
Institutional development: a review of the concept

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a review

63

There is no standard definition of institutional development (ID) in the Third World literature. Blase suggests that "while a single, all-purpose definition of the institution would be convenient, it does not exist and the literature is not mature enough for its formulation at this time"[1, p. 329]. Blunt and Collins concur: "A variety of terms is used to describe (institutional development)... These expressions are...still relatively ill defined. Clarity of definition will help to ensure common interpretation and usage"[2, p. 112].

This article therefore looks at five topics in an attempt to review the concept of ID: institutions; development; institutional development; projects; and technical assistance. The review seeks to establish some clarity in the concept of ID.

Institutions

Two ideas are considered: institutions and development; and institutions and values.

Institutions and development

Adamolekun suggests that:

institutional weakness...constitutes a roadblock to development in developing countries. This problem of institutional weakness is reputed to be most severe in sub-Saharan Africa where the third UN Development Decade, the 1980s, has been written off as a lost decade[3, p. 5].

This seems to be a travesty of human endeavour. Salman reinforces the pivotal role of institutions to development:

Institutions are central to sustainable and beneficial economic growth. They create the policies, mobilise and manage the resources, and deliver the services which stimulate and sustain development. Growth and prosperity are unlikely to be maintained if the institutions which guide them are dysfunctional[4, p. 11].

Here, institutions seem to be the essential filter of, and guide to, the development process.

Kiggundi *et al.* state that "over 70 per cent of the world's population lives in developing countries that face challenging administrative problems in trying to survive"[5, p. 66]. The challenge is clear enough. When applied to urban development, the challenge is compounded.

Shabbir Cheema suggests that:

The impact of programmes aimed at providing urban shelter, services and infrastructure, depends upon the quality of institutions responsible for planning and implementing these

projects. The institutional machinery provides the channel through which the urban sector issues and priorities are articulated, projects are planned and implemented, and inter-sectoral complementarity is accomplished. It serves as the most critical intervening factor through which economic resources and human skills are utilised for, among other things, promoting urban development[6, p. 149].

He makes the same point in the introduction to his latest volume[7, p. 13].

In summary, it is clear that institutions play a pivotal role in the development process. They are frequently cited as impediments to progress.

Institutions and values

Uphoff[8, p. 8] takes a very practical approach to the question of what constitutes an institution. He suggests that the terms “institution” and “organization” are used interchangeably. According to him, three categories are commonly recognized:

- (1) Organizations that are not institutions.
- (2) Institutions that are not organizations.
- (3) Organizations that are institutions (and vice versa).

Thus, taking the area of law as an example, a new legal firm is an organization, the law is an institution and a court is both.

Blase is more circumspect in his analysis:

Clearly, enough variation in the connotation of the term institution exists to require careful reading to determine the meaning each author attaches to it...At best, several common threads run through some of the literature. One such is value[1, p. 329].

Adamolekun reflects a similar point:

I want to argue that to build institutional capacity for development...it is essential to pay attention to the values that underpin the institutions being developed or strengthened[3, p. 6].

Uphoff cites a much earlier work to reinforce the argument: “Selznick suggests that to ‘institutionalise’ is to infuse with a value beyond the technical requirements of the task in hand”[8, p. 9]. This implies that an institution is an organization that is valued by persons over and above the direct and immediate benefits they derive from it.

Blase refers to the inter-university research programme in institution building (IRPIB) to strengthen the conceptual difference between an organization and an institution: “...the IRPIB school of thought, more than other authors, has developed the concept that values represent important dimensions of institutions”[1, p. 9]. In turn, Blase acknowledges the earlier writing of Esman and Bruhns. They suggested that:

An organisation is primarily a technical instrument, a means to reach certain objectives, but never an end in itself...In institutional analysis, we are concerned with purposes and values which extend beyond the immediate task at hand[1, p. 329].

