

A gateway for capacity development

# Capacity.

ISSUE 37 | SEPTEMBER 2009

## Understanding context



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#### Thinking systemically

Bob Williams considers how systems thinking can help in understanding the context of capacity development

### PRACTICE

#### Contextual forces

Sam Joseph describes how causal loop diagrams can help NGOs to understand what is within and what is beyond their ability to change

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#### The power of understanding power

Irene Guijt and Sandra Seeboldt argue that power is not just a struggle between those who have it and those who don't

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#### Beyond the dotted line

Chris Mowles argues that European NGOs often fail to recognise the complexity of systems, power relations and local knowledge.

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#### Value chain analysis

Carlo Kuepers and Agnes Luz explain how value chain analysis can be used to identify the interlinkages between farmers and other actors

# Evaluating capacity development support



**Piet de Lange**

piet-de.lange@minbuza.nl

Policy and Operations Evaluation Department (IOB),  
Netherlands Ministry of Foreign Affairs, The Hague,  
the Netherlands

IOB carries out independent evaluations of the policies and operations in all fields of development cooperation.

Recently, IOB launched an evaluation of Dutch support for capacity development that will result in a synthesis report based on a series of evaluations of the support for capacity development provided by seven organisations in 17 countries, most of them in sub-Saharan Africa. The seven organisations are the Ministry of Health (Ghana) and six Dutch NGOs – Agriterra, the Netherlands Commission for Environmental Impact Assessment (NCEIA), the Netherlands Institute for Multiparty Democracy (NIMD), Partos, PSO and SNV. Although these organisations work in different fields, they are all directly involved in promoting and supporting capacity development.

The evaluation is intended to respond to the need for knowledge and insights that will contribute to the future policies of the ministry, Dutch NGOs and their partners in developing countries. The evaluators will look at how and under what circumstances capacity has developed, and attempt to identify the factors that have influenced the effectiveness of the support provided by the Netherlands government and NGOs.

## Open systems approach

Recognising that capacity is elusive and often transient, the evaluation will not use a predefined concept of capacity, and will regard organisations and networks as open systems with permeable boundaries. This approach, summarised in the diagram (right), will allow the evaluators to focus on how capacity has developed from within, rather than to look only at what outsiders have done to support and promote it.

The adoption of the open systems approach has significant methodological

The Policy and Operations Evaluation Department (IOB) of the Netherlands Ministry of Foreign Affairs recently launched a major evaluation of Dutch support for capacity development in 17 countries.

implications. In particular, the framework and the indicators used in each evaluation must be contextualised and related to the perspectives of both the Dutch and Southern partners with regard to capacity development. Thus the indicators and operational criteria will be determined in cooperation with local stakeholders. Southern partners will be fully involved in the evaluation process from the outset, whether as members of reference groups, as resource persons, or in conducting the fieldwork for each of the seven evaluations. In summary, the evaluation will underline the relevance of Southern partners' views of and experiences with capacity development.

In the analytical framework shown in the diagram below, the broad concept of capacity is divided into five core capabilities that every organisation and system possesses. None of these capabilities can by itself create capacity. They are strongly interrelated, and provide the basis for assessing a situation at a particular moment, after which the capacity of the system can be monitored and tracked over time in order to assess how it has developed.

The IOB will conduct the evaluation in collaboration with a network of partners:

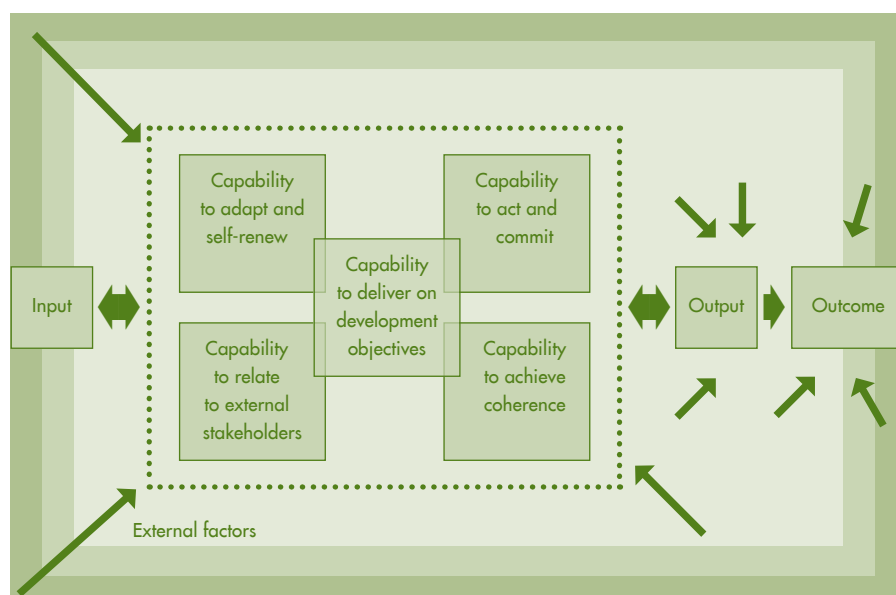
- external advisors, including staff of the European Centre for Development Policy Management (ECDPM), Utrecht University, Tilburg University and Erasmus University Rotterdam, and Southern advisors;
- facilitating organisations (methodology development, communication); and
- consultants based in the North and the South.

For each evaluation, a reference group and an evaluation team have been established, consisting of Northern and Southern members with a background in capacity development theory and practice.

The final synthesis report of the evaluation, which will be available in December 2010, will present the key findings and the lessons learned. Together with the more detailed reports on each of the seven organisations, it is hoped that the evaluation will make an important contribution to the international debate on capacity development. <

## Further reading

- Engel, P., Keijzer, N. and Land, T. (2007) *A Balanced Approach to Monitoring and Evaluating Capacity and Performance: A Proposal for a Framework*. ECDPM Discussion Paper 58E. [www.ecdpm.org/dp58e](http://www.ecdpm.org/dp58e)
- IOB: [www.minbuza.nl/iob-en](http://www.minbuza.nl/iob-en)



international level

national level

local level



# Context in capacity development

In capacity development, it is good to be humble and recognise the contextual dynamics that are often more forceful and influential in the long term than support intervention itself. This issue of *Capacity.org* focuses on methods that can help to understand the societal context in which capacity development takes place. One of these methods is systems thinking, whereby organisations, sectors and societies are seen as systems composed of elements that interact with each other.

The concept gained momentum in 1990 with the publication of Peter Senge's book, *The Fifth Discipline*. Senge refers to systems thinking as the ability to see connections among cause-effect relationships that are related but separated in time and space. Within the aid sector the discussion is currently focused on the complexity of systems: the links among the elements in systems are so many that it is difficult to predict the outcomes of processes of social change.

Interventions in these systems with specific targets are bound to fail, because the intervention itself will trigger feedback loops that are almost impossible to predict when planning the intervention. While the idea of systems and the complexity of systems are not disputed, conclusions about what action to take vary considerably. Whereas some, such as William Easterly in *The White Man's Burden*, say 'don't bother planning', others believe that planning can work to some degree, but one has to be aware that intended outcomes are not guaranteed (see 'Connecting the dots', Alan Fowler, *The Broker* 7).

Although systems thinking makes a lot of sense as a concept, much of the debate surrounding it has been at an abstract level, which makes it difficult to gauge its applicability in practice. In this issue we have attempted to bring the concepts of systems thinking and complexity down to earth. We asked the authors to look at the merits as well as the pitfalls of systems thinking in practice.

The systems field is very broad, with many schools of thought and a plethora of opinions about what the essence of systems thinking is or is not. In an effort to identify the 'bottom line' commonalities that unite most of these schools of thought, Bob Williams traces the historical development of systems thinking and introduces some commonly used concepts and methods.

Sam Joseph and Shamim Bodhanya (Bodhanya's article can be found on the *Capacity.org* website) show how thinking in terms of interdependent relationships, a particular branch of systems thinking, can help practitioners to understand the jumble of cause-effect relationships that influence the outcome of an intervention. Andy Hall et al. show how redefining the boundaries of a system, in their case an agricultural innovation system, can reveal underexplored opportunities for developing innovation capacity.

Tony Land explains that it matters a great deal which metaphor for a system is chosen. Whereas adherents of the logframe implicitly use the metaphor of the machine, often with very disappointing results, Land argues that the metaphor of a living organism is much more promising.

Chris Mowles offers some words of caution. There are notions of systems thinking prevalent among European NGOs that do not recognise the complexity of systems, and in particular aspects of local knowledge and power relations.

Irene Guijt and Sandra Seeboldt also argue that power relations require a lot more rigorous analysis than is usually the case, and show how power relations can be better understood.

Carlo Kuepers and Agnes Luz explain how value chain analysis helps them to understand the interconnections among poor and marginalised farmers with networks of processors, traders and markets that span the globe. They use value chain analysis to identify entry points for supporting capacity development that will contribute to improving the livelihoods of these farmers.

Guest columnist Nils Boesen observes that context matters a lot more than most donors realise. Many live with – and fuel – unrealistic expectations about what can be achieved through aid. A more humble approach – understanding context and recognising the value of small, incremental steps in capacity development – can prevent many from being disillusioned.

Heinz Greijn  
editor@capacity.org  
Editor-in-Chief

## ICCO

I am pleased to announce that ICCO, the Interchurch Organisation for Development Cooperation, has joined the *Capacity.org* partnership. With the support of ICCO we will be able to improve our outreach, especially to practitioners in capacity development based in the South, and to extend our editorial committee to include a member from the South.

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Women winnowing rice at a festival in  
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ANP / Dave Stamboulis



**Bob Williams**  
 bobwill@actrix.co.nz  
 Consultant, Wellington, New Zealand

## Systems concepts and methods

# Thinking systemically

Systems thinking has the potential to help development practitioners better understand the factors that influence the abilities of people, organisations and institutions to perform and to achieve desired outcomes.

Support for capacity development is often framed in projects based on a very narrow understanding of the factors that influence the ability of people, organisations and institutions to perform. There is a need to look at organisations and networks of organisations *systemically* embedded in and connected to a much wider context.

Before climbing over the fence into the systems field, it is useful to remove a couple of misconceptions that commonly get in the way. First, thinking systemically does not just involve creating box and line drawings – it's got little to do with wiring diagrams. Second, it is not about holism. No one can think about everything, and even if they could it would be of little practical use. You simply cannot take everything into account. These two misunderstandings about systems ideas have cluttered up the entrance to the systems field unnecessarily. Which is not to say that wiring diagrams and the idea of 'wholes' are not used in systems thinking; rather, they are not a fundamental aspect of it. So if systems thinking is not about lines and boxes or holism, then what is it about, and how can it help us think about capacity?

