



Tortoise or Hare? Fundación Carvajal and Buenaventura Teaching Note

Case Summary

The case focuses on Fundación Carvajal (FC), a Colombian social development foundation, its decision to expand operations to Buenaventura in 2011 and the difficulties it encountered in advancing its development model. The reader learns about the evolution of FC's development approach, its principles and rationale. The case, which describes in detail FC's founding, growth and a previous program in Ladera (Cali), concludes just after the first phases of the Buenaventura intervention.

Buenaventura was the second largest port in Colombia and one of its poorest cities. The foundation was celebrating its 50th year assisting poor communities across the state of Valle del Cauca, and especially the city of Cali. Buenaventura, however, posed special challenges. Its poverty level hovered at over 80 percent; unemployment was nearly 60 percent; and some 50 percent of the population was under 24 years old. Like the rest of the country, the city had suffered from 60-plus years of armed conflict between rebels and the central government; there was limited physical and civic infrastructure. While the port was active, locals had not benefited much.

FC had recently standardized its approach to social intervention, combining integrated services with a focus on a specific geographical area. Through the process of working as partners with communities, FC had learned what it considered valuable lessons. It had moved from the provision of basic social services to comprehensive intervention, with a long-term horizon. It worked primarily at the family level in four areas: income generation; housing and environmental conditions; education; and community empowerment. FC had learned that, rather than targeting individuals, it needed to involve the whole family and the community. An engaged community could both help identify the best way to improve conditions and make the most of the programs that FC had to offer.

The first step in any new project was to build trust, starting with community leaders. FC wanted its local partners to consider the foundation a partner, not an external agent bringing ready-made solutions. The situation in Buenaventura was complicated, however. First, violence was ongoing, so security was a serious concern. Second, a series of earlier failed social programs

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had left citizens cynical about outsiders. As part of FC's strategy, in January 2011 it sent a small team under Executive Director Roberto Pizarro to Buenaventura to research conditions and select four districts for intervention. By October, it had chosen four *comunas*.

In January 2012, Pizarro selected Dr. Alvaro Dulce to oversee the project. Dulce had worked with FC in Cali and had extensive experience in public health and community work. But unexpectedly, Pizarro wanted Dulce's team to complete a socioeconomic survey of the selected districts in Buenaventura quickly—by April 2012. Typically, a household survey—with what could be perceived as intrusive questions—took place only after an extended period of trust-building activities. The survey would involve over 2,000 households in 17 neighborhoods. On the plus side, an early survey (which provided a baseline for FC activities) would allow actual programs to launch faster; it could also help secure additional partners and project funding.

Dulce was torn. With security conditions in the target districts poor, he was uncertain he could responsibly send pollsters into those areas before the community knew a lot more about FC and its intentions. Second, he wondered whether families would answer the survey questions absent an endorsement from local leaders. Without accurate data, the survey would be a waste of time, money and effort. Finally, were the FC pollsters to create or be party to any kind of incident, not only the data but the credibility of FC and the success of the entire Buenaventura project could be at risk. To meet an April deadline, Dulce and his team would have to design the survey and an implementation plan by the end of February. But first, he had to decide whether to accept the accelerated timetable, or protest it.

Teaching Objectives

The main objective of this case is to give students an opportunity to debate the advantages and drawbacks of a particular approach to social development. The FC model calls for commitment to an entire community over a lengthy time period. The foundation's decades of experience and its practice of learning from both achievements and mistakes has allowed it to create a method of social intervention that it believes is both flexible and structured.

The model provides a set of practices that establish clear objectives and paths to development. It recognizes the importance of local reality and specific circumstances. It stresses the role of the community and the importance of supporting existing local initiatives rather than imposing new programs. At the core of FC's philosophy is the importance it attaches to a community's participation in its own development—with FC functioning chiefly as facilitator.

The two main components of the FC program are the integrated and the territorial approach. The **integrated approach** targets all members of a family simultaneously with different services (income generation, education, housing, environment and social development, such as leadership skills). The **territorial approach** acknowledges that the physical, social and economic environment affects (positively or negatively) the wellbeing of individuals and families. To improve living conditions means treating an area comprehensively. Moreover, FC has found that it is important to recognize what is already effective (instead of what has failed) and to try to

improve on that. Finally, FC tries to partner with other development actors in the area, both public and private, to achieve long-term social development goals.

Ask students to compare this perspective on development to other approaches, for example, single-issue NGOs whose beneficiaries may be widely dispersed geographically. What are the advantages/disadvantages of FC's strategy? Consider such issues as the availability and breadth of funding sources, the ability to take a project to scale, replicability etc.

Turning to Dr. Dulce, ask students to discuss his responsibility as manager of the Buenaventura project. He will have to answer for the results, whether the team waits for more trust-building activities or moves forward with the survey. What is the cost of waiting? What might be the cost of a failed survey? Given the context of armed conflict and illegal activities in the area, there is also a security challenge. To be considered a neutral actor, FC cannot be associated with institutions such as the police or the army. How should FC assess the level of risk it can take?