The Further Education Unit makes the same point, without reference to preceding work:

The terms “institution” and “organisation” have agreed meanings in the applied social sciences. Any college is an organisation, since it involves the conscious planning of work through the formal allocation of roles and tasks, governed by the hierarchical structuring of authority. Superimposed on colleges, however, is a set of distinctive values and interests which express important professional and social concerns regarding education in general and further education in particular. It is this feature which makes the term “institution” also appropriate[9, p. 4].

Uphoff suggests an answer:

One way of thinking about the extent to which an organisation qualifies as an institution is to ask whether, if it were to disappear, people in the community, not just members or direct beneficiaries, would want it back and to what extent people would act or sacrifice to preserve the institution in question. Whether an organisation has become institutionalised depends on peoples’ evaluations of it – whether it is seen as having acquired value beyond direct instrumental considerations[8, p. 8].

In summary, it is suggested that institutions are not only instruments for action, but have inherent value beyond their mere instrumentality.

As a general summary to this first section: institutions play a pivotal role in the development process. They are frequently cited as impediments to progress. Despite this, there is no standard definition of “an institution” in the literature. An institution is seen to have two primary characteristics. It is an instrument for action. It has inherent value to its recipients, beyond its mere instrumentality. In essence, institutions are fundamental to the development process.

Development

Under development, two ideas are considered: development paradigms; and development for liberation.

Development paradigms

According to Blunt, “the ruling paradigm of modern management thinking is contingency theory; the idea that there is no best way to manage or to organise”[10, p. 310]. He offers an alternative view, suggesting that:

A contingency approach must be built around a core of organisational values and imperatives. These core values and imperatives concern the organisation’s functional alignment, co-ordination and control, and accountability and role relationships[10, p. 303].

Planning and communication, performance and reward and effective leadership are the remaining items in the analytical checklist[10, pp. 304-6].

Werlin offers a similar proposition but with a different analysis:

There is no best way of organising...no best policy, approach or technology...We suggest what might be called a “political software” approach, referring to the quality of human relationships essential for organisations (political hardware) to effectively carry out whatever policies, programmes or techniques they attempt[11, p. 194].

In so doing, Werlin draws on the example of the various US local government systems:

There is no evidence that any of the major forms of local government... works better than the others. Each succeeds to the extent that it maintains a high quality of political relationships[11, p. 194].

Another paradigm is offered by Adamolekun. He suggests that:

The central argument... can be summed up as an advocacy for building institutional capacity for development on the foundation of democratic values. It is also an assertion of the supremacy of values over techniques[3, p. 14].

The dominance of techniques was at one point dangerously pervasive. Dwivedi and Nef dwell on the subject at some length:

The key to prosperity was thought to be foreign aid, with the necessary transfer of economic and technical expertise, instrumentalised through a revamped administrative system. Apparently, all that was thought to be necessary to bring this instant miracle was an interplay of two processes. One was the diffusion of technical know-how with suitable economic planning; and the other was the absorption of these external inputs by the recipient nations, through a development administration. Development administration was supposed to be based on professionally-oriented, technically competent, politically and ideologically-neutral bureaucratic machinery[12, p. 60].

Clearly, this Weberian view is not the case. They go on:

Development administration cannot be divorced from a political economy and a theory of development. The core assumption here is the identity between development and modernisation, the latter understood as Westernisation. The function of development administration was chiefly that of midwife for Western development – creating stable and orderly change[12, p. 62].

The new paradigm suggests that development administration is therefore no longer the rational instrument for transferring Westernization *per se* to the host government and its population. Instead, it should be seen as the process of self-determination where the host government is seeking a locally-defined answer to the development problems it faces.

In summary, it is suggested that development should negate the rationalist Westernizing construction and recognize the political nature of the process.