### A brief history of systems concepts

The systems field as we know it today developed around the time of the Second World War, as did many other currently influential concepts, such as organisational development, group dynamics and action research. The war posed some very tricky, seemingly intractable problems at the individual, team, organisational and institutional levels. The history of the field is rooted in efforts to address complicated and complex problems with limited time and information. Over the past 50 years the systems field has expanded from its relatively modest beginnings into a suite of 1000 or more methods and methodologies, but its core problem-solving orientation has remained.

During the 1960s and 1970s, the focus of the systems field was very much on *inter-relationships*. In many ways this was the wiring diagram stage of thinking systemically. By the mid-1970s it was clear

that inter-relationships, while important, were not neutral concepts. The relative importance of particular inter-relationships depended on the different purposes you could ascribe to any single situation. Thus thinking systemically began to address the implications of applying different *perspectives* to the same situation.

By the mid-1980s, however, it was clear that these perspectives were also not neutral. Perspectives determined what was deemed to be relevant and what was not; they determined what was 'in' the system and what lay outside it. Whoever defined the dominant perspective controlled the system's *boundary*. Thus the importance of studying boundaries and critiquing boundary decisions (and those who made them) became the third key element of a systems approach.

These three concepts help us understand systemic interventions and distinguish them from other approaches to dealing with complex situations. They underpin all the models, metaphors, methodologies and methods used in the systems field.

### Inter-relationships

'Inter-relationships' is the most familiar systems concept, partly because it is also the oldest. How things are connected, and with what consequence, stems from the earliest thinking about systems – some say back as far as Heraclitus and other early philosophers. It is also the concept most strongly embedded in the popular imagination. When we talk about a filing system, or the health system, the image we have in our minds is of a set of objects and processes that are interconnected in some way. The popularity of system dynamics with its boxes and lines further cements the notion of interconnection as an important systems concept.

The study of inter-relationships is central to any systemic inquiry. In particular, systems approaches look at the following aspects:

- dynamic aspects (where inter-relationships affect the behaviour of a situation over a period of time);
- nonlinear aspects (where the scale of an 'effect' is apparently unrelated to the scale

of the 'cause'; often but not always caused by 'feedback');

- the sensitivity of inter-relationships to context (where the same intervention in different areas has varying results, making it unreliable to translate a 'best' practice from one area to another); and
- massively entangled inter-relationships (distinguishing the behaviour of 'simple', 'complicated' and 'complex' inter-relationships).

The systems field draws on many methods that focus on inter-relationships, all of which address five main questions:

- What is the nature of the inter-relationships within a situation?
- What is the structure of these inter-relationships?
- What are the processes between them?
- What are the patterns that emerge from those processes, with what consequences for whom?
- Why does this matter? To whom? In what context?

*System Dynamics* (see also the article by Sam Joseph, page 10) is a method that seeks to explore the consequences of nonlinear relationships and delay. It is usually, although not always, used in conjunction with computer simulations. Results chains and process models often assume cause and effect relationships that are relatively sequential: A leads to B leads to C. For example, 'capacity' building could reflect the following dynamics: training (A) leads to increased knowledge (B), which leads to employment (C).

System Dynamics, in contrast, acknowledges that A and B may feed off each other and that C may cause A to reduce. So training (A) might increase knowledge (B) and this knowledge may increase the demand for further training (A), which leads to greater knowledge (B). Or, knowledge (B) may lead to people gaining employment in the field (C), which might reduce their ability to engage in the further training (A) that they need because they are now out in the field. This may be further complicated if there are response delays between each component. Thus, while the capacity of the situation may be initially enhanced (more training, knowledge,



A boy on a donkey...

employment), over time the capacity of the situation reduces.

### Perspectives

A systemic approach involves more than studying how boxes and lines fit together or how information networks operate. Just looking at the 'bigger picture' or exploring interconnections does not make an inquiry 'systemic'. What makes it systemic is how you look at the picture, big or small, and explore interconnections. When people observe inter-relationships they 'see' and interpret them in different ways.

People participate in projects for many different reasons. Think of your own involvement in the capacity development field. How many different ways of seeing your involvement are there, and how do they affect the kinds of decisions you make? What you may regard as a situation that successfully generates and sustains locally resourced economic initiatives, may be seen by someone else as completely ignoring women's social needs. These different interpretations and motivations, and the behaviours that flow from them, may have little or nothing to do with the formal goals or objectives of a programme. It may have indeed been primarily about economic development. Yet the expectations of some key players that the programme would also have social development aspects will affect how they behave, how the programme performs and, ultimately, the results.

Thus we cannot comprehend the behaviour of a programme without identifying and understanding a wide range of perspectives. Perspectives help to explain and predict unanticipated behaviours because they give us a window into motivations. They also draw attention to consequences unplanned and unintended. Towering above this is the need to acknowledge that people make programmes work, not some imagined 'logic' such as a logframe dreamed up by funding agencies.

The impacts of the introduction of 'perspectives' as a core systems concept were profound. First, they highlight the notion that a situation can be 'seen' in different ways, and that this will affect how the system is understood. Furthermore, not only

do different stakeholders bring different perspectives to bear on a situation, but each one (indeed each individual) will bring several perspectives, not all of which will be compatible. For instance, I have never held a single unified view on any project I've been involved in. How I handle a situation – whether to give money to a person on the street – will be the result of a complex set of internal arguments and trade-offs that can change in the time it takes for me to reach into my pocket. Yet the theories of management that dominate the international development world tend to force us to pick one and pretend that it's the one that should motivate everyone. And then we wonder why things don't work out quite as we planned. In terms of capacity the key question that flows from this discussion is not whether there is capacity within a situation, but how that capacity is perceived (i.e. capacity to do what for whom?) and how those perceptions interact.

Second, perspectives draw the focus away from the 'system' as it supposedly exists in 'real life' (as in the filing system) and allows us to consider alternative ways of understanding the situation – what it might be like, could be like or even should be like. Or how different people imagine how it might be like. This opens up the systems world, because not only can you draw conclusions based on a study of the world as it is, but you can also compare alternative perceptions of *what people think it is* with *what actually is*, or with different perceptions of *what is* or *what might be*. The similarities and differences between *what is* and *what might be* create puzzles and contractions. When handled successfully, these 'tensions' can achieve deeper learning than just seeing things through one set of eyes and possibilities. It can also generate better insights into the real-life behaviour of a programme. That's because people usually behave on the basis of their perceptions of what is or what might be, rather than some official line imposed by someone else.

The systems field draws on a number of approaches for exposing and exploring perspectives, including asking:

- What are the different ways in which this situation can be understood?

- How will these different understandings affect how people judge the success of an endeavour?
- How will they affect behaviour, and thus the behaviour of the system, especially when things go wrong from their perspective? With what result and significance?

*Soft Systems* is a methodology that first forces you to consider alternative perspectives (such as development as 'aid', as 'patronage', as a 'tool of foreign policy', or as 'empowerment'). It then asks a series of questions that help you work out the structure, function and logical consequences of each perspective. You then compare and contrast this 'logic' with 'real life'. Unlike most 'logic' modelling approaches, the idea is not to make 'real life' more like the logic, but to gain insight from the similarities and differences across several perspectives that help you improve the current situation.

*Activity Systems* is an approach based on the recognition that while people can agree on a set of shared activities they are often directed towards different purposes. You and I may jointly organise a micro-loan scheme, but you are seeking to develop the social independence of women and I am seeking to raise the overall income of the village. Much of the time that difference won't matter, but Activity Systems enables you to predict the kind of circumstances in which they will matter. Activity Systems approaches also provide ways of helping people engage constructively in resolving the tensions that arise when circumstances expose the fact that people are engaged in the same activities but to different ends. So, in the earlier example, if something happened that made the economic and social goals appear to be in conflict, then activity systems provides a way to see if there are innovative ways of reframing or reforming the activities to allow both goals to be satisfied.

### Boundaries

Boundaries have always been an important systems concept. They drive how we 'frame' situations. A boundary differentiates between who or what is 'in' and who or what is 'out', what is deemed relevant and irrelevant, what is important and what is





Lineair / Shehzad Noorani

... just one of the 60,000 refugees at Otash camp, Darfur, Sudan.

not, what is worthwhile and what is not, who benefits and who is disadvantaged. Every endeavour has to make a choice between what it includes and what it excludes, what is deemed relevant and what is not, which perspectives are honoured and which are marginalised.

By the mid-1980s, more explicit questions were being asked about how boundaries are set, who sets them and what the consequences are. It's fine to map relationships and it may be fine to acknowledge that there will be different perspectives on those relationships, but those relationships and perspectives are not neutral – someone, somewhere, decides which are most important.

Boundaries are the sites where values get played out and disagreements are highlighted. A lot of power issues are wrapped up in boundaries; just as the person with the magic marker controls what goes on the whiteboard, the person whose perspective dominates a project decides the boundaries.

Capacity development in the international arena is full of boundary decisions – who gets what kind of resources for what purpose, and whose interests are marginalised (see the article Sandra Seeboldt on page 15).

Once it was acknowledged that thinking systemically about perspectives and interrelationships involved boundary choices, many in the systems field started taking a deliberate and often debated approach to boundary identification and selection.

*Critical Systems Heuristics* is one example of a method that poses a set of questions that help guide conversations about boundaries.

- **Entrenched values:** Whose interests are being served and whose interests should be served?
- **Command and control:** Who controls what resources, and who should control what resources?
- **Dogma:** What expertise is required? Who do we trust as experts and what expertise should be required; what's the risk of assuming this is all the expertise needed?
- **Righteousness:** Whose interests are being excluded, marginalised or harmed by the way we are framing the situation, and whose interests should be excluded, marginalised or harmed?

Although capacity development touches on all four aspects, capacity is especially bound up with notions of expertise – and Critical Systems Heuristics poses some very challenging notions about what assumptions are being made about expertise; what expertise is regarded as relevant (or irrelevant), and who should have that expertise.

### Thinking systemically

Learning how to think systemically is a matter of capacity development. There is knowledge to be acquired, skills to be gained and opportunities to be sought to apply the knowledge and skills. Where do you start? Generally speaking the best choice is to start where you are right now.

For instance, do the notions of focusing on inter-relationships, perspectives and boundaries help you improve your own understanding of capacity development? If they do, then start there. If that is insufficient, then dive a little deeper, pick a systems method or approach that seems promising for a particular issue you are engaged in. Try it out and see if it helps.

My own first steps into the systems world were through perspectives in general and Soft Systems Methodology in particular. I was a community development worker in London and perspectives were especially relevant to my work. Other methods and understandings developed over the years as I needed them. These days my focus is on boundaries because I work primarily in the evaluation field helping people make judgements of worth. Judgements of worth are boundary decisions because they essentially determine what is deemed 'worthwhile', or of some value or merit – and by implication what is not.

