, their replicability as best practice models is questionable. Social development reform proposals must take account of local constraints and respect social and political contexts. Experience points to a more incremental, country-specific approach to building political systems. Initiatives may often be simply mistimed, for example, pressing governancere forms on a country preoccupied with basic security and reconstructing public institutions after internal conflict. The strength of these approaches is not the resources they bring to capacity enhancement (which will never match amounts available to operations), but the purpose and timing of

interventions. Ultimately, these rely on understanding the local context and commitment to long-term capacity building.

Finally, assistance for capacity enhancement needs to take account of the underlying causes of weak performance. Knowledge sharing has long played a role in programmes, but needs to be valued with more skilful execution, building local capacity to conduct research, policy analysis and data collection.Good quality information is essential and often more persuasive than any amount of direct advocacy. Its absence can allow misconceived ideas and policies to go unchallenged. More support is needed for networking and learning from international partners, including NGOs and the private sector,especially for regional networking. Integration with neighbouring countries can help to reinforce success in economic growth patterns, but also in relation to more intangible changes in attitudes of elites, exchange of ideas and building confidence to handle social and political change.

## Footnotes

1. This paper summarises and updates McNeil and Woolcock (2004). Please send any comments and/or questions to Mary McNeil (mmcneil@worldbank.org) and Michael Woolcock (

michael.woolcock@manchester.ac.uk ). The views are those of the authors alone and should not be attributed to the World Bank, its Executive Directors, or the countries they represent. We are grateful to Nicolas Perrin, Karen Sirker, Alexander Widmer, Maria Gonzalez, LauraTlaiye and Lillian Foo for valuable inputs. Helpful comments on previous drafts were received from Scott Guggenheim, Varun Gurai, Steen Jorgensen, Alexandre Marc, Farzana Ramzan, Najma Siddiqi, and participants at the CESI Technical Review Meeting (Paris) and Social Development Workshop (Washington).

2. Heifetz and Linsky (2002), p.14

3. The distinction between technical and adaptive problems comes from Heifetz(1994).

4. Lipsky (1980)

5. World Bank (2003), p.25

6. Ibid.,

7. Pritchett and Woolcock, 2004, p.196

8. Heifetz (1994)

9. For example, finding the line between respecting local practices andmrecognising when they are

inadequate or between assisting those in desperate circumstances while knowing that their leaders are corrupt.

10. Unsworth et al. (2003), p.3

11. Dani et al. (2004)

12. Gibson and Woolcock (2008) argue that projects such as KDP are in fact producing front-line field staff with a qualitatively new skill set. If traditional capacity building efforts implicitly seek to train "Weberian" staff, (technically competent bureaucrats able to manage large information flows and to act in accordance with formal rules-based meritocratic principles), KDP is instead producing "Habermasian" staff, (staff able to engage in intensive and extensive dialogue, negotiation, and conflict mediation).

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