Development for liberation

Alveson sets the scene to refute the Weberian, rationalist construction. He presents two views of society:

One of these is called the sociology of regulation [where] society [is] regarded as a stable, well integrated social structure, bearing the stamp of elements and functions which help to hold society together and to avoid conflicts. It is assumed that there is a basic consensus with regard to the dominant values. The other view is called the sociology of radical change. This is characterised by the emphasis on the process and change aspect of society rather than its stability. Society is regarded as being affected by opposition and conflicts of interest between different social groups and classes, by the domination of different groups or classes over each other, as well as of different contradictory values[13, p. 16].

Alveson goes on to present four components of critical organizational theory that are directly applicable to development administration:

- (1) In organizations, there is a state of tension between technological rationality and the negation of that rationality[13, p. 245].
- (2) The dominance of technological rationality over the operational process corresponds to the interests of the predominant social strata[13, p. 248].
- (3) An organizational practice built around the dominance of technological rationality calls for a highly developed ideology which is capable of covering the contradictions and the criticisms caused by technical rationality[13, p. 249].
- (4) An organizational practice which corresponds to the mental make-up of human beings as well as to the interests of the popular majority must break with the supremacy of technological rationality[13, p. 253].

This critical perception of organizations reinforces a concept of development that is politically value laden, that is not dominated by technical instruments, that seeks to address real needs as opposed to ensuring organizational survival through the merits of its technology, its rationality.

Werlin carries the argument forward:

The alternative to systems theory (and other rational constructs) is political elasticity theory. This theory suggests that you, as the manager, cannot afford to take for granted what Weberian and scientific management theorists often did, that followers will automatically or unquestionably respond to directions... organisational theorists, in trying to exclude politics from administration, end up dehumanising their subject with mechanistic or biological metaphors[11, p. 196].

This is supported by Dwividi and Nef:

The previous two development decades emphasised modernization through the transfer of technology (both ideas and tools) assisted by foreign aid. The third development decade, if it is going to be relevant, must change its focus and strategy to include such key goals as self-reliance, human needs, social justice and the removal of poverty. Development administration must provide the initiative for the achievement of these core objectives, effectively and forcibly. The challenge before the international bodies and the aid-giving agencies will be to make a difficult but not impossible mid-course correction in their approaches[12, p. 74].

Such a change in direction has to be induced from two sources. First, there will have to be a growing acceptance of the human as opposed to the technical view of development, by the donor community. Second, "each country will have to innovate its own strategy of development...by charting its own (development) theories and methods"[12, p. 74].

In summary, it is apparent that development suggests exploration as a form of liberation rather than imposition of Western and Weberian perceptions, on to institutional analysis.

As a general summary of this second section, development is seen to have three features. It negates the rationalist construction. It recognizes the political nature of the process. It suggests exploration rather than imposition. In essence, development is a political process, dominated by policy concerns and human needs.

Institutional development

Under institutional development, three issues are considered: the scope of ID; learning through ID; ID for sustainability.

Scope of ID

According to Buyck:

ID is the creation or reinforcement of the capacity of an organisation to generate, allocate and use human and financial resources effectively to attain development objectives, public or private. It includes not only the building and strengthening of institutions but also their retrenchment or liquidation in the pursuit of institutional, sectoral, or government-wide rationalisation of expenditure[14, p. 5].

He suggests that operationally:

ID is typically aimed at improving and strengthening:

- internal organisational structures
- management systems, including monitoring and evaluation
- financial management (budgeting, accounting, auditing procedures) and planning systems
- personnel management, staff development and training
- inter-institutional relationships
- institutional structures of subsectors or sectors
- legal frameworks
- government regulations and procedures[14, p. 5].

Other authors[15, p. 2; 16, p. 7; 17, pp. 50-1] offer similar checklists.

Horberry and Le Marchant contribute to the definition:

The main objective [of ID] is to create or strengthen the capacity to manage...programmes – developing structures which strengthen the responsibility for the environment, and which provides incentives for individual and collective action...It requires a long term view [as opposed to mere policy formulation]...It must be tailored to suit the local political, economic and cultural conditions. Suitability to the local situation is especially important in developing countries where institutions are unique, complex and deeply traditional[18, p. 385].