Based on my experiences over the years, the main lesson is to avoid learning systems approaches on your own. Apprentice yourself. Find someone with a sophisticated understanding of the systems field and a good knowledge of one or two methods. Learn that method with them and then branch out. Whatever approach you choose to learn and develop your ability to think systemically and use systems methods, it will be a fascinating, insightful and useful journey. <

*This article is based on previous writings by the author and contributions from Gerald Midgley, Richard Hummelbrunner, Amy La Goy, Iraj Imam, Martin Reynolds and Glenda Eoyang. It has formed the basis of workshops, lectures and articles, most recently 'Bucking the system', The Broker 11, December 2008 ([www.thebrokeronline.eu](http://www.thebrokeronline.eu)).*

### Further reading

- Checkland, P. and Poulter, J. (2006) *Learning for Action*. Wiley.
- Flood, R. *Rethinking the Fifth Discipline: Learning within the Unknowable*.
- Flood, R. and Jackson, M. (1991) *Creative Problem Solving*. Wiley.
- Kurtz, C. F. and Snowden, D. J. (2003) *The New Dynamics of Strategy*. Cognitive Edge: [www.cognitive-edge.com](http://www.cognitive-edge.com)
- Midgley, G. (2000) *Systemic Intervention, Philosophy, Methodology and Practice*. Kluwer/Plenum.
- Reynolds, M. (2008) Reframing expert support for development management. *Journal of International Development*, 20(6): 768–782.
- Williams, B. and Imam, I. (eds) (2007) *Systems Concepts in Evaluation*. EdgePress.

### Links

- Soft Systems Methodology: [www.bobwilliams.co.nz](http://www.bobwilliams.co.nz) (see 'systems stuff' in the sidebar menu).
- Werner Ulrich, Critical Systems Heuristics: [www.geocities.com/csh\\_home](http://www.geocities.com/csh_home)
- System Dynamics: [www.uni-klu.ac.at/~gossimit/linklist.php](http://www.uni-klu.ac.at/~gossimit/linklist.php)

# Organism or machine?

Insufficient attention has been given to understanding how capacity develops in different organisational and societal contexts.

For a number of years, the international community has emphasised the importance of capacity development for the achievement of the Millennium Development Goals (MDGs) and for sustainable development in general.

However, a recent ECDPM report entitled *Capacity, Change and Performance* argues that the development community needs to reflect critically on the way it thinks about and approaches capacity development work. The report and the study on which it is based subscribe to a growing body of thought that questions the appropriateness of approaches that are exclusively informed by a technocratic and linear planning logic.

## Limits of the machine analogy

Such a logic is premised on a notion of people, organisations and systems as pieces of performance machinery whose capacity can be constructed and adjusted through a set of purposeful (and often externally financed and managed) interventions. This logic tends to underestimate the importance of politics, culture and historical contexts, and to rely on the application of 'best practice' solutions across contexts.

While such approaches clearly do work in certain situations, they have proven less effective in circumstances of complex institutional transformation or renewal. Cases studies examined in the ECDPM study

also illustrate how key aspects of organisational capacity do not necessarily result from any purposeful or planned intervention, but rather have emerged from complex and difficult-to-chart processes of organisational learning and adaptation. Such processes are often implicit rather than explicit and are not necessarily guided by any recognisable intervention.

The study concludes that to help improve practice it is useful to think of organisations and systems as human or social systems that evolve organically in unpredictable ways in response to a wide range of stimuli and through multiple interactions.

From this perspective, capacity development can be viewed as less analogous to machine building, and more akin to shaping and influencing processes that are driven by local contextual factors including politics and culturally defined norms, values and practices.

## Complex adaptive systems thinking

Systems thinking, and in particular the concept of complex adaptive systems (CAS) offers such a perspective. It takes the view that organisations and networks – whether simple or complex – are more analogous to living organisms than to machines.

Organisations and networks continuously adapt and change in the face of new situations, in order to sustain themselves.



**Tony Land**

tland@info.bw

Programme associate, European Centre for Development Policy Management (ECDPM), Maastricht, the Netherlands

This process of adaptation is only partially open to explicit human direction, and more importantly, cannot be predetermined.

Capacity development as a form of change is, from this perspective, an emergent property that arises from the continuous process of organisational adaptation, which, over time, is characterised by moments of coherence, collapse and re-emergence. It can be understood as a process that is a necessary part of the life cycle of any organisation or system.

CAS offers a way to mentally frame what we see in the world and to think about how change can be influenced from the outside. It can be contrasted with more conventional frames of thinking, that are less able to explain the dynamics taking place within systems, such as detailed design, the charting of direct cause and effect relationships and planned change (see table on page 9).

In so doing, CAS challenges the way development agencies go about influencing change processes. Capacity development outcomes cannot be simply engineered through the delivery of external inputs. Interventions need to be flexible and able to adapt to future and usually unforeseeable system behaviour. CAS therefore points to the need to take account of a wider range of approaches when addressing capacity development.

It also highlights the fact that even when one tries to support capacity development through purposeful intervention, there will always be larger forces at work that impact the way capacity emerges. These larger forces need, therefore, to be mapped, brought into perspective and taken account of in the design, implementation and monitoring of any intervention.



Capacity development as a production line ...





... or the result of processes that are driven by local contextual factors.

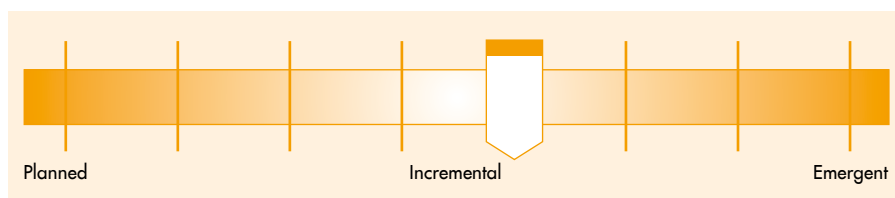
CAS does not offer all the answers, nor does its use suggest the need to disregard other perspectives. Rather, it offers another lens for exploring and understanding the way capacity actually forms and evolves.

### Implications for practice

What are the implications for development agencies that want to improve their support for capacity development? The implications for practice are proposed below. These suggest the need to find a middle ground that takes account of emergence thinking within more familiar programme management processes.

1. Keep a focus on ownership. *Ownership is critical to any capacity development process*, because change is fundamentally political.
2. Approach capacity development more as a *process of experimentation and learning* than as a process of executing predetermined activities.
3. *Apply a more evolutionary approach to design.* Recognise that good design means being clear on what direction of change is desired, but *leaving space for adaptation along the way*.
4. Ensure that the design process engages *local stakeholders* in the determination of needs and strategies.
5. Invest more in *understanding context in terms of political, social and cultural norms and practices* that shape the way a country or an organisation understands capacity, change and performance.
6. *Analyse more comprehensively the nature of change* that is being demanded as a basis for determining which kind of support is appropriate.
7. *Conduct capacity diagnostics as an intrinsic part of a change process* and supportive of evolutionary design. It should be less about analysing gaps and more about recognising strengths.
8. *Give greater attention and recognition to less visible aspects of capacity*, such as values, legitimacy, identity and self-confidence, as well as other non-monetary forms of motivation.
9. *Be more creative about options for support*, such as which resources and techniques to apply, and be less inclined to fall back on international technical assistance as the default for delivering capacity development support.
10. Be prepared to *accept/tolerate a higher degree of risk and failure* as a way to promote learning and innovation and in acknowledgement of the fact that it is often difficult to know ahead of time what will work.
11. *Invest in relationship building.* The implementation of capacity development support depends tremendously on the relationships that are forged between local stakeholders and outsiders.
12. *Be more realistic about the scope of external intervention.* In the end, external partners are marginal actors, as compared to the influence of underlying domestic processes and forces.

Between planning and emergence



### Pulling it together

These implications for practice suggest an overall need to shift from planned interventions toward more emergent ways of working. How far and to what extent this needs to be done in practice will depend on



local circumstances. An intervention can either take on more of the character of a planned approach, or it can be closer to what is understood to be an emergent process.

Incremental approaches, which sit somewhere between planned and emergent approaches, can offer a practical way to combine a degree of formal strategic intent and structured intervention where this is appropriate (or unavoidable), with a more adaptive and flexible approach to design and implementation that takes account of emergence and complexity.

Incrementalism is, therefore, much more than a way of muddling through without any plan, theory of action or strategy. On the contrary, it is a deliberate and strategic choice that is able to accommodate

characteristics of emergent and planned processes, and in so doing, reflect the 12 implications for practice presented above.

### An alternative perspective

CAS offers an alternative perspective. While not holding all the answers, it does offer innovative insights that, if accepted, carry implications for practice. Development agencies need to think about how far they are willing to take on the implications of a different way of working.

The greater emphasis placed on flexibility and searching can give rise to unease about possible loss of control, direction and task accomplishment, at a time when agencies are under increased pressure to disburse, and to provide tangible evidence of impact. But if development agencies are serious about

improving support for capacity development, then some far-reaching changes in the way of doing business cannot be avoided. <

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### Between planned interventions and emergent approaches

This table contrasts a selection of variables related to the design and implementation of capacity development (CD) interventions looked at from a conventional instrumental/ technocratic perspective on the one hand, and from a CAS/emergence perspective on the other. In practice, few interventions fully adopt either end of the spectrum. The 12 implications for practice presented above suggest the need to accommodate both perspectives in the design of interventions.