The case also provides an opportunity to discuss the legitimacy of social interventions and the challenge of aligning goals with the people one is trying to help. Ask students to devise a list of questions one might ask in evaluating the effectiveness of a project. For example: are the development strategies meaningful to the people being targeted? What is the role of the community in setting priorities? Can development be imposed from the outside?

Class Plan

Use this case in a class on international non-profits, social development, Latin America or management.

Pre-class. Help students prepare for class by assigning the following question:

1) Should Dulce start the survey in March, or wait—follow the procedure established by FC and complete the trust-building activities? Why or why not?

Instructors may find it useful to engage students ahead of class by asking them to post brief responses (no more than 250 words) to questions in an online forum. Writing short comments challenges students to distill their thoughts and express them succinctly. The instructor can use the students' work both to craft talking points ahead of class and to identify particular students to call upon during the discussion.

In-class questions: The homework assignment is a useful starting point for preliminary discussion, after which the instructor could pose any of the following questions to promote an 80–90 minute discussion. The choice of questions will be determined by what the instructor would like the students to learn from the class discussion. In general, choosing to discuss three or four questions in some depth is preferable to trying to cover them all.

a) Dulce faces a divided team. What are the arguments for moving ahead quickly with the survey? Against?

b) To what degree is this Dulce's decision to take, or is it advisable for him to follow the majority thinking of the team?

c) Is the baseline survey necessary? What are the trade-offs in spending resources on producing quantitative data versus supporting projects in the community? How is hard data useful to development objectives?

d) How does the Buenaventura situation differ from Ladera? How is it similar?

e) Are there other alternatives the team has yet to consider? List on board.

f) What makes an organization like FC want to expand into new territory? Is expansion a wise policy?

g) Is the integrated approach and geographic reach that FC espouses useful across the board? List its pros and cons.

h) Consider such important considerations to a nonprofit as the breadth of its potential funding sources, its ability to expand, and the sustainability of its projects. How does the FC model perform on each of these parameters?

i) Can a nonprofit play a useful role in the relationship between the community it serves and other organizations, especially government agencies?

Suggested Readings

Abhijit V. Banerjee, and Esther Duflo, "The Economic Lives of the Poor," *Journal of Economic Perspectives*, Vol. 21, No. 1, 2007, pp.141–167.

Synopsis: This article includes statistics about the economic practices of people in 16 developing countries living below the poverty line, defined as \$1.08/day per person. The article tracks patterns of consumption and expenditure, ownership of assets, pursuit of well-being, investment in education, livelihoods, access to markets of goods and services including credit, savings and insurance.

<http://www.aeaweb.org/articles.php?doi=10.1257/jep.21.1.141>

Akhil Gupta, "The Construction of the Global Poor: An Anthropological Critique," *World Social Science Report*, 2010, p.13.

Synopsis: This short article criticizes the use of the concept of *global poverty* to homogenize a vast group of people across the world who are in fact extremely diverse. This provides a good basis for evaluating FC's approach to local development.

<http://unesdoc.unesco.org/images/0018/001883/188333e.pdf>

Armando Barrientos, and David Hulme, eds. *Social Protection for the Poor and Poorest : Concepts, Policies and Politics*. [Palgrave Macmillan, 2010.]

Synopsis: This book provides a good framework for analyzing the policies needed to address different categories of poverty and deprivation. Although FC is a non-governmental organization, its integrated approach to development is relevant here.

I. Imparato & J. Ruster. *Slum Upgrading and Participation: Lessons from Latin America*, [Washington, D.C.: The World Bank], 2003.

Synopsis: This World Bank report is a series of case studies about slum upgrading in Latin America. It provides a basis to compare the FC approach to other urban development practices in the region. It focusses on local participation, one of the main components of FC's strategy.

<http://www.schwimmer.ca/francesca/slum%20upgrading.pdf>

M. A. Max Neef, A. Elizalde & M. Hopenhayn, *Desarrollo a Escala Humana: Conceptos, Aplicaciones y Algunas Reflexiones*, Icaria Editorial, 1994.

Synopsis: This Chilean author has developed a framework of poverty analysis from the perspective of need. This approach is in line with Amartya Sen's capability approach.

Niel Webster, and Lars Engberg-Pedersen, eds, *In the Name of the Poor: Contesting Political Space for Poverty Reduction*, Zed Books Ltd, 2002.

Synopsis: This book presents a series of cases where communities have organized to push for the goal of well-being. The analysis is based on the concept of political space, in which the participation of the community creates conditions that allow for change in the political spectrum and enable (or put pressure on) politicians and policymakers to deliver on the rights of these communities.

Amartya Sen, *Development as Freedom* [Oxford: Oxford University Press], 2001.

Synopsis: This influential work has helped shape the contemporary understanding of poverty and deprivation. This approach goes beyond income or material goods and evaluates well-being as a person's freedom to choose and ability to achieve what he considers a valuable life.