The suggestion is that no ID model can be imposed. It must be discerned through negotiation and planning. As far as possible, it should get the client-participants into a position of being able to construct their own ID programmes.

Paul[16, p. 11; 19, pp. v-vi], introduces the spectrum of institutional development in the World Bank's sector-adjustment operations. This consists of:

- (1) organizational restructuring and strengthening;
- (2) building a policy and planning capability;
- (3) regulatory and procedural reform.

The first point concerns matters internal to the organization. The second concerns the processes which allow the organization to respond to its development environment. The third is the policy context within which the organization performs.

What is fundamental to institutional development is the institution's relationship with its environment. In discussing linkages and transactions, Blase stated that:

Because the basic purpose of the institution is to induce change in its environment, linkages and transactions take on a particular importance, and indeed, the conscious thrust towards the environment has given the institutional building perspective a distinctive appeal[1, p. 340].

This is very important and is developed below.

Brinkerhoff, in reviewing recent World Bank practice, suggests that the Bank "concentrates on factors internal to the organisation at the expense of external environmental factors"[20, p. 147]. It is concluded that institutional analysis and ID which are broader in scope (i.e. so as to include the organization's developmental environment) will improve project design and implementation.

In summary, the spectrum of institutional development concerns interventions in organizational structures, their processes and their regulatory environment. The importance of the relationship between the organization and its environment is introduced.

Learning through ID

Kinder widens the organization-environment debate:

Much of the work on ID in the Third World has concentrated on improving organisational efficiency to the exclusion of issues relating to institutional effectiveness. Questions about the organisation's aims and objectives, its outputs, its customers and their needs, the quality of the product/service and the organisation's responsiveness to changes in its environment have rarely been posed, let alone answered[21, p. 40].

Kinder is introducing a holistic perspective to the notion of ID. He is therefore emphasizing the importance of dealing with both the internal concerns of the organization and the organization's impact on its developmental environment; its external concerns.

An example from education emphasizes the value of the holistic perspective. Turner[22] argues that a college has to be "developed" in relation to the needs of the student learning programme. Thus, all organizational structures and management systems are determined by the needs of the college's developmental environment. This he refers to as "curriculum-led institutional development". That is, the developmental environment determines the ID needs. In the trading sector, the market determines everything. In public administration, ID can too often be concerned with organizational strengthening and restructuring, in ignorance of the institution's relationship with its developmental environment – an argument explored by McGill[23].

The institution-environment relationship centres on the premiss that some feedback exists. This allows the organization to respond (or to learn) accordingly. Blase notes that "one element of systems analysis that...is applicable for institution building, is feedback"[1, p. 353]. Introducing a learning-through-feedback system presupposes an important change of emphasis in development administration. As he goes on to suggest, "much of

the early literature on institution building emphasised a social engineering, implied a top-down approach to institutional development. Recent literature... indicates the need for much more emphasis on a participative, bottom-up approach"[1, p. 401].

Uphoff develops the argument at some length:

Recent years have seen an evaluation in thinking about planning and implementing development projects. The previously dominant conception was essentially a blueprint approach. This assumes that all problems and goals can be identified and agreed upon clearly enough for precise interventions to be specified and carried out according to a comprehensive and detailed plan. This approach is sequential, with experts called upon to design a programme and with less qualified or less capable persons, then doing the implementation... What has emerged as an alternative to the blueprint approach is what Korton describes as the learning process approach, sometimes referred to simply as the process approach. This can be categorised as inductive planning, to emphasise the value of formulating hypotheses about what will probably work with continual assessment and revision of the strategy. All development initiatives [are] real world experiments[8, p. 192].

What is being advocated here is an iterative, learning approach to institutional development.

In summary, it is suggested that institutional development is a learning process, to be explored through client institutions, conscious of their environmental demands.