	Techno-rational perspective 'Organisation as machinery'	CAS & emergence perspective 'Organisation as human system'
Ownership (and leadership)	<ul style="list-style-type: none"> <li>• Recognises formal authority; legal and administrative.</li> <li>• Emphasises the importance of the local partner taking ownership of CD interventions supported/funded by external partners</li> </ul>	<ul style="list-style-type: none"> <li>• Understands ownership as a function of the identity, volition and motivation of different stakeholders.</li> <li>• CD is driven by local initiative and circumstance. It is a process on its own, separate from external intervention.</li> </ul>
Context analysis	<ul style="list-style-type: none"> <li>• Focuses on formal aspects of context, e.g. legal, institutional, economic, that impact directly on targeted organisation(s)</li> </ul>	<ul style="list-style-type: none"> <li>• Organisations are understood to belong to multiple, evolving systems. Relationships are unpredictable and include informal and intangible dimensions. An historical perspective is critical.</li> </ul>
Capacity assessment	<ul style="list-style-type: none"> <li>• Focuses primarily on aspects of organisation that respond to human intervention and that contribute directly to tangible results/outputs.</li> <li>• The whole is understood as the sum of individual parts.</li> <li>• Based on normative/à priori assumptions about what capacity is and how it is composed. Emphasis placed on gap analysis.</li> </ul>	<ul style="list-style-type: none"> <li>• A greater emphasis is given to non-tangible aspects of capacity; relationships, values, etc., and aspects of capacity 'conferred' from outside, e.g. legitimacy.</li> <li>• Accommodates multiple understandings/ interpretations of what capacity is that are culturally/socially defined.</li> </ul>
'Good' design	<ul style="list-style-type: none"> <li>• Robust problem analysis, clear definition of inputs, actions, outputs and outcomes. Focus on what is doable and concrete. Linear view on cause and effect. Logical framework approach.</li> </ul>	<ul style="list-style-type: none"> <li>• CD as an emergent process that is not formally designed. Emphasis given to learning and iteration, without necessarily any formal design elements. Notion of evolving design.</li> </ul>
CD intervention logic	<ul style="list-style-type: none"> <li>• Intervention is purposeful. Emphasis given to efficient and effective mobilisation of resources (human and financial) to execute agreed actions within a stipulated timeframe. Can vary from more direct (hands-on) to indirect (process facilitation) approaches but with emphasis on achieving predetermined results.</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity development emerges from the ongoing learning, actions and interactions of organisational actors. It does not necessarily depend on a purposeful intervention.</li> <li>• There are no simple cause and effect relationships.</li> <li>• Multiple processes can stimulate different aspects of capacity</li> </ul>
Elements of capacity that respond well to this approach	<ul style="list-style-type: none"> <li>• Formal incentives, rewards, sanctions</li> <li>• Skills and technical know-how</li> <li>• Formal structures and systems</li> <li>• Assets, resources, financial flows</li> <li>• Demand side stimulation</li> </ul>	<ul style="list-style-type: none"> <li>• Values, meaning, moral purpose</li> <li>• Informal structures and systems</li> <li>• Relationships (internal and external)</li> <li>• Legitimacy, confidence and identity</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>• Robust design aims at risk mitigation, ensuring that the intervention is not undermined by extraneous factors. Focus on value for money and timely achievement of agreed results. Low tolerance of failure.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk is an intrinsic part of change and CD. Outcomes are unknown and intentions can be influenced by unforeseen events. Risk or failure provides opportunities for learning and adaptation.</li> </ul>
Monitoring and evaluation (M&E)	<ul style="list-style-type: none"> <li>• Aims at comparing results and outcomes in order to determine relevance, efficiency, effectiveness, etc.</li> <li>• Often with an accountability focus, but can also focus on improving management and design.</li> </ul>	<ul style="list-style-type: none"> <li>• M&amp;E assumes a more learning-oriented focus by participants themselves. Learning is the basis for self-awareness and continuous improvement.</li> </ul>



**Sam Joseph**  
svjoseph@gmail.com  
Development advisor, India

## Poverty and sex work in India

# Contextual forces

Causal loop diagrams can show the many factors that contribute to a problem, and how they link together. By understanding the broader context, organisations can identify what is within and what is beyond their ability to change.

Development workers usually use written analyses in their project documents to assess whether an intervention is successful and the effects are sustainable. However, narratives about sustainability are often unconvincing because it is difficult to capture contextual dynamics in words alone. A systemic view can help. A system diagram can show how different variables link together to reveal the larger structure and context of a problem. Systems thinking can help to bring together small pieces of analysis to form a greater whole. It can also help development workers to be much more realistic about which factors they can effectively influence in order to ensure the sustainability of a project.

A system can be seen as a 'whole' that is confined within a boundary and pursues a purpose. It is made up of interdependent and interconnected parts. Inputs are transformed into outputs through a variety of processes. There are smaller systems within larger systems. The human body, for example, is a system with a boundary (the skin), within which the digestive system converts food into energy, and the brain and nervous system transform information into knowledge, both of which are essential for the purpose of survival.

One means of understanding the underlying factors that give rise to a problem, and the cause and effect relationships among them, involves creating causal loop diagrams. Such diagrams can be produced simply using paper and a pencil, although at a more advanced level 'stock-and-flow diagram' software can also be used.

### A systemic view

In India many organisations are involved in tackling the wide range of interconnected problems related to poverty, human trafficking, sex work and HIV/AIDS. Five NGOs – one each located in Delhi and Kolkata (formerly Calcutta), and three in rural areas of northern India – have recently participated in a year-long action research study funded by the United Nations Development Programme (UNDP). The study aimed to identify the relevant agents and factors that contribute to these problems in each of the five research

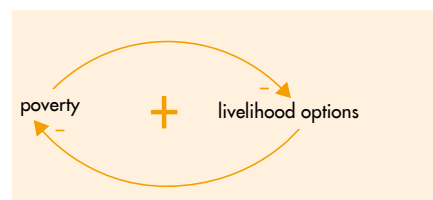
areas, and the relationships among them. With such knowledge, the NGOs hoped to be able to understand where they should target their campaigns, and thus design more effective interventions.

The study began with a national level workshop where the NGO staff explored the driving forces behind the increasing levels of poverty, migration and HIV/AIDS. They then created a preliminary version of a causal loop diagram to capture their understanding of the social context in which these processes take place.

After the workshop, fieldworkers from the NGOs visited the five action research areas, where they met with community representatives, sex workers, traffickers and pimps (middlemen) and the police to hear about the problem from their points of view. Based on this new information, they refined the original causal loop diagram, as explained in the following.

### Creating a causal loop diagram

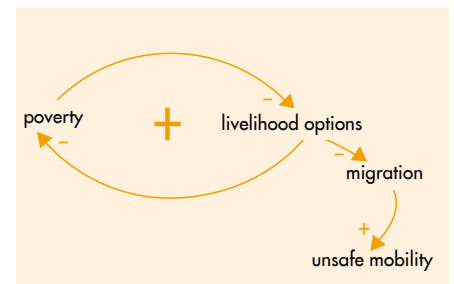
To create the preliminary causal loop diagram, the NGO workers and community representatives began by charting the incidence of poverty and the livelihood options available in each of the five research areas. It became clear that a lack of livelihood options results in poverty. Increasing poverty leads to a further loss of livelihood options, which in turn creates even more poverty. It is a vicious cycle – a causal loop – as shown in the diagram below. The plus sign in the centre indicates that the loop is self-reinforcing – a change in one of the variables produces a result that generates more of the same, either growth or decline.



In the diagram, the minus signs next to the two arrowheads indicate that the links between the variables – in this case poverty and livelihood options – are oppositional or

balancing. In other words, increasing poverty will lead to fewer livelihood options, and fewer livelihood options will lead to more poverty. But as these links are oppositional, they can also mean that more livelihood options will lead to less poverty, and less poverty will lead to more livelihood options. The links reinforce each other, forming a feedback loop, which can be either positive or negative. Allow poverty to increase and livelihood options will decrease. But increase the livelihood options, and poverty will fall.

In India, many members of poor rural communities attempt to increase their livelihood options by migrating to the cities. This is a risky alternative, especially for women and girls (as well as boys) who are vulnerable to exploitation by traffickers who force them to work in the sex industry, where they are increasingly at risk of contracting HIV/AIDS.



The growth of the sex industry means that increasing numbers of both sex workers and their clients are able to transmit the HIV virus, thus adding to the number of AIDS victims in this causal chain.

At the workshop, when this information was assembled, together with feedback links, the picture that emerged showed three reinforcing feedback loops: poverty–livelihoods, migration–sex work, and livelihoods–sex work–AIDS–poverty.

Just as in a machine where one set of gears drives another, which in turn drives another, these reinforcing loops will spin faster and faster until something is done to limit the factors that drive them. As long as there is migration and sex work is an option, these loops will continue to contribute to increasing levels of both poverty and HIV/AIDS.





Here comes the night: Indian sex workers preparing to meet their clients.

The workshop participants continued their analysis and produced an even larger and more detailed causal loop diagram, focusing on the world of the sex workers, those who control the industry, and others (the diagram is available online at [www.capacity.org](http://www.capacity.org)).

### Breaking the link

Causal loop diagrams can be used to trace the causes and effects of a problem, or series of problems, and the feedback loops that perpetuate them. On the basis of their analysis, the Indian NGOs concluded that in order to reduce migration from rural areas,

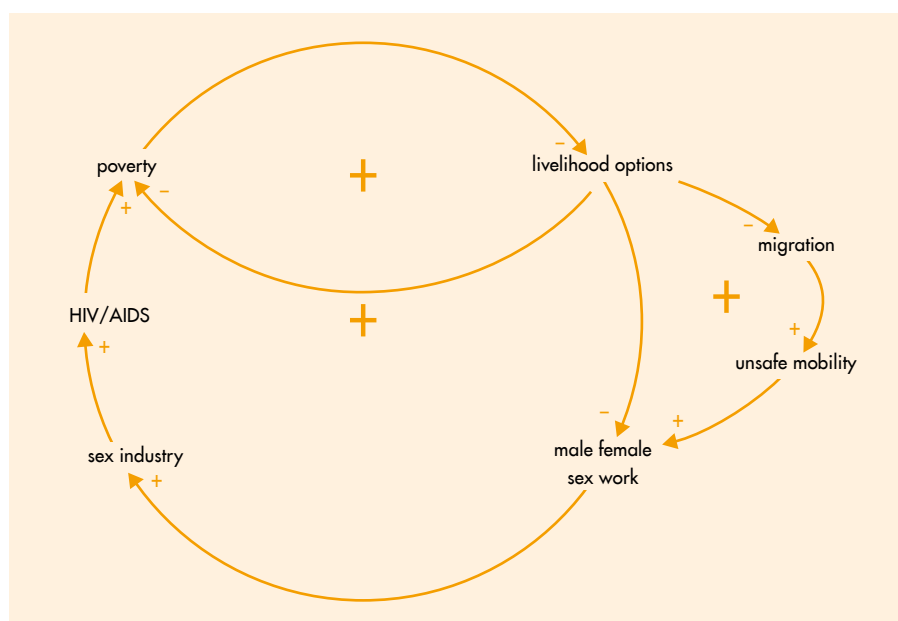
the only variable they would be able to change was the range of livelihood options. By promoting new economic activities in the rural areas (the top of the diagram below), the NGOs hoped to help the farming communities by encouraging them to adopt new income-generating activities, thus reducing the high levels of poverty and eventually breaking the link between poverty and migration.

With a new range of targeted interventions, the NGOs achieved just that within one planting season. In two of the three rural areas, the new farming activities

provided new opportunities for communities to improve their livelihoods so that fewer members of poor families needed to migrate to the cities. In the research areas in both Delhi and Kolkata, their interventions also resulted in higher incomes and improvements in the livelihoods of many poor families.

For the NGO workers, coming to understand the wide range of forces that serve to perpetuate a problem or situation, and realising that they could influence only a few of them, was a humbling experience. They also recognised that understanding the context at this broader level would contribute to much more meaningful project monitoring and evaluation (M&E). Usually M&E is inward-looking, focusing on individual projects without considering the broader picture.

Causal loop diagrams can yield valuable insights into the many ways in which interventions are embedded within a broad social context. They can also help development practitioners to identify which agents and factors can be most effectively targeted in interventions to ensure their sustainability. <



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# Beyond the dotted line



Chris Mowles

chris@redkitepartners.co.uk  
Complexity and Management Centre,  
University of Hertfordshire, UK

In the aftermath of a natural disaster, a European NGO formed a partnership with a local NGO. The idea was for the European NGO to add technical expertise to the local NGO's contextual knowledge for a better informed programme. It would also demonstrate partnership in action. Both partners committed to a capacity development process, whereby the European NGO staff would adopt local counterparts and train them in what they knew. The European NGO had never worked in this country before.

I was invited to visit three years later, while the programme was still running, to meet with senior staff from the two organisations to review how the partnership had fared. This event was in itself a bold commitment to capacity development in the sense that the relationship between two sets of staff had been by no means easy.

We had a rich discussion about a relationship that had nearly foundered in its early months. The problem had been that managers from both organisations could not agree on the shape of an organogram designed to map the managerial relationships between the two sets of staff. They could not agree on lines of responsibility and the 'dotted-line relationships' (where an employee is answerable to, but not managed by another employee). I was intrigued that the disagreements and frustrations had coalesced around an abstract systems diagram. But two stories that were shared during my visit struck me as indicative of the kind of dynamics that may have caused the problems.

## Partnership in action

When invited to speak about the partnership, the senior manager of a local NGO started

Systems thinking is common among European NGOs, but the complexity of systems, the power relations and local knowledge often go unrecognised.

talking poignantly about his experience. Previously he had been responsible for a small regional office with four staff members, two vehicles and one telephone line. Following the disaster, the region was completely overwhelmed with international NGOs, journalists and TV crews, government officials and the army. The manager found himself caught up in a maelstrom, pushed and pulled by the urgency of events, accompanied by relentless media attention.

The disaster had created an intensely political environment in which he, as manager of an organisation founded by a minority group, was required to act very differently. In his dealings with the European NGO staff he felt extremely under-confident. When outsiders came in with systematic ways of working, no matter how well intentioned they were, he felt they were taking over. He was fearful of making mistakes, and of constraining the relief effort with his objections, so by and large he kept quiet. Of course his reservations leaked out in other ways, and were shared by other local staff, to the extent that an 'us' and 'them' dynamic between the two sets of staff was created. Over time, a number of factors undermined the effort to develop the capacity of local staff, but the feeling that local staff were not fully recognised by the Europeans was clearly one of the big ones. Nor were some European staff prepared to work for local managers: they would not recognise them as managers.

What causes this feeling of being taken over, which leads to the resentment and frustration that began to sour the relationship between two groups of committed, well intentioned people? What is at the root of this lack of mutual recognition? It is inevitable that there will be difficulties between staff trying to achieve things together, particularly when they are developing a new relationship under very stressful circumstances. A story told by the chair of the board of the local NGO might give an insight into how the staff of the organisation made sense of their own response to the crisis, and how this demonstrated a very different way of knowing from that of the Europeans.

Before the scale of the crisis was fully understood, the chair received a phone call from his sister. She taught in a school next

to the hospital where army helicopters were bringing the dead and injured. She and other teachers visited the hospital to see how they could help, and quickly saw that there were so many dead that the hospital had run out of the sheets used to bury the bodies. She asked her brother to send sheets so that the bodies could be buried according to local custom. The chair encouraged his staff to go and buy sheets. In order to secure transport for them, he and his director were in touch with their contacts in the army who were already organising trucks to go to the area. Following a call from his regional office, it was clear that water would also be needed, so as an interim measure they bought bottled water to send with the sheets. Meanwhile, the communities that the local NGO worked with were beginning to respond in numbers to the plight of their fellow citizens and began to donate whatever they could to those made homeless by the disaster.

Replying to this and commenting on what she found when she visited the country, a senior manager from the European NGO remarked that she considered the local NGO's reaction to the crisis 'very unstructured'. One of the things she said she meant by this was that local staff had not carried out a needs assessment before organising their response.

What I perceive in this narrative is a difference in ways of knowing mediated by the power relations that go right to the heart of capacity development initiatives.

## Systemic theory and capacity development

In order for the staff of an organisation to coordinate their activities, they need to generalise about what they want to achieve, but they must take up these generalisations in particular circumstances. In contemporary management theory these generalisations draw predominantly on systems theory, according to which a domain of human activity is understood to be a whole made up of interacting parts. So, for example, a logframe is an abstract generalisation, where 'higher-level' aims and objectives are disaggregated into 'lower-level' activities. Equally, an organogram, the diagram on which this particular relationship almost collapsed, is a schematic representation of a set of relationships.





Dealing with disaster: Indonesians in the aftermath of the magnitude 8.7 earthquake that struck in March 2005.

But local staff had also struggled to get their own story heard, to be recognised, although they had responded skilfully to the particularities of their context, in which they were experts. European staff had intervened in a context where they had little particular knowledge, but came with abstract, generalised ways of knowing, grids, tools and frameworks, which had proven useful in other contexts with other organisations. They struggled to recognise forms of organisation that were unlike those with which they were already familiar. In trying to reorder the experience they encountered into the logical schemes they brought with them, European staff succeeded in alienating the very people they sought to support. The conflicts between the two groups were partly a struggle over power, recognition and ways of knowing. It was not so much about the dotted-line relationships, but about who gets to draw the lines, or in this case tell the story, in the first place.

Most capacity development initiatives take up contemporary organisational development theory as if it were the best, or even the only way of working. The staff of local NGOs can experience this as a form of domination if they do not feel fully recognised. They begin to suspect that we Europeans can only work in ways that already fit our intellectual schemes.

What is required of us instead is not to reach in the first instance for our organograms and needs analysis tools, but to pay attention to the patterning of our relationships with others, the emergent structuring of work that is happening before our eyes. In offering a critique of the orthodoxy that capacity development depends on systems thinking, I am arguing instead that staff engaged in the exercise might more fruitfully notice and reflect upon the asymmetric relationships of power that arise as they negotiate with others how to take the next steps together. I am suggesting that capacity development is the attempt to understand oneself and others in a way that results in mutual recognition through which both parties are transformed. <

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Many capacity development handbooks draw heavily on systems theory and the idea of optimisation. The field of capacity and organisational development is awash with grids and frameworks that purport to help analyse and assess the state of the 'whole' organisation, usually comparing it to an idealised organisation towards which it can be optimised. Systems theories have proved particularly effective in engineering and the biological sciences from which they originate. They are helpful in situations that benefit from logical disaggregation, that function more causally or in which there is a need for optimisation, such as a manufacturing or financial process. In organisational terms they are also useful for senior managers, or for funders trying to understand in general terms what a development programme is trying to achieve.

A number of difficulties arise, however, when representations of reality are taken to be reality and begin to shape the work. For example, logframe milestones, which were simply the project designers' best guess about how the project would unfold, can become sticks with which to beat project participants. Managers begin to bend their efforts towards previously best-guess milestones, perhaps at the expense of what is now required for the project to function. In addition, systems thinking often reduces complex and dynamic nonlinear phenomena to simple if-then causality and fixes them. Complex and fluctuating interactions among people, qualitative data and particular ways of knowing disappear in the schemata that are so prevalent in capacity development.

When we are dealing with social processes, we should be clear that systemic representations are reductive, simplifying

abstractions that draw from a much more complex background of social reality. It is within this complexity that ordinary staff are obliged to operate, often sustaining the abstraction despite, rather than because of, the simplifications that have been made. But it is a very powerful and seductive way of seeing which can try to subsume experience to its particular logical scheme. Systems thinking is often presented as the best, or even the only way of understanding, particularly for European staff working in organisations in which systemic thinking is taken for granted.

In circumstances where Northern NGOs aspire to partner with local NGOs, local experience may be sought, but often as a way of subsuming it within a scheme of work that has already been planned. Putting it another way, local staff are invited to help optimise a system that Northern staff have already designed: they are invited to be parts in someone else's whole.

### The implications for capacity development

In the situation described above, both parties in the partnership survived the experience and grew stronger for it. Local NGO staff felt much more capable at the end of the process and were grateful for the working relationship they had had with their European partners, even though little formal capacity development had actually taken place. I am not implying that the 'fault' was entirely on one side: all difficult relationships are co-created. It is equally true that Northern NGO staff are heavily constrained in the working methods that they may be obliged to use because of their particular relationships with donors. No one is entirely free to work in the way they would choose.

# The power of understanding power



**Irene Guijt**  
iguijt@learningbydesign.org  
Independent consultant, the Netherlands

**Sandra Seeboldt**  
sandra.seeboldt@oxfamnovib.nl  
Oxfam-Novib, the Netherlands

Much of capacity development focuses on transformational change, empowering the more marginalised versus the 'powerful', and seeks to redress the grave injustices that abound. It involves slum dwellers fighting against developers and municipal governments that demolish their meagre dwellings time and time again. It concerns work on domestic violence, national truth commissions, abolishing rape as an instrument of war and reducing rural suicides due to insurmountable debts. The list seems endless.

Power analysis is essential for understanding the context in which we want to make a difference. However, few

Analysing power relations is important for understanding the contexts in which decisions about capacity development are made. There is a lot more to power than the simple struggle between those who have it and those who don't.

organisations working with rights-based approaches, for example, explicitly analyse power as part of strategic planning processes. Even if they do, they often see it in very simplistic terms such as 'they have more power, so we must have some of it'. It is a notion of power that focuses on having domination or control over the lives of others.

In this vein of thinking, power building then requires knowing your enemy and making sure they have 'less' while you get 'more'. But there is another way to think about power. Power can be seen everywhere. It is relational – unique to each relationship. It is important to remember that we *all* have power – the ability to act collectively or individually, based on our own inner convictions, with or without external support.

### Frameworks for power analysis

A more nuanced and relational power analysis can provide insights into the contexts in which decisions are made. Such decisions can be about with whom to work, on what issues to focus, what to strengthen, what to introduce and what to stop doing.

Moving away from seeing power as a quantifiable 'thing', or as merely an expression of who dominates whom, requires finding

other ways to understand power. Three different frameworks can work in complementary ways to help us think differently about power. These frameworks are known as alternative faces of power, the faces of power and the power cube. The relevance and ease of use of each of these frameworks will vary depending on the situation.

The *alternative faces of power* framework offers a view of power as a positive force for change and does not see power as a limited resource. It suggests three alternative ways to consider power as something that people use in relation to each other:

- power to: individual ability to act, linked to idea of capability;
- power with: collective action, the ability to act together; and
- power within: individual or collective self-worth and dignity.