ID for sustainability

The World Bank is at pains to recognize the problem of bottlenecks in the administration of development projects. This has become a primary concern of the World Bank's public sector management unit "...because of its recognition that nearly half of [World] Bank projects (two-thirds in Africa) have a low probability of successfully continuing after the Bank terminates funding" [24, p. 190]. Ultimately, institutional development will open up these bottlenecks and ensure some measure of sustainability.

The World Bank is a frequent producer of analysis of its own performance. One piece, concerning civil service reform, focuses on sustainability. According to Nunberg and Nellis, "most Bank activities have concentrated on short-term cost containment measures. More emphasis must be given to longer term management issues, if sustained improvement is to take place"[25, p. i]. Later, they suggest that "underlying the longer term approach is the recognition that shorter term measures must be supported by institutionalised systems that can sustain ongoing reforms"[25, p. 24].

According to Paul:

The task ahead is not to broaden but to deepen the process of ID work... by shifting the focus more towards sustainability, by allocating adequate resources to support more relevant upstream diagnostic work, and upgrading the quality of the staff who work on ID issues[19, p. iii].

Such work is time-consuming. Though time-consuming, in a later article, Paul suggests that:

ID achievement and project sustainability (continuation of benefits beyond the project period) are also positively correlated...Of 41 projects with substantial ID achievement, 40 were judged as likely to be sustainable. On the other hand, of the 46 projects with negligible ID achievement, 33 were unlikely to be sustainable[26, p. 1].

Sustainability is obviously influenced by several factors, but ID is certainly an important one among them. Brinkerhoff[20, p. 151] sharpens the point by stressing the need for the wider internal and external approach to ID in order to help achieve a higher prospect of ID sustainability.

Gray *et al.* argue “that no incentives exist in the World Bank for good supervision – that the incentives stopped once the project was taken to the board. Responsibility for project outcomes appears to be very weak”[15, p. 26]. The World Bank’s logic seems to fall into the traditional trap of seeing the ID project’s implementation as determined by its plan (its preparation phase). The increasing reality is that implementation should be part of the exploratory nature of ID.

The World Bank has now recognized this important shift of emphasis and has incorporated it in its new operations declaration. It will “redirect the Bank’s international incentives, toward a better balance between approving new operations and ensuring the success of those in progress”[27, p. 2]. Later, it will “enhance the role of operations evaluation, and focus the evaluation of completed operations on whether the benefits are sustainable”[27, p. 7]. This is a very important change of policy. The argument about sustainability is reinforced by Honandle:

Development is concerned with inducing activity which leads to self-sustaining dynamics that improve human well being. Since development administration emphasises the design, organisation and management of such activity, the sustainability of the strategic interventions must occupy a prominent position in the field[28, p. 178].

In summary, institutional development must have a central concern for ensuring sustainability of the increased institutional capacity. Only then can ID be regarded as a success.

As a general summary of this third section, the spectrum of institutional development concerns interventions in organizational structures, their processes and their regulatory environment. The importance of the relationship between the organization and its environment is introduced. It is suggested that institutional development is a learning process, to be explored through client institutions. Institutional development must have a central concern for ensuring sustainability of the increased institutional capacity. Only then can ID be regarded as a success. In essence, ID is seen as an exploratory rather than a prescriptive process.

Projects

Under projects, two ideas are considered: projects as imposition; and the learning process.

Projects as imposition

There is no standard set of principles or techniques for applying ID in the Third World. Buyck suggests that “the state of the art and the lessons of experience are only slowly emerging, especially in areas like public sector management”[14, p. 25].

The classic model of the project is that of a cycle, running from inception through to completion and evaluation. A number of authors illustrate the cycle[27, p. 19; 29, p. 46; 30, p. 16; 31, p. 488].