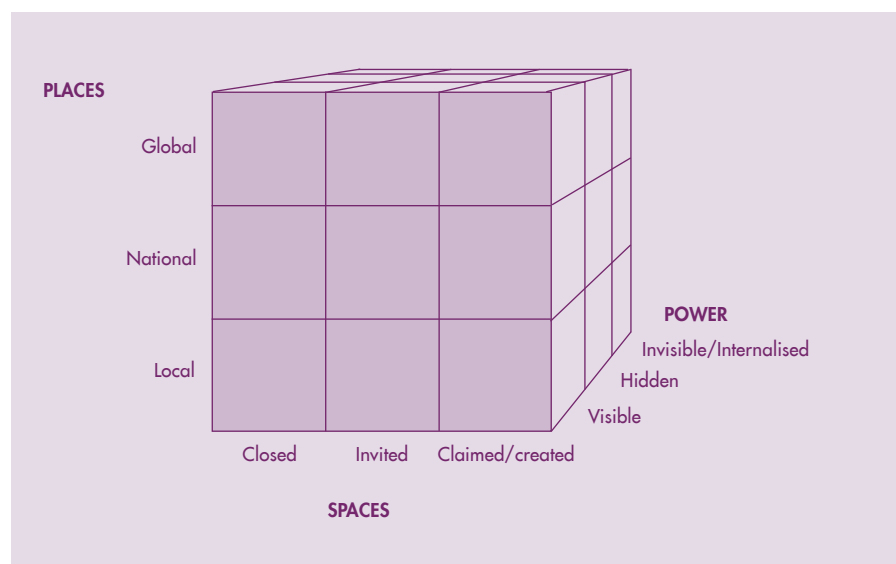
This framework is useful for identifying weak spots in groups, relationships, organisations and individuals – and knowing how to strategise around them. For example, organisations may choose to work on strengthening women's sense of self-esteem ('power within') as part of a larger process of addressing gender inequalities.

The *three faces of power* form one dimension of the power cube (see below). The idea of 'faces' emerged from debates on how democratic a 'democracy' actually is given the behind-the-scenes manoeuvring, and the conscious and unconscious use of barriers and ideology that discourage people from participating in elite-dominated processes. The three faces are:

- visible power – formal and observable decision making, pluralist politics with visible 'power over';
- hidden power – setting the agenda behind the scenes, mobilising biases and interests, excluding people and topics from debates; and
- invisible power – social conditioning, ideology and values; shaping public opinion and needs; often internalised (related to 'power within').

The 'faces of power' help to see what else is happening within a particular relationship or interaction that is determining the outcomes. For example, a formal organisational policy might give power to the board, but then if

The 'power cube' framework





the board is given too little time to formulate and offer meaningful advice, then 'hidden power' is being used to make them unable to influence decisions.

The *power cube*, developed by John Gaventa of the Institute of Development Studies (IDS), Sussex, UK, has three dimensions: spaces, places and the 'faces' of power mentioned above. The power cube framework offers a way to examine participatory action in development and changes in power relations by and/or on behalf of poor and marginalised people. It does this by distinguishing participatory action along three dimensions:

- at three levels (or 'places'): global, national and local (or other levels that may be relevant);
  - across three types of (political) 'space': closed, invited and created (or others that may be relevant); and
  - among three 'faces of power' in place within the levels and spaces: visible power, hidden power and invisible power.
- The idea of 'spaces' is important. According to Gaventa, these are 'opportunities, moments

and channels where citizens can act to potentially affect policies, discourses, decisions and relationships that affect their lives and interests'. The framework looks at power in relation to how spaces for engagement are created, the levels of power (from local to global), as well as different forms of power across them. Looking at citizen action through this lens, for example, enables strategic assessments of the possibilities for transformative action by citizens and how to make them more effective.

Power analysis is not just a simple checklist. The concepts can help practitioners to understand the diverse ways in which power exists and works. It requires fostering a mindset that leads one to ask new questions, to listen to people and to analyse situations in different ways.

The box below describes an example of power analysis in Colombia that was one outcome of workshops conducted with Oxfam-Novib which sought to explore and develop methods and approaches to help staff become more strategic and coherent in their efforts to empower marginalised groups. <



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## The case of Colombian palm oil

Sandra Seeboldt

Colombia's devastating internal conflicts often concern land ownership. There are numerous cases where palm oil producers have appropriated land illegally. Independent smallholders with land often have no choice other than to become part of so-called 'productive alliances', in which they become dependent on a palm oil company and, in most cases, highly indebted. The pressure on small producers has increased since the Colombian government and bilateral donors such as USAID began promoting the production of export crops, especially biofuel crops such as palm oil and sugarcane.

The Colombian palm oil sector is the scene of severe violations of human, land and labour rights and environmental destruction. Thousands of union leaders have been killed in the last decade, and now only 1.8% of all palm oil workers dare to be organised. Landless labourers who seek better working or living conditions by speaking out for their rights or organising themselves in a different way risk being kidnapped or killed, or having the same happen to their family members.

Within this volatile sector, the Federation of Colombian Palm Oil Producers wants to produce sustainable palm oil certified by the Round Table on Sustainable Palm Oil (RSPO), a multi-stakeholder initiative. Oxfam International sits on its board. As a campaign officer working with Oxfam-Novib, I was looking for ways to tackle the palm oil issue in order to improve the situation for smallholders and labourers, as well as ways to relate to RSPO. During a three-week visit to Colombia I used the power cube as the analytical framework to help me understand the context of the issue of palm oil.

I spoke with many civil society organisations with different backgrounds, and with the Federation

of Palm Oil Producers. I travelled with union leaders and their armed bodyguards in cars with tinted windows, and visited palm oil-producing communities participating in the peace laboratories of the EU. I spoke with nuns who work with palm oil workers, the workers themselves and smallholder farmers. I visited various government officials and spoke at length with Oxfam staff. In short, I undertook a full context analysis in order to figure out how Oxfam Novib could best contribute, and how its funds could be spent most effectively in the complicated and often dangerous context of the palm oil sector.

Without the power cube as an analytical framework I still would have talked to these different stakeholders, but I would have asked different questions. The power cube made my analysis more profound and comprehensive. The questions I asked and the discussions I provoked using the power cube concepts made me realise that the power of the palm oil elite consists of more than the visible economic and political power derived from their control over land.

By asking people questions about where certain powerful actors would meet, and who could meet them, I gained insight into the spaces where hidden power was used. This helped me see who had access to the critical forums and debates dominated by the palm oil elite. It was there that representatives of the private sector and, for example, the Ministry of Agriculture and the President's Office would meet and set out policies. I also realised that none of the organisations we could work with were able to enter these tightly closed, yet very powerful spaces.

I also discovered an important aspect of invisible power: the deeply felt belief shared by those in government – many of them large landowners – and the palm oil elite that the future of Colombia is best served through rural development based

on export-oriented monocultures. They also share the entrenched belief that indigenous groups who oppose such agriculture fail to understand real development. If you want to transform power relationships it is important to take these ideological beliefs into consideration.

Analysing the situation from the perspective of the various places of power (local, national and global), I realised that operating at the national level to change national policy would be almost impossible at this time, and could even be dangerous. There had been cases where the palm oil elite had wielded physical power, and had mounted paramilitary actions to suppress any resistance. Opportunities for change would be best supported at the local and international levels. At the local level, the focus could be on raising the awareness of palm oil workers about their rights and potential to organise (strengthen 'power with'). Internationally, via donor countries and links between Northern and local organisations, pressure could be put on the Colombian government to create some opening. For example, the recent visits of Colombian civil society representatives to the US Congress led to many questions about USAID policy with regard to palm oil, with some results under the new Obama administration.

I shared this analysis of the sector with those I spoke with in Colombia. Many said that even though they were familiar with the problem, the power perspective had helped them understand it better.

Based on my analysis I recommended that Oxfam-Novib consider options for working in the agricultural sector, particularly palm oil, where for now there is no national lobby as this space is too closed. This work should include local components of strengthening 'power within' and the 'power with' of communities and international lobby groups in Washington and Brussels.

# Tools, principles or policies?



**Andy Hall**  
andyhallmails@yahoo.com  
United Nations University (UNU-MERIT), Maastricht,  
the Netherlands

**Rasheed Sulaiman**  
rasheed.sulaiman@gmail.com  
Centre for Research on Innovation and Science Policy  
(CRISP), Hyderabad, India



**Tesfaye Beshah, Elias Madzudzo and Ranjitha Puskur**  
International Livestock Research Institute (ILRI) centres  
in India, Nigeria and Ethiopia, respectively

A persistent criticism of agricultural research, voiced by a whole generation of rural development practitioners and system thinkers, has been the unresponsiveness of research to the changing needs of clients. It has also been observed that while research is good at developing new technologies, the adoption of these technologies has been weak.

Focusing on innovation rather than research shifts the emphasis to the application of knowledge and technology rather than just their production. Although there seems to be growing acceptance of this logic in the development research community, what seems to be less clear is how the idea of an innovation system can be translated into practice. The challenge in this is the highly context-specific nature of capacities that need to be developed. Researchers are now exploring a number of ways to nurture the development of these context-specific capacities.

## Innovation systems

An innovation system is nothing other than a way to help understand how the process of innovation takes place, and to help think about how capacities for innovation can be

One of the most notable changes in the field of agricultural development has been the growing popularity of thinking in terms of innovation systems rather than just focusing on research.

developed. There is no recognised method or set of tools. A general definition is that an innovation system is made up of the individuals and organisations that demand and supply knowledge and technologies, as well as the policies and mechanisms that affect the way different agents interact to share, access and exchange knowledge. Based on this concept of an innovation system, what does innovation capacity entail?

First, innovation capacity entails more than technological artefacts, or the expertise and information within research organisations that are required to produce them, important though they are. The capacity for innovation also includes the process through which research-based knowledge and context-specific knowledge are combined for the development of solutions that actually work in a specific context. For example, crop pest management problems arise periodically and require combinations of research-based knowledge and local pest management knowledge that has been acquired from experiences of previous crop pest attacks.

Second, innovation capacity includes a system or network of multiple nodes of expertise. Users of new products and services, such as farmers and consumers, are prominent nodes in their own right. These systems are often informal, adaptive and transient, and are characterised by the context in which they emerge – some countries and sectors are conducive to public-private partnerships or participation, some are not.

The emergence and operation of the networks of interaction that give rise to innovation are usually unplanned and spontaneous. However, if these processes could be strengthened, better linked to formal research and directed toward developmental goals, innovation and impact could be greatly enhanced.

## Fodder innovation

A research project of the International Livestock Research Institute (ILRI) and the United Nations University (UNU-MERIT), Maastricht, the Netherlands, has been exploring whether the long-standing problem of fodder scarcity in India and Nigeria could be tackled by focusing on

innovation capacity development rather than technology development. The Fodder Innovation Project (FIP), which draws inspiration from innovation systems ideas, aims to understand how to strengthen the networks and processes in different locations that lead to innovation, and what the outcomes of doing so might be. Key elements in the project include the following:

- Careful selection of partners to act as nodal catalysts for network strengthening.
- A diagnosis of existing patterns of innovation capacity, which was used to help develop action plans as well as form a baseline to track progress.
- The use of an action research approach to help cope with the uncertainty of the process of network strengthening.
- The provision of innovation mentoring or coaching to partners to help them make sense of how project activities were developing and to help redefine action plans.
- The establishment of an innovation policy working group in each of the two countries to help bridge the gap with policy-making processes.

Although the project is still in its early stages, some interesting lessons are emerging. It is evident that a focus on innovation capacity constraints and the mapping of existing patterns of linkages among livestock-related actors quickly points to connections and relationships that need to be made or strengthened. But the project revealed that making those connections requires collaboration in action, rather than just the formation of new committees to talk about collective action.

For example, the Foundation for Ecological Security (FES) – FIP's partner in Rajasthan, India – began by asking people involved with various aspects of livestock how they could work together. But this only progressed beyond discussion when public and private sector veterinary services and dairies were invited to a 'cattle health camp' in some of the villages where FES was working. The success of the camp – largely due to effective on-the-spot collaboration among the various agencies concerned with livestock – has now led livestock keepers to demand other services, including access to



Addressing the scarcity of fodder: livestock in northern Nigeria.

new fodder grasses suitable for rehabilitating degraded land. This, in turn, has drawn in a wider set of people who are planning new activities together.

The experience of this project also illustrates that dealing with fodder scarcity doesn't necessarily mean starting with fodder itself or fodder technology. In Kano, Nigeria, for example, the project is helping farmers to form cooperatives and to get access to credit, and this is providing the incentive to invest in fodder seed. And in Ibadan, Nigeria, the FIP partner – the Justice Development and Peace Commission (JDPC) – is using a transition from subsistence to commercial goat production to address fodder scarcity.

### Facilitating networks

In each project location, people – be they in government agencies, research institutes, dairy cooperatives or other private sector organisations – either have a mandate to improve farmers' livelihoods or need to help farmers as part of their business model. Getting these actors to work collectively and pool their knowledge and expertise requires the partner organisations to build interest and encourage effective networking. When asked what it is that they do, organisations like FES use words such as facilitating and negotiating. It seems that a large part of this concerns navigating the agendas and idiosyncrasies of different organisations and individuals, and brokering new working relationships among unfamiliar partners. This is not something they did explicitly before the fodder project, but they now see the value of doing so.

The FIP experience underscores that the role played by these champions or innovation brokers, as some have called them, is key to the development of

innovation capacity. It has also highlighted the fact that in most rural areas there are currently no organisations or services playing this sort of role, although many organisations could be reoriented and supported to do so.

The project's experience has also shown that development can often take unexpected, yet valuable, directions. In Nigeria, it has led to a new and novel partnership between FIP's partner, JDPC, and the Nigerian Veterinary Research Institute on livestock disease surveillance research. Another FIP partner in Nigeria built links that enabled rapid reporting during an animal disease outbreak and a vaccination programme to prevent the spread of disease. In Puducherry, in southern India, experiments with the development of small-scale fodder enterprises soon revealed that the policy on milk prices was a major issue, and the focus of the research has now shifted.

In addition, from across the five research sites, it is evident that there is no single way to approach facilitating capacity for innovation. Each situation is unique. It is not about working with a fixed set of players, but having the ability to respond to the needs and challenges that emerge. Responding to the unexpected is also essential. For instance, Some of the most interesting fodder developments in Puducherry are occurring outside the defined area of research. A self-help group of landless women farmers has approached the local veterinary college to get advice on and access to fodder planting material. The challenge for the college, which is leading the research in the area, is to know what can be learned from these unexpected developments, and how it can support a promising initiative that might lead to the very outcome it is seeking.

This clearly places challenges on conventional project management frameworks. It suggests that future programmes focusing on innovation capacity development will need to have much broader goals than today's often subsector- or problem-oriented projects. More use will need to be made of formative reviews and dialogues with donors and other stakeholders to determine the desirability of different, broader sets of action.

Even at this early stage, the demand for technical research expertise has emerged. One of the Nigeria partners has been exploring ways of improving goat breeds and is looking for a research partner. The project predicts that as capacity for change is strengthened, and livestock production systems are upgraded, there will be an increased demand for knowledge, including from livestock research organisations. In other words, livestock research will become an embedded part of the capacity for innovation.

### Generic principles for context-specific activities?

The fodder project has developed some broad principles that others can use to help facilitate capacity development. Focusing on strengthening innovation capacity is not a quick fix. It is often messy, unpredictable and iterative. Because it involves readjusting the roles and ways of working of many organisations, it takes a long time. And of course it is highly context specific. The approach piloted by FIP also seems to challenge many project management approaches where outcomes are predicted in advance.

The early evidence from the fodder project experience suggests that the best results are achieved if agricultural research and general development activities are well integrated. This is a challenge, as it is long-standing practice to separate them. Overcoming this separation requires fundamental changes in policy (such as the merger of agricultural research councils and rural development ministries) in order to introduce a well embedded and more responsive role for research, rather than new tools for collective action (such as innovation or multi-stakeholder platforms), which for the most part already exist.

This might not be a very encouraging conclusion, but it does underline that a systems approach to capacity development can only fulfil its potential when all its principles are adhered to. Context specificity is one of the principles, but equally important is the need to recognise that rural innovation systems span rural activities as well as policy processes. <

### Further reading

- Hall, A. et al. (2008) *Reframing Technical Change: Livestock Fodder Scarcity Revisited as Innovation Capacity Scarcity*, Parts 1–3. Working Paper Series 2008, 2–4, UNU-MERIT. [www.merit.unu.edu/publications](http://www.merit.unu.edu/publications)
- Fodder Innovation Project (FIP): [www.fodderinnovation.org](http://www.fodderinnovation.org)





**Carlo Kuepers**  
ckuepers@snvworld.org

**Agnes Luz**  
aluz@snvworld.org  
SNV Netherlands Development Organisation, Ethiopia

## Supporting small farmers in Ethiopia

# Value chain analysis

SNV Ethiopia is using value chain analysis to understand how farmers are interlinked with other actors, and to identify capacities of key actors that require strengthening.

In order to identify the best entry points for its capacity development work, SNV Ethiopia has adopted the value chain approach. A value chain refers to the full range of activities that are required to transform a product or service from conception to markets and consumers. Whereas in the past most value chains were confined within local or national boundaries, the increasing globalisation of markets means that this is no longer the case.

The concept of the value chain was introduced by Michael Porter in the 1980s as a means to understand the links between producers and consumers, as well as the steps between them. The model is now used by many enterprises, whatever their position in a chain, as a strategic planning tool to improve their competitive advantage. This approach was the forerunner of what is now known as value chain analysis (VCA).

In recent years VCA has been adopted by capacity development practitioners engaged in supporting poor farmers and micro-entrepreneurs, to enable them to participate more effectively in value chains and thus

obtain a bigger piece of the economic pie. Using VCA, it is possible to gain a comprehensive understanding of what are often complex systems with multiple interdependent links. Each link in the chain is analysed in terms of the value added and the costs incurred. The analysis can then be used to identify bottlenecks in the system and thus opportunities for intervention, such as providing access to finance, markets or technology, or improving institutional or policy frameworks or the business environment. Note that value chains are constantly shifting due to broader economic changes, so that VCA provides only a snapshot that can help identify possible points of intervention.

SNV Ethiopia has adopted VCA as a framework for its work in various production chains, including those for honey, milk, oilseed and fruit. For each chain, SNV brings together key actors to create a multi-stakeholder platform (MSP). The members may include representatives of the private sector (input suppliers and processors), producer associations, government agencies, NGOs, business service providers (such as microfinance institutions) and development programmes, as well as potential investors.

At regular meetings, the stakeholders engage in a participatory process to build consensus on the major bottlenecks in the

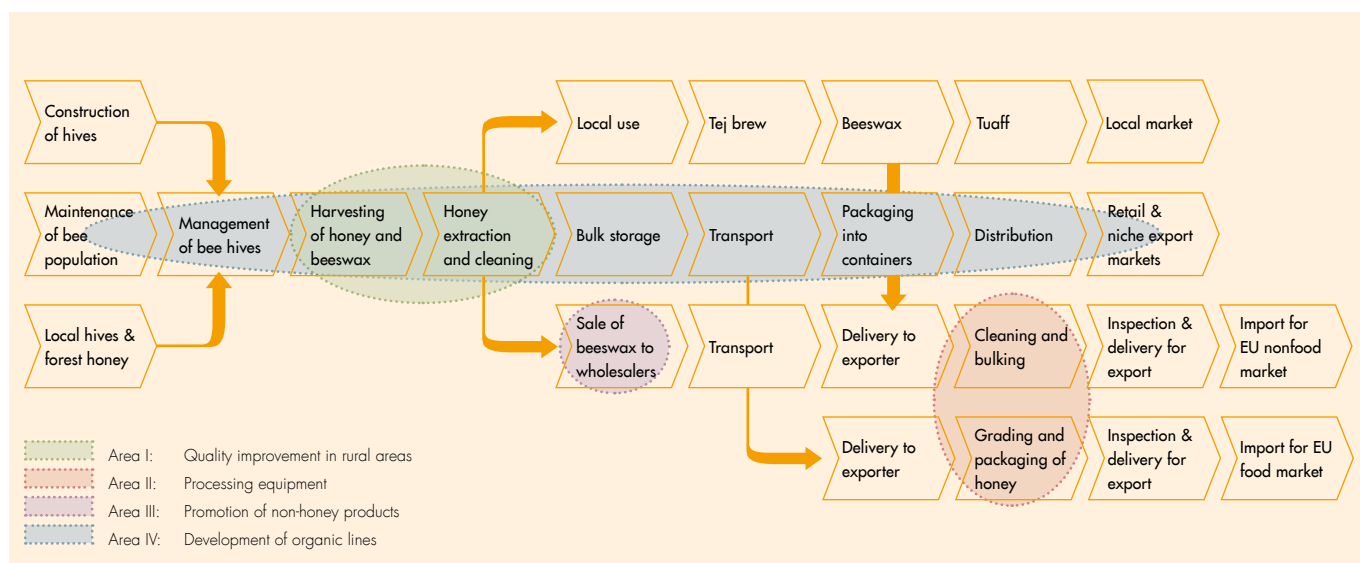
value chain and possible areas of intervention. The VCA involves a combination of desk research, market analyses and field studies in which all actors in the chain, both direct and indirect, are interviewed, so that they are all able to contribute to the larger picture.

### VCA for honey

In the case of honey, the VCA identified problems and suggested interventions in four areas: improving quality, investing in processing equipment, promoting non-honey products and developing organic product lines. The MSP validated the findings, and began to develop an operational plan under the guidance of SNV.