Honandle and Rosengard state that:

Projects are discrete activities aimed at specific objectives with earmarked budgets and limited time frames. This is in contrast to programmes which have more nebulous objectives and occupy a more permanent status in an institutional setting. Projects are also more likely to be targeted on specific geographic areas and aimed at particular beneficiary groups [32, p. 299].

At present, the project is the standard instrument for ID in practice.

Rondinelli suggests that:

As projects have become more prominent channels for international assistance, and as managerial arrangements for implementing development policies, they have also come under increasing criticism by development theorists and practitioners who argue that they have not achieved their objectives and, indeed, have inhibited social learning and institution building in developing countries[33, p. 308].

The inference is that the project approach is mechanistic: it lacks the vital exploratory component. In this sense, projects are seen as an imposition from external sources and not as a form of self-determination with external support.

The criticism of the project approach centres on the notions of specificity and mechanistic processes. Honandle and Rosengard warn against excessive projectization but throw caution against its total abandonment: “Much of the criticism aimed at projects is really focused on poor use of the approach rather than the approach itself. Thus care must be taken not to throw the baby out with the bathwater”[32, p. 304]. However, the criticism of the mechanistic nature of the process has led some authors to propose a clear and exploratory alternative.

Brinkerhoff and Ingle present their process alternative to the blueprint approach:

There are several variants. However, all share a number of key features; flexibility and incremental adaption, continuous information gathering at the micro-level, experimentation, and iterative learning. The process model starts from the assumption that not enough is known in the pre-implementation stage about what will be successful, to specify all details in advance. Design and implementation are merged in that the project is modified and adapted as knowledge is acquired about the specific environment. Each design iteration represents an experimental solution[31, pp. 488-9].

The learning approach to project development is introduced.

In summary, it is apparent that the traditional project approach has two flaws: it is a blueprint (or mechanistic) construction and it is a hierarchical (and deductive) method.

The learning approach

Dichter reinforces the previous argument:

Blueprint management is the term recently and negatively used to categorise the approach of the large bilateral and multilateral aid agencies. As its name implies, it suggests management by a preconceived, ordered plan. Borrowed from the world of engineering, it is an approach that defines a problem, cites objectives, chooses solutions, puts together resources, implements the plan and evaluates the results. It is hierarchical in structure and works from the top down[34, p. 383].

His opposing perspective is “people centred management, or the learning process approach to development management”.

Salman supports the idea of learning:

This learning process has been described and contrasted to the blueprint approach in the development literature...The blueprint model follows the approach to project design used in engineering. While blueprints work well with the construction of defined materials into pre-determined forms (dams, bridges or buildings), they are far less suited to the indefinite matter which makes up human society[4, p. 5].

Baldwin concurs: “The term ‘learning process’ can be used to summarize this bottom-up approach which can be contrasted with the (failed) ‘blueprint’ approach”[35, p. 92]. He goes on to present a table to show the contrast between the two approaches, using the checklist of the development process, from initiation to evaluation.

The World Bank agrees and also introduces the concept of learning:

The implied rejection of blueprints in tackling the complexities of development is not a counsel of despair. The chief lesson to be drawn from the experience is the importance of building into every strategy and programme an effective learning process[36, p. 126].

Hulme offers some principles to guide the more enlightened approach to ID.

Aid donors must eschew their preference for organisational blueprints and recognise the contingent nature of reforms. [They must] recognise that many public sector organisations have only a small controlled decision-making space and thus pay more attention to influenceable decision-making opportunities. [They must] acknowledge that machine model approaches are likely to reinforce the negative aspects of hierarchical control in bureaucracies[37, p. 433].

In summary, it is apparent that the exploratory, iterative (or learning) approach is a key to ID project success.

As a general summary to this fourth section, the project approach is seen to have two flaws. It is a blueprint (or mechanistic) construction. It is a hierarchical (and deductive) method. In its place, the exploratory, iterative (or learning) model is advocated. This is seen to be a central platform for any meaningful intervention in Third World development. In essence, projects are seen as being mechanistic.