Since the MSP was established in 2005, and as a result of changes in the sector and growing understanding of how it works, the members have suggested a variety of interventions to address problems related to the limited supplies and poor quality of honey. Initially, the MSP wanted to address too many bottlenecks at once, which led to a lack of focus. In 2008, the MSP accepted the advice of SNV and decided to address the four bottlenecks identified by the stakeholders, all of them related to the supply side of the chain.

Through the MSP, SNV has been able to target its capacity development support at a



The honey value chain: areas of intervention

number of key points. As a result, thousands of Ethiopian farmers have taken up beekeeping as a new source of income. In the process, SNV has been able to improve its own outreach for the benefit of small beekeepers by mobilising research and development institutes to generate the technical knowledge needed by local service providers, and by employing local capacity building

organisations to provide support during the implementation phase. SNV supported Ethiopia in the process of gaining EU 'third country' listing, and assisted in market assessments to identify potential outlets for Ethiopian honey and other bee products across the European Union.

The creation of the multi-stakeholder platform has been a great success,

prompting beekeepers to take the initiative to establish the Ethiopian Honey and Beeswax Producers and Exporters Association (EHBPEA) and, in early 2009, the Ethiopian Apiculture Board. <

## Link

- SNV Ethiopia: [www.snvworld.org/en/countries/ethiopia](http://www.snvworld.org/en/countries/ethiopia)

## PUBLICATIONS

This section offers a selection of publications related to capacity development. A more extensive list can be found at [www.capacity.org](http://www.capacity.org).

### Sociology and Complexity Science: A New Field of Inquiry

Brian Castellani and Frederic W. Hafferty, Springer, 2009



Sociology and complexity science (SACS) is a new field of study comprising five areas of research that together represent the latest development in complexity science and systems thinking, and a powerful set of tools for addressing the growing complexity of sociological inquiry. The authors' website lists many resources on sociology and complexity thinking.

### Exploring the Science of Complexity: Ideas and Implications for Development and Humanitarian Efforts

Ben Ramalingam and Harry Jones, with T. Reba and J. Young, ODI Working Paper 285, 2008  
This paper explores ten key concepts of complexity science, and outlines their implications for development work. The authors believe that while it may be difficult to implement the principles of complexity science throughout the aid system, it is certainly possible, potentially very valuable and, in some cases, necessary to explore and apply them more widely.  
[www.odi.org.uk/rapid/publications](http://www.odi.org.uk/rapid/publications)

### Cynefin: a sense of time and space, the social ecology of knowledge management

David Snowden, in C. Despres and D. Chauvel, D. (eds) *Knowledge Horizons: The Present and the Promise of Knowledge Management*, Butterworth-Heinemann, 2000

Cynefin (Welsh for 'habitat') is a model used to describe problems, situations and systems. It provides a taxonomy that can be used to distinguish between simple, complicated, complex and chaotic situations, and corresponding ways – best, good, emergent and novel – to deal with them.

[www.cognitive-edge.com](http://www.cognitive-edge.com)

### Civic Driven Change and International Development: Exploring a Complexity Perspective

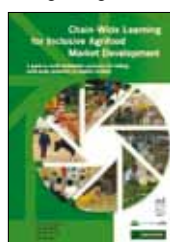
Alan Fowler, *Contextuals* 7, November 2007  
Over half a century of development aid has generated 'a level of public doubt and professional disillusionment where reshaping old ideas will not offer satisfactory improvement'. This paper sets out a possible way of rethinking development using an evolutionary, complex perspective and the concept of civic driven change.

### Systems Thinking, Systems Practice

Peter Checkland, Wiley, revised edition, 1999  
This 30-year retrospective of systems thinking and practice introduced the concept of soft systems methodology as opposed to systems engineering. It established the now accepted distinction between 'hard' and 'soft' systems thinking, in which the focus is on making sure the process of inquiry into real-world complexity is itself a system for learning.

### Chain-Wide Learning for Inclusive Agrifood Market Development

Sonja Vermeulen et al., IIED/Wageningen International, 2008.



This guide provides concepts and tools for working with actors along the entire value chain so that modern markets can be more inclusive of small-scale producers and entrepreneurs. It provides a framework for analysing how institutions and policies shape the risks and opportunities for small-scale producers and entrepreneurs, and shows how to design multi-stakeholder processes that help actors throughout the chain work together to realise common interests and secure domestic and regional markets inclusive of small-scale producers and entrepreneurs  
[www.regoverningmarkets.org](http://www.regoverningmarkets.org)

### The Systems Thinker

This email newsletter contains articles of interest to those who want to learn more about systems thinking concepts and tools, including causal loop diagrams, organisational learning, simulation modelling, stock and flow, system dynamics, system archetypes, etc.  
[www.thesystemsthinker.com](http://www.thesystemsthinker.com)

### Shaping Behaviour: How Institutions Evolve

Jim Woodhill, *The Broker* 10, October 2008  
Capacity development always takes place within a complex context with many interwoven

institutions. The author presents a number of concepts that can help to understand the institutional complexity of social systems.

[www.thebrokeronline.eu](http://www.thebrokeronline.eu)

### Navigating amidst Complexity: Guide to Implementing Effective R&D to Improve Livelihoods and the Environment

Bruce M. Campbell et al., Center for International Forestry Research, 2006



The guide is about improving the effectiveness of research and development (R&D) in the field of natural resources management (NRM), in order to ensure that both livelihood and environmental outcomes are enhanced. The guide is intended for researchers involved in NRM, but should also be of interest to implementers of NRM projects.

[www.cifor.cgiar.org/publications](http://www.cifor.cgiar.org/publications)

## EVENT

### European Conference on Complex Systems (ECCS '09)

University of Warwick, UK, 21–25 September 2009.  
This international conference will cover all branches of complex systems theory, including collective human behaviour and society, interacting populations and the environment, and complexity and computer science.  
<http://eccs09.info/>

# Context matters



**Nils Boesen**  
mail@nilsboesen.dk  
Management consultant, www.nilsboesen.dk

A spectre is haunting donors – the spectre of insignificance. Once the world seemed to be on a straight path towards universal well-being: donors could provide investments to boost the economy (1960s and 1970s), or pay attention to basic needs (1980s) or press for market and fiscal policy reforms (1990s). Today, donors herald the virtues of target-driven comprehensive planning with a focus on social sectors, embodied in the MDGs and PRSPs. These efforts have been accompanied by mountains of training and technical assistance aimed at developing capacity.

It has not worked very well because, put simply, context matters. The underlying complexity and dynamic, unpredictable interdependencies have risen to the surface. The world is an unruly place.

That context matters is hardly a new insight. But the implications are only slowly coming to the fore: donors are realising that they will not find a magic wand or global prescription or best practice by which they can unleash the change that will reduce poverty on a significant and sustainable scale. Context – the institutional, social, political, cultural and economic fabric of society – matters, and its significance is much greater than that of aid from external partners.

Donors, practitioners and academics have tried to find ways of dealing sensibly with the troublesome context. Power analysis, drivers of change studies, systems approaches and political economy assessments may help their users to understand the context better, but they rarely lead to low-risk, high-impact actions for donors. Recently, efforts have been made to find more 'actionable' and 'practical'

approaches to such context analyses, sometimes seemingly driven by the hope that more refined approaches will 're-simplify' complexity, thus restoring the lost reputation of traditional linear planning approaches based on simplistic cause-effect assumptions.

New analytical approaches and tools are, however, unlikely to make the spectre disappear. They may be useful: understanding the context does help to avoid huge errors when allocating aid. They may lead to a useful longer-term perspective, to ensuring the inclusion of the relevant local stakeholders and – fundamentally – to much more modest donor ambitions. An impressive number of staff in donor organisations have consistently argued for this, knowing from experience that ignorance can coexist with good intentions, but does not lead to sustainable results.

## A different context

Developing the capacity of donors to do less but to do it better is immensely difficult. The challenge is again the context, but this time the political and institutional context of donors. The political imperatives and incentives driving donor behaviour are based on a fundamental premise: external aid interventions, particularly money, can have a significant impact at societal level relatively quickly. And while donors say they are ready to play second fiddle and let countries lead, they still want to attribute visible impact to their own work. Evaluations are still designed to demonstrate that impact can be attributed to donor inputs. It is politically – and mentally – extremely difficult for donors (and their political masters, including taxpayers) to accept that context may matter more than aid, reducing donors to less significant – sometimes largely insignificant – players.

So, the problem for donors in dealing with context seems to be that dealing with their own context forces them to try to do more than they objectively can. The challenge is to find ways to change the political and systemic factors that constrain the capacity and willingness of donors to act with modesty, realism and humility. This requires an environment in which their stakeholders are genuinely happy to be small contributors to processes that mainly depend on everything but donors and aid.

May the aficionados of capacity development, context analysis, systems thinking and power analysis therefore turn more of their attention to the donors and the systemic constraints in their domestic contexts. Such attention may question fundamental beliefs of the aid business, but looking at the spectre rather than ignoring it seems a better way forward. <

*Capacity.org*, issue 37, September 2009  
*Capacity.org* is published in English, French and Spanish, with an accompanying web magazine ([www.capacity.org](http://www.capacity.org)) and email newsletter. Each issue focuses on a specific theme relevant to capacity development in international cooperation, with articles, interviews and a guest column, and annotated links to related web resources, publications and events.

**Editor-in-chief:** Heinz Greijn,  
[editor@capacity.org](mailto:editor@capacity.org)

**Editorial board:** Niloy Banerjee, Volker Hauck, Thomas Theisohn and Jan Ubels  
**Editorial board support:** Niels Keijzer and Tony Land

**Contributors to this issue:** Tesfaye Beshah, Nils Boesen, Shamim Bodhanya, Irene Guijt, Andy Hall, Sam Joseph, Carlo Kuepers, Tony Land, Elias Madzudzo, Piet de Lange, Agnes Luz, Chris Mowles, Ranjitha Puskur, Sandra Seeboldt, Rasheed Sulaiman, Bob Williams

The opinions expressed in *Capacity.org* are those of the authors and do not necessarily reflect those of ECDPM, ICCO SNV or UNDP.

**Production and website:** Contactivity bv,  
Stationsweg 28, 2312 AV Leiden, the Netherlands

**Editing:** Tracy Brown Collins, Valerie Jones

**Translation:** Jacques Bodichon, Stéphane Cabre, Patrice Pinguet (French) and Beatriz Bugni (Spanish)

**Layout:** Anita Toebosch

**Web content management:** Wangu Mwangi

**Publishers:** European Centre for Development Policy Management (ECDPM), Interchurch Organisation for Development Cooperation (ICCO), SNV Netherlands Development Organisation and United Nations Development Programme (UNDP)

*Capacity.org* was founded by ECDPM in 1999.

ISSN 1571-7496

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