Technical assistance (TA)

Under technical assistance, two ideas are considered: TA characteristics; and factors for success.

TA characteristics

Blase is very critical of the traditional approach to TA in the development process:

The role of a donor truly interested in fostering institutions that will serve as “engines” of the development process is a most challenging task... The capital assistance process format does not fit institution building situations well. The rush to obligate technical assistance funds results in, for example, the technical assistance personnel arriving on the scene, with counterpart personnel hardly knowing they are coming, much less agreeing to the objectives some high-level administrator in their institution agreed to[1, p. 404].

Such a situation is not unheard of[38, Ch. 4].

First, Buyck[14, p. 14] laments the continued domination of technical assistance in development projects in Africa. Second, of all the regions, Africa continues to rely most heavily on long-term advisers (owing to pervasive institutional weaknesses)[14, p. 17].

ID related technical assistance is much more difficult to design and deliver than investment-related TA because of the nature of institutional development. In the words of one colleague, the ID process is long, iterative, complex, non-linear, sensitive and unpredictable and requires behavioral changes. [As a result] the need for ID-related TA may be less clearly perceived by governments, and more easily resented... Efficient delivery of ID does not guarantee long lasting impact[14, p. 63].

This second point is very important. The output of ID is within a controlled environment, especially where resident advisers are involved. The outputs are identified through the organizational activities that are to be strengthened. The necessary skills transfer is part of this identification. The impacts are determined when these skills are turned into processes that have a discernible effect on the institution's performance.

The methods for assessing ID performance are in their infancy. However, two authors make an admirable attempt at offering a structure to help in that assessment. Bamberger and Hewitt analyse the question in detail. First, they make the important distinction between outputs, which the project is intended to produce, and impacts, which it is hoped will occur as a result of the project. They go on to stress that “success is significantly effected by the characteristics of the target population and by the political and economic context within which the project is implemented”[39, p. 4].

In summary, it is suggested that TA has been associated with a traditional project approach to ID.

Factors for success

In order to ensure success, the approach to ID (whether or not through technical assistance) must settle on some tangible units of analysis.

Israel seeks to identify a unit of analysis: “The appropriate unit of analysis for institutional effectiveness is an activity within an organisation”[40, p. 48]. By inference, an activity involves the deployment of human and financial (including material) resources to achieve some unit of organizational output.

The unit of organizational analysis is an important concept, both in terms of understanding performance and its related budgeting.

Wunsch offers a similar analysis:

In this analytical strategy, the key features of given goods or services and their production processes are the level of analysis; and the individuals taking or not taking actions to produce these goods or services are the unit of analysis. Organisational arrangements, among other factors, become variables important in predicting/explaining why certain outcomes are reached or not[41, p. 436].

This requires sustained analysis.

Pike reinforces the painstaking nature of ID in order to highlight the effort required for success:

Change cannot be planned or executed rapidly. It takes time to understand an existing situation, and even longer to bring about the often fundamental changes in attitudes and practices which are necessary for meaningful improvement[42, p. 167].

This alludes to the essential characteristic that distinguishes an organization from an institution. Intervention in organizations is concerned with the instrumentalities of organizational performance. Intervention in institutions is concerned with instrumentalities and their overriding attributes of policy and value, both to participants (internal) and their beneficiaries (external).

Buyck presents the ingredients for good contemporary ID practice. The challenge is to design a project that:

(1) responds to genuine needs of the recipients; (2) is adaptable to the recipients absorptive capacity and (3) is designed for flexible, effective implementation. First, thorough institutional analysis is necessary, including an assessment of country commitment. Secondly, to generate commitment and put it to the test, the design process must be conducted in a participatory fashion, with government taking the lead in defining priority needs, objectives, terms of reference and work programmes. Finally, to make implementation manageable...the project should be simple:

- with clearly defined goals
- few components
- as few implementing agencies as possible
- inputs should be adapted to local needs and capabilities
- a series of verifiable performance indicators should be defined[14, pp. 30-1].

Others[40, pp. 31-40; 43, p. 128; 44, pp. 15-21] advocate in a similar vein.

In summary, sustained functional analysis for ID is seen as a key ingredient for future success in practice.

As a general summary to this fifth section: technical assistance has been associated with a traditional project approach to ID. TA for ID is now seen as moving away from project-based TA towards a more exploratory and participatory mode of project formation and implementation. A sustained functional analysis is seen as a key ingredient for future success in practice. In essence, technical assistance is moving towards a more exploratory and participatory mode of project formulation and implementation.

Summary and conclusion

Two sets of conclusions are drawn from this analysis. The first concerns the general characteristics of institutional development. The second concerns the specific nature of the process. They are not mutually exclusive.

In summary this review suggests the following general characteristics:

- Institutions are fundamental to the development process; they are frequently cited as impediments to progress.
- Development is a political process dominated by policy concerns and human needs.
- ID is seen as an exploratory rather than a prescriptive process.
- Projects are seen as mechanistic, in the style of the blueprint approach to technical assistance.
- TA is moving towards a more exploratory and participatory mode of project formulation and implementation.

The specific nature of the ID process is suggested by the following quotations:

- That *value* distinguishes an institution from an organization: “We are concerned with purposes and values which extend beyond the immediate task in hand”[1, p. 330].
- That *sustainability* must be the test of development: “Development is concerned with inducing activity which leads to self-sustaining dynamics that improves human well being”[28, p. 178].
- That *exploration* is the key to contemporary institutional development practice: “All development initiatives are real world experiments”[8, p. 192].
- That *learning* is essential to institutional development: “Each design iteration represents an experimental solution”[31, p. 488-9].
- That *function* must be identified for institutional development: “The appropriate unit of analysis for institutional effectiveness is an activity within an organisation – that is, a specific function”[40, p. 48].

In conclusion, this article has looked at five topics in an attempt to review the concept of ID: institutions; development; institutional development; projects; technical assistance. In so doing, it has sought to offer a flavour of the considerable and rapidly growing literature on the subject of ID. This has helped to establish some parameters to the concept. These parameters are captured by the scope of the process, modes of intervention and factors for success, distilled from the original literature search[38]. The resulting conceptual framework is presented in Table I.

This conceptual framework has already been embellished in practice by this author. This embellishment has concerned the importance of the organizational -environmental relationship[45] and of testing sustainability[46]. A wider

Variables	Frequency of citation	Institutional development: a review	
<i>Scope of the process</i>			
Sustainability of ID	11	<hr/> 77 <hr/>	
Iterative, learning and experimental ID	10		
Value to the wider community	9		
Political not technical rationality	6		
Institutions: a pivotal role in development	5		
Releasing local potential for self-help	2		
Quality of relations (political software)	2		
Strengthening human and financial resources	2		
Structures, processes and outputs	2		
<i>Modes of intervention</i>			
Assessing the environment	5		
Structure and organization	3		
Policy and management processes	3		
Personnel and training	2		
Finance	2		
Legal framework and government regulations	2		
Inter-institutional arrangements	2		
Remuneration/incentives to performance	2		
<i>Factors for success</i>			
Project leadership and environmental support	7		
Project clarity and clear goals	3		
Beneficiary/counterpart involvement	3		
Autonomy and accountability	2		
Project scale – few components	2		
Use of local resources	2		
<i>Note:</i> The frequency is the number of times each variable is cited in the primary research			
<i>Source:</i> [38]			

Table I.
Variables for institutional development by frequency of citation in the literature

contribution to the argument, which combines theory and practice, is forthcoming[47].

There is no doubt that institutional development remains a fluid concept, liable to considerable future analysis and debate. The debate will be welcomed. However, the test of the debate will have to be a greater understanding of the institutional development process for institution builders in the Third World